

# 用心構築美好生活

## BUILDING BETTER LIVES

Grow into a customer -  
preferred smart city service brand



# CONTENTS

1.	ABOUT THIS REPORT	2	7.	LEAN EVER SUNSHINE, QUALITY TOGETHER	64	9.	ENERGETIC EVER SUNSHINE, CARE FOR TALENT TOGETHER	110
2.	THE OPENING REMARKS	4		Refined the Quality of Service	66		Protect the Rights and Interests of Employees	112
3.	ABOUT THE COMPANY	6		Quality management system	66		Equal employment	112
	Company Profile	6		Quality service improvement	67		Democratic communication	117
	Value System	7		Gravitational service ecology	70		Remuneration and welfare	118
	Responsibility for 2022	8		Protect Customer Rights and Interests	79		Facilitate Career Development	121
	Awards for 2022	12		Customer health and wellbeing	80		Talent attraction	121
4.	SUSTAINABLE DEVELOPMENT MANAGEMENT	14		Customer satisfaction	85		Talent cultivation	124
	Statement of the Board	15		Information security and privacy protection	87		Reasonable promotion	131
	ESG Philosophy	16	8.	LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER	90		Protect Health and Safety	132
	ESG Governance Structure	19		Tackling Climate Change	92		Ensure occupational safety	132
	Stakeholder Engagement	22		Governance	92		Focus on occupational health	134
	Material Issues Identification and Analysis	24		Strategies	92		Care for the Lives of Employees	135
5.	RESPONSIBILITY TOPIC: 37°C, THE TEMPERATURE OF A HAPPY COMMUNITY	26		Risk Management	95		Focus on employee satisfaction	135
	Explore care for the elderly in community and create a 37°C age-friendly space	27		Metrics and targets	96		Enrich employees activities	136
	Contribute to community governance by providing 37°C warmth services	28		Practising Green Operations	96		Help employees in difficulty	137
6.	CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER	32		Energy Management	97	10.	KIND EVER SUNSHINE, WARMING THE COMMUNITIES TOGETHER	138
	Compliance Management System	34		Water resources management	103		Participate in Social Welfare	140
	Diversity of directors	34		Waste management	105		Promote Community Building	142
	Strengthening Risk Control Management	35		Biodiversity protection	106		Contribute to Rural Revitalization	144
	Risk management system	36		Embrace Green Living	106		APPENDICES	146
	Risk management mechanisms	37		Green office	106		Appendix I 2022 ESG Key Performance Indicators	147
	Internal control	39		Green Living	109		Appendix II Index Table of Environmental, Social and Governance Report Guideline Indicators	155
	Attach Importance to Building Integrity	42						
	Integrity Management System	42						
	Management for reporting	47						
	Integrity education	50						
	Create a Responsible Supply Chain	54						
	Supplier Management System	55						
	Supplier management mechanisms	57						
	Labour Health and Safety Management for Suppliers	58						
	Supplier Communication	59						
	Sustainable supply chain	60						
	Protection of Intellectual Property Rights	62						

# 1. ABOUT THIS REPORT

CIFI Ever Sunshine Services Group Limited (hereinafter referred to as “CIFI Ever Sunshine Services” or the “Company”) and its subsidiaries (hereinafter referred to as “we” or the “Group”) is pleased to release our fifth environmental, social and governance, (“ESG”) report (hereinafter referred to as this “Report”).

## INTRODUCTION TO THE REPORT

On the basis of previous years’ ESG reports, the Company will further comprehensively and objectively disclose the vision, strategies and practices related to environmental, social and governance of CIFI Ever Sunshine Services during the period from 1 January 2022 to 31 December 2022 (the “Reporting Period”) to promote stakeholders’ understanding of the Company’s sustainable development performance. Unless otherwise stated, the scope of the Report is consistent with the Company’s 2022 annual report.



## 1. ABOUT THIS REPORT

### BASIS OF PREPARATION

This Report has been prepared in accordance with “Environmental, Social and Governance Reporting Guideline” (the “ESG Reporting Guideline”) as set out in Appendix 27 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). An index of the content of the indicators in the ESG Reporting Guideline is detailed in the Appendix section of this Report to facilitate quick reference by readers. The disclosures in this Report comply with the “comply or explain” provisions of the ESG Reporting Guideline.

### REPORTING SCOPE

The policy documents, statements, data, etc. in this Report cover the actual scope of the Group’s business, except where individual information is specifically stated.

### DATA SOURCES

This Report follows the principles of materiality, quantitative, balance and consistency of the ESG Reporting Guideline. The data and cases are all derived from the Company’s statistical reports and related documents. Unless otherwise specified, the currency amounts included in this Report are in RMB.

### APPROVAL OF THE REPORT

This Report follows the materiality principles of the ESG Reporting Guideline and was considered and approved for issue by the Board of Directors on 26 September 2023.

### REPORT COMMITMENT

The Company undertakes that this Report does not contain any false statements or misleading statements and is responsible for the truthfulness, accuracy and completeness of its content.

### ACCESS TO THE REPORT

This Report is available in traditional Chinese and English for readers’ reference. The electronic version of the Report is available on the Hong Kong Stock Exchange’s website ([www.hkexnews.hk](http://www.hkexnews.hk)) or the Company’s official website ([www.cifies.com](http://www.cifies.com)).

### FEEDBACK ON THE REPORT

If you have any question or feedback on this Report and its content, please feel free to contact us via the following methods:



You can also contact us through the following channel:  
Email address: [IR@ysservice.com.cn](mailto:IR@ysservice.com.cn)



## 2. THE OPENING REMARKS

In 2022, the real estate industry suffered a cyclical crisis and the property management service industry was impacted to a certain extent, CIFI Ever Sunshine Services insisted on developing good reputation and quality services, and resisted the industry risks through market-oriented expansion and operation. 2022 is also the most critical year of the Company's "1-5 Plan", in this year, we deeply cultivated quality and management, advocated green and low-carbon development, and continued to move forward to achieve growing into a customer-preferred smart city service brand.

### Sincere operation to create lean quality

Lean operation is the cornerstone of enterprise development, and it is also the long-standing guideline practiced by CIFI Ever Sunshine Services. In 2022, we continued to improve our corporate governance system, optimized our ESG governance structure, strengthened our risk response and internal controls, strictly adhered to the bottom line of compliance, and built a barrier to long-term development; we promoted a culture of integrity, abided by business ethics, built a green supply chain, and practiced long-termism.

We uphold the mission of "Building better lives" and provide quality services to our customers. In 2022, we focused on refining our service quality and creating a customer-centric Ever Sunshine service system of "Whole Life Cycle+", "Whole Life Scenario+" and "Whole Age Care+"; we further developed community services, city services, value-added services and smart services, built a gravitational service ecology, led the construction of smart city services with technology, and contributed to the harmonious development of society.

### Serve green and promote sustainable development

Green and low-carbon is an intrinsic requirement for enterprises to achieve sustainable development. We insist on green operation, resonating with the times and walking with development. In 2022, we continued to improve our environmental management system, promoted refined energy management, advocated green office life, promoted the green replacement of property service facilities and developed green properties; we actively responded to the national call to carry out green public welfare, promote waste classification and recycling, explore community carbon reduction initiatives, encourage staff and property owners to participate, and promote the building of green communities together.

We attach importance to the growth of our staff, and we carry out staff care in a people-oriented manner, walking with our staff. We regard our staff as the eternal power of the Company's development, improve our staff rights and welfare protection system, open up communication channels and create a fair and just working environment; we respect outstanding talents from different cultural backgrounds, pay attention to the occupational health of our staff, continuously enrich and expand our team of talents and add vitality to the development of the Company; we care about the well-being of our staff and have set up a staff support association to help them in difficulty, deliver warmth and goodwill, and enhance their happiness.

### Build a better future together in harmony

Win-win cooperation is the essential way for enterprises to develop and progress. We actively participate in industry exchanges, maintain good cooperation with stakeholders, fully respect the views of stakeholders and work hand in hand with property owners, tenants, shareholders and suppliers to build a better society.

We actively undertake social responsibility, are enthusiastic about public welfare and give full play to our influence to give back to the society. In 2022, we continued to carry out community welfare, built the "Ever Sunshine Love" public welfare brand, and launched public welfare activities such as the "Read for Benefit, Send with Ease(益起讀,輕鬆寄)" and "Baby Run(寶貝加油跑)" to deliver care and goodness; we took on a red role, carried out special activities to help farmers and prevent the pandemic and rallied the community to help revitalize the countryside.

Looking ahead to 2023, we will always bear in mind our original intention of "Building better lives", and will strive to move forward despite the difficulties, grow together with our staff and customers, and work together to realize our vision of "Grow into a customer-preferred smart city service brand".



## 3. ABOUT THE COMPANY

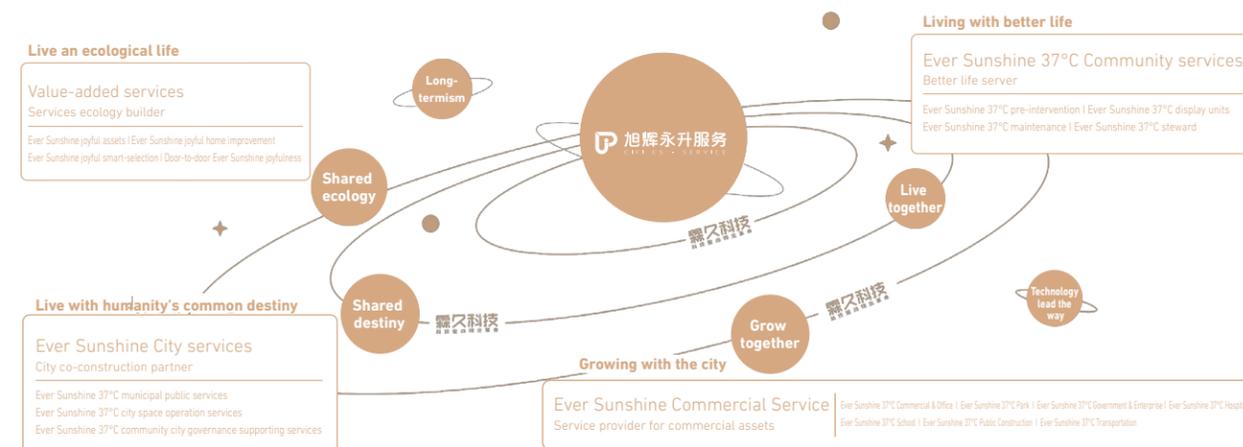
With the mission of “Building better lives”, CIFI Ever Sunshine Services insists on providing customers with “Satisfaction + Surprise” services, taking comprehensive smart city services as the core, laying out a comprehensive “Four-wheel drive”, building a “Platform + Ecology” type enterprise, and aiming to become a customer-preferred smart city service brand.

### Company Profile

CIFI Ever Sunshine Services is the smart city services brand of CIFI Holdings, which was listed on the Main Board of the Stock Exchange in December 2018 (stock code: 01995.HK). The Company has a level 1 qualification of property, enjoys a good reputation and is growing rapidly, and has been ranked as one of the top 100 property management service enterprises in China for many years, and was ranked 11th among the top 100 property service enterprises in China in 2022. With many years of experience in the property industry, CIFI Ever Sunshine Services has developed into a diversified and innovative property service company with ten major project types covering residential, commercial, park, office, school, hospital, exhibition hall, transportation hub, city services and cultural tourism, and a product matrix covering five major types of services, including community services, value-added services, commercial services, city services and smart services, which have fully contributed to the new development of a harmonious society.

As of 31 December, 2022, CIFI Ever Sunshine Services had a total management size of over 210 million square meters, with a contracted area of over 303 million square meters, providing good living services for over 930,000 households in 116 prefecture-level cities across China. In terms of business development, CIFI Ever Sunshine Services adheres to a diversified development strategy, focusing on the property services market with integrated smart city services as its core, and extending outward to the entire chain of real estate development and delivery front-end, technology services, etc., gradually building a “professional and specialized” service ecology.

## 3. ABOUT THE COMPANY



▲ CIFI Ever Sunshine Services Product Matrix -Gravitational Service Ecology 2.0

### Value System

CIFI Ever Sunshine Services has built a scientific, complete and clear standard corporate culture system around customer needs, and is committed to realizing the vision of “Grow into a customer-preferred smart city service brand”. The Company has always adhered to the mission of “Building better lives”, guiding its staff to provide good service to customers with an appreciative eye and a grateful heart, so that customers can really get a service experience of “trouble-free, worry-free, and discontent-free”.

Looking to the future, CIFI Ever Sunshine Services will continue to maintain the characteristics of “quality with heart, worthy of your reliance, digital intelligence to create the future”, adhere to the “technology-driven property revolution”, build a “platform + ecology” type of enterprise, create a digital smart service ecology, and provide customers with “satisfaction + surprise” service with heart.

### Corporate Culture

<b>Mission</b>	Building better lives
<b>Vision</b>	Grow into a customer-preferred smart city service brand
<b>Values</b>	Let customer be “trouble-free, worry-free, and discontent-free” An appreciative eye, a grateful heart Happy struggle With heart and soul every day Better for ourselves than for everyone else
<b>Operating Principles</b>	Principle of Development, Principle of Service, Principle of Cooperation, Principle of Innovation, Principle of Decision-making, Principle of Authorization, Principle of Implementation, Principle of Risk Control.



## Responsibility for 2022

## ECONOMIC INDICATORS

## FINANCIAL PERFORMANCE

Total assets (RMB100 million)

Performance of 2022

80.4

Performance of 2021

72.7



Total equity (RMB100 million)

Performance of 2022

48.3

Performance of 2021

46.9



Income (RMB100 million)

Performance of 2022

62.8

Performance of 2021

47.0



Profit and total comprehensive income for the year (RMB100 million)

Performance of 2022

5.8

Performance of 2021

6.9



Profit and total comprehensive income for the year attributable to owners of the Company (RMB100 million)

Performance of 2022

4.8

Performance of 2021

6.2



## PRODUCT SERVICES

Cities we serve (number)

Performance of 2022

116

Performance of 2021

124



Contracted GFA (000' square meters)

Performance of 2022

303,435

Performance of 2021

270,767



Contracted projects (number)

Performance of 2022

1,542

Performance of 2021

1,409



GFA under management (000' square meters)

Performance of 2022

209,954

Performance of 2021

171,036



Projects under management (number)

Performance of 2022

1,148

Performance of 2021

1,032



Number of households we serve (households)

Performance of 2022

&gt;930,000

Performance of 2021

&gt;600,000



Customer satisfaction (points)

Performance of 2022

86.7

Performance of 2021

85.5



## ENVIRONMENTAL INDICATORS

Total greenhouse gas emissions (tonnes of CO<sub>2</sub>e)

Performance of 2022

374.77



Total comprehensive energy consumption (kWh)

Performance of 2022

682,515.96



Total electricity (kWh)

Performance of 2022

637,287.14



Total water consumption (tonnes)

Performance of 2022

2,625.86



Responsibility for 2022

SOCIAL INDICATORS

EMPLOYMENT COMPLIANCE



The total number of employees (persons)  
**Performance of 2022**  
**26,685**  
 Performance of 2021  
**16,709** ▲

The total number of male employees (persons)  
**Performance of 2022**  
**15,468**  
 Performance of 2021  
**10,175** ▲

The total number of female employees (persons)  
**Performance of 2022**  
**11,217**  
 Performance of 2021  
**6,534** ▲

Percentage of male employees  
**Performance of 2022**  
**58.0%**  
 Performance of 2021  
**60.9%** ▼

Percentage of female employees  
**Performance of 2022**  
**42.0%**  
 Performance of 2021  
**39.1%** ▲

The number of fresh graduates recruited (persons)  
**Performance of 2022**  
**175**  
 Performance of 2021  
**approx. 500** ▼

Social insurance coverage  
**Performance of 2022**  
**100%**  
 Performance of 2021  
**100%**

SAFETY AND HEALTH



Number of production safety trainings (times)  
**Performance of 2022**  
**620**  
 Performance of 2021  
**1,778** ▼

Number of emergency drills (times)  
**Performance of 2022**  
**2,440**

TRAINING AND DEVELOPMENT



The number of employees trained (person)  
**Performance of 2022**  
**26,231**  
 Performance of 2021  
**16,588** ▲

Total training investment (RMB in ten thousand)  
**Performance of 2022**  
**261.6**  
 Performance of 2021  
**291.0** ▼

Number of hours of training for serving male employees (hours)  
**Performance of 2022**  
**91.4**  
 Performance of 2021  
**90.2** ▲

Number of hours of training for serving female employees (hours)  
**Performance of 2022**  
**88.3**  
 Performance of 2021  
**85.3** ▲

CARE FOR EMPLOYEES



Employee activities carried out (number)  
**Performance of 2022**  
**>320**  
 Performance of 2021  
**>300** ▲

Number of participants in the employee talks (participant)  
**Performance of 2022**  
**approx. 3,500**  
 Performance of 2021  
**approx. 4,600** ▼

COMMUNITY INVESTMENT



2022 Investment in anti-pandemic and pandemic prevention materials (RMB in ten thousand)  
**Performance of 2022**  
**780**

AWARDS FOR 2022



Best CSR Youth Force Employer Branding Project for 2022



Campus Recruitment Excellence in Practice Award



China Property Best Employer for 2022

Level/Issued by	Awards
	2022 Best Management Team in Asia No. 1 overall in the real estate industry
	Best ESG (Environmental, Social and Corporate Governance)
Financial magazine "Institutional Investor"	Best Chief Executive Officer
	Best Chief Financial Officer
	Best Investor Relations Professional
	Best Investor Relations Company
Researchable Think Tank	No. 6 in the Top 50 Property Organizations in China for 2022
	China Property Best Employer for 2022
CRIC Property Management, China Property Research	Top 10 Overall Strength of Property Service Enterprises in China for 2022
	Top 100 Property Service Enterprises in China for Brand Value
China Index Research Institute, China Real Estate Top 10 Research Group	Eleventh place in TOP 100 Property Management Service Companies in China
CIWEI Youth Force Annual Summit	Best CSR Youth Force Employer Branding Project for 2022
Yongyou Dayee China Digital HR Association	Campus Recruitment Excellence in Practice Award
All-China Federation of Trade Unions	Honorary title of "2022 Shanghai Workers Pioneer"
Suzhou Wujiang District People's Government	The first class of the excellent community of waste classification in Wujiang District, Suzhou in 2022



## 4. SUSTAINABLE DEVELOPMENT MANAGEMENT

CIFI Ever Sunshine Services continues to refine its sustainable development management, enriching the meaning of ESG governance, fulfilling its mission of “Building better lives”, actively communicating with stakeholders, and grasping the direction of sustainable development for the whole industry and society.



## 4. SUSTAINABLE DEVELOPMENT MANAGEMENT

### Statement of the Board

The Board of Directors of the Company attaches great importance to sustainable development management and has incorporated ESG governance into its corporate governance structure. We have established a multi-level, regulatory, efficient and enforceable ESG management framework in accordance with the disclosure requirements of the Stock Exchange’s ESG Reporting Guideline, which is continuously updated and improved to give the Board a leading role in participating in the oversight of the Group’s ESG affairs.

### ESG governance responsibility

The Board is fully responsible for the Group’s ESG management policies, strategies and reporting. It is the highest decision-making body for ESG management of the Company and sets the Company’s ESG management policies, strategies, priorities and targets on ESG-related matters; and coordinates the review of annual ESG performance, risk management, achievement of key targets and information disclosure. The Board is required to regularly review and ensure that appropriate and effective internal ESG management and monitoring systems are in place; to identify and assess ESG-related risks and opportunities affecting the Company’s operations; to review the Group’s ESG performance and progress towards achieving its targets; and to communicate with issuers by approving and signing publicly disclosed annual ESG reports.

### ESG target management

In accordance with the ESG Reporting Guideline, CIFI Ever Sunshine Services has set the Group’s environmental targets for 2023 to reduce greenhouse gas emissions intensity, energy consumption intensity, water consumption intensity and non-hazardous waste emissions intensity by 2% as compared with 2022; and to identify and continuously improve the management of and response to climate change risks and opportunities. During the Reporting Period, the Board has deliberated on the above targets and will continue to review and monitor the progress of achieving the targets.

### ESG risk management

CIFI Ever Sunshine Services attaches importance to the significant impact that ESG risks may have on the Group, and actively identifies and manages ESG risks. The Group’s ESG Committee, which is coordinated by Chief Executive Officer and managed with the assistance of the head office and functional heads, assesses potential ESG risks and opportunities and makes timely recommendations to the Board of Directors to improve the Company’s ESG performance. We assess the materiality of ESG issues through stakeholder research, expert assessment and Board deliberations, and prioritize ESG issues. The Board will review and update the Company’s ESG issues database annually, and confirm and approve the results of the analysis of materiality issues for the year.



## 4. SUSTAINABLE DEVELOPMENT MANAGEMENT

### ESG Philosophy

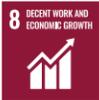
CIFI Ever Sunshine Services integrates the ESG concept into the daily operation and management of building a full-service diversified smart service brand. We are guided by the United Nations Sustainable Development Goals (SDGs) 2030 and the Stock Exchange's ESG Reporting Guideline in formulating our sustainable development strategy. This report discloses the Group's key ESG actions and performance during the Reporting Period.

Reporting Chapter	United Nations Sustainable Development Goals (SDGs)	Stock Exchange's Indicators	2022 Key Actions and Performance
Conscientious Ever Sunshine, Forge Development Together		B5 General Disclosure B5.1 B5.2 B5.3 B5.4 B6.3 B7 General Disclosure B7.1 B7.2 B7.3	<ul style="list-style-type: none"> <li>Held 4 Board meetings and 2 general meetings</li> <li>88% correction rate of risk issues</li> <li>Carried out integrity training courses for all employees, and such courses include the "Eight Military Regulations" ("八大軍規") training, course for occupational ethics and conflict of employee interests</li> <li>Provided 106 anti-corruption trainings to employees, involving 345,795 participants</li> <li>"The Letter of Commitment to Integrity" (《廉潔承諾函》) was signed by 100% of the suppliers</li> <li>Carried out a total of 36 supplier anti-corruption trainings</li> <li>208 copyrights, 3 patents and 263 trademarks were obtained</li> </ul>
			

## 4. SUSTAINABLE DEVELOPMENT MANAGEMENT

Reporting Chapter	United Nations Sustainable Development Goals (SDGs)	Stock Exchange's Indicators	2022 Key Actions and Performance
Lean Ever Sunshine, Quality Together		B6 General Disclosure B6.2 B6.5	<ul style="list-style-type: none"> <li>Renewal of ISO 9001 Quality Management System Certificate</li> <li>Third party customer satisfaction result of 86.7</li> <li>Carried out 620 safety production trainings with 2,272 participants</li> <li>2,440 emergency drills were carried out, involving 3,865 participants</li> <li>Rate of handling complaints of 100%</li> <li>Door-to-door service had an annual work order in-time response rate of 98%, a work order in-time completion rate of 97% and a work order satisfaction rate of 99%, constantly creating new value for property owners</li> </ul>
			
			
Low-Carbon Ever Sunshine, Call for Environmental Protection Together		A1 General Disclosure A1.5 A1.6	<ul style="list-style-type: none"> <li>Set goals for greenhouse gas emissions, energy use efficiency, water use efficiency and waste management</li> <li>On-line energy management system and over 50 energy saving retrofit projects</li> <li>Carry out retrofitting of "Water-saving Communities" and "Waste-free Communities retrofitting"</li> <li>Launched Green Office Initiative, carry out paper recycling and battery classification</li> <li>Carried out "New Energy Vehicle Carnival" activity to encourage green travel</li> </ul>
		A2 General Disclosure A2.3 A2.4	
		A3 General Disclosure A3.1 A4 General Disclosure A4.1	

4. SUSTAINABLE DEVELOPMENT MANAGEMENT

Reporting Chapter	United Nations Sustainable Development Goals (SDGs)	Stock Exchange's Indicators	2022 Key Actions and Performance
Energetic Ever Sunshine, Care for Talent Together		B1 General Disclosure B1.1	<ul style="list-style-type: none"> <li>Updated the HR inspection management method, added process inspection and proposed rectification suggestions; released the administrative inspection management method, added administrative process inspection and established a monthly monitoring system and mechanism for key administrative indicators</li> <li>Continuously updated a number of human resources and administrative management systems to meet the needs of the industry and corporate development</li> <li>Built a smart employee occupational health and safety management system to effectively capture abnormal data and protect employee safety</li> <li>Established the Ever Sunshine Staff Mutual Aid Association to promote the diversification of staff support methods and the implementation of staff welfare</li> <li>The average annual employee satisfaction score across all functions was 3.88, representing an increase from 3.85 in 2021</li> </ul>
		B2 General Disclosure B2.3	
		B3 General Disclosure B4 General Disclosure B4.1	
		B4.2	

4. SUSTAINABLE DEVELOPMENT MANAGEMENT

Reporting Chapter	United Nations Sustainable Development Goals (SDGs)	Stock Exchange's Indicators	2022 Key Actions and Performance
Kind Ever Sunshine, Warming the Community Together		B8 General Disclosure B8.1 B8.2	<ul style="list-style-type: none"> <li>3,000 red willow trees were planted in the desert of Dunhuang for the "Baby Run - Summer Camp" public welfare activity</li> <li>"Read for Benefits, Send with Ease" activity, donating 600 books from 55 communities in the Northeastern region</li> <li>CIFI Jiangwan Villa (旭辉江湾墅) was awarded as the 2021 Shanghai Water Conservation Demonstration (Benchmark) Community</li> <li>Conducted charity activities in 37 communities in 14 cities, attracting more than 5,200 owners and issuing 3,710 certificates</li> <li>Built a bridge to support agricultural development, and launched a special sales campaign to help farmers sell a large number of slow-selling crops</li> </ul>
			
			
			
			

ESG Governance Structure

CIFI Ever Sunshine Services attaches great importance to sustainable development and has built a ESG governance structure with clear responsibilities and efficient operations in accordance with its business development targets, business needs and the regulatory requirements of the Stock Exchange, clarifying the responsibilities and authorities for decision-making, execution and supervision, and continuously optimizing the ESG governance structure and functions to continuously improve its corporate governance system.



## 4. SUSTAINABLE DEVELOPMENT MANAGEMENT

## ▼ ESG Governance Structure of CIFI Ever Sunshine Services

Governance level	Personnel composition	Key functions
Highest governance body	Board of Directors	<ul style="list-style-type: none"> <li>Responsible for the formulation of the Company's ESG management policy, strategy, ESG-related issues priorities and targets;</li> <li>Co-ordinate the review of annual ESG performance, risk management, achievement of key targets and information disclosure;</li> <li>Audit and ensure that appropriate and effective internal ESG management and control systems are in place;</li> <li>Identify and assess ESG-related risks and opportunities that impact on the Company's operations;</li> <li>Review the Group's ESG performance and its goals and their achievement;</li> <li>Take full responsibility for the ESG's governance strategy and reporting.</li> </ul>
ESG Committee	Coordinated by the executive president of the Company and comprises the heads of the functional departments of the Company's headquarters	<ul style="list-style-type: none"> <li>Maintain the operation of the ESG system, enhance employees' awareness of environmental and social responsibility;</li> <li>Identify ESG issues related to the main operations of the Company, and/or the shareholders and other important stakeholders of the Company;</li> <li>Guide, monitor and review the implementation of ESG work of the Company, and respond to the latest ESG issues;</li> <li>Ensure that the Company complies with relevant legal and regulatory requirements and promote all departments to implement various ESG policies;</li> <li>Assess the risks and opportunities that the Company may face and make relevant recommendations to the Board as appropriate to enhance the Company's ESG performance.</li> </ul>

## 4. SUSTAINABLE DEVELOPMENT MANAGEMENT

Governance level	Personnel composition	Key functions
ESG Management Executive Level	Executive personnel of relevant functional departments of the headquarters, regional companies, and other business units	<ul style="list-style-type: none"> <li>Implement relevant resolutions of the Board of Directors and ESG Committee;</li> <li>Implement the collection, recording and reporting of ESG related documents and data;</li> <li>Implement and optimize the Group's ESG concepts, strategies and measures in daily operation and management.</li> </ul>

The Board of CIFI Ever Sunshine Services also has four special committees in respect of strategy, nomination, remuneration and audit, each of which performs its duties, effectively assists the Board of Directors in performing duties and supervising the business operations of the Company, and pays attention to specific issues and practices in the sustainable development of the Company from time to time.



#### 4. SUSTAINABLE DEVELOPMENT MANAGEMENT

### Stakeholder Engagement

CIFI Ever Sunshine Services continues to maintain close communication with stakeholders and open up various communication channels to fully understand their views and aspirations to help achieve the Company's sustainable development targets. We disclose corporate information through channels such as our official website, WeChat public website and management roadshows; we use general meetings, employee and property owner satisfaction surveys, supplier exchanges and investor enquiries to grasp and respond to stakeholders' concerns in a timely manner, and use them as a basis to continuously improve our strategic planning for sustainable development.

Stakeholders	Major aspirations	Communication Channels or means
<b>Customers</b>	<ul style="list-style-type: none"> <li>Professional and comprehensive products and services</li> <li>Harmonious community culture</li> <li>Customer relationship maintenance</li> <li>Customer information protection</li> </ul>	<ul style="list-style-type: none"> <li>Carry out daily business operations</li> <li>Set up a customer service center</li> <li>Conduct customer satisfaction surveys</li> <li>Carry out on-site visits by customer manager</li> <li>Set up an online service platform</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Protection of legitimate rights and interests</li> <li>Salary and benefits</li> <li>Occupational health and safety</li> <li>Career development and opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Conduct performance review/assessments</li> <li>Conduct employee engagement surveys</li> <li>Carry out employee talks/Views exchange sessions</li> <li>Carry out caring activities for employees</li> </ul>
<b>Shareholders/ investors</b>	<ul style="list-style-type: none"> <li>Financial performance and profitability</li> <li>Protection of rights and interests</li> <li>Information disclosure and transparency</li> </ul>	<ul style="list-style-type: none"> <li>Convene general meetings</li> <li>Complete information disclosure in a timely manner</li> <li>Publish reports regularly</li> <li>Hold investor meetings/Carry out investor enquiries</li> </ul>

#### 4. SUSTAINABLE DEVELOPMENT MANAGEMENT

Stakeholders	Major aspirations	Communication Channels or means
<b>Government</b>	<ul style="list-style-type: none"> <li>Comply with laws and regulations</li> <li>Legal operation and pay taxes according to the law</li> <li>Implement national policy</li> </ul>	<ul style="list-style-type: none"> <li>Accept the supervision and management of government departments</li> <li>Participate in government meetings or training</li> <li>Report on policy implementation</li> </ul>
<b>Suppliers and business partners</b>	<ul style="list-style-type: none"> <li>Mutual benefit and win-win cooperation</li> <li>Fair and open relationship</li> <li>Promote industry development</li> </ul>	<ul style="list-style-type: none"> <li>Supplier Assessment/Audit</li> <li>Hold regular meetings</li> <li>Conduct on-site visits</li> <li>Promote project cooperation</li> </ul>
<b>Community or non-governmental associations</b>	<ul style="list-style-type: none"> <li>Protect the community environment</li> <li>Support and carry out charity activities</li> </ul>	<ul style="list-style-type: none"> <li>Control of greenhouse gas and waste emissions</li> <li>Organize or participate in charity/poverty alleviation activities</li> <li>Carry out donations and volunteer activities</li> </ul>



24

4. SUSTAINABLE DEVELOPMENT MANAGEMENT

Material Issues Identification and Analysis

CIFI Ever Sunshine Services strictly follows the materiality analysis process and carries out stakeholder research to identify key materiality issues to enhance the relevance of the report, and continuously improves ESG management based on the analysis results to meet stakeholders' expectations and aspirations and promote sustainable development of the Company.

Process to assess material issues

STEP 1 IDENTIFICATION OF ESG ISSUES 01

Based on the Company's business model, 24 ESG issues such as compliance operation, employee occupational health and safety, and employee employment and team building were identified, taking into account national policies, capital market rating requirements and industry ESG disclosure trends.

STEP 2 STAKEHOLDER SURVEY 02

We gather feedback from stakeholders such as investors, suppliers, government regulators, customers, employees and others to fully understand the assessment of the materiality of our ESG issues from various internal and external stakeholders.

The management reviewed the results of the materiality analysis and confirmed the key disclosures in this Report and the work plan for improving ESG management in the future.

Based on analysis results, we ranked ESG issues on two dimensions, "materiality to CIFI Ever Sunshine Services" and "materiality to stakeholders", and drew up a matrix of material issues.

STEP 4 MANAGEMENT CONFIRMATION 04

STEP 3 MATERIALITY ANALYSIS 03

4. SUSTAINABLE DEVELOPMENT MANAGEMENT

25

2022 ESG Material Issues Matrix for CIFI Ever Sunshine Services

Legend:

- Environmental (Blue circle)
- Social (Red circle)
- Governance (Dark Blue circle)

Materiality	Issue No.	Issue	Issue ranking	Scope
High Materiality	21	Compliance Operation	1	Governance
	6	Occupational Health and Safety of Employees	2	Social
	7	Employees Recruitment and Team Building	3	Social
	8	Employees' Rights and Care	4	Social
	5	Energy Saving and Consumption Reduction	5	Environmental
	22	Anti-fraud and Anti-corruption	6	Governance
	9	Customer Satisfaction	7	Social
	16	Supply Chain Management	8	Social
Moderate Materiality	11	Customer Information and Privacy Protection	9	Social
	14	Employee Development and Training	10	Social
	1	Tackling Climate Change	11	Environmental
	3	Green Property	12	Environmental
	12	Customer Well-being and Health and Safety	13	Social
	18	Smart Property	14	Social
	24	Risk Management and Sustainable Business	15	Governance
	13	Charity and Community Building	16	Social
	10	Service Quality	17	Social
	17	Avoiding Child Labour and Forced Labour	18	Social
	19	Social Communication and Participation	19	Social
	20	Product Quality and Service	20	Social
	2	Green Office and Environmental Promotion	21	Environmental
	15	Employee Compensation and Benefits	22	Social
	23	Intellectual Property Rights Protection	23	Governance
	4	Biodiversity	24	Environmental

CIFI Ever Sunshine Services Group Limited

2022 Environmental, Social and Governance Report

## 5. RESPONSIBILITY FEATURE: 37°C, THE TEMPERATURE OF A HAPPY COMMUNITY

To create a warm and welcoming place to live in the metropolis, providing companionship and warmth, CIFI Ever Sunshine Services creates personalized 37°C communities, fully releasing the space in the common areas and encouraging residents to share, allowing customers to define their own temperature communities, dedicated to achieving a sense of fun for the elderly, a sense of interest for the young and a sense of shared ambition.

Ever Sunshine 37°C Community covers three aspects: 37°C Space, 37°C Supporting Facilities and 37°C Life. 37°C space integrates property services, leisure and entertainment, and life creativity, focusing on the three needs of "convenient life, parent-child entertainment, and sharing and co-creation", to create a space for living convenience, community activities, and colorful creativity; 37°C supporting facilities combine the characteristics of the community to create an exclusive community and ancillary services to facilitate the life of the property owners; 37°C Life comprises 37°C Services, 37°C Community and 37°C Xulin (旭鄰), connecting the goodness through hobbies and interests, dedicated to providing property owners with warm, full-cycle services and colourful cultural activities.

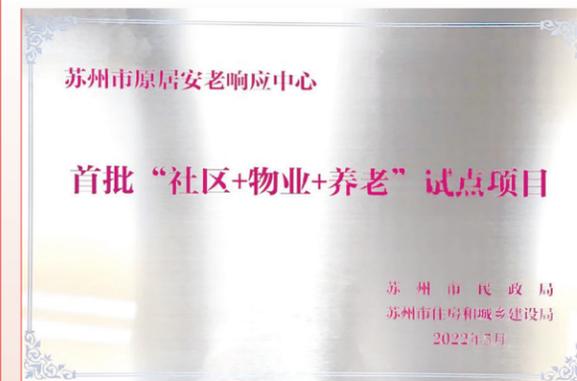


## 5. RESPONSIBILITY FEATURE: 37°C, THE TEMPERATURE OF A HAPPY COMMUNITY

### Explore community elderly care and create a 37°C elderly-friendly space

In May 2022, CIFI Ever Sunshine Services was awarded the first "Community + Property + Ageing" pilot project in Suzhou, carrying out elderly-friendly renovations in the pilot community, with safety and convenience as the core, realizing "help for mobility, assistance and bathing (助行、助力、助浴)" in indoor living scenes and barrier-free construction in public areas to improve the community environment for the aged at home in all aspects.

The 37°C Space in the pilot community has a variety of functions such as convenience, leisure, health testing and first aid, and is equipped with professional service stewards to provide one-stop basic ageing services at home. Based on the construction of the 37°C Space, the community has introduced an elderly health service system to provide 24-hour "embedded" smart elderly care services, and has built a property-based elderly care service centre with the subdistrict to develop inclusive elderly care services.



▲ CIFI Ever Sunshine Services was awarded the first "Community + Property + Aged Care" pilot project in Suzhou



▲ Property Aged Care Centre in Subdistrict



5. RESPONSIBILITY FEATURE: 37°C, THE TEMPERATURE OF A HAPPY COMMUNITY

In 2022, we carried out a total of 451 37°C Space community activities in China, with a total of over 20,000 participants. The community activities were mainly participated by the elderly and children. The elderly activities included community health activities for the elderly, community health clinic activities and elderly square dance activities and other warm and caring activities, among which, a total of 8 elderly induction ball activities were held in Eastern region, with a total of over 300 participants.



▲ Senior Induction Ball Activity in Eastern region

Contribute to community governance by providing 37°C warmth services

In the winter of 2022, CIFI Ever Sunshine Services launched the Ever Sunshine 37°C Community Winter Warmth Campaign nationwide. Through activities such as giving away warm hot beverages, opening health clinics and distributing household goods, we provided residents with satisfactory and caring services to protect their basic needs and awaken the goodness of winter.

5. RESPONSIBILITY FEATURE: 37°C, THE TEMPERATURE OF A HAPPY COMMUNITY

Case Warm Hot Drinks, Delivery Warmth and Love

To ease the winter chill, Ever Sunshine 37°C community made a variety of hot drinks such as milk tea, ginger tea and fruit tea for residents to meet their diverse needs. CIFI Ever Sunshine Services joined hands with community staff to serve residents with sincerity and promote community integration.



苏州都会-姜茶



苏州和庭-奶茶



佛山合盈家园



无锡锡溪名邸

▲ Warm Winter Action - Warm Hot Drinks



5. RESPONSIBILITY FEATURE: 37°C, THE TEMPERATURE OF A HAPPY COMMUNITY

Case Health clinic with warm service



In order to facilitate residents' access to medical consultation, protect their health and enhance their awareness of self-care, Ever Sunshine 37°C Community has been carrying out health consultation activities in many places in Jiangsu, providing consultation and health education services at home.



苏州香格里拉-健康义诊



苏州铂悦犀湖-健康义诊

▲ "Warm Winter Action" - Health Clinic

For the elderly groups, Ever Sunshine 37°C community provides special programmes and carries out "winter special clinic" age-appropriate special services to implement the construction of community elderly services and promote the high-quality development of elderly services.



▲ Special Winter Clinic

5. RESPONSIBILITY FEATURE: 37°C, THE TEMPERATURE OF A HAPPY COMMUNITY

Case Distribution of goods to ensure livelihood



In order to reduce the impact of the pandemic and protect the basic life of the residents, Ever Sunshine 37°C community distributed warm packs of pandemic prevention, cabbages and other living materials to residents, providing satisfaction + surprise service to fill the community with warmth and goodness.



天津景旭名邸送防疫暖心包



天津溪景园-为居民送白菜

▲ "Warm Winter Action" - Material Distribution



# 6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

CIFI Ever Sunshine Services continues to improve its management system for risk response and internal control, identify and control possible risks in a timely manner, promote a culture of integrity, facilitate green transformation of the supply chain and protect the Group and its partners from infringement of legal and compliant intellectual property rights.

Guide indicators responded to in this chapter		Material issues in this chapter
Respond to SDGs	Response to Indicators of HKEX	<ul style="list-style-type: none"> <li>Compliance operation</li> <li>Anti-fraud and anti-corruption</li> <li>Intellectual property rights protection</li> <li>Risk Management and Sustainable Operations</li> <li>Supply chain management</li> </ul>
	B5 General Disclosure	
	B5.1	
	B5.2	
	B5.3	
	B5.4	
	B6.3	
	B7 General Disclosure	
	B7.1	
	B7.2	
	B7.3	



## 6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

### GOALS PROGRESS

#### Goals Setting

- Standardize the Company's governance system
- Establish a sound risk prevention and control system
- Resist improper business practices such as embezzlement, corruption and fraud
- Improve responsible supply chain management system
- Protect against infringement of legal intellectual property rights

#### Progress Review

- Held 4 Board meetings and 2 general meetings
- 88% correction rate of risk issues
- Carried out integrity training courses for all employees, and such courses include the "Eight Military Regulations" ("八大軍規") training, course for occupational ethics and conflict of employee interests
- 106 anti-corruption trainings were provided to all employees, with a total of 345,795 participants
- The Letter of Commitment to Integrity (《廉潔承諾函》) was signed by 100% of the suppliers
- Carried out a total of 36 supplier anti-corruption trainings
- 208 copyrights, 3 patents and 263 trademarks were obtained

#### Next plan

- Understand the big picture by seeing the microscopic and improve risk foresight in all aspects
- Seize the main issues and take the initiative by actively addressing risks around what is already there
- Gathering synergies to actively and systematically build a risk prevention and control system

## 6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

### COMPLIANCE MANAGEMENT SYSTEM

CIFI Ever Sunshine Services strictly complies with “the Listing Rules” and related regulations of the Hong Kong Stock Exchange in its corporate governance. We are accountable to our stakeholders, including shareholders, investors and the general public, and actively fulfill our obligations to disclose information on all aspects of the Company’s economic, environmental, social and governance, and accept public supervision of CIFI Ever Sunshine Services. We build a diversified governance organizational structure, clarify the management responsibilities of governance bodies and establish communication channels for stakeholders, regulate investor relations management practices and establish equal and mutually beneficial business relationships with mutual trust.

#### Diversity of directors

CIFI Ever Sunshine Services attaches importance to diversity on its Board of Directors. All board nominations and appointments are made on the basis of merit, taking into account the day-to-day business needs and the benefits of a diverse board of directors. Factors taken into account in board diversity include, but are not limited to, gender, age, profession, experience, culture and educational background. As of 31 December 2022, there are seven members of the Board of Directors of CIFI Ever Sunshine Services, of which three are executive directors, one is a non-executive director and three are independent non-executive directors. Three of the Board members have extensive experience in the property management and real estate industry, one non-executive director was the Chief Financial Officer and has professional experience in risk management with functions related to finance and risk management and one independent non-executive director holds the Responsible Investment Essentials qualification from the United Nations PRI Institute.

During the reporting period, CIFI Ever Sunshine Services convened:

**Board meetings,**

**4**

**general meetings**

**2**

**Carried out investor communications with over**

**800 participants**

## 6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

### ▼ Key contents of the 2022 Board Meeting and General Meeting of CIFI Ever Sunshine Services

Meeting	Content
Board Meeting	<ul style="list-style-type: none"> <li>• Discussion of the Company’s annual/half-yearly results;</li> <li>• Review of the Board’s diversity policy;</li> <li>• Review of corporate governance policies and practices;</li> <li>• Review of the effectiveness of risk management and internal control systems;</li> <li>• Review of the shareholder communications policy;</li> <li>• Approve the entering into of connected transaction agreements and review ongoing connected transactions carried out during the year, etc.</li> </ul>
General Meeting	<ul style="list-style-type: none"> <li>• Consider the approval of the annual report;</li> <li>• Declare a dividend;</li> <li>• Re-election of retiring directors;</li> <li>• Renewal of the appointment of the auditor;</li> <li>• Approve the general mandates to issue shares and repurchase shares;</li> <li>• Approve the amendment of the Memorandum of Association and the Articles of Association;</li> <li>• Approve continuing connected transactions and the transactions contemplated thereunder (including the proposed annual caps therein), etc.</li> </ul>

### STRENGTHENING RISK CONTROL MANAGEMENT

CIFI Ever Sunshine Services attaches great importance to risk prevention and control, implementing risk management responsibilities and standardizing risk control processes through the establishment of effective risk control systems and mechanisms. We set up an audit and supervision centre to lead the implementation of internal control, systematically integrating risk identification and risk management into the process of departmental management and business development, identifying risks in advance and resolving them in a timely manner to help the Company operate safely, move forward steadily and prosperously.



## 6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

### Risk management system

During the reporting period, CIFI Ever Sunshine Services continued to play the role of the “Three lines of defense” model of risk management, and implemented risk management for each responsible person. The Company has set up a hierarchical management structure under the supervision and leadership of the Board of Directors, with hierarchical implementation by the head office and regional functional departments, and an Audit and Supervision Centre to perform independent supervision to ensure effective implementation of risk management.

▼ “Three lines of defense” for risk management

Lines of defense of risk	Head/Department	Risk management role	Duties and Responsibilities
<p><b>The first line of defense</b> Response to risks with the attitude of masters</p> <p>↓</p>	Regional manager (heads of functional department and project frontline)	Risk management taker under the leadership of the President	<ul style="list-style-type: none"> <li>Identify, manage and report risks;</li> <li>Use initiatives to anticipate and solve problems and reduce the Group’s risk.</li> </ul>
<p><b>The second line of defense</b> Make risk management systematic</p> <p>↓</p>	Headquarters functional departments		<ul style="list-style-type: none"> <li>Develop, revise and improve internal systems for systematic control;</li> <li>Provide professional knowledge and tools for risk issues, identify and respond to risks.</li> </ul>
<p><b>The third line of defense</b> Guarantee with objective Independence</p>	Audit and Supervision Center	Risk management supervisor who independently reports to the Board of Directors and Audit Committee	<ul style="list-style-type: none"> <li>Independently and objectively identify and evaluate risk issues and regularly monitor and audit;</li> <li>Identify problems and promote fundamental solutions to them;</li> <li>Risk management training with high frequency and variety;</li> <li>Maintain audit oversight as a deterrent, based on risk prevention and control, to protect business development.</li> </ul>

## 6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

### Risk management mechanisms

#### Risk Management Process and Control measures

CIFI Ever Sunshine Services has formulated the “Risk Management Approach for Major Operations” (《重大運營風險管理辦法》), “Internal Control Management Approach for the Rental and Sales Department” (《租售事業部內控管理辦法》) and other related systems, and continues to promote the four-stage risk management process of “risk identification - risk assessment - risk response - supervision and renovation”, and gradually incorporates ESG-related risk factors into the Company’s overall risk assessment and management system, such as labour risks and extreme weather risks.

▼ Risk Management Process

Control phase	Control measures
<p><b>1st Phase:</b> Risks identification</p>	<ul style="list-style-type: none"> <li><b>Proactive Detection and Reporting:</b> all departments and employees of the Company report all mega and major incidents occurring in the property management area within the first hour;</li> <li><b>Routine Group Audits:</b> the Group audits carry out routine internal control management audits, special audits and whistleblowing investigations every year to proactively and systematically identify risks;</li> <li><b>Regional initiatives to carry out self-inspection:</b> the audits lead regions to set up audit teams to carry out self-inspection and actively practice the principle of “everyone is responsible for what concerns me” to identify possible established or potential risks in a timely manner through daily inspections;</li> <li><b>Regular inspections by various departments at headquarters:</b> the business departments at headquarters, in conjunction with the regions, carry out annual sunshine self-inspections within their own lines covering the entire Group, as well as occasional inspections and spot checks on a sample of regions and projects to identify various risks and issues and to urge rectification;</li> <li><b>Automatic monitoring and early warning:</b> audit neural network early warning indicators are online and running (5 risk early warning indicators have been put online) to identify specific risk matters through the system and put on the brakes in a timely manner by monitoring beforehand and during the process; manual monitoring of administrative penalties in the same industry to serve as a warning internally.</li> </ul>
<p><b>2nd Phase:</b> Risks assessment</p>	<ul style="list-style-type: none"> <li>The level of risk (high, medium, or low risk) is assessed with reference to the classification of the risk (hidden safety incidents, major incidents and extraordinary incidents) and the standards (e.g. nature, amount, etc.).</li> </ul>

6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

▼ Risk Management Process (Continued)

Control phase	Control measures
3rd Phase: Response to risks	<ul style="list-style-type: none"> <li><b>Regular regional and headquarters functional inspections:</b> the headquarters function departments sort out the current situation through the inspection, deal with risks in time, analyze and review the problems, identify gaps and remedy them, standardize the business standard;</li> <li><b>Response to risks identified by regular audits:</b> The Audit and Supervision Centre carries out regular audits of risk points, issues report, or risk reminder letters for violations of company regulations that have not yet caused adverse effects, and pursues the direct responsibility and management responsibility of those responsible. Meanwhile, it designates the person responsible for risk rectification, supervises the rectification of risk matters by the deadline and provides timely feedback to management on rectification measures and results;</li> <li><b>Response to major and extraordinary incidents:</b> a special team will be set up by the regional head in collaboration with the Chief Executive Officer and the Group's functional departments in charge to deal with them;</li> <li><b>Response to violations:</b> cooperate with the judicial authorities to deal with them.</li> </ul>
4th Phase: Supervision and improvement	<ul style="list-style-type: none"> <li><b>Supervision and improvement:</b> Incorporate all the issues identified and recommendations made during the audit process into the scope of rectification, follow up on the rectification of issues on a monthly basis, and formulate measures and plans for those issues that require continuous rectification;</li> <li><b>Collaborative transformation:</b> The Audit and Supervision Centre continues to strengthen follow-up supervision and inspection, profoundly analyses the root causes of the problems, carries out joint investigation and reform as well as breakthroughs and ensures that the rectification and improvement of compliance are in place, improve the omissions in internal control and ensure the implementation of the Company's decisions and deployment.</li> </ul>

6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

**Internal control**

CIFI Ever Sunshine Services implements comprehensive, in-depth and regular internal control processes and measures to prevent risks. We formulated and issued the "Internal Control Manual - Business Prohibitions" (《內控手冊-業務禁止事項》) and "Risk Management Checklist" (《風險管理清單》) to regulate business operation behaviours and reveal key risk points, and continuously tracked the identified risk issues and monitored the completion of their rectification to achieve closed-loop risk management, with a rectification rate of 88% of the risk issues identified within the Company during the reporting period. We carry out risk inspections and audits several times a year and regularly conduct internal control management audits, special audits and investigations in all regions and business functions within the Group's operations to proactively, comprehensively and systematically identify risks and promote risk control before, during and after the incident to ensure the healthy and sound development of the Company.

Between 2020 and 2022

audit coverage in business modules and regions,

100%

audit projects completed

35

whistleblowing investigations were completed

21



6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

▼ Audit System of CIFI Ever Sunshine Services

Type of audit	Content of the audit
<b>Internal Control Management Audit</b>	We develop audit and review procedures and plans, conduct comprehensive internal control assessments based on the operations of regional or city companies, gain a comprehensive understanding of the organization's risk management. By obtaining information on relevant audits, approvals, contracts and processes, we gain an in-depth understanding of the handling procedures of various activities, identify business risks and problems, and supervise the audit risk unit to carry out rectification until the rectification is completed, forming closed-loop management. Through the improvement of systems and processes, the overall internal control management level and risk prevention capability of the organization will be enhanced.
<b>Special Audit</b>	Audits are conducted on specific issues, specialized businesses or management departments, focusing on specific areas and moving from point to point to facilitate the resolution of systemic business problems and enhance the management of the business; Special audits such as the special audit on paid work order management, the special audit on parking revenue, the special audit on multiple incomes and the satisfaction survey.
<b>Resignation Audit</b>	Audits are conducted on the performance of duties, operational performance and personal integrity of former senior management during their tenure of office, to determine the compliance of their management activities, examine whether there are any fraud, work errors, management deficiencies or other adverse operational risks and potential problems, making management recommendations on the above risks and problems.

Types of internal controls and systems and measures to response to them at CIFI Ever Sunshine Services:

Type of internal controls	Response system	Response measures
<b>Operation</b>	<ul style="list-style-type: none"> <li>the Eight Military Management Regulations of Ever Sunshine Property</li> <li>the Code of Business Conduct for CIFI Ever Sunshine Services</li> <li>Internal Control Manuals - Business Prohibitions</li> <li>Internal Control Manuals - Risk Management Checklist</li> <li>Management Measures for Interest Conflict among Employees</li> <li>Management Measures for Major Operational Risk</li> </ul>	<p>1. "The Eight Military Management Regulations of Ever Sunshine" Property are the bottom line of the Company's operation: corruption and bribery, misappropriation of public funds, connected transactions, outside part-time jobs, improper relationships, competition in the same industry, disclosure of confidentiality, and falsification are prohibited;</p>

6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

Type of internal controls	Response system	Response measures
<b>Operation</b>	<ul style="list-style-type: none"> <li>General Outline for Working Together, Symbiosis and Win-win Cooperation with Supply Sides - Procurement Management System</li> <li>Cost Collection Practice Guideline</li> <li>Seal Management Measures</li> <li>Management Measures for Employees Reward and Punishment</li> <li>Contract Management Measures</li> <li>Quality Management Measures for Pre-Intervention Services</li> <li>Project Public Liability Insurance Management Measures</li> <li>Customer Satisfaction Management System</li> <li>Human Resources Inspection Management Scheme</li> <li>Group Data Management System</li> <li>Guideline on the Management of Car Parking Charges</li> <li>Risk Analysis of Commonly Asked Questions on Property Fee Collection and Guidance on Legal Basis</li> <li>Operational Guideline on Standardization and Compliance in Contracting</li> <li>Internal Control Management Measures of the Rental and Sales Department</li> <li>Guideline for the Implementation of Safe and Civilized Construction of Xuhong Decoration</li> <li>Management Measures of Inspection of Xuhong Decoration</li> </ul>	<p>2. "The Code of Business Conduct for CIFI Ever Sunshine Services" specifies the business conduct that employees should follow in their work, regulating the behaviour of employees as well as related parties of the Company, in order to maintain an operating environment of integrity and fair trading and to safeguard the sustainable, sound and healthy development of the enterprise;</p> <p>3. The Audit and Supervision Centre has prepared and issued a comprehensive "Internal Control Manual", which is a further refinement of the Eight Military Regulations ("八大軍規") and is closer to the actual business management. "The Internal Control Manual - Business Prohibitions" and "the Risk Management Checklist" clarify the prohibitions, operational specifications and key risk control points for various types of business, making the business professional, compliant and standardized;</p> <p>4. The operations department improves systems, processes, authorizations and systems, establishes special risk control mechanisms (monthly special inspections, annual inspections, etc.), and establishes a sound operational risk warning mechanism to address various internal control risks.</p>
<b>Finance</b>	<ul style="list-style-type: none"> <li>Accounting Information Quality Control System</li> <li>Tax Management System</li> <li>Guidelines on Property Tax File Management Practice for Ever Sunshine</li> <li>Property Value-added Tax Accounting Manual for Ever Sunshine</li> <li>Financial Instruments Management Measures</li> </ul>	<p>Through comprehensive system construction and improvement, process optimization, authorization system improvement and system risk control enhancement, as well as proactive and comprehensive self-inspection, special inspection for finance and headquarters financial inspection, the Financial Management Centre identifies problems and urges them to rectify and facilitate the improvement of the mechanism.</p>



## 6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

### ATTACH IMPORTANCE TO BUILDING INTEGRITY

CIFI Ever Sunshine Services adheres to a business ethics and corporate governance code of integrity, law-abiding, compliance, sunshine and transparency, and maintains a zero-tolerance attitude towards bribery and corruption. We develop effective and enforceable anti-corruption and business ethics policies to regulate business practices, open a reporting window to receive oversight from the community, and carry out ongoing integrity training for management, internal staff, suppliers and customers to continuously promote and foster a clean and self-disciplined business environment.

#### Integrity Management System

##### Governance Structure

CIFI Ever Sunshine Services has established a mature and comprehensive integrity building and business ethics management structure to effectively promote the management and implementation of the Company's integrity and business ethics.

##### ▼ Integrity and Business Ethics Management Framework

Management Level	Members	Key Responsibilities
The Board	Members of the Board	Has overall responsibility for the supervision and management of the Company's overall operational risk
Business Ethics/ Integrity Building Management Team	Executive Director, Head of Audit and Supervision Centre, Head of Human Resources and Administration Centre and other relevant department heads	<ul style="list-style-type: none"> <li>Review and supervise the implementation of business ethics and integrity building and anti-corruption-related systems and establish corresponding management mechanisms and processes</li> <li>Promote and train occupational ethics-related systems and conduct codes</li> <li>Supervision and leading investigations into suspected fraud and disciplinary offences committed by employees within the Company</li> </ul>

## 6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

#### Governance system

CIFI Ever Sunshine Services strictly abides by the Company Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Interim Provisions on Banning Commercial Bribery, etc. The Company also has a strict internal discipline and has established an effective and reliable integrity management system, such as "the Eight Military Management Measures for Ever Sunshine" (《永升八大軍規管理辦法》), "the Code of Business Conduct for CIFI Ever Sunshine Services" (《旭輝永升服務商業行為操守準》), "the Management Measures for the Declaration of Conflict of Interests of Employees" (《員工利益衝突申報管理辦法》), and "the Anti-Corruption Policy" (《反貪腐政策》), etc., to eliminate corrupt practices such as bribery, misappropriation of public funds, connected transactions, disclosure of confidentiality and falsification. At the same time, we regularly review and revise these systems to ensure that they are in line with changing circumstances and remain applicable.

##### ▼ Integrity Management System

Management rules/system	Brief description of the content of the rules/system
the Eight Military Management Measures for Ever Sunshine	The Company is serious about discipline, regulates internal management and staff code of conduct, establishes and maintains good moral standards and professional standards, and establishes eight military regulations, which include: prohibition of corruption and bribery, prohibition of misappropriation of public funds, prohibition of connected transactions, prohibition of disclosure of secrets, prohibition of outside part-time jobs, prohibition of competition in the same industry, prohibition of falsification, and prohibition of improper relationships.
the management Measures for the Declaration of Conflict of Interests of Employees	These management measures apply to all employees and are designed to help employees properly handle conflicts of interest that occur in the course of their work, prevent the improper acquisition of benefits and prevent fraud from occurring. These management measures are used to clarify the definition of conflict of interest, the way to declare it, and to regulate the workflow of conflict of interest declaration and handling.
the Code of Business Conduct for CIFI Ever Sunshine Services	To clarify the code of business conduct to be followed by employees in their daily activities and to regulate the conduct of employees and related parties of the Company such as suppliers and customers, in order to maintain an operating environment of integrity and fair trading and to safeguard the continued sound, high quality and healthy development of the Company in a friendly and ethical business environment.

## 6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

### ▼ Integrity Management System (Continued)

Management rules/system	Brief description of the content of the rules/system
the Whistleblowing Management Scheme	It sets out the Company's policy and commitment to whistleblowing and the protection of whistleblowers, and details on how to report fraud and other irregularities, clarifies the principles and methods of whistleblowing management, regulates the content of whistleblowing and the handling procedures, and ensures that whistleblower information is effectively protected. This policy applies to all employees and third parties with whom the Company deals (e.g. customers, suppliers) and the Company encourages the boards of directors of joint ventures to adopt and comply with similar policies.
the Anti-Corruption Policy	The Company has an effective and enforceable anti-corruption policy with a zero tolerance for bribery and corruption. This policy covers anti-bribery, conflict of interest management and anti-corruption systems.
the Necessary Instructions on Supervision and Reporting	Require all face-to-face customer premises such as property service centres and rental and sales centres to post "the Necessary Instructions on Supervision and Reporting" to publicise corrupt practices opposed by the Company, the ways to report them and the reporting policy, so as to promote joint monitoring of staff favoritism in business activities by people inside and outside the Company.
the Letter of Commitment to Integrity	All suppliers who sign a contract with CIFI Ever Sunshine Services are required to sign this document. The supplier promises not to provide financial support, not to invite relevant personnel of CIFI Ever Sunshine Services to participate in any banquet, travel, leisure and entertainment activities that may affect the impartial performance of their duties; not to lend money, housing, transportation, communication tools and other items to CIFI Ever Sunshine Services employees for use, as well as kickbacks and formalities; not to participate in all kinds of procurement activities of CIFI Ever Sunshine Services by collusion, bid-rigging and other improper means. If the supplier violates the above commitments, CIFI Ever Sunshine Services has the right to take relevant punitive measures, such as entering information on violations and crimes into the "Enterprise Anti-Fraud Alliance", "blacklist", etc.

## 6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

We publicly publish a "Corporate Integrity Code" (《公司廉正準則》) and an "Anti-Corruption Policy"<sup>1</sup> (《反貪腐政策》), which we audit and update at least annually. These codes and policies apply to employees of CIFI Ever Sunshine Services and its subsidiaries (including ordinary employees, directors, supervisors and senior management), as well as to third parties (e.g. customers, suppliers) with whom CIFI Ever Sunshine Services has dealings.

During the reporting period,

middle and senior management personnel (including Chief Executive Officer, headquarter function head, regional general manager, regional function head, city company general manager and area general manager) signed "The Letter of Commitment to Integrity" (《廉潔承諾函》) with a

signing rate

190

100%

All new employees sign "the Commitment Letter of Eight Military Regulations" (《八大軍規承諾函》), with a

signing rate

100%

"the Integrity Commitment Letter" (《廉正承諾函》), "the Sunshine Declaration" (《陽光宣言》), with a

signing rate

100%

<sup>1</sup> For details of the "Corporate Integrity Code" and the "Anti-Corruption Policy", please visit our official website: <https://www.cifies.com/contact/monitor.html>

## 6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

### Mechanism for dealing with misconduct and non-compliance:

In 2022, CIFI Ever Sunshine Services concluded two corruption proceeding cases in total. These two offences occurred from 2018 to 2019 and two employees were suspected of misappropriation of duties. The cases were accepted in 2020 and 2021, respectively, and the verdict was delivered in 2022. The employees involved were sentenced to a fixed term of imprisonment and all embezzled funds were recovered. After receiving reports of the above cases, the Company quickly and comprehensively completed the investigation and treatment, and transferred the persons involved to the judiciary, fully reflecting the attitude and determination of CIFI Ever Sunshine Services to have zero tolerance for corruption issues.

CIFI Ever Sunshine Services has optimized its control measures to prevent risks through a combination of measures, including:

- 1 Cultural guidance** embedding integrity culture and cases in the staff training system to continuously cover all staff and create a culture of sunshine, integrity and self-discipline;
- 2 Renovating processes** avoiding non-compliance issues through strong control of the business approval process;
- 3 Optimizing the system** clarifying mechanisms for pricing and quotations, cost control and operating rules for relevant businesses;
- 4 System upgrade** embedding business early warning indicators into the system process management to strengthen the comprehensiveness, timeliness and continuity of fine operations;
- 5 Business self-inspection** preventing non-compliance issues through ongoing risk self-correction actions covering the entire Group at headquarters and in the regions;
- 6 Audit and supervision** the Audit and Supervision Centre independently and objectively identifies and evaluates risk matters, conducts regular supervision and audits, maintains a deterrent nature of supervision, is based on risk prevention and control, and protects business development.

## 6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

### Management for reporting

We publish our monitoring and reporting and anti-corruption policies to all staff, suppliers and customers. We comply with "the Whistleblowing Management Measures" (《舉報管理辦法》) and set up channels for whistleblowers, a process for receiving reports and a whistleblower protection mechanism to detect and curb irregularities to the greatest extent possible. We require public places such as property service centres and rental and sales centres to display "the Notice on Monitoring and Reporting" (《監察舉報通知》) to encourage joint monitoring by internal and external parties, and to continuously promote and create a cultural environment of integrity and self-discipline.

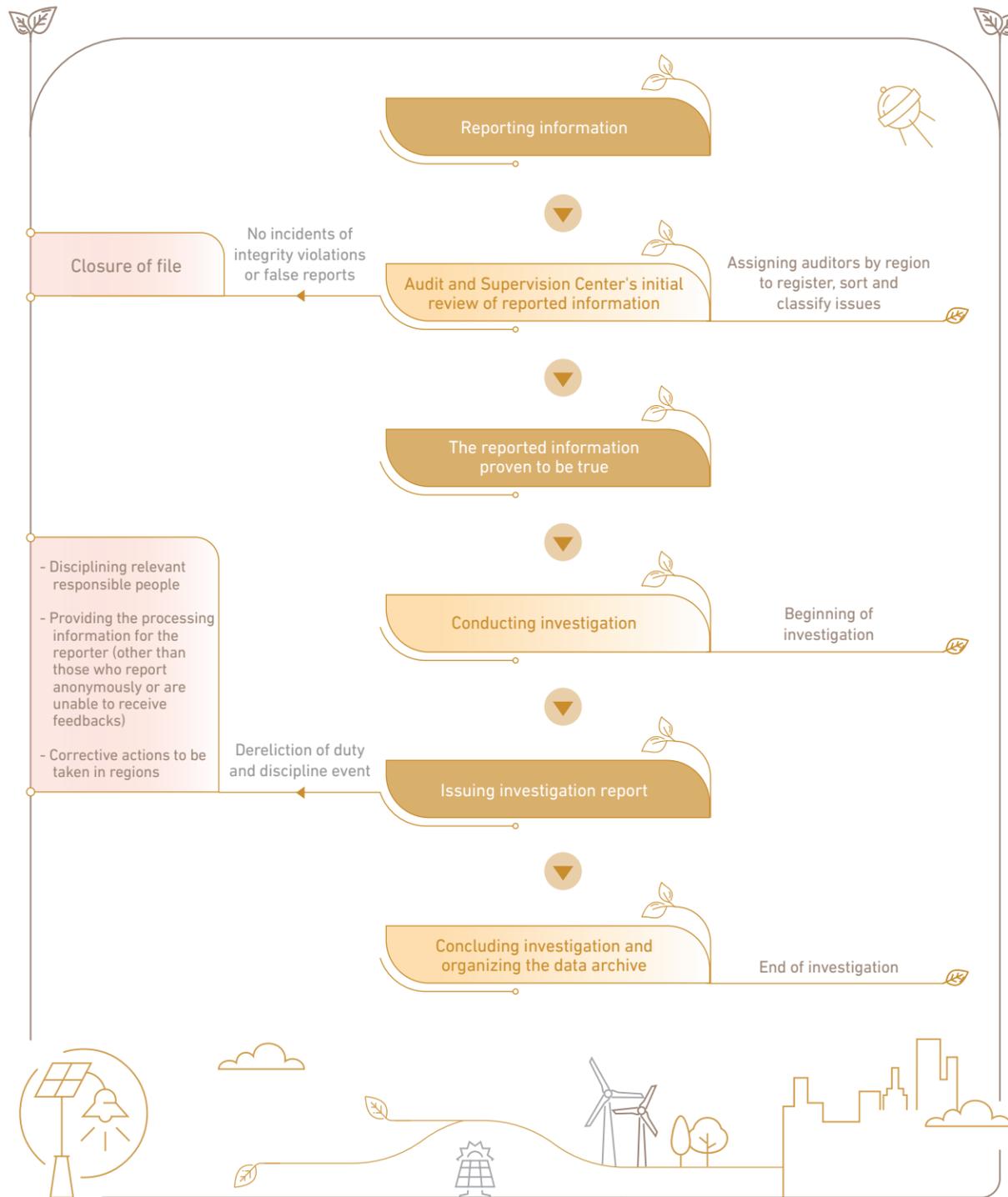
#### Reporting channels available for the public



- Letter whistle-blowing:** 8/F, Building 5, Henderson CIFI Centre (South), Lane 1088, Shenhong Road, Minhang District, Shanghai, Audit Monitoring Centre of CIFI Ever Sunshine Services (attention), postcode: 201107
- Report by phone:** 400 080 7878 ext. 2 button
- Report by E-mail:** jubao@ysservice.com.cn
- Company's official website:** Whistleblowing Policy & Anti-Corruption Policy\_CIFI Ever Sunshine Services (www.cifies.com)



6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER



▲ Whistleblowing management process

6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

Protection for whistleblower

1 Whistleblower Protection Policy

- **Whistleblowing confidentiality:** Except in cases where disclosure is made in accordance with the law, or where a fraud case is referred to the judiciary, the Company will treat all accepted whistleblowing materials and the identity of the whistleblower in strict confidence.
- **Protection against retaliation:** fair treatment of whistleblowers, including protection from unfair dismissal, persecution or improper discipline. Retaliation against whistleblowers and witnesses is dealt with seriously.

2 Specific measures

- **Real-name priority:** encourage real-name whistleblowing, priority treatment of real-name whistleblowing, and feedback to real-name whistleblowers on the results of the investigation.
- **Anonymous whistleblowing:** whistleblowers who do not wish to identify themselves may carry out whistleblowing anonymously.
- Oppose false whistleblowing by whistleblowers, defamation, false accusations, etc.

## 6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

### Integrity education

We carry out a wide range of integrity training and promotion for management, staff, suppliers and customers, such as “Integrity Month” activity, “Integrity Talk”, project morning learning, new staff training on integrity culture, integrity Promotion at supplier conference, online professional ethics and integrity ecology courses for all staff, etc. Through high-frequency and diverse reach, the values of integrity culture are “entering the eyes, mind and the heart (入眼、入腦、入心)”, guiding all staff to know the risks, be fearful and keep the bottom line.

#### ▼ Coverage rate of anti-corruption and business ethics training

Training Target		Coverage Rate
Full coverage	Management and all staff (including regular and probationary staff)	100%
Full line coverage	All business departments	100%
Full level coverage	Internal (middle and senior management, project managers and general employees, new employees); External (suppliers, customers)	100%

#### ▼ Anti-corruption and Business Ethics Training Content

Training Target	Training Content
Board of Directors	<ul style="list-style-type: none"> <li>“the Eight Military regulations”, internal control management and “the Integrity Eco-Governance System” (《廉正生態治理體系》), etc</li> </ul>
Training for management and employees	<ul style="list-style-type: none"> <li>“Internal Control Manual - Business Prohibitions, Risk Management Checklist, the Eight Military Regulations”</li> <li>Anti-corruption training: Integrity morning meetings, online learning courses such as “the Integrity Eco-Governance System”</li> <li>Business ethics training: Integrity morning meetings, “Conflict of Interest Course for Employees”</li> </ul>
Suppliers and customers	<ul style="list-style-type: none"> <li>“the Eight Military Regulations”, “Supplier Integrity Pledge”, case studies on the risks of integrity cooperation</li> <li>“Compliance, Integrity and Transparency” warning on cooperation, avoidance of conflict of interest, anti-unfair competition and anti-commercial bribery, etc.</li> </ul>

## 6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

During the reporting period,

We carried out a total of **106** anti-corruption and business ethics trainings for management and staff,

and issued **41** pre-shift mandatory anti-corruption publicity sessions in the Company’s morning meeting system,

carried out **268** integrity promotions and

developed and produced

**7** online courses,

covering

**345,795**

participants

covering

**380,000**

participants

We carried out **36** anti-corruption and business ethics trainings for suppliers,

with a total of **20.25** hours of training,

covering **724** suppliers in the areas of services, engineering, material procurement and human resources administration,



## 6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

## Case

### "Integrity and Self-discipline, Live to the Sun" presentation to show our commitment to integrity and self-discipline



In July 2022, at the semi-annual working meeting of the middle and senior management of CIFI Ever Sunshine Services, the Audit and Supervision Centre held an integrity presentation with the theme of "Integrity and Self-discipline, Live to the Sun" to show the participants that the Company has "zero tolerance" for behaviour that touches the red line. This presentation was attended by senior management and representatives from all functions of the Group's headquarters and all regions across China. The 300 people who attended the presentation took the "Eight Military Regulations" integrity pledge to demonstrate their commitment to integrity and self-discipline.



◀ Pledge for the Eight Military Regulations

## 6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

## Case

### Supplier Integrity Training for a Shared Commitment to Integrity



CIFI Ever Sunshine Services continues to provide anti-corruption and business ethics training to suppliers in the areas of services, engineering, material procurement and human resources administration. In July 2022, the Northeastern region carried out integrity training at the administrative suppliers' conference, covering the Eight Military Regulations of CIFI Ever Sunshine Services, Supplier Integrity Pledge and case studies on the risks of integrity cooperation. Through the integrity training, we strengthened the integrity awareness of suppliers and effectively maintained a healthy cooperation relationship between the two sides.



◀ Anti-corruption and Business Ethics Training  
at the Supplier Conference

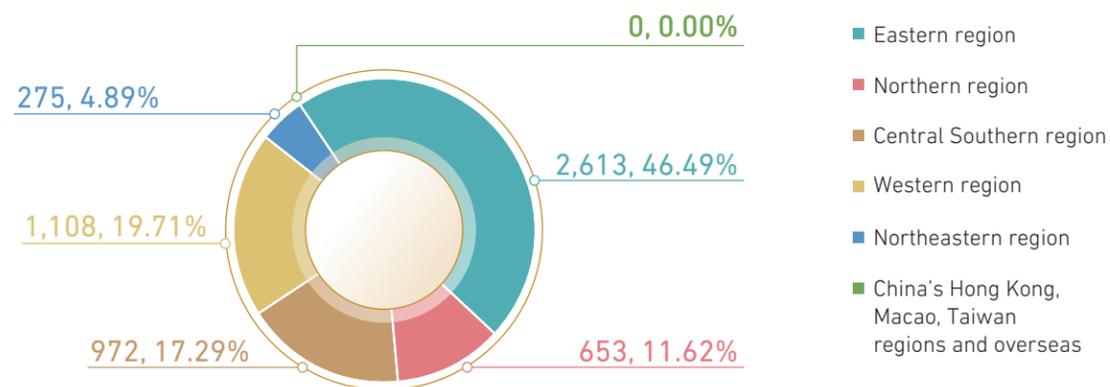


6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

CREATE A RESPONSIBLE SUPPLY CHAIN

CIFI Ever Sunshine Services has always been committed to building a responsible supply chain. During the reporting period, we continued to improve our supply chain management system and introduced a scientific and effective supplier management system. We actively provided social responsibility-related training and assessments to our suppliers to urge them to take up environmental and social responsibility and promote sustainable development of the supply chain.

Number of suppliers by geographical region



6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

Supplier Management System

We comply with the requirements of the Law of the People's Republic of China on Bid Invitation and Bidding and other laws and regulations, and continue to implement systems such as the "General Outline for Working Together, Symbiosis and Win-win Cooperation with Supply Sides" (《供方同心同德共生共贏總綱》) and the "Management Measures for Project Service Suppliers" (《項目服務類供貨商管理辦法》) to continuously improve our supplier management system and ensure compliance and fairness in the recruitment and procurement process.

▼ Supplier Management Principles of CIFI Ever Sunshine Services

<b>The principle of cooperation</b>	Symbiosis and Win-win Cooperation.
<b>First principle</b>	The selection of all business suppliers is based on the principle that the Group's strategic suppliers are the primary suppliers, supplemented by regional collecting suppliers and special suppliers, with all business suppliers selected.
<b>The principle of integrity and self-discipline</b>	All employees involved in the procurement process shall maintain integrity and shall not use their position or authority for personal gain, nor shall any individual use any means to alter or attempt to influence the outcome of a procurement decision.
<b>The principle of fairness and impartiality</b>	We must be fair to all suppliers when selecting shortlisted suppliers, tendering, negotiating and making decisions, and establish and maintain a good reputation and image of the Company.
<b>The principle of open decision-making</b>	There must be full transparency in the procurement process, with active cooperation, full communication and information sharing among departments, eliminating shady deals.
<b>The principle of separation of three authorities</b>	Procurement operations should follow the principle of separation of three authorities, i.e. the demand function/department is responsible for the development of technical standards and the identification of shortlisted units; the cost function is responsible for/participates in commercial analysis and price negotiations; the procurement manager is responsible for organizing, coordinating and promoting the execution of the procurement process and is responsible for the quality of the procurement process; and the procurement selection team makes the final decision. The procurement process shall be based on the principle of segregation or separation of procurement and inspection, i.e. the procurement personnel shall not be the same person as the user personnel, or if they are the same person, then at least the acceptance personnel shall be included for acceptance, and it shall be prohibited for a single person to complete the procurement process alone from start to finish.

## 6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

### ▼ Supplier Management Principles of CIFI Ever Sunshine Services (Continued)

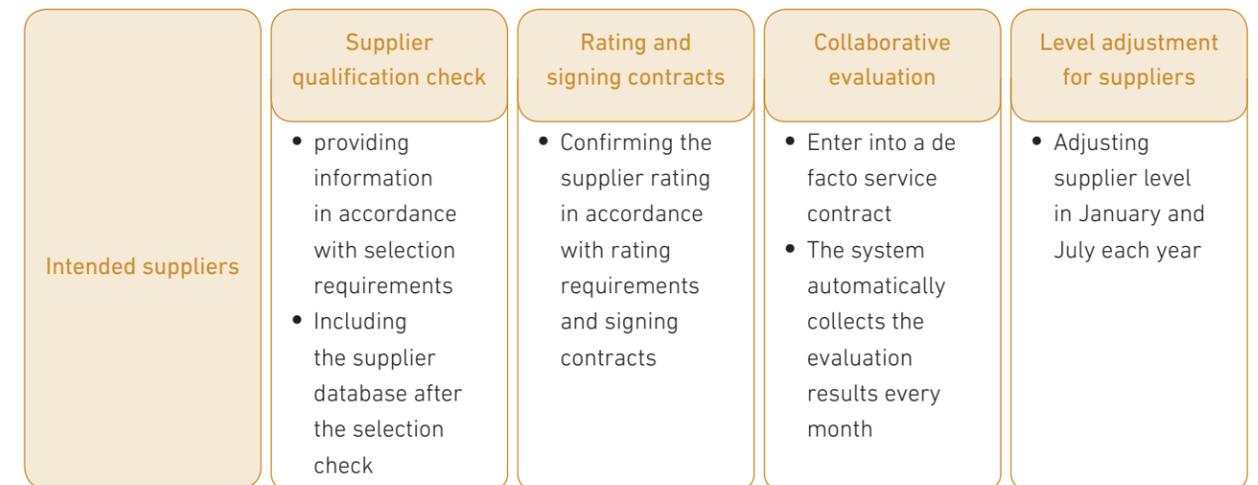
<b>The principle of pre-emptive control</b>	Through the procurement plan report and other means, cross-departmental communications are carried out to reach a consensus on the procurement methods and shortlisting criteria, so as to control the quality and improve the efficiency of procurement at the source.
<b>The principle of full competition</b>	Adequate market sourcing is required to ensure adequate competition by selecting multiple suppliers who meet the quality requirements and are close in strength to participate in the tenders for procurement businesses.
<b>The principle of confidentiality</b>	All procurement documents are important secrets of the Company and must not be disclosed or improperly promised. Procurement documents include shortlisted suppliers, tender documents, tender negotiations, decision making processes, supplier privacy documents, agreements, contracts, etc.
<b>The principle of traceability</b>	Procurement information, including supplier selection (inspection, shortlisting, evaluation, satisfaction survey, etc.), procurement plans, tender documents, bid documents, tender opening records, tender enquiry records, minutes of relevant meetings, etc., must be collected, collated, filed and stored (or transferred to the archives) in a timely manner, and uploaded to the procurement information system platform if electronic filing is carried out. In principle, all procurement operations must be completed online once the non-engineering procurement information system is online to ensure that procurement operations are traceable online.
<b>The two-eight principle</b>	Non-engineering procurement operations implement differentiated procurement management actions in accordance with the two-eight principle, i.e. the procurement function and cost function are involved in the control of key and large value operation (except for special operation involving confidentiality), while the rest is done independently by each procurement requirement department.

## 6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

### Supplier management mechanisms

#### Supplier grading and rating process

CIFI Ever Sunshine Services classifies suppliers into “strategic procurement, centralized procurement and special procurement” with reference to their qualifications, geographical areas and procurement methods, in order to implement graded management. At the same time, we have developed a supplier rating process that emphasises “inbound rating, continuous tracking and dynamic re-rating”, aiming to ensure a high level of quality of our suppliers’ products and services by adopting a strict evaluation and rating process.



#### Supplier assessment

CIFI Ever Sunshine Services takes into account a number of factors such as the size of the supplier, corporate qualification, business risk, performance and the number of times of cooperation in the evaluation index. We set up rating units of corresponding levels for different supplier levels to improve management efficiency. Through the monthly process evaluation score collection, the final supplier level adjustment is made in January and July every year.

### ▼ Supplier Assessment Management

Supplier level	Rating Unit	Assessment cycle
Group strategic supplier	The Group’s procurement and selection team	Process assessment monthly score collection
Centralized procurement of suppliers	The regional procurement and selection team	Process assessment monthly score collection
Special suppliers	The regional procurement and selection team	Process assessment monthly score collection

## 6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

### Procurement plan and bid evaluation

CIFI Ever Sunshine Services requires each procurement plan to correspond to a customer's service plan, to ensure that the procurement plan is based on demand, and the procurement plan has clear requirements on the scope of demand, cost, pricing method, procurement method, and the rules for determining bids. Meanwhile, we strictly adhere to the content of the procurement plan when evaluating tenders, so as to eliminate any non-compliance and violation of the principles of fairness and impartiality. Suppliers are bound to fulfil their social responsibility of business ethics and honesty and integrity.

### Supplier management optimization

CIFI Ever Sunshine Services adopts daily or irregular supplier file information management, inspection and evaluation management, performance assessment management, relationship maintenance management, supplier complaint management and supervision to provide an objective and comprehensive understanding of supplier behaviour, ensure that suppliers are legally compliant in their daily operations, and reduce our and suppliers' operational risks. In 2022, we developed an online management tool for suppliers, which enables direct online extraction of supplier performance-related scores and supplier-related data (such as work orders, complaints, satisfaction, etc.) to ensure the timeliness and accuracy of supplier data updates, greatly enhancing CIFI Ever Sunshine Services' management of suppliers.

### Labour Health and Safety Management for Suppliers

CIFI Ever Sunshine Services focuses on the health and safety proposition of supplier labour and continuously promotes supply chain health and safety management capabilities. We require suppliers to follow OHSAS 18001 or ISO 45001 occupational health and safety management systems, and incorporate health and safety indicators into supplier assessments and contract management. We join hands with suppliers to fight against the pandemic, guaranteeing the supply of materials, distribution of protective clothing and regular disinfection, etc. We have also established a cooperative supply chain for pandemic protection. The supply chain is qualified to obtain and provide timely delivery guarantee services for the distribution of materials needed for people's livelihood in the same city under special circumstances.

In service outsourcing contracts, we require contractors to implement health and safety related policies as specified in the contracts to include contractors in management of health and safety of their labour:

- Service employees are required to undergo professional knowledge and skills training and pass the assessment before they can take up the service. For order and safety posts, the employee must be certified;
- The contractor is required to take out appropriate personal accident and medical insurance for the service personnel;
- Work at height must be carried out in accordance with "Safety Procedures for Overhanging Work at height" (高處懸掛作業安全規程) and the relevant national and local regulations. The operator must be certified and take the necessary safety precautions;

## 6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

- The contractor is required to provide an adequate amount of labour protective equipment for its employees and to register and count them regularly, and to set up a special dangerous goods store with dedicated management staff;
- The contractor is required to organize a monthly "Safety Knowledge Training" for all employees.

### Supplier Communication

To promote effective communication with suppliers, we set up a hierarchical communication mechanism from group to group, region to region, area to area and project to project to ensure that information is communicated. We adopt two communication mechanisms such as online communications and offline visits. During the reporting period, we carried out more than 20 supplier visits, covering more than 10 cities (including Chengdu, Shenyang, Guangzhou, Changsha, Suzhou and Wuxi). The interviews mainly included product base visits, business cooperation content, supply chain service capability visits and community visits and research.

Supplier communication grading mechanism:

- Daily morning and evening meetings and weekly meetings between the project manager and the supplier's supervisor to communicate on cooperation and work issues;
- Monthly supplier communication meetings and related training between the area company and the supplier area manager;
- Quarterly supplier-related quarterly training meetings between the regional company and the regional head of the supplier;
- Semi-annual training meetings between the Group headquarters and the supplier headquarters related to the supply side.



▲ Visit to Product Base



## 6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

## Case

## Carry out “Smart-selection 2.0” training to promote business cooperation together



In 2022, CIFI Ever Sunshine Services carried out the “Smart-selection 2.0” training for suppliers, focusing on the centralized training for the upgrade of CIFI Ever Sunshine Services’ “Smart-selection Mall” business system and issuing suppliers’ operation manuals. The training was attended by more than 150 suppliers from retail, door-to-door services and home improvement and other business lines and lasted 60 minutes. The training aimed to enhance the suppliers’ familiarity with the service management tools of CIFI Ever Sunshine Services and to promote business cooperation between the two sides.



◀ Supplier Operations Manual

## Sustainable supply chain

Working with green and sustainable suppliers is an important principle in selecting partners for CIFI Ever Sunshine Services. We strictly consider ISO 9001 Quality Management System, ISO 14001 Environmental Management System and OHSAS 18001 Occupational Health and Safety Management System certification as entry requirements to strengthen the management of environmental and social factors of our suppliers and promote green transformation in the supply chain.

We encourage our suppliers to take environmental considerations into account in their services and products, and the level of green performance is included in our supplier selection criteria. For example, we promote the use of straw materials instead of plastic for cleaning materials in property services, the use of energy and water-saving tools in daily management, and the practice of environmental protection management. In the course of property operation and management, we also proactively explore potential green and eco-suppliers, such as the “Taste Hunt Plan (寻味计划)” initiative during the reporting period, in the hope of presenting more green products to our property owners.

## 6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

## Case

## Launch the “Taste Hunt Plan” to create a green supply chain together



In 2022, with the vision of “going to the mountains and the sea, tasting all kinds of flavours, adding colours to the table” for the “Taste Hunt Plan”, and based on the principles of organic and green, we set off from Shanghai, through spring, summer, autumn and winter, crossing 12 cities, to find a variety of quality flavours for property owners of CIFI Ever Sunshine Services, such as Wuchang rice(五常大米), Zhoushan pike crab(舟山梭子蟹), Xihu Longjing(西湖龍井), Xianju plum(仙居楊梅), Rushan oysters(乳山生蠔) and Dandong strawberry(丹東草莓), etc.

We organized more than 20 live tasting sessions to trace the origins of the products, with over 200,000 cumulative viewers, to show the property owners the growing environment and characteristics of the products in detail.



▲ Zhoushan Pike Crab



▲ Rushan Oysters



▲ Wuchang Rice Growing Base



▲ Dandong Strawberry - Live Streaming

## 6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

### PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

CIFI Ever Sunshine Services attaches great importance to the protection of intellectual property rights and safeguarding the labour achievements of the Group and our partners from infringement. We strictly abide by the requirements of laws and regulations such as the Trademark Law of the People's Republic of China, the Patent Law of the People's Republic of China and the Copyright Law of the People's Republic of China, and implement the provisions of the "Group's internal VI Management Measures" (《VI 管理辦法》) and "the Trademark Management Measures" (《商標管理辦法》) to process and normalize the protection of intellectual property rights and make specific provisions for the protection and application of trademarks. We also fully respect the intellectual property rights of our partners, use their intellectual property rights strictly within the scope of authorization, and defend and assist against infringement of their intellectual property rights.

During the reporting period, we improved and released a series of brand management systems, including the "Management Measures for External Communications" (《對外傳播管理辦法》), "Trademark Management Measures" (《商標管理辦法》), and "Brand Management System" (《品牌管理制度》). For the use of trademarks and the implementation of standard visual images, CIFI Ever Sunshine Services issued operational guidelines to all functions within the Group and carried out two professional trainings for the brand counterparts of each regional company and professional company, with each brand counterpart supervising the completion of the proper brand identity implementation for its business units.

During the reporting period,

a total of  
**1**  
branding system,

**4** brand  
management  
measures

**2** brand operation  
guidelines were issued

As of 31 December 2022,

**208** copyrights,

**3** patents

**263** registered  
trademarks had been obtained

## 6. CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

### Trademark protection

- **Establish awareness of protection:** Establish awareness of trademark protection throughout the Group and promote information on the rational and usage norms of trademarks;
- **Make a trademark plan:** make a plan for trademark to avoid infringing on registered trademarks of others', when promoting emerging businesses or building emerging firms;
- **Keep preliminary communication:** keep preliminary communication with the Group's legal department, the brand department and external professional institutions, before promoting trademark registration, and ensure the feasibility, legality and compliance of the proposed registered trademark. The application of trademark registration is subjected to the completion of preliminary communication and the internal approval;
- **Standardize advertisement behaviors:** strictly standardize the use of trademark when naming the products or services or conducting public preach. Do not use others' registered trademarks as public preach name of the Group's products or services to avoid trademark infringement.



# 7. LEAN EVER SUNSHINE, QUALITY TOGETHER

With the mission of "Building better lives" and the core value of letting customer be "trouble-free, worry-free, and discontent-free", CIFI Ever Sunshine Services uses technological innovation to drive diversified development and adheres to the development strategy of "platform + ecology", and become a customer-preferred smart city service brand. We continue to implement service quality and product quality, strengthen the level of intelligence and digitalization; and actively promote customer health and well-being and privacy protection to enhance customer satisfaction.

Guide indicators responded to in this chapter		Material issues in this chapter
Respond to SDGs	Response to Indicators of HKEX	
  	B6 General Disclosure B6.2 B6.5	<ul style="list-style-type: none"> <li>• Service Quality</li> <li>• Product Quality and Service</li> <li>• Smart Property</li> <li>• Customer Satisfaction</li> <li>• Customer Information and Privacy Protection</li> <li>• Customer Well-being and Health and Safety</li> </ul>



## 7. LEAN FOREVER QUALITY TOGETHER

### GOALS PROGRESS

#### Goals Setting

- Further enhance customer satisfaction
  1. Expert team building to create a team of professionals from the Group to the frontline; establishing a pool of experts at the Group level
  2. Quality culture construction, new standardized system, inheriting the quality culture of CIFI Ever Sunshine Services
  3. Recruiting and training are carried out to empower team members, online and offline teaching to improve the hands-on ability of integrated service for staff of Ever Sunshine
  4. Establish a real-time quality assessment mechanism with responsibility to enhance the quality awareness of all staff
- Continuous optimization of customer complaint management  
 Expand the 400 management team, improve the operation and training system, conduct continuous outbound call satisfaction survey, return 100% of complaints and do a good job for customer management

#### Progress Review

- Renewal of ISO 9001 Quality Management System Certificate
- Third party customer satisfaction result of 86.7
- Carried out 620 safety production trainings with 2,272 participants
- 2,440 emergency drills were carried out, involving 3,865 people
- Rate of handling complaints of 100%
- Door-to-door service has an annual work order response rate of 98%, a work order completion rate of 97% and a work order satisfaction rate of 99%, constantly creating new value for property owners

#### Next plan

- In 2023, we will move from commissioning to self-management for a total of 211 projects in 10 regions.
- Through the three aspects of "choosing good people", "training people" and "retaining people", we can build a service team with good quality, strong communication and good image.
- Improve overall service awareness and service levels through the construction of a team of counselling officers. Provide strong logistical support for staff retention around team environment, working environment and living environment.
- Continuous optimization of customer complaint management
  1. In 2023, we will expand our 400 staff, expand the proportion of satisfaction visits, and implement 100% outcome visits and process visits for customer complaints to truly reflect the quality of front-line services;
  2. Systematize the operation of complaint analysis meetings, set up a three-tier meeting system for the Group, the region and the project, and use the meetings to teach and form feasible customer complaint handling measures and follow up on their implementation to enhance the ability to handle customer complaints.

7. LEAN FOREVER QUALITY TOGETHER

Refine the quality of service

CIFI Ever Sunshine Services is committed to creating the highest quality products and the most refined services, establishing a sound quality management system for the entire property ecology, continuously standardizing service and product quality, optimizing the "gravitational service ecosystem" and forming a comprehensive property service system for community, commercial and value-added services.

Quality management system

We strictly abide by laws and regulations such as the Law of the People's Republic of China on Product Quality and the Law of the People's Republic of China on Protection of Consumer Rights and Interests, and constantly improve and update our quality system management system. In 2022, CIFI Ever Sunshine Services issued a total of 73 relevant systems, laying a solid foundation for the provision of quality products and refined services.

In 2022, we continued to carried out annual reviews of our ISO 9001 quality management system certification and triennial external audits in accordance with the relevant requirements to ensure that our management system complies with national and industry standards and regulations. Meanwhile, during the reporting period, our high-tech brand for smart property management, Linjiu Technology, also obtained ISO 9001 quality management system certification this year.



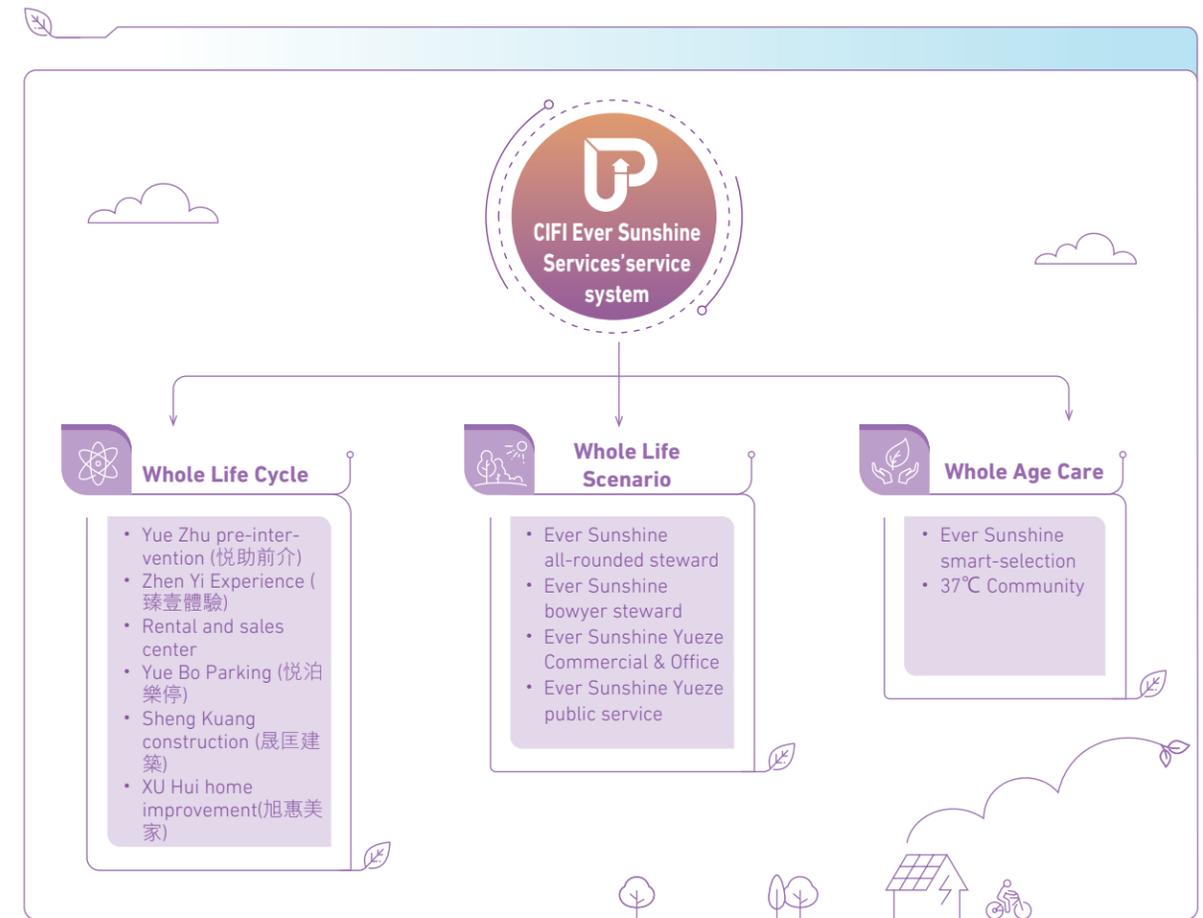
▲ ISO 9001 Quality Management System Certificate for CIFI Ever Sunshine Services



▲ Linjiu Technology ISO 9001 Quality Management System Certificate

7. LEAN FOREVER QUALITY TOGETHER

CIFI Ever Sunshine Services is deeply engaged in quality management, building a concept of service excellence around the service features of "Whole Life Cycle+", "Whole Life Scenario+" and "Whole Age Care+". For more information, please visit our website (<https://www.cifies.com/index.html>).



▲ CIFI Ever Sunshine Services' service system

Quality Service Enhancement

We uphold the concept of "customer-centric" and hold ourselves to the highest standards in the industry. We are committed to continuously improving the quality of our services to help our customers get the property service experience they need, and to continuously standardize the high level of service system of CIFI Ever Sunshine Services.

## 7. LEAN FOREVER QUALITY TOGETHER

### Expanding service touchpoints

The property services industry, as the main steward of the residents, we believe that we must extend our services to the homes of our customers so that they can perceive and enjoy more services from the property, change our mindset and improve the quality of our services. In 2022, a total of 1,772 engineers from CIFI Ever Sunshine Services provided door-to-door services to property owners, and promoted composite employment in all regions and carried out composite training for stewards and engineering staff to enhance service capacity and coverage, effectively guaranteeing the smooth implementation of more types of door-to-door services.

In 2022,

door-to-door service had  
an annual work order  
timely response rate of

98%

a work order timely  
completion rate of

97%

a work order satisfaction  
rate of

99%

### Case

### Air-conditioner cleaning season, enhance new touch points of service



CIFI Ever Sunshine Services is committed to deepening the implementation of door-to-door services, in 2022, we carried out the door-to-door service of the air conditioner cleaning season in the 2nd quarter. Based on the requirement of improving service force coverage, we trained 980 engineering staff and 998 non-engineering staff to improve employees' air conditioner cleaning skills, carried out composite employment, improved the efficiency of air conditioner cleaning and the door-to-door service, effectively guaranteeing the smooth implementation of air conditioner cleaning work.



▲ Door-to-door Service of Air Conditioner Cleaning Season

## 7. LEAN FOREVER QUALITY TOGETHER

### Quality Enhancement Training

We continue to improve our service quality training system and strengthen the service capability and service system building capacity of our all-round Stewards, bowyer Stewards and project managers to ensure that the services provided to our customers meet the standards of CIFI Ever Sunshine Services and achieve high property service requirements.

- **Rock-solid Plan(磐石計劃):** We offer the Rock-solid Plan to outstanding project managers in the various communities under our management to ensure that learning is applied through "online learning + face-to-face training + benchmarking visits + assignment reporting + graduation exams + post-training tasks";
- **The four steps to stewardship:** We use regional coaching and pre-employment training to ensure that Stewards know and understand the training requirements such as the the "Business Standard Pocket Book for CIFI Ever Sunshine' New Stewards", to provide standardized Ever Sunshine services to our customers, while we carry out monthly training in-service to complete the "white stewards to qualified stewards" learning map before passing the assessment;
- **Steward qualification:** We have launched a 7-day crash course on steward qualification, covering all new employees to carry out steward qualification, and only after passing the certification, to ensure that stewards know and understand the high standards and requirements of serving customers;
- **Steward first aid training:** In order to create a safe community living environment at home and to enhance the service skills of high-end bowyer steward, CIFI Ever Sunshine has conducted first aid training courses for bowyer steward through professional first aid courses trainings and knowledge competitions;

### Responsible Marketing

CIFI Ever Sunshine Services attaches great importance to its commitment to customers, practices responsible marketing and promotion, and on the basis of strict compliance with the Advertisement Law of the People's Republic of China etc., requires relevant personnel to maintain a rigorous attitude towards all types of marketing and sales practices, to sell to customers in a compliant and truthful manner, to ensure that promises made to customers are true and valid, and to protect the interests of customers.



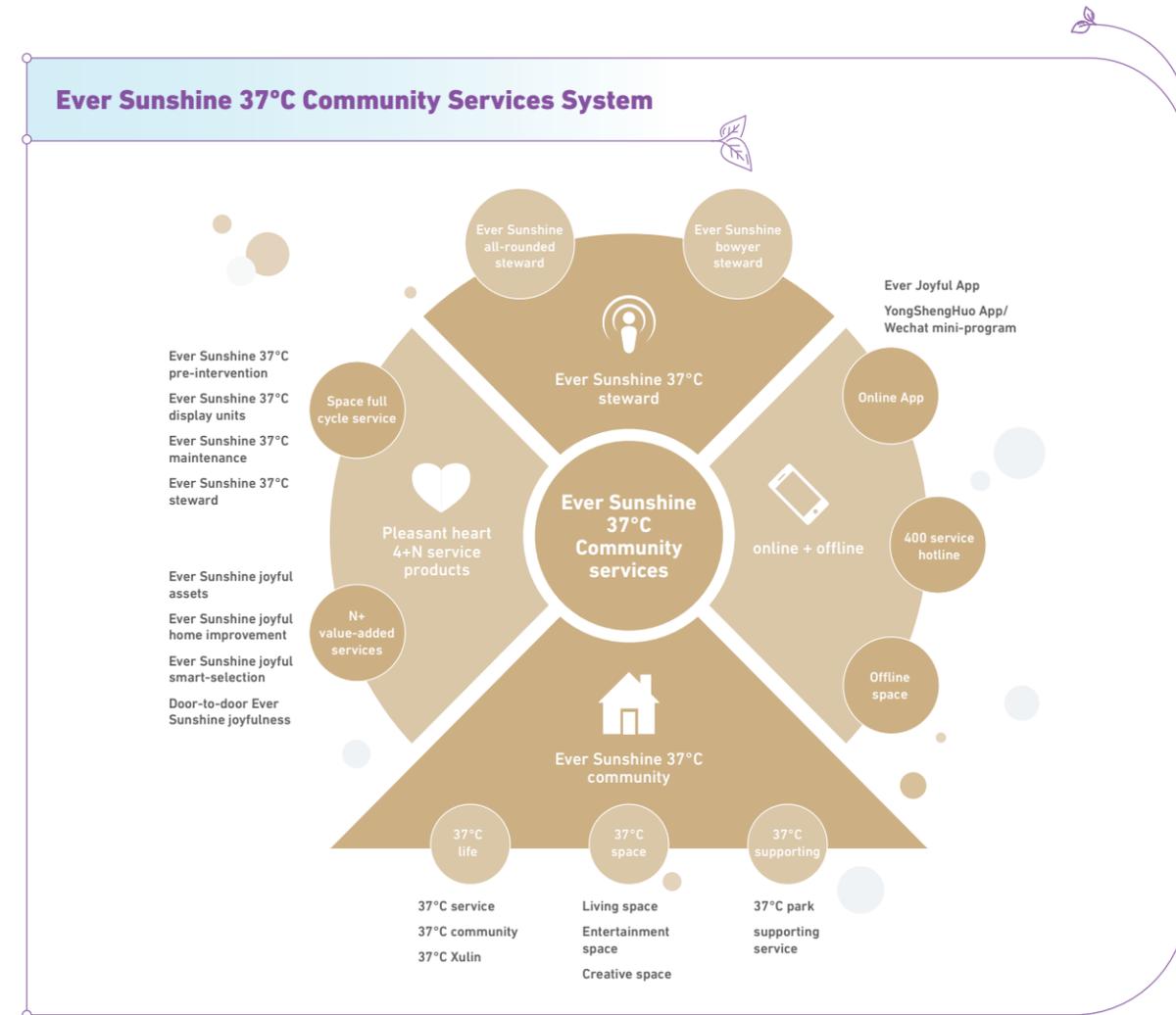
7. LEAN FOREVER QUALITY TOGETHER

**Gravitational service ecology**

CIFI Ever Sunshine Services upholds the mission of "Building better lives", adheres to the service concept of "satisfaction + surprise", advocates and pursues the concept of responsible development, insists on long-termism, integrates sustainable development into the daily operation of the enterprise, and builds the solid quality of CIFI Ever Sunshine Services.

**Living with better life**

We strive to become a "Good Life Service Provider" by providing 37°C community services of Ever Sunshine, being committed to providing a full range of solutions to our customers and building a professional, specialized and high quality service system.



7. LEAN FOREVER QUALITY TOGETHER

- **Ever Sunshine 37°C Ex-intermediary service:** based on the understanding of "better lives", the service products are used throughout the whole life cycle of real estate development, and the service level is improved through six product standard systems and three levels of quality control management;
- **Ever Sunshine 37°C case service:** adhering to the core value of letting customer be "trouble-free, worry-free, and discontent-free", creating three-level case service products of Zhen, Yue and Xiang (臻·悦·享), running through the perception system, contacting upgrade and value-added exclusive, providing customized, leading and experience-rich scenario-based service to meet different individual needs;
- **Ever Sunshine 37°C maintenance service:** it is a house inspection and maintenance service specially provided for property owners after delivery, which can minimize home safety hazards, reduce the number of unexpected incidents reported by customers, provide a strong guarantee for the value of the house and provide a worry-free quality of life for property owners;
- **Ever Sunshine 37°C stewards service:** practicing the service promise of "active service, intimate care, transparent information and surprise", using stewards as a carrier to provide comprehensive service around the common area and neighbourhood, turning passive response into active service.

**Case 37°C case, casting "532" management system model**

In June 2022, CIFI Ever Sunshine Services successfully took over the case service of CIFI Tianfu Jiujianglai and CIFI Tianfu Yuejianglai projects. We took the systematic and detailed management of "Ever Sunshine Joyful Case Service (永升悦心案場服務)" as the conceptual support, through the "532" management system model of 5 service standards, 3 management systems and 2 quality monitoring, to create "proactive service" with highly satisfactory service products, being committed to becoming a "service provider for a better life".



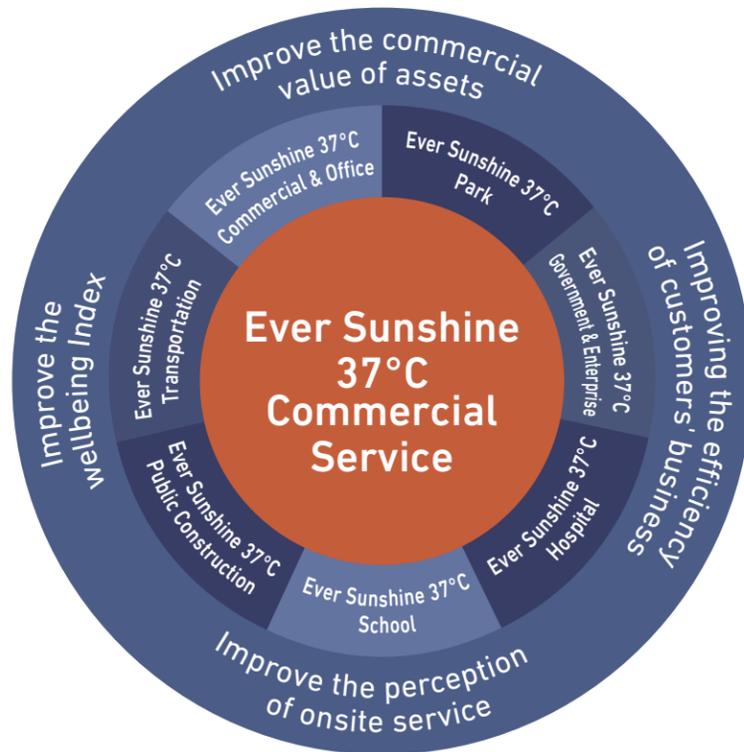
Rendering of CIFI Tianfu Jiujianglai Project ▶

7. LEAN FOREVER QUALITY TOGETHER

**Growing with the city**

Based on the understanding of "better lives", Ever Sunshine 37°C commercial service is a professional subdivision of commercial service and promotes service upgrading with ingenious heart and research. Ever Sunshine 37°C commercial service system covers public buildings or infrastructures such as commercial offices, parks, government, enterprises, hospitals, schools, public constructions and transportation, providing customers with smart and comprehensive service solutions, and is committed to becoming a "smart city service operator".

**Ever Sunshine 37°C Commercial Service System**



7. LEAN FOREVER QUALITY TOGETHER

- **Ever Sunshine 37°C commercial office service:** by providing customer service, asset management, building operation and maintenance, and environmental care services for commercial and office building users, Ever Sunshine ensures the integrity of building facilities, enhances the commercial office environment and atmosphere, and helps to improve the commercial value of customers;
- **Ever Sunshine 37°C government and enterprise service:** by providing perfect workplace one-stop solutions and integrated smart property management solutions for government and enterprise offices, production and R&D, etc., we enhance the convenience index of government and enterprise employees' working environment and protect the value of customers' assets;
- **Ever Sunshine 37°C public services:** by providing integrated management and service protection for government, enterprises, hospitals, schools, cultural tourism, public transport and other sites with public functions, we assist governments and enterprises to improve operational efficiency and enhance public perception of on-site services.

**Case**

**Professional commercial office service to help enterprises take off**



CIFI Ever Sunshine Services provided property services for the headquarters of a new energy vehicle company. Based on our previous service points and experience in serving similar enterprises, we customized a three-dimensional, technological and humanized exclusive environmental maintenance service plan and provided excellent logistic services, taking into account the main structure of the headquarters building and the special requirements of the enterprise, with the aim of high-quality operation.



◀ We provide professional Commercial office service for Corporate Users

## 7. LEAN FOREVER QUALITY TOGETHER

### Living and breathing with humanity

We create full scenarios covering city life, navigating the development of multiple services with technological innovation to form Ever Sunshine 37°C city services. Through the three dimensions of city space operation services, city governance support services and municipal public services, we inject new vitality into cities and continuously add new capacity to the cities in which we are located.

#### Ever Sunshine 37°C City Service System



## 7. LEAN FOREVER QUALITY TOGETHER

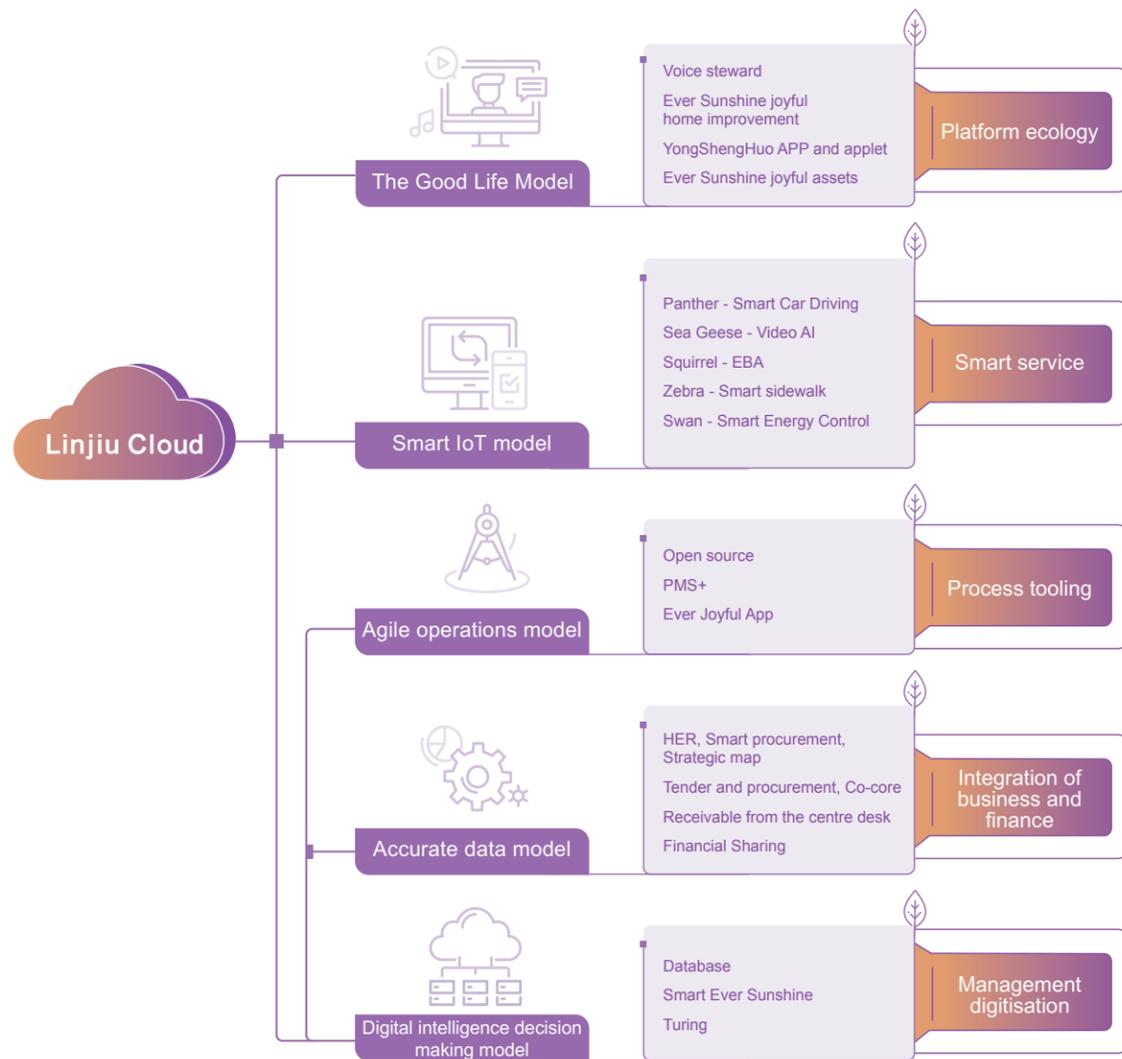
### Living with life, living with ecology

We have built Ever Sunshine value-added service system, adhering to the "platform + ecology" development strategy of using projects as a platform and building an ecology based on customer needs, and continuing to improve the exploration of diversified value-added services. We focus on rental and sales services, retail services, door-to-door services and home improvement services to bring our customers a more intimate service ecological platform.

- **Rental and sales services:** we provide 37°C services to preserve and increase the value of our customers from a professional perspective, including housing leasing, housing escrow, new home sales, car parking space sales, asset valuation and title deeds, helping property owners to manage their assets;
- **Retail services:** through the selection of multi-category daily consumer goods, to meet customers' pursuit of better quality of life, forming a new community retail model of reciprocal interaction within the community;
- **Door-to-door services:** we study customers' daily life scenarios and provide home life services covering housekeeping, home appliance maintenance, home care, in-home decoration and home beautification;
- **Home improvement services:** a professional team is formed to integrate home resources and bring together well-known brands to provide one-stop home ownership services for property owners.

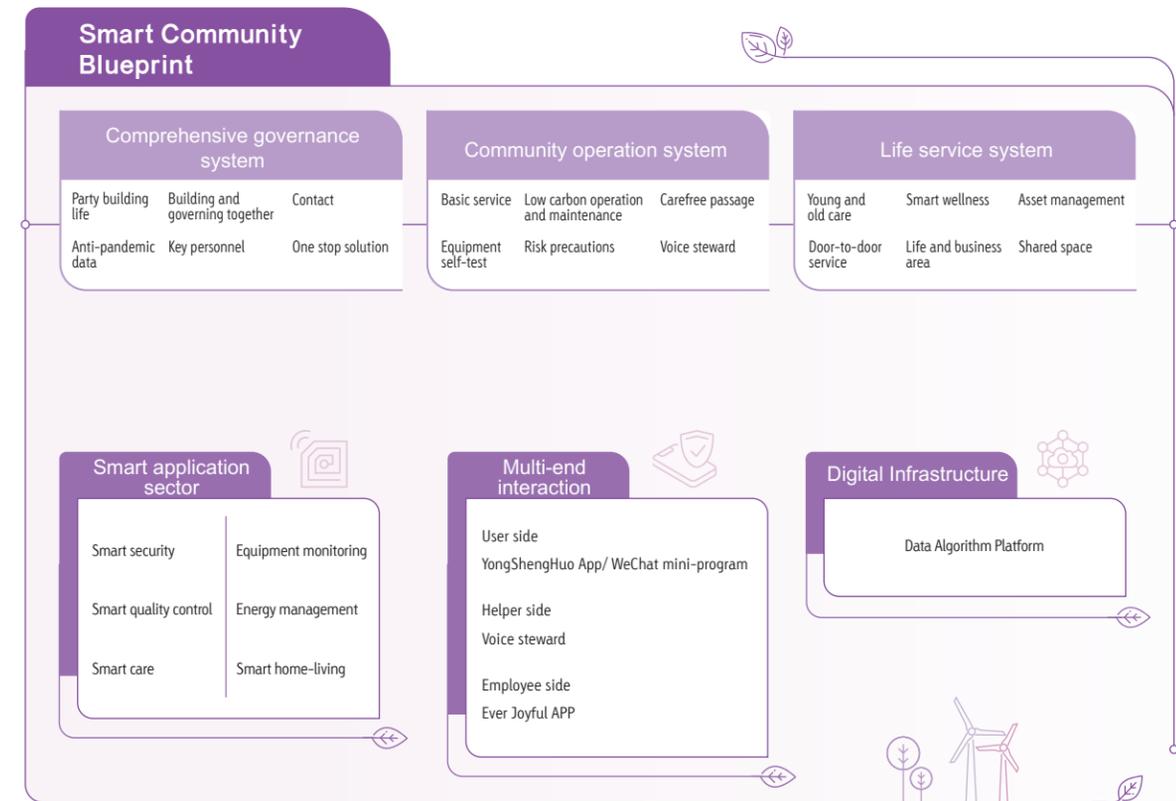
### Share the future with technology

Based on the mission of "technology-driven property revolution", we continue to enhance the market competitiveness and self-service capability of Linjiu Technology, based on mobile office, Internet of everything, artificial intelligence, big data, cloud computing, 5G coverage and other cutting-edge technologies, so as to make the property services of traditional city space intelligent life services, community platform ecology, enterprise management transparency, daily operation processes, group decision-making digital intelligence, and promote the intelligent transformation of the industry.

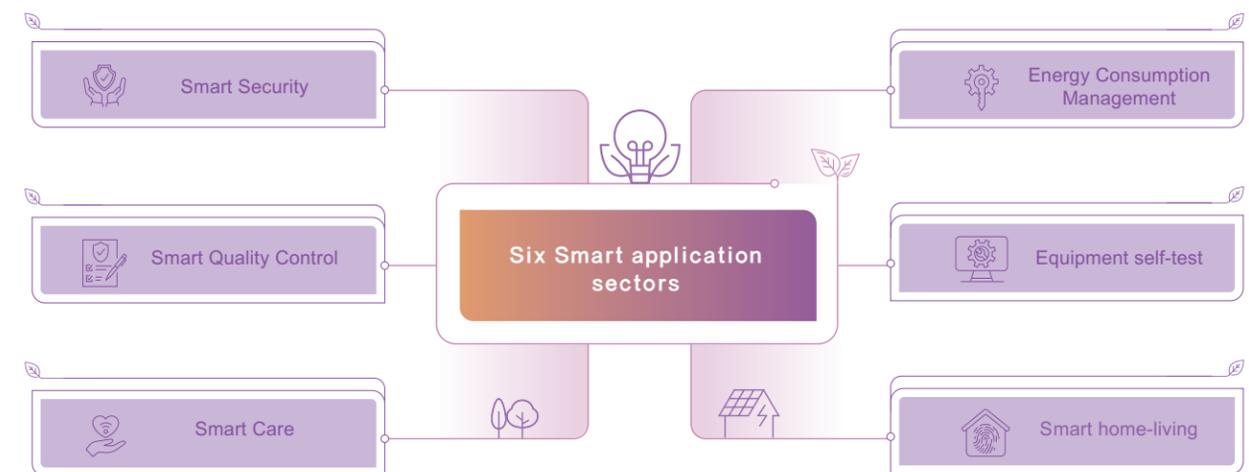


▲ Ever Sunshine Smart Service System

Linjiu Technology uses "Linjiu Cloud" and AIoT solutions as the grip of smart property, continuously improving the wisdom capability and digital intelligence of property management and property scenario services. Through the smart community, six smart application modules and the Turing System, we provide managers, stewards, property owners and all property-related parties with a complete digital intelligence service experience to improve work and communication efficiency and enjoy the fruits of digital property services.



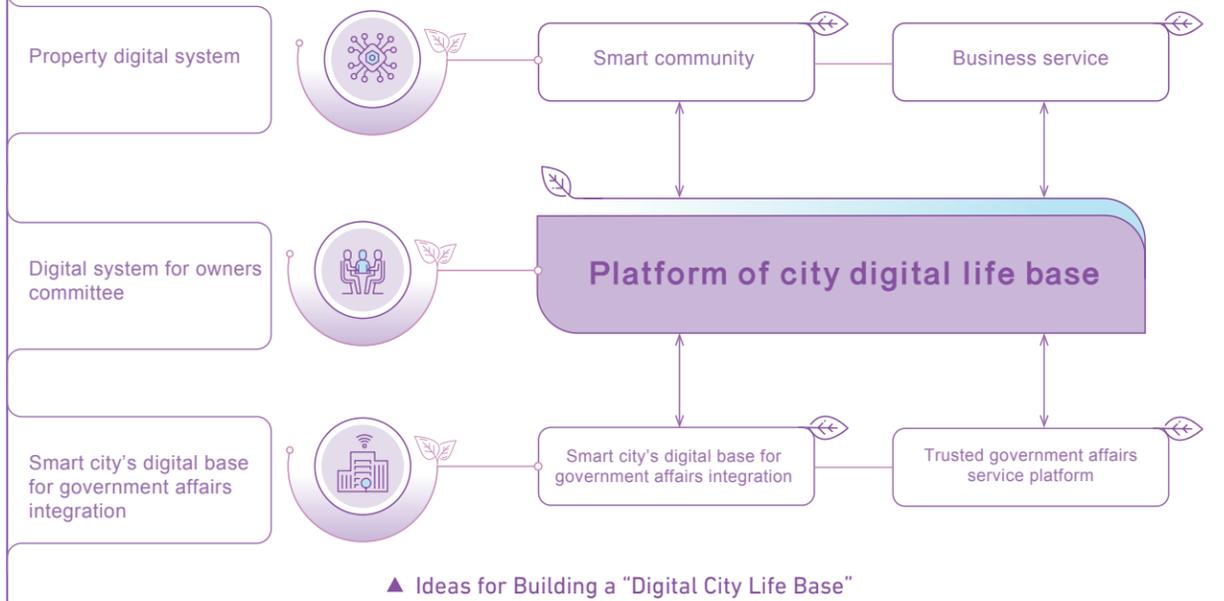
▲ Smart Community Blueprint



▲ Six Smart Application Sectors

**Case Blockchain bases to advance the digital life of the city**

We collaborate with Shanghai CRIC Information Technology Co., Ltd. (上海克而瑞資訊技術有限公司) on a blockchain-based digital city life base platform. This project is a special fund project for the promotion of high-quality industrial development in Shanghai. Through the transformation of the property management information system and the adaptation of the digital identity of city digital life, we will form a business scenario of city digital life and implement it in various communities to improve the informationization of grassroots governance.



▲ Ideas for Building a "Digital City Life Base"

**Case Smart car parking space, safe and convenient service**

Linjiu Technology independently developed the car parking license plate recognition system, through the perfect operation authority, access authorization, data management, image comparison and other license plate recognition management system, effectively improve the efficiency of vehicle access and car parking space security, while protecting the user's privacy and security, through intelligent means to continuously optimize community property management, the system has been certified by the Security Alarm System Product Quality Supervision, Inspection and Testing Center of Ministry of Public Security.



◀ Linjiu Technology Car Parking Space License Plate Recognition System

**PROTECT CUSTOMER RIGHTS AND INTERESTS**

Protecting the rights of our customers is the foundation on which we are built. Our primary responsibility is to ensure that the rights of our customers are protected in our communities and that we continue to enhance the experience of living in our communities. We are committed to safeguarding the health and well-being of our customers, improving customer service, enhancing customer satisfaction, and ensuring the privacy and security of our customers' information to protect their legal rights.

## 7. LEAN FOREVER QUALITY TOGETHER

### Client Health and Wellbeing

The pursuit of health is the most basic and fundamental demand of people's good life, therefore, the safety of customers is the eternal issue of CIFI Ever Sunshine Services. The Company strictly abides by the laws and regulations of the People's Republic of China, including the Law of the People's Republic of China on Work Safety, and adheres to the safety management principle of "safety first and prevention first", and has formulated internal management documents, including the "Property Emergency Management (General)" and "Basic Management Requirements for Facilities and Equipment (General)", to form a health and safety management system for customers and to effectively ensure the safety, health and well-being of customers.

#### Safety management system

We have established a three-tier safety management mechanism, with clear three-tier management at the head office, each of our property companies and property service centres. Chief Executive Officer of the Company is responsible for the overall management of safety and occupational health and safety matters, and we strictly enforce the "one-vote veto system" for safety management, and no work plan involving safety issues will be adopted.

#### Three-tier safety management responsibility system

<b>Headquarters</b>	<ul style="list-style-type: none"> <li>• Chief Executive Officer: Coordinated management of production safety occupational health and safety matters</li> <li>• Customer Value Department: Overall responsibility for internal security management</li> <li>• Functional Departments: Implement internal safety management</li> </ul>
<b>Property company</b>	<ul style="list-style-type: none"> <li>• General Manager: The main person responsible for safety management within the company, implementing a safety management responsibility system</li> <li>• Customer Value Department: Person directly responsible for safety management, supervising safety management</li> <li>• Departments: Implement their own internal safety management responsibility system</li> </ul>
<b>Property Services Centre</b>	<ul style="list-style-type: none"> <li>• Project Manager : The person directly responsible for the safety management of the project and the implementation of the internal safety management responsibility for the area under his jurisdiction</li> </ul>

## 7. LEAN FOREVER QUALITY TOGETHER

### Safety management assessment

We formulate an annual production safety responsibility assessment plan to assess the property companies affiliated to CIFI Ever Sunshine Services in terms of the achievement of production safety responsibility targets, the performance of production safety responsibilities, and occupational health and safety management. At the same time, each year, the headquarters of CIFI Ever Sunshine Services signs a production safety responsibility letter with the first responsible person of its property company for production safety, specifying the production safety goals, work responsibilities and accountability for the following year. The annual remunerations of responsible persons of all levels for production safety, including the Chief Executive Officer, and those in charge will be linked to the Company's annual production safety performance and other factors through the above internal assessment mechanism.

### Safety risk management

We are committed to identifying, assessing and responding to safety risks in the communities we manage. Only by staying ahead of risks can we provide a good, healthy living environment for our property owners. We actively engage in the whole process of safety risk management and prepare contingency plans for the occurrence of risks to ensure that risks do not occur and that they are manageable when they do occur, ensuring the safety and health and well-being of our customers.

#### ➤ Safety risk identification management

Through a well-established risk operation mechanism and early warning signals of risks, we carry out in-depth quantitative and qualitative analysis of security and related risks, mainly including unexpected event data, satisfaction data, number of work order exceptions, inspection exceptions, team exceptions and third party opinions, to ensure that risk categories, causes and trends are identified as soon as possible and the response process is accelerated to deal with and resolve the risks.

#### ➤ Emergency plan response

In the event of a dangerous emergency (e.g. fire), we take effective measures in strict accordance with our emergency plan. We require that when a dangerous emergency occurs, the first time through the "Ever Joyful (永小樂)" APP to report it, and at the same time to activate the emergency plan to protect the lives and property of our customers.

## Case

## Fire emergency mechanism, guarding the last line of defense



**旭辉永升服务**  
CIFI EVER SUNSHINE SERVICES

**突发事件**  
灾害性事件

**火灾类事件**

**案例**

2020年10月15日23:10, 长沙某项目管家接到业主反映采光井有烟雾, 现场两名秩序维护员及一名技术员前往探查但未找到火源, 未通知业主开门检查, 也未即时拨打119报火警, 直到次日8:50发现失火房屋才报火警。后经执法部门调查核实, 此次火灾造成业主存放在屋内的部分湘绣(属于非物质文化遗产)被烧毁, 经协商未果后, 业主通过司法途径向物业公司提出巨额赔偿要求。

**案例分析**

收到现场员工或客户报告火情后, 应第一时间拨打119报火警(报警时应说明着火单位地点、起火部位、着火物种类、火势大小、报警人姓名和联系电话), 同时启动灭火和应急疏散预案, 通知义务消防队携带灭火装备、破门工具(如为车辆起火应携带灭火装备、破拆工具、消防沙、穿戴消防防护服及防毒面具)3分钟内赶到

We require stewards to immediately report and call the 119 fire alarm via the "Yong Xiaole (永小樂)" App in the event of a fire, and to turn the fire reporting linkage control switch to automatic. At the same time, stewards are required to immediately activate the fire-fighting and emergency evacuation plan and request the volunteer fire brigade to arrive at the scene within 3 minutes with fire-fighting equipment and door-breaking tools to extinguish the fire at the early stage, effectively evacuate the crowd and ensure the safety of people. After the fire is effectively controlled, we report the handling of the emergency to the head of the region and city.

◀ "Yong Xiaole(永小樂)" APP Fire Planning Guide

## Quality and safety inspections

We carry out multi-level, all-round quality and safety inspections to ensure the safety, health and well-being of our property owners. In 2022, there were two general safety incidents and no major safety incidents at CIFI Ever Sunshine Services.

## ➤ Special safety inspections

We use pre-holiday inspections, flood equipment safety inspections and anti-freeze work inspections as a starting point to carry out comprehensive special inspections for medium and high safety risk points such as lifts, fire-fighting, water supply and drainage, electricity supply and distribution, fire prevention, anti-freeze, flood prevention, lighting and intelligent equipment.

## ➤ Daily safety inspections

In addition to special inspections, we strengthen daily safety inspections of projects under our management, including general park inspections and fire inspections, to ensure that the rights of property owners to a safe and healthy environment in the area are not infringed in everyday situations.

## Safety supervision and inspection

We hope that through multi-channel and multi-faceted safety training we will continue to strengthen employees' awareness of safety competencies and deepen their safety consciousness to ensure the health and well-being of our property owners. In 2022, CIFI Ever Sunshine Services organized and carried out a total of 620 safe production trainings with over 2,272 participants. An aggregate of 2,440 emergency drills have been carried out with 3,865 participants.

Production safety trainings  
**620**

Number of participants  
**2,272**



Various emergency drills  
**2,440**

Number of participants  
**3,865**



## 7. LEAN FOREVER QUALITY TOGETHER

### ➤ Outstanding Case Competition

We believe that the most effective way to learn is to practice, and strengthening employees' practice of safety work by means of competitions helps to improve the overall safety production level. We issued the Notice on the Competition on Excellent Engineering Value Cases in 2022 to collect excellent engineering safety practice cases from all regions, so as to achieve the effect of active engineering safety learning at the grassroots level and strengthen safety production capacity.

### ➤ Safe production trainings

We require all regions and projects under our management to carry out extensive training on safety subjects, covering equipment and facilities, operational standards, occupational safety, PMS+ reporting, inspection training, etc. The team's safety awareness and safety productivity are matched to the ever-changing customer demands and industry needs.

### ➤ Safety and fire drills

In order to further strengthen the fire safety work of the community and the projects under management, popularize fire safety knowledge and test the fire safety capacity building of employees, we carry out various safety fire drills, in which we invite the fire fighting authorities, police stations, community workstations and property owners to participate, so as to continuously enhance the safety fire fighting capacity of employees, with a view to effectively preventing various fire accidents and guarding the lives and properties of property owners.

#### Case

#### Carry out fire drills to ensure life safety



In 2022, Shandong Ever Sunshine Yinshengtai Property Management Co., Ltd (山東永升銀盛泰物業管理有限公司) ("Shandong Yinshengtai") carried out comprehensive fire drills in conjunction with over 80 of its projects. Shandong Yinshengtai adheres to the principle of "prevention is the main focus and prevention is combined with fire-fighting" and actively invites the fire-fighting authorities, police stations, community workstations and property owners in the project areas to participate in the activities, integrates fire-fighting publicity resources with the characteristics of the region and the projects. It carries out hidden danger investigation, integrates fire-fighting publicity resources, popularizes fire-fighting knowledge, strengthens the capacity building of the voluntary fire brigade, and carries out fire drills, daily hidden danger inspection and rectification, to continuously improve the level of fire fighting in the community.



▲ The Scene of the Fire Drill Carried Out in Shandong Yinshengtai

## 7. LEAN FOREVER QUALITY TOGETHER

### Customer satisfaction

We value the voice of our customers and want to continually improve our customer service management practices through customer requests and feedback. In 2022, we carried out a combination of internal and external satisfaction surveys. We invited Beijing Saiwei Consulting Co., Ltd(北京賽惟諮詢有限公司) ("Saiwei Consulting") to carry out an independent third-party satisfaction survey, which yielded a satisfaction rating of 86.7; our internal satisfaction survey yielded a rating of 90.6, including 95.7 for overall satisfaction with commercial services and 85.4 for satisfaction with the handling of reported complaints.

### Improved satisfaction

In response to the results of satisfaction surveys, as well as the usual customer feedback and complaints, we improve our customer service management mechanism and constantly optimize our customer management system, solving customers' problems and doing what they need to do.

- **Annual satisfaction enhancement plan:** we formulate an annual satisfaction enhancement plan, taking into account the actual operation of the project, and require the Group, regional and district levels of control and supervision to ensure that the annual plan is successfully achieved;
- **Unsatisfactory item tracking:** we carry out daily satisfaction surveys from time to time, proactively find out about customer dissatisfaction through our 400 call centre, monitor the issues and follow up on dissatisfaction issues in our report handling system;
- **Mobile service:** we carry out mobile management of all staff, with stewards conducting on-site inspections, proactively contacting customers, proactively identifying problems and dealing with them; we carry out mobile management of management staff, conducting proactive inspections and proactive customer visits to oversee the improvement of on-site management quality and enhance the quality of service;
- **Large customer visit mechanism:** for commercial office properties, we set up a regular visit mechanism at project, regional and headquarters levels for larger customers, carrying out key visits in new deliveries, renewals, operational risks and star benchmark projects, etc. In 2022, we visited large customers 212 times and followed up and dealt with 98 comments and suggestions made by customers;
- **Headquarters fly inspection:** for commercial office properties, the headquarters will carry out fly inspection on each project. By inspecting the projects and at the same time actively communicating with the customers, the headquarters staff will understand the customers' expectations of our services, adjust and optimize future capacity building and make up for the short-term shortcomings of the services.

## 7. LEAN FOREVER QUALITY TOGETHER

### Complaint handling process

We update our Complaint Management Regulations (投訴管理規定), requiring all complaints to be handled in accordance with the "1530211" principle, and incorporated the requirements of timely response and timely closure into the strategy evaluation system of CIFI Ever Sunshine Services to ensure that the complaint handling process is standardized, efficient and effective in terms of implementation and feedback, and to continuously optimize the results of complaint handling.

- **The "1530211" principle:** for a complaint from a customer, we require the steward and relevant customer service staff to take the order within 15 minutes; contact the customer within 30 minutes; reply or solve the problem within 2 hours, or provide a solution to the customer within 1 day if the problem is complex; and complete a return visit within 1 working day after the complaint has been dealt with.
- **Complaint classification and control:** we insist on the classification and control of customer complaints. For general complaints, serious complaints and major complaints, we assign different levels of responsible persons to take charge of handling them, so as to effectively improve the efficiency of complaint handling and provide customers with quick and satisfactory answers.
- **Digital intelligence monitoring for complaints:** we carry out digital intelligence monitoring for complaints to ensure that they are responded to, concluded and dealt with in a timely manner. We operate through a dual app, Ever Sunshine Life(永升活)and Ever Joyful(永小樂) to handle 100% of our customers' complaints online. At the same time, our complaint intelligence enables early warning of outstanding complaints and escalation of outstanding complaints, effectively improving our closed-loop management of complaints and monitoring of complaint quality.

In 2022,

The total number of complaints we received was

16,786

Rate of handling complaints was

100%

### Information Security and Privacy Protection

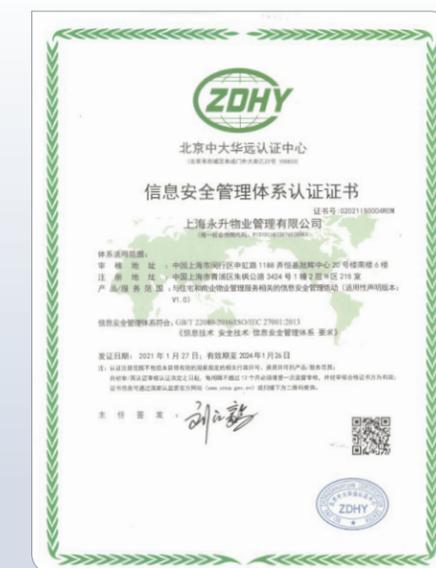
We fully respect the rights of all customers to provide, handle, delete and maintain their own privacy, and ensure that the information security system of CIFI Ever Sunshine Services meets the information and privacy protection requirements of our customers. We strictly abide by the Data Security Law of the People's Republic of China, Personal Information Protection Law of the People's Republic of China and other laws and regulations, formulate and update internal management documents such as "Ever Sunshine Life Privacy Policy (永升生活隱私政策)", "User Service Agreement (用戶服務協議)", Information Security Management System (信息安全管理制度)" and "Database Standard Guideline (數據庫標準指引)", establish a sound information security management system and provide a complete and standardized process and management for the protection of customers privacy.

At the same time, we have established a full process information control/information hierarchy management mechanism to comprehensively regulate customer privacy and information security management actions and effectively avoid various information leakage risk points. In 2022, CIFI Ever Sunshine Services' compliance with customer information and privacy protection is good, with no leakage of customer information (resulting in complaints or other significant impacts) or internal information data leakage incidents.

In 2022, we continued to carry out annual reviews and triennial external audits of our acquired ISO 27001 information security management system certification in accordance with relevant requirements to ensure that the management system complies with national and industry standards and requirements.

In order to provide data storage management and prevent leakage of customer information, we are following the requirements of the national "Information Security Level Protection Management Measures (信息安全等級保護管理辦法)" to improve our information management system and are in the process of applying for network security level protection assessment at level 3, which complies with the specification requirements of the GB/T 22240—2020 *Information security technology—Classification guide for classified protection of cybersecurity*, and we expect to obtain the certificate in 2023.

## 7. LEAN FOREVER QUALITY TOGETHER



▲ CIFI Ever Sunshine Services ISO 27001 Information Security Management System Certification

## 7. LEAN FOREVER QUALITY TOGETHER

### Information Security and Privacy Protection

To protect internal data security and customer privacy, we use a fortress machine to increase data security. At the same time, we incorporate information security into our three-tier management system and carry out daily fly-inspection controls on information security matters, and strictly manage the data modification and enquiry process.

- **Information modification:** the process is requested by the person responsible for the data, and the approval process is ultimately approved by Chief Data Officer of CIFI Ever Sunshine Services, to ensure all data is secure;
- **Data export:** CIFI Ever Sunshine Services generally do not allow any employee to export data, all data basically need to be accessed online to avoid leakage of customer data due to random export by employees<sup>2</sup>;
- **Information query:** CIFI Ever Sunshine Services online system will hide customer phone numbers, at the same time, we carry out three-tier control of offline customer information, and establish a perfect system for the access and borrowing of relevant documents to ensure employee compliance query;
- **Information leakage:** we have a comprehensive contingency plan for information leakage emergencies and strictly implement precautionary measures to ensure that information is not leaked.



<sup>2</sup> Data export: Ever Sunshine invites Saiwei Consulting to carry out a customer satisfaction survey every year, and only the data required for the survey is exported to facilitate return visits.

## 7. LEAN FOREVER QUALITY TOGETHER

### Information incident handling

We deal with information accidents seriously and carry out graded and classified control of accidents, quickly generating emergency plans to minimize accident damage, while we reorganize the nature of accidents, cause analysis and prevention mechanisms afterwards to form a more complete emergency handling and pre-emptive mechanism.

### Information Security Audit

We went online with our online audit system, reflecting audit effects through multi-dimensional data and realizing digital and automated audits. At the same time, we standardize the audit requirements for information security and carry out key audit work on indicators such as data collection, storage, analysis and management risks to prevent data loss and leakage risks and implement information security safeguards.

### Information Security Training

In 2022, we organized 2 trainings on information security and privacy protection for a total of 68 participants. The training on information security and privacy protection covered cyber security and security prevention mechanisms, and the content was open to all employees to continuously enhance the privacy and information security awareness of all employees, improve relevant information security protection skills and efficiently provide privacy and information security protection to our customers.

### Customer privacy awareness

We are committed to educating our frontline staff on the protection of customer privacy, and we remind them of this during our daily inspections and management supervision. In January 2022, we launched a special training on customers privacy protection, which lasted for one hour. At the same time, we made information security a mandatory part of new staff training and a mandatory part of our stewards training camp to ensure that most of our staff understand the privacy aspects of CIFI Ever Sunshine Services.

# 8. LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER

CIFI Ever Sunshine Services strictly follows the laws and regulations such as the Environmental Protection Law of the People's Republic of China, the White Paper on China's Policies and Actions to Address Climate Change and other action requirements, and actively carries out various climate change response actions. We always practice green property operation, improve internal environmental management system, carry out green renovation of equipment and facilities, advocate green office life and create green ecological communities.

Guide's indicators responded to in this chapter		Material issues in this chapter
Respond to SDGs	Response to Indicators of HKEX	
 7 AFFORDABLE AND CLEAN ENERGY	A1 General Disclosure	<ul style="list-style-type: none"> <li>Tackling climate change</li> <li>Green office and environmental promotion</li> <li>Green property</li> <li>Biodiversity</li> <li>Energy saving and consumption reduction</li> </ul>
	A1.5	
	A1.6	
 11 SUSTAINABLE CITIES AND COMMUNITIES	A2 General Disclosure	
	A2.3	
	A2.4	
 13 CLIMATE ACTION	A3 General Disclosure	
	A3.1	
	A4 General Disclosure	
	A4.1	



## 8. LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER

### GOALS PROGRESS

#### Goals setting

- Improve climate risk management systems
- Encourage energy lean management and energy efficient technology improvement
- Encourage water management
- Encourage waste classification and management
- Advocate green and low-carbon community living and green offices

#### Progress review

- Set goals for greenhouse gas emissions, energy use efficiency, water use efficiency and waste management
- Put energy management system on-line and carry out over 50 energy saving retrofit projects
- Built the "Water Saving Communities" and "Waste Free Communities" actively
- Launched Green Office Initiative, carry out paper recycling and battery classification and recycling
- Carried out "New Energy Vehicle Carnival" to encourage green travel

#### Next plan

- Quantifying daily low carbon, encouraging staff to participate in daily punch card low carbon activities and strive to be low carbon achievers
- Normalize green travel, call on employees to carry out green travel every week
- Carry out In-depth environmental protection education, invite experts in the field of environmental protection to give live online presentations to property owners
- Reward and punishment mechanisms are fixed, with positive and negative incentives for teams and individuals according to the degree of completion of environmental targets

## 8. LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER

### Tacking Climate Change

Climate change is a common challenge for all mankind, and China has set an aggressive target of “striving to peak CO<sub>2</sub> emissions by 2030 and achieving carbon neutrality by 2060”. As a responsible company, CIFI Ever Sunshine Services has always adhered to a new model of green and low-carbon development to contribute to environmental management. CIFI Ever Sunshine Services follows the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) to disclose climate-related risks and the measures taken to manage them in four dimensions: governance, strategy, risk management, metrics and targets.

#### Governance

CIFI Ever Sunshine Services established the ESG Committee to assist the Board in overseeing, reviewing and dealing with sustainable development-related issues, including addressing climate change. The ESG Committee is led by the Chief Executive Officer of the Company, with members drawn from the heads of various functional departments at the Company’s headquarters. Under the ESG Committee, the ESG Management Executive Team is responsible for the implementation of ESG governance, including climate change. Each year, the ESG Committee collates updates on climate change-related strategies and systems, consolidates annual climate risk management performance, reviews the Group’s annual performance in response to climate change and progress in achieving targets, to ensure the effectiveness of climate-related risk management efforts.

#### Board of Directors

Monitor climate-related risks, receive ESG committee reports and discuss sustainable development issues



#### ESG Committee

Develop climate response strategies, assess climate-related risks and opportunities, and review performance against climate-related targets and indicators



#### ESG Management Executive Team

Integrate climate change response into the day-to-day management of properties



#### Strategies

CIFI Ever Sunshine Services understands that climate change poses physical risks such as water logging, extreme weather or temperature rise, as well as transition risks arising from market, regulatory and policy changes. With reference to the risk categories suggested by TCFD, CIFI Ever Sunshine Services conducts risk identification and analysis from the perspective of its own business type and company operations, as well as national policies, industry trends and stakeholders’ concerns, and studies relevant response strategies to reduce the adverse impact of climate change on the Company’s business and finances.

## 8. LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER

▼ CIFI Ever Sunshine Services’ Risk Analysis of Climate Change

Type of Risk	Climate-related Risks	Risk Segmentation	Risk Impact
Transition risks	Policy and regulatory risks	Enhanced responsibility for emissions reporting and compliance requirements	<ul style="list-style-type: none"> <li>Regulatory and capital market requirements for disclosure of corporate carbon emissions, carbon reduction targets and actions to address climate change are becoming more stringent, which may make it more difficult and costly for companies to manage their operations to ensure compliance</li> </ul>
		Changes in regulatory requirements and standards for products and services	<ul style="list-style-type: none"> <li>The need to deliver products and services to more stringent green standards, resulting in increased operating costs and the possibility of regulatory penalties or complaints from property owners for failing to meet standards or regulatory requirements</li> </ul>
	Climate change related litigation risks	<ul style="list-style-type: none"> <li>Enterprises may be exposed to climate change related litigation, with risk impacts including stakeholder claims, reputational and financial losses from the spread of negative news, and related disruptions to operations</li> </ul>	
Technical risks		Low carbon product services instead of traditional product services	<ul style="list-style-type: none"> <li>Stranded energy-intensive and ageing assets under property management due to the availability of greener, low-carbon product or service options</li> </ul>
		Low carbon technology transition	<ul style="list-style-type: none"> <li>A lot of resources are required to carry out forward-looking green technology research and to promote the gradual transformation of property management to green and smart property</li> <li>Promote energy-saving upgrades to old, energy-intensive equipment and facilities that affect normal property operations</li> </ul>

## 8. LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER

## ▼ CIFI Ever Sunshine Services' Risk Analysis of Climate Change (Continued)

Type of Risk	Climate-related Risks	Risk Segmentation	Risk Impact
Transition risks	Market risks	Change of consumer behaviour	<ul style="list-style-type: none"> <li>In a green consumer environment, competitors or new entrants to the industry offer green products and services, resulting in customer migration and reduced market share and profits for the enterprises</li> </ul>
		Rising costs of raw material and energy	<ul style="list-style-type: none"> <li>Changes in green, low carbon raw material and energy prices leading to increased costs and disruption to operational plans</li> </ul>
	Reputational risk	Stakeholder concerns about negative events	<ul style="list-style-type: none"> <li>Damage to enterprises' reputation as a result of not fully meeting its social responsibility or climate response commitments.</li> <li>Negative events cause enterprises to lose their ESG ratings in the capital markets</li> </ul>
Physical risks	Acute risk	Extreme events such as typhoons, floods and biological disasters	<ul style="list-style-type: none"> <li>Damage to property</li> <li>Threats to the personal safety of property owners and employees</li> <li>Increased repair or rebuilding costs</li> <li>Unstable resource and energy supply</li> </ul>
	Chronic risk	Gradual changes in temperature and rainfall, rise of sea level	

## 8. LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER

**Risk Management**

We have integrated climate change risk management into the Company's risk management system and applied the Company's three-line risk management system of "regional - headquarter function - audit and monitoring centre" and the four-stage risk management process of "risk identification - risk assessment - risk response - monitoring and transformation" to carry out climate risk management. By incorporating climate risks into the system for unified identification, assessment and management, we ensure that climate risks are taken seriously by the organization and managed effectively, reducing the adverse impact of climate change risks on CIFI Ever Sunshine Services.

**Policy risk management**

CIFI Ever Sunshine Services attaches great importance to climate change related policies and regulations. In order to reduce policy risks, the Company's ESG Committee organizes the management and all functional departments of the Company to enhance research and study of policies and regulations to raise awareness. We review whether our existing systems and assets meet the relevant requirements in the light of the new regulations, and maintain close communication with relevant regulatory authorities to develop an internal management system that is in line with national policies to ensure compliance with operational activities and continuously reduce operational carbon emissions to prepare for climate change.

**Technical risk management**

In recent years, CIFI Ever Sunshine Services has been practising green operations across the board and has made a number of breakthroughs in green technology upgrades. We have actively carried out various energy-saving technical renovations and achieved good energy-saving results in more than 50 service projects nationwide by formulating technically feasible and cost-efficient energy-saving renovation strategies. The Company attaches importance to internal technical capacity building and has put online the energy management system developed by Linjiu Technology, a technology brand company of CIFI, in our service projects.

**Market risk management**

CIFI Ever Sunshine Services is forward-looking and aware of market trends and risks, integrating green development strategies into the Company's management system in all aspects, promoting green operations and building an advanced property service enterprise with green competitiveness. We take the initiative to accept third-party authority inspection and apply for international authoritative LEED green building certification and WELL healthy building certification for our projects to enhance the market competitiveness of CIFI Ever Sunshine Services.

**Reputational risk management**

The ESG targets and commitments announced to the public are carefully established by CIFI Ever Sunshine Services, and they are released by the Board of Directors and ESG Committee after strict consideration to ensure reasonableness and feasibility. We have set up an ESG Committee to oversee, review and coordinate ESG governance, and arranged the ESG Management Executive Group to execute and implement specific matters to ensure ESG governance meets the expected targets through a sound ESG governance structure.

**Physical risk management**

We have formulated emergency response plans to deal with extreme weather risks, such as the "Property Emergency Management Regulations" (《物業应急管理規定》), the "Emergency Response Plan for Disastrous Weather" (《災害性天氣對應急預案》), the "Emergency Response Plan for Handling Earthquake Disasters" (《地震災害處理預案》), the "Emergency Response Plan for Handling Snowstorms" (《降暴雪處理應急預案》), and the "Emergency Response and Handling Plan for Fires" (《火災應急響應與處理預案》). During the operation of each project, emergency plans for various types of weather disasters and emergency equipment will be rehearsed, and a reserve will be set aside for the relevant situation so that it can be activated at the first time when the relevant situation occurs in accordance with the standard, so that it can be used in case of emergency.

## 8. LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER

### Metrics and Targets

We compiled rigorous statistics on energy consumption and greenhouse gas emissions in 2022, as detailed in the "Appendix I: 2022 ESG Key Performance Indicators" section of this Report, and the specific greenhouse gas emission control systems and initiatives are detailed in the "Practicing Green Operations" section of this Report.

For 2023, CIFI Ever Sunshine Services has set targets for assessing and managing opportunities with significant climate risks, as follows:

Metrics and Targets	Management goals for 2023	Key paths
Greenhouse gas emission intensity (Tonnes CO <sub>2</sub> e/person)	2% reduction compared with 2022	Improve energy management efficiency Upgrade/renovate equipment and facilities
Energy consumption intensity (kWh/person)	2% reduction compared with 2022	Explore the use of renewable energy Develop an energy saving management strategy

### Practising Green Operations

CIFI Ever Sunshine Services' property operations team is committed to its social and environmental responsibilities, and has always practised green operations. We issued an energy and water conservation management system to regulate energy use, carried out energy-saving renovations to equipment and facilities in our property operations, launched an energy consumption system to enable lean management, and proactively managed and recycled waste. We will reduce our greenhouse gas emissions by gradually reducing the use of fossil fuels.

In 2022, we reviewed our environmental targets published in 2021 and found that all environmental intensity indicators based on office floor space had increased as compared with 2021. The Board, ESG Committee and ESG Management Executive Group have taken this matter seriously and conducted an in-depth analysis. We found that all administrative office floor space for CIFI Ever Sunshine Services was voluntarily reduced from 19,888.09m<sup>2</sup> in 2021 to 18,879.91m<sup>2</sup> in 2022 as a result of project mobile management and office streamlining. At the same time, we conducted an in-depth mapping of the business operation status and found that the Company's environmental indicators are more closely linked to the number of employees, and in fact, there was an increase in the number of employees served by CIFI Ever Sunshine Services in 2022, which affected the overall performance of the environmental data. For details of the specific environmental intensity indicators, please refer to "Appendix I".

## 8. LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER

Based on the summary of the target review and the Company's business reality, we set a more prudent and reasonable target for 2023, with the following environmental targets for CIFI Ever Sunshine Services:

Environmental targets	Management goals for 2023
Greenhouse gas emission intensity (Tonnes CO <sub>2</sub> e/person)	2% reduction compared with 2022
Energy consumption intensity (kWh/person)	2% reduction compared with 2022
Water use intensity (tonnes/person)	2% reduction compared with 2022
Non-hazardous waste emission intensity (tonnes/person)	2% reduction compared with 2022

### Energy Management

As always, CIFI Ever Sunshine Services attaches great importance to energy conservation and emission reduction at the property operation level. We have updated and released the "Energy Consumption Management Guidelines" (《能耗管理指引》), implementing comprehensive requirements and guidelines for various equipment, energy consumption data and management analysis to form a comprehensive energy consumption management system. At the same time, we have actively carried out capitalization of equipment and facilities to effectively reduce the level of energy consumption of equipment during property management, helping the Company to develop green and low-carbon development.

In 2022, we continued to conduct annual reviews of our acquired ISO 14001 environmental management system certification and ISO 50001 energy management system certification, as well as triennial external audits in accordance with the relevant requirements, to ensure that the management systems comply with national and industry standards and regulations.



8. LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER



▲ ISO 14001 Environmental Management System Certificate for CIFI Ever Sunshine Services



▲ ISO 50001 Energy Management System Certificate for CIFI Ever Sunshine Services

Energy consumption management

We have put in place an energy management system for each community under management to improve the management efficiency of operating equipment and to assist in the development of refined diagnostic analysis of energy consumption data to aid decision-making. In 2022, we installed 122,400 water and electricity meters in 543 projects and plan to have all eligible commercial projects with energy management systems online by 2023.

8. LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER

Case

Energy management system of Linjiu Technology, enabling lean energy management

The energy consumption management system developed by Linjiu Technology, a smart service technology brand of CIFI Ever Sunshine Services, is dedicated to solving a series of problems in the property management process, such as "customers' electricity bills are in arrears, manual meter reading is laborious, and energy consumption statistics are difficult". We provide an integrated intelligent solution, which includes a rich and convenient online platform and applications such as the Energy Management Centre, the Meter Management Platform, the Turing Screen, the Ever Joyful (永小乐) APP (mobile application for management) and the Ever Sunshine Life(永升活) APP (mobile application for users). Energy consumption management system of Linjiu Technology can achieve multiple functions such as remote meter reading, real-time uploading, data diagnosis and remote meter control, and is a professional "assistant" for property energy consumption management.



▲ Energy management platform of Linjiu Technology

## 8. LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER

In addition, we are involved in projects of CIFI Holdings (Group) Co. Ltd. (one of our controlling shareholders), adopting effective energy control measures at different stages of the projects to achieve efficient management of energy and reduce energy consumption.

Management System/Tools	Main Purpose
<p><b>Development and Design Stage</b></p> <p>Assisting real estate development and giving advice on the design and construction of equipment and facilities, public area facilities, and public area design.</p>	<p>Implementing efficient and optimal solutions to ensure the lowest energy consumption design within budget.</p>
<p><b>Delivery Stage</b></p> <p>Carrying out household inspection work, and conducting inspections, such as on-site measurement, appearance inspection and testing of use functions.</p>	<p>Ensuring that the facilities and equipment delivered meet the requirement of the design expectations.</p>
<p><b>Operation Stage</b></p> <p>Standardizing energy management accounts and recording them in our internal PMS system, regularly tracking, analyzing and reporting energy consumption data, and enhancing the environmental safety of project parks by means of technology.</p>	<p>Identifying possible problems with facilities and equipment in a timely manner, improving the energy-saving management system plan, and further reducing the energy consumption expenditure of the project.</p>

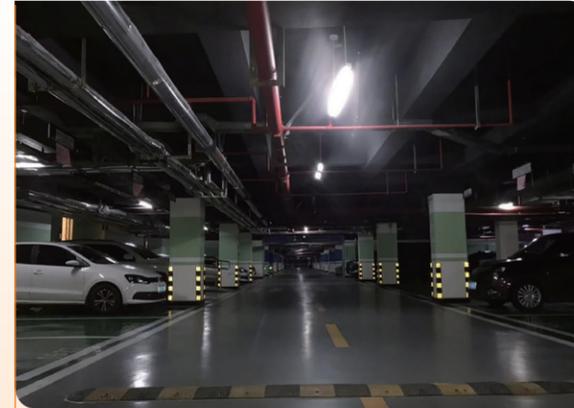
### Capitalization renovation

In 2022, CIFI Ever Sunshine Services continued to carry out large-scale equipment energy-saving renovation to develop and implement efficiency improvement strategies for HVAC systems(暖通空調系統), lighting systems and power systems in property management services.

#### ◆ Renovation of lighting system

- 1) **Energy-saving light sources:** replace non-emergency lighting with LED energy-saving lamps and lanterns. for example, the underground garage lighting adopts the lighting strategy of "one light at a time", and the number of lighting fixtures in public areas is appropriately reduced to ensure good lighting conditions, so as to save energy from the source of lighting.
- 2) **Energy saving control:** the lighting system in public areas uses wise energy saving control strategies such as zoning, timing and induction to further reduce lighting energy consumption. Radar sensor function is added to the underground garage lighting, and time control and sound and light control functions are added to the lobby lighting. The outdoor landscape lighting has a time control function, which can be set to "all-night lighting" and "midnight lighting" and other lighting modes, and can be adjusted according to the seasonal changes in the length of day and night.

## 8. LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER



▲ Underground Garage  
"Every Other Light" Lighting Strategy



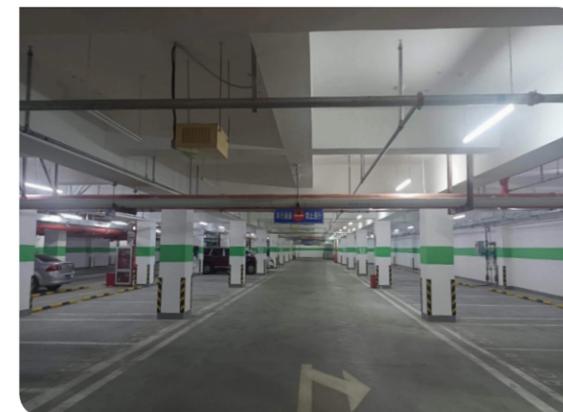
▲ Induction Lighting in Public Areas

### Case

### Lighting energy saving retrofit for lighting reduction



In 2022, the Beijing CIFI Aodu Property Service Centre carried out an energy-saving renovation of its public area lighting, reducing the number of existing 8,024 luminaires by 2,630 on the basis of good lighting conditions. Based on a power of 5W per luminaire, the energy consumption of lighting can be reduced by 113,610 KW-h/year, saving RMB90,888/year in electricity costs.



◀ The Effect of the Energy-Saving Lighting Renovation

## 8. LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER

### ◆ Renovation of machine room cooling

We install intelligent time and temperature control devices on the cooling equipment in the lift machine room to regulate the start and stop of the air conditioner according to the time of day or ambient temperature, significantly reducing the running time of the air conditioner and thus reducing unnecessary electricity consumption of the machine room air conditioner.

#### Case

### Energy-saving renovation of lift machine room air-conditioner to eliminate energy waste



In 2022, CIFI Ever Sunshine Services carried out energy-saving renovation of lift machine room air conditioners in all property service centres in the Western Region and Northern Region by installing time controllers or temperature controllers for lift machine room air conditioners to reduce the time when the air conditioners are turned on at night or during non-high temperature hours. After the renovation, a total of 113,985 KW·h/year could be reduced in the Western Region, saving RMB75,634/year in electricity costs;

A total of 216 air conditioners in 8 projects in Northern Region saved RMB188,956.8/year in electricity costs after the renovation.



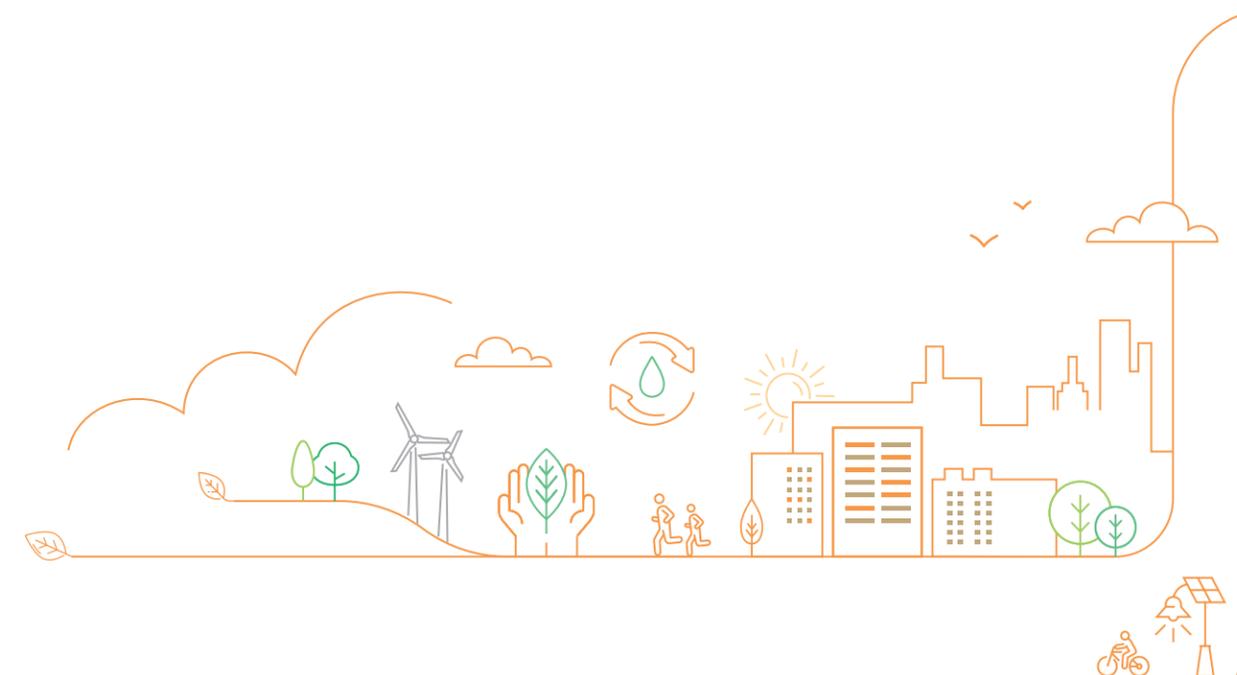
◀ Lift Machine Room Air Conditioner With Additional Temperature Control Device

## 8. LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER

### Water resources management

CIFI Ever Sunshine Services is committed to carrying out water resources management and we strictly comply with laws and regulations such as the Law of the People's Republic of China on Prevention and Control of Water Pollution and Regulation on Urban Drainage and Sewage Treatment and have formulated internal systems such as "the Regulations on the Management of Wastewater Discharge" (《廢水排放管理規定》) and "the Guideline on the Operation and Management of Water Supply and Drainage Systems" (《給排水系統作業管理指導書》). As of 31 December 2022, none of the communities under the Company's management were within the water resources protection zone. In terms of water intake, all the communities under the management of CIFI Ever Sunshine Services are supplied by the municipalities; in terms of water consumption, water consumption is mainly for daily life, equipment, cleaning and flushing and greening and irrigation; in terms of drainage, the domestic sewage of the communities under the management of CIFI Ever Sunshine Services is discharged in accordance with the requirements of the municipalities, and there is no pressure on water resources for the time being and no negative impact on local water sources.

CIFI Ever Sunshine Services always insists on creating a "water-saving community" and actively promotes the concept of water conservation in the property management and operation process. In terms of water conservation in management and operation, we have developed a number of water conservation management systems to regulate the water consumption behaviour of our property management. At the same time, our community uses water-saving equipment and facilities such as rainwater reuse systems, water-saving appliances and automatic watering to reduce the use of water resources. We post water saving signs in the community and carry out water saving campaigns to continuously enhance the awareness of water saving among our community residents.



## 8. LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER

### Case

#### Promoting the concept of water conservation and building a benchmark community



In order to deepen the concept of water conservation, CIFI Jiangwan Villa (江灣墅) community has been carrying out a "water conservation" campaign since 2021, focusing on three aspects: rainwater storage, leak detection and water conservation, setting up a community water conservation self-governance group, clarifying the division of responsibilities and discussing the rational use of water resources together. According to incomplete statistics, the campaign has saved nearly 25 tonnes of water and contributed to a reduction of nearly 12% in the daily per capita water consumption of residents.

In August 2022, the community was named the 2021 Shanghai Water Conservation Demonstration (Benchmark) Community. As the "smallest unit" of city management, communities have the important task of promoting and guiding residents to use water wisely. We are actively practising our social responsibility to promote the concept of water conservation at the grassroots level, creating a positive atmosphere for civilized water use and promoting sustainable and balanced community development.



附件 1

#### 2021 年度上海市节约用水示范（标杆）小区、节水型小区名单

2021 年度上海市节约用水示范（标杆）小区名单（14 个）  
长宁区（3 个）

新泾五村 防大小区 丁香大楼

杨浦区（1 个）

旭辉江湾墅

黄浦区（1 个）

汇北新城

普陀区（2 个）

长风雅戈尔

新华源

浦东新区（1 个）

中洲珑悦

◀ "Save Water" Campaign in CIFI Jiangwan Villa (江灣墅) Community

## 8. LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER

### Waste management

CIFI Ever Sunshine Services abides by relevant national and local laws and regulations on waste management, such as the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste, and implements the Notice on Comprehensively Carrying out Domestic Waste Sorting in Cities at the Prefectural Level and above in China issued by the Ministry of Housing and Urban-Rural Development. We also formulated the "Solid Waste Management Regulations" (《固體廢棄物管理規定》). In order to reduce the impact of waste on the environment, we implemented different management standards and adopted different management measures for the waste generated in the course of our operations and the waste generated in the communities we manage.

### Hazardous waste management

CIFI Ever Sunshine Services strictly complies with relevant national and local laws and regulations such as the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste, formulates and implements the "Solid Waste Management Regulations" (《固體廢棄物管理規定》), properly handles hazardous solid waste generated from property operations, such as waste lamps, waste batteries, waste ink cartridges and toner cartridges, etc., with clear identification, classification and storage management locations, and commissions qualified recyclers to separately recycle and treat hazardous solid waste in order to reduce the impact of waste on the environment.

### Non-hazardous waste management

The main non-hazardous waste generated during the operation of the property are domestic waste and food waste. In respect of non-hazardous waste, CIFI Ever Sunshine Services performs the role of a community manager and is responsible for the collection and management of the waste generated by the projects, and regularly commissions qualified third-party organizations to carry out removal of the waste.

- **Management by category and regular recycling:** Wastes that can be recycled, such as used cartons, paper, books and newspapers, and various types of plastic products, will be managed by category, and we regularly contact the dedicated staff to recycle them.
- **Enhance recycling and reuse:** In some of the projects under management, the reuse of waste is being promoted, with waste recyclable materials being used to make community vignettes and landscapes.
- **Strengthen the promotion of waste classification and environmental protection:** We join hands with and encourage community residents, volunteers, property owners' committees and residents' committees to strengthen the offline and online promotion of waste classification, and set up a "red and black list" to recognize the best individuals in waste classification and expose uncivilised littering behaviour.

8. LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER

**Biodiversity conservation**

CIFI Ever Sunshine Services strictly follows the Environmental Protection Law of the People's Republic of China, the Biosecurity Law of the People's Republic of China, the Wild Animal Conservation Law of the People's Republic of China and other relevant policies and regulations on biodiversity protection, actively assuming responsibility for ecological protection and helping to build an ecological civilization. We integrate the concept of biological protection into community construction and management, do not destroy or encroach on the habitats of wild species, avoid the misuse of pesticides, and strengthen ecological observation of the community to prevent the invasion of alien species. We create a complex green environment in the community with a combination of trees, irrigation and grass to provide a habitat for wild birds and small animals in the surrounding area.

**Embrace green living**

As an advocate of green property, CIFI Ever Sunshine Services actively implements green concepts and codes of conduct in the daily office and community operation services of our properties. We rely on our professional management services to advocate sustainability and are committed to building a green and harmonious living community home for our property owners.

**Green office**

In respect of the property office, we demonstrate by example, starting from me, starting from the little things. The Company has developed a number of management systems, including the "7S (consolidation, sorting, sweeping, cleaning, quality, saving and service) management guidelines for offices" and the "Green Office Initiative", which calls for diligence, thrift, energy saving and low carbon. We have posted green energy-saving signs in prominent locations and key areas of our offices to enhance publicity. We have set up storage containers such as reusable paper recycling boxes and waste battery recycling boxes to facilitate our staff to carry out environmental protection actions.

8. LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER

Consolidation	Sorting	Sweeping	Cleaning	Quality	Savings	Services
Scientific layout Easy access	Need or not need One to keep, one to leave	Litter removal Beautifying the environment	Cleaning environment Follow through	Forming a system Make it a habit	Be proud of saving Shame on waste	Service with heart Customer first



▲ 7S Management Operational Guidelines



▲ Used Battery Recycling Box



▲ Recycle Paper Recycling Box

8. LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER

Green Office Initiative	Specific requirements
	<ul style="list-style-type: none"> <li>Using online meeting software for meetings</li> </ul>
	<ul style="list-style-type: none"> <li>Start with me, start with the little things</li> </ul>
	<ul style="list-style-type: none"> <li>Turn off the lights after using the meeting room before leaving</li> <li>Put computers to sleep after leaving work and turning off computers not in use in the vicinity</li> </ul>
	<ul style="list-style-type: none"> <li>Keep taps as low as possible when using water and turn them off when finished</li> <li>Do not leave the water while it is being filled to prevent it from overflowing</li> <li>If a water tap is leaking, contact the Administration Department to report the leak in a timely manner</li> </ul>
	<ul style="list-style-type: none"> <li>Double-sided printing</li> <li>Do not discard single-sided paper, blank pages can be used as draft paper</li> </ul>
	<ul style="list-style-type: none"> <li>Promote the use of less or no public cutlery, which is environmentally friendly and hygienic</li> <li>Eat sensibly, eat civilly and order in moderation</li> </ul>
	<ul style="list-style-type: none"> <li>In summer, the cold air conditioner panel temperature should be set at 26°C - 28°C</li> <li>In winter, the heating and air conditioner panel temperature should be set to 20°C</li> <li>Turn off the air conditioner when public areas are unoccupied</li> </ul>
	<ul style="list-style-type: none"> <li>When travelling, give preference to public transport such as metro and bus</li> <li>No air travel within 2 hours by high speed train to destination</li> </ul>
	<ul style="list-style-type: none"> <li>Buy according to actual demand in combination with stock quantities to avoid over- or under-stocking supplies</li> <li>Liquidation of material stocks and prioritization of internal idle materials</li> <li>For city companies, projects in close proximity or in an office area, advocacy for shared material resources</li> </ul>

8. LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER

Green Living

In terms of community living services, CIFI Ever Sunshine Services provides a green refresh for property service facilities. We are active in providing convenient services to the public, and in 2022, we are installing electric bicycle/electric vehicle charging piles for communities that are eligible. We have joined hands with new energy vehicle brands to set up exhibitions in the community to facilitate the purchase of new energy vehicles for our residents and encourage green and low-carbon travel.

As of 31 December 2022, of the more than 900 residential and commercial projects under CIFI Ever Sunshine Services' management, there are **462** projects where we can carry out spatially-friendly services to the public.

Of which, the number of projects that landed electric bicycle charging piles was **415**, accounting for **90%** of the total.

A total of **over 10,000** electric bicycle charging facilities were landed nationwide.

Of which, the number of projects that landed electric vehicle charging piles was **112**, or **24%**.

A total of **over 1,300** electric vehicle charging facilities were landed nationwide.

Case

New energy vehicles on display, practicing green travel

In the second half of 2022, CIFI Ever Sunshine Services carried out new energy car carnival exhibitions at regional projects in Shanghai, Xi'an and Ningbo. The series of activities were organized by us by taking stock of the project sites, consulting the proper owners' committee and proper owners, and jointly promoting the activities with car vendors to make the activity a success. The proper owners were able to experience new experiences such as new energy car trunk picnic scene simulation and external electricity discharge functions without leaving the district. Through the series of activities, we have been achieved to generate income from community resources as well as drive green consumption.



▲ New Energy Vehicle Carnival

# 9. ENERGETIC EVER SUNSHINE, CARE FOR TALENT TOGETHER

CIFI Ever Sunshine Services regards its employees as the cornerstone of our corporate development and the driving force behind our mission to “Building better lives”. We uphold the principle of mutual respect, develop a full range of employee rights and welfare protection system, provide employees with a smooth development channel, create a green and healthy office environment, so that employees fully experience the warmth and care of the Company, adding vitality to the development of the enterprise.

Guide indicators responded to in this chapter		Material issues in this chapter
Respond to SDGs	Response to Indicators of HKEX	
 3 GOOD HEALTH AND WELL-BEING	B1 General Disclosure B1.1	<ul style="list-style-type: none"> <li>Occupational health and safety of employees</li> </ul>
 5 GENDER EQUALITY	B2 General Disclosure B2.3	<ul style="list-style-type: none"> <li>Employees recruitment and team building</li> </ul>
 8 DECENT WORK AND ECONOMIC GROWTH	B3 General Disclosure B4 General Disclosure B4.1 B4.2	<ul style="list-style-type: none"> <li>Employees' rights and care</li> <li>Employee development and training</li> <li>Employee compensation and benefits</li> <li>Avoiding child labour and forced labour</li> </ul>
 10 REDUCED INEQUALITIES		



## 9. ENERGETIC EVER SUNSHINE, PROTECT TALENT TOGETHER

### GOALS PROGRESS

#### Goals setting

- Improve the Company's human resources and administrative management system and upgrade the recruitment management system
- Regularly check the compliance and effectiveness of the Company's human resources and administrative management, and rectify the situation in a timely manner
- Strengthen the digital management of information technology, set up standards and norms to achieve management efficiency
- Understand the voice of employees and achieve year-on-year improvement in employee satisfaction in each department
- Strengthen staff support and provide richer benefits and activities for staff

#### Progress review

- Updated the HR inspection management method, added process inspection and proposed rectification suggestions; released the administrative inspection management method, added administrative process inspection and established a monthly monitoring system and mechanism for key administrative indicators
- Continuously updated a number of human resources and administrative management systems to meet the needs of the industry and corporate development
- Built a smart employee occupational health and safety management system to effectively capture abnormal data and protect employee safety
- Established the Ever Sunshine Staff Mutual Aid Association to promote the diversification of staff support methods and the implementation of staff welfare
- The average annual employee satisfaction score across all functions was 3.88, representing an increase from 3.85 in 2021

#### Next plan

- Establish group-wide asset management big data; gradually establish a working mechanism for asset transfer within the same city, across cities, or even across regions; realize refined asset management and make assets live; provide assistance to front-line projects to achieve low-cost operation
- Monthly analyse each account of administrative expenses for each account to gradually achieve refined control
- Continuously broaden the internal communication platform; create an atmosphere of “compare, learn, catch up and surpass”

9. ENERGETIC EVER SUNSHINE, PROTECT TALENT TOGETHER

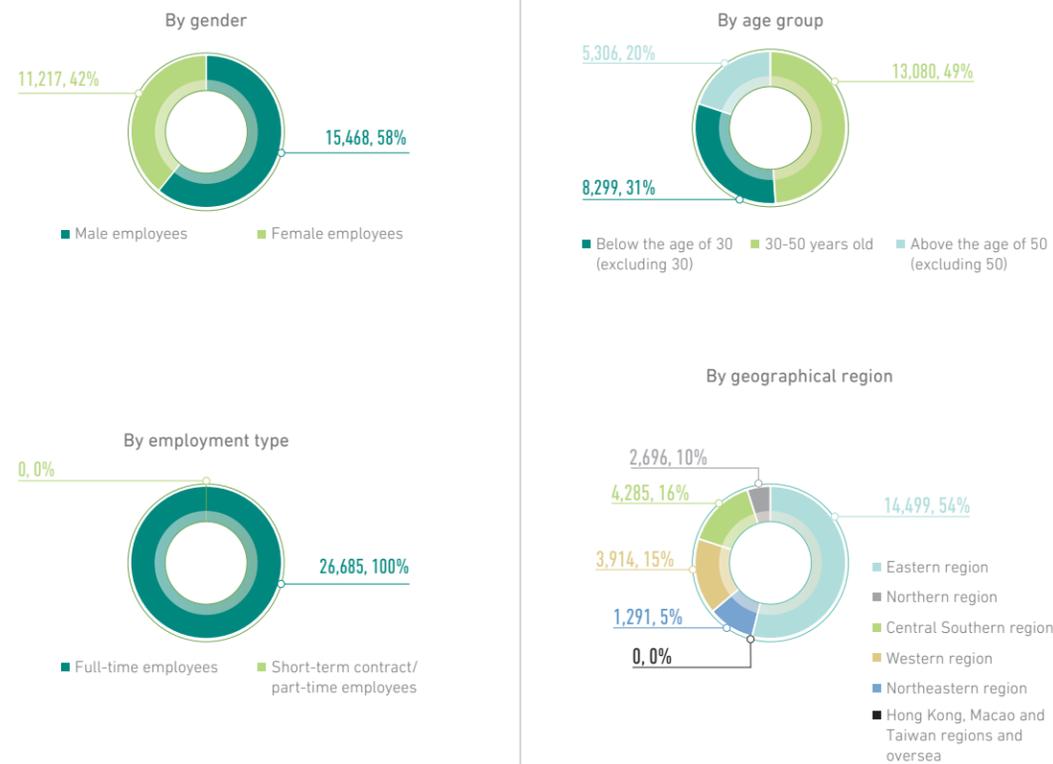
Protect the rights and interests of employees

CIFI Ever Sunshine Services adheres to the principle of equal employment, respects human rights, protects legitimate rights and interests of employees, and provides diverse benefits for employees; we have created a smooth communication channel for employees and promptly absorbed their suggestions to enhance their sense of ownership.

Equal employment

We uphold the principles of the International Labour Organization (ILO) and the United Nations Compact on human rights, strictly comply with the Labour Contract Law of the People's Republic of China, the Contract Law of the People's Republic of China and other laws and regulations, firmly eliminate child labour and forced labour, adhere to the principle of equal employment and promotion, and develop a system of compliance with the employment and protection of employee rights and interests, and regularly adjust and optimise such system, committing to building a diverse and inclusive talent pool. As of 31 December 2022, CIFI Ever Sunshine Services had a total of 26,685 employees.

Total workforce in 2022 by gender, employment type, age group and geographical region



9. ENERGETIC EVER SUNSHINE, PROTECT TALENT TOGETHER

Prohibition of child labour and forced labour:

We strictly abide by the Labour Law of the People's Republic of China, sign employment contracts with all regular employees. We eliminate all forms of child labour through background checks on employees and prohibit the use of forced labour of any kind. In the event of child labour (which has not occurred so far), we will immediately stop the employee's work and send him/her to the hospital for a medical examination, and notify the local labour bureau, then send him/her back to his/her original place of residence or school with the consent of the labour bureau and ask his/her guardian to sign confirmation documents, and return the relevant documents to the personnel department for filing after obtaining the seal of the government agency to confirm. As of 31 December 2022, there were no cases of child labour or forced labour employed in all employment segments of CIFI Ever Sunshine Services.

Employment equity:

We insist on open recruitment and fair selection, and have established a "Recruitment Management System" (《招聘管理制度》) to ensure fairness in employment and provide employment opportunities for our employees based on business development needs and their moral and ethical abilities. We promise not to discriminate in all aspects of selection and retention on the basis of gender, age, race, nationality, origin, religion, sexual orientation, political affiliation, marital status and physical condition, and to eliminate any unreasonable and arbitrary dismissal, and to help special groups such as the disabled and veterans to enjoy equal employment opportunities and create a harmonious and friendly workplace environment.

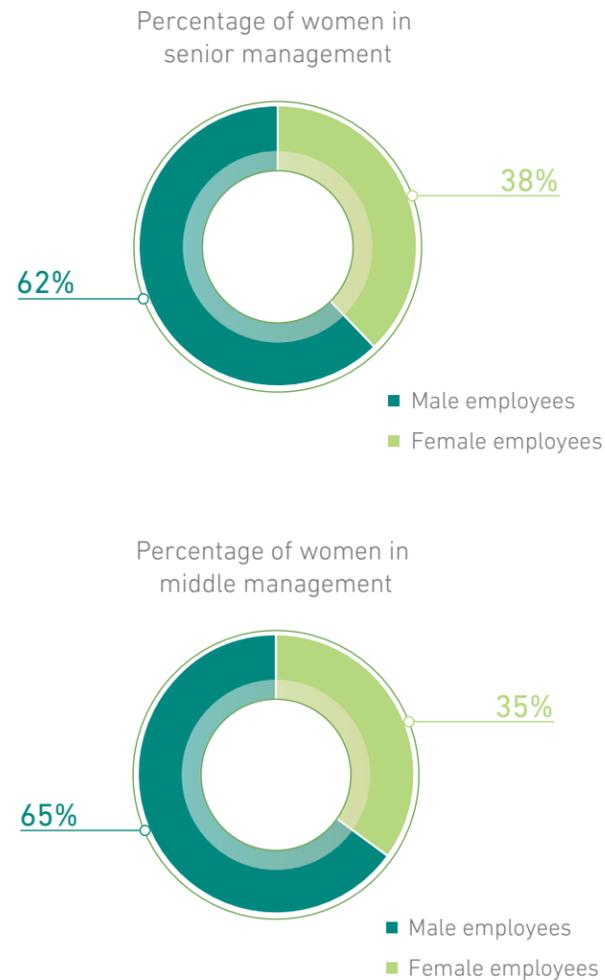


9. ENERGETIC EVER SUNSHINE, PROTECT TALENT TOGETHER

Diversity and inclusion:

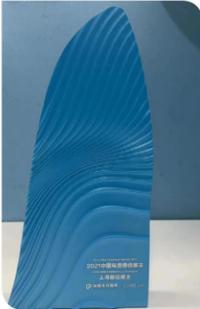
We are committed to creating a diverse and inclusive work environment, setting diverse recruitment targets, continuously optimizing our workforce and promoting a reasonable distribution of talent in terms of gender, age and region. We have established a "Code of Business Conduct" (《商業行為操守準則》) to ensure that every employee is treated fairly, and employees are required to annually sign the "Code of Professional Conduct" (《職業行為準則》) to regulate workplace behaviour and prohibit discrimination and harassment in the employment process and work environment. In the event of a breach of this code of conduct, employees have the right and should make a complaint to the relevant supervisory authority or person in charge. The person handling the complaint will treat the complainant's information in strict confidence and give prompt and clear guidance to the complainant and the person concerned.

Highlighted data



9. ENERGETIC EVER SUNSHINE, PROTECT TALENT TOGETHER

Employer of choice recognised and awarded in the past three years for CIFI Ever Sunshine Services:

2019	Awarded the "2020 Top Human Resources Management Awards" by 51job (前程無憂) <sup>3</sup>	
2020	Awarded the "China Best Employer Award 2020" and the "China Most Promising Employer in Shanghai" by Zhilian Zhaopin (智聯招聘)	
2021	Awarded the "2022 Top Human Resources Management Awards" by 51job (前程無憂)  Awarded the "China Best Employer Award 2021" and the "China Best Employer in Shanghai" by ZhilianZhaopin (智聯招聘)	  

<sup>3</sup> "2020 Top Human Resources Management Awards": the name of the award indicates 2020, but the actual year of award is 2019.

## 9. ENERGETIC EVER SUNSHINE, PROTECT TALENT TOGETHER

Employer of choice recognised and awarded in the past three years for CIFI Ever Sunshine Services:

2022

Awarded the "Best CSR Youth Force Employer Branding Project for 2022" by the CIWEI Youth Force Annual Summit (刺猬年轻力年度峰会)



Awarded the "China Property Best Employer for 2022" by Researchable Think Tank (可研智库)



Awarded the "Campus Recruitment Excellence in Practice Award" by Yongyou Dayee (用友大易) and China Digital HR Association"



## 9. ENERGETIC EVER SUNSHINE, PROTECT TALENT TOGETHER

### Democratic communication

CIFI Ever Sunshine Services has created a smooth communication channel for employees, listening to their voices through trade unions, communication meetings, forums and relevant research, and respecting and fully incorporating their opinions and suggestions. During the year, we have added project site interviews with the regional management team, allowing regional managers to go deeper into the projects to understand the issues fed back by staff and stewards representatives and provide timely resource support to form improvement plans and implement them effectively.

### Trade unions and Communication meetings of the CPC Party branch:

Since its establishment in 2019, the trade union of Shanghai Yongsheng Property Management Co., Ltd has been actively performing its duties of employee communication and protection of employee rights and interests every year. The trade union covers all employees within the company and is committed to supporting the rights and interests of employees in free association and collective negotiation. The union holds regular annual staff representation meetings by region and requires at least 50% of frontline staff and 50% of female staff to ensure diversity of representation. At the same time, we conduct ongoing party communication meetings to regularly review the progress of party building, grasp the state of mind of party members and grasp the direction of red property development.

### Employee talks and Regular exchange meeting:

We continue to hold staff meetings and regular communication meetings to build a channel of communication within the management team and its frontline staff to identify and resolve feedback issues in a timely manner. We held monthly general manager meetings, quarterly management team meetings, semi-annual and annual officers' meetings to discuss corporate development strategies and business achievements in accordance with the annual management calendar. 300 staff forums were held in 2022, covering 300 projects in all regions, with 3,500 people meeting face-to-face.

### BBS Forum of Ever Sunshine:

Since its launch in 2021, Ever Sunshine BBS forum has created an extensive platform for employees to communicate on their own, sharing topics including but not limited to work experience, work queries, opinions and suggestions, effectively promoting mutual help and resource sharing. The Group's senior management is required to authenticate with their real names and actively respond to employees' questions and conduct interactive discussions in the forum. In 2022, the cumulative number of online employees on the Ever Sunshine BBS forum exceeded 10,000, with over 200 posts, forming an open, real-time and interactive space for internal corporate communication.



## 9. ENERGETIC EVER SUNSHINE, PROTECT TALENT TOGETHER

### Remuneration and welfare

CIFI Ever Sunshine Services strictly abides by the relevant requirements of the Labour "Law of the People's Republic of China" and the "Social Insurance Law of the People's Republic of China" in relation to the payment of salaries and benefits, and continues to update the "Salary Management System" (《薪酬管理制度》) and the "Performance Management System" (《绩效管理制 度》) to ensure that all employees are provided with salaries that meet the requirements of laws and regulations and the development of the industry, and provides generous salary incentives and bonuses based on the results of performance appraisals. At the same time, we continue to build a welfare system with Ever Sunshine's characteristics, and set up the Ever Sunshine "Staff Mutual Aid Association" in this year to enrich the channels for employees to obtain financial support.

### Remuneration structure

Our remuneration and benefit structure is divided into short-term remuneration (comprising a fixed component and a variable component) and long-term incentives (equity incentives). For our junior staff, we guarantee sufficient basic salary, increase fixed salary as needed, and ensure the timely payment of incentive bonuses, so that employees get what they work for; for middle and senior management, we implement a high proportion of performance payment mechanism and increase the proportion of variable income to fully motivate management and stimulate staff potential.



## 9. ENERGETIC EVER SUNSHINE, PROTECT TALENT TOGETHER

### Short-term remuneration

#### Fixed component:

Employees' basic wages, wages specified for their positions, allowances (including meal allowance, transport allowance, off-site redeployment allowance, and communication allowance) and subsidies (including high or low temperature subsidies, duty subsidies, etc.)

#### Floating component:

Planned overtime fee, bonuses (monthly performance bonuses, performance bonuses, half-yearly/annual merit bonuses, annual bonuses), holiday gratuities, etc.

### Long-term remuneration incentives

#### Equity incentives:

Best Legend Development (PTC) Limited, one of the controlling shareholders of the Company, holds shares of the Company in trust and has adopted a share incentive scheme in 2019. The shares held by it are used to reward key management of the Group, including directors, senior management and employees, as well as those who have made special contributions to the Group, in order to attract talent retention and motivate outstanding talent to grow with the business.

### Salary fixing and salary adjustment

We combine various factors such as the development of the market and industry, the current situation of the Company and the personal performance of the staff, and carry out reasonable salary fixing and salary adjustment in accordance with the principle of fairness and impartiality. We determine the initial salary in accordance with the T5 principle of salary fixing, based on strict and objective consideration of employees' experience and working ability; at the same time, we set up a salary adjustment window once every six months to give employees ample opportunities to strive for a higher salary package and continuously enhance the competitiveness of salaries in the market.

### Employees Benefits

During the year, we introduced a more systematic "Welfare Management Scheme" (《福利管理辦法》) and "Vacation Management System" (《假期管理辦法》), which include various forms of statutory benefits, basic benefits and special benefits, in order to improve the remuneration and welfare system, achieve a diversified welfare structure and further enhance the happiness and sense of belonging of our staff.

## 9. ENERGETIC EVER SUNSHINE, PROTECT TALENT TOGETHER

### ▼ Welfare System of CIFI Ever Sunshine Services

#### Statutory benefits

According to national or local regulations, we provide employees with:

- statutory holidays and annual leave
- social insurance, including basic pension insurance, medical insurance, unemployment insurance, work injury insurance etc.
- employee accident insurance/Employer's liability Insurance
- housing provident fund
- other legal employee benefits

#### Basic benefits

All employees can enjoy:

- holidays other than statutory holidays, including sick leave, marriage leave, maternity leave, paternity leave, care leave, parental leave, work-related injuries leave, causal leave, condolence and bereavement leave
- staff welfare medical check-ups
- holiday bonuses/gifts for traditional festivals such as Spring Festival and Mid-Autumn Festival
- employee birthday bonuses/gifts, wedding gifts, new born baby gifts, condolence payment
- hospital comfort items/consolation payment
- allowance, including meal allowance, communication allowance, transportation allowance, etc.
- high and low temperature allowance and high and Low temperature care in Kind

#### Special benefits

Employees who meet conditions can enjoy:

- supplementary commercial insurance
- accidental injury insurance
- staff dormitory and housing subsidies
- employee housing benefits
- dispatching employee subsidies in different places
- Ever Sunshine Staff Mutual Fund

## 9. ENERGETIC EVER SUNSHINE, PROTECT TALENT TOGETHER

### Facilitate career development

The long-term development of CIFI Ever Sunshine Services can not be achieved without the full support of our staff. We focus on the development of our staff's abilities, pay attention to their growth needs, set up a systematic training system for our staff, open up a wide space for development and smooth promotion channels, stimulate the potential of our staff, and work together with them to grow with us.

### Talent attraction

With the "Recruitment Management System" as the core, CIFI Ever Sunshine Services has formulated a series of supporting policies such as "Headhunting Cooperation Management Guideline" (《獵頭合作管理指引》), "Internal Recommendation Operation Guideline" (《內部推薦操作指引》), "Interview Selection Assessment" (《面試甄選評估》), "Background Investigation Management Operation" (《背景調查管理操作》), and "Hiring Process Operation Guideline" (《錄用流程操作指引》) to build out a standardized talent recruitment process. During the year, we carried out the HR inspection, which assessed and scored multiple modules from employment compliance, staff changes, employee rewards and punishments, remuneration and performance, talent development and organizational development to check the compliance and effectiveness of the Company's human resources management, and made targeted comments on the problems identified to ensure that people are well matched and that functions are optimally performed.

### Digital recruitment

We continue to update the "Dayee Recruitment System" (大易招聘系統) and standardize the digital recruitment process by developing online operating guidelines for the system. During the interview process, we continue to use AI interviews to objectively record and evaluate candidate performance and provide electronic signature services to improve recruitment efficiency. The talent map in the "Dayee Recruitment System" provides the flexibility to capture talent information and record internal talent activation to maximize the usefulness of the talent database.

### University-Enterprise Cooperation

We actively cooperate with universities around the world to enhance the working ability of school students through holiday practical training, and to nurture professional talents for the Company, the industry and the country in property management services. During the year, we maintained our University - Enterprise cooperation with Shenyang Institute of Engineering (瀋陽工程學院), Lanzhou Technology and Business College (蘭州工商學院) and Fujian Business University (福建商學院), and added internship and employment bases with Chongqing Technology and Business University (重慶工商大學) and Chongqing University of Technology (重慶理工大學) to continuously explore potential talents.

9. ENERGETIC EVER SUNSHINE, PROTECT TALENT TOGETHER



▲ Signing Site of University - Enterprise Cooperation with Chongqing Technology and Business University



▲ Signing site of University - Enterprise Cooperation with Chongqing University of Technology

“Eternal Power” (永動力) campus recruitment

We continued to consolidate our own employer branding and launched the “Eternal Power” campus recruitment to build our internal talent supply chain. In the face of the pandemic, we overcame the difficulties to complete 4 online presentations and 15 offline presentations, with over 40,000 viewers in peak time and over 3,000 students participating in interviews, providing nearly 200 graduates with the opportunity to grow and develop in society.



▲ The Recruitment Site of “Eternal Power”



▲ Record of “Eternal Power” Presentations

9. ENERGETIC EVER SUNSHINE, PROTECT TALENT TOGETHER

Case

“Smart City Service Experience Officer” awakens the city with new wisdom



In order to attract new property management talents who can adapt to the changes of digital intelligence in advance, in August 2022, CIFI Ever Sunshine Services held the “Smart City Service Experience Officer” campus employer branding event in Suzhou, which included four modules: a comprehensive overview of CIFI Ever Sunshine’s smart property management system, a visit to a smart community project, an OH card innovation workshop and a mobile management task experience, to help potential talents who want to develop in the field of smart property to experience the sustainable development concept and practice of CIFI Ever Sunshine Services and enhance their competitiveness in campus recruitment. More than 20 student representatives from The Chinese University of Hong Kong (香港中文大學), Tongji University (同濟大學), Soochow University (蘇州大學) and other universities were invited to participate in the event, and Luo Xinguo (駱信國), Vice President of CIFI Ever Sunshine Services, and Li Chuan (李川), Chief Information Officer, participated in the event and shared their thoughts on the development exploration of CIFI Ever Sunshine’s smart property management and the future shape of smart community services.



◀ “Smart City Service Experience Officer” Event



9. ENERGETIC EVER SUNSHINE, PROTECT TALENT TOGETHER

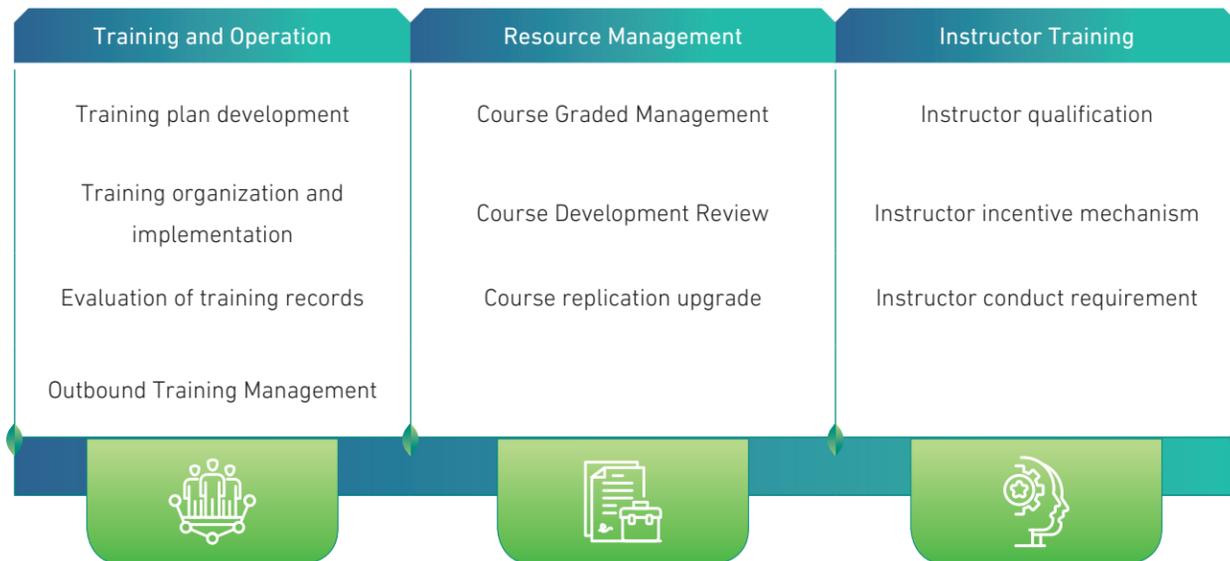
Talent cultivation

CIFI Ever Sunshine Services emphasises on talent development, established a comprehensive staff cultivation system. We continue to update the "Training Management Measures" (《培訓管理辦法》) and "School Enrolment Training Management Measures" (《校招生培訓管理辦法》), improve the training management mechanism, and build a rich and diverse training for all staff through the "Xueshenghui" (學升薈) online learning platform, covering professional skills, stewards ability, leadership, occupational health, quality development, round-table exchanges, on-site visits and other content courses. For the "Eternal Power" talents, we carry out the Group's Eternal Power training camp and formulate Eternal Power rotation training plan to accelerate the growth of fresh graduates.

Training management system

We are committed to building a learning organization, standardizing training management, developing a training management system suitable for our talent development, encouraging internal instructor cultivating, transforming years of industry experience into internal training courses, and constantly iterating training content to enhance the competitiveness of our talent. For successful internal instructors, we will give a generous teaching allowance and annually select outstanding instructors or outstanding coaches and give a bonus incentive of up to RMB3,000 per person.

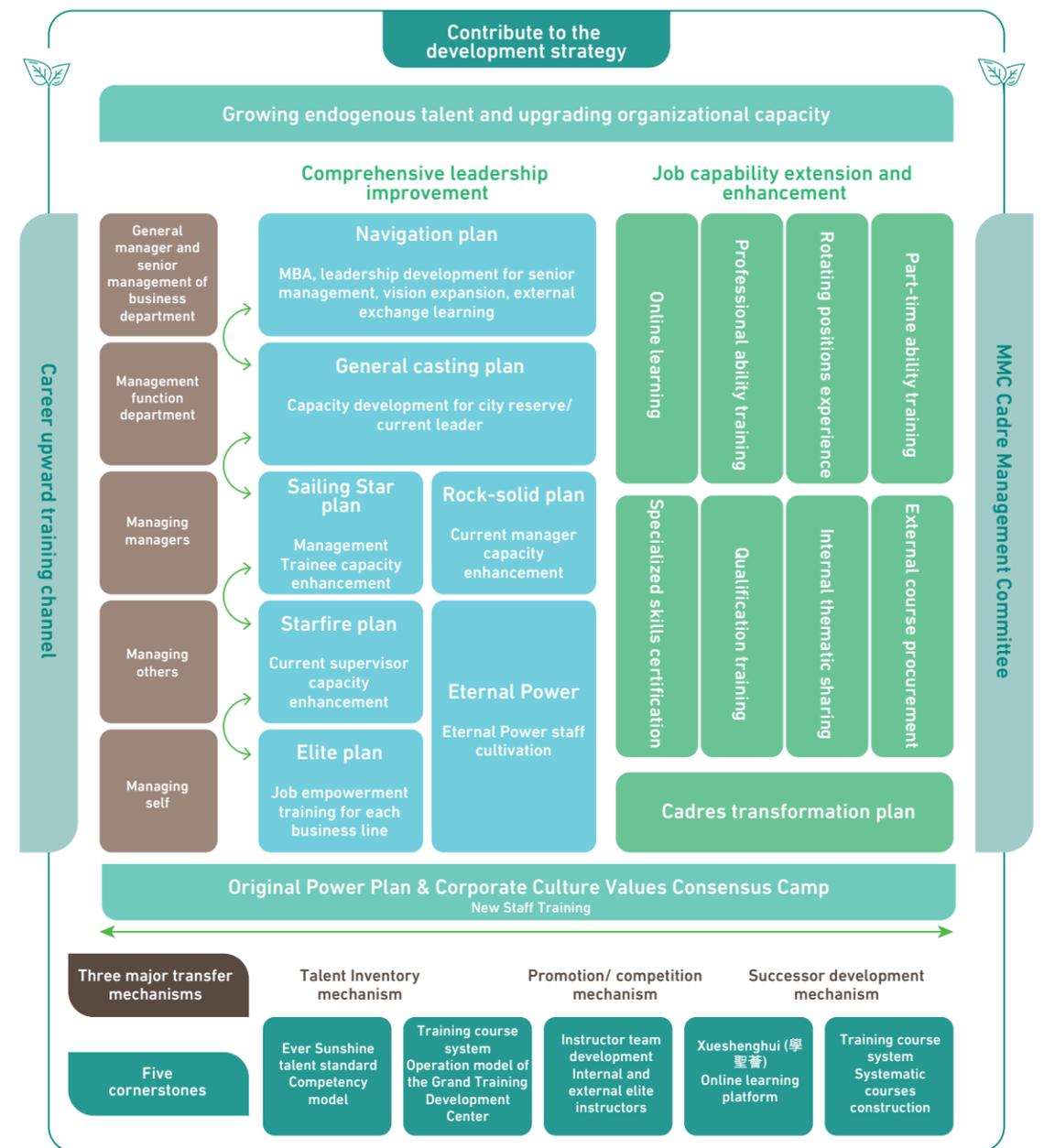
▼ Training Management System Structure



9. ENERGETIC EVER SUNSHINE, PROTECT TALENT TOGETHER

Talent training system

We continue to update our talent development system in line with the Company's business development needs and the personal advancement expectations of our staff. During the year, we added a new "Sailing Star Plan" (啟航星計劃) for management trainees (high potential supervisors) and "Rock-solid" plan (磐石計劃) for project manager enhance their capabilities, further improving the talent development framework covering all positions, grades and major professional lines.



▲ Diagram of Ever Sunshine's Talent Training System

9. ENERGETIC EVER SUNSHINE, PROTECT TALENT TOGETHER

“Eternal Power” training system

CIFI Ever Sunshine Services attaches great importance to the training of fresh graduates, and has built a three-year “Eternal Power” training plan, with the training principles of clear path, fast development, diligent evaluation and strict implementation, to help new employees integrate and grow quickly through induction training, “Ever Coach (永教練)” coaching, stewards positions, and special work assignments, to build Ever Sunshine’s internal talent supply chain.

▼ Map of the “Eternal Power” Development Path

 The Five Stages	 Cultivation cycle	 Training Target	 Learning Matters
5 Integrated development	3 years and above 2.5 years to 3 years	Region heads/Functional heads Project managers/Functional managers	<ul style="list-style-type: none"> <li>“Rock-solid Plan”</li> <li>“Ever Coach(永教練)” coaching skills learning</li> </ul>
4 Accelerated development	1.5 years to 2.5 years	Project supervisors/Functional supervisors	<ul style="list-style-type: none"> <li>Certification for two non-human skills</li> <li>Supervisory “Starfire Plan”</li> </ul>
3 Mature or excellent network stewards	1 year to 1.5 years	Network stewards	<ul style="list-style-type: none"> <li>Steward training</li> <li>Steward service model and system specification, standardised workflow learning</li> </ul>
2 Network stewards	3 months to 1 year		<ul style="list-style-type: none"> <li>Network steward work training</li> <li>Community Value-added business training</li> </ul>
1 Newcomer integration	3 months after entry	Eternal Power newborn	<ul style="list-style-type: none"> <li>Induction training</li> <li>Culture and corporate inclusion</li> <li>Basic work skills training</li> <li>Job workflow requirements</li> </ul>

9. ENERGETIC EVER SUNSHINE, PROTECT TALENT TOGETHER

The “Eternal Power” training system includes online learning, Eternal Power training camps, “Ever Coach (永教練)” coaching, rotational training, and promotion and empowerment for positions, to speed up the entry of staff into the workplace, and constantly identify quality staff to focus on training. Through courses learning, coaching and mentoring, and workplace practice, we ensure that our staff of “Eternal Power” grow strong and healthy.

Case

The “Eternal Power” Training Camp (“永動力”集訓營) Defines the Future Power of Employees



In July 2022, CIFI Ever Sunshine Services continued to carry out the “Eternal Power Training Camp” in the form of “Group Online Courses + Regional Offline Activities”. The project covered 332 employees of the 2022 class, including online classes, closed training, knowledge competitions, experience sharing, quality development and a series of colorful activities to help new employees understand the business, integrate into the workplace and grow with each other.



▲ Site of Eternal Power Training Camp



▲ Closing Ceremony for Eternal Power Training Camp

9. ENERGETIC EVER SUNSHINE, PROTECT TALENT TOGETHER

“Xueshenghui”(學升薈) online training platform

CIFI Ever Sunshine Services has continuously optimized its internal “Xueshenghui” online training platform, offering five types of courses, including general management, leadership, cultural consensus, professional knowledge and business skills, setting up a learning map for new employees, a live room for Chief Executive Officer, special courses on stewards, auditing and engineering, and special training on law and finance. It covers various aspects such as company’s operation, employee occupational health and safety, and integrity building. During the year, we have added AI class recording to “Xueshenghui” and connected the learning records with the stewards performance and assessment system to enhance staff performance through front learning and fully empower staff career development.

Academic enhancement and skills certification

We support that all employees continue to raise their professional standards and pursue excellence in performance. We provide financial support for all employees to undertake further education and to obtain job-related professional qualifications, compile a list of qualifications for our employees and cover the costs of training and examinations for the development of qualifications. For management who have the need to upgrade their capabilities, we encourage them to participate in high-end training and learning programmes such as MBA and EMBA to enhance their knowledge level.

At the same time, we are also improving our ability to nurture talents with professional skills on our own. Suzhou branch of Ever Sunshine has worked with the Human Resources and Social Security Bureau and third-party qualified training organizations to obtain the qualification of a vocational skills level assessment organization through a qualification assessment process, and has received a policy subsidy of nearly RMB2 million. Every year, we can empower new employees according to the relevant policies and continue to build up the professional competence system of our employees in property.

In 2022,

there were a total of

**3,216** courses

on the “Xueshenghui”  
online platform,

**1,038**

self-developed courses

with nearly

**24,000**  
participants

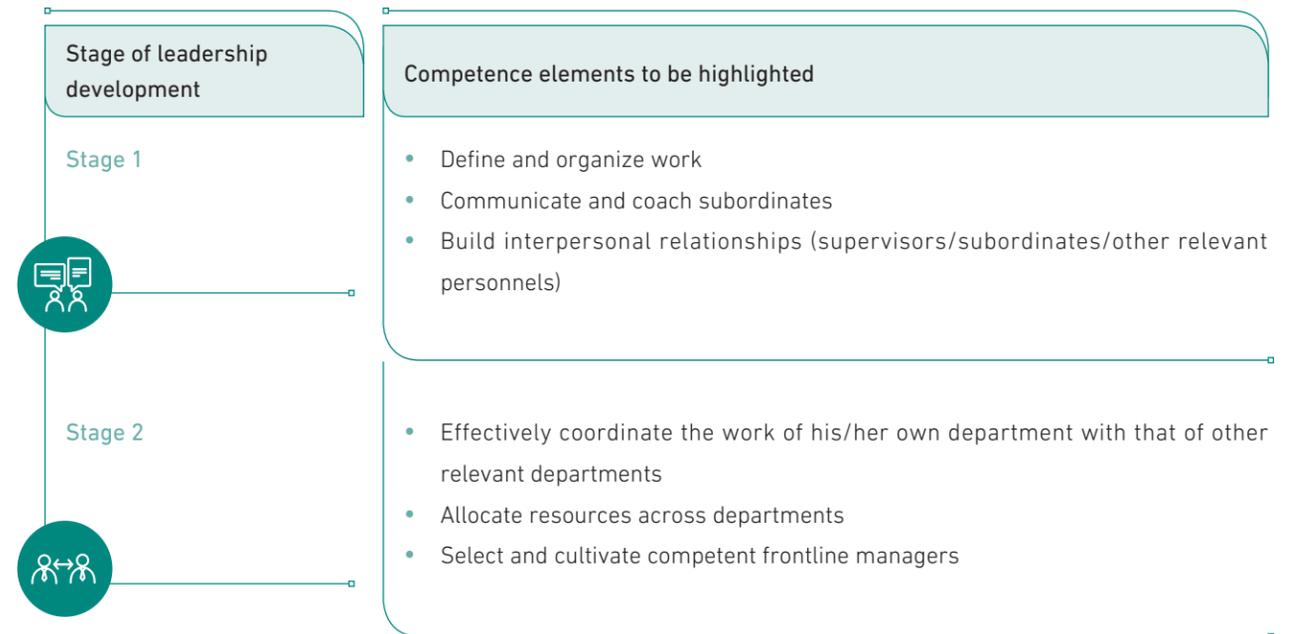
and more than

**120,000** hours  
of learning

9. ENERGETIC EVER SUNSHINE, PROTECT TALENT TOGETHER

Leadership training

We attach great importance to the leadership role of all employees at all levels in driving and demonstrating our overall performance. We have developed corresponding leadership training plans from employees level to general manager level, grasping the two important stages of leadership development and strengthening the leadership performance of key management positions through training methods such as theoretical course learning, scenario-based video teaching, benchmarking visits, case analysis and structured management tools.



9. ENERGETIC EVER SUNSHINE, PROTECT TALENT TOGETHER

In addition, we continue to improve the comprehensive ability training system, strengthen the "Sailing Star Plan (啟航星計劃)" and "Starfire Plan(星火計劃)", two comprehensive ability enhancement training plans specifically to cultivate reserve project managers, and focus on special training for leadership ability enhancement, to achieve the goal of optimizing management and strengthening the talent team, at the same time, we combine talent inventory with training and job experience to target potential talents with quality leadership ability and stimulate the leadership potential of employees.

▼ Comprehensive Competence Training system

Course Type	Course content
Sailing Star Plan	Based on the competency standards of project managers and supported by process evaluation, the Group takes the lead and all regions collaborate to complete the training of reserve talents; the systematic training and development of management trainees (high potential supervisors) is completed with the help of three links: pre-course learning, empowerment training and job experience.
Starfire Plan	As a comprehensive ability enhancement training project for supervisory-level staff, special training is provided in terms of business knowledge, management ability, comprehensive communication ability and leadership; through talent inventory, training and job experience, potential talents are tapped and the endogenous ability of reserve cadres is enhanced.
Rock-solid Plan	The reality based training camp mode emphasises the sharpening of skills in a real-world situation, accumulating work experience in five ways: real-life exercises, sand table exercises, case interpretations, team discussions and expert feedback, and conducting special assessments on satisfaction, collection rates, community value-added and digitalization levels, to enhance project managers' capabilities in all aspects.
Original Power Plan	For all new employees, the learning content is designed according to the "Four Steps for New Employee Integration(新員工融入四部曲)", with a combination of online and offline, tiered organization and standardized training and project operation models to accelerate the integration of new employees and improve the quality of training and employees capabilities.



9. ENERGETIC EVER SUNSHINE, PROTECT TALENT TOGETHER

Reasonable promotion

CIFI Ever Sunshine Services insists on the promotion management principle of "value recognition, openness and transparency, and gradual progress", reasonably evaluates staff performance and promotion results, and discovers reserve talents with striving potential through talent inventory. We provide all staff with dual-channel growth and development opportunities in the "management sequence(管理序列)" and "professional sequence(專業序列)", creating development channels for staff with different professional strengths.

According to the Group's internal "Promotion Management System" (《晉升管理制度》), we provide a promotion window twice a year and discuss employee performance results and promotion proposals at human resources planning meetings at all levels; employees are required to make promotion presentations and the human resources department will disclose the promotion results after a comprehensive evaluation. In addition, we also develop job competition channels and uphold the principle of openness and transparency to promote the reasonable flow of outstanding internal talents and ensure that promotions are reasonable, compliant, open and fair. During the year, we announced a total of 1,755 promotions for employees at all levels, creating a motivating and progressive work atmosphere.

▼ Two-track career development path for CIFI Ever Sunshine Services<sup>4</sup>



<sup>4</sup> The post names in the chart are only simple examples and do not correspond to the post names in the job grading system.



9. ENERGETIC EVER SUNSHINE, PROTECT TALENT TOGETHER

Protect health and safety

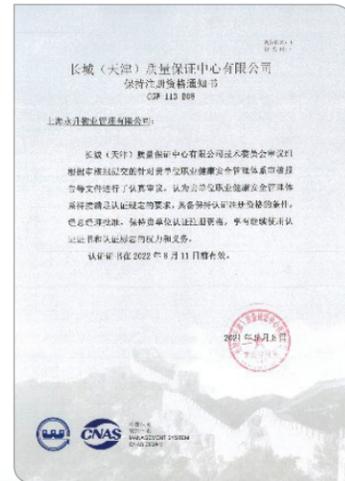
Occupational health and safety of employees is the basis for the development of CIFI Ever Sunshine Services. We strictly abide by the laws and regulations such as the Law of the People's Republic of China on Work Safety and the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, formulate and continuously improve the rules and regulations on occupational health and safety management applicable to the entire Group, carry out regular safety inspections and create a healthy and safe working environment for our employees.

Ensure occupational safety

CIFI Ever Sunshine Services strictly complies with the relevant laws and regulations such as the Regulations on Supervision and Administration of Occupational Health at Workplace, the Work Injury Insurance Ordinance and the Occupational Safety and Health Ordinance of the Hong Kong Special Administrative Region, formulates internal policies such as the "Guidelines on Management of Occupational Injuries" (《工傷管理指引》) applicable to the entire Group (including contractors), and establishes a three-tier safety management system, namely "Headquarter - Each Affiliated Property Company - Property Service Centre". Under the guidance of Chief Executive Officer, the ESG Committee and relevant executive departments monitor, review and evaluate the performance and effectiveness of the Company's occupational health and safety(OHS). We carry out annual internal audits and triennial external audits of the OHS management system to ensure the effective operation of the OHS management system. In 2022, CIFI Ever Sunshine Services has obtained the new round of ISO 45001 OHS management system certification.



▲ ISO 45001 Occupational Health and Safety Management System Certification



▲ Notice of Maintenance of Registration for ISO 45001 Occupational Health and Safety Management System Certification

9. ENERGETIC EVER SUNSHINE, PROTECT TALENT TOGETHER

In addition, we have set a target of zero workplace fatalities within our operations by 2023, placing a high priority on the personal safety of our employees. To achieve this goal, we are committed to continuously improving our occupational health and safety system to ensure that our employees and contractors operate in a healthy and safe environment, and that we continue to enhance the safety and well-being of our employees.

Occupational Health and Safety System of CIFI Ever Sunshine Services

Basic protection for employees	Specific protection for different posts	Safety inspection drills	Smart management system
<p>Pre-job safety training and safety education test for new employees</p> <p>Compliance with production safety rules and regulations</p> <p>Organize annual medical check-ups for all employees</p> <p>Purchase accident insurance for all employees and provide accidental medical cover and hospitalization allowance</p> <p>Office area decontamination, increased supply of materials for pandemic prevention and distribution of protective clothing</p>	<p>Identify occupational safety hazards, distribute labour protection products and rationalize rest shifts</p> <p>Staggered working hours in high-temperature areas and distribution of heat-reducing drugs</p> <p>Prepare disaster and accident prevention contingency plans and stock emergency materials according to the actual situation of the post</p>	<p>Organize fire emergency drills and lift trapping drills once every six months</p> <p>Daily project safety and quality inspections and pre-holiday safety inspections, including inspections on lifts, fire-fighting, water supply and drainage, power supply and distribution, fire prevention, anti-freezing, flood prevention, lighting and smart systems</p>	<p>Build intelligent scenarios such as equipment remote monitoring and operation management system (EBA), lift management system, BI screen and integrated kiosk</p> <p>Smart community renovation with AI smart security system online to supervise project environment, personnel and equipment</p>

## 9. ENERGETIC EVER SUNSHINE, PROTECT TALENT TOGETHER

### Focus on occupational health

CIFI Ever Sunshine Services attaches great importance to the occupational health of its employees and links employee occupational health and safety performance with regional management compensation, effectively enhancing management efficiency and creating a healthy working atmosphere for the Group.

During project operations, we set up engineering training rooms in each area, with training content including lighting circuit inspection, monitoring of weak electrical systems and intercom access control maintenance, to reduce the possibility of safety accidents during the work process; each project promote safety norms for construction and maintenance renovation in morning meetings and daily meetings, and raise awareness of external fire safety injuries and fatalities.

In our daily management, we attach importance to occupational health and safety training for our employees, set up pre-job safety training, organize regular safety training and knowledge seminars related to work for our employees and contractors, offer online courses on occupational safety, organize skills knowledge competitions, and attach importance to the psychological health of our employees, carry out stress and emotion management training to help them raise their awareness of occupational health protection.

During the pandemic in 2022, the Group attached great importance to the protection of employees against the pandemic and invested a total of nearly RMB7.8 million in related costs, including more than RMB3.2 million for materials such as masks, protective clothing and disinfectant liquids, as well as distributing subsidies and overtime payments to frontline employees in the fight against the pandemic, with a total cost of more than RMB4.5 million.



## 9. ENERGETIC EVER SUNSHINE, PROTECT TALENT TOGETHER

### Care for the lives of employees

CIFI Ever Sunshine Services is highly concerned about the well-being of its employees, and through research and studies, we understand their needs in a timely manner and actively carry out a variety of activities to provide them with timely and effective assistance and enhance their sense of identity and belonging to Ever Sunshine. In 2022, more than 320 events were held in various regions of Ever Sunshine, including festive events, summer cooler, winter warmer, New Year's greeting, commendation ceremony for anti-pandemic, divisional celebration and IPO anniversary, etc. The number of participants exceeded 10,000, enriching consistently the cultural experience of our employees.

### Focus on employee satisfaction

CIFI Ever Sunshine Services values the ideas and suggestions of our employees. We use departmental satisfaction surveys to understand the state of mind of our employees and the effectiveness of our departments. To obtain feedback from frontline employees, we carried out annually the satisfaction survey for all functions, evaluating the company and departments in terms of professional performance, working atmosphere, acceptance of suggestions, goal orientation, innovative action, proactive commitment and problem solving, tracking changes in score rankings, identifying areas for improvement and making timely improvements.

In 2022,  
the final average  
satisfaction score for each  
function was

**3.88** (out of 5)

representing an increase  
from 3.85 (out of 5) in  
2021, reflecting the need  
for departmental research  
and the effectiveness of  
improvement measures.



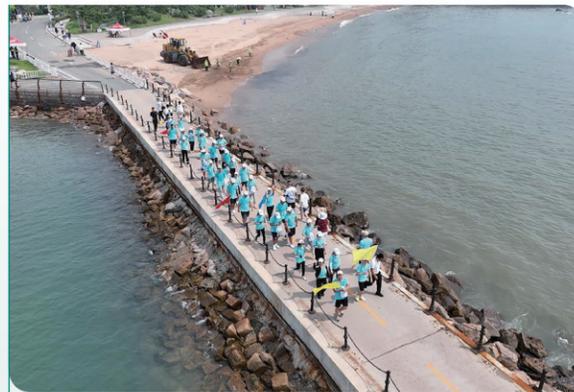
## 9. ENERGETIC EVER SUNSHINE, PROTECT TALENT TOGETHER

### Enrich employees activities

CIFI Ever Sunshine Services creates a warm and harmonious Ever Sunshine working atmosphere through various activities and benefits. We give our employees holiday gifts on traditional Chinese festivals; we hold warm and loving birthday parties on employees' birthdays to let them feel the collective love and care; we also organize leisure activities such as outdoor hiking outreach and dryland curling activities to improve the physical quality of our employees, so as to relieve their work pressure and enhance their sense of well-being.



▲ Dryland Curling Outreach



▲ Outdoor Hiking Outreach



▲ Employee Birthday Party

## 9. ENERGETIC EVER SUNSHINE, PROTECT TALENT TOGETHER

### Help employees in difficulty

CIFI Ever Sunshine Services continues to care for its staff in difficulty, relieving them of the stress caused by serious illness, personal injury and property loss, and helping them to relieve their worries. On 20 May 2022, the "Staff Mutual Aid Association" was officially established through a democratic vote by the staff representatives of CIFI Ever Sunshine Services Trade Union. As an organization under the trade union, the Staff Mutual Aid Association aims to build a bridge among staff to help each other, and through the "Staff Mutual Aid Fund", to provide assistance to staff who suffer from serious illnesses, major personal injuries, death and other extreme difficulties. Every Ever Sunshine staff can voluntarily join the "Staff Mutual Aid Association". When a member staff encounters extreme hardship, the Association will give the member and his/her family a one-off assistance of RMB10,000 to RMB50,000 according to the actual situation.

During the year, the Staff Mutual Aid Association provided a total of RMB60,000 in mutual aid to employees in difficulty, conveying the warmth and goodwill of Ever Sunshine staff through practical actions.



▲ "Mutual Aid Association" Publicity Picture of Ever Sunshine

# 10. KIND EVER SUNSHINE, WARMING THE COMMUNITIES TOGETHER

CIFI Ever Sunshine Services insists on fulfilling its corporate social responsibility and actively participates in social construction, contributing Ever Sunshine's strength in community public welfare activities, community communication, social services, love donations, sports charity, helping rural revitalization, etc., inheriting CIFI's great love spirit and taking up the important responsibilities of the times.

Guide indicators responded to in this chapter		Material issues in this chapter
<b>Respond to SDGs</b>     	<b>Response to Indicators of HKEX</b> B8 General Disclosure B8.1 B8.2	<ul style="list-style-type: none"> <li>Charity and community building</li> <li>Social communication and participation</li> </ul>



## GOALS PROGRESS

### Goals setting

- Actively participate in community services, strengthen community communication and promote community inclusion
- Respond to national policies, helping rural revitalization and practising social responsibility

### Progress Review

- 3,000 red willow trees were planted in the desert of Dunhuang for the "Baby Run - Summer Camp" public welfare activity
- "Read for Benefits, Send with Ease" activity, donating 600 books from 55 communities in the Northeastern region
- CIFI Jiangwan Villa (旭辉江湾墅) was awarded as the 2021 Shanghai Water Conservation Demonstration (Benchmark) Community
- Conducted charity activities in 37 communities in 14 cities, attracting more than 5,200 owners and issuing 3,710 certificates
- Built a bridge to support agricultural development, and launched a special sales campaign to help farmers sell a large number of slow-selling crops

### Next plan

- Continue to promote the Company's work in undertaking social welfare responsibilities
- Continuously support the development of rural agriculture and invest in many social welfare projects such as rural education and environmental greening and protection

## 10. KIND EVER SUNSHINE, WARMING THE COMMUNITIES TOGETHER

## Participate in social welfare

CIFI Ever Sunshine Services has always been enthusiastic about public welfare, and has joined hands with social groups to carry out public welfare activities such as "Baby Run (寶貝加油跑)" and "Read for Benefits, Send with Ease (益起讀,輕鬆寄)", advocating the values of "Health, Happiness, Abundance and Progress" and passing on care and goodness.

## Case

## Promote Sports and Health, Help Forest Planting



In July 2022, CIFI Ever Sunshine Services joined hands with the CIFI Group Public Welfare Foundation and the China Environmental Protection Foundation to launch the first "Baby Run - Summer Special Training Camp" public welfare activity, through the form of morning running and games, to let children feel the joy of sports, to convey the Company's values of "health, happiness, abundance and progress", and to reward the activity in the form of public welfare planting.

During the activity, a total of 2,836 children from 131 communities in 16 provinces and 47 cities participated in the public welfare morning run, covering a total distance of 47,644.8 kilometres, distributing 976 "exclusive commemorative medals" and planting 3,000 red willow trees in the Dunhuang desert.



▲ Baby Run - Summer Special Training Camp



▲ Commemorative Medal of Exclusive Training Camp

## 10. KIND EVER SUNSHINE, WARMING THE COMMUNITIES TOGETHER

## Case

## "Read for Benefits, Send with Ease (益起讀,輕鬆寄)", Embrace the Goodness with Love Donations



In August 2022, in order to stimulate young people's interest in reading, CIFI Ever Sunshine Services joined hands with Jingdong Express, Jingdong Books and Dalian Charity Federation to launch a love book donation activity. By making and distributing creative bookmarks to attract proper owners to participate, the recycling and collection of unused books sent warmth to Central Primary School of Dalian Wafangdian Yongning Town, lighting up the way forward with books.

During the activity, a total of 55 community proper owners in the Northeastern region participated and donated 600 books. Through the recycling and donation, the unused books were put to more beneficial use, paving the way for children to get to a better place and embrace more possibilities for the future.



▲ Donation of books by Dalian Charity Federation



▲ Connections Love Donation in Community

## 10. KIND EVER SUNSHINE, WARMING THE COMMUNITIES TOGETHER

## Promote community building

In order to enrich the lives of proper owners and improve community services, CIFI Ever Sunshine Services insists on carrying out diversified community humanities activities to create a warm community atmosphere and provide customers with "satisfaction + surprise" services. The Company has created the "Ever Sunshine Love(永升愛)" brand of public welfare activities to strengthen the communication and connection with the property owners. In 2022, the Company joined more than 5,200 property owners from 37 communities in 14 cities to participate in activities such as litter picking, caring for the elderly, green living and planting hope. 3,710 certificates were distributed to spread goodwill and positive social energy.



▲ Shan-He Yayuan (山-荷雅苑) - Spring Trekking



▲ Public Welfare Certificate of CIFI Ever Sunshine

## 10. KIND EVER SUNSHINE, WARMING THE COMMUNITIES TOGETHER

## Case

## Innovative services to overcome difficulties together



During the pandemic, the community took on the dual role of pandemic prevention and control and livelihood protection. In order to meet the diversified needs of property owners and alleviate the "home syndrome", CIFI Ever Sunshine has not only taken up the tasks of delivering couriers, takeaways, groceries and door-to-door rubbish collection, but has also developed a series of innovative services such as walking pets on behalf of property owners, helping property owners' children print their homework and building property owners' interest groups to help property owners solve their problems. Starting from 3 April 2022, we have started a live one-hour companionship broadcast for 10 consecutive days on our WeChat channel(微信视频号), inviting KOL from various fields to share topics such as parenting, home improvement, food, fitness and psychology to enhance the connection and communication with property owners and add warmth to the community.

At the same time, we do not forget to care for the special groups in need of assistance, taking care of their needs in all aspects of life, helping to take care of the elderly who are ill and living alone, taking the initiative to serve property owners with mobility problems, providing essential materials for the elderly property owners, etc., walking hand in hand with the property owners.



▲ Walking the dog on behalf of the property owner



▲ Care for an elderly person living alone with an illness

**Contribute to rural revitalization**

CIFI Ever Sunshine Services actively responds to the national strategy of helping the poor and farmers and rural revitalization, remembering the mission of "Building better lives" and taking up the important responsibility of the times. We build communication bridges through open channels and use our own resources, technology and service advantages to carry out sales activities such as launching a special project to help farmers, as well as helping farmers during pandemic.

**Case**

**Launch a special project to help farmers, take on the red role with courage**



In order to help agricultural production bases to better market, increase sales and expand influence of agricultural products, CIFI Ever Sunshine Services organized a special fruit sales activity to help farmers in North China, set up special sales channels, overcome the impact of the pandemic, helped to sell special agricultural products such as Rong'an kumquats, Huanghua winter jujube and golden cream Fuji apples, and participated in packaging, express delivery and after-sales work to let customers "buy with confidence and eat with peace of mind". During the activity period, 337 boxes of Rong'an kumquats, 2,700 boxes of Huanghua winter jujubes and 90 boxes of golden cream Fuji apples were sold.



▲ Helping Farmers to Sell Special Agricultural Products

In December 2022, due to the pandemic, residents' activities were restricted leading to the problem of stagnant agricultural products. In order to alleviate the farmers' marketing difficulties, CIFI Ever Sunshine Services took up the role of a red enterprise and set up marketing channels for the farmers by contacting TV stations and marketing in the community, achieving sales of over 12,000 catties of cabbage.



▲ Helping Farmers Activity During the Pandemic



# APPENDICES

## Appendix I 2022 ESG Key Performance Indicators

Aspect	ESG Indicators	Unit	2021	2022
<b>A Environmental</b>				
<b>A1 Emissions</b>	<b>A1.1 The types of emissions and respective emissions data</b>			
	NOx	Kilogram	0.50	3.29
	SOx	Kilogram	0.09	0.07
	PM	Kilogram	0.04	0.24
	<b>A1.2 Direct and energy indirect greenhouse gas (GHG) emissions and intensity</b>			
	Total greenhouse gas emissions	Tonnes CO <sub>2</sub> e	361.51	374.77
	Direct greenhouse gas emissions (Scope 1)	Tonnes CO <sub>2</sub> e	13.30	11.33
	Indirect greenhouse gas emissions (Scope 2)	Tonnes CO <sub>2</sub> e	348.21	363.44
	Greenhouse gas emissions intensity	Tonnes CO <sub>2</sub> e/person	0.022	0.014
	<b>A1.3 Total hazardous waste produced and intensity</b>			
	Total hazardous waste produced	Kilogram	648.91	429.04
	Hazardous waste produced intensity	Kilogram/person	0.04	0.02
	Waste ink cartridges/toner cartridge	Kilogram	264.97	167.94
	Waste tube	Kilogram	48.30	3.04
	Waste battery	Kilogram	143.68	120.07
	Waste electric product	Kilogram	191.96	138.00
	<b>A1.4 Total non-hazardous waste produced and intensity</b>			
	Total non-hazardous waste produced	Kilogram	60,093.25	58,922.65
	Non-hazardous waste produced intensity	Kilogram/person	3.60	2.21
	Office and domestic garbage	Kilogram	60,093.25	58,922.65

Aspect	ESG Indicators	Unit	2021	2022
<b>A Environmental</b>				
<b>A2 Use of Resources</b>	<b>A2.1 Direct and/or indirect energy consumption by type in total and intensity</b>			
	Total energy consumption	kWh	652,444.67	682,515.96
	Energy consumption intensity	kWh/person	39.05	25.58
	Direct energy consumption	kWh	53,121.69	45,228.82
	Total diesel consumption	kWh	0.00	0.00
	Total petrol consumption	kWh	53,121.69	45,228.82
	Indirect energy consumption	kWh	599,322.98	637,287.14
	Total purchased power	kWh	599,322.98	637,287.14
	<b>A2.2 Water consumption in total and intensity</b>			
	Water consumption in total	tonnes	2,085.24	2,625.86
	Water consumption intensity	tonnes/person	0.12	0.10
<b>B. Social</b>				
<b>B1 Employment</b>	<b>B1.1 Total workforce by gender, employment type, age group and geographical region</b>			
	Total number of employees	Headcount	16,709	26,685
	<b>By gender</b>			
	Number of male employees	Headcount	10,175	15,468
	Number of female employees	Headcount	6,534	11,217
	<b>By employment type</b>			
	Number of full-time employees	Headcount	16,709	26,685
	Number of short-term contract/part-time employees	Headcount	0	0
	<b>By age group</b>			
	Number of employees below aged 30 (excluding 30)	Headcount	5,907	8,299
	Number of employees aged 30-50	Headcount	8,674	13,080
	Number of employees above aged 50 (excluding 50)	Headcount	2,128	5,306

Aspect	ESG Indicators	Unit	2021	2022
<b>B. Social</b>				
	<b>By geographical region</b>			
	Number of employees in Eastern region	Headcount	9,712	14,499
	Number of employees in Northern region	Headcount	1,220	2,696
	Number of employees in Central Southern region	Headcount	3,147	4,285
	Number of employees in Western region	Headcount	2,014	3,914
	Number of employees in Northeastern region	Headcount	616	1,291
	Number of employees in China's Hong Kong, Macao and Taiwan regions and oversea	Headcount	0	0
	<b>B1.2 Employee turnover rate by gender, age group and geographical region</b>			
	Employee turnover rate	%	35	41
	<b>By gender</b>			
	Turnover rate of male employees	%	37	40
	Turnover rate of female employees	%	46	42
	<b>By age group</b>			
	Turnover rate of employees below aged 30 (excluding 30)	%	50	56
	Turnover rate of employees aged 30-50	%	39	36
	Turnover rate of employees above aged 50 (excluding 50)	%	19	28
	<b>By geographical region</b>			
	Turnover rate of employees in Eastern region	%	43	43
	Turnover rate of employees in Northern region	%	36	37
	Turnover rate of employees in Central Southern region	%	33	49
	Turnover rate of employees in Western region	%	45	33
	Turnover rate of employees in Northeastern region	%	24	24
	Turnover rate of employees in China's Hong Kong, Macao and Taiwan regions and oversea	%	0	0



Aspect	ESG Indicators	Unit	2020	2021	2022
<b>B. Social</b>					
<b>B2 Health and Safety</b>	<b>B2.1 Number and rate of work-related fatalities occurred in past three years</b>				
	Number of work-related fatalities	Headcount	2	0	1
	Rate of work-related fatalities	%	0.018	0.000	0.004
	<b>B2.2 Lost days due to work injury</b>				
	Incidents of work injury	Case		41	44
	Total lost days due to work injury	Day		1,642	2,072

Aspect	ESG Indicators	Unit	2021	2022
<b>B. Social</b>				
<b>B3 Development and Training</b>	<b>B3.1 The percentage of employees trained by gender and employee category</b>			
	Total employees trained	Headcount	16,558	26,231
	Total employees trained	%	99.1	98.3
	<b>By gender</b>			
	Male employees trained	%	60.8	62.0
	Female employees trained	%	39.2	38.0
	<b>By employee category</b>			
	Junior employees trained	%	83.4	85.0
	Middle employees trained	%	15.8	14.0
	Senior employees trained	%	0.8	1.0
	<b>B3.2 The average training hours completed per employee by gender and employee category</b>			
	Total training hours per employee	Hour	88.0	90.2
	<b>By gender</b>			
	Training hours of male employees	Hour	90.2	91.4
	Training hours of female employees	Hour	85.3	88.3
	<b>By employee category</b>			
	Training hours of junior employees	Hour	87.6	90.1
	Training hours of middle employees	Hour	88.9	89.3
	Training hours of senior employees	Hour	113.8	114.1

Aspect	ESG Indicators	Unit	2021	2022
<b>B. Social</b>				
<b>B5 Supply Chain Management</b>	<b>B5.1 Number of suppliers by geographical region</b>			
	Number of suppliers	Number of suppliers	3,246	5,621
	Number of suppliers in Eastern region	Number of suppliers	86	275
	Number of suppliers in Northern region	Number of suppliers	299	653
	Number of suppliers in Central Southern region	Number of suppliers	1,911	2,613
	Number of suppliers in Western region	Number of suppliers	450	972
	Number of suppliers in Northeastern region	Number of suppliers	500	1,108
	Number of suppliers in China's Hong Kong, Macao and Taiwan regions and oversea	Number of suppliers	0	0
	<b>B5.2 Number of suppliers where the practices are being implemented</b>			
	Signing rate of suppliers signing "Integrity Commitment Letter"	%	100%	100%
<b>B6 Product Responsibility</b>	<b>B6.2 Number of products and service-related complaints received and how they are dealt with</b>			
	Number of products and service related complaints received	Case	11,886	16,786
	Rate of handling complaints	%	100%	100%
	<b>B6.3 Description of practices relating to observing and protecting intellectual property rights</b>			
	Number of trademarks obtained	Number	80	263
	Number of copyrights obtained	Number	202	208
	Number of patents obtained	Number	/	3



Aspect	ESG Indicators	Unit	2021	2022
<b>B. Social</b>				
<b>B7 Anti-corruption</b>	<b>B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period</b>			
	Number of concluded legal cases	Case	2	2
	<b>B7.3 Description of anti-corruption training provided to directors and staff</b>			
	Number of directors attended the anti-corruption trainings	Headcount	4	4
	Number of employees attended the anti-corruption trainings	Headcount	16,709	26,685
	Anti-corruption training hours provided to the directors	Hour	3	4.5
	Anti-corruption training hours provided to the employees	Hour	67.5	171.5
<b>B8 Community Investment</b>	<b>B8.2 Resources utilised in focus areas</b>			
	Total amount invested in public welfare	RMB in ten thousand	90	17
	Total serving hours of employee volunteers	Hour	4,085	6,952

**Scope of Data Statistics:**

- 1) The scope of the Group's ESG reporting statistics for 2022 is consistent with the Annual Report.
- 2) The environmental data disclosed in the Group's 2022 ESG Report covers the administrative offices of the headquarter offices of CIFI Ever Sunshine Services and the regional companies of the Group. The source of the data is the payment of relevant fees and the administrative statistics ledger.

**Data Calculation Description:**

- 1) The greenhouse gas scope includes carbon dioxide; Among them, direct greenhouse gas emissions (Scope 1) mainly came from the direct energy consumption generated by "official vehicles and staff canteen", and the calculation formula refers to the "Greenhouse Gas Emission Accounting Methods and Reporting Guidelines for Enterprises Operating Public Buildings (for Trial Implementation)" (《公共建築運營企業溫室氣體排放核算方法和報告指南(試行)》) issued by the National Development and Reform Commission of the People's Republic of China. Indirect greenhouse gas emissions (Scope 2) arise from indirect energy consumption caused by "purchased electricity", and the emission factors are calculated from the average emission factors of the national power grid in 2022 (0.5703tCO<sub>2</sub>/MWh) set out in the "Notice on the Management of Greenhouse Gas Emissions Reporting by Enterprises in the Power Generation Industry for 2023-2025" (《關於做好2023-2025年發電行業企業溫室氣體排放報告管理有關工作的通知》) issued by the Ministry of Ecology and Environment of the People's Republic of China.
  - a. Note to "Consistency": The carbon emissions from electricity consumption in indirect greenhouse gas emissions are calculated using the China Electricity CO<sub>2</sub> Emission Factor published by the Ministry of Ecology and Environment of China in the relevant year.
  - b. Note to "Consistency": In order to make the calculation of intensity indicators for greenhouse gases, waste, energy and Water resources more scientific and rigorous, this report uses a uniform formula (calculated using total volume/number of employees) to retrospectively revise the intensity for 2021. We will continue with comparable measurements and continue to improve the data management.



Based on office GFA:

Environmental indicators	Intensity in 2021	Intensity in 2022
Greenhouse gas emissions	0.018tCO <sub>2</sub> e/m <sup>2</sup>	0.020tCO <sub>2</sub> e/m <sup>2</sup>
Hazardous wastes	0.03kg/m <sup>2</sup>	0.02kg/m <sup>2</sup>
Non-hazardous wastes	3.02kg/m <sup>2</sup>	3.12kg/m <sup>2</sup>
Energy consumption	32.81kWh/m <sup>2</sup>	36.15kWh/m <sup>2</sup>
Water consumption	0.10t/m <sup>2</sup>	0.14t/m <sup>2</sup>

Based on number of employees:

Environmental indicators	Intensity in 2021	Intensity in 2022
Greenhouse gas emissions	0.022tCO <sub>2</sub> e/person	0.014tCO <sub>2</sub> e/person
Hazardous wastes	0.04kg/person	0.02kg/person
Non-hazardous wastes	3.60kg/person	2.21kg/person
Energy consumption	39.05kWh/person	25.58kWh/person
Water consumption	0.12t/person	0.10t/person

- 2) The Group's annual energy consumption includes fuel for official vehicles, fuel for staff canteens and purchased electricity, and the data is obtained from the relevant bills and administrative statistics. The energy consumption coefficients are calculated according to the GB/T 2589—2020 *General rules for calculation of the comprehensive energy consumption*.
- 3) The water supply of the Group mainly comes from municipal water supply network, with the data being sourced from payment bills of water fee, financial reimbursement records and administrative statistical ledgers records.
- 4) In 2022, CIFI Ever Sunshine Services iteratively update the definition and scope of employee indicators by age and revise the data retrospectively. The specific number and turnover rate of the data in 2021 are based on the data contained in this report.
- 5) In 2022, the Group's employees turnover rate is calculated as the number of employees lost during the reporting period/the total number of employees during the reporting period, and the employee turnover rate for 2021 is revised retrospectively based on the principle of consistency.
- 6) In 2022, there was one workplace fatality within the scope of CIFI Ever Sunshine Services report. After the employee had an accident, we took him to the hospital at the first time, but unfortunately he died after the rescue. The Company attached great importance to this incident and advanced RMB15,600 for the rescue expenses, promptly reassured the employee's family, visited the hospital to express our sympathy and care, and distributed the full amount of compensation, at the same time, we declared the workplace death situation and submitted relevant information at the first time, and completed the workplace death claim and identification work in a timely manner. CIFI Ever Sunshine Services will continue to strive to reduce the number of workplace fatalities within the scope of our business operations.
- 7) The formula for calculating the average length of training for the Group's employee is the total length of training for a particular category of employee/number of employee trained in that category.

## Appendix II Index Table of Environmental, Social and Governance Report Guideline Indicators

Subject Areas, Aspects, General Disclosures and KPIs	Description	Disclosure status	Paragraphs disclosed
<b>Mandatory Disclosure Requirements</b>			
<b>Governance Structure</b>			
	Disclosure of the Board's oversight of ESG issues	disclosed	SUSTAINABLE DEVELOPMENT MANAGEMENT
	The Board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses)	disclosed	SUSTAINABLE DEVELOPMENT MANAGEMENT
	How the Board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses	disclosed	SUSTAINABLE DEVELOPMENT MANAGEMENT
<b>Reporting Boundary</b>			
	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	disclosed	ABOUT THIS REPORT



Subject Areas, Aspects, General Disclosures and KPIs	Description	Disclosure status	Paragraphs disclosed
<b>"Comply or explain" Provisions</b>			
<b>A Environmental</b>			
<b>Aspect A1: Emissions</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 air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	disclosed	LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER
KPI A1.1	The types of emissions and respective emissions data.	disclosed	APPENDIX I
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tonnes) and, where applicable, intensity (e.g. per unit of production volume, per facility).	disclosed	APPENDIX I
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	disclosed	APPENDIX I
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	disclosed	APPENDIX I
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	disclosed	LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER
KPI 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.	disclosed	LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER

Subject Areas, Aspects, General Disclosures and KPIs	Description	Disclosure status	Paragraphs disclosed
<b>"Comply or explain" Provisions</b>			
<b>A Environmental</b>			
<b>Aspect A2: Use of Resources</b>			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	disclosed	LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	disclosed	APPENDIX I
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	disclosed	APPENDIX I
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	disclosed	LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	disclosed	LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER APPENDIX I
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	not applicable	not applicable: The business nature of the Group does not involve product manufacturing.

Subject Areas, Aspects, General Disclosures and KPIs	Description	Disclosure status	Paragraphs disclosed
<b>"Comply or explain" Provisions</b>			
<b>A Environmental</b>			
<b>Aspect A3: The Environment and Natural Resources</b>			
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	disclosed	LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	disclosed	LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER
<b>Aspect A4: Climate Change</b>			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	disclosed	LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	disclosed	LOW-CARBON EVER SUNSHINE, CALL FOR ENVIRONMENTAL PROTECTION TOGETHER

Subject Areas, Aspects, General Disclosures and KPIs	Description	Disclosure status	Paragraphs disclosed
<b>"Comply or explain" Provisions</b>			
<b>B Social</b>			
<b>Aspect 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 relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	disclosed	ENERGETIC EVER SUNSHINE, CARE FOR TALENT TOGETHER
KPI B1.1	Total workforce by gender, employment type (for example, full-time or part-time), age group and geographical region.	disclosed	ENERGETIC EVER SUNSHINE, CARE FOR TALENT TOGETHER APPENDIX I
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	disclosed	APPENDIX I



Subject Areas, Aspects, General Disclosures and KPIs	Description	Disclosure status	Paragraphs disclosed
<b>"Comply or explain" Provisions</b>			
<b>B Social</b>			
<b>Aspect 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 relating to providing a safe working environment and protecting employees from occupational hazards.	disclosed	ENERGETIC EVER SUNSHINE, CARE FOR TALENT TOGETHER
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	disclosed	APPENDIX I
KPI B2.2	Lost days due to work injury.	disclosed	APPENDIX I
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	disclosed	ENERGETIC EVER SUNSHINE, CARE FOR TALENT TOGETHER

Subject Areas, Aspects, General Disclosures and KPIs	Description	Disclosure status	Paragraphs disclosed
<b>"Comply or explain" Provisions</b>			
<b>B Social</b>			
<b>Aspect B3: Development and Training</b>			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	disclosed	ENERGETIC EVER SUNSHINE, CARE FOR TALENT TOGETHER
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	disclosed	APPENDIX I
KPI B3.2	The average training hours completed per employee by gender and employee category.	disclosed	APPENDIX I
<b>Aspect 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.	disclosed	ENERGETIC EVER SUNSHINE, CARE FOR TALENT TOGETHER
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	disclosed	ENERGETIC EVER SUNSHINE, CARE FOR TALENT TOGETHER
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	disclosed	ENERGETIC EVER SUNSHINE, CARE FOR TALENT TOGETHER



Subject Areas, Aspects, General Disclosures and KPIs	Description	Disclosure status	Paragraphs disclosed
<b>"Comply or explain" Provisions</b>			
<b>B Social</b>			
<b>Aspect B5: Supply Chain Management</b>			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	disclosed	CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER
KPI B5.1	Number of suppliers by geographical region.	disclosed	CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER APPENDIX I
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	disclosed	CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER APPENDIX I
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	disclosed	CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	disclosed	CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER

Subject Areas, Aspects, General Disclosures and KPIs	Description	Disclosure status	Paragraphs disclosed
<b>"Comply or explain" Provisions</b>			
<b>B Social</b>			
<b>Aspect 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.	disclosed	LEAN EVER SUNSHINE, QUALITY TOGETHER
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	not applicable	not applicable: The business nature of the Group does not involve product manufacturing.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	disclosed	LEAN EVER SUNSHINE, QUALITY TOGETHER APPENDIX I
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	disclosed	CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER APPENDIX I
KPI B6.4	Description of quality assurance process and recall procedures.	not applicable	not applicable: The business nature of the Group does not involve product manufacturing.
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	disclosed	LEAN EVER SUNSHINE, QUALITY TOGETHER

## APPENDICES

Subject Areas, Aspects, General Disclosures and KPIs	Description	Disclosure status	Paragraphs disclosed
<b>"Comply or explain" Provisions</b>			
<b>B Social</b>			
<b>Aspect B7: Anti-corruption</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 bribery, extortion, fraud, and money laundering.	disclosed	CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	disclosed	CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER APPENDIX I
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	disclosed	CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER
KPI B7.3	Description of anti-corruption trainings provided to directors and staff.	disclosed	CONSCIENTIOUS EVER SUNSHINE, FORGE DEVELOPMENT TOGETHER APPENDIX I
<b>Aspect 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 communities' interests.	disclosed	KIND EVER SUNSHINE, WARMING THE COMMUNITIES TOGETHER
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	disclosed	KIND EVER SUNSHINE, WARMING THE COMMUNITIES TOGETHER
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	disclosed	KIND EVER SUNSHINE, WARMING THE COMMUNITIES TOGETHER APPENDIX I





旭辉永升服务集团有限公司  
CIFI EVER SUNSHINE SERVICES GROUP LIMITED

