

# LSFW 魯商服務

Lushang Life Services Co., Ltd.  
魯商生活服務股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)  
Stock Code: 2376



2023  
ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT

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# ABOUT THIS REPORT

## INTRODUCTION

For the convenience of expression and reading, Lushang Life Services Co., Ltd. is referred to as “**Lushang Services**”, the “**Company**”, “**we**” or “**us**” in this report.

This report is the second sustainability report published by Lushang Services since its listing. It aims to disclose the Company’s contributions and performance in terms of environmental, social and governance (“**ESG**”) in a transparent and open manner, so as to respond to the concerns and expectations of various stakeholders on the Company’s sustainability management.

## REPORTING PERIOD

The reporting period for the content of this report is from January 1, 2023 to December 31, 2023 (the “**Reporting Period**” or “**Year**”). In order to enhance the comparability and completeness of this report, certain content also appropriately covers prior and subsequent periods. Unless otherwise indicated, the scope of this report is the same as that of the 2023 annual report of the Company.

## REPORTING SCOPE

This report covers Lushang Services and its subsidiaries.

## BASIS FOR THE PREPARATION OF THIS REPORT

This report is prepared mainly in accordance with Appendix C2 Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**” or “**Stock Exchange**”), the United Nations’ Sustainable Development Goals (“**SDGs**”) Corporate Action Guidelines and the Sustainability Reporting Guidelines issued by the Global Reporting Initiative (“**GRI**”).

## PRINCIPLES OF REPORTING

The preparation process of this report follows the principles of “materiality”, “quantitative”, “balance” and “consistency” in the ESG Reporting Guide issued by the Stock Exchange to fully and accurately respond to stakeholders’ concerns about Lushang Services. The principles of reporting are as follows:

## ABOUT THIS REPORT

**Table: Principles of reporting**

Principles of reporting	Definitions	Response of the Company
Materiality	According to the ESG Reporting Guide, materiality refers to the threshold at which ESG issues determined by the Board are sufficiently important to investors and other stakeholders that they should be reported.	The Company fully considered its business characteristics, communicated with stakeholders to identify material ESG issues at present, submitted them to the Board for consideration and final approval, and engaged a third-party professional institution to prepare this report.
Quantitative	Key performance indicators (“KPIs”) in respect of historical data need to be measurable. The issuer should set targets (which may be actual numerical figures or directional, forward-looking statements) to reduce a particular impact. In this way the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative, explaining its purpose, impacts, and giving comparative data where appropriate.	The KPIs of the Company in environmental and social aspects are presented in the form of quantitative information with accompanying narratives to facilitate evaluation and validation.
Balance	The report should provide an unbiased picture of the Company’s ESG performance. The report should avoid selections that may inappropriately influence a decision or judgment by the report reader.	This report objectively, fairly and truly reflects the effectiveness and practice of the Company’s ESG management work in 2023.
Consistency	The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time.	Following the principle of consistency, the Company will consistently disclose ESG information in the following years to facilitate comparisons over time.

## SOURCES OF INFORMATION

The information in this report is derived from the Company’s official documents, statistical data or publicly available information, and has been approved by the internal supervision mechanism. The Board of the Company is responsible for the authenticity, accuracy and completeness of the content of this report.

## ACCESS TO THIS REPORT

This report is available in Chinese and English versions for readers’ reference, and is published in electronic form. You can download this report from the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.lushangfuwu.com](http://www.lushangfuwu.com)).

# ABOUT US

## COMPANY PROFILE

Lushang Life Services Co., Ltd. is a comprehensive property management service provider with a market leading position in Shandong Province and a proven track record of rapid growth. Headquartered in Jinan, Shandong Province, the Company has, through 17 years of development since its inception in 2006, expanded its coverage to nearly all prefecture-level cities in Shandong Province and to Beijing and Harbin. According to China Index Academy, the Company was ranked 31st among the 2023 Top 100 Property Management Companies in China (2023年中國物業服務百強企業) in terms of overall strength.

## BUSINESS SEGMENTS

The Company's business primarily includes three business lines: (1) property management services; (2) value-added services to non-property owners; and (3) community value-added services.

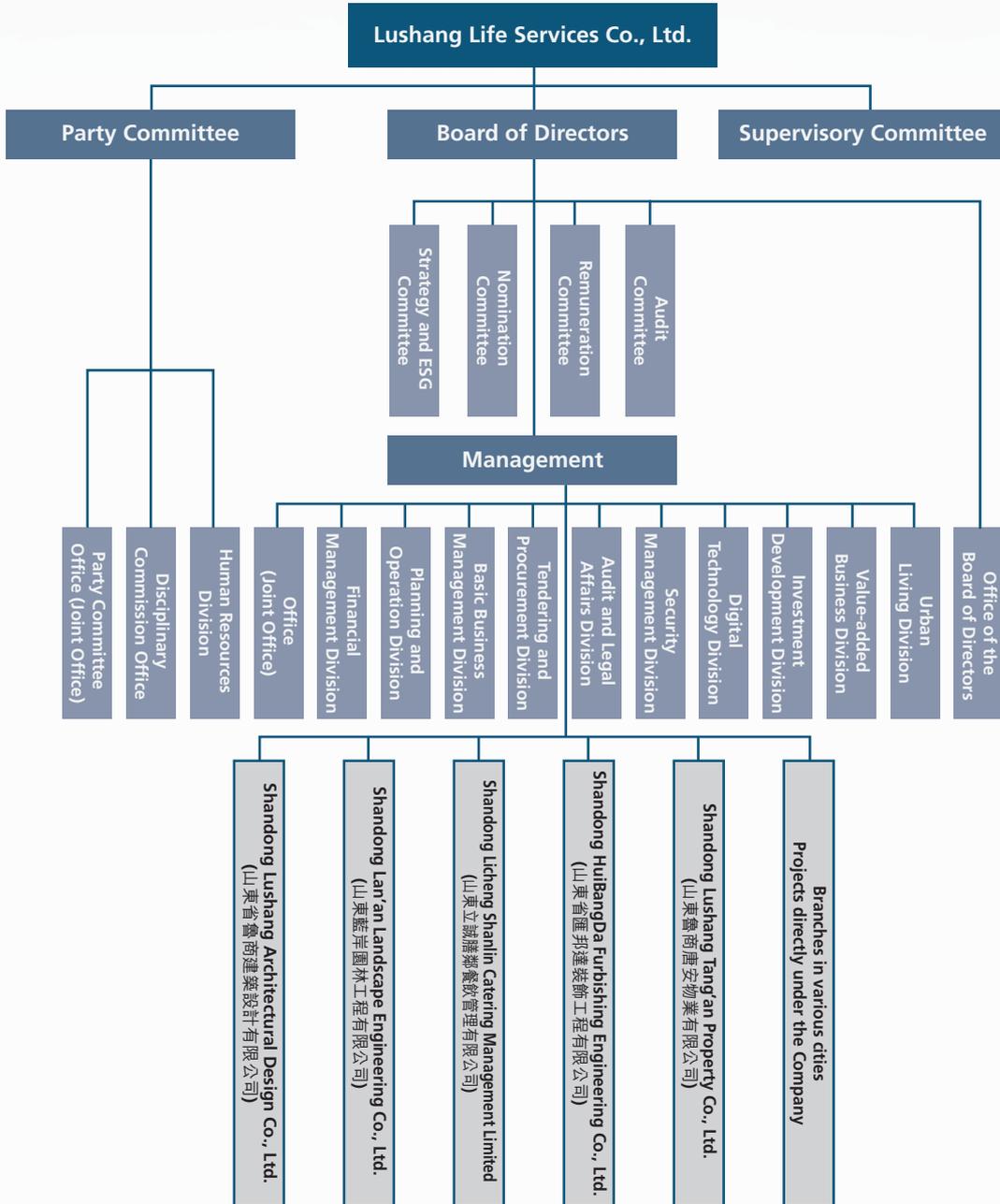
**Property Management Services.** The Company provides property developers, property owners (including public entities), residents and tenants with a wide range of property management services, comprising cleaning, security, greening, repair and maintenance, public area maintenance and other property management related services. The Company manages a diverse portfolio of properties, including residential properties, commercial properties such as commercial complexes, office buildings and apartments, and public properties including municipal facilities such as city roads, schools, theme towns, hospitals, banks, industrial parks and airline base property.

**Value-added Services to Non-Property Owners.** The Company's value-added services to non-property owners primarily consist of: (1) design services, where we provide property developers and schools with preparation of construction blueprints and relevant design plans, and interior decoration for property developers, commercial complexes and hotels' sales offices and show flats and common area, before the construction begins; (2) patrol and security management for construction sites, and consulting services in which we advise on various stages of property developers' business operations; (3) landscaping services; (4) pre-delivery services; and (5) other customized services such as repair and maintenance services.

**Community Value-added Services.** The Company's community value-added services primarily consist of: (1) community space and resource management services; (2) parking space management services; (3) utility management services; and (4) community living services.

ABOUT US

ORGANIZATIONAL STRUCTURE



## HONORS



2023 Top 100 Property Management Companies in China (2023年中國物業服務百強企業) awarded by China Index Academy

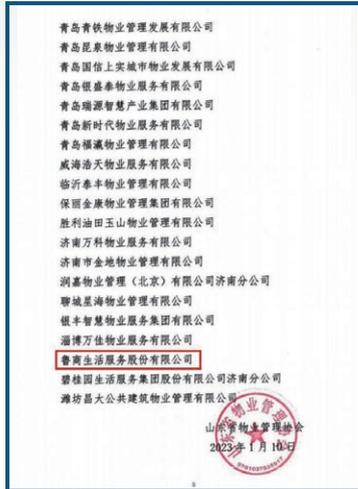


2023 Leading Enterprise in Property Management Market in Shandong Province (2023年山東省物業服務市場地位領先企業) awarded by China Index Academy



Lushang Services was awarded the honors of "2022 Top 10 Property Management Companies in Shandong Province" (2022年山東省物業服務力TOP10企業), "2022 Top 5 Residential Property Management Companies in Shandong Province" (2022年山東省住宅物業服務力TOP5) and "2022 Top 5 Property Management Companies in Jinan" (2022物業服務力濟南TOP5) by China Property Management Research Association (中物研協) and CRIC Property Management (克而瑞物管)

ABOUT US



Outstanding Member of 2022 (2022年度優秀會員單位) awarded by Jinan Property Management Industry Association (濟南市物業管理行業協會)



"Guangyuan" (光源), the Party-building brand of Lushang Services, was successfully selected as one of the 150 outstanding Party-building brands among companies in Shandong Province (山東省屬企業150個優秀黨建品牌建設成果)



Lushang Services was named as a "Shandong Red Property" Star Service Enterprise (「齊魯紅色物業」星級服務企業)

附件2

2022年度地方国有企业品牌建设典型案例名单  
(各门类例按地方国资委名录排序)

序号	地方国资委名称	地方国有企业名称	案例名称	案例类别
1	北京市委	北京首农食品集团有限公司	制定高标准, 引领中国味	战略引导
2	河北省国资委	河北建投世纪物业发展有限公司	推进精细化管理战略, 助力企业高质量发展	
3	上海市委	上海浦东发展银行股份有限公司	战略引领前行路, 品牌赋能新发展	
4	广西壮族自治区国资委	广西旅游发展集团有限公司	实施品牌战略, 推动广西旅游高质量发展	工作体系
5	重庆市委	重庆水务环境控股集团有限公司	品牌化打造一流现代化环境产业集团	
6	福建省国资委	福建省冶金(控股)有限责任公司	以品牌建设为抓手, 引领厦钢国际化	品牌理念
7	宁夏回族自治区国资委	新疆机场(集团)有限责任公司	打造“天翼”航空服务品牌, 助力新疆民航集团	
8	山东省国资委	山东省商业集团有限公司	鲁商祺福, 构建完整社区, 服务美好生活	品牌赋能

The "Qifu" (祺服) brand of Lushang Services was selected as an outstanding brand example (品牌優秀案例) by the State-owned Assets Supervision and Administration Commission of the State Council



Lushang Services was named as "2022 Top 100 Property Management Service Companies for Government Procurement (20 Years)" (2022政府採購20年百強物業管理服務商)

ABOUT US

附件  
2022年濟南市物業管理面積領先企業

序号	企业名称
1	山东明盛物业管理集团有限公司
2	山东泰康物业管理集团有限公司
3	山东鲁商物业管理集团有限公司
4	山东明盛物业管理集团有限公司
5	鲁商生活服务股份有限公司
6	中润物业管理集团有限公司
7	山东中润物业管理集团有限公司
8	银丰智慧物业服务集团有限公司
9	中海物业管理有限公司济南分公司
10	山东中润物业管理集团有限公司
11	山东明盛物业管理集团有限公司
12	中铁十局集团物业管理有限公司
13	山东康泰物业管理集团有限公司
14	山东康泰物业管理集团有限公司
15	济南高新绿城物业管理有限公司
16	山东康泰物业管理集团有限公司
17	中建八局城市投资运营管理有限公司济南分公司
18	山东保利物业管理有限公司
19	上海伊藤汉宇物业管理有限公司济南分公司
20	绿城物业服务集团有限公司济南分公司

附件  
2022年濟南市物業服務營業收入領先企業

序号	企业名称
1	山东明盛物业管理集团有限公司
2	山东明盛物业管理集团有限公司
3	山东鲁商物业管理集团有限公司
4	山东明盛物业管理集团有限公司
5	鲁商生活服务股份有限公司
6	鲁商生活服务股份有限公司
7	中土物业管理集团有限公司
8	招商局积余产业运营服务股份有限公司山东分公司
9	中海物业管理有限公司济南分公司
10	济南高新绿城物业管理有限公司
11	中润物业管理集团有限公司
12	中铁十局集团物业管理有限公司
13	中润物业管理集团有限公司
14	上海伊藤汉宇物业管理有限公司济南分公司
15	山东康泰物业管理集团有限公司
16	中润物业管理集团有限公司
17	山东康泰物业管理集团有限公司
18	绿城物业服务集团有限公司
19	山东康泰物业管理集团有限公司
20	绿城物业服务集团有限公司济南分公司

附件  
2022年濟南市物業服務行業履行社會責任領先企業

序号	企业名称
1	中海物业管理有限公司济南分公司
2	银丰智慧物业服务集团有限公司
3	山东康泰物业管理集团有限公司
4	山东明盛物业管理集团有限公司
5	山东明盛物业管理集团有限公司
6	上海中建东孚物业管理公司济南分公司
7	山东康泰物业管理集团有限公司
8	招商局积余产业运营服务股份有限公司山东分公司
9	绿城物业服务集团有限公司
10	山东中润物业管理集团有限公司
11	山东明盛物业管理集团有限公司
12	山东康泰物业管理集团有限公司
13	山东明盛物业管理集团有限公司
14	中润物业管理集团有限公司
15	山东康泰物业管理集团有限公司
16	中润物业管理集团有限公司
17	鲁商生活服务股份有限公司
18	中润物业管理集团有限公司
19	绿城物业服务集团有限公司
20	绿城物业服务集团有限公司济南分公司

In the officially released 2022 Yearbook of Property Management Industry in Jinan (2022濟南物業管理行業年鑒), Lushang Services was awarded three honors, including “2022 Leading Enterprise in Terms of Property Management Area in Jinan” (2022年濟南市物業服務管理面積領先企業), “2022 Leading Enterprise in Terms of Operating Income from Property Management in Jinan” (2022年濟南市物業服務營業收入領先企業) and “2022 Leading Enterprise in Terms of Fulfilling Social Responsibilities in Property Management Industry in Jinan” (2022年濟南市物業服務行業履行社會責任領先企業)

2022年“泉城最美物業人”(企業)

序号	企业名称
1	山东省诚信行物业管理有限公司
2	银丰智慧物业服务集团有限公司
3	山东源华物业管理有限公司
4	山东明盛物业管理集团有限公司
5	鲁商生活服务股份有限公司
6	山东华特西隆物业有限公司
7	济南城建物业管理有限公司
8	济南高新绿城物业管理有限公司
9	济南万科物业服务集团有限公司
10	济南万盛物业管理有限公司
11	济南为民物业管理有限公司
12	山东保利物业管理有限公司
13	山东港基建设集团物业管理有限公司
14	山东黄金物业管理有限公司
15	山东金坤城市综合服务有限公司
16	山东康都物业管理有限公司
17	山东明英物业服务集团有限公司

2022年“泉城最美物業人”(個人)

姓名	马勇	性别	男	所属单位	鲁商生活服务股份有限公司济南分公司 客服经理
姓名	王海燕	性别	男	所属单位	鲁商生活服务股份有限公司运营分公司 总经理

Lushang Services and its employees were named as the “Most Beautiful Property Management Individuals in Quancheng” (泉城最美物業人)



DU Xinming (都新明), the general manager of the Heze Branch of Lushang Services, and ZHANG Qiliang (張啟良), the manager of the Order Department of the Heze Phoenix City (荷澤鳳凰城) project of Lushang Services, were awarded the honorary titles of “Courageous Role Model” (見義勇為模範) and “Courageous Activist” (見義勇為積極分子), respectively



The Lushang Phoenix City (魯商鳳凰城) project of the Jinan Branch of Lushang Services was awarded the First Prize of Water Saving in Jinan (濟南市節約用水獎勵一等獎)

# SUSTAINABILITY MANAGEMENT

## STATEMENT OF THE BOARD

The Board believes that promoting sustainable development is as important as achieving long-term business growth. As such, we are continuously committed to maintaining a high degree of sustainable development in business operations, promoting sustainable development plans in areas such as sound corporate governance, environmental protection, labor rights and community development, and actively communicating and maintaining good relationships with stakeholders such as customers, investors, the government, suppliers and non-profit organizations.

## ESG GOVERNANCE STRUCTURE

The Company has established an ESG governance structure. The Board, being the highest decision-making body among the ESG governance structure, assumes full responsibility for the Company’s ESG strategy and reporting, regularly monitors the Company’s ESG issues, performance, climate risks and opportunities, and periodically reviews, discusses and approves the Group’s ESG governance policies, strategy and risks.

The Board has established the Strategy and ESG Committee, and has authorized the Strategy and ESG Committee to perform its responsibilities within its terms of reference. The Strategy and ESG Committee refines and implements ESG-related work based on the major issues, strategies and guidelines derived from the ESG materiality assessment; coordinates the annual environmental, social and governance (ESG) reporting work; and through materiality assessment and collection of ESG matters of concern to investors, determines specific implementation strategy and reports to the Board.

Each department is responsible for implementing the ESG management strategy, and continuously keeping track of the progress of ESG management targets.

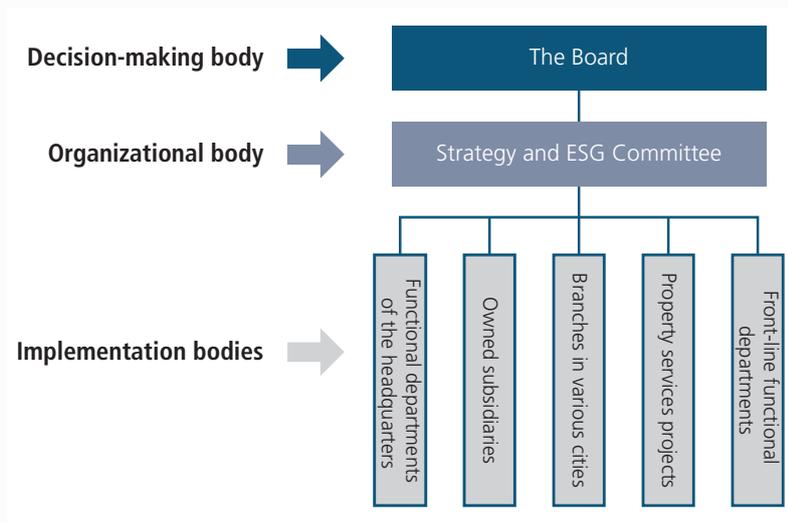


Diagram: ESG governance structure of the Company

## COMMUNICATION WITH STAKEHOLDERS

Sustainable development is inseparable from the opinions of stakeholders. Lushang Services maintains close contact with stakeholders, including but not limited to shareholders and investors, customers and property owners, government departments and regulatory authorities, partners and employees, and is committed to creating a multi-tier and multi-channel communication mechanism to receive suggestions from stakeholders. The Company has incorporated relevant issues into its development, actively responded to the demands and expectations of stakeholders, and enhanced its sustainable development capabilities. The following table presents the key issues concerned by and the main communication channels with various stakeholders:

## SUSTAINABILITY MANAGEMENT

**Table: Communication channels with and issues concerned by key stakeholders**

Key stakeholders	Communication channels	Issues concerned
Government and regulatory authorities	Policy implementation and reporting Information disclosure Routine inspections by government departments	Compliant operations Participation in public governance Emissions management
Shareholders and investors	General meeting Investor hotline Company announcement Results conference Roadshow and reverse roadshow	Operational performance Improvement of information transparency Risk control Sustainable profitability
Customers/Property owners	Customer satisfaction survey Customer service hotline Community cultural activity	Service quality Customer privacy protection
Employees	Democratic life meeting Employee representatives' meeting Employee activity Complaints and feedback	Employee rights and benefits Employee development and promotion Occupational health and safety
Suppliers/Partners	Tendering and procurement communication Supplier management system	Supply chain management Anti-corruption
Media and non-governmental organizations	Social media Official website Press conference Exchange meeting	Protection of ecological environment Support to charity activities Development of community welfare
Communities	Forum Charity activity Community activity	Community building Community culture Emissions
Industry associations	Exchange meeting Social media Information disclosure	Employment Anti-corruption Emissions

SUSTAINABILITY MANAGEMENT

**DETERMINATION OF MATERIAL ISSUES**

According to the definition and identification of material issues, questionnaire surveys and assessment and selection of material issues, the Company identified 20 ESG issues of concern to the Company and its stakeholders pursuant to the ESG Reporting Guide issued by The Stock Exchange of Hong Kong Limited and the Sustainability Reporting Standards issued by the GRI and in line with the actual development of Lushang Services with further supplements and optimizations based on the issues in 2022. By carrying out stakeholder surveys and expert opinion consultation, the materiality of material issues have been sorted from two aspects, i.e. the materiality of the economic, environmental and social impact of Lushang Services, and the materiality of the impact on stakeholders' assessment and decision-making. According to the assessment results, issues such as employee rights, employment, physical and mental health of employees, information security protection, employee career development, use of resources, anti-corruption and anti-money laundering are of the highest materiality. Based on the above ESG materiality assessment results, we have made detailed disclosure on key issues in the corresponding chapters to better respond to the concerns and expectations of various stakeholders.



Diagram: Analysis process of material issues

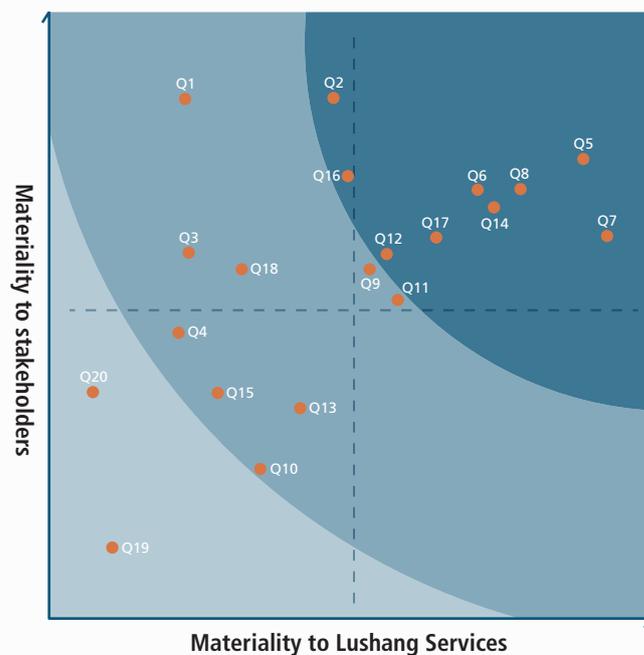


Diagram: Matrix of material issues

Note: In the diagram, Q1: emissions; Q2: use of resources; Q3: the environment and natural resources; Q4: climate change; Q5: employment; Q6: employee career development; Q7: physical and mental health of employees; Q8: employee rights; Q9: supply chain management; Q10: community activities and community culture; Q11: health and safety of customers/property owners; Q12: product and service quality; Q13: intellectual property protection; Q14: information security protection; Q15: community investment; Q16: business compliance and standardization; Q17: anti-corruption and anti-money laundering; Q18: Board supervision; Q19: risk identification; Q20: regular communication.

## SUSTAINABILITY MANAGEMENT

**SPECIAL TOPICS****102nd anniversary of the founding of the Chinese Communist Party – Lushang Services organized a series of activities to celebrate the Founding Day on July 1st**

To celebrate the 102nd anniversary of the founding of the Chinese Communist Party, thoroughly study and implement the spirit of the 20th National Congress of the Party, learn and understand Xi Jinping’s Thought on Socialism with Chinese Characteristics for a New Era, further stimulate the vitality and vigor of lower-level Party organizations, and enhance the sense of honor and mission of Party members, the Party Committee of Lushang Services organized a series of activities to celebrate the Founding Day on July 1st, thereby contributing to the Party with practical actions on its anniversary.

**ORGANIZED VISIT TO RECALL THE GLORIOUS PARTY HISTORY**

On July 1st, the Party Committee of Lushang Services organized Party members and cadres to visit the Shandong Early History Memorial Museum of the Chinese Communist Party to recall their original ambition and mission as Party members. In the museum, they were educated about the development process of local Party organizations in Shandong Province and the glorious achievements of Party historical figures in Shandong Province, and learned about the magnificent triumph and valuable experience of the Party in leading the people of Shandong Province in revolution, construction and reform. The commemorated pictures, texts and photos profoundly exhibited the heroic deeds of revolutionary martyrs who persevered in their struggle, shed their blood and sacrificed their lives. The visit is not only a vivid practice of normalizing the study and education of Party history, but has also allowed everyone to deeply recall and embrace their original mission and firm belief as Party members. It has also encouraged Party members and cadres to manifest their loyalty with their responsibilities and demonstrate their values with their actions by performing their duties, being down-to-earth, consciously incorporating Party and patriotic values into every aspect of their work and life, remaining true to their original ambition and forging ahead, thereby making greater contributions to “revitalizing Lushang Services”.



SUSTAINABILITY MANAGEMENT

**ORGANIZED LECTURES ON PARTY THEORIES TO ENLIGHTEN THOUGHTS AND MINDS**

In order to promote thematic education in an in-depth, practical, practicable and effective manner, the Party Committee members of Lushang Services took the lead in giving thematic Party education lectures to Party members and cadres, and guided the Party members and cadres of Lushang Services to study the theories of systems, problems and practices and comprehensively understand the scientific system, essence and practical requirements of Xi Jinping’s Thought on Socialism with Chinese Characteristics for a New Era, so as to further enlighten their thoughts and minds, gather the strength to forge ahead, and strive to open up a new prospect for the high-quality development of Lushang Services.



**OFFERED COOLNESS IN THE SUMMER TO HELP EMPLOYEES WITH PRACTICAL ACTIONS**

In order to continuously promote the “Practical Actions for Everyone” (我為群眾辦實事) practical activity, earnestly safeguard the health of front-line employees and effectively cool down their body temperature, the Party Committee members of Lushang Services visited front-line workplaces and sent cooling items such as Huoxiang Zhengqi Shui (藿香正氣水, a Chinese classic herbal formula) and mineral water to front-line employees, thereby conveying the care of Party organizations and the labor union to employees, and expressing gratitude and appreciation to employees for their hard work. The members advised everyone to improve safety awareness during work, pay attention to physical health and ensure life safety and production safety. This activity has further built employee morale, boosted employee spirit and enhanced employees’ sense of gain and happiness.



## SUSTAINABILITY MANAGEMENT

**LEARNED FROM BENCHMARKS TO DRAW STRENGTH AND STRIVE TO BE THE FIRST**

The First Party Branch of Lushang Services and the Party Branch of the Disciplinary Commission Office went to the Sanjianxi Party Base (三澗溪紅色基地) and carried out a Party Day activity with the theme of “embracing and strengthening Party spirit, cultivating character and achieving new success to celebrate the Founding Day on July 1st”. The members visited the Party Member Service Center and the Rural Revitalization Center of Sanjianxi Village, viewed valuable photos and videos of Sanjianxi Village, and learned about the gradual transformation of Sanjianxi Village from an impoverished village to a model for rural revitalization of Shandong Province. By strengthening the study and understanding of rural revitalization, experiencing the rapid changes of rural villages in the new era and learning new models of community service governance, this activity has further stimulated the enthusiasm of Party members and cadres to pioneer, innovate and take on their responsibilities.

**VISITED VETERAN PARTY MEMBERS TO EXPRESS SINCERE GRATITUDE AND SEND CARE**

Members of the Second Party Branch of Lushang Services visited veteran Party members to send holiday care, listened to their stories of struggles, learned more about their daily lives, health conditions and family situations, and reminded them to take care of themselves. The members carefully listened to the opinions and suggestions of veteran Party members, sent holiday greetings, and expressed the gratitude and appreciation of Party organizations.



SUSTAINABILITY MANAGEMENT

**GAVE LECTURES TO CHILDREN TO STIMULATE THEIR PARTY SPIRIT**

The Party Branch of Jinan City Company of Lushang Services organized Party members to visit Yanquan School (砚泉學校) in Jinan, Shandong Province and carried out a Party Day activity with the theme of “celebrating the Founding Day on July 1st by educating children to pass on Party spirit from generation to generation”. The members gave Party lectures on special topics to help children learn about the Party flag and emblem, tell stories about the Party and review the birth and development of the Party, thereby stimulating Party spirit among young children, boosting their devotion for the Party, and inspiring them to become people who love their motherland and the Party and who are enthusiastic about learning and life.



**BUILT SOCIAL ENTERPRISES BY CARRYING OUT DOUBLE REGISTRATION (雙報到) TO PROMOTE WIN-WIN DEVELOPMENT**

The Party Committee of Lushang Services organized Party member volunteers to visit the Quanyun Village (全運村) community and carried out the double registration activity, with an aim to convey the Party’s care to new employment groups. The volunteers went to the SF Express station in the Quanyun Village community to give cooling items to couriers who stayed at work under the high temperature, expressed heartfelt gratitude to them for their hard work, and reminded them to protect themselves from the scorching sun and take cooling-down measures, thereby actively guiding them to integrate into grassroots social governance and strive to become a new “partner” in urban governance.



## SUSTAINABILITY MANAGEMENT

**ORGANIZED CULTURAL PERFORMANCE TO EXPRESS DEVOTION TO THE PARTY**

In order to further enrich the cultural life of property owners and give full play to the role of the Party in cultivating and uniting people, the Phoenix City Project (鳳凰城項目) and Tangcheng Community Project (唐城小區項目) of Lushang Services, together with the respective communities, organized a cultural performance for Party members, cadres and the people to celebrate the Founding Day on July 1st together. Through singing, dancing, reciting and Chinese opera, everyone expressed their devotion and gratitude towards the Party, celebrated their beautiful and happy new life and enhanced neighborhood harmony. This event has inspired community Party members and residents to work together to build a beautiful home.

The series of activities to celebrate the Founding Day on July 1st have enhanced the cohesion, appeal and effectiveness of Party organizations, and further inspired the Party spirit, patriotism, dedication and hard work among all cadres and employees of Lushang Services. In the next step, Lushang Services will firmly implement the general requirements of thematic education, adhere to the “12345” high-quality development strategy and “1+8+N” business development strategy of the Group, and focus on the corporate mission as “a comprehensive service provider for people’s better life”, in order to vigorously promote the political style of perseverance and the spirit of hard work, strive to reinforce the foundation, build the brand, seek development, improve efficiency, control risks and boost vitality, comprehensively facilitate the high-quality development of the Company, and achieve new success in “revitalizing Lushang Services”!



# OFFER PREMIUM SERVICES TO BUILD SMART COMMUNITIES ENTHUSIASTICALLY

Lushang Services upholds the corporate mission of “being a service provider for a better life” and deeply understands customers’ needs, thereby providing diversified, refined, professional and personalized community services for property owners.

## STRENGTHENED REFINED MANAGEMENT TO ENHANCE SERVICE QUALITY

**Established benchmark projects:** Based on the annual target plan, Lushang Services compiled a star service manual and formulated service grading standards to carry out three stages of benchmarking work. In the first stage, the Company selected projects, set standards, established benchmarks and strengthened assessment, and implemented 11 benchmark projects. In the second stage, based on the benchmark projects, the Company carried out cross-regional assistance to enhance benchmarking work. In the third stage, the Company implemented benchmarking learning for outstanding enterprises in the industry, strengthened rankings and strictly carried out assessment. Through the three stages of benchmarking learning, the Company has effectively solved the problem of poor operation quality. Based on the star standards and system documents, the Company organized trainings and examinations to effectively apply management standards into actual work scenarios. The Company established touchpoint scenarios and movement routes such as park entrances and exits and commuting routes according to local conditions to help maintain long-term service quality.



**Improved on-site quality:** Lushang Services has established a professional quality inspection team, improved the quality control system, solidified quality improvement measures, carried out special assistance work, strengthened special training, and overcome management shortcomings. In 2023, Lushang Services’ quality score was 85.11 points, representing an increase of 2.47 points as compared to the previous year. Among which, the score for all service lines as a whole was 79.65 points, and the score for a property owner project was 96.9 points. In terms of the building of key service scenarios and the presentation of movement routes and touchpoints, there was an improvement of 3.23 points as compared to the previous year. The Company shared on-site management highlights in a summarized manner, and replicated and promoted such highlights to establish special service and product scenarios. The Company circulated notices and criticized about common problems, typical problems and other management weaknesses, used the assessment results to implement special cash assessment, and supervised each unit to conduct in-depth analysis and rectification of existing problems.



Left: Before rectification

Right: After rectification

## OFFER PREMIUM SERVICES TO BUILD SMART COMMUNITIES ENTHUSIASTICALLY

**Developed housekeeper services:** Centering on the project manager with housekeeper as the focus, Lushang Services has comprehensively improved satisfaction from customer information maintenance, home visits, housekeeper WeChat and corporate WeChat promotion, community culture and major festival decorations, and implementation of touchpoint services. In particular, Lushang Services has implemented weekly visits and conversions, covering regular households quarterly. At the mid-level and above, the project covers key customers. The customer service manager visits no less than two households per week, and the project manager visits no less than five households per month. The Company has ensured the accuracy of property owner information to be above 95%. There is a theme each month, and community cultural activity plans are formulated by business type and star rating. Special funds are utilized for major holiday decorations, and the headquarters makes unified arrangements to formulate decoration plans. In 2023, Lushang Services held a series of more than 450 community cultural activities.



**Deepened project management:** Lushang Services has promoted the use of maintenance funds to save costs. The Company has formulated a plan for use of maintenance funds for 2023, and issued the same to city companies/projects. It has identified more categories for the use of funds, enabled projects to use the maintenance funds, and expanded the scope of use to save project costs.

Based on maintenance, the Company has improved equipment quality, inspected and controlled the aging status of facilities and equipment in each project, and promoted necessary maintenance and upgrade for each project. The Company has strictly implemented the maintenance of project facilities and equipment, and established professional elevator and fire protection companies to improve maintenance quality.

Focusing on energy management, the Company has formulated energy-saving goals and energy-saving upgrade plans for 2023, collected and reviewed project upgrade plans, and prepared for the implementation of work throughout the Year. The Company has analyzed and evaluated energy consumption in the public areas of each project, and strived to reduce it by one percentage point year-on-year.

With the improvement of professional capabilities as a guarantee, the Company has supported the output of projects, organized the establishment of training teams for each profession, provided continuous training for project management personnel, and organized skill level certification and skill competition activities, in order to comprehensively improve the professional skills of employees.



## OFFER PREMIUM SERVICES TO BUILD SMART COMMUNITIES ENTHUSIASTICALLY

In order to promote and improve the quality of project sites, Lushang Services promoted a number of successful work in 2023, such as: providing real-time feedback of customer satisfaction surveys by scanning QR codes, setting up wastewater recycling points for drinking fountains, building plant houses, standardizing entrances and exits, putting magic magnetic stickers in elevators, creating items for reusing waste in the park, setting up pull tabs for trash cans, providing mobile phone bags in central control rooms and conference rooms, maintaining weighing records for fire extinguishers, painting facilities, establishing various standardized engine rooms, setting up special routes for decoration, etc.



Left: Provision of convenience items



Right: Cultural wall in property service center

## ESTABLISHED STAR SERVICE STANDARDS TO PROMOTE STANDARDIZATION

According to the "star standards" of the industry, we have formulated the Star Standards Manual of Lushang Services (《鲁商服务星级标准手册》) based on the four professional lines of "customer services, environment, order and engineering" to determine star ratings, in order to optimize service accuracy and improve service quality. Through daily, weekly and monthly inspections as well as self-inspections and quality inspections, we have consolidated the basic services of each project and enhanced star service quality. At the same time, the model projects have also leverage excellent management experience to consolidate and enhance the standardized implementation of projects.



Mechanized operations



Standardized move for patrol of security guards



55 standardization of customer reception



Standardized move for cleaning elevators



Standardized move for home repair



55 standardized management of files



Lushang Services has started sorting out standards since 2002, and has built "one platform + eleven systems" covering all business areas from eleven aspects such as service quality and product control, occupational health and safety and environment, energy consumption management and information security management, so as to facilitate business standardization.

In 2023, Lushang Services completed the recertification of the eleven systems (i.e. quality management system, environmental management system, occupational health and safety management system, contract performance evaluation system, safety risk management system, enterprise standardization management system, training management system, integrity management system, after-sales service system, information security management system, and energy management system).

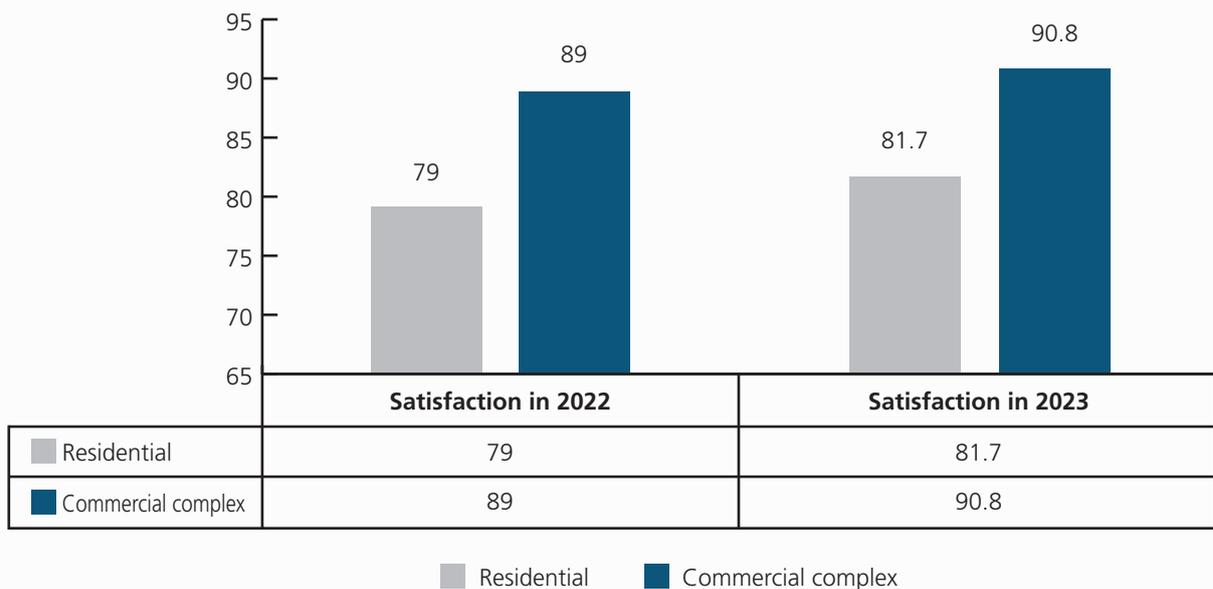
## OFFER PREMIUM SERVICES TO BUILD SMART COMMUNITIES ENTHUSIASTICALLY

### CUSTOMER COMMUNICATION AND SATISFACTION

The overall satisfaction of the Company's service projects continuously improved. Among which, in 2023, the satisfaction score of residential projects was 81.7 points, representing an increase of 3.7 points from 2022; and the satisfaction score of commercial projects was 90.8 points, representing an increase of 1.8 points from 2022. In 2023, Lushang Services continued to implement the annual convenience and community cultural activity plan, and jointly carried out a series of more than 450 community cultural activities with the Value-added Business Division. The convenience and community cultural activities have shortened our distance with customers and improved customer stickiness.

Satisfaction target for 2024: No less than 80 points for residential projects and no less than 90 points for commercial complex projects.

Year-to-year comparison of satisfaction



Lushang Services has established various complaint and communication channels by launching the housekeeper and night-time phone line and vigorously promoting the internal unified complaint phone line (phone number: 400-603-6688) available at all regions in China, the "Lushang Services" APP and the "Lushang Services" WeChat official account. We require the placement of leaflets, roll-up banners, etc. at front desks, inside elevators and on bulletin boards for publicity, and have included some of them as quality inspection items.

In 2023, Lushang Services answered a total of 74,000 inbound calls, with an inbound call completion rate of 98.2%; and dialed a total of 75,000 outbound calls, with an outbound call completion rate of 41.2%. The total call duration was 157,000 minutes, with an average call duration of 1.5 minutes. A total of 205,000 system work orders were registered for projects under management, of which 25% were registered through the call center; 58% were registered through the housekeeper APP; 15.8% were registered through the PC back-end; and 1.2% were registered through the household APP. We have implemented statistical classification on the nature of work orders. General reports accounted for 87.84%; complaints accounted for 0.7%; and consultation and suggestions accounted for 11.25%. There were 185 customer complaints through Chengfa 400 Mingyuan (城發400明源), and 1,393 customers complaints through the 12345 government affairs hotline. We compiled weekly customer complaint reports for important and key customer complaints, and actively handled and rectified risks in connection with the projects. We completed annual satisfaction telephone surveys on 28 residential projects and 13 commercial complex projects, and assisted the projects in conducting telephone surveys on arrears collection. We conducted full coverage inspections on the monitoring of 36 projects, and promptly reported problems to the city/regional companies for supervision and rectification, thereby effectively reducing the Company's complaint rate. Leveraging the unremitting efforts of Lushang Services, in 2023, the Company received a total of 1,715 complaints, representing a significant decrease of 1,354 cases from 2022.

## OFFER PREMIUM SERVICES TO BUILD SMART COMMUNITIES ENTHUSIASTICALLY

**Table: Complaints and complaint resolution**

Number of complaints received	Unit	2023 data	2022 data
Number of complaints received	case	1,715	3,069
Complaint resolution rate	%	100%	100%
Complaint satisfaction rate	%	92%	96.5%

### CUSTOMER SAFETY

Lushang Services protects the health, safety and privacy of customers from multiple aspects such as rule establishment, system construction, safety training and action planning as well as information security, and has continuously increased investment in safe production and improved safe production management, with an aim to minimize operational safety hazards and safeguard the health and safety of customers with practical actions.

In terms of rule establishment: In order to further improve the Company's safety management system, facilitate the standardization, institutionalization and scientificization of safety management, strictly implement the principal responsibilities of production safety, effectively control production safety risks, and prevent and reduce production safety incidents, the Safety Management Department of the Company has revised and refined the safety management system of the Company based on relevant laws and regulations in line with the Company's actual circumstances, with an aim to provide employees with a safe working environment and protect employees from occupational hazards. In strict accordance with laws and regulations such as the Safe Production Law of the People's Republic of China (《中華人民共和國安全生產法》), Fire Prevention Law of the People's Republic of China (《中華人民共和國消防法》), Safe Production Regulations of Shandong Province (《山東省安全生產條例》) and Regulations on Safe Production Responsibility of Production and Operation Entities in Shandong Province (《山東省生產經營單位安全生產主體責任規定》), Lushang Services formulated internal rules and regulations such as the Rules for Safety Management of Lushang Life Services Co., Ltd. (《魯商生活服務股份有限公司安全管理制度》), Emergency Plan for Unexpected Public Incidents of Lushang Life Services Co., Ltd. (《魯商生活服務股份有限公司突發公共事件應急預案》) and Establishment of Two Systems on Classified Management of Safe Production Risk and Investigation and Governance of Hidden Risk of Lushang Life Services Co., Ltd. (《魯商生活服務股份有限公司安全生產風險分級管控與隱患排查治理兩個體系建設》), thereby taking the protection of customers' health and safety as one of the key principles for the operation of Lushang Services.

In terms of system construction: The Company attaches great importance to safety issues, and has established the Safety Committee, i.e. the highest discussion and decision-making body of the Company's safe production work headed by the Company's Party secretary and chairman. The Safety Committee has established a Safety Committee office, which is specifically responsible for the Company's routine safe production management.

## OFFER PREMIUM SERVICES TO BUILD SMART COMMUNITIES ENTHUSIASTICALLY

In terms of information security: The Company formulated the Administrative Measures for Maintenance and Management of Customer Information of Lushang Life Services Co., Ltd. (《魯商生活服務股份有限公司客戶信息維護管理辦法》), which put forward institutional requirements for customers' information security in six aspects, i.e. purpose of use, scope of application, collection of customer information, routine management of customer information, system maintenance requirements for customer information, and standards for executing punishments. Customer files are managed by dedicated personnel. The files of each customer are separately managed, with both physical records and electronic records kept. The Company strictly abides by the confidentiality system. The electronic files of customers are backed-up and password-protected to prevent data loss caused by virus intrusion or equipment failure, while the physical files have measures implemented to prevent fire, moisture, moth and leakage. The Company has enhanced the handover process of file administrators, and improved the file preservation mechanism and other measures to ensure the information security of the Company.

Moreover, in terms of customer safety practices, the Company inspects its production safety through quarterly inspections, pre-holiday self-safety inspections, special inspections for flood prevention and typhoon prevention, special inspections for fire prevention, intensive production safety inspections, hundred-day winter and spring fire safety inspections and other inspections. The Company makes open and unannounced visits to key units and premises directly to low-level employees on-site with no notification, no advance notice, no listening to reports and no reception (四不兩直) and reviews thereafter (回頭看) focusing on on-site non-compliant command, non-compliant operations, non-compliance of labor discipline, etc. In particular, inspections are carried out on the approval and on-site operations of special operations such as climbing, use of fire and operations with limited space. Units with hidden dangers identified but not rectified or units with repeated occurrence of the same type of hidden danger are reported, and the relevant person-in-charge shall be investigated in accordance with regulations and disciplines depending on the circumstances. The Company focuses on the prevention of major risks and the investigation and rectification of major hidden dangers to facilitate the prevention and resolution of major safety risks, and accurately investigate and rectify deep-rooted issues and hidden dangers. At the same time, upon completion of safety assessment and rating, the score will be included in the Company's operational target assessment.

## OFFER PREMIUM SERVICES TO BUILD SMART COMMUNITIES ENTHUSIASTICALLY

### Case example: Quarterly security inspections on the Jinan Phoenix City project (鳳凰城項目) of Lushang Services

In the third quarter of 2023, the Company carried out security inspections on the Jinan Phoenix City project by inspecting the coverage of surveillance cameras in the central control room, the clarity of surveillance images and the surveillance storage duration.



Image: Quarterly security inspection of Lushang Services

### Case example: Fire emergency drill of the Jinan Yinzuo Digital project (銀座數碼項目) of Lushang Services

During the National Fire Safety Awareness Month in November 2023, the Jinan Yinzuo Digital project of Lushang Services organized a fire emergency drill covering six aspects: emergency evacuation, fire emergency response, search and rescue, medical assistance, fire equipment introduction, and fire extinguishing and escape experience. It vividly simulated emergency response and measures for various types of fire emergencies.



Image: Fire emergency drill of Lushang Services

## OFFER PREMIUM SERVICES TO BUILD SMART COMMUNITIES ENTHUSIASTICALLY

### Case example: Information security function pilot of Lushang Services

- (1) Monitoring of absence and awakeness of employees in the central control room: AI binocular cameras are used to detect the presence and absence of personnel on-duty in the fire control room in real time. When the number of targets in the area does not meet the “number of personnel on-duty” and the duration reaches the maximum “off-duty time”, an alarm will be issued and an alert window will pop up (including snapshots when the post is unoccupied, and video recording before and after such unoccupancy). The personnel off-duty intelligent algorithm is installed in the cameras, which do not require back-end server equipment.
- (2) Detection of electric motorcycles entering elevators: We have implemented the visual supervision on electric motorcycles entering elevators. AI visual intelligent analysis is used to issue automatic warning for abnormal behavior. We comprehensively supervise all types of electric vehicle violations, and have strengthened community safety management from the perspective of electric vehicles. We have standardized the behavior of electric motorcycles entering elevators with full-time supervision, enabling the efficient prevention of abnormal behavior.
- (3) Alarm on overheating of electric motorcycles: We use thermal imaging technology to detect temperature anomalies in a timely manner, monitor parking areas in real time to prevent fires, and prevent electric motorcycles from being stolen.
- (4) Accurate tracking of throwing of objects from a height: To maintain the safety of living space, clearer videos can facilitate the determination of responsibility and reduce disputes. By using the special hard disk video recorder for throwing of objects from a height, we have enabled automatic trajectory drawing, accurate tracking and quick location of the responsible floor.
- (5) Automatic temperature measurement for personnel: When personnel enter office areas, their temperature is automatically measured without the need to stop-by. A large screen automatically displays the current temperature of personnel, allowing staff to detect those with abnormal body temperature more intuitively. This has enabled the all-time monitoring of pandemic prevention and control to ensure pandemic prevention safety.
- (6) Smoking detection in office areas: We have implemented the real-time detection of smoking behavior in office areas. Alarm information is uploaded in real time with an alarm pop-up window to provide timely warning, thereby effectively detecting smoking behavior.
- (7) Panoramic network high-definition eagle eye smart dome camera: We have installed eagle eye equipment at height covering the entire area of Guo’ao City (國奧城). Adopting an integrated design, one equipment can provide both panoramic and close-up images, taking into account both panoramic views and details.
- (8) Equipment inspection system: By regularly executing tasks at fixed points based on the actual operation of equipment, the system automatically dispatches inspection and maintenance task orders, performs regular maintenance to extend the service life of equipment, helps the Company establish facility and equipment management specifications, and assists the engineering supervisor in collecting statistics of personnel work records, thereby improving facility and equipment maintenance. This has enabled us to identify and handle problems in a timely manner, thereby preventing equipment incidents and reducing failure rates and various losses.
- (9) Order patrol system: Through the set patrol routes and points, the system automatically generates tasks and pushes reminders for security operations, allowing project staff to comprehensively patrol the park. The system can conduct real-time supervision of personnel, time, location and sites anytime and anywhere, making inspection information clear at a glance. It not only facilitates managers to effectively manage security inspections, but also reduces safety hazards and prevents incidents.
- (10) Fire extinguisher maintenance system: Based on the actual use and maintenance periods of fire extinguishers, maintenance tasks are automatically generated on a regular basis, and the actual number, maintenance periods and maintenance completion status of fire extinguishers of each unit are clear at a glance, thereby improving the maintenance of fire extinguishers.

# BE PEOPLE-ORIENTED AND FOSTER DEVELOPMENT TOGETHER WITH EMPLOYEES

Lushang Services has strictly complied with laws and regulations such as the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) and Regulations on Work Injury Insurance of the People's Republic of China (《中華人民共和國工傷保險條例》) as well as the rules and regulations of the places where its businesses are located. The Company is people-oriented, respects talents and labor as well as employees' right to choose their jobs freely, and has established an employee termination mechanism. The Administrative Measures for Employees of Lushang Life Services Co., Ltd. (《魯商生活服務股份有限公司員工管理辦法》) has been formulated to standardize the circumstances of dismissal and termination of labor. The Company effectively protects employees' legitimate rights and interests such as welfare and compensation, health and safety and equal opportunities for promotion, and organizes diverse employee activities, so as to enhance employees' sense of belonging and happiness, and realize the common growth of the Company and its employees.

## COMPLIANT EMPLOYMENT

Lushang Services has made enormous efforts in preventing child labor and safeguarding employees' rights and interests. It strictly complies with regulations such as the Regulations on the Special 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》), Regulations on the Prohibition of Child Labor (《禁止使用童工規定》) and Labor Law of the People's Republic of China (《中華人民共和國勞動法》). The Company has explicitly stipulated that all regional companies and projects under management must firmly eliminate misconduct such as use of forced labor, and has formulated the Recruitment Guidelines (《招聘作業指導書》) to ensure that, for all procedures of employee recruitment, interviews, employment approval and employment registration, the submitted materials should be consistent with the identity card, so as to eliminate the use of child labor. The Company strictly abides by the statutory working hours, provides overtime pay according to national regulations, and controls overtime work to ensure the physical and mental health of employees. If any violation of labor standards is identified, we will safeguard the legitimate rights and interests of workers and actively take relevant elimination measures to ensure legitimate and compliant employment. During the Reporting Period, the Company did not employ any child labor or forced labor.

In 2023, Lushang Services continued to improve the standardization, scientificization and servitization of personnel file management by establishing a file work chain covering "management, assessment and use" (管審用), and strictly managing the stages of sorting, review, archiving and inspection. According to the authority of personnel file custody, Lushang Services has implemented "organized collection, sorting and filing" (立收立整立歸檔) for key personnel and employees of the headquarters. Based on the principle of "being stable, strict and accurate" (穩、嚴、準), the files archived are classified, cataloged and bound in a timely manner to maintain a clear catalogue, accurate classification, orderly arrangement and neat binding, thereby ensuring that the personnel files archived are complete and standardized. The Company has continuously checked and supplemented the personnel files of key personnel and employees. For any problems identified in the review, the Company will compile a feedback list and promptly issue a notice on supplementation. The Company has clarified the general requirements for file management to "serving our key personnel and talents", and implemented file checking (borrowing) on a case-by-case basis with dedicated review by dedicated personnel, thereby providing convenient services for file information for key personnel adjustment, Party member management, talent selection, personnel retirement and other tasks.

As of December 31, 2023, Lushang Services had a total of 1,437 employees, including 770 male employees and 667 female employees, accounting for 53.58% and 46.42%, respectively.

## BE PEOPLE-ORIENTED AND FOSTER DEVELOPMENT TOGETHER WITH EMPLOYEES

Table: Composition of employees

Employees	Number of employees in 2023	Number of employees in 2022	Employee turnover rate in 2023	Employee turnover rate in 2022
<b>Employees</b>	<b>1,437</b>	<b>1,644</b>	<b>12.59%</b>	<b>11.56%</b>
<b>By gender</b>				
Male	770	902	14.63%	11.20%
Female	667	742	10.11%	11.99%
<b>By age group</b>				
30 or below	341	452	24.56%	18.14%
31-50	887	920	3.59%	11.41%
50 or above	209	272	23.16%	1.1%
<b>By employee category</b>				
Full-time junior staff	1,406	1,469	4.29%	12.53%
Full-time middle management	25 <sup>(1)</sup>	169	85.21%	3.55%
Full-time senior management	6	6	0.00%	0.00%
<b>By employment type</b>				
Full-time	1,437	1,644	12.59%	11.56%
Part-time	0	0	0.00%	0.00%

Note: (1) The substantial changes in middle management personnel were mainly attributable to the Company's adjustment of internal standards for identification of middle management.

Table: Distribution of employees by geographical region

Geographical region	Number of employees	Employee turnover	Turnover rate
East China (including Shanghai, Jiangsu, Zhejiang, Anhui, Jiangxi, Shandong)	1,304	149	10.25%
North China (including Beijing, Tianjin, Shanxi, Hebei, Inner Mongolia)	27	52	65.82% <sup>(2)</sup>
Northeast China (including Heilongjiang, Jilin, Liaoning)	106	6	5.36%

Note: (2) This was attributable to the withdrawal of personnel due to the expiration of project contract.

## BE PEOPLE-ORIENTED AND FOSTER DEVELOPMENT TOGETHER WITH EMPLOYEES

### LABOR RIGHTS AND INTERESTS

Lushang Services strictly complies with relevant laws and regulations, including but not limited to the Safe Production Law of the People's Republic of China (《中華人民共和國安全生產法》), Law of the People's Republic of China on Occupational Disease Prevention and Control (《中華人民共和國職業病防治法》), Regulations on Work Injury Insurance (《工傷保險條例》) and Law of the People's Republic of China on the Protection of Women's Rights and Interests (《中華人民共和國婦女權益保障法》), in order to effectively protect employees' health and safety-related rights and interests, and provide employees with a safe and healthy working environment.

In terms of employee services and labor union, the Labor Union of Lushang Services has been established in December 2021 to give full play to the democratic management and democratic supervision functions of the employee representative meeting. In 2023, it fully performed its duties and implemented rights protection, demonstrating its importance within the Company. To improve democratic management and ensure employees' rights to know, participate, express and supervise, six employee representative meetings were held to pass five resolutions, including the Administrative Measures for Key Personnel's Rest and Recuperation of Lushang Services (《魯商服務幹部離崗休養管理辦法》), Employee Handbook and Enterprise Annuity, thereby fully mobilizing the enthusiasm of employees to actively participate in the Company's democratic management. It has implemented the employee recuperation system and recommended outstanding model employees to participate in recuperation activities, thereby inspiring key personnel and employees to repay the Company and be dedicated to their work.

In accordance with the Implementation Rules for the Administration of Funds and Expenditures of Grassroots Labor Unions of Shandong Province (《山東省基層工會經費收支管理實施細則》), Lushang Services pays various benefits and allowances to employees on time, reflecting its humanistic care for employees and providing guarantee for employee services and labor union activities. With an aim of being close to employees and the front-line, the Labor Union of Lushang Services actively plays the role of a bridge between employees and the Company to create a harmonious atmosphere for the enterprise. It cares for the employees and enhances service awareness to facilitate and strengthen "poverty alleviation at all seasons" (四季幫扶). Throughout the Year, it offered heart-warming services and poverty alleviation, demonstrating its new achievements by facilitating and strengthening "poverty alleviation at all seasons". Throughout the Year, it organized various units to conduct health check-ups (with 820 employees benefitted), organized visits to send warmth and care to employees in difficulties and employees stationed abroad (with more than 1,700 employees benefitted), and distributed assistance funds and supplies in an amount of RMB384,400. It launched the "Slight Radiance – Spreading Warmth" (微微螢光 傳遞溫暖) fundraising event and raised donations, relief funds and love funds in an amount of RMB41,200. It organized the "Radiance – One-day Charity Donation" (螢光益起行 慈心一日捐) event, raising RMB32,700 of donations, thereby upholding the spirit of charity and public welfare with practical actions and gathering the power of good deeds. It has purchased accident insurance for employees stationed abroad to provide guarantee for the life and health of employees.

## BE PEOPLE-ORIENTED AND FOSTER DEVELOPMENT TOGETHER WITH EMPLOYEES

For female employees of the Company, Lushang Services has strictly safeguarded the legitimate rights and interests of female employees. In accordance with relevant regulations such as the Labor Law of the People's Republic of China (《中華人民共和國勞動法》) and Special Provisions on Labor Protection of Female Employees (《女職工勞動保護特別規定》), we do not reduce the wages of, dismiss or terminate the labor or employment contract of female employees due to pregnancy, childbirth or breastfeeding. If any female employees cannot adapt to their original work during pregnancy, their workload will be reduced or other adaptable work will be arranged based on the certificate from medical institution. The time required for prenatal check-ups during working hours of pregnant female employees is included in their working hours, and no overtime or night shifts are arranged for them. They are entitled to national statutory maternity leave and local maternity leave days, as well as one-year breastfeeding leave from the birth to one-year-old of child. In 2023, Lushang Services organized a series of Women's Day activities with the theme of "Women's Contributions to Lushang Services" (巾幗建功 奉獻魯商我在線) to gather the power of women's contributions and facilitate the development of vitality of the Company. It also organized the "Happy Lushang – Women's Rights and Law Publicity Month" (幸福魯商·婦女權益普法宣傳月) activity to guide women in continuously strengthening their awareness of the rule of law and self-protection, and improving their ability to use legal means to protect their legitimate rights and interests. In order to create a warm and happy festival atmosphere and convey the warmth of Lushang Services, volunteers also sent beautiful blessings to female property owners by giving flowers. In addition, the Company provides benefits to female employees in office in accordance with the requirements of the Group and the Rules for the Administration of Funds and Expenditures of Grassroots Labor Unions of Shandong Province (Trial) (《山東省基層工會經費收支管理細則(試行)》).

In order to safeguard and improve the post-retirement benefits of employees, we mobilize employees' enthusiasm for work and optimize the medium to long-term incentive mechanism for talents to promote the sound and sustainable development of the Company. The Company has formulated the Implementation Rules for Enterprise Annuity of Lushang Life Services Co., Ltd. (《魯商生活服務股份有限公司企業年金實施細則》) based on its actual circumstances. The enterprise annuity system has been officially implemented in 2023 to better protect and improve the post-retirement benefits of employees, enhance the employee salary and welfare system, and establish a long-term talent mechanism.

In addition, in response to the national call to accept the employment of people with disabilities, in 2023, Lushang Services actively contacted human resources agencies and employed six people with disabilities, thereby better fulfilling its social responsibilities and contributing to the Company's diversified development.

During the Reporting Period, the Company had 295 lost days due to work injury, and there were no work-related fatalities in the past three years.

Table: Lost days due to work injury and work-related fatalities in the past three years

Health and safety	2023 data	2022 data	2021 data
Lost days due to work injury	295	221	197
Number of work-related fatalities	0	0	0
Percentage of work-related fatalities	0	0	0

## BE PEOPLE-ORIENTED AND FOSTER DEVELOPMENT TOGETHER WITH EMPLOYEES

### ESTABLISHMENT OF HUMAN RESOURCES SYSTEM

In 2023, Lushang Services shifted the role of human resources and focused on “value creation”. Based on the needs of business departments and each operating unit, the Company approached its business to solve business problems. With the general goal of enhancing front-line business, building a talent pipeline and optimizing performance-based remuneration, the Company has achieved efficient team operation and improved organizational effectiveness and organizational momentum through organizational optimization based on its development needs. By sorting out its corporate human resources structure, the Company has clarified the division of labor and responsibilities within the organization to ensure that everyone has something to do, that everything is done, and that the workload is saturated. The effectiveness of Lushang Services in terms of human resources establishment is mainly reflected in the following three dimensions:

1. Improving system establishment and enhancing long-term mechanism: The Company has made efforts to strengthen top-down design to enable a human resources management system that fully covers the management process and incorporates all elements, thereby forming a sound ecosystem with institutional constraints and institutional management.
2. Continuously facilitating the construction of a learning organization and implementing enhancement and quality improvement training: With internal and external training as the focus, the Company has facilitated the construction of corporate culture, implemented special themes for business training, and improved the internal trainer training system, so as to use internal trainers to promote the inheritance of corporate culture, the improvement of business skills management and the construction of employee teams.
3. Optimizing the performance-based remuneration system and emphasizing the guiding role of assessment and incentives: The Company has deepened and refined the “three-channel” promotion system, broadened the promotion channels for front-line technical personnel, and emphasized the guiding role of job value contribution and employee compensation, so as to maximize the leverage effect of incentives and achieve continuous improvement in performance per person.

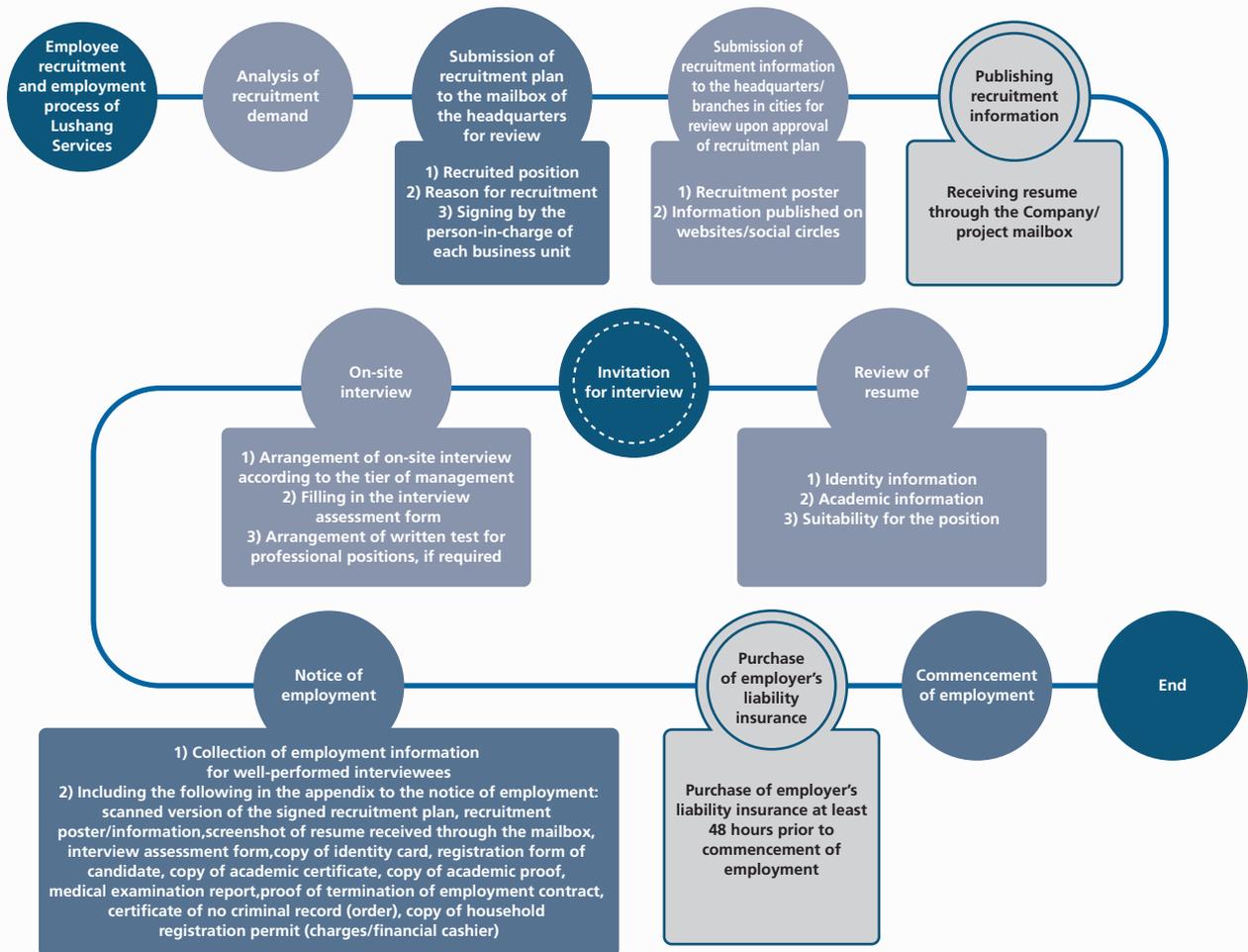
In terms of remuneration performance, in 2023, Lushang Services implemented the remuneration system reform. Upholding the principle of “fairness and impartiality”, it has implemented a differentiated remuneration mechanism with salary determined by position, and improved the incentive and restraint mechanism, thereby facilitating the continuous improvement of overall performance of the Company. In order to improve the incentive mechanism and facilitate the implementation of its strategic goals, in 2023, Lushang Services specifically formulated and revised the Administrative Measures for the Remuneration of Lushang Life Services Co., Ltd. (《魯商生活服務股份有限公司薪酬管理辦法》) and Measures for the Monthly Assessment of Position Performance-based Remuneration Mechanism of Lushang Life Services Co., Ltd. (《魯商生活服務股份有限公司月度崗位績效薪酬聯動機制考核辦法》). On the basis of meeting the development requirements of Lushang Services, it has established a remuneration management system that is externally competitive to a certain extent and ensures internal fairness and self-fairness. It has continuously improved the performance indicator system, timely adjusted and enhanced assessment policies, emphasized benefit orientation, and strived to achieve the goal of “aligning responsibilities with interests, aligning capabilities with values, and aligning performance with benefits” in terms of employee remuneration distribution. Effectively combining personal benefits with corporate benefits, it has given full play to the incentive role of remuneration to promote the sustainable, stable and sound development of the Company, and genuinely established an effective incentive and restraint mechanism that allows managers to move up or down, employees to move in or out, and salaries to be high or low.

BE PEOPLE-ORIENTED AND FOSTER DEVELOPMENT TOGETHER WITH EMPLOYEES

**RECRUITMENT**

According to the job requirements, Lushang Services has clarified the responsibilities of and qualifications for each job position, and has enhanced its recruitment capabilities from the aspects of channel opening, optimization of recruitment process, establishment of enterprise talent pool, etc.

Lushang Services meets its employment demand through open recruitment and campus recruitment. Open recruitment channels mainly include Shandong Talent Group, 51job, Zhaopin, etc. In order to meet the Company’s business needs for talents at all levels, in addition to maintaining its original recruitment channels (51job, Built To Last), Lushang Services has also added new online and headhunting recruitment channels (51job, Ruibang Human Resources, Risfond, etc.), enabling the further expansion of recruitment scope of the Company. For campus recruitment, the Company has actively sought educational resources, explored new models for integrating industry and education, innovated campus-enterprise cooperation methods, and continuously introduced technical talents. On the one hand, Lushang Services has opened up the supply chain for employee candidates, and on the other hand, it has expanded its brand influence as an employer, while also taking into account the job situation and job requirements to facilitate the selection and assessment of corresponding recruitment channels, so as to improve the effectiveness of recruitment.



## BE PEOPLE-ORIENTED AND FOSTER DEVELOPMENT TOGETHER WITH EMPLOYEES

At the same time, Lushang Services has established standard operating procedures (SOP) for the selection of employees to optimize the recruitment process and improve recruitment efficiency. The Company continuously optimizes and improves the recruitment process, matches candidates with the job profile, and uses the job competency model as a guide to facilitate the selection of talents. As of the end of 2023, the Company recruited 254 talents, including 33 talents with an undergraduate degree, 72 talents with a college degree, and 149 talents with technical secondary school or high school education or below.



Image: Interview site of Lushang Services

## TRAINING

Lushang Services has attached great importance to the development of talents, and has established a training system. It has formulated policies and rules such as the Training Instructions (《培訓作業指導書》) and Administrative Measures for Internal Expert Database (《內部專家庫管理辦法》) to guide all business units in enhancing talent training and comprehensively strengthening employee empowerment. The Company has adhered to the training principle of “mainly internal training supplemented by external training”, and has adopted the “dynamic balance” method for cyclic training.

During the Reporting Period, a total of 33,193 employees from Lushang Services participated in training, with a total training time of 35,061.09 hours, total training rate of 100% and pass rate of 100%.

Table: Training of Lushang Services

Mandatory disclosure of indicators required by the Stock Exchange	Unit	2023 data	2022 data
Average training hours of senior management	hour/person	3.2	3.16
Average training hours of middle management	hour/person	40.76	42.36
Average training hours of general staff	hour/person	8.53	8.07
Average training hours of employees	hour/person	7.79	9.79
Average training hours of male employees	hour/person	10.29	10.07
Average training hours of female employees	hour/person	11.12	9.37
Percentage of senior management trained	%	100	76.19
Percentage of middle management trained	%	100	90.90
Percentage of general staff trained	%	97.05	80.91
Percentage of male employees trained	%	96.92	92.23
Percentage of female employees trained	%	97.29	93.46

Lushang Services has pursued the concept of lifelong learning, established the mechanism of “teaching and mentoring” (傳幫帶), mechanism of “bringing in” (引進來) industry experts, mechanism of “going out” (走出去) for benchmarking research and mechanism of internal expert database, and actively organized special training on “improving functional business”.

## BE PEOPLE-ORIENTED AND FOSTER DEVELOPMENT TOGETHER WITH EMPLOYEES

## PROMOTION

Lushang Services has formulated the Administrative Measures for the Employees of Lushang Life Services Co., Ltd. (《魯商生活服務股份有限公司員工管理辦法》), which has stipulated requirements on employee recruitment, employee training, employee promotion, working hours, rest and vacation, in order to effectively safeguard the legitimate rights and interests of employees. According to the Measures for the Selection and Appointment of Key Personnel of Lushang Life Services Co., Ltd. (《魯商生活服務股份有限公司幹部選拔任用工作辦法》) revised by Lushang Services, the key personnel selection and appointment process has been further improved based on the “Four Musts” (凡提四必) requirements. Upholding the principle of open competition and promotion and demotion, in order to cultivate a talent pipeline and to achieve the goal of everyone making the best use of their talents, doing their best and matching with their posts, the Company has continuously explored a democratic, open, competitive and merit-based key personnel selection and appointment mechanism. Lushang Services has regarded integral talent cultivation as the focus of its talent training for 2023, and actively carried out open competition for all positions within the Company. With the goal of seizing talents with both moral integrity and professional competence and making the best use of their talents, the Company has established a fair competition and merit-based employment mechanism, and continued to complete three rounds of open job selection. In order to implement the Company’s strategy of strengthening the enterprise with talents and enhance the construction of professional and technical talent teams, Lushang Services has proposed a “three-channel” promotion system, vigorously promoted the dual-channel system for skilled talents, carried out “star rating” for front-line personnel, established a “pyramid” shape employee team, and implemented the “star plus remuneration” incentive mechanism, thereby gradually improving and forming a sound internal talent cultivation mechanism.

In order to further deepen the reform of personnel system and improve the overall quality of the key personnel team, Lushang Services has selected outstanding talents through competitive employment and formed a vigorous and dynamic employment mechanism. Lushang Services has launched a company-wide competitive recruitment process since May 2023. The scope of this competitive recruitment includes all management positions within the three-tier structure of the headquarters, city companies and the projects, among which 147 people have been promoted, thereby further stimulating the endogenous momentum and vitality of the Company’s employees for work.



Image: Site of competitive employment selection of Lushang Services

BE PEOPLE-ORIENTED AND FOSTER DEVELOPMENT TOGETHER WITH EMPLOYEES

On this basis, Lushang Services has opened up the channels for talent development, and established the “four horizontals and three verticals” talent development system, which mainly consists of three systems (i.e. the training system, talent pipeline system and recruitment system) and four talent development programs (i.e. the “Spark Program” (星火計劃), “Elite Program” (菁英計劃), “Manager Enrichment Program” (鑄金計劃) and “Leadership Program” (領航計劃)) to support the selection, training and appointment of talents of Lushang Services, and form a talent pool at all levels for Lushang Services.

- (1) Spark Program (星火計劃) – Mainly including induction training for new employees, training for low-level employees and training mechanism for management trainees;
- (2) Elite Program (菁英計劃) – Mainly including training program for professional talents and training program for managers;
- (3) Manager Enrichment Program (鑄金計劃) – Including the enhancement program for managers and the innovation studio program;
- (4) Leadership Program (領航計劃) – Including training program for middle and senior management to build a talent pool and establish the talent development system of Lushang Services.

EMPLOYEE HEALTH, COMMUNICATION AND CARE

The safety and health of employees is one of the most important function of human resources. Health not only refers to the absence of diseases and injuries that would hinder normal physical activities, but also involves psychological and emotional issues. Lushang Services manages workplace safety and health. The purpose of safety and health management is to prevent workplace disasters and employee injuries and casualties, so as to maintain the physical and mental health of employees. The Company regularly conducts occupational health and safety training and has developed a series of emergency drills to increase the acceptance of training in the form of vivid cases and effectively enhance employees’ awareness of health and safety prevention. Regular health check-ups are arranged for employees every year to maintain their health.

Lushang Services has actively broadened the channels for listening to employees’ demands, established and improved employee feedback channels and dispute resolution mechanism, listened to employees’ needs in a timely manner, and ensured care for employees. Based on the original general manager’s mailbox and the 400 customer service hotline, the Company has issued the Notice on Setting Up the Lushang Services “Suggestion” Mailbox for Collecting Reasonable Suggestions and Employees’ Demand (《關於設立合理化建議及員工訴求徵集的魯商服務「獻策」郵箱的通知》) to encourage employees to make suggestions. Lushang Services listens to employees’ opinions by setting up the Lushang Services “suggestion” mailbox for collecting reasonable suggestions and employees’ demand. The content collected is divided into five categories, i.e. suggestion, seeking help, consultation, complaint, and others.

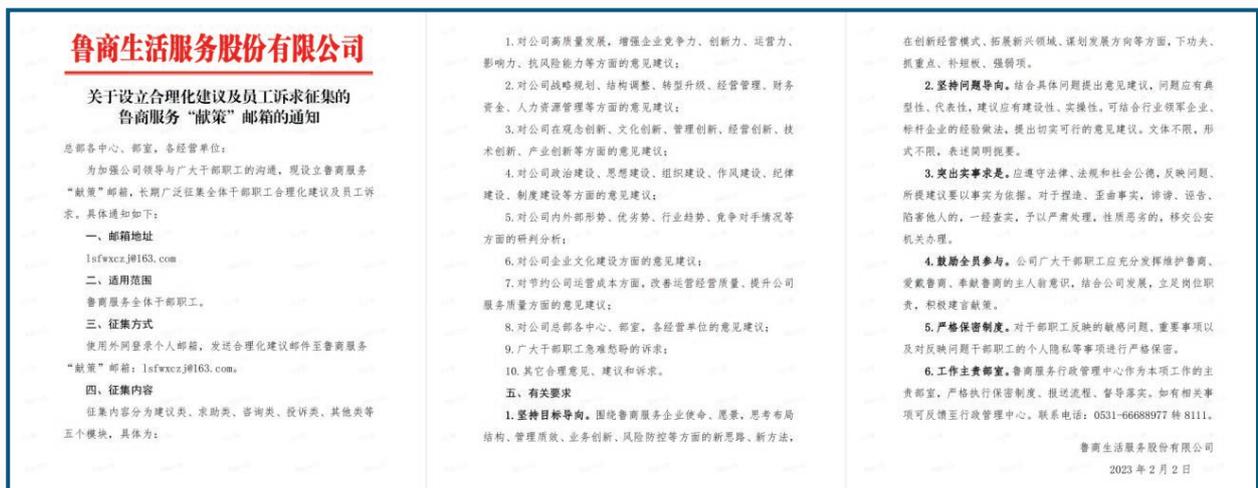


Image: Notice on Setting Up the Lushang Services “Suggestion” Mailbox for Collecting Reasonable Suggestions and Employees’ Demand

## BE PEOPLE-ORIENTED AND FOSTER DEVELOPMENT TOGETHER WITH EMPLOYEES

Moreover, Lushang Services has attached great importance to caring for low-level sanitation workers and provided them with health protection and greetings. On the afternoon of June 28, 2023, ZHU Sili (朱思立), a member of the Party Committee and the deputy general manager of Lushang Services, YANG Fei (楊飛), the director of the Urban Living Division, and WANG Zhenpeng (王振鵬), the deputy director of the Wucheng County Comprehensive Administrative Law Enforcement Bureau (武城縣綜合行政執法局), brought tea, mineral water and other cooling items to the Wucheng urban sanitation project (武城城區環衛項目) in Dezhou to visit and express gratitude for the front-line sanitation workers who stuck to their posts amid the scorching summer heat, and send them a ray of coolness. On October 26, 2023, on the Sanitation Workers' Day, the Yangxin urban and rural sanitation project (陽信城鄉環衛項目) of Lushang Services sent carefully prepared gifts to sanitation workers to express gratitude for every sanitation worker in ordinary positions.



Image: Lushang Services cares for front-line sanitation workers

# INCORPORATE GREEN OPERATIONS INTO THE COMPANY'S DEVELOPMENT

Lushang Services has strictly complied with laws and regulations such as the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》), Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》), Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢棄物污染環境防治法》) and Law of the People's Republic of China on the Prevention and Control of Air Pollution (《中華人民共和國大氣污染防治法》), promoted low-carbon and green office, actively built green communities and refined environmental management measures, so as to firmly establish and practise the concept of "green environment is the most valuable asset" (綠水青山就是金山銀山), continue to explore low-carbon properties, and contribute to the national goal of "carbon peaking and carbon neutrality".

## SETTING OF TARGETS

Based on its actual circumstances, Lushang Services actively responds to the national plan for carbon neutrality, and is committed to implementing low-carbon corporate operation to facilitate the sustainable development of society. The environmental targets set by Lushang Services are as follows:

In 2024, the Company will continue to increase the proportion of energy-saving products and equipment used in projects.

In 2024, the Company will continue to improve the supervision over abnormal consumption of water and electricity, and will continue to reduce the waste of water and electricity resources.

In 2024, the Company will continue to promote garbage classification in managed projects, and advocate the reuse of recyclable resources by increasing garbage classification facilities and channels.

## USE OF RESOURCES

### Water resource management

The Company has posted water-saving signs and posters in the office area and the public water consumption area of projects to promote the concept of water-saving and enhance employees' awareness for water-saving. It uses water-saving faucets and water filling sensors to avoid water running, dribbling, dripping, leaking, etc. and reduce water consumption.

Table: Water consumption of Lushang Services in 2023

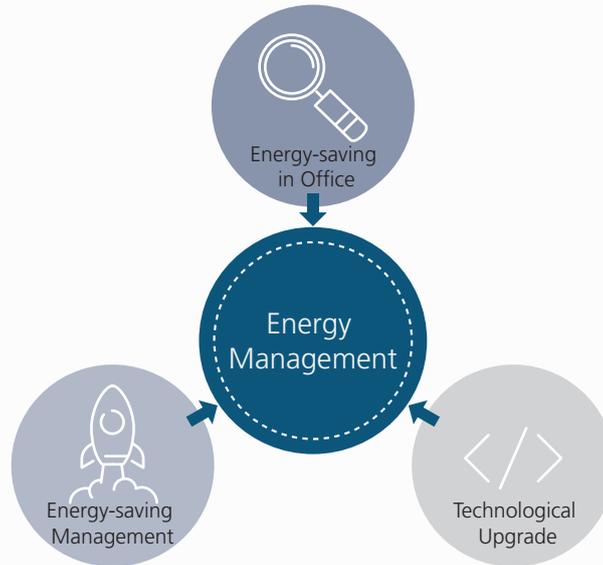
Indicator	Volume	Unit	Intensity	Unit
Total water consumption	665,733.2	m <sup>3</sup>	28,819.6	m <sup>3</sup> /million m <sup>2</sup> <sup>1</sup>

<sup>1</sup> As of December 31, 2023, the Company managed 23.1 million m<sup>2</sup> of area

## INCORPORATE GREEN OPERATIONS INTO THE COMPANY'S DEVELOPMENT

### Energy management

The Company has formulated and implemented the Administrative Measures for Controlling Energy Consumption (《控制能源消耗管理辦法》), and regularly monitors energy consumption from two aspects, i.e. project management and technological upgrade, by standardizing the energy consumption accounts, with an aim to maximizing its energy efficiency.



The office energy-saving measures adopted by the Company mainly include: encouraging double-sided printing, setting up a printing paper recycling tray and posting notices at the printing place to remind employees to save paper; promoting paperless office and reporting with electronic documents; reducing paper files and uploading files to the cloud; implementing video or telephone conferences and encouraging employees to prioritize public transportation when traveling on business trips to reduce unnecessary carbon emissions.

The room temperature under air-conditioning is controlled at 26°C, which is recommended by national policies, and the filter screen is cleaned regularly. The Company has used lightings with high energy efficiency, divided different lighting areas for the office and set up independently controllable lighting switches. The Company regularly checks and replaces the connectors of pressure gauges, pressure hoses and air compressors to prevent refrigerant leakage.

Table: Non-hazardous waste of Lushang Services in 2023

Indicator	Amount	Unit	Intensity	Unit
Total paper consumption	29,392.21	kg	1,272.39	kg/million m <sup>2</sup>

The Company carried out energy-saving renovation projects, including but not limited to reclaimed water station renovation, air-conditioning renovation and lighting renovation, to effectively reduce energy consumption. The Company carried out lighting renovation by renovating landscape lighting, parking lot lighting and service center lighting, and using energy-saving LED lamps and sensor lamps to save electricity consumption.

## INCORPORATE GREEN OPERATIONS INTO THE COMPANY'S DEVELOPMENT

Table: Energy consumption and intensity of Lushang Services in 2023

Indicator	Amount	Unit	Intensity	Unit
Gasoline	46,927	L	3.61	L/hundred km
Diesel	267,664	L	20.57	L/hundred km
Electricity	33,119.90	MWh	1,433.76	MWh/million m <sup>2</sup> of managed area

We have also promoted the concept of environmental protection to the operation of tenants in commercial and public buildings by mainly adopting the following measures: (1) encouraging the use of energy-saving appliances (e.g. LED energy-saving lighting fixtures) for shop decoration; (2) encouraging shops to use environmentally friendly materials, water-saving faucets, etc.; and (3) encouraging shops to use heating/cooling at different intervals during business hours to achieve energy-saving purposes.

Table: Greenhouse gas emissions of Lushang Services in 2023

Indicator	Unit	Amount
Direct greenhouse gas emissions	tCO <sub>2</sub>	650.19
Indirect greenhouse gas emissions	tCO <sub>2</sub>	19,327.12
Total:	tCO <sub>2</sub>	19,977.31
Greenhouse gas emission intensity	tCO <sub>2</sub> /million m <sup>2</sup> of managed area	864.82

(The greenhouse gas emissions of the Company are mainly carbon dioxide. As such, other greenhouse gas emissions are not applicable for the time being.)

Table: Exhaust gas emissions

Indicator	Unit	Amount
Nitrogen oxides (NOx)	kg	4,689.60
Sulfur oxides (SOx)	kg	3.75
Particulate matter (PM)	kg	340.91

## Notes:

1. The scope of environmental information collected in 2023 includes the office areas of the headquarters and subsidiaries of the Company;
2. The emissions of nitrogen oxides, sulfur oxides and particulate matter are mainly from the gasoline and diesel consumed by the vehicles of the Company. The emissions are calculated in accordance with "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs";
3. The Company's greenhouse gas emissions are mainly from purchased electricity and vehicle fuel. Greenhouse gas emissions are presented in terms of carbon dioxide equivalent, and are calculated in accordance with the "Notice on Implementing Key Work Related to Reporting and Management of Corporate Greenhouse Gas Emissions in 2022" (《關於做好2022年企業溫室氣體排放報告管理相關重點工作的通知》) published by the Ministry of Ecology and Environment of the People's Republic of China.

## INCORPORATE GREEN OPERATIONS INTO THE COMPANY'S DEVELOPMENT

**RESPONSE TO CLIMATE CHANGE AND RISK MANAGEMENT**

Extreme weather has brought immense challenges to the ecological environment and business management. Lushang Services has paid close attention to the dynamics of national climate change-related policies, actively identified the major risks brought by climate change, and eagerly supported the actions to address climate change.

In order to deal with the safety issues brought by extreme weather (e.g. storm, snowstorm, heat wave, cold wave, etc.), Lushang Services has formulated relevant rules such as the Emergency Plan for Flood Prevention (《防汛應急預案》), Emergency Response Plan for Sudden Disease Outbreaks (《突發疫情應急處置預案》) and Response to Media and Guidance on Public Opinion for Emergencies (《突發事件媒體應對、輿論引導應急處置》) to minimize losses.



Long-term transition risk: The Company continuously monitors the implementation of climate change policies that may have a significant impact on its business, conducts real-time research and judgment on possible future policy trends and deploys work in advance, and actively seeks opportunities for low-carbon transition.

INCORPORATE GREEN OPERATIONS INTO THE COMPANY'S DEVELOPMENT

**EMISSIONS MANAGEMENT**

**Waste management**

The waste generated from the Company's office generally include waste paper, ink cartridges, toner drum units, lamps, batteries, etc. Classified recycling bins are set up in the office area, and hazardous waste is collected and stored separately and handed over to qualified professional companies for disposal.

We also have a comprehensive waste management plan for the waste generated from the projects managed by us. The waste generated from the projects, including recyclable waste, hazardous waste, green waste and renovation and construction waste, are sorted and processed by the Company and disposed according to the requirements. During the Reporting Period, the offices and office areas were renovated 7 times, generating approximately 12 tonnes of solid waste.

The sewage is directly discharged to the municipal sewage pipeline to ensure that our sewage discharge complies with local environmental protection requirements. The septic tanks are regularly cleaned and treated by professionally qualified units.

The Company sorts its garbage and requires merchants to dispose each kind of garbage upon sorting. The Company engages special personnel to conduct secondary sorting for domestic garbage, kitchen garbage, toxic and hazardous waste and renewable resources.

In terms of garbage classification, the Jinan Tangye Phoenix City (唐冶凤凰城) project of Lushang Services was selected by the China Association of Urban Environmental Sanitation as one of the first domestic garbage classification demonstration education bases in China.



Table: Waste generation

Indicator	Unit	Amount
Hazardous waste	kg	1,290.8
Hazardous waste generation intensity	kg/million m <sup>2</sup>	55.88

Notes:

1. The scope of environmental information collected in 2023 includes the office areas of the headquarters and subsidiaries of the Company;
2. The total amount of non-hazardous waste includes decoration waste and office paper;
3. The total amount of hazardous waste includes toner drum units, toner cartridges, batteries, masks, lamps, etc.

# OPERATE EARNESTLY TO PURSUE WIN-WIN COOPERATION

Lushang Services has strictly complied with the Law of the People's Republic of China on Bid Invitation and Bidding (《中華人民共和國招標投標法》), Government Procurement Law of the People's Republic of China (《中華人民共和國政府採購法》) and Interim Measures for the Administration of Bidding Agency Service Charges (Ji Jia Ge [2002] No. 1980) (《招標代理服務收費管理暫行辦法》(計價格[2002]1980號)), strictly implemented the Administrative Measures for the Procurement of Shandong Commercial Group Co., Ltd. (《山東省商業集團有限公司採購管理辦法》), Implementation Rules for the Procurement Business Procedures of Shandong Commercial Group Co., Ltd. (《山東省商業集團有限公司採購業務流程實施細則》) and Administrative Measures for the Procurement of Lushang Life Services Co., Ltd. (《魯商生活服務股份有限公司採購管理辦法》), and formulated the Administrative Measures for the Centralized Material Procurement Platform of Lushang Life Services Co., Ltd. (《魯商生活服務股份有限公司物料集採平台管理辦法》) in August 2022 to further standardize the bid invitation and bidding process.

## CLASSIFICATION OF SUPPLIERS AND STANDARDIZATION OF BID INVITATION AND BIDDING PROCESS

Lushang Services has established a clear supplier classification and grading standard. Suppliers are divided into three categories according to the nature of their work, i.e. material suppliers, service suppliers, and engineering suppliers. The Company has ensured a fair, open and just environment for each of the 14 procurement procedures, i.e. procurement planning, procurement business application, release of tendering information, compilation and review of tendering documents, offering of tendering documents, clarification and modification of tendering documents, bidding, bid opening, bid evaluation, bid clearance, inspection, bid confirmation, fee collection, and contract signing. In the performance stage upon the signing of contract, the suppliers are evaluated in terms of their performance of contracts, so as to determine the continuous engagement or termination of suppliers.

## SUPPLIER SELECTION AND MANAGEMENT

The Company has various requirements for suppliers in the primary selection for procurement. For companies that signed up for bidding, they may only be included into the supplier database by each department upon meeting the relevant requirements of the PRC and the Company, and are subject to review throughout the process of providing services and products. After the end of projects, the responsible department for each project and the Project Services Division shall conduct a comprehensive annual evaluation of the supplier. Lushang Services has formulated the Administrative Measures for Service Suppliers of Lushang Life Services Co., Ltd. (《魯商生活服務股份有限公司服務供方管理辦法》). All suppliers must observe such administrative measures, which shall be relied on for the semi-annual supplier performance evaluation every six months to determine the continuous engagement or termination of suppliers.



Lushang Services has explicitly incorporated environmental and social factors into the relevant consideration criteria for supplier selection. For example, for the purchase of vehicles for municipal sanitation operations, six national emission standards shall be met, and the National Energy-saving Product Certification (《國家節能產品認證證書》) and ISO management system certification (quality, environment, and occupational health) shall be obtained.

OPERATE EARNESTLY TO PURSUE WIN-WIN COOPERATION

**SUPPLIER COMMUNICATION AND DISTRIBUTION**

In order to improve the service standard and performance capability of suppliers and meet the Company’s development needs, during the Reporting Period, the Company conducted face-to-face negotiations with suppliers to strengthen communication with suppliers, urge suppliers to improve their service standard and promote the Company’s brand image, thereby achieving a win-win situation with suppliers.

As of December 31, 2023, the Company had 175 suppliers, of which 143 were in East China, which had the most number of suppliers, followed by 16 in North China.



Table: Distribution of suppliers by geographical region

Distribution of suppliers by geographical region	2023 data (Unit: Number)
East China (including Shanghai, Jiangsu, Zhejiang, Anhui, Jiangxi, Shandong)	<b>143</b>
Central China (including Henan, Hubei, Hunan)	<b>2</b>
North China (including Beijing, Tianjin, Shanxi, Hebei, Inner Mongolia)	<b>16</b>
South China (including Fujian, Guangdong, Hainan, Guangxi)	<b>4</b>
Southwest China (including Chongqing, Sichuan, Guizhou, Yunnan, Tibet)	<b>0</b>
Northeast China (including Heilongjiang, Jilin, Liaoning)	<b>10</b>

# STRICTLY CONTROL RISKS AND PRACTISE HONESTLY

The Company is committed to efficient governance, and has strictly complied with the relevant provisions of the Listing Rules of the Hong Kong Stock Exchange. The Company has established and enhanced its corporate governance structure, continuously improved the establishment of integrity, and set up whistle-blowing channels and whistle-blower protection systems, so as to effectively protect the Company's independent legal person status.

## STANDARDIZING CORPORATE GOVERNANCE

In strict compliance with relevant laws and regulations such as the Company Law of the People's Republic of China (《中華人民共和國公司法》) and Securities Law of the People's Republic of China (《中華人民共和國證券法》), the Company has standardized its operations and improved its corporate governance structure. The general meeting, the Board and the management have clearly defined responsibilities, cooperate with each other with checks and balances, and operate in a sound manner.

The Company has established four Board committees, including the Audit Committee, Remuneration Committee, Nomination Committee and Strategy Committee. During the Reporting Period, the Board consisted of three executive Directors, two non-executive Directors and three independent non-executive Directors, including four female Directors.

## OPTIMIZING SYSTEMS AND MANAGING RISKS

The Company revised and refined its rules, regulations and systems. To address the issues identified by the Company in preliminary litigation (arbitration) cases, the Company revised the Administrative Measures for Legal Disputes (《法律糾紛案件管理辦法》) to standardize the process for managing litigation (arbitration) and material non-litigation legal cases, clarify the assessment and accountability requirements for legal dispute cases, and improve the Company's ability in preventing risks of legal disputes. The Company formulated the Administrative Measures for Trademarks and Trade Names (《商標、字號管理辦法》) to standardize the procedures for registration and use of trademarks, reduce intellectual property risks in daily operations, and enhance the core influence and competitiveness of the Company's brands. The Company also revised systems such as the Administrative Measures for Audits (《管理審計辦法》), Administrative Measures for Economic Responsibility Audits of Key Leaders (《主要領導人經濟責任審計管理辦法》), Measures for Compilation and Review of Internal Audit Drafts (《內部審計工作底稿編審辦法》) and Administrative Measures for Internal Audit Files (《內部審計檔案管理辦法》) to strengthen audit quality and effectively identify and avoid risks.

At the same time, the Company has specifically established the Audit Committee, the main tasks of which include: revising the responsibilities of the Audit Committee; reviewing the Company's audit reports, results announcements and interim reports; communicating with the accountants on the Company's financial matters, and making recommendations regarding matters such as the audit system.

The Company carries out regular and ad hoc identifications and special inspections on major risks. In 2023, the Company had no major risks.

## STRICTLY CONTROL RISKS AND PRACTISE HONESTLY

### INTEGRITY ESTABLISHMENT

Lushang Services stringently complies with the law, never tolerates corruption, and strives to eliminate all acts of bribery, extortion, fraud and money laundering. The Company strictly complies with laws and regulations such as the Criminal Law of the People's Republic of China (《中華人民共和國刑法》), Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》), Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》) and Interim Provisions on Prohibition of Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》), and has included the relevant content into the Employee Handbook (《員工手冊》), emphasizing that every employee should follow the code of integrity, and must not solicit and accept benefits.

Strictly implementing the requirements of the Party Committee, Lushang Services identifies corruption risks in all aspects of its business process, conducts special supervision and inspection on relevant work, and thoroughly implements daily supervision, e.g. carrying out self-examination and self-rectification on "problems within the Company" (靠企吃企). The Company has regularly carried out integrity risk investigation, sorted out potential integrity risks of various positions, departments and units, assessed risk levels, studied and formulated prevention and control measures, and implemented the integrity risk prevention and control responsibility system, so as to prevent corruption from the source.

To ensure the implementation of requirements of the code of integrity, Lushang Services has made immense efforts to ensure the absence of corruption during festivals, issued festival reminders on integrity during major festivals, held pre-festival warning and education sessions, and studied typical cases. Before the Mid-Autumn Festival and National Day, in order to further reinforce discipline and rules, strengthen warnings and deterrents, and create a clean and incorrupt festival atmosphere, Lushang Services held a pre-festival warning and education session on integrity on September 26, 2023. The warning and education session on integrity conveyed and educated on the Group's spirit of incorruption, issued pre-festival reminders on integrity, and showed warning and education videos on typical cases to remind Party members and cadres to learn from the cases, celebrate the festivals with integrity, thrift and civility, stringently abide by the rules of discipline and the law, and always remember to resist corruption.



Image: Warning and education session on Party integrity of Lushang Services

## STRICTLY CONTROL RISKS AND PRACTISE HONESTLY

In terms of selection and employment of talents, Lushang Services has dynamically updated its electronic integrity files, established paper integrity files for mid-level and above personnel, ensured the integrity of employees, and issued integrity opinions on key personnel to be promoted, commended and rewarded. In terms of integrity training, we pay attention to daily discipline and legal education, and have organized “integrity education classes” for all key personnel and employees of the Company. We organize Party integrity classes and integrity talks, show warning and education videos on typical cases, and arrange visits to the integrity education base to carry out warning and education activities, so as to ensure that corruption can be identified as early as possible, and can be eliminated before it is too late. On the morning of February 23, Lushang Services organized more than 40 Party members to visit the Shandong Provincial Integrity Education Center (山東省廉潔教育館) to carry out the integrity warning and education activity with the theme of “opening up a new prospect with integrity, acting responsibly with persevered hard work” (廉潔守正開新局·實幹篤行有擔當). Through this education activity, all Party members have been reminded to be honest and self-disciplined. They said that they will constantly strengthen their self-cultivation, stringently abide by the rules of discipline and the law, maintain integrity and honesty, bravely undertake new missions and demonstrate new achievements in their future work, so as to make due contributions to the high-quality development of Lushang Services.



Image: Integrity education activity at the “Sincere and Honest” Government-Business Relations Integrity Education Center of Qingdao City (青島市親清政商關係廉潔教育館)

Moreover, the Company attaches great importance to the standardization of complaints and whistle-blowing reports. The Company has announced the method for making reports and accusations to the Disciplinary Commission, established the four-in-one (letters, visits, telephones and the Internet (信、訪、電、網)) platform for complaints and whistle-blowing reports, unblocked the complaints and whistle-blowing reporting channels, and accepted reports and accusations in a timely manner, thereby giving full play to the supervisory role of Party members and the public. The Company has also ensured that employees and external stakeholders (e.g. suppliers) in all places of business operations within the entire system can be aware of it. Meanwhile, the Company strictly keeps confidential the personal information of whistle-blowers.

By virtue of the Company’s unremitting efforts in anti-corruption and anti-bribery, during the Reporting Period, Lushang Services did not have any corruption cases or litigation cases involving corruption.

## PROTECTING INTELLECTUAL PROPERTY RIGHTS

Lushang Services strictly complies with laws and regulations such as the Copyright Law of the People’s Republic of China (《中華人民共和國著作權法》), Patent Law of the People’s Republic of China (《中華人民共和國專利權法》), Trademark Law of the People’s Republic of China (《中華人民共和國商標權法》) and Anti-Unfair Competition Law of the People’s Republic of China (《中華人民共和國反不正當競爭法》), and encourages employees to actively pursue innovations while respecting and protecting the intellectual property rights of others. On August 29, 2023, Lushang Services formulated and issued the Administrative Measures for Trademarks and Trade Names (《商標、字號管理辦法》) to further refine the administrative rules and regulations on intellectual property rights.

As of December 31, 2023, Lushang Services and its subsidiaries actively managed intellectual property rights, and owned 20 trademarks, 15 patents, 22 copyrights and 2 domain names. Of which, the number of patents has increased by 4 as compared to 2022, demonstrating the initial results in the management of intellectual property rights.

## CONTRIBUTE TO PUBLIC WELFARE AND GIVE BACK TO THE SOCIETY

In 2023, Lushang Services enhanced its influence in public welfare, practised its responsibilities as a state-owned enterprise, vigorously publicized the spirit of Lei Feng (雷鋒精神) and the volunteer service concept of “dedication, kindness, mutual assistance, and betterment”, further promoted the normalization of volunteer services, and continued to polish Lushang Services’ brand of “Radiant Charity” (螢光公益). The Company carried out various public welfare activities such as community welfare, cultural construction, environmental protection, volunteer services, poverty alleviation and donations, in order to advocate new trends and deliver positive energy.

Carried out the “Happy Neighborhood – Beautiful Life” (幸福鄰里·美好生活) community volunteer service activity: Lushang Services assisted lower-tier businesses in promotion activities, promoted the “Lushang Services” APP and the “Lushang Services” official account, so that residents can easily enjoy high-quality community services and management, thereby further expanding the brand influence of Lushang Services.



Carried out the “Slight Radiance, Sowing Hope” (熒熒微光·播種希望) Arbor Day activity: Lushang Services organized various projects to carry out arbor planting activity, in order to build a green home together, strive to be an environmental pioneer, and advocate the environmental protection spirit of “creating, loving and protecting green”, so that the concept of “green environment is the most valuable asset” (綠水青山就是金山銀山) can become deeply rooted in the hearts of the people.



## CONTRIBUTE TO PUBLIC WELFARE AND GIVE BACK TO THE SOCIETY

Carried out the “Spreading Warmth on Mid-Autumn Festival and Love on National Day” (情暖中秋愛在國慶) mooncake DIY activity: This activity promoted the exquisite traditional culture of the Chinese nation and enhanced employees’ well-being.



Carried out the “Promoting Civilization and Establishing New Trends” (促文明 樹新風) community volunteer service activity: Lushang Services pursued the concept of caring for and protecting the environment with practical actions, and strive to create a harmonious and beautiful living environment for property owners.



## CONTRIBUTE TO PUBLIC WELFARE AND GIVE BACK TO THE SOCIETY

Carried out the “Corporate Courage and Responsibilities – Conveying Love with Passion” (益企勇擔當·熱血傳愛心) voluntary blood donation activity: Lushang Services dedicated love, and demonstrated the Company’s good demeanor of bravely shouldering social responsibilities, thereby delivering positive energy to the society.



Intensively carried out the volunteer service “Theme Month” activity with the themes of “youth” volunteering, “enterprise” driving the future, and “five objectives” (「青」心志願「企」動未來「五為」志願服務「主題月」活動): Lushang Services united and led young employees to demonstrate the vitality and value of the group organization in the Company’s high-quality development. The Youth League Committee of Lushang Services launched a series of activities with the theme of “Lushang’s Youth Role Model – Serving a Better Life” (魯商青春榜樣 服務美好生活) to advocate the spirit of the May 4th Movement (五四精神), and inspire young people to be courageous and enterprising, thereby contributing youthful energy to the Company’s development strategy.



## CONTRIBUTE TO PUBLIC WELFARE AND GIVE BACK TO THE SOCIETY

Carried out the “Sending Warmth in Cold Winter To Warm Hearts” (寒冬送温暖真情暖人心) activity: Lushang Services sent supplies to express gratitude to front-line employees who have been at their posts for a long time in cold weather, so as to bring warmth to employees persevering on the front-line.



Carried out the “Caring for Employees – Complimentary Health Clinic Week” (關愛員工『健康義診周』) activity: In order to safeguard and care for employees’ health and enhance their health awareness, various units were organized to carry out health check-ups for 820 people, so as to build a harmonious corporate environment. Lushang Services invited traditional Chinese medicine doctors from the Beijing Fuyuantang Traditional Chinese Medicine Research Institute (北京福源堂中醫研究院) to the Company for consultation and explaining daily disease prevention and traditional Chinese medicine health care knowledge to employees, so as to enhance employees’ health awareness and self-care ability.

Established the daily poverty assistance mechanism to provide regular poverty assistance and express gratitude to employees in need: Lushang Services launched the “Slight Radiance – Spreading Warmth” (微微螢光 傳遞溫暖) fundraising event and raised donations, relief funds and love funds in an amount of RMB41,236.00 to help employees in need overcome difficulties. It organized the “Radiance – One-day Charity Donation” (螢光益起行 慈心一日捐) event, thereby upholding the spirit of charity and public welfare with practical actions and gathering the power of good deeds. It carried out the agricultural assistance action, assisted the collaboration between East and West China and the comprehensive revitalization of rural areas, and purchased RMB60,000 of subsidiary agricultural products for poverty alleviation from enterprises designated for Shandong-Chongqing consumption assistance collaboration between East and West China and distributed them as employee welfare products, thereby actively fulfilling social responsibilities.

# APPENDIX: CONTENT INDEX TO THE ESG REPORTING GUIDE

Subject Area	Aspect	KPI	Corresponding Content
Environmental	A1: Emissions	General Disclosure: Information on:	
		(a) the policies; and	
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer	Incorporate green operations into the Company's development
		relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	
		A1.1: The types of emissions and respective emissions data.	Incorporate green operations into the Company's development
		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).	Incorporate green operations into the Company's development
		A1.3: Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Incorporate green operations into the Company's development
A1.4: Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Incorporate green operations into the Company's development		
A1.5: Description of emission target(s) set and steps taken to achieve them.	Incorporate green operations into the Company's development		
A1.6: Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Incorporate green operations into the Company's development		

## APPENDIX: CONTENT INDEX TO THE ESG REPORTING GUIDE

Subject Area	Aspect	KPI	Corresponding Content
	<b>A2: Use of Resources</b>	<p>General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p>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).</p> <p>A2.2: Water consumption in total and intensity (e.g. per unit of production volume, per facility).</p> <p>A2.3: Description of energy use efficiency target(s) set and steps taken to achieve them.</p> <p>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.</p> <p>A2.5: Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.</p>	<p>Incorporate green operations into the Company's development</p> <p>Not applicable to our business</p>
	<b>A3: The Environment and Natural Resources</b>	<p>General Disclosure: Policies on minimising the issuer's significant impacts on the environment and natural resources.</p> <p>A3.1: Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.</p>	<p>Incorporate green operations into the Company's development</p> <p>Incorporate green operations into the Company's development</p>
	<b>A4: Climate Change</b>	<p>General Disclosure: Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.</p> <p>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.</p>	<p>Incorporate green operations into the Company's development</p> <p>Incorporate green operations into the Company's development</p>

## APPENDIX: CONTENT INDEX TO THE ESG REPORTING GUIDE

Subject Area	Aspect	KPI	Corresponding Content
Social	<b>B1: Employment</b>	General Disclosure: Information on:	
		(a) the policies; and	
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer	Be people-oriented and foster development together with employees
		relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	
	B1.1: Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Be people-oriented and foster development together with employees	
	B1.2: Employee turnover rate by gender, age group and geographical region.	Be people-oriented and foster development together with employees	
	<b>B2: Health and Safety</b>	General Disclosure: Information on:	
	(a) the policies; and		
(b) compliance with relevant laws and regulations that have a significant impact on the issuer	Be people-oriented and foster development together with employees		
relating to providing a safe working environment and protecting employees from occupational hazards.			
B2.1: Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Be people-oriented and foster development together with employees		
B2.2: Lost days due to work injury.	Be people-oriented and foster development together with employees		

## APPENDIX: CONTENT INDEX TO THE ESG REPORTING GUIDE

Subject Area	Aspect	KPI	Corresponding Content
		B2.3: Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Be people-oriented and foster development together with employees
	<b>B3: Development and Training</b>	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Be people-oriented and foster development together with employees
		B3.1: The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Be people-oriented and foster development together with employees
		B3.2: The average training hours completed per employee by gender and employee category.	Be people-oriented and foster development together with employees
	<b>B4: Labour Standards</b>	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Be people-oriented and foster development together with employees
		B4.1: Description of measures to review employment practices to avoid child and forced labour.	Be people-oriented and foster development together with employees
		B4.2: Description of steps taken to eliminate such practices when discovered.	Be people-oriented and foster development together with employees

## APPENDIX: CONTENT INDEX TO THE ESG REPORTING GUIDE

Subject Area	Aspect	KPI	Corresponding Content
<b>B5: Supply Chain Management</b>		General Disclosure: Policies on managing environmental and social risks of the supply chain.	Operate earnestly to pursue win-win cooperation
		B5.1: Number of suppliers by geographical region.	Operate earnestly to pursue win-win cooperation
		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.	Operate earnestly to pursue win-win cooperation
		B5.3: Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Operate earnestly to pursue win-win cooperation
		B5.4: Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Operate earnestly to pursue win-win cooperation
<b>B6: Product Responsibility</b>		General Disclosure: Information on:	
		(a) the policies; and	
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Offer premium services to build smart communities enthusiastically
		B6.1: Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to our business

## APPENDIX: CONTENT INDEX TO THE ESG REPORTING GUIDE

Subject Area	Aspect	KPI	Corresponding Content
		B6.2: Number of products and service related complaints received and how they are dealt with.	Offer premium services to build smart communities enthusiastically
		B6.3: Description of practices relating to observing and protecting intellectual property rights.	Strictly control risks and practise honestly
		B6.4: Description of quality assurance process and recall procedures.	Not applicable to our business
		B6.5: Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Offer premium services to build smart communities enthusiastically
	<b>B7: Anti-corruption</b>	<p>General Disclosure: Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to bribery, extortion, fraud and money laundering.</p>	Strictly control risks and practise honestly
		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.	Strictly control risks and practise honestly
		B7.2: Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Strictly control risks and practise honestly
		B7.3: Description of anti-corruption training provided to directors and staff.	Strictly control risks and practise honestly

## APPENDIX: CONTENT INDEX TO THE ESG REPORTING GUIDE

Subject Area	Aspect	KPI	Corresponding Content
	<b>B8: Community Investment</b>	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.	Contribute to public welfare and give back to the society
		B8.1: Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Contribute to public welfare and give back to the society
		B8.2: Resources contributed (e.g. money or time) to the focus area.	Contribute to public welfare and give back to the society

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