

金融街物業股份有限公司

FINANCIAL STREET PROPERTY CO., LIMITED

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

Stock Code : 1502

2021

Environmental, Social and
Governance Report



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About the Report

REPORT OVERVIEW

This report is the second Environmental, Social and Governance (“**ESG**”) Report published by Financial Street Property Co., Limited (“**Financial Street Property**”, the “**Company**” or “**we**”), and aims to disclose the sustainable development performance of the Company over the past year in a transparent and open manner, in response to the concerns and expectations of various stakeholders regarding the Company’s sustainable development. This report should be read in conjunction with the Corporate Governance Report in the 2021 Annual Report of the Company to help readers gain a more comprehensive understanding of the ESG performance of the Company.

REPORTING SCOPE

This report covers the reporting period from 1 January 2021 to 31 December 2021 (the “**Year**”), with appropriate extensions forward or backward in certain parts to enhance comparability and completeness of the report. Unless otherwise stated, the scope of this report is consistent with the 2021 Annual Report of the Company.

REPORTING STANDARDS

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) of Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”), strictly fulfills the disclosure obligations of the “comply or explain” provisions, and discloses key performance indicators based on the business nature of the Company. The content index of the ESG Reporting Guide is presented in the appendix to this report to provide readers with an overview of the Company’s ESG performance.

REPORTING PRINCIPLES

Reporting Principles	Definition	Company’s Response
Materiality	When the board of directors determines that ESG issues have a significant impact on investors and other stakeholders, the issuer should report on these matters.	This report identifies material sustainability issues through continuous communication with stakeholders and combining with its own business nature and operation methods.
Quantitative	Key performance indicators relating to historical data are measurable and the issuer should set targets (which can be actual figures or directional, forward-looking statements) to reduce individual impact. In this way, the effectiveness of ESG policies and management systems can be assessed and validated. Quantitative information should be accompanied by a narrative, explaining its purpose and impacts, and providing comparative data where appropriate.	This report discloses environmental and social key performance indicators quantitatively where practicable and includes relevant notes to facilitate readers’ better understanding of our achievements.

About the Report (Continued)

Reporting Principles	Definition	Company's Response
Balance	The ESG Report should provide an unbiased picture of the issuer's performance, and should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.	Based on objective facts, this report elaborates the sustainability issues that have significant impacts on the business and discloses relevant performance.
Consistency	The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time.	The scope of disclosure of this report is broadly aligned with the disclosure methodology every year for readers to compare relevant performance data.

SOURCE OF INFORMATION

The information disclosed in this report has been derived from official documents of Financial Street Property, statistical data or public information, and has been reviewed in accordance with internal control mechanism and review procedures. The board of directors of the Company (the "**Board**") is responsible for the adequacy and appropriateness of the contents of this report and warrants that there are no false records or misleading statements contained in, or material omissions from this report.

RELEASE METHOD

This report is prepared in both Chinese and English, and published in electronic format, and has been uploaded to the official website of Financial Street Property at www.jrjlife.com and the website of the Hong Kong Stock Exchange at www.hkexnews.hk. In case of inconsistencies or discrepancies between the Chinese and English versions of this report, the Chinese version shall prevail.

CONFIRMATION AND APPROVAL

This report was confirmed and approved by the Board on 24 March 2022.

About Financial Street Property

COMPANY PROFILE

Founded in May 1994, Financial Street Property Co., Limited (stock code: 1502.HK) is a state-owned integrated property management company in China. Starting with property management and related services in the Financial Street area of Beijing, the Company has developed into an integrated property management company focusing on the provision of property management and related services to properties located in financial management centers of various levels in the country.

BUSINESS MODEL

The Company focuses its strategic positioning on the operations of mid- to high-end commercial properties, adheres to the corporate mission of “serving elites and benefiting the public (服務精英·福澤大眾)” to provide customers with high-quality and professional property services. With our extensive experience in providing property management and related services to commercial properties, we have replicated the property management model in the Beijing Financial Street area to other financial management centres in key regions across the country. Our business areas cover 14 provinces and cities in six regions, namely Northern China, Eastern China, Southern China, Southwestern China, Northeastern China and Central China. The types of business include property management, hotel operation, community elderly care, real estate brokerage, catering services, etc. The Company has developed into a property service enterprise with first-class management concepts, professional information management platform, green energy management and mid-to high-end commercial property services as its core competitiveness.

BUSINESS RISKS

The Company is principally engaged in property management services business in mainland China. The property management industry is closely related to China’s macroeconomic development, real estate industry and COVID-19 prevention and control policies. The Company may also be affected by the uncertainty of the aforementioned external factors in the future. In 2021, there were no major risk events affecting the Company.

About Financial Street Property (Continued)

CORPORATE HONOURS

Since its establishment, the Company has combined its own property management experience and in-depth analysis of the internal needs of property owners to provide tailored full life cycle products and services and a more convenient lifestyle for our customers. In 2021, the Company was awarded a number of honors and awards from government agencies and industry associations.

Award	Awarding institution
2021 China Office Property Management Outstanding Companies	China Index Academy
2021 China Top 100 Leading Property Management Companies in terms of Service Quality	China Index Academy
Financial Street • Ronghui-2021 China Property Management Industry Demonstration Site	China Index Academy
Tianqiao Art Building-2021 China Property Management Industry Demonstration Site	China Index Academy
2021 China Property Management Professional Operation Leading Brand Companies	China Index Academy
2021 China Property Management Companies in terms of Characteristic Service — Commercial Properties Management	China Index Academy
2021 China Excellent Brand of Office Property Service	China Index Academy
2021 Top 100 Property Management Companies in China	China Index Academy
2021 China Leading Property Management Companies in terms of Characteristic Service – Commercial Properties Services	China Index Academy
2021 Top 20 Northern China Property Management Companies	E-house China R&D Institute, China Real Estate Appraisal
2021 Top 10 High-end Property Management Companies	E-house China R&D Institute, China Real Estate Appraisal
2021 Top 20 Office Property Management Enterprise	E-house China R&D Institute, China Real Estate Appraisal
2021 Top 100 Property Management Companies	E-house China R&D Institute, China Real Estate Appraisal

About Financial Street Property (Continued)

Award	Awarding institution
2018-2020 Advanced Organisation in Spiritual Civilization Establishment in the Capital	Capital Spiritual Civilization Construction Committee
Pioneer Workers of Beijing City	Beijing Federation of Trade Unions Beijing Municipal Human Resources and Social Security Bureau
2021 Advanced Unit for Fire Safety in Xicheng District	Beijing Xicheng District Fire Safety Committee
2019-2020 Shanghai Civilised Enterprise	Shanghai Municipal People's Government
Excellent Property Management Project in Tianjin-Ronghu Jingyuan	Tianjin Property Management Association
Water-saving Community in Guangdong Province (Financial Street Rong Sui Lan Bay)	Guangzhou Water Authority
Pioneer Workers of Tianjin City	Tianjin Federation of Trade Unions

Chairman's Statement

The Board is honored to present the 2021 ESG Report of the Company, which reports on the Company's concepts and practices related to ESG issues from 1 January 2021 to 31 December 2021. This report is prepared based on the reporting principles of materiality, quantitative, balance and consistency.

For twenty-seven years since its establishment, Financial Street Property has always adhered to the corporate mission of "serving elites and benefiting the public", and been committed to becoming a leader in commercial property services in China. While continuously expanding the management scale and improving business performance, we also continue to strengthen the construction of sustainable development, and strive to achieve symbiosis and win-win with all stakeholders.

With the change of global risks, the proposal of China's "dual carbon" goals and the emergence of social hot issues such as labor rights, health and safety, the government and regulatory authorities have gradually strengthened corporate compliance control and promoted sustainable development. The Hong Kong Stock Exchange has also put forward higher requirements for ESG disclosure. In this context, the Company has deeply realised the importance of ESG governance to the long-term development of the Company, comprehensively implemented the ESG management system led and responsible by the Board, and strictly implemented the Company's work in sustainable development governance, environmental protection, corporate operation and employee care.

In 2021, we took a number of measures to promote sustainable development in various aspects:

In terms of sustainable development governance, the Board members continued to communicate with stakeholders, kept abreast of the trend of important ESG issues, and tried to meet the expectations of stakeholders; strengthened the supervision of ESG issues, formulated ESG strategies and objectives, participated in the discussion, assessment of material issues, and coordinated resource allocation, so as to truly implement ESG work; identified and evaluated the overall risks to determine the key risks and formulate corresponding measures.

In terms of service quality construction, the Company continued to strengthen standardised and intelligent construction, improved service efficiency and service experience, and improved the satisfaction level of property owners; the Company signed a letter of responsibility from top to bottom levels. Members of the Board carried out project inspections from time to time, strengthened safety production management, and fundamentally ensured the healthy operation of management projects and good customer experience.

In terms of integrity construction, we optimized the supply chain management system, strengthened compliance construction, improved cooperation models, and worked with more excellent partners; we actively carried out integrity education and publicity, organized anti-corruption training, and strengthened the education and supervision of all employees to effectively prevent related risks.

Chairman's Statement (Continued)

In terms of protecting the rights and interests of employees, we provided equal employment, care for employees, provided employees with competitive remuneration and benefits, and ensured the working environment and quality of life of employees; we provided employees with a good learning platform and development promotion mechanism to help them better realize their own value.

In terms of green energy conservation, we adhered to the development concept of green operation, formulated energy conservation and consumption reduction targets through internal and external environment analysis, combined with relevant industry regulations and the actual situation of the enterprise, and actively took various energy conservation measures; we attached great importance to the risks brought by climate change and took active prevention and response measures.

In terms of assuming social responsibilities, we responded to the national call and participated in the prevention and control of the epidemic. All employees were fully involved in the prevention and control of the epidemic. We established a special epidemic prevention and control working group to strictly implement the prevention and control mechanism from the Board to the management, and to the ground level of each project, and comprehensively ensured the safety of the communities we serve; in addition, the Company actively participated in social welfare activities and strengthened the construction of spiritual civilization.

Looking forward, in face of new changes in the industry and environment, Financial Street Property will continue to maintain close contact with all stakeholders, pay attention to the expectations and demands of all parties, actively prevent and respond to environmental, social and governance risks, adhere to service quality, insist on energy conservation and environmental protection, strengthen compliance operation, actively assume social responsibilities, and make progress on the road of sustainable development with unremitting efforts!



Sustainable Development Governance and Policy

Financial Street Property adhered to the corporate mission of “serving elites and benefiting the public”, and provided customers with high-quality and professional property services. We also actively aligned with the sustainable development goals of the United Nations, responded to national policies, followed the development trend of the times to deeply integrate the concept of protecting the sustainable and stable development of human and natural resources into our business philosophy, with a view to better achieve the goal of a better life, while creating long-term value for shareholders.

In order to fully implement ESG-related work, we have established an ESG management system, which is under the responsibility of the Board, led by the management with coordinated cooperation across departments and linkage up and down, to ensure that environmental and social-related risks involved in various businesses are actively identified and properly managed, and that ESG concepts and related strategies are fully implemented. The Board is responsible for the formulation of the Company’s ESG strategies and objectives; the management is responsible for the establishment of an ESG leading group for the implementation of the ESG strategies and objectives; various departments of the headquarters form an ESG working group, and are responsible for the implementation of specific ESG work in their respective fields of work; all subsidiaries and branches carry out local ESG-related work under the guidance of the ESG working group.

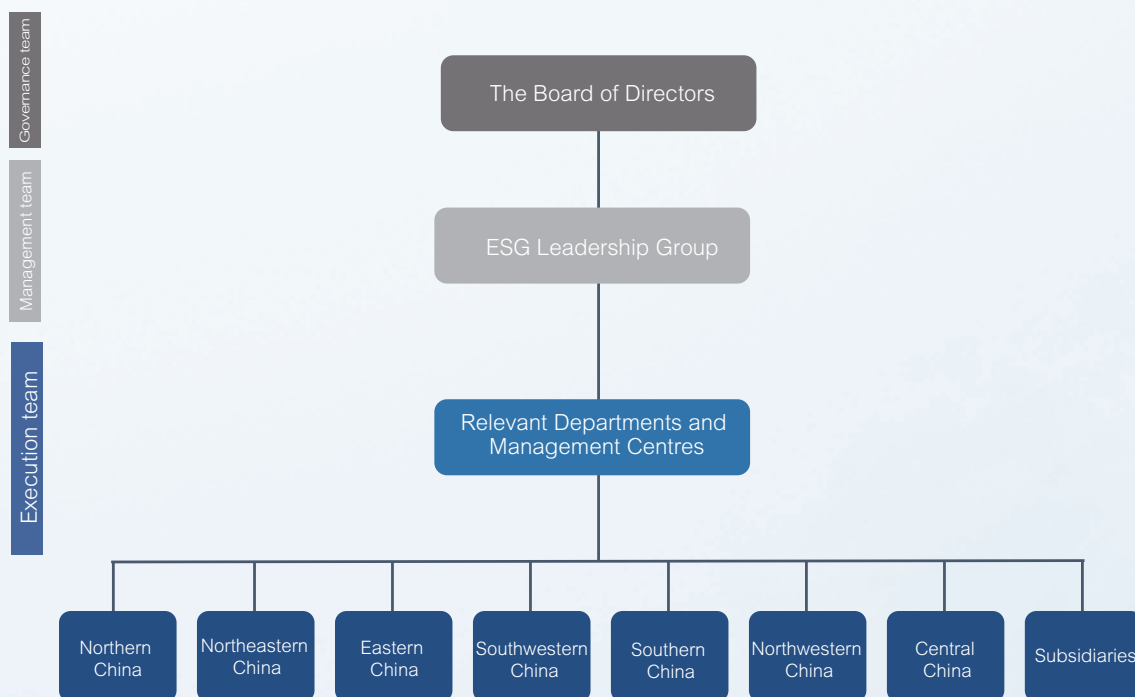


Figure: ESG Governance Structure of Financial Street Property

Sustainable Development Governance and Policy (Continued)

COMMUNICATION WITH STAKEHOLDERS

Based on the characteristics of the Company's actual business and operation management, we have identified environmental, social and governance stakeholders, mainly including government and regulatory authorities, shareholders and investors, customers and property owners, employees, suppliers and partners, media and non-governmental organizations, communities, etc. We believe that strengthening communication with stakeholders and understanding their expectations and demands can lay a foundation for ESG governance and long-term development of the Company. We have established targeted and diversified communication channels for different stakeholders. The following table shows the key issues of concern of each stakeholder and the main communication methods:

Key Stakeholders	Key ESG Issues	Main communication methods and channels
Government and regulatory authorities	Employment, supply chain management, product responsibility, anti-corruption and community investment	Policy consultation, work reporting, information disclosure, regular inspections and regulatory meetings
Shareholders and investors	Employment, product responsibility, and anti-corruption	Daily reception, shareholder meeting, information disclosure, investor hotline, and company website
Customers/ property owners	Product responsibility, and health and safety	Service hotline, official website, satisfaction survey, information disclosure, and community activities
Employees	Employment, Health and Safety, Development and Training and Labour Standards	Employee congress, labor union, petition and direct communication
Suppliers/ Partners	Supply chain management and anti-corruption	Public tendering procedures, contract negotiations, daily business exchanges, training sessions, etc.
Media and NGOs	Emissions, use of resources, the environment and natural gas resources, climate change, employment, supply chain management and product responsibility	Social media, company website, press conferences, and communication meetings
Community	Emissions, use of resources, the environment and natural resources, and community investment	Community education and publicity, seminars and exchanges, public welfare activities, and community activities
Industry associations	Employment, product responsibility, Anti-corruption, supply chain management, and climate change	Regular communication meetings, information disclosure and social media

Sustainable Development Governance and Policy (Continued)

IDENTIFICATION AND ANALYSIS OF MATERIAL ESG ISSUES

In order to further assess the level of concerns and expectations of stakeholders on the Company's ESG-related issues and clarify the key areas of ESG practices, we identified, analyzed and evaluated the material ESG issues in 2021 through ESG issues identification, stakeholder research, issued materiality analysis, and management feedback confirmation.

ESG Issues Identification

Based on the actual development and business characteristics of the Company, and in conjunction with relevant national policies and ESG disclosure requirements of the Hong Kong Stock Exchange, 16 environmental, social and governance issues were identified

Stakeholder Research

Stakeholders were invited to participate in the survey through anonymous online questionnaire, and were asked to rate the importance of 16 issues and express their expectations of the Company's ESG



Analysis of the Importance of the Issues

Based on the returned questionnaires, a matrix of importance was drawn from the dimensions of "Influence on Stakeholders" and "Influence on Financial Street Property", and the importance of the issues was determined

Confirmation from ESG Management

The management reviews and provides feedback on the analysis results of material issues, and finally confirms ESG disclosure and work priorities

Figure: Materiality Assessment Process of ESG Issues

Sustainable Development Governance and Policy (Continued)

We carried out materiality assessment in accordance with the above procedures. By analyzing the survey results of stakeholders, we developed a materiality matrix of 16 ESG issues.

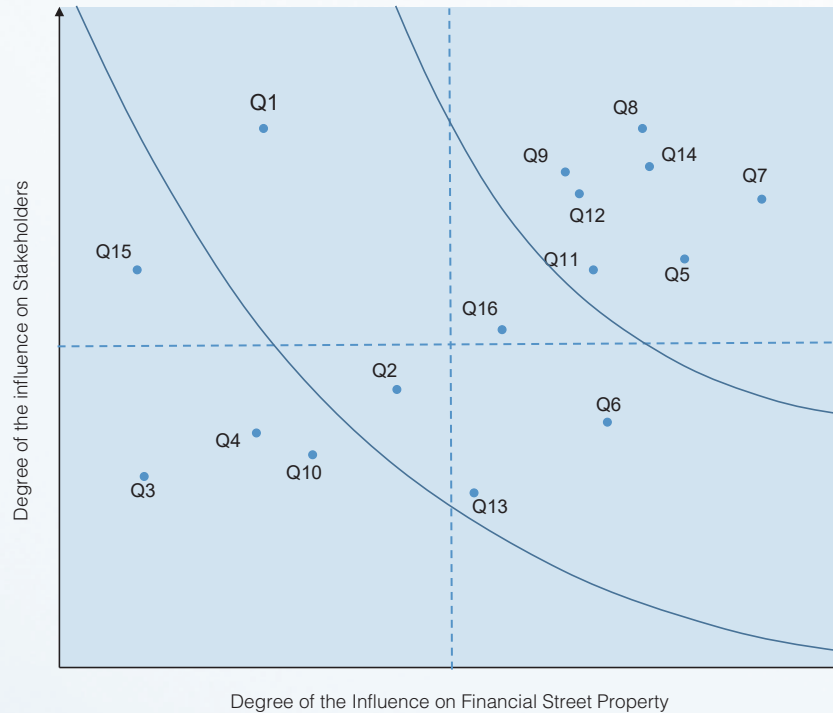


Figure: Analysis Matrix of ESG Materiality Issues of Financial Street Property in 2021

Note:

In above table Q1: Emissions; Q2: Use of resources; Q3: Environment and natural resources; Q4: Climate change; Q5: Employment; Q6: Employee career development; Q7: Physical and mental health of employees; Q8: Employees' rights and interests; Q9: Supply chain management; Q10: Business compliance and standardisation; Q11: Health and safety of customers/owners; Q12: Product and service quality; Q13: Intellectual property protection; Q14: Information security protection; Q15: Anti-corruption and anti-money laundering; Q16: Community investment.

In the matrix of the influence on Financial Street Property expressed on the horizontal axis and the influence on stakeholders expressed on the longitudinal axis, we classified the material issues into three levels, the area at the upper right corner indicates the importance as “very important”, the area at the lower left corner indicates the importance as “less important”, and the intermediate area indicates the importance as “important”. The results showed that the physical and mental health of employees, employees’ rights and interests, information security protection, employment, supply chain management were of the highest importance. Based on the results of the above ESG materiality assessment, we disclosed the key issues in detail in the corresponding sections to better respond to the concerns and expectations of various stakeholders.

Sustainable Development Governance and Policy (Continued)

RISK MANAGEMENT AND INTERNAL CONTROL

In accordance with the requirements of the Guidelines for Comprehensive Risk Management of State-owned Enterprises and based on the GB/T 24353 — 2009 Risk Management-Principles and Implementation Guidelines, the Company has formulated the Comprehensive Risk Management Manual, which clarifies the risk management organization system and the division of responsibilities, and builds the “three lines of defense” for risk management. According to the “Comprehensive Risk Management Manual”, the risk categories include five categories: strategic risk, financial risk, market risk, operational risk and legal risk. The risk identification and assessment of daily operation and management of the above risk categories are carried out to form a risk database. In addition, the Company has incorporated energy conservation, emission reduction and intelligent operation into its internal competitiveness evaluation, and has also incorporated environmental and climate factors into its risk management system. In the future, the Company will consider setting up specific risk categories and identify and evaluate risk sources based on the trend of risk changes.

According to the risk management process, the Company organized a wide range of risk identification, assessment and response, and paid attention to, gave guidance and followed up the management and control of major risks at the company level. The risk has covered standardization, safety and operation quality management, etc. In addition, through the established reporting channels, the Company regularly collected and evaluated risk information, paid attention to the impact of internal and external environment and policies on the Company’s business objectives, and submitted reports. Through a series of control activities, the risk can be minimized within a controllable range.



Figure: Risk Management Process

In 2021, based on the requirements of risk management, the Company issued the Guidelines for the Risk Management of Equity Investment and the Administrative Measures for Internal Control Management and Internal Control Audit Evaluation, which were applicable to risk management and internal control management for certain business and from the perspective of review process, and further improved the entire risk management and control system.

Adhere to Service Quality to Build a Happy Home Together

STANDARDIZED MANAGEMENT TO LAY A SOLID SERVICE FOUNDATION

Financial Street Property focused its strategic positioning on the operation of mid-to high-end commercial properties. Adhering to the corporate mission of “serving elites and benefiting the public”, Financial Street Property provided high-quality and professional property services to customers. The Company has been deeply engaged in the field of commercial and office property services for more than 20 years, and has established a three-in-one management model of “implementation of standards, creating excellence and informatization”. The Company has formulated and strictly implemented the Health and Safety Management Manual on Quality, Environment, and Occupation, the Property Service Operation Instruction and the Quality Inspection Work Standards in accordance with the Regulations on Property Management and other regulations to effectively restrain and standardize the standardized operation of property services.

In order to adapt to market-oriented operations, replicate the management model at a fast pace, and ensure the quality of project services, the Company has established a standardized operation guidance system to ensure standardized, normalized, professional and systematic operation of the projects under management. Taking the identification of elements in the property management service process as the entry point and focusing on fulfilling property service standards and fulfilling social responsibilities, the Company has established a standardized model of “one platform + three systems” to form a management and service system for application of controlled documents in projects to ensure that the Company fulfilled its social responsibilities in compliance with laws and regulations. Over the years, Financial Street Property has obtained a number of standardized system certifications including ISO9001, ISO14001 and ISO45001.

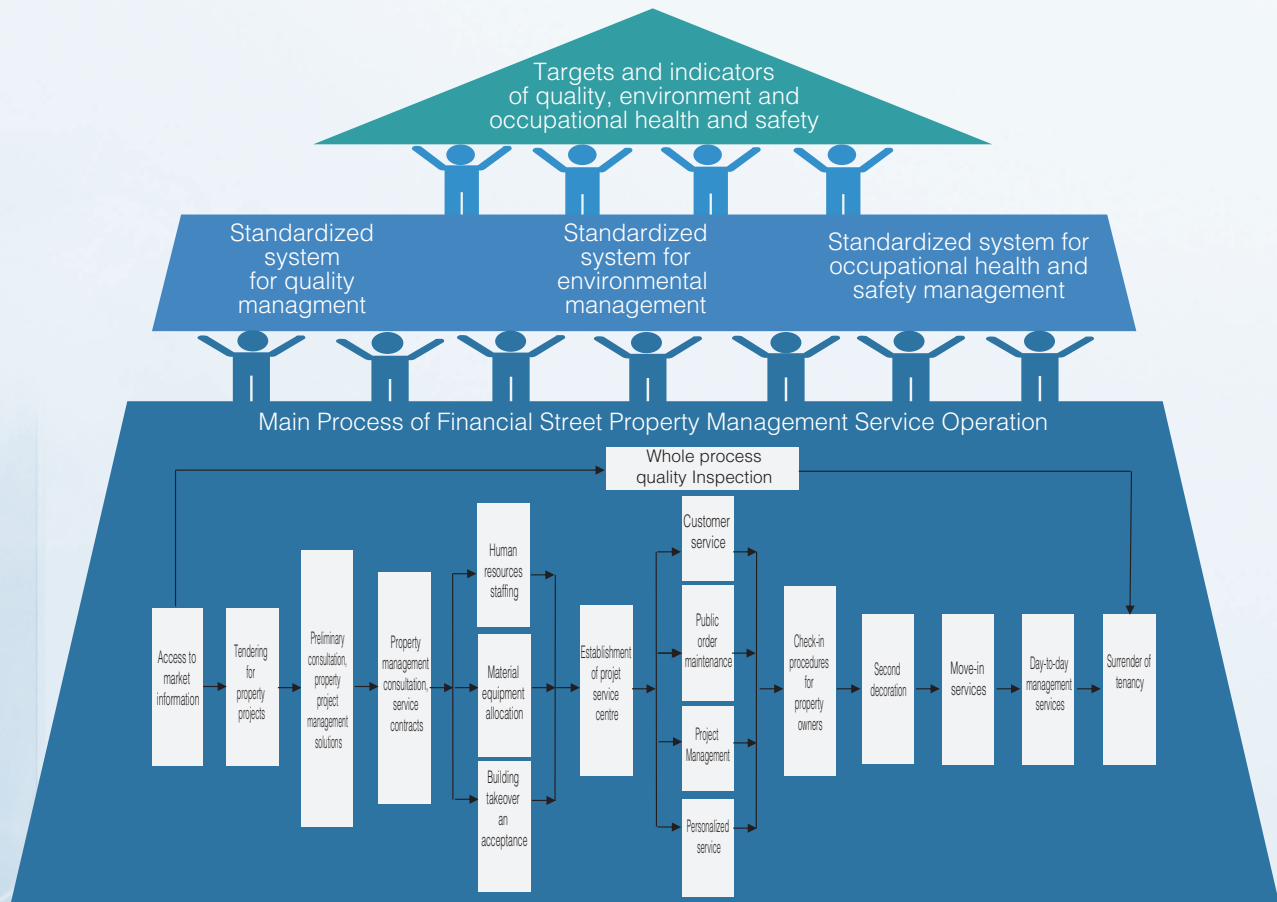


Figure: “One platform + three systems” standardized model

Adhere to Service Quality to Build a Happy Home Together (Continued)

In particular, the Company has established a three-level documents system of Level I, Level II and Level III in terms of relevant policies and systems. The Level I documents are the Health and Safety Management Manual on Quality, Environment, and Occupation, which is a programmatic document to ensure the general appropriateness and consistency of the Company's service standards; the Level II documents are mainly procedural documents, which stipulate the operational elements and logic process that the Company's standardized management system that shall be followed according to the main principles of the Company's Health and Safety Management Manual on Quality, Environment, and Occupation; the Level III documents are the Company-level institutional document "Property Service Operation Guide", which is the operational document of the property service products exported by each service center of the Company, elaborating and stipulating the standards and methods followed by each professional practice.

Level I documents

The "Quality, Environment and Occupational Health and Safety Management Manual" describes the guidelines and objectives of the Company's standardized management system for the output of property service products, as well as the operational processes and interactions of the various elements of the system.

Level II documents

According to the main points of the Company's "Quality, Environment and Occupational Health and Safety Management Manual", the operating elements and logical processes that the Company's standardized management system must follow.

Level III documents

The "Property Service Operation Instructions" covers the elements of target indicators, elements of service management responsibilities, elements of resource allocation, elements of property service product realization, elements of professional standards and records, and elements of quality inspection and certification, etc., and explains and stipulates the criteria and methods followed by each profession in practice.



Figure: Three-level documents system

Adhere to Service Quality to Build a Happy Home Together (Continued)

In addition, for specific areas of the catering business, the Company has formulated five management systems for catering business management, namely product diversification R&D management, supply chain safety review management, employee training and development management, low-carbon emission and environmental protection management, service improvement and social responsibility management, by streamlining the standardized process of catering business, focusing on three dimensions of social, environmental and corporate management .and continuing the overall management direction and focus. By strengthening quality management, the Company improved corporate efficiency, enhanced customer confidence and expanded market share.

Graph: Five management system



The Company regularly reviewed the standardized documents, and implemented the establishment, improvement, filing and implementation of the Level III documents of relevant service centers in accordance with the requirements of the “Double Hundred” universal standardization. In 2021, the Company conducted internal review on the implementation of relevant service center documents, and issued an internal audit report on the effectiveness of standardized implementation of each project in the region. At the same time, the Company organized and carried out the supplemental identification and update of occupational health and safety hazards in 2021, covering six risk points in the property industry. A total of 267 hazard sources were identified in 68 areas, 51 medium and high hazard sources were evaluated according to the risk assessment standards for hazard sources, and were included in the “List of Priority Treatment (Medium and High) Risks (Company Level)”, and the management and control plan for occupational health and safety objectives was formulated one by one. Due to the rapid expansion of the Company’s business, many factors will lead to changes in hazard sources. In daily project operations, the Company will conduct dynamic management and control based on the actual situation, and monitor the implementation of hazard source control measures through internal audit.

Adhere to Service Quality to Build a Happy Home Together (Continued)

TECHNOLOGY PLATFORM OPTIMIZATION OF MANAGEMENT AND SERVICE LEVEL

The Company closely followed the development trend of technology application, actively practiced digital transformation, timely understood and grasped the latest technology development trend and cutting-edge dynamics in research field, closely focused on the management idea of technology empowerment, quality and efficiency improvement, and introduced market-leading technologies such as enterprise resource management platform, property ERP service system, IBMS intelligent building management system and mobile office technology by using AI technology, big data, cloud computing, Internet of Everything and other technology means, to create the core advantages of mid-to-high-end business services, achieve the optimization of the value of property facility management, and comprehensively improve the management efficiency and service quality of the Company.

➤ Upgrade of Kingdee Wojia Cloud Service Platform

In order to comprehensively improve the efficiency of external services and internal work management and control coordination of Financial Street Property, the Company upgraded the Kingdee Wojia cloud service platform, and continued to improve the construction of the procurement system based on the original functions. In 2021, the connection between the online WeChat official account of Financial Street Life and the Kingdee ERP management system was realized, which greatly improved the efficiency of procurement management, and at the same time provided convenience for property owners to pay for their mobile phones bill and issue electronic invoices.

- (1) The second phase of the Company's procurement system had been fully completed and officially launched in 2021. The procurement business integrated the whole process of online application, online quotation of suppliers, online price comparison, procurement, notification and delivery, warehousing, use, and supplier reconciliation. There were nearly 11,000 kinds of procurement materials in a total of 12 categories involved in the system. As of 31 December 2021, all project procurement works of the major regions and branches of the Company had been launched online.



Picture: Operation interface of procurement system

Adhere to Service Quality to Build a Happy Home Together (Continued)

- (2) The online WeChat official account of Financial Street Life of the Company and Kingdee ERP management system were connected and launched in the third quarter of 2021. By following the official account, property owners could make payment through their own mobile phones, issue electronic invoices, or automatically enter the data into the ERP system after payment through the POS machine of the service center to achieve online services. As of 31 December 2021, the use of mobile payment, POS machines and QR code payment methods by property owners accounted for 93.99% of the property owners' utilization rate.



Picture: Online payment promotion poster

Adhere to Service Quality to Build a Happy Home Together (Continued)

➤ Smart distribution room

The Yuetan Financial Street Center Project managed by the Company is the largest property project in Beijing with single commercial area, with a gross floor area of approximately 400,000 square meters. There are 14 transformers in the distribution room, with a capacity of 21,300kVA. In order to effectively supervise the large-scale power distribution facilities and equipment, the Yuetan Center carried out intelligent power distribution operation and maintenance transformation of the power distribution system. After the intelligent transformation, the power distribution room will be monitored remotely, and the data will be transmitted in real time and the alarm information will be pushed in real time. Through intelligent management, it not only reduces the number of staff on duty in the power distribution room, achieves staff reduction and efficiency enhancement, improves the quality of operation and maintenance, but also enables all staff of power distribution personnel to participate in operation management.



序号	设备类型	实时值	单位	报警状态
1	内网变压器	36.60	℃	正常
2	内网变压器	36.50	℃	正常
3	内网变压器	36.40	℃	正常
4	内网变压器	36.30	℃	正常
5	内网变压器	36.20	℃	正常
6	内网变压器	36.10	℃	正常
7	内网变压器	36.00	℃	正常
8	内网变压器	35.90	℃	正常
9	内网变压器	35.80	℃	正常
10	内网变压器	35.70	℃	正常
11	内网变压器	35.60	℃	正常
12	内网变压器	35.50	℃	正常
13	内网变压器	35.40	℃	正常
14	内网变压器	35.30	℃	正常

Picture: PC data display

Adhere to Service Quality to Build a Happy Home Together (Continued)

The transformation of the intelligent power distribution room of the Yuetan Project was officially launched in January 2021. The power distribution equipment achieved real-time capture of operation data through special data collection equipment, and set threshold values for important parameters such as current, voltage and temperature of the equipment. When alarm information and early warning information occur on the site, it can be displayed on the operation platform and notify the on-duty staff to handle it as soon as possible. At the same time, after aggregation of data, various types of statements can be generated accurately in the form of the system's self-defined form, and the high energy-consuming equipment can be screened, and the accumulation of operation data provides favorable data support for energy conservation and emission reduction transformation. The Yuetan Power Distribution System Intelligent Operation and Maintenance Project was the first pilot project of Financial Street Property, and was awarded the honor of "Intelligent Operation and Maintenance Power Distribution Room Demonstration Project" by Beijing Electric Power Industry Association.



Picture: Operation interface of intelligent supervision system of power distribution room

➤ Intelligent Waste Sorting

In the second quarter of 2021, the Intelligent Waste Sorting Center of the Yuetan Financial Street Center Project was successfully constructed and put into operation. The project was completed by a second-generation intelligent household waste sorting equipment with a daily sorting capacity of 8 tonnes. The equipment systematically optimized the relevant functional parameters of the equipment sorting according to the actual situation of the Yuetan Financial Street Center. The sorting equipment conducted secondary automatic sorting of the sorted household waste, and finally sorted out four types of recyclable waste, hazardous waste, kitchen waste and other waste. The equipment has a comprehensive sorting rate of 85% and an accuracy rate of more than 90%, truly achieving the accurate classification and recycling of domestic waste and with the degree of intelligence fully meeting the policy requirements.

Adhere to Service Quality to Build a Happy Home Together (Continued)

Yuetan Financial Street Center generated approximately 2 to 2.5 tonnes of domestic waste per day, and the weight of other waste sorted by sorting equipment is approximately 1.2 to 1.5 tonnes. Since the equipment was put into operation in April, the kitchen waste of the project has never fallen on the floor, and all other types of waste have been arranged, collected and treated in a unified manner, which has greatly improved the efficiency of waste sorting. After being compressed and transported by small-scale compression equipment, the recyclable materials were disposed on site, which significantly reduced the amount of waste transported (by about 30%-50%).



Picture: Intelligent waste sorting equipment

CUSTOMER SATISFACTION

Customer satisfaction refers to the service gap between customers' expectations and actual perception. Financial Street Property has always adhered to the "customer-oriented" service concept, and attached great importance to customers' evaluation and perception of the Company's services. Since 2012, the Company has engaged independent third-party institutions to conduct customer satisfaction surveys every year to understand customer evaluation in an objective, fair and comprehensive manner, focusing on the trend of customer demand changes, etc., which would be the focus and core of the next stage of work.

In 2021, Financial Street Property increased the frequency of satisfaction survey on the basis of the original customer satisfaction survey. The office building format scored 99 points, representing a year-on-year increase of 0.8 points, and the satisfaction rate remained at the leading level in the industry in the past three years. The overall satisfaction score of the residential sector in 2021 increased to 88.8 points, which also reached the benchmark level of industry satisfaction, and won the award of "China Top 100 Leading Property Management Companies in terms of Service Quality" for five consecutive years.

Adhere to Service Quality to Build a Happy Home Together (Continued)

CUSTOMER COMPLAINT HANDLING

The Company understands the real demands of customers through various channels and dimensions, including the 4000496018 national service hotline, the online WeChat official account of Financial Street Property Life, the project leader and contact phone manager in the unit information column, etc. The 40004 national service hotline established by the Company since 2014 is directly under the responsibility of the general manager of the Company and conveys the real voices of property owners. The Company strictly implements “Accountability System (首問責任制)” and “Project Manager Accountability System (項目經理負責制)” for customer complaints. The complaint handling rate reached 100%, and the resolution rate and satisfaction rate reached 98.9%.

In recent years, Beijing has focused on solving and promoting the 12345 Citizen Hotline to handle complaints immediately. The Company adheres to the work requirements of serving the people, and quickly responds to the demands of customers to solve the problem from the customer’s perspective.

Table: Key performance indicators related to customer complaints

Indicators	2021 Data	2020 Data
Number of complaints received	189	96
Complaint rate (%)	<0.45	<0.5
Complaint handling rate (%)	100	100
Complaint resolution rate (%)	98.9	100
Complaint satisfaction rate (%)	98.9	100

Note: Complaint rate = Number of complaints/Total number of customers

Adhere to Service Quality to Build a Happy Home Together (Continued)

PANDEMIC PREVENTION AND CONTROL

The Company has formulated policies and management systems related to epidemic prevention and control, such as the COVID-19 Control Manual, and established the leading unit group of the prevention and control of Financial Street Property Company for the prevention and control of the “COVID-19” epidemic, under which implementation teams are set up. In order to strengthen the prevention and control of the “COVID-19” of the Company, effectively prevent and respond to the “COVID-19” that may occur in the office area, ensure the orderly operation of all projects managed by the property management company, and protect the health of all property owners and employees.



Picture: Inspection of epidemic prevention

Each management project also actively carried out a number of prevention and control measures, formulated relevant plans, and organized various training and simulation drills to prepare for the sudden events. Due to the special nature of the pandemic, the Company required the holding of targeted sand table simulation drills to cultivate employees' ability to handle matters in a panic, clear and flexible manner, laying a foundation for the safety prevention and control work of property owners and the Company.

Adhere to Service Quality to Build a Happy Home Together (Continued)

IMPLEMENT PRODUCTION SAFETY

Financial Street Property attaches great importance to the personal and information security of property owners and customers, and strictly abides by the relevant laws and regulations such as the Production Safety Law of the People's Republic of China", the "Regulations on Production Safety Entity Responsibilities of Production and Operation Units in Beijing", and the "Regulations on Fire Safety Management of High-level Civil Buildings". It continues to revise and implement the "Safety Management Manual", adheres to the policy of "Safety is top priority, prevention comes first, and management is conducted in a comprehensive manner". The Company established a work safety committee. Adhering to the principle of that "Production management must be accompanied by safety management" and "Units at different levels shall be delegated with their respective responsibilities", units at all levels are required to sign the "Safety Production Responsibility Letter" to improve the safety production management.

In order to strengthen the comprehensive safety production management of Financial Street Property, the Company carried out safety production-related training, such as safety knowledge examination and practical competition, limited space operation management process and training. At the same time, the Company further improved documents such as the Safety Production Manual and various special emergency plans, and organized emergency rescue drills for the project.

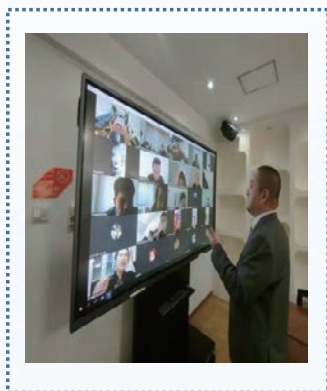


Picture: Emergency rescue drill

In 2021, taking into account the actual situation of each project and the comprehensive ability of employees, the Company carried out the "2021 Work Safety Assessment of Financial Street Property" to urge the front-line management personnel to rethink theoretical knowledge, memory common regulations, refine management ideas, unify key points, and fix established actions through written assessment.

Adhere to Service Quality to Build a Happy Home Together (Continued)

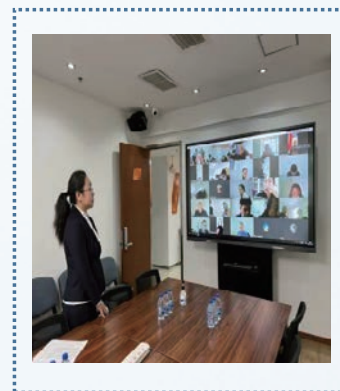
According to the annual work plan, the Safety Production Committee of the Company implemented the work requirements of the Party Committee and safety production of the Company. On 8, 9 and 15 December 2021, respectively, together with Rongze Training Centre, the annual safety production assessment was carried out. The project-level and above management personnel of the Company's business regions and subsidiaries participated in the assessment, involving a total of 399 people.



Online assessment



Offline assessment



**Under the supervision
of the Party Committee**

In 2021, Financial Street Property was awarded the certificate of "Enterprise Safety Production Standardization Level 3 Enterprise" issued by Beijing Xicheng District Building Administration Bureau, which covers 13 items of system document review and 13 items of basic management review, comprehensively covering all aspects of the Company's safe operation.

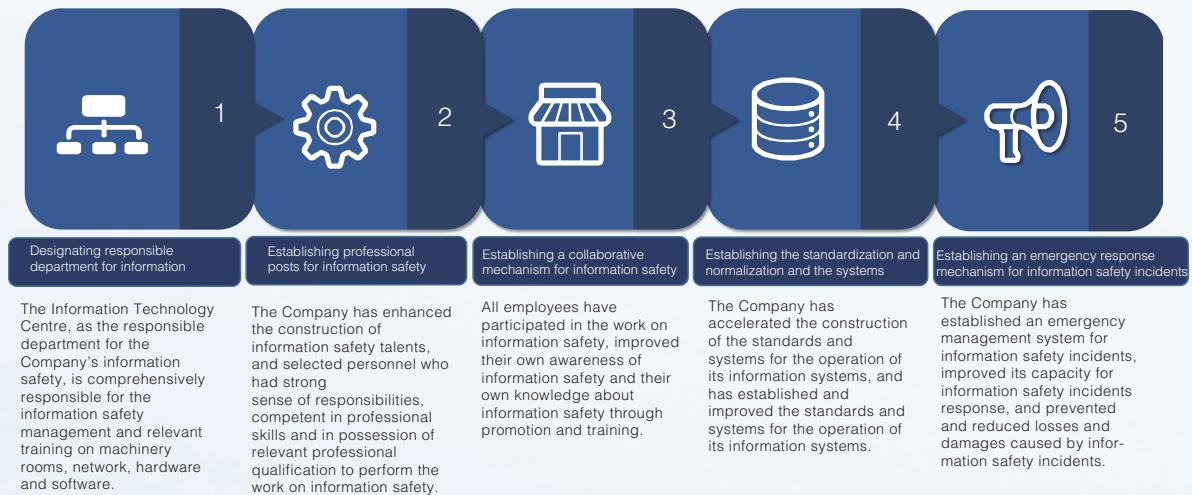
At the project level, the projects served by the Company, being Tianqiao Art Building, Financial Street Center and Xinsheng Building, have successfully passed the evaluation of the "Grade II Safety Production Standardization for Comprehensive Building Project of Real Estate Management" organized by the Beijing Municipal Commission of Housing and Urban-Rural Development for the year 2021, and became the standardized project of the Grade II Safety Production Standardization for Comprehensive Building Project of Real Estate Management for the year 2021.

Adhere to Service Quality to Build a Happy Home Together (Continued)

INFORMATION SECURITY

➤ Comprehensive Information Security Management System

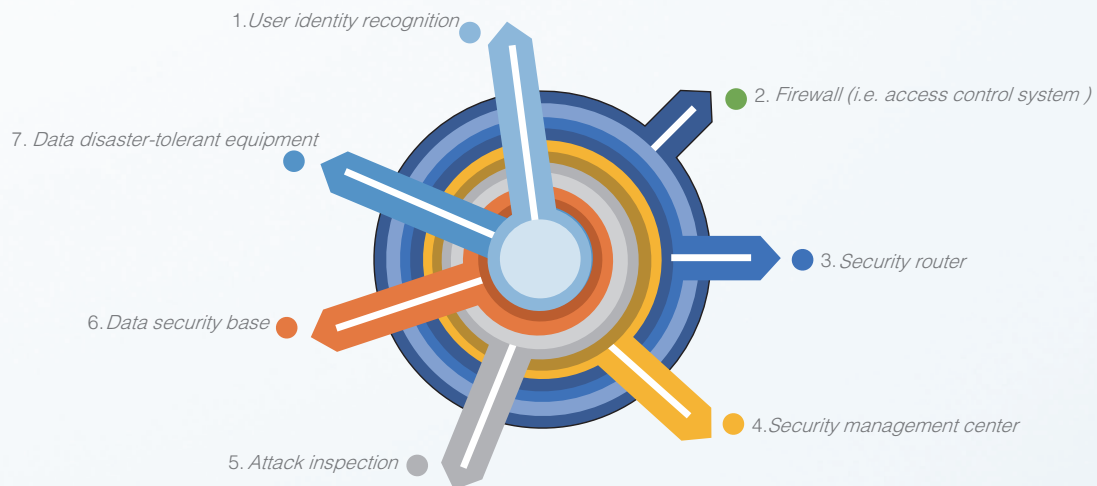
The Company strictly complied with data security-related laws and regulations such as the Administrative Measures for Internet Information Services, the Administrative Measures for the Security Protection of Computer Information Network with International Connections, and the Administrative Measures for Internet Electronic Bulletin Service, and formulated relevant information security management systems based on the actual situation of the Company, such as the Security Management Measures. The Company designated responsible departments for information security, set up professional positions for information security, established information security collaboration mechanism, established standard specifications and system construction, established information security incident response mechanism and other five parts of the system management system, to prevent and resolve information security risks and avoid the occurrence of related risks.



Adhere to Service Quality to Build a Happy Home Together (Continued)

➤ Sound Information Security Management System

Financial Street Property has established a sound corporate information security management system to prevent external intrusion and internal leakage. The entire system comprises the following seven components:



1. User identity authentication: such as gesture password, dynamic password (short message password, dynamic slogan, mobile phone token, digital certificate), etc.
2. Firewall as access control system: it sets up barriers between internal networks and unsafe external networks to prevent illegal access to internal resources and prevent unsafe internal and external access.
3. Security routers: as WLAN connections require dedicated router equipment, it can control network transmission through routers. Access control list technology is commonly used to control online information flow.
4. Safety Management Center: establishing a centralised management mechanism and equipment, i.e. the safety Management Center. It is used for distributing keys to network security equipment, monitoring the operation status of network security equipment, and collecting audit information of network security equipment.
5. Intrusion detection: as an effective supplement to traditional protection mechanisms (such as access control, identity recognition, etc.), an indispensable feedback chain in the information system is formed.
6. Security database: as a large amount of information is stored in the security database in the computer database, it can ensure the completeness, reliability, effectiveness, confidentiality, auditing and access control and user identification of the database.
7. Data disaster recovery equipment: including data recovery equipment and data replication equipment.

Strengthen the Construction of Integrity to Ensure Compliance Development

The Company strictly complies with the “Company Law of the People’s Republic of China”, the “Anti-Unfair Competition Law of the People’s Republic of China”, the “Anti-Money Laundering Law of the People’s Republic of China”, the “Interim Provisions on Banning Commercial Bribery”, the “Provisions on the Probity Practice of Leaders of State-owned Enterprises”, the “Administrative Punishment Law of the People’s Republic of China on Public Officials” and other laws and regulations relating to bribery, extortion and money laundering. At the same time, in order to thoroughly implement the Eight-point Regulations of the Central Government and the spirit of the 19th CPC National Congress and strengthen the construction of a clean and honest Party, the Company formulated the “Rules on Implementation of the Eight Requirements of the Central Committee of the CPC by the Party Committee and Discipline Inspection Committee of Financial Street Property Co., Ltd.”, which further clarified the red line and bottom line of integrity of management cadres at all levels.

Emphasis on integrity management in operation and management

The Company requires all employees to sign the “Probity Practice Undertaking Letter”(《廉潔從業承諾書》) when entering the job, and asks purchasing staff to sign the “Probity Undertaking Letter for Purchasing Staff”(《採購人員廉潔協議書》), so as to clearly set out the bottom line of integrity for employees. At the same time, we enter into the “Statement on Product and Service Procurement Compliance”(《產品及服務採購合規聲明書》) with the suppliers to maintain fair, just, healthy and transparent commercial relationship. In addition, the Company insists on integrating integrity education into the whole process of enterprise operation and management, further promotes integrity construction and anti-corruption work, ensures the sustainable and healthy development of the Company, comprehensively identifies corruption risks in the course of business, and conducts regular audits and special inspections to prevent risks.

Financial Street Property has zero tolerance for corruption, being determined to combat all forms of corruption and bribery, integrates integrity education into the whole process of corporate operation and management, strictly complies with relevant laws and regulations, formulates and strictly implements various management regulations of the Company, and defines the bottom line of integrity for employees. The Company’s discipline inspection office and audit department jointly implement the implementation and supervision of anti-corruption work, timely discover and strengthen the weak links of internal control, reduce the possibility of corruption through position, and build a clean and fair business environment.



At key points such as holidays, in order to create a clean and positive festive atmosphere and prevent Party members and cadres from violating the spirit of the Eight-point Regulations of the Central Government and the “Four atmosphere” problems, the Company has established an integrity reminder mechanism to provide early warning and early education, and send relevant integrity risk warnings and warning education to employees through online and offline methods, such as Party committee, manager office meeting, Party branch meeting, regular project meeting, working group, etc., to ensure the spending of holiday in a safety, civilization and integrity way.

Strengthen the Construction of Integrity to Ensure Compliance Development (Continued)

Innovation integrity publicity and education to realize supervision of all employees

In order to improve the awareness of compliance operation and strengthen the awareness of Party members and cadres to understand the law and abide by the law, the Company launched the integrity education cloud class for the Discipline Inspection Committee of the Company. With the core contents such as the "Provisions on Probity Practice of State-owned Enterprise Personnel" and the "Law of the People's Republic of China on Administrative Punishment of Public Officials", 12 courseware were produced and management cadres at all levels were organized to learn, which further clarified the integrity and self-discipline standards and practice codes of state-owned enterprise leaders. In 2021, there was no litigation against the Company and the employees due to corruption.

The Discipline Inspection Committee of the Company compiled and printed the "Special Issue of Integrity Education for the 100th Anniversary of the Founding of the Communist Party of China", and distributed more than 800 books to management cadres at all levels. The Party members and cadres were educated to learn from the history of the Party, inherit and carry forward the glorious tradition of the revolutionary foremen, put self-improvement and team spirit into practice, and strive to become a property manager in the new era of "loyalty, integrity, clean and responsibility".



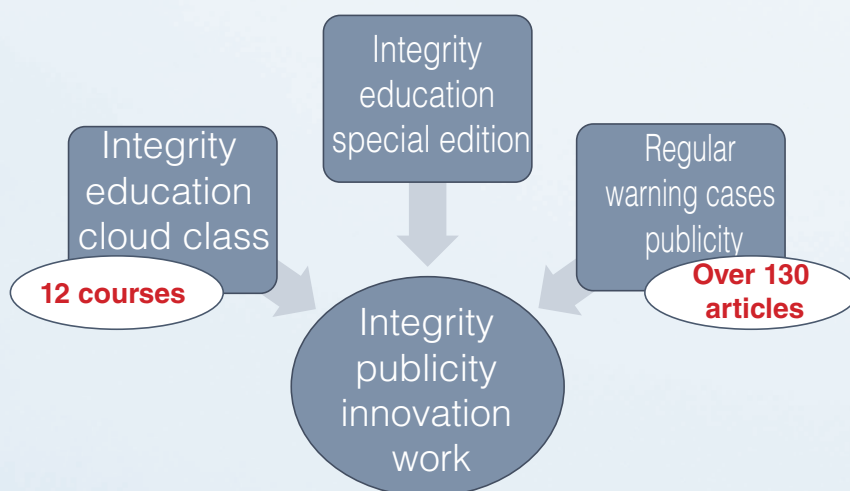
The Company organized various integrity education activities with rich contents. In 2021, the Company held 5 warning education conferences, covering a total of approximately 1,400 people. At the same time, the Company carried out special warning education and training for the project management personnel of the Company, covering approximately 520 people. The ideological barrier of "do not want to corrupt" was deeply rooted.

Strengthen the Construction of Integrity to Ensure Compliance Development (Continued)

Photos of previous warning education sessions



The Company's Discipline Inspection Committee, together with Rongze Training Center, carried out training for project management personnel on the topics of "Regulations on Hazards and Penalties for Private Small Funds" and "To Use Rights as Regulated", with a total of approximately 520 trainees. At the same time, the Discipline Inspection Commission of the Company paid attention to all kinds of typical cases reported by the Central Discipline Inspection Commission, the Discipline Inspection Commission of Beijing Municipality, the Discipline Inspection Commission of Xicheng District and the Discipline Inspection Commission of the Group, and timely issued and implemented them to the Party organizations at all levels. In 2021, a total of more than 130 warning education cases were issued. Through various forms of publicity and education, the project management personnel can always keep a clear mind, remember the trails, and form a good atmosphere of integrity and justice.



Strengthen the Construction of Integrity to Ensure Compliance Development (Continued)

Smooth reporting channels and implementation of information protection measures for whistleblowers

The Company maintains a smooth reporting channel, adheres to the principle that all reports must be investigated in handling reported information, and sets up various reporting channels, such as informants' hot-line telephone, reporting mailbox, suggestion box, etc., to facilitate internal and external personnel of the Company to report any internal and external corruption and bribery, embezzlement of public resources to seek personal gains and other corrupt behaviours. The Discipline Inspection Office of the Company is responsible for investigating the evidence reported, strictly keeping confidential the information of whistleblowers, and severely cracking down on the acts of retaliation or frame-up against whistleblowers.

Intellectual Property Protection

The Company complies with the "Copyright Law of the People's Republic of China", the "Trademark Law of the People's Republic of China", the "Patent Law of the People's Republic of China", the "Anti-Unfair Competition Law of the People's Republic of China", the "Data Security Law of the People's Republic of China", the General Principles of the "Civil Code" (Personal Information and Privacy Rights of Citizens), the Contract Compilation (Property Service Contract) and the Tort Compilation.

Intellectual Property Protection Publicity Measures:

1. Focus on originality, including text content, logo, font, picture and format, and do not use other business logos; the Company's poetry registered the copyright of digital copyright and used the fonts written by employees in advertising.



2. In terms of internal information management, the Company adhered to information security and household information isolation and authorization, including the unified use of authorization system and official free software. In the contract review, the protection clauses include trade secrets, copyrights, naming rights, trademark rights, citizens' personal information and data security, the Company clarified rights and obligations, and set up competitive clauses to avoid direct or indirect unfair competition advantages.

In 2021, the Company formulated and published two policy interpretations and reminders related to this aspect:

1. The policy interpretation concerning the value-added services shall not set up an exclusive license or agreement on the advantages of non-fair competition, and shall be published on the legal research platform of the OA office system; and
2. Face recognition, as a measure of property management, shall maintain a reasonable, necessary, express permit and optional boundary.

Strengthen the Construction of Integrity to Ensure Compliance Development (Continued)

Clarifying supplier classification and management standards and forming closed-loop management measures

Since April 2020, the Company's procurement system platform has been gradually launched, from the selection of suppliers, demand submission, demand approval, three-party price comparison, bid determination results to supplier determination and price determination, all of which have been implemented online, increasing transparency throughout the procurement process.

➤ Supplier Selection

The Company has requirements for suppliers in various aspects during the initial selection of procurement, and selects qualified suppliers into the supplier database in accordance with the requirements of the system, and reviews suppliers throughout the process of providing services and products. After the end of the project, the departments and competent departments will conduct a comprehensive annual evaluation of suppliers. At the same time, the Company sets up a level-by-level review position. For suppliers with annual procurement amount exceeding RMB500,000, the Company requires personnel from different departments to participate in the bid opening review in a certain proportion by video to supervise the selection of suppliers.

➤ Supplier Management

The Company implements closed-loop management measures for supplier management: when selecting suppliers, the Company shall conduct a comprehensive inspection of suppliers and form a "Record Form for Preliminary Inspection and Evaluation", which shall be submitted to the Company after being approved by professional departments and it shall be subject to the approval. In terms of daily management, the projects served by suppliers supervise the whole process of services provided by suppliers, and the daily records are kept in the projects. When making payments, the project needs to clarify whether the quality of services provided by the supplier meets the project requirements, whether it can be implemented in accordance with the contractual terms, etc., and take this as an important basis for payment. At the end of the year, the Company organized the projects and professional departments served by the suppliers to conduct an annual review of the suppliers' services provided during the year to achieve closed-loop effect.

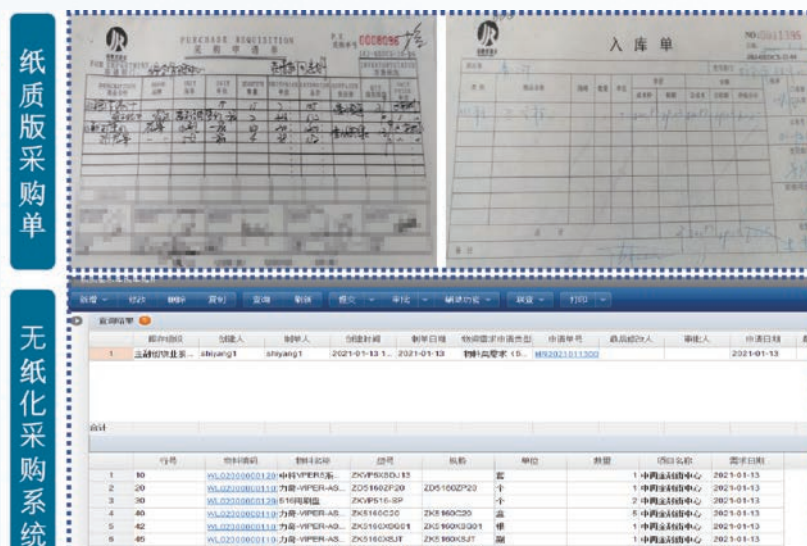
Statistical Table of Year-end Review Assessment Score of Engineering Suppliers and Supplier Assessment and Evaluation Form

供应商务考核评价表（工程施工及维保类）一直管项目									
项目名称:		项目总部:		评价日期:		JGJ-080321-06-03			
供应管理中心 (25分)			供应技术中心 (25分)			供应中心 (50分)			总分
评价内容	满分	得分	评价内容	满分	得分	评价内容	满分	得分	总分 100分
企业治理有效性	5		供应物资管理情况	5		供应物资管理情况	10		
供应商认定公正	2		技术能力	5		技术能力	5		
价格品牌性	10		履约诚信管理	5		品牌管理	4		
采购规范性	5		履约及时性、满意度	5		供应渠道管理	5		
符合禁止泄密/保密要求	3		符合禁止泄密/保密要求	3		工程数据	3		
						制定工作计划详细性和效果	3		
						数据及时性、真实性	3		
						符合禁止泄密/保密要求	5		
						供应商管理	5		
分值	25		分值	25		分值	50		
得分低于 20 分请说明原因			得分低于 20 分请说明原因			得分低于 40 分请说明原因			评价意见
供应管理中心意见			供应技术中心意见			供应中心意见			
是否列入准入/黑名单/白名单			是否列入准入/黑名单/白名单			是否列入准入/黑名单/白名单			
评价人:	部门经理:		评价人:	部门经理:		项目经理:	主管领导:		供应管理中心填写

序号	类别	供方名称	评价分数	总分	平均分	考核意见	考核结果
1	监理单位	上海建科工程咨询有限公司	5	472	94	符合要求	A类
2		上海建科工程咨询有限公司	1	89	89	符合要求	A类
3		上海建科工程咨询有限公司	2	92	92	符合要求	A类
4		上海建科工程咨询有限公司	2	176	88	符合要求	A类
5		上海建科工程咨询有限公司	6	550	92	符合要求	A类
6		上海建科工程咨询有限公司	1	85	85	符合要求	A类
7		上海建科工程咨询有限公司	1	95	95	符合要求	A类
8		上海建科工程咨询有限公司	11	1019	93	符合要求	A类
9		上海建科工程咨询有限公司	4	171	93	符合要求	A类
10		上海建科工程咨询有限公司	4	578	93	符合要求	A类
11	监理单位	上海建科工程咨询有限公司	1	93	93	符合要求	A类
12		上海建科工程咨询有限公司	3	268	89	符合要求	A类
13		上海建科工程咨询有限公司	1	94	94	符合要求	A类
14		上海建科工程咨询有限公司	1	91	91	符合要求	A类
15		上海建科工程咨询有限公司	1	92	92	符合要求	A类
16		上海建科工程咨询有限公司	1	94	94	符合要求	A类
17		上海建科工程咨询有限公司	6	837	92	符合要求	A类
18		上海建科工程咨询有限公司	1	95	95	符合要求	A类
19		上海建科工程咨询有限公司	2	286	93	符合要求	A类
20		上海建科工程咨询有限公司	2	389	93	符合要求	A类
21	监理单位	上海建科工程咨询有限公司	4	364	91	符合要求	A类
22		上海建科工程咨询有限公司	2	387	94	符合要求	A类
23		上海建科工程咨询有限公司	1	91	91	符合要求	A类
24		上海建科工程咨询有限公司	1	89	89	符合要求	A类
25		上海建科工程咨询有限公司	7	640	91	符合要求	A类
26		上海建科工程咨询有限公司	1	90	90	符合要求	A类
27		上海建科工程咨询有限公司	1	96	96	符合要求	A类

In addition, in order to further promote paperless office, the procurement of paper has gradually withdrawn from historical stage since the online operation of the procurement system platform in April 2020. The paperless procurement system can not only solve the paper waste caused by a large number of paper-based procurement orders, but also optimize procurement management and improve the efficiency of procurement approval.

Strengthen the Construction of Integrity to Ensure Compliance Development (Continued)



Number of suppliers by geographical region	2021 Data
Eastern China	310
Central China	10
Northern China	449
Southern China	572
Northeastern Region	40
Southwestern China	112

Table: Supplier-related KPIs

Note: Eastern China includes Shanghai, Jiangsu, Zhejiang, Anhui, Jiangxi and Shandong;

Central China includes Henan, Hubei, Hunan;

Northern China includes Beijing, Tianjin, Shanxi, Hebei, Inner Mongolia;

Southern China includes Fujian, Guangdong, Hainan and Guangxi;

Northeastern China includes Heilongjiang, Jilin, Liaoning;

Southwestern China includes Chongqing, Sichuan, Guizhou, Yunnan and Tibet.

Protect the Employees' Rights and Interests to Achieve Cooperation

The Company strictly complies with the “Labor Law of the People’s Republic of China”, the “Labor Contract Law of the People’s Republic of China”, the “Social Insurance Law of the People’s Republic of China”, the “Regulations on the Implementation Measures of Paid Annual Leave for Enterprise Employees”, the “Law of the People’s Republic of China on the Protection of Women’s Rights and Interests”, the “Special Rules on Labor Protection for Female Employees”, the “Administrative Measures for Occupational Health Surveillance” and other relevant national laws and regulations. The Company protects the rights and interests of employees in accordance with legal requirements, including but not limited to strictly prohibiting the employment of child labor, paying employees’ wages in full and in a timely manner, and not forcing employees to work or work overtime by means of violence. The relevant laws and regulations and the Company’s application are detailed below.

No.	LAWS AND REGULATIONS	Applicable product quality, environmental factors, occupational health hazards	Application by the Company
1	Labor Contract Law of the PRC	Signing of labor contract/labor agreement	Signing of labor contracts
2	Labor Law of the PRC	Establishing harmonious labor relations	Provisions on the employment of employees (including equal employment and promotion rights, anti-discrimination, etc.); Employment contract, working hours and rest periods; remuneration system; Technical regulations on labour hygiene and safety, etc.
3	Beijing Population and Family Planning Regulations	Female worker giving birth	Protection of female workers
4	Regulations on Work-Related Injury Insurance	Work injury	Occupational diseases, daily safety accidents
5	Implementation Measures for Paid Annual Leave for Employees	Annual leave	Annual leave management
6	Social Insurance Law of the PRC	Employee social insurance participation rate	Employees contribute to social security
7	Regulations on Salary Payment in Beijing	Staff payroll	Staff payroll
8	Measures for investigation and handling of occupational hazards	Occupational disease	Treatment of occupational disease accidents
9	Regulations on the Administration of Labor Protection Articles	Labour supplies	Configuration of labor protection supplies
10	Regulations of the State Council on Working Hours of Employees	Working hours	Labour Attendance System
11	Law of the PRC on the Protection of Women’s Rights and Interests	Female employee rights	Women’s labour and social security rights
12	Protection of Disabled Persons	Employee rights and interests	Equal employee policy
13	Administrative Measures for Occupational Health Surveillance	Staff physical examination	Occupational health examination
14	Special Rules on the Labour Protection of Female Employees	Protect the health of female employees	Three-stage protection and labour protection of female employees

Table: National legal provisions complied by the Company

Protect the Employees' Rights and Interests to Achieve Cooperation (Continued)

In addition, the Company has also formulated internal documents such as the “Handbook on Remuneration and Welfare”, the “Administrative Measures on Personnel Recruitment and Internal Deployment”, the “Administrative Measures on Employment”, the “Administrative System on Performance Appraisal”, the “Administrative Measures on the Labour Protection of Female Employees” and the “Administrative Measures on Employee Medical Examination”, which mainly cover recruitment, training, labor relations, remuneration, performance, employment and resignation, labor protection of female employees and other relevant contents. The following are the relevant internal system documents.

No.	Name of personnel system	No.	Name of personnel system
1	Handbook on Remuneration and Welfare	10	Labor Attendance Management Measures
2	Performance Appraisal Management System	11	Administrative Measures for Employee Physical Examination
3	Training Management System	12	Administrative Measures for Labour Protection of Female Employees
4	Administrative Measures for on Employment	13	Social Insurance Management Measures
5	Administrative Measures on Assessment of Employees during Probation Period	14	Administrative Measures for Personnel Files
6	Management Measures on Recruitment and Internal Deployment	15	Internal Trainer Management System
7	Employee Resignation Management Measures	16	Recruitment and training system for interns and fresh graduates
8	Management Measures for Induction Training	17	Incentivize Measures for Incentive Mechanism
9	Management Measures for Special Operations		

Table: Financial Street Property Personnel System

HUMAN RESOURCES DEVELOPMENT

The Company is committed to building a multi-level professional team with market development capabilities and modern management capabilities that are in line with the leadership of commercial properties. The Company introduced a market-oriented talent management mechanism to ensure that human resources allocation and development meet the Company's development needs, serve the Company's strategic development goal of becoming a leader in commercial properties, establish brand advantages, and maintain its leading position in the industry. Based on the development goals of each business, different human resources strategies are adopted for different business types.

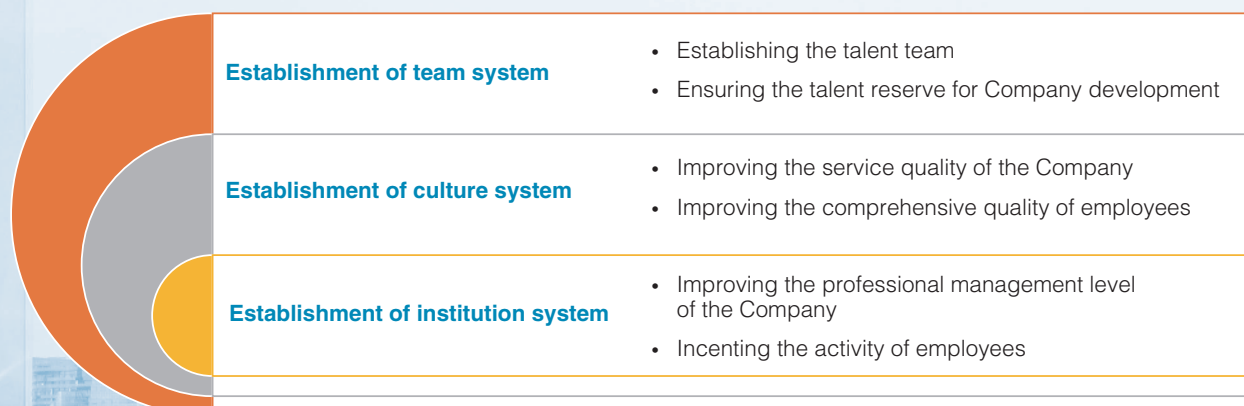


Figure: Company Human Resource Strategy

Protect the Employees' Rights and Interests to Achieve Cooperation (Continued)

SOUND EMPLOYMENT SYSTEM

➤ Recruitment mechanism for external and internal recruitment

The Company adopts a “dual-track” recruitment mechanism for external and internal recruitment. In terms of external recruitment, by segmenting the recruitment needs, the Company adopts diversified talent acquisition approaches, such as headhunting, website recruitment, government public welfare employment network, daily job fairs, targeted training on campus and recommendation from training institutions. In terms of internal recruitment, through the open internal selection mechanism, a team of multi-level professional talents with reasonable age structure, complete business configuration, strategic pioneering ability and modern management level can be reserved for the Company by building an internal competition platform and establishing a promotion channel that matches the development direction of the Company with the career development path of the staff.

➤ “Three-level talent recruitment model”

The Company has implemented the “three-level talent recruitment model” in order to develop recruitment sources at different levels in a targeted manner, namely high-level management talents, middle-level professionals and basic-level skilled talents, in view of the internal personnel situation and the gap with the external market and industry.

Talent hierarchy	Initiatives for recruitment reserve system
High-level management	1. The Company's high-level management talents are leaders with the ability to grasp and implement the strategic direction of the Company. In order to meet the demand for high-level talents for the Financial Street Property, we will enhance the selection and cultivation of talents and to form an environment conducive to the growth and development of leaders, to promote the sustainable development of the Company. 2. In order to recruit and reserve a group of high-level management talents with the ability to top five international banks, the Company will establish a new mechanism of “attracting, using talents” through a market-leading remuneration strategy.
Middle-level professional	1. The Company's middle-level talents, who cover all areas of expertise, are the talents with dual and management as well as the backbone of the Company. To meet the Company's needs for the expansion of business, the Company sets up an internal competition platform to encourage internal promotion and internal open selection mechanism based on the principle of internal competitive recruitment, external recruitment. Through written examinations, interviews and inspections, the Company selects the potential talents.
Basic-level professional	1. The basic-level skilled talents cover operators in the customer service, security and engineering are the frontline employees of the Company's business. In order to meet the needs for the large level positions required for the Company's expansion projects, the Company establishes different bases according to the demands of different professions. Through school-enterprise cooperation and off-site recruitment, we can ensure the source of supply of basic resources. The base will regularly provide targeted professionals for front-line positions. • Customer service receptionist: through association with travel colleges or etiquette schools around Beijing and in Harbin and Chongqing, a team of service personnel with good image and high quality are provided to the Company. • Security personnel: through association with armed force detachment, a batch of veterans are targeted to be transferred to the Company. • Engineering personnel: through school-enterprise cooperation agreement with the industrial and trade technologist and institutes of electronic technology vocational college, a group of personnel of engineering-related disciplines such as heating and ventilating, building and electrical and mechanical disciplines are targeted to be transferred to the Company.

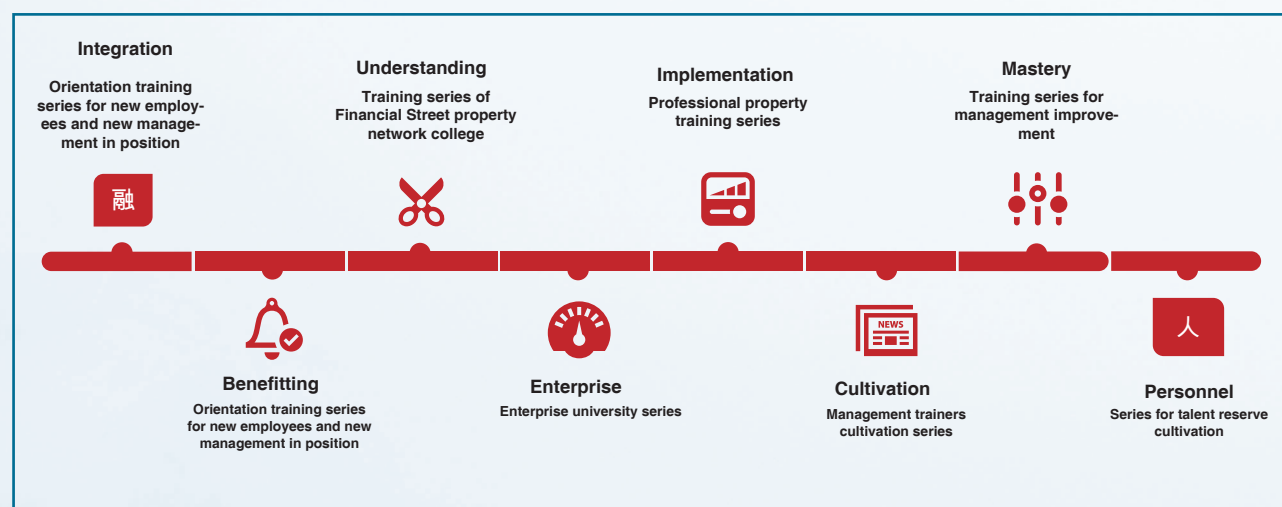
Protect the Employees' Rights and Interests to Achieve Cooperation (Continued)

LABOUR ENVIRONMENT MONITORING

The Company implements the business process mode of property management service, formulates and improves the “three-standard system”, identifies the environmental and occupational health hazards in the property office area, evaluates the impact of occupational hazards that may be foreseen in the office environment and various business processes on employees, and fills in the “Environmental Factor Identification and Evaluation Form” and “Hazard Source Identification and Risk Evaluation Form” for the Company's review. According to the evaluation standards, the evaluation results of important environmental factors in the “Environmental Factor Identification and Evaluation Form” and the “Hazard Source Identification and Risk Evaluation Form” were classified, and the results were all low-impact factors.

STAFF DEVELOPMENT AND TRAINING

In 2018, the Company established the Rongze Training Centre and set up a training system of “integration, understanding, implementation, mastery, benefit, enterprise, cultivation and personnel”. The training system comprehensively empowers employees from multiple perspectives such as induction training, corporate culture, professional courses, themed courses, management courses and talent cultivation, and provides employees with a series of courses on corporate management, professional skills, thinking skills and team building as well as courses for different positions.



Graph: Company training system

Note: As most of the cooperative institutions are non-local schools, the “education” training series has been affected by the epidemic, and was suspended for the year.

1. The “integration” series of new employee orientation training held 45 online and offline induction training sessions for new employees, with a total of 1,280 new employees and new management personnel trained, and 100% of new employees passed the training assessment.
2. The “understanding ” series has released more than 140 professional property online courses, 2 Party building online courses and 2,902 general management online courses in cumulative. On this basis, the training center used the general platform to produce, improve and iterate 127 professional property courses.

Protect the Employees' Rights and Interests to Achieve Cooperation (Continued)

3. Regarding the “implementation” series professional property training series, in 2021, Rongze Training Center began to recruit 2021 steward trainees from all regions across the country. All units have actively signed up and finally produced 45 trainees after selection. As of the end of September 2021, Rongze Training Center held a total of 15 butler training sessions, with a total of 645 participants and 100% passing rate. By the end of 2021, Rongze Training Center had trained a cumulative total of 121 the “golden butlers (金管家)” and the “harmony butlers (融管家)”
4. The “mastery” series of general management training courses, implemented the “virtue and talent” series training for project management personnel under the annual training plan. In the third quarter, the training center implemented two phases of “virtue” series training, and organized four moral training on “Small Treasury” management and control and “Using rights in compliance” for project management personnel, with a total of 1,040 project management personnel being trained.
5. Regarding the “benefitting” series of training programs for internal trainers, Rongze Training Center conducted the “Training on Classroom Presentation Skills of Internal Trainers” for internal trainers in large regions through the combination of regional recommendation and personal enrollment, and with the purpose of “tolerant-in, strict-out (寬進嚴出)” through online live broadcast. Through the trainees’ trial lectures and assessment reviews, 10 people were finally certified as the second batch (five batches in total) of regional primary trainers.
6. The “enterprise” series completed a total of 31 property management senior teachers and assistant exams and pre-exam tutoring organized by the China Property Management Association.
7. Regarding the “personnel” series reserve talent training programs, in 2021, Rongze Training Center carefully arranged a series of operation and management training, including “corporate culture re-empowerment”, “key to communication”, “business model innovation and control” and “crisis management and media response”, with a total of 1,721 trainees and 100% passing rate.

Protect the Employees' Rights and Interests to Achieve Cooperation (Continued)

Center Name	Course subjects
Enterprise Development Center	Customer mental discussion during community service External publicity management practices of the Company
Financial Management Center	Financial knowledge training for non-financial personnel 2022 Budget Training
Risk Legal Center	Sharing and application of investment project risk management research results Important and required knowledge of compliance operation for branch companies
Integrated Management Center	Internal Practice Training Regional Procurement Priorities
Operation Management Center	Three-year Work Safety Promotion Plan Practice Customer Relationship Maintenance Practices
Human Resources Center	Performance Management Practices Employee Incentive Management
Rongze Training Centre	Human Resources Management for Non-human Resources Managers How to Read Resumes
Information Technology Center	Second-piece Management Practices Daily Operation Process of ERP System
Board Office	Corporate Governance and Authorized Credit Management Corporate Crisis Public Relations Plan
Audit Department	Three-year Audit Rectification Issues and Risk Warnings Administrative Measures for Economic Responsibility Audit during Term of Office
Standards Implementation Committee	Identification and Explanation of Environmental Factors and hazards at Company Level in 2021 Hazard Source Identification, Risk Assessment and Determination of Measures Control Procedures

Table: 2021 Training Course Table of Rongze Training Centre

Protect the Employees' Rights and Interests to Achieve Cooperation (Continued)

Training programs	Training Batch	Number of trainees	Pass rate
New Employee Training	45	1,280	100%
Training for reserve talents	15	1,721	100%
"Virtue and talent" series of training for project management personnel	4	1,040	100%
2021 "golden butlers, harmony butlers" training	15	645	100%
Continuing education and training of "golden butlers, harmony butlers" in the past	5	410	100%
Second-level safety standard assessment	9	245	100%
"Jinjia" service team training	10	250	100%
"Jing Xun Ding" vocational skills improvement training	1	1,331	100%
Internal trainer certification training	1	10	100%
Sharing of professional courses at functional centers	14	3,640	—

Table: 2021 Training Data Summary of Rongze Training Center (by training projects)

Note: The sharing of professional courses at functional centers does not cover the assessment part

Staff training hours at all levels of the Company	Unit	2021 Data	2020 Data
Average training hours of senior management	hours/person	58	56
Average training hours of middle management	hours/person	61	57
Average training hours of ordinary employees	hours/person	61	68
Average training hours of employees	hours/person	61	60
Average training hours of male employees	hours/person	62	61
Average training hours of female employees	hours/person	59	58
Percentage of senior management trained	%	100	100
Percentage of middle management trained	%	100	100
Percentage of general employees trained	%	100	100
Percentage of male employees trained	%	100	100
Percentage of female employees trained	%	100	100

Table: 2021 Training Data Summary of Rongze Training Center (by employee level)

Protect the Employees' Rights and Interests to Achieve Cooperation (Continued)

Training cases:

1. In order to strengthen the training of professional talents and improve the fire safety skills of all employees, the Company carried out “Jing Xun Ding” online fire safety training and practical drills and learning activities. A total of 1,331 employees participated in the training, with 80.3 hours of study and all the tests for the five courses were passed.

No.	Course Name	Training hours
1	Basic knowledge of buildings fire prevention	7.2
2	Fire facilities monitoring, maintenance and repair	15.3
3	Social security officer training	9.7
4	Basic knowledge of combustion and fire	4.6
5	Improving professional quality	43.5
Total hours		80.3

2. In order to implement the training goal of “customer service team as butlers”, Rongze Training Center recruited butlers trainees for the year 2021 from all regions across the country. In 2021, in total 45 trainees have been confirmed. Rongze Training Center has carried out a six-month butlers empowerment training covering 15 courses since the second quarter. As of the end of September, Rongze Training Center held a total of 15 butler training sessions, with 645 participants and 100% passing rate. According to the annual plan, the training center organized the final training assessment and award ceremony in the fourth quarter.

Appraisal and Grant of Badge Ceremony



Protect the Employees' Rights and Interests to Achieve Cooperation (Continued)

3. Training activities for reserve talents

In 2021, Rongze Training Center carried out sand table development training according to the training work plan in combination with market competition and business development as the training objectives. Professional sand table courses deeply explore, analyze and find solutions to possible cooperation, communication, competition, pressure and conflicts in team operation. Through the experience of the event, the fundamental essence of the problem was identified and an effective solution was found. We help managers and team members to make detailed planning arrangements and organizations in advance based on the existing resources, capabilities, time and other factors, so as to achieve the optimization and integration of various factors, pay close attention to the situation of competitors in real time during the implementation process, make continuous judgments, adjust and revise their original plans to adapt to the development and change of actual situation, so as to achieve final success. A total of 240 participants attended the sand table outward bound.

Sand Table Training



Protect the Employees' Rights and Interests to Achieve Cooperation (Continued)

EMPLOYEE INCENTIVE, ASSESSMENT AND PROMOTION

The recruitment principle of the Company is mainly based on internal selection, supplemented by external recruitment. The Company has established an open selection mechanism. Employees who meet the requirements can apply for registration, and finally select qualified talents through written examinations and interviews and the results will be published online and formally appointed after passing.

In order to motivate employees more effectively, based on business characteristics the Company revised three "Interim Measures for Incentive Mechanism", namely market expansion incentive mechanism, main business incentive mechanism and value-added service incentive mechanism. On the basis of basic salary, employees can obtain additional benefits brought by innovative business through their own active efforts, which greatly improves the enthusiasm of employees. The Company continues to increase incentives. Based on the principle of corporate development results, the Company gives full play to the subjective initiative of employees, so that the interests of employees and the Company are closely integrated, and that employees can participate more in the operation of the Company, obtain greater returns, and work together to strive for the development of the Company.

In addition, the Company provides employees with diversified benefits, such as subsidies for additional medical insurance treatment, heatstroke prevention and cooling supplies, Spring Festival holiday condolences, rice, flour and other Spring Festival goods, birthday, wedding, newborn condolences, funeral subsidies, condolences for retired employees, etc. In 2021, the Company completed holiday condolences for all employees, birthday condolences, extreme weather condolences, summer cooling and other work, covering employees nearly 5,500 person times; completed more than 40 special condolences for employees in difficulties, newly-married employees, new-born children employees, retired employees, sick employees, and dispatched employees, covering 189 employees.

Composition of benefits other than staff wages

Statutory benefits

The benefits that companies are required by law to provide. The Company provides employees with "five -insurance and one-fund" in accordance with national regulations, namely social pension insurance, social unemployment insurance, social medical insurance, work injury insurance, maternity insurance and employee housing provident fund. The Company will withhold and pay from the basic salary of employees on a monthly basis.

Guidance benefits

The company has adopted its own welfare measures for its employees in order to attract and retain talents, which include holiday allowance, annual leave subsidy, single child subsidy, heating subsidy, etc.

Supplementary benefits

The welfare measures provided to employees according to their job requirements and to encourage long-term employment of outstanding employees, which include corporate pension, supplementary medical insurance, personal accident insurance, etc.

Protect the Employees' Rights and Interests to Achieve Cooperation (Continued)

PROTECTING EMPLOYEES' HEALTH AND SAFETY

In accordance with the Special Provisions on the Labour Protection of Female Employees, Financial Street Property implements the protection of female employees in four stages: menstruation, pregnancy, maternity and lactation. It signs the Special Collective Contract for the Protection of Rights and Interests of Female Employees on time, stipulates equal opportunities for male and female employees and equal pay for equal work, and incorporates the labor safety and health protection of female employees into the occupational safety and health management system. In particular, for female workers in three phases, namely pregnancy, maternity and lactation, the health and safety of female workers in special periods are strictly protected in accordance with the policy.

Protection measures for female workers during three periods

In accordance with national regulations, female workers are entitled to take leave during the "three periods", and the length of leave for each type of leave is enforced in accordance with the requirements, mainly including: maternity examination, maternity leave, miscarriage leave and breastfeeding leave.

The Company not to reduce the basic wages of a female worker during pregnancy, maternity or breastfeeding, or to terminate her labour contract.

If an employee takes leave for maternity checkup in accordance with the laws, it shall be considered as normal labour and wages shall be paid. Checkups and treatment fees can be paid or reimbursed by maternity insurance.

The maternity subsidy for female employees during child birth or miscarriage calculated in accordance with the average monthly wages of the employees of the enterprise in the previous year and paid by the maternity insurance fund.

Female employees are entitled to one hour of breastfeeding time per day during the breastfeeding period. For multiple births, half an hour of breastfeeding time will be added for each additional baby. Wages will be paid in strict accordance with the salary level agreed in the labour contract, without any reduction or decrease.

During pregnancy and breastfeeding, female workers shall not be assigned to work at the third level of physical strength as stipulated by the State or to work that is prohibited during breastfeeding, and for female workers who are more than seven months pregnant and breastfeeding, their working hours shall not be extended and they shall not be assigned to work at night.

Protect the Employees' Rights and Interests to Achieve Cooperation (Continued)

The Company also makes use of the trade union mutual assistance guarantee platform to further improve the employee protection system. Every year, the Company supplements and joins the “Mutual Assistance Guarantee Scheme for Special Diseases of Working Female Employees” for female employees of appropriate age to relieve their financial difficulties caused by special diseases. At the same time, the Company insists on organizing activities on Women's Day every year, distributing female workers' supplies every six months, and implementing the care for female employees.

The labor union of Financial Street Property organized a movie-watching activity themed “Love Home and Love Life”



In accordance with the requirements of the Company's occupational health and safety system to reflect the Company's “people-oriented” business philosophy, the Company organizes employee health examinations, and reminds employees of their health issues and call them to pay more attention on its prevention and control. In case of serious illness that affects work and personal health and safety, it shall be dealt with in strict accordance with relevant national regulations and the actual situation of the Company and the position. The Company organizes physical examination for employees every year, and has customized physical examination packages according to the age group and gender of employees. For employees over 40 years old, the Company has also added inspection items such as carotid artery, Doppler and thyroid function. According to the analysis report provided by the medical examination center, the employees of the Company were in good health condition in general.

Protect the Employees' Rights and Interests to Achieve Cooperation (Continued)

Indicators	2021 Data	2020 Data	2019 Data
Lost days due to work-related injuries (day)	720	475.5	364
Number of work-related fatalities occurred in each of the past three years	0	0	0
Proportion of work-related fatalities occurred in each of the past three years	0	0	0

Table: Statistics of work-related injuries and work-related fatalities

Indicators	Number of employees in 2021	Number of employees in 2020	Employee Turnover Rate in 2021	Employee turnover rate in 2020
Employees	4,382	4,123	29.23%	24.76%
By gender				
Male	2,862	2,723	24.88%	19.68%
Female	1,520	1,400	37.43%	34.64%
By age group				
Aged 30 or below	827	899	61.55%	49.39%
31-50 years old	2,620	2,375	23.36%	17.64%
50 years old or above	935	849	17.11%	18.61%
Total workforce by employment type				
Full-time	4,188	4,123	28.46%	—
Part-time	194	0	45.88%	—
By geographical region				
Employees in Eastern China	265	313	51.32%	38.98%
Employees in Central China	59	16	50.85%	18.75%
Employees in Northern China	3,041	2,845	21.90%	18.14%
Employees in Southern China	387	389	48.06%	50.64%
Employees in Northeastern China	27	21	3.70%	4.76%
Employees in Southwestern China	603	539	43.45%	33.77%

Table: Employee employment-related key performance indicators

Protect the Employees' Rights and Interests to Achieve Cooperation (Continued)

Note: (1) Eastern China includes Shanghai, Jiangsu, Zhejiang, Anhui, Jiangxi and Shandong;

Central China includes Henan, Hubei, Hunan;

Northern China includes Beijing, Tianjin, Shanxi, Hebei, Inner Mongolia;

Southern China includes Fujian, Guangdong, Hainan and Guangxi;

Northeastern China includes Heilongjiang, Jilin, Liaoning;

Southwestern China includes Chongqing, Sichuan, Guizhou, Yunnan and Tibet.

- (2) The total employee turnover rate and the employee turnover rate by gender, age and region in the Company's ESG report published in FY2020 are monthly figures, which have been included in the FY2021 ESG report on an annual basis, together with restated annual figures for FY2020 for reference.



Practice Green Operation and Strive for Sustainable Development

The Company pays attention to the harmonious development of human and nature and is committed to providing high-quality services. The Company strictly abides by the Environmental Protection Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Measures for Environmental Administrative Penalties, the Implementation Plan for the Domestic Waste Classification System and the Regulations on the Administration of Domestic Waste in Beijing and other laws and regulations related to the Company's operation and environmental protection. At the same time, the Company has formulated the Energy Management Manual of Financial Street Property, which effectively promotes the Company's energy management, rational use of energy, improves energy efficiency, and reduces the Company's operating costs, so that the Company can reduce the loss and waste of energy in all aspects, and use energy more effectively and reasonably.

In 2021, the Company organized the supplemental identification and update of environmental factors. After identification and evaluation, in 2021, the Company identified and evaluated 210 environmental factors in 28 regions in six categories (energy consumption, resource consumption, air pollution, water pollution, land pollution and noise pollution). Through the evaluation of environmental factors, 79 important environmental factors were obtained, and corresponding target indicator plans were formulated. With the rapid expansion of the Company's business, many factors will lead to changes in environmental factors, and dynamic management and control will be conducted in the daily project operation based on the actual situation.

ENERGY MANAGEMENT MECHANISM

Based on the national energy conservation policy and energy management standards, Financial Street Property has established an energy management organization and an energy conservation leading group based on the characteristics of energy consumption of enterprises to lead the energy management of the whole company. The first-level energy-saving leading group is led by the general manager of the property company as the group leader, the deputy general manager as the deputy group leader, and the group members are composed of the department manager in charge of energy management; The second level is that the manager of the energy department is specifically responsible for energy conservation affairs, and is fully responsible for the daily energy conservation management of each building, the formulation and promotion of energy conservation systems, etc.; the third level is the energy-saving implementation level, and the energy equipment operators of each building are the first responsible persons for the energy-saving management system, responsible for the implementation and feedback of specific energy-saving work. The Company establishes a sound energy-saving guarantee mechanism in terms of the organizational structure.

Practice Green Operation and Strive for Sustainable Development (Continued)

Organizational Structure of Energy Conservation Management



First Level: Energy Saving Leadership Team

To lead enterprise-wide energy efficiency management



Second Level: Energy saving Management Team

To be particularly responsible for energy saving matters, and fully responsible for the daily energy saving management of all buildings and the development and promotion of energy saving systems, etc.



Third Level: Energy saving Implementation Team

To be responsible for the implementation and feedback on specific energy saving work by energy equipment operators

The purpose of the Company's energy-saving management is to effectively reduce the energy consumption of various properties through scientific management, technological transformation and behavior guidance, save resources and protect the environment to the maximum extent, and strive to build property management activities for energy-saving and low-carbon living communities under the premise of ensuring the basic requirements of property service quality. The Company has established an BI online energy management system to collect, review, summarize and demonstrate the current and historical energy data of the project in real time. Each project has established a power consumption monitoring and analysis system for public areas and major electrical equipment, analyzed the energy operation on a monthly basis, and realized data-based and visualized control of energy conservation. The Company actively responds to the national policies related to energy conservation, carbon reduction and green development, actively implements the management measures of key energy-consuming units, explores the potential of energy conservation and consumption reduction, carries out targeted energy conservation and consumption reduction work, continuously improves the level of energy management and energy utilization, and achieves the ultimate goal of energy conservation and emission reduction.

Practice Green Operation and Strive for Sustainable Development (Continued)

CARBON EMISSION MANAGEMENT

According to the “Decision of Beijing Municipal People’s Congress on Carrying out the Pilot Work of Carbon Emissions Trading under the Premise of Strictly Controlling the Total Amount of Carbon Emissions”, the “Notice of Beijing Municipal People’s Congress on Issuing the Administrative Measures of Beijing Municipality for Carbon Emissions Trading (Trial) (Jing Zheng Fa [2014] No. 14)” and the “Notice on Adjusting the Scope of Control of Key Emission Units under the Administrative Measures of Beijing Municipality for Carbon Emissions Trading (Trial) (Jing Zheng Fa [2015] No. 65)” issued by the municipal government, the Company submitted its annual carbon emission verification report to the Ecology and Environment Bureau within the prescribed time frame and completed in full compliance for its annual carbon emission work.

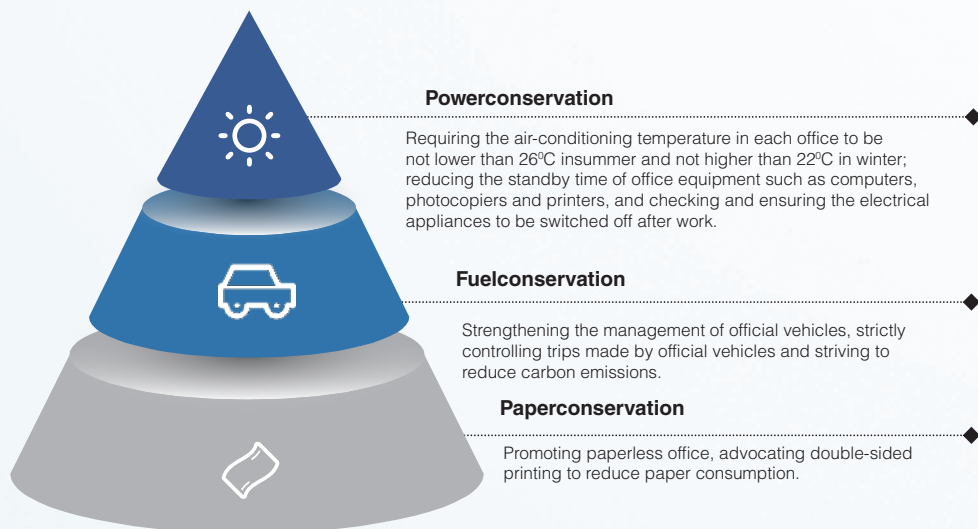
The Company sets energy conservation and environmental protection targets every year. Based on the carbon emission indicators calculated by the Beijing Center for Climate Change Research, the Company has formulated a 3% annual energy saving control indicator for the application and verification of energy projects through the energy reporting and approval data of the OA office system. The monthly energy reporting of the projects is analyzed for the month-on-month and year-on-year data, and the use of energy is strictly controlled to ensure that the power control in public areas is reduced by 3%.

In May 2021, the project of Financial Street (Chang’ an) Center under the Company’s management was awarded the 2-star Green Building Label Certificate by Beijing Municipal Commission of Housing and Urban-Rural Development, which is a high-standard certification of green energy conservation for the projects under the Company’s management.



In the course of operation, in order to fully implement carbon emission management, the Company has put forward specific measures in terms of power saving, fuel saving and paper saving to reduce carbon emissions and improve energy efficiency with practical actions.

Practice Green Operation and Strive for Sustainable Development (Continued)



PAPER SAVING CASE

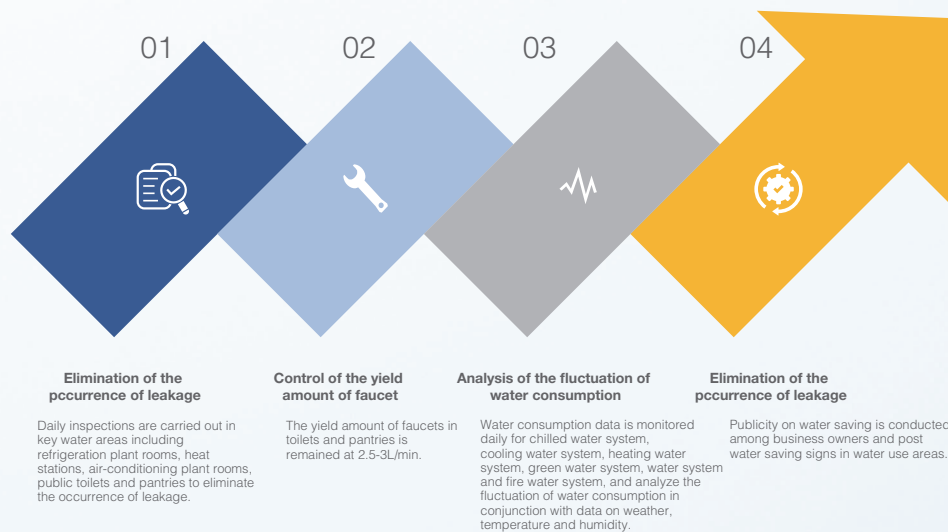
Paperless training: In 2021, the training of Rongze Training Center was all electronic information-based operations, including PPT courseware, online assessment of the network college, and electronic training.



Practice Green Operation and Strive for Sustainable Development (Continued)

WATER CONSERVATION MANAGEMENT

The Company actively responds to the national call, attaches great importance to water efficiency, and minimizes unnecessary water consumption in daily operations. The water used in operations mainly includes daily service water, property water, office water and greening water. The water-saving target is that the annual rate of water leakage and dripping is less than 3%. We have formulated a number of specific water conservation measures.



WASTE MANAGEMENT

In the normal operation and management, hazardous waste generated by the Company includes ink cartridges, toner cartridges and batteries, while non-hazardous waste mainly refers to domestic waste. In order to better fulfill the responsibility of environmental protection, the Company has formulated different treatment measures for different waste management to reduce the harm caused by waste to the environment. We aim to establish waste recycling and treatment plans, implement waste classification management in each project under our management in accordance with national requirements, and continuously improve the living environment of property owners.

- Management of hazardous waste: equipped with waste battery collection buckets; set up collection bins for medical waste and epidemic prevention supplies; collected toner cartridges by special personnel and arranged qualified third parties for recycling.
- Management of domestic waste: set up waste sorting bins in office buildings to collect and transport each type of waste; post posters and notices on the project bulletin board to promote the correct waste classification methods to the owners; strengthen the education and related training of waste sorting; through intelligent means, the efficiency of waste sorting, transportation and treatment can be improved. For example, the intelligent waste sorting center of the Yuetan Project can achieve intelligent classification, precision and efficiency.

Practice Green Operation and Strive for Sustainable Development (Continued)



FOCUS ON CLIMATE CHANGE

The Company attaches great importance to the risks brought by climate change and has adopted a series of measures. At present, climate change factors that pose risks to operations mainly include greenhouse effect and frequent extreme climate, such as snowstorms, heavy rains, floods, droughts, lightning, typhoons, etc.

In response to extreme weather disasters, the Company has established a complete emergency management system base on years of management experience and formulated the Safety Production Management Manual. Property projects in various regions may, according to their own disaster risks (e.g. the southern region has focused on emergency prevention and control of heavy rains and typhoons in the past, but with the changes in extreme weather in recent years, it has also improved emergency response and preventive measures such as droughts, snowstorms and cold flows in accordance with the Company's system) and cooperated with customers to carry out local emergency plan drills on a regular basis according to local conditions to improve the effective response to emergency disaster weather and comprehensively protect the personal and property safety of customers.

Indicators	2021 Data	2020 Data
Types of emissions and emissions		
Nitrogen oxides emissions (kg)	320.35	–
SO _x emissions (kg)	0.59	–
Particulate matter emissions (kg)	30.47	–
Greenhouse gas emissions and intensity		
Total GHG emissions (tonnes)	68,164.06	64,740.95
Greenhouse gas emissions per unit area under management (tons/m ²)	20.35	26.21
Scope of direct emissions (Scope 1) (tonnes)	86.31	39.79
Gasoline (ton)	85.47	39.61
Diesel (tonnes)	0.84	0.18

Practice Green Operation and Strive for Sustainable Development (Continued)

Indicators	2021 Data	2020 Data
Indirect emissions (Scope 2) (tonnes)	68,077.75	64,701.16
Purchased electricity (tonnes)	68,077.75	64,701.16
Total hazardous waste and intensity		
Total amount of hazardous waste disposal (tonnes)	5.93	6.14
Waste ink cartridges (tonnes)	0.20	1.80
Waste toner cartridges (tonnes)	1.69	1.99
Waste fluorescent lamp tubes (tonnes)	3.12	1.05
Waste batteries (tonnes)	0.92	1.31
Total hazardous waste disposal per GFA under management (tonnes/sq.m.)	0.0018	0.0025
Total non-hazardous waste produced and intensity		
Total amount of non-hazardous waste disposal (tonnes)	423.49	438.41
Domestic waste (tonnes)	377.84	355.51
Office paper (tonnes)	45.65	82.90
Total non-hazardous waste disposal per GFA under management (tonnes/sq.m.)	0.13	0.18

Table: KPIs related to emissions

Note:

1. The scope of disclosure of emission-related performance indicators in 2021 includes the office areas of the Company's business segments, as well as the property management public areas of projects under management (excluding commission-based projects).
2. Based on the operational characteristics, the emissions of nitrogen oxides, sulphur oxides and particulate matters mainly come from gasoline and diesel consumed by the Company's vehicles. The emissions are calculated in accordance with the "How to Prepare an ESG Report Appendix II: Reporting Guidance on Environmental Key Performance Indicators". The data in 2020 is not calculated.
3. Based on its operational characteristics, the Company's greenhouse gas emissions mainly come from purchased electricity and vehicle fuels, including carbon dioxide, methane and nitrous oxide. Greenhouse gas emissions are presented in carbon dioxide equivalent and calculated based on the 2019 Baseline Emission Factors for Regional Power Grids in China issued by the Ministry of Ecology and Environment of the People's Republic of China and the 2019 Amendment to the 2006 IPCC Guidelines for Greenhouse Gas Inventories issued by the Intergovernmental Panel on Climate Change (IPCC).
4. The hazardous wastes involved in the operation of the Company mainly include waste ink cartridges, toner cartridges, fluorescent tubes and batteries.
5. The non-hazardous waste involved in the Company's operation mainly includes office domestic waste and waste office paper, of which domestic waste is estimated based on the number of people and the average daily production coefficient of domestic waste.

Practice Green Operation and Strive for Sustainable Development (Continued)

Indicators	2021 Data	2020 Data
Total energy consumption (MWh)	101,921.13	96,778.59
Direct energy consumption (MWh)	375.21	162.48
Gasoline (MWh)	372.41	161.79
Diesel (MWh)	2.80	0.69
Indirect energy consumption (MWh)	101,545.92	96,616.10
Purchased electricity (MWh)	101,545.92	96,616.10
Energy consumption per GFA under management (MWh/sq.m.)	30.43	39.18
Water consumption (tonnes)	1,344,166.08	908,450.00
Water consumption per GFA under management (tonnes/sq.m.)	401.28	367.79

Table: Energy and Resources Consumption Related KPIs

Note:

1. The scope of disclosure of key performance indicators related to energy and resources consumption in 2021 includes the office areas of the Company's business segments and the property management public areas of the projects under management (excluding commission-based projects).
2. The energy consumption data is calculated based on the consumption of purchased electricity and vehicle fuel and the relevant conversion factors provided in the General Principles for Calculation of Comprehensive Energy Consumption (GB/T 2589-2008).
3. Water consumption of the Company comes from municipal water supply, and there is no issue in sourcing water that is fit for purpose.
4. Packaging materials data is not applicable to the Company's business.

Assume Social Responsibility and Highlight the Responsibility of State-owned Enterprises

ADHERING TO THE ANTI-EPIDEMIC WORK AND PROTECTING COMMUNITY SAFETY

In 2021, in accordance with the requirements of the national and government policies on the control of the COVID-19 pandemic, the Company implemented normalized management of pandemic prevention and control, and coordinated the pandemic prevention in a proper manner with stable scheduling and orderly organization. In order to show our care and condolence to on-the-job employees, employees in Beijing, volunteers for epidemic prevention and control, and vaccination employees in the closed area, the Company set up special funds for epidemic prevention and control, covering more than 1600 employees.

➤ Anti-epidemic Case 1

In January 2021, Financial Street·Ronghui Community, Tiangongyuan Street, Daxing District, Beijing found a confirmed case. The Company promptly announced the epidemic-related work arrangements to the property owners and actively obtained the cooperation of residents. All members of Ronghui Community were closed for management and quickly entered the state of prevention and control.



The Company quickly set up the "Fire Front Pioneer Team", set up an online working group with the local community residents' committee, established an online material supply group of the owners of buildings as the unit, and adopted the methods of ordering by the owners, centralized procurement, community coordination, and door-to-door property distribution to ensure that the daily needs and material supply of the owners during the quarantine period were not interrupted, and more than a thousand times of distribution of various daily necessities, epidemic prevention materials, and materials for retained personnel.

Faced with the exponential increase in workload and waste generation of all residents at home, under the circumstance that the cleaning staff in the park were successively quarantined, the "Pioneer Team" bear the responsibilities of the collection work, work overtime, and have no rest. The engineering staff not only needed to complete the maintenance work, but also took the responsibility of order maintenance and waste collection. The Company conducted thorough disinfection in public areas and parts such as corridors, garages and parks twice a day, with a total area of approximately 240,000 square meters, and completed daily disinfection work with quality and quantity.

Assume Social Responsibility and Highlight the Responsibility of State-owned Enterprises (Continued)

The property services of Ronghui Community always maintained high quality and strict requirements. The “pioneering team” worked around the clock to ensure the environmental sanitation and safety of the community, so that the owners had a sense of happiness and security, which was highly recognized and unanimously praised by the owners and competent government authorities.

➤ Anti-epidemic Case 2

In June 2021, the COVID-19 pandemic in Guangzhou re-occurred, and Financial Street • Rongsui Huaifu, located in Guanggang New City, a medium and high-risk area in Liwan District, began the isolation management. During the closure period of half a month, the owners of Financial Street Property worked together to protect the home of the property owners, warm each other and help each other to fight the epidemic together.

During the epidemic isolation period, which coincided with the Dragon Boat Festival, the Company prepared “reunion” rice dumplings for each household and sent them to each household in batches. Rice Dumplings represented as gifts to express our concern to property owners. The children of the property owners set their pictures at the door and expressed their gratitude to the staff in their own ways.



Assume Social Responsibility and Highlight the Responsibility of State-owned Enterprises (Continued)

On June 23, after the lockdown, several property owners from the community presented brocade flags to the property management and volunteers. The Baihedong Working Committee of Liwan District of Guangzhou and Baihedong sub-district office of Liwan District of the Communist Party of China awarded medals and letters of praise to each staff member of Rongsui Huafu Property Service Center for fighting the epidemic.



Assume Social Responsibility and Highlight the Responsibility of State-owned Enterprises (Continued)

GRASP VACCINATION AND BUILD AN IMMUNE BARRIER

Vaccination is an effective means to prevent and control the COVID-19 pandemic and an important part of building a national immune barrier. After the launch of vaccination, Financial Street Property actively responded to the call of Beijing Municipal Party Committee and Municipal Government, and actively carried out the vaccination mobilization and implementation of employees of the Company and employees of customers of projects under management in accordance with the unified deployment of competent departments and superior companies. Financial Street Property set up a team for vaccination work of the Company, carefully planned, carefully organized and actively implemented it. Three projects under management, namely Beijing Financial Street Shopping Center, Financial Street F2 Project and Beijing New Power Financial Technology Center, took the lead in achieving “vaccination as much as possible”. Among them, Financial Street Shopping Center Project, Financial Street F2 Project and Beijing New Power Financial Technology Center became the first batch of projects to be awarded the “Green Building” safety label.

Several projects of Financial Street Property were awarded the “Green Building” label



Assume Social Responsibility and Highlight the Responsibility of State-owned Enterprises (Continued)

➤ “Doing practical things for the public” series of activities

The Company served the community as its foothold, strictly implemented the “double reporting” system, organized on-the-job party members to support the prevention and control of the epidemic in the community, actively participated in the clean governance of the community environment, and on-duty for garbage classification, cooperated with the community residents’ committee to carry out free medical consultations, creates civilized urban theme publicity and other activities, and served community residents. At the same time, the Company carried out cleaning of garbage and sundries, planted flowers and grass, investigated and tackled hidden dangers of flood control, cooperated with the local police station to promote anti-fraud, cooperated with the street to solve the problems of private construction in the community, installed charging piles, water circuit failure, etc., improved the service level of the area, and further promoted the deep learning and education of the Party’s history.

Participate in community governance to build a civilized urban area



Clean environment action in patriotic sanitation month



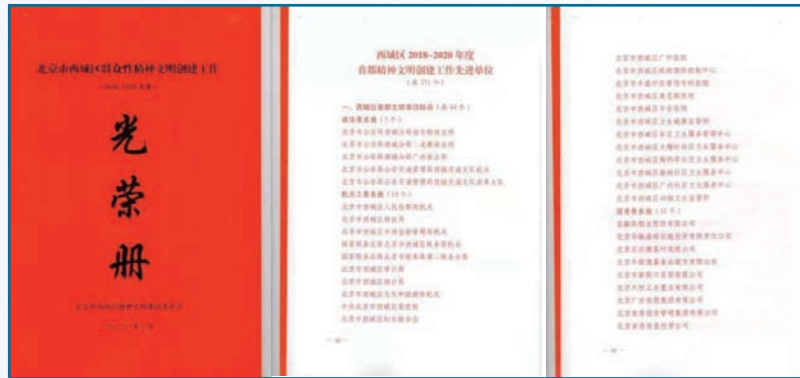
➤ Communist Party Members Give Love

In 2021, the Party committee of Financial Street Property carried out the activity of “Communist Party Members Give Love” and sent all the raised donations to Xicheng Charity Association for carrying out “Spring Rain Action” for critical illness relief, medical assistance for low-income elderly, “Love for the Future” charity student assistance, “Green Channel” emergency assistance and love assistance to Party members in difficulties.

Assume Social Responsibility and Highlight the Responsibility of State-owned Enterprises (Continued)

STRENGTHEN THE CONSTRUCTION OF SPIRITUAL CIVILIZATION AND SET AN EXAMPLE FOR SOCIETY

In January 2021, Financial Street Property Management Company was awarded the honorary title of “2018-2020 Advanced Organisation in Spiritual Civilization Establishment in the Capital”, setting a good example for the construction of social spiritual civilization.



In the morning of 25 April 2021, Beijing Federation of Trade Unions held a press conference, announcing the results of the 2021 Capital Labor Award and the election of Pioneer Workers. Ronghui Project Property Service Center of Financial Street Property Company won the honorary title of “Pioneer Workers in Beijing City”.

Beijing Worker Pioneer Certificate



Appendix: Environmental, Social and Governance Reporting Guide Content Index

Areas	Aspects	Performance Indicators	Chapter
Environment	A1 Emissions	General Disclosure: Information on:	Practice Green Operation and Strive for Sustainable Development
		(a) the policies; and	
		(b) compliance with relevant laws and regulations that have a significant impact on the listed company relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and nonhazardous waste.	
		A1.1 The types of emissions and respective emissions data.	Practice Green Operation and Strive for Sustainable Development
		A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Practice Green Operation and Strive for Sustainable Development
		A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Practice Green Operation and Strive for Sustainable Development
		A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Practice Green Operation and Strive for Sustainable Development
		A1.5 Description of emission target(s) set and steps taken to achieve them.	Practice Green Operation and Strive for Sustainable Development
		A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Practice Green Operation and Strive for Sustainable Development

Appendix: Environmental, Social and Governance Reporting Guide Content Index (Continued)

Areas	Aspects	Performance Indicators	Chapter
	A2 Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	Practice Green Operation and Strive for Sustainable Development
		A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Practice Green Operation and Strive for Sustainable Development
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Practice Green Operation and Strive for Sustainable Development
		A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Practice Green Operation and Strive for Sustainable Development
		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.	Practice Green Operation and Strive for Sustainable Development
		A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable to the Company's businesses
	A3 The Environment and Natural Resources	General Disclosure: Policies on minimising the listed company's significant impacts on the environment and natural resources.	Practice Green Operation and Strive for Sustainable Development
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Practice Green Operation and Strive for Sustainable Development

Appendix: Environmental, Social and Governance Reporting Guide Content Index (Continued)

Areas	Aspects	Performance Indicators	Chapter
	A4 Climate Change	General Disclosure: Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Practice Green Operation and Strive for Sustainable Development
		A4.1 Description of the significant climate-related issues which have impacted, and those which may impact the issuer, and the actions taken to manage them.	Practice Green Operation and Strive for Sustainable Development
Social	B1 Employment	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Protect the Employees' Rights and Interests to Achieve Cooperation
		B1.1 Total workforce by gender, employment type (i.e. full- or part-time), age group and geographical region.	Protect the Employees' Rights and Interests to Achieve Cooperation
		B1.2 Employee turnover rate by gender, age group and geographical region.	Protect the Employees' Rights and Interests to Achieve Cooperation
	B2 Health and Safety	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the listed company relating to providing a safe working environment and protecting employees from occupational hazards.	Protect the Employees' Rights and Interests to Achieve Cooperation

Appendix: Environmental, Social and Governance Reporting Guide Content Index (Continued)

Areas	Aspects	Performance Indicators	Chapter
		B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Protect the Employees' Rights and Interests to Achieve Cooperation
		B2.2 Lost days due to work injury	Protect the Employees' Rights and Interests to Achieve Cooperation
		B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Protect the Employees' Rights and Interests to Achieve Cooperation
	B3 Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work.	Protect the Employees' Rights and Interests to Achieve Cooperation
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Protect the Employees' Rights and Interests to Achieve Cooperation
		B3.2 The average training hours completed per employee by gender and employee category.	Protect the Employees' Rights and Interests to Achieve Cooperation
	B4 Labour Standards	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the listed company relating to preventing child and forced labour.	Protect the Employees' Rights and Interests to Achieve Cooperation
		B4.1 Description of measures to review employment practices to avoid child and forced labour.	Protect the Employees' Rights and Interests to Achieve Cooperation
		B4.2 Description of steps taken to eliminate such practices when discovered.	Protect the Employees' Rights and Interests to Achieve Cooperation

Appendix: Environmental, Social and Governance Reporting Guide Content Index (Continued)

Areas	Aspects	Performance Indicators	Chapter
	B5 Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	Strengthen the Construction of Integrity to Ensure Compliance Development
		B5.1 Number of suppliers by geographical region.	Strengthen the Construction of Integrity to Ensure Compliance Development
		B5.2 Description of practices relating to engaging suppliers, number of suppliers where practices are being implemented, and how they are implemented and monitored.	Strengthen the Construction of Integrity to Ensure Compliance Development
		B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Strengthen the Construction of Integrity to Ensure Compliance Development
		B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Strengthen the Construction of Integrity to Ensure Compliance Development
	B6 Product Responsibility	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the listed company relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Strengthen the Construction of Integrity to Ensure Compliance Development; Adhere to Service Quality to Build a Happy Home Together
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to the Company's businesses

Appendix: Environmental, Social and Governance Reporting Guide Content Index (Continued)

Areas	Aspects	Performance Indicators	Chapter
		B6.2 Number of products and service related complaints received and how they are dealt with.	Adhere to Service Quality to Build a Happy Home Together
		B6.3 Description of practices relating to observing and protecting intellectual property rights.	Strengthen the Construction of Integrity to Ensure Compliance Development
		B6.4 Description of quality assurance process and recall procedures.	Not applicable to the Company's businesses
		B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	Adhere to Service Quality to Build a Happy Home Together
	B7 Anti-Corruption	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the listed company relating to bribery, extortion, fraud and money laundering.	Strengthen the Construction of Integrity to Ensure Compliance Development
		B7.1 Number of concluded legal cases regarding corrupt practices brought against the listed company or its employees during the reporting period and the outcomes of the cases.	Strengthen the Construction of Integrity to Ensure Compliance Development
		B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Strengthen the Construction of Integrity to Ensure Compliance Development
		B7.3 Description of anti-corruption training provided to directors and staff.	Strengthen the Construction of Integrity to Ensure Compliance Development

Appendix: Environmental, Social and Governance Reporting Guide Content Index (Continued)

Areas	Aspects	Performance Indicators	Chapter
	B8 Community Investment	General Disclosure: Policies on community engagement to understand the needs of the communities where the listed company operates and to ensure its activities take into consideration the communities' interests.	Assume Social Responsibility and Highlight the Responsibility of State-owned Enterprises
		B8.1 Focus areas of contribution (e.g. education, environmental matters, labor needs, health, culture and sport).	Protect the Employees' Rights and Interests to Achieve Cooperation
		B8.2 Resources contributed (e.g. money or time) to the focus areas.	Assume Social Responsibility and Highlight the Responsibility of State-owned Enterprises