

First Service Holding Limited 第一服务控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 2107

Environmental, Social and
Governance Report

2025



Green and Healthy • Living Experiences

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About this Report

Report Introduction

This is the sixth Environmental, Social and Governance (ESG) Report published by First Service Holding Limited (the “**Company**,” “**we**,” or “**First Service Holding**”, together with its subsidiaries, the “**Group**”). It aims to transparently disclose the Group’s sustainable development strategies, key practices, and performance results for 2025, addressing the interests and expectations of our stakeholders. This report should be read alongside the “Corporate Governance Report” in our 2025 Annual Report for a holistic understanding of our governance framework and sustainability performance.

Reporting Scope

The reporting period spans from January 1, 2025, to December 31, 2025. To ensure completeness and comparability, some content includes historical data or forward-looking information. Unless otherwise specified, the scope aligns with our annual report, covering the Company and its major subsidiaries and branches in Mainland China. There have been no significant changes to the reporting scope compared to 2024.

Basis of Preparation

This report primarily follows the Environmental, Social and Governance Reporting Code (the “**ESG Reporting Code**”) in Appendix C2 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (HKEX). It also references:

- GRI Standards
- United Nations Sustainable Development Goals (SDGs)
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
- Climate-related disclosures reference TCFD recommendations, HKEX Climate Disclosure Guidance, and IFRS S2 Climate-related Disclosures

About this Report

Reporting Principles

This report is prepared and disclosed in adherence to the four core reporting principles of “Materiality, Quantifiability, Balance, and Consistency” set out in the *Environmental, Social and Governance Reporting Code* in Appendix C2 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (HKEX):

Principle	Definition	Our Response
Materiality	Issues that have significant impacts on investors and other stakeholders must be reported.	We identify and prioritize material issues through ongoing stakeholder engagement and by analyzing our business nature.
Quantifiability	KPIs should be measurable, and targets should be set to allow for performance evaluation.	We disclose quantified environmental and social KPIs with explanatory notes to ensure data clarity.
Balance	The report should provide an unbiased picture of performance, avoiding selective disclosure.	We report material sustainability matters and performance objectively based on facts.
Consistency	Consistent methodologies should be used to allow for meaningful year-on-year comparisons.	We maintain consistent reporting scopes and methods to facilitate multi-year data comparison.

Information Sources

Information in this report is derived from official Company documents, internal statistics, and public data, all of which have undergone internal review. The Board of Directors (the “**Board**”) assumes ultimate responsibility for the report’s integrity and accuracy.

Access to the Report

This report is published electronically in Chinese and English. It is available on our website (www.firstservice.hk) and the HKEX website (www.hkexnews.hk). In case of discrepancies, the Chinese version shall prevail.

Confirmation and Approval

This report was reviewed and approved by the Board on March 27, 2026.

01 About First Service Holding



First Service Holding Limited focuses on providing property management services and green living solutions that cover the full property life cycle.

1.1 Chairman's Statement

Dear Investors, Partners, Clients, and Friends,

2025 marks the final year of China's "14th Five-Year Plan" and a pivotal year for global ESG governance, which is transitioning from a conceptual consensus to institutional restructuring. With climate change deeply embedded in the international political agenda, disclosure standards continuously evolving, and the "Dual Carbon" strategy advancing profoundly, the era no longer asks companies the multiple-choice question of "whether to fulfill responsibilities." Instead, it poses a mandatory question: "how to lead in value creation." Consolidating resilience amidst changes and seeking breakthroughs in times of transformation, First Service Holding remains true to its original aspiration of "Tech for Green, Service for Life." Guided by our goal to become a leading green-tech property enterprise, we have fully integrated sustainable development into our entire value chain. Facing the demands of our time, we answer with action.

We are pleased to have delivered a solid and substantial performance over the past year.

Operationally, we not only maintained steady growth in property management service revenue but also diversified our business structure, further solidifying our developmental resilience. Moreover, we made substantial, quantifiable, and verifiable breakthroughs in the ESG domain. Our AI-powered smart cloud energy management platform has been successfully deployed across 21 projects, achieving significant energy savings of 10% to 37%. Through systematic energy-saving and emission-reduction measures, our greenhouse gas emission intensity was recorded at 6.77 tonnes of CO₂ equivalent per 10,000 square meters, ensuring we met and exceeded the intensity targets set by the government. Customer satisfaction improved to a score of 86.63. These figures are not only empirical evidence of green technology driving operational optimization but also a vivid echo of our service ethos: "sincerely caring for everyone".

Looking back, anchored by "green technology," we have cultivated the fields of green building operations and healthy living solutions for over two decades, establishing a solid position as a "green pioneer" in the industry. However, we remain acutely aware that under the grand narrative of global climate challenges and the national "Dual Carbon" strategy, merely being "green" is no longer sufficient to answer the call of the times.

01 About First Service Holding

Therefore, we must take a more forward-looking step: a strategic leap from a “green pioneer” to a “climate frontrunner”.

This leap signifies that we will place climate change response at the core of our corporate strategy with a more forward-looking vision, systematic planning, and decisive action. It is not just about the continuous refinement of technology; it is about the profound reshaping of governance mechanisms, the proactive management of foreseeable risks, and the systematic empowerment of climate resilience across our value chain. We will deeply integrate climate factors into the entire process of investment decision-making, product R&D, operational management, and customer service. While enhancing our own climate resilience, we will assist communities, clients, and partners across the value chain in achieving a low-carbon transition.

To this end, we firmly benchmark against mainstream international sustainability frameworks. Following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we have systematically disclosed our practices and plans regarding climate governance, strategy, risk management, and metrics and targets. This marks a new phase of more internationalized and transparent ESG management for First Service Holding. Simultaneously, we are responding to the national “Dual Carbon” targets with concrete actions by setting clear, phased emission reduction pathways. Through continuous technological innovation and management optimization, we ensure these targets are met, contributing our corporate strength to the nation's green and low-carbon development.

Looking ahead, First Service Holding's ESG vision is clear and resolute: to become a paragon of sustainable development, driven by green technology and leading towards a mutually beneficial industrial ecosystem. Rooted in our “green DNA” and empowered by technology, we aim to build an open, symbiotic green service ecosystem while striving for “near-zero carbon” in our own operations. We look forward to joining hands with our employees, clients, suppliers, and all stakeholders to explore sustainable business models for energy conservation and carbon reduction in communities. We aim to transform every project under our management into a healthy, warm, and low-carbon beautiful home — ultimately achieving the harmonious unity of commercial, social, and environmental value.

The road ahead is long, but with sustained action, we will arrive. The journey toward becoming a “climate frontrunner” is full of challenges, yet our conviction remains steadfast. The Board of Directors and the management team will continuously strengthen the leadership and oversight of ESG efforts to ensure the effective execution of our sustainability strategy.

We look forward to walking alongside you all toward a greener, more resilient, and brighter future. Thank you once again for your trust and support!

Zhang Peng
Chairman
First Service Holding Limited

01 About First Service Holding

1.2 About First Service Holding

Company Profile

First Service Holding is a comprehensive green service provider centered on green technology, offering full-scenario and full-lifecycle services. Listed on the Main Board of the Hong Kong Stock Exchange (HKEX) on October 22, 2020, we have consistently adhered to our service philosophy of “Sincerely caring for everyone”, striving to be a leader in green technology property services. Through an integrated business system, we provide residential and non-residential clients with digitally connected, green, and healthy living experiences throughout the entire property lifecycle. Our business spans property services, community operations, building technology consulting, product R&D, and energy station operations and maintenance (O&M), comprehensively cultivating green, warm, healthy, and comfortable communities.

Upholding our core service ethos of “sincerely caring for everyone,” and guided by our core values of “customer-centricity, simple focus, immediate action, and sunny growth,” we continuously drive the deep integration and innovation of green buildings and smart living, creating long-term value for our clients and society.

Vision	Dedicated to becoming a leading green-tech property enterprise.
Mission	Creating green, warm, healthy, and comfortable communities for our clients.
Core Values	Customer-centricity, simple focus, immediate action, and sunny growth.
Service Philosophy	Sincerely caring for everyone.

Our Business

We have built an integrated business system centered on green technology that covers the “full lifecycle and full living scenarios”. Supported by three core pillars — property management services, green living solutions, and value-added services — we have formed a diversified and synergistic business matrix. This structure comprehensively meets the varied needs of residential and non-residential clients, fully demonstrating our comprehensive strength and multi-faceted layout as a green technology service provider.

01 About First Service Holding

1. Property Management Services

We provide property developers, property owners, and residents with standardized, professional basic property management services, encompassing cleaning, security, gardening, and repair and maintenance. Our managed portfolio is extensive; beyond residential properties, our non-residential formats include office buildings, government facilities, hotels, universities, industrial parks, logistics parks, hospitals, scenic spots, and ports/terminals, showcasing our robust capability to service multiple property types.

2. Green Living Solutions

Drawing on over two decades of accumulated green technology expertise, we provide one-stop green living solutions to developers, owners, and residents. These primarily include: (i) energy O&M services, operating regional energy stations to provide central heating and cooling as an effective supplement to municipal district heating, aiding in building energy conservation and carbon reduction; and (ii) system installation and product sales, designing and installing indoor environment adjustment systems to enhance living comfort.

3. Value-Added Services

We offer diverse value-added services to non-property owners, property owners, and residents. These primarily encompass services for developers, such as sales assistance, preliminary planning, and design consulting; and community value-added services for owners and residents, covering parking lot management, public area leasing, and home living services.



01 About First Service Holding

Corporate Honors

Since inception, First Service Holding has consistently upheld the development philosophy of "Technology for Human Settlements, Comfortable Services". We deeply integrate professional property management experience with insights into customer needs to continuously provide differentiated products and high-quality services covering the full lifecycle. In 2025, we made significant progress in property service quality, green technology applications, and community well-being operations. Thanks to our continuous dedication to green services and sustainable operations, we received numerous significant awards and authoritative accreditations from government agencies, industry associations, and various sectors of society. This fully demonstrates our professional capabilities and social value in the green technology service sector.



2025 Top 100 Property Management Companies in China by Comprehensive Strength (TOP 16)



2025 Top 100 Property Management Companies in China by Comprehensive Strength (TOP 17)



2025 Leading Enterprise in Low-Carbon Operation of Property Management in China



2025 Top 100 Property Management Companies in China by High-Quality Service Capability



2025 Top 100 Property Management Companies in China by Brand Influence



2025 Top 20 Residential Property Management Companies in China

01 About First Service Holding



Selected Case for "Good House, Good Sub-district, Good Community, Good Urban Area": Good Sub-district



2025 Benchmark Enterprise for Smart Services in China Property Management



2025 Model Employer in the Beijing Property Management Industry



2025 Excellence Award for Green and Low-Carbon Operation



2025 Top 100 Enterprises of Integrity in China's Property Management Industry



2025 Top 100 Enterprises of Integrity in China's Property Management Industry

02. Robust Corporate Governance and Compliance-First Operations

This chapter responds to UN SDG 16



2.1 Sustainable Development Strategy and Vision

Adhering to our core positioning of “driven by green technology to serve full living scenarios,” First Service Holding is committed to becoming a leader in green-tech property services. We have deeply integrated sustainability into our corporate strategy. Centered on six core pillars — Green Development, Smart Living, People-Oriented, Healthy Coexistence, Partner Synergy, and Excellence in Governance — we have systematically mapped out 22 material issues. These encompass key areas such as green building operations and management, energy management and carbon emissions, green tech innovation and application, community co-construction and communication, and smart community development. By continuously deepening our ESG practices, we strive to provide digitally connected, green, and healthy living experiences for both residential and non-residential clients across the full property lifecycle. Ultimately, we aim to create comprehensive value in the green technology sector and achieve harmonious, long-term development alongside our clients, employees, partners, and society.

1 Vision	6 Pillars	3 Core Values
To become a sustainable innovation leader in the green-tech human settlement sector.	Green Development Smart Living People-Oriented Healthy Coexistence Partner Synergy Excellence in Governance	Leading Industry Upgrades Empowering Low-Carbon Cities Co-creating Healthy Lifestyles

Green Development

We regard resource conservation and environmental protection as the fundamental tenets of our property services, transforming our environmental commitments into core competitive advantages. Leveraging our profound expertise in green building operations, we systematically advance climate change mitigation and low-carbon energy transition, while continuously strengthening the refined management of water resources and waste. From energy conservation and emission reduction to resource recycling, we embed environmental management across our entire operational chain. Through concrete actions, we safeguard our planet and uphold our steadfast commitment to sustainable development.

Material Issues:

1. Climate Change Mitigation
2. Green Building Operations and Management
3. Energy Management and Carbon Emissions
5. Water Resource Management
6. Waste Management

02. Robust Corporate Governance and Compliance-First Operations

Smart Living

We empower all living scenarios with green technology, embedding innovation into the very DNA of our services. Through the innovation and application of green technology, we continuously optimize our energy operations and maintenance (O&M) and technology consulting solutions to reduce environmental footprints while enhancing indoor comfort. Relying on smart community development, we weave digital connectivity into the fabric of our communities, creating safe, convenient, and green living spaces. From technological innovation to practical deployment, we are dedicated to making technology serve people, enabling every resident to enjoy a beautiful, green, and smart life.

Material Issues:

4. Green Tech Innovation and Application

15. Smart Community Construction

People-Oriented

We regard our employees as the core of value creation and deeply respect their individual value. By building a diverse, equitable, and inclusive development platform, we comprehensively safeguard labor rights, prioritize occupational health and safety, and strive to create diversified career pathways. We share the fruits of our growth with our employees and stimulate the innovative vitality of our green professionals. By fostering a powerful synergy between individual realization and corporate growth, we work together to shape the future of green-tech living.

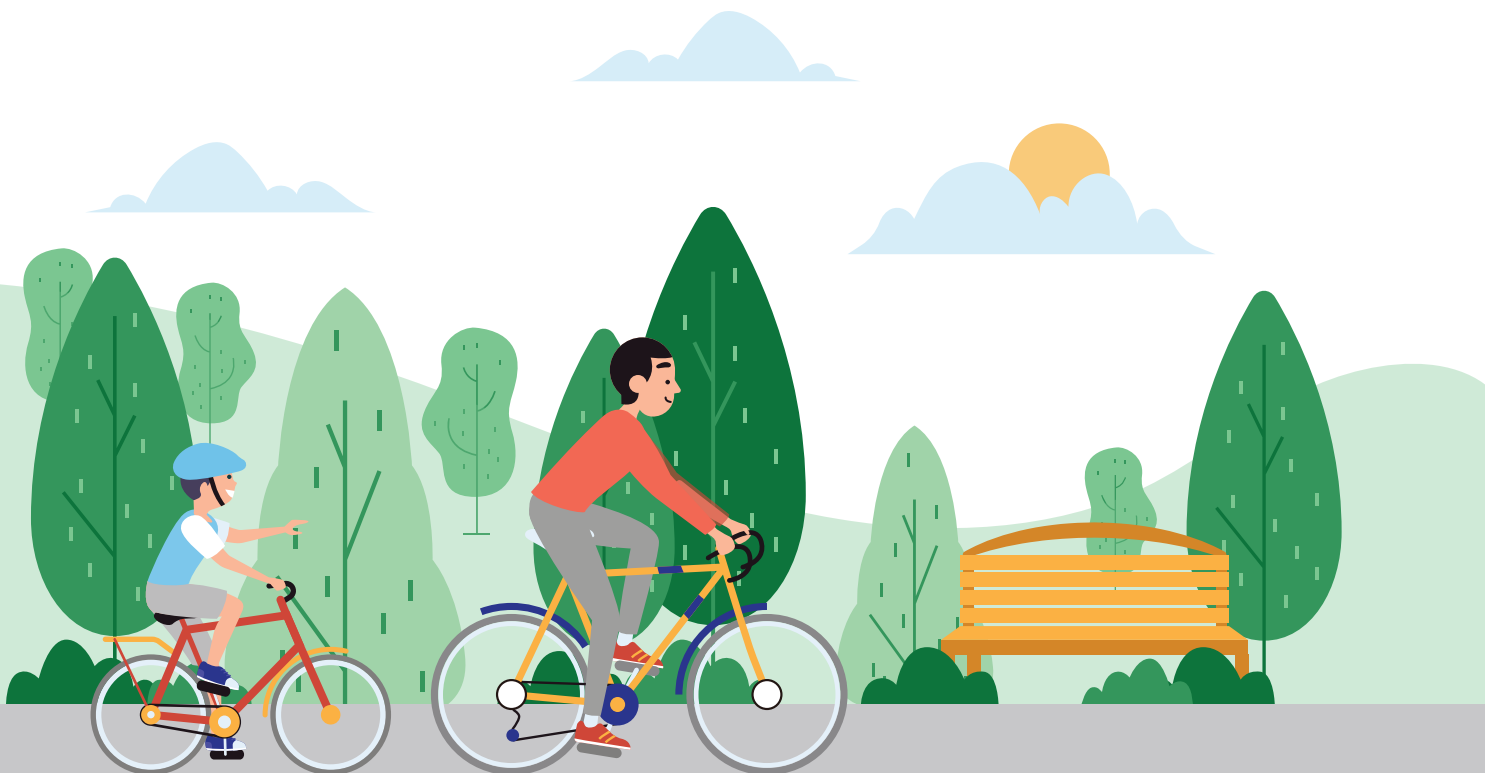
Material Issues:

9. Occupational Health and Safety

13. Diversity and Equal Opportunity

11. Green Professional Talent Development

16. Labor Rights Protection



02. Robust Corporate Governance and Compliance-First Operations

Healthy Coexistence

Rooted in the communities we serve, we go beyond providing basic property management services to cultivate safe, healthy, and vibrant community ecosystems. By continuously elevating our service quality, fortifying community safety defenses, fostering neighborhood engagement, and actively fulfilling our philanthropic responsibilities, we empower communities to achieve intrinsic harmony and prosperity. Ultimately, we transform our neighborhoods into warm, interconnected living ecosystems where people mutually thrive.

Material Issues:

- | | |
|--|---|
| 7. Customer Satisfaction and Service Quality | 12. Community Co-construction and Communication |
| 8. Community Health and Safety | 17. Social Welfare and Charity |

Partner Synergy

We are dedicated to collaborating with property owners, clients, suppliers, and partners. Adhering to the principle of mutual benefit, we aim to build a sustainable ecosystem characterized by clear responsibilities and shared value. By implementing green supply chain management, we extend our environmental and social responsibility standards to our partners, working together to construct a low-carbon, efficient, and transparent supply chain system. Concurrently, we have established a systematic and transparent stakeholder communication mechanism to actively listen to and address the concerns of all parties. Founded on mutual trust, we deepen our collaboration and forge a powerful synergy to jointly advance the co-construction and shared enjoyment of green living spaces. Innovating through synergy and growing through shared success, we unite with all our partners to drive the advancement of green living, ultimately realizing comprehensive economic, social, and environmental value.

Material Issues:

- | | |
|-----------------------------------|-------------------------------|
| 14. Green Supply Chain Management | 22. Stakeholder Communication |
|-----------------------------------|-------------------------------|

Excellence in Governance

We lay a solid foundation for the company's sustainable development with a spirit of excellence. By internalizing business ethics, compliance operations, and comprehensive risk management as our guiding principles of action, we are dedicated to building a robust, transparent, and responsible management system. Building upon this, we systematically advance information security, privacy protection, and intellectual property rights. By deeply integrating ESG principles into our corporate governance, we safeguard the company's long-term growth through prudent and refined controls, thereby laying a cornerstone of trust for enduring operations.

Material Issues:

- | | |
|---------------------------------------|---------------------------|
| 10. Info Security & Privacy | 20. IP Protection |
| 18. Business Ethics & Anti-corruption | 21. ESG Governance System |
| 19. Compliance & Risk Management | |

02. Robust Corporate Governance and Compliance-First Operations

2.2 Sustainable Development Goals

To ensure the effective implementation and execution of our sustainable development strategy, we have translated the core concepts of our six major ESG pillars into clear, measurable, and specific goals. Through internal consensus, external benchmarking, and stakeholder engagement, we actively respond to the concerns of all parties. We are dedicated to continuously improving our environmental, social, and governance performance, thereby creating sustainable, long-term value for our shareholders and all stakeholders.

Our Sustainable Development Goals

Core Pillar	Development Goal	Key Performance Indicators (KPIs)
Green Development	Mitigate Climate Change Drive Green Operations Cultivate Green Buildings	<ol style="list-style-type: none"> 1. Annually decrease the comprehensive energy consumption, water consumption, and greenhouse gas (GHG) emission intensity per unit area of managed projects. 2. Increase the gross floor area (GFA) proportion of managed green buildings (those acquiring national or provincial green building certifications). 3. Improve the resource utilization rate of waste.
Smart Living	Empower Communities with Tech Innovate Green Tech Enhance Living Experiences	<ol style="list-style-type: none"> 1. Increase the application coverage of smart community technologies (e.g., AIoT equipment deployment, smart energy platform application). 2. Implement and promote a specific number of benchmark projects integrating green technology applications. 3. Achieve target levels for customer satisfaction with smart services.
People-Oriented	Safeguard Employee Health Empower Talent Growth Build a Diverse Workplace	<ol style="list-style-type: none"> 1. Continuously improve overall employee satisfaction and engagement. 2. Continuously decrease the workplace injury rate. 3. Achieve 100% annual training coverage on green skills and sustainable development for all employees. 4. Safeguard labor rights and ensure fair and compliant employment practices.

02. Robust Corporate Governance and Compliance-First Operations

Core Pillar	Development Goal	Key Performance Indicators (KPIs)
<p>Healthy Coexistence</p>	<p>Elevate Service Quality Safeguard Community Safety Fulfill Social Responsibilities</p>	<ol style="list-style-type: none"> 1. Maintain an industry-leading position in customer satisfaction and key property service quality metrics. 2. Continuously decrease the incidence rate of community safety events and constantly enhance emergency response capabilities. 3. Achieve 100% coverage of annual community co-construction and neighborhood cultural activities across all managed projects. 4. Establish a long-term mechanism for social welfare investment and community volunteer services.
<p>Partner Synergy</p>	<p>Green Supply Chain Deepen Partner Communication Co-create and Share Value</p>	<ol style="list-style-type: none"> 1. Establish and enforce green procurement guidelines, and increase ESG assessment coverage for core suppliers. 2. Conduct regular and systematic stakeholder communication, and achieve target response and improvement rates for key issues. 3. Co-develop or implement green innovative solutions with partners.
<p>Excellence in Governance</p>	<p>Adhere to Business Ethics Fortify Security Defenses Solidify Governance Foundations</p>	<ol style="list-style-type: none"> 1. Maintain zero major compliance violations, and achieve 100% training coverage on business ethics and anti-corruption for all employees. 2. Establish and continuously refine the information security management system to ensure customer privacy and data security. 3. Integrate key ESG performance indicators into management appraisals, and regularly disclose ESG governance effectiveness.

02. Robust Corporate Governance and Compliance-First Operations

2.3 Corporate Governance

Governance Structure

To ensure the effective implementation and execution of First Service Holding's ESG governance, the Group has established an ESG management framework characterized by the unified leadership of the Board, management direction, cross-departmental collaboration, and top-down synergy. This structure systematically advances the orderly progression of ESG management and information disclosure. Within this framework, the Board of Directors serves as the Group's decision-making body, responsible for formulating ESG strategies and targets, and comprehensively controlling and leading the direction and effectiveness of ESG management. At the management level, an ESG Working Group has been established as the supervisory and coordinating body to holistically drive the specific implementation of relevant ESG matters within their respective areas of responsibility. Furthermore, under the guidance of the ESG Working Group, various subsidiaries and branches act at the specific execution level, integrating business realities to drive the on-the-ground implementation of ESG-related tasks.

Table: First Service Holding ESG Governance Structure

Working Level	Personnel Allocation	Primary Functions
Decision-Making Body	Board of Directors	<ul style="list-style-type: none"> Guiding the company's sustainable development direction Monitoring the company's sustainable development risks Taking charge of ESG governance Supervising and reviewing the company's ESG performance Approving ESG management and information disclosure
Supervisory and Coordinating Body	ESG Working Group	<ul style="list-style-type: none"> Implementing Board resolutions Regularly reporting ESG progress to the Board Conducting ESG management and information disclosure Communicating and coordinating ESG matters with executing bodies
Executing Bodies	Subsidiaries and Branches	<ul style="list-style-type: none"> Executing ESG-related tasks Reporting and providing feedback on ESG implementation status

Board Diversity

The Company has formulated a clear Board Diversity Policy, viewing board diversity as critical to achieving strategic objectives, elevating corporate governance standards, and driving sustainable development. When selecting and appointing Board members, the Company is committed to maintaining a diverse composition, comprehensively considering multiple dimensions such as professional qualifications, industry experience, talents, skills, knowledge, gender, age, cultural background, and tenure of service. During the reporting period, the Board included 2 female directors, one of whom is an Independent Non-Executive Director. The members possess well-balanced and extensive professional experience, encompassing comprehensive operations management, brand enhancement, risk management, business development, and finance.

02. Robust Corporate Governance and Compliance-First Operations

Board Independence

Strictly complying with the relevant regulations of the HKEX, the Board has appointed at least three Independent Non-Executive Directors (INEDs), representing more than one-third of the total Board members. Furthermore, at least one INED possesses appropriate professional qualifications or accounting and financial management expertise. During the reporting period, the Board consisted of a total of 9 members, including 3 Non-Executive Directors and 3 INEDs, with a composition fully meeting regulatory requirements. The Board has received the annual confirmation of independence submitted by each INED in accordance with the Listing Rules and acknowledges their independent status.

2.4 Board Statement

In accordance with the relevant requirements of the *Corporate Governance Code* and the *Environmental, Social and Governance Reporting Code* of The Stock Exchange of Hong Kong Limited (HKEX), the Board of Directors of the Company assumes full responsibility for the environmental, social, and governance (ESG) strategy and reporting. The Board is responsible for evaluating and determining the Group's ESG-related risks, ensuring the establishment of appropriate and effective ESG risk management and internal control systems, and comprehensively integrating ESG concepts into the Company's development strategy and daily operations.

As an operator of industrial communities integrating "green technology + full living scenarios", First Service Holding consistently practices our core vision of "Dedicated to becoming a leading green-tech property enterprise", striving to become a unicorn in green-tech property services. We profoundly recognize the high alignment between ESG concepts and national development strategies. Prompted by the updates to HKEX's ESG climate disclosure requirements, the Group continuously refines its ESG governance structure to elevate its sustainability management level.

The Group's Board of Directors is the highest responsible and decision-making body for ESG matters, comprehensively leading and participating in the deliberation and decision-making of major ESG issues. This includes, but is not limited to, identifying and assessing ESG risks, formulating ESG strategies and policies, establishing management policies and targets, reviewing and monitoring the progress of ESG targets, enhancing ESG information disclosure, and approving the annual ESG report. Through specialized reports, training, and routine inquiries, the Board stays abreast of the global ESG landscape and stakeholder feedback in a timely manner, ensuring the forward-looking nature and effectiveness of the Group's ESG management.

During the reporting period, based on communication and research with internal and external stakeholders, the Group identified ESG issues that have a material impact on the Company and its stakeholders. These issues clarify our operational focus, comprehensively including: climate change mitigation, green building operations and management, energy management and carbon emissions, green technology innovation and application, customer satisfaction and service quality, community health and safety, information security and privacy protection, business ethics and anti-corruption, as well as compliance operations and risk management. The Board focuses on reviewing the performance regarding these issues and integrates them into target management to drive the continuous improvement of our ESG endeavors.

Looking ahead, the Group will dynamically optimize its sustainable development management strategies based on stakeholder expectations and actual business development. We will continuously deepen our ESG practices and persistently enhance our environmental, social, and governance performance, creating long-term value for all stakeholders.

02. Robust Corporate Governance and Compliance-First Operations

This report exhaustively discloses the progress and effectiveness of First Service Holding's ESG initiatives in 2025. As the highest responsible and decision-making body for ESG matters, the Board guarantees that this report contains no false records, misleading statements, or material omissions, and assumes full responsibility for the truthfulness and accuracy of its content.

2.5 Stakeholder Engagement and Materiality Assessment

First Service Holding firmly believes that actively listening to and engaging in constructive dialogue with stakeholders is the cornerstone of our sustainable development. We are committed to establishing a systematic, transparent, and two-way communication mechanism to accurately identify the expectations of all parties, integrating them into our corporate strategy and operations to jointly create long-term value. Building upon this foundation, to precisely anchor the sustainability issues that have a profound impact on both the Company and our stakeholders, we have established a systematic ESG materiality assessment mechanism. By integrating multiple perspectives — including regulatory compliance, capital markets, industry benchmarking, and corporate strategy — and combining these with extensive stakeholder surveys and quantitative analysis of “double materiality”, we scientifically identify and dynamically optimize our annual list of material issues. This mechanism not only ensures that our ESG management and information disclosure are more targeted and transparent, but also serves as a core bridge connecting stakeholder expectations with corporate strategic actions. It guides us in efficiently allocating resources to key environmental, social, and governance areas, pragmatically driving the implementation and advancement of our sustainability commitments.

Stakeholder Communication

First Service Holding deeply understands that the expectations and demands of our stakeholders are critical cornerstones for our continuous development. We are dedicated to building an open, transparent, and highly efficient stakeholder engagement mechanism. This allows us to comprehensively listen to all voices, accurately identify and effectively respond to the concerns of different groups, thereby providing crucial input for our sustainability strategy and sharing the fruits of our development with them. Building on the groundwork of our 2024 ESG Report, we conducted a more systematic and in-depth identification of ESG-related stakeholders, further expanding the scope of our communication and actively inviting more representatives to participate in interactive dialogues. Currently, our primary stakeholders encompass: government and regulatory bodies, shareholders and investors, clients and property owners, employees at all levels (including junior, middle, and senior management), suppliers and partners, media and non-governmental organizations (NGOs), and communities. Tailored to the specific concerns and interactive scenarios of different stakeholders, we have constructed a multi-dimensional, focused, and closed-loop communication channel system to ensure the effectiveness and timeliness of our engagements. By continuously optimizing this communication mechanism, we not only actively respond to expectations from all parties but also integrate their valuable feedback into our daily operations and long-term planning, driving the formation of a sustainable ecosystem characterized by co-construction, co-governance, and shared benefits.

02. Robust Corporate Governance and Compliance-First Operations

The table below presents the key ESG issues focused on by our primary stakeholders, alongside the main channels through which we maintain normalized communication with them.

Table: Stakeholder Concerns and Main Communication Channels

Primary Stakeholders	Key ESG Issues of Concern	Main Communication Methods and Channels
Government and Regulatory Bodies	Operational compliance, client/owner health and safety, product and service quality, customer privacy and data security	Policy seminars, special work reports, regular information disclosure, cooperating with on-site inspections, attending regulatory meetings
Shareholders and Investors	Environmental performance, employment management, corporate governance, comprehensive financial and ESG performance	Investor receptions, general meetings, periodic reports and announcements, earnings briefings, investor hotlines/emails, official website
Clients/Property Owners	Emissions, health and safety, employment practices, service quality, information security and privacy protection	Customer service centers and 24-hour hotlines, official website and mobile applications, satisfaction surveys and complaint feedback, community cultural activities, transparent information disclosure
Employees (Junior and Middle Management)	Compensation and benefits, career development, health and well-being, employee rights, workplace environment safety	Employee representative assemblies, labor unions, internal grievance channels, team meetings and direct communication
Employees (Senior Management)	Climate change response, talent development, employee rights, employee physical and mental health, business ethics and anti-corruption, strategic risk management, health and safety, information security protection	Executive interviews, special questionnaire surveys, strategy seminars, management meetings
Suppliers/Partners	Resource utilization, climate change, supply chain management, product and service quality, information security protection, anti-corruption, cooperation fairness	Open and transparent bidding and procurement processes, contract negotiations and performance management, supplier conferences, daily business synergy

02. Robust Corporate Governance and Compliance-First Operations

Primary Stakeholders	Key ESG Issues of Concern	Main Communication Methods and Channels
Media and NGOs	Transparency of information disclosure, fulfillment of social responsibilities, industry influence	Social media, official website, press conferences, exchange meetings
Communities	Local environmental impact, resource utilization, information security protection, community co-construction, philanthropic investments	Community publicity and education activities, resident symposiums, public volunteer services, community activities
Industry Associations	Employment practices, anti-corruption, supply chain management, climate change, industry standard setting, sharing of best practices, policy advocacy	Association working meetings, industry forums, participation in standard setting, disclosure through industry platforms

ESG Materiality Assessment

To precisely anchor the sustainability issues that have a material impact on both our operations and stakeholders, and to efficiently allocate management resources accordingly, First Service Holding strictly follows the HKEX ESG Reporting Code and references the materiality principle of the Global Reporting Initiative (GRI) to systematically conduct the 2025 materiality assessment. Building on previous years, this year's assessment was further deepened. Through multi-dimensional comprehensive analysis and cross-validation, we ensured the comprehensiveness, scientific rigor, and forward-looking nature of our issue identification. The specific process is as follows:

1. Issue Identification: Integrating Multiple Perspectives to Build a Preliminary List

We systematically reviewed, comprehensively analyzed, and cross-validated from five core perspectives: stakeholder concerns, peer practices, global trends, disclosure standards, and rating agency requirements. This resulted in a preliminary list of candidate issues covering the three pillars of environmental, social, and governance.

- **Capital Market Perspective:** Benchmarked against the focus areas of mainstream international ESG rating agencies (CSA, MSCI, GRESB) to identify issues highly concerned by the capital market, such as climate risk, carbon emission management, and green finance opportunities.
- **Regulatory Compliance Perspective:** Strictly aligned with the latest disclosure requirements of the HKEX ESG Reporting Code and Appendix 20 Climate-related Disclosures guidance to ensure issue setting meets regulatory baselines.
- **Industry Benchmarking Perspective:** Conducted an in-depth analysis of the past ESG reports of 12 mainstream listed property management companies to extract common industry issues and frontier practices, such as smart property management, supply chain sustainability, and customer health and safety.

02. Robust Corporate Governance and Compliance-First Operations

- **Company History Perspective:** Reviewed the evolution of issues in First Service Holding's past ESG reports to maintain assessment continuity and dynamic optimization.
- **Operational DNA Perspective:** Based on the sustainable development strategy adhered to in our operations since inception, this perspective highlights First Service Holding's unique positioning as a "green-tech property enterprise".

2. Stakeholder Survey: Extensively Collecting Feedback to Deepen Understanding

Regarding the preliminary issue list, we extensively collected feedback from core internal and external stakeholders — including management, employees, investors, clients, suppliers, and community representatives — through targeted questionnaires, in-depth interviews, and thematic seminars. The survey focused on stakeholders' perceived importance of each issue and its actual impact on our business, ensuring that subsequent assessments were grounded in authentic expectations and data support.

3. Issue Assessment and Prioritization: Quantifying across Dual Dimensions to Clarify Priorities

Based on the survey data, we comprehensively considered two dimensions: the "importance to stakeholders" and the "degree of impact on the company's business operations". Using quantitative scoring and matrix analysis tools, we systematically ranked the issues. The prioritization process adheres to the logic of "double materiality" (financial and impact), focusing not only on the potential impact of external environmental and social factors on corporate value but also assessing the actual effect of the company's operations on the external environment and society, thereby identifying high-priority core issues.

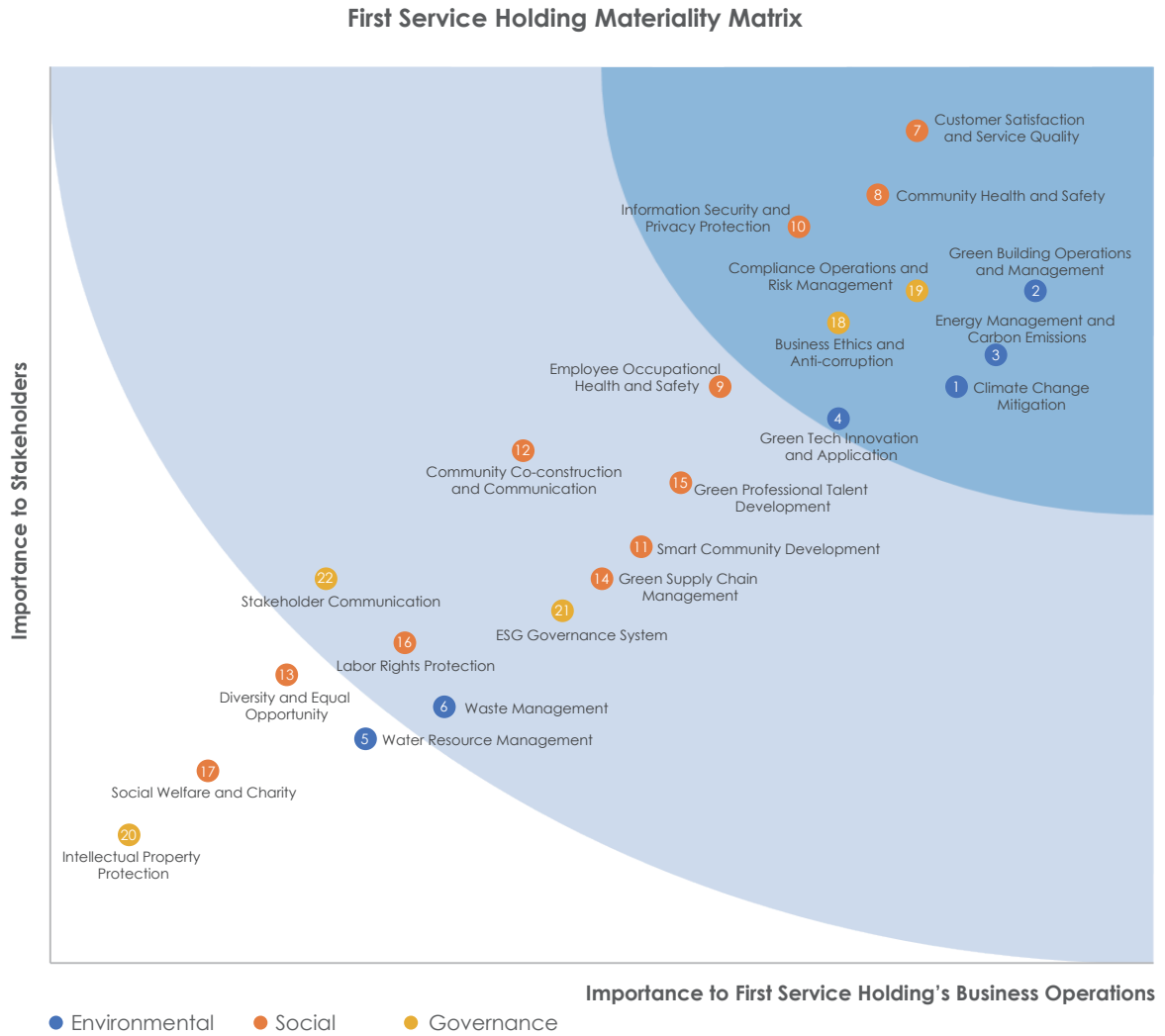
4. Management Review and Confirmation: Final Approval to Guide Disclosure

The assessment results and preliminary rankings were submitted to the company's management for specialized review. Incorporating the company's strategic direction, resource capabilities, and risk appetite, the management finalized the issue priorities and formed the 2025 ESG Materiality Assessment Matrix. This matrix categorizes issues into three tiers. Issues located in the upper-right quadrant, due to their high impact on both stakeholders and the company itself, have been designated as the core matters for focused management and disclosure this year.

Based on the above process, we ultimately formulated the 2025 First Service Holding ESG Materiality Issue List, encompassing 6 environmental issues, 11 social issues, and 5 governance issues. Subsequent chapters of this report will center on these core issues, serving as a critical guide for our future sustainable development management.

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Table: 2025 First Service Holding ESG Materiality Assessment Matrix



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List of First Service Holding’s ESG Material Issues		
Tier 1: Highly Material Issues — Upper Right Quadrant (Total 9 issues)		
1. Climate Change Mitigation 2. Green Building Operations and Management 3. Energy Management and Carbon Emissions	4. Green Tech Innovation and Application 7. Customer Satisfaction and Service Quality 8. Community Health and Safety	10. Information Security and Privacy Protection 18. Business Ethics and Anti-corruption 19. Compliance Operations and Risk Management
Tier 2: Moderately Material Issues — Middle Area (Total 9 issues)		
6. Waste Management 9. Employee Occupational Health and Safety 11. Green Professional Talent Development	12. Community Co-construction and Communication 14. Green Supply Chain Management 15. Smart Community Development	16. Labor Rights Protection 21. ESG Governance System 22. Stakeholder Communication
Tier 3: Fundamental Issues — Lower Left Quadrant (Total 4 issues)		
5. Water Resource Management 13. Diversity and Equal Opportunity	17. Social Welfare and Charity	20. Intellectual Property Protection

2.6 Compliance Operations and Business Ethics

Business Ethics and Anti-corruption

First Service Holding firmly believes that business ethics are the cornerstone of sustainable corporate development. We maintain a “zero-tolerance” attitude towards any form of corruption and resolutely combat embezzlement, corruption, bribery, extortion, and money laundering, actively fostering a corporate culture defined by integrity and transparency. The Company strictly complies with the relevant laws and regulations in our operating locations, including the *Criminal Law of the People’s Republic of China*, 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*, and the *Interim Provisions on Banning Commercial Bribery*, to continuously refine our anti-corruption management system and internal control mechanisms.

At the institutional level, the Company has formulated and implemented the *First Service Holding Supervisory Audit Operating Standards*. Guided by national laws, regulations, and our “Intellectual Enterprise Culture,” the Audit Center independently conducts supervisory audits to ensure all employees actively practice this corporate culture. At the employee management level, the Company explicitly outlines the “Four Stages” of anti-fraud and the “Five Principles of Integrity” (Five ‘Do-Nots’) in our *Occupational Culture Manual*. This clearly communicates our anti-corruption and anti-money laundering requirements and responsibilities to all employees, systematically enhancing their awareness of integrity and self-discipline. At the supplier and partner management level, the Company mandates that bidders sign an *Integrity Commitment Letter* prior to initiating any bidding process. This document clearly defines the untouchable “red lines” of integrity in business dealings and the corresponding legal responsibilities. If a supplier is found crossing these red lines during cooperation, the Company will immediately confiscate their bid bond, blacklist them, and permanently terminate the partnership, thereby cultivating a clean, fair, and just business ecosystem.

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During the reporting period, the Company strictly adhered to our established business ethics and anti-corruption policies. There were no concluded legal cases regarding corrupt practices brought against the Company or its employees, nor were there any compliance violations that had a material impact on the Company. Moving forward, First Service Holding will continue to integrate integrity and compliance requirements into our daily operations and business processes through policy advocacy and case-based warnings, ensuring the effective execution of our business ethics management system.

Table: The “Four Stages” and “Five Principles of Integrity”

The “Four Stages” of Anti-Fraud	The “Five Principles of Integrity” (Five ‘Do-Nots’)
<p>Preventing Problems: Promoting a corporate culture of integrity; establishing anti-fraud standards (audit processes and accountability measures); and formulating whistleblowing policies (whistleblower protection and incentive measures).</p> <p>Discovering Problems: Maintaining grievance channels to receive reports; gathering clues during routine audits to proactively uncover fraudulent incidents.</p> <p>Resolving Problems: Executing anti-fraud audits in accordance with our corporate culture and standards, and coordinating with judicial authorities when necessary.</p> <p>Preventing Recurrence: Auditors incorporate past cases into our training system, feeding them back into integrity advocacy programs to form a closed-loop prevention system.</p>	<p>Do not abuse positions: Do not use your power for personal gain or misappropriate the interests of the state, the Company, or our clients.</p> <p>Do not attend improper gatherings: Do not participate in dinners or drinking events hosted by suppliers.</p> <p>Do not covet illegal wealth: Do not embezzle, solicit, or accept bribes.</p> <p>Do not accept unjustified gifts: Do not accept gifts, entertainment, or kickbacks.</p> <p>Do not act on selfish desires: Do not accept or imply that designated partners should pay for or reimburse any expenses for yourself or your relatives.</p>

Whistleblowing Mechanism and Whistleblower Protection

To eradicate corruption, First Service Holding has established diversified and accessible anti-corruption whistleblowing channels to further streamline supervision. This is supported by a strict whistleblower privacy protection mechanism, ensuring that every piece of information is handled securely and effectively.

02. Robust Corporate Governance and Compliance-First Operations

Multi-Channel Whistleblowing and Standardized Procedures

We encourage both internal and external personnel to report suspected fraud and corruption through multiple channels, including a whistleblowing hotline, dedicated email address, letters/visits, and our official WeChat account. Reports can be submitted directly to the Audit Center or straight to the General Manager's Office, ensuring unimpeded information flow. All reports are processed according to the following standardized procedures:

- **Assessment and Case Initiation:** The Audit Center is responsible for initially assessing fraud information and clues, drafting a supervisory audit plan, and submitting it to the General Manager for review. Once approved by the General Manager, the case is officially initiated.
- **Specialized Investigation:** A dedicated audit team is established to conduct an independent and impartial investigation.
- **Resolution and Implementation:** After the supervisory audit concludes, the Audit Center proposes handling recommendations based on the audit results and compiles the *First Service Holding Supervisory Audit Report* for the General Manager's review. Based on the leadership's directives regarding the report, the Audit Center coordinates with functional centers, regional companies, and projects to implement the audit outcomes.
- **Feedback:** For real-name reports, the Company provides the whistleblower with a clear response, ensuring a closed-loop resolution.

Strict Whistleblower Protection Mechanism

To ensure the smooth operation of the whistleblowing mechanism and implement strict protection for whistleblowers, we have defined clear confidentiality guidelines for auditors and a fault-free whistleblowing principle. We have formulated and strictly enforced the Auditor Confidentiality Guidelines and the Fault-Free Whistleblowing Guidelines to safeguard whistleblowers' rights and strictly protect their privacy. The core elements include:

- **Strict Confidentiality Guidelines:** For any received report, sensitive information such as the personal details of the whistleblower and the accused, as well as the content of the report, is strictly prohibited from being accessed by external entities or personnel under any circumstances. In principle, the receiver must maintain "one-on-one" single-line communication with the whistleblower. The transmission of whistleblowing information must follow the "vertical upward reporting" principle. The design of the investigation plan must protect the whistleblower to the maximum extent; if investigation measures threaten to expose the whistleblower's identity, they will be automatically terminated.
- **Fault-Free Whistleblowing Principle:** Regardless of whether the investigation results substantiate the report, the whistleblower shall not be subjected to any administrative or financial penalties. Furthermore, they shall not be deprived of qualifications for purchasing, partnering, receiving awards, promotions, or incentives. Any form of retaliation is strictly prohibited.

02. Robust Corporate Governance and Compliance-First Operations

Anti-corruption Training and Corporate Culture Construction

We maintain a “zero-tolerance” stance against corruption and adopt the overarching policy of “Dare not corrupt, Cannot corrupt, Want not corrupt”. Through systematic training and normalized culture building, we continuously strengthen the integrity awareness and rule-of-law mindset of all employees.

- **Deterrence (“Dare Not Corrupt”):** Focuses on punishment and deterrence to raise the cost of corruption, ensuring those with corrupt intentions dare not touch the “high-voltage line”.
- **Prevention (“Cannot Corrupt”):** Focuses on checks and balances to eliminate opportunities, leaving no loopholes for those who dare to attempt corruption.
- **Education (“Want Not Corrupt”):** Focuses on education and guidance to eradicate corrupt motives from the ideological source.

During the reporting period, the Company placed great emphasis on anti-corruption training, achieving 100% training coverage for both directors and employees. Directors participated in a total of 1 hour of anti-corruption training, while employees accumulated a total of 8 hours of training. Additionally, the Company organized one specialized offline risk management training session. Through repeated intensive training combined with vivid real-life case studies, we clearly conveyed our high-pressure stance against corruption to all employees, effectively serving as a warning and deterrent.

Looking ahead, First Service Holding will continue to deepen the construction of a long-term anti-corruption mechanism, focusing on the following key areas:

- **Deepening Integrity Education:** Continuously update, establish, and refine the fraud case database and training materials. Build an integrity culture advocacy system covering all business units and projects, ensuring that the concept of integrity is internalized in mind and externalized in action.
- **Innovating Audit Supervision:** Continuously diversify anti-fraud audit methods, actively participate in industry exchanges, and connect with resources from anti-fraud alliances. Drive the transition of the supervision model from passive inspection to proactive prevention.
- **Empowering with Technology:** Accelerate the digitalization of auditing. Relying on the financial information platform to build a dynamic monitoring system, comprehensively upgrading risk management from post-event investigation to pre-event early warning and mid-event intervention.

2.7 Intellectual Property Protection

The Company strictly complies with relevant legal and regulatory requirements, including the *Copyright Law of the People's Republic of China*, the *Trademark Law of the PRC*, the *Patent Law of the PRC*, the *Anti-Unfair Competition Law of the PRC*, the *Data Security Law of the PRC*, the *Implementing Regulations of the Trademark Law of the PRC*, as well as the General Provisions (concerning citizens' personal information and privacy rights), the Contracts Part (concerning property service contracts), and the Tort Liability Part of the *Civil Code of the PRC*. In line with regulatory updates and our actual business development, we continuously optimize and refine our internal unified code, the *Intellectual Property Management Operating Standards*. This ensures its compliance, advancement, and applicability, thereby establishing a standardized intellectual property (IP) management system that comprehensively covers patents, trademarks, copyrights, and trade secrets.

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The Company implements centralized IP management. The Legal Affairs Center is uniformly responsible for strategic IP planning, application layout, daily maintenance, risk early warning, and rights protection. By assigning dedicated personnel, we achieve a closed-loop management process spanning IP discovery, pre-application assessment, external delegation, ledger management, internal usage guidance, and external infringement response. This effectively enhances management efficiency and mitigates operational risks.

The Company implements multi-dimensional IP protection practices:

- **Trademark and Brand Protection:** In the rights confirmation phase, we closely track business developments and promptly initiate new trademark registration applications, building a protective network that combines core and joint trademarks to solidify our rights foundation. In the rights protection phase, we adopt proactive strategies. In 2025, facing an unfair competition case where a competitor maliciously used our core trademark text as their corporate trade name, the Company decisively filed a lawsuit and won a favorable ruling, robustly safeguarding our brand reputation and market order.
- **Patent and Technological Innovation Protection:** For new technologies, we have established a rapid response mechanism, promptly entrusting professional agencies to submit patent applications to seize the initiative in rights confirmation. For granted patents, we maintain a normalized infringement monitoring mechanism. By employing technical comparisons and market patrols, we proactively defend our rights to ensure the exclusivity of our technological achievements and stimulate continuous innovation vitality.
- **Copyright and Original Work Protection:** Regarding various original works such as core artworks, software code, and project proposals, we adhere to the principle of "register upon creation". We actively complete copyright registrations to provide a solid basis for rights claims, effectively mitigating infringement risks such as unauthorized copying and plagiarism.
- **Data and Trade Secret Protection:** Strictly complying with the *Data Security Law* and the provisions of the *Civil Code* regarding privacy and personal information protection, we strengthen the security management of trade secrets, customer information, and critical data through technical encryption, access control, and contractual constraints. This cultivates a comprehensive and multi-layered overarching IP protection framework.

03. Tech for Green, Empowering with Technology

This chapter responds to UN SDGs 6, 7, 12, and 13



3.1 Climate Governance and Strategy

The Company consistently pays close attention to the opportunities and challenges brought about by sustainable development and climate change, as well as the latest national development policies regarding green and healthy buildings. With the comprehensive popularization of green buildings, the Company will continue to refine the systematic establishment of foundational green building technologies and research implementation pathways for high-star green building technologies. Furthermore, to tackle the challenges of carbon neutrality, we actively fulfill our corporate social responsibility in combating climate change. By taking effective measures to address climate-related challenges and seizing the historic opportunity to develop a low-carbon economy, we aim to secure a strategic commanding height in future corporate competition, thereby achieving our own sustainable development.

Addressing Climate Change

We profoundly recognize the urgency and importance of mitigating climate change. The Board of Directors assumes overall leadership and supervisory responsibility for climate change-related endeavors, fully integrating climate risks into the Company's comprehensive risk management system to actively identify and seize the relevant risks and opportunities brought about by climate change. During the reporting period, the Company conducted climate-related information disclosure in reference to the HKEX's *Implementation Guidance for Climate Disclosures under the ESG Framework* (referred to as the "New Climate Requirements") and Part D: Climate-Related Disclosures of Appendix C2 *Environmental, Social and Governance Reporting Code*. Furthermore, following the recommendations of the *General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1) and *Climate-related Disclosures* (IFRS S2) issued by the International Sustainability Standards Board (ISSB), we comprehensively and transparently disclose climate-related information across four core dimensions: governance, strategy, risk management, and metrics and targets.

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Governance

The Company has established a climate change governance system aligned with our overarching environmental, social, and governance (ESG) strategy. By building a coordinated and unified governance structure and management framework, we have clearly defined the responsibilities and division of labor at all levels, ensuring that climate issues are integrated into the entire process of corporate operations and management. The specific management framework is as follows:

Table: Climate Change Governance Framework

Governance Level	Key Responsibilities
Board of Directors	Assumes ultimate responsibility for the Company's climate change decision-making and emission reduction outcomes; responsible for reviewing and approving climate change-related matters, including climate strategies and policies, risks, and opportunities; and oversees the progress of targets and execution effectiveness of climate issues.
ESG Working Group	Holistically deploys and advances the Company's climate change-related endeavors; manages climate-related targets; clarifies the specific division of responsibilities among various functional departments in climate work; and ensures the effective implementation of all initiatives.
Subsidiaries and Branches	Based on their respective functions and division of labor, responsible for the specific execution of the Company's climate change-related tasks; and regularly reports on execution progress and outcomes to ensure climate-related matters are fully integrated into daily operations.

Strategy

To systematically manage and address the risks and opportunities brought by climate change, First Service Holding has deeply integrated climate-related issues into our corporate strategy and operations. We have established a scientific climate risk assessment mechanism. Referencing the climate disclosure framework of the International Sustainability Standards Board (ISSB) and incorporating climate scenario analysis from the Network for Greening the Financial System (NGFS), we systematically identify and assess the potential impacts of physical and transition risks on our business model and value chain. This enhances the long-term resilience of the Company and the communities we serve, thereby driving sustainable business development.

Definition of Time Horizons and Linkage to Strategic Planning

To systematically assess the potential impacts of climate change on our business and formulate corresponding strategic plans, the Company has clearly defined short-term, medium-term, and long-term horizons, tightly linking them to our business development plans and climate action strategies:

- **Short-term (0–3 years):** Closely aligned with the Company's annual operational plans and near-term financial budgets. During this period, the Company focuses on the immediate prevention of climate risks (such as extreme weather) within the existing business system, the perfection of emergency plans, and the rapid deployment of low-cost energy-saving retrofits and digital-intelligent O&M platforms (e.g., the AI Cloud Platform).
- **Medium-term (3–10 years):** Consistent with the national Five-Year Plans and the Company's medium-term strategic upgrade cycles. At this stage, the Company is dedicated to achieving the scaled application of green and low-carbon technologies (such as clean energy substitution like ground-source heat pumps) and the comprehensive rollout of high-star green building operations management, thereby establishing a systematized climate adaptability.
- **Long-term (10+ years):** Anchored to the national macro-goals of "Carbon Peaking" by 2030 and "Carbon Neutrality" by 2060. This time horizon guides the fundamental low-carbon transition of the Company's business model, striving to achieve "near-zero carbon" emissions in overall operations and driving the comprehensive completion of zero-carbon industrial parks, ensuring the Company maintains core competitiveness in the future green economy.

03. Tech for Green, Empowering with Technology

The table below outlines the primary climate-related risk categories we have identified, specific risk descriptions, and their potential impacts on our business model and financials:

Table: Identification of Climate-Related Risks and Their Impacts

Risk Category	Specific Risk Description	Impacts on Business Model and Financials
<p>Physical Risks <i>(Acute Risks)</i></p>	<p>Extreme weather events, such as: High temperatures, typhoons, floods, earthquakes, etc.</p>	<ul style="list-style-type: none"> • Increased risk of permanent or non-recurring asset impairment. • Extreme weather accelerates equipment wear and tear, shortening service life. • Increased operating costs due to responding to extreme weather events and enhancing protective measures. • Increased personal safety risks for employees and clients.
<p>Physical Risks <i>(Chronic Risks)</i></p>	<p>Long-term shifts in climate patterns, such as: Changes in precipitation patterns, rising average temperatures, rising sea levels, water scarcity, etc.</p>	<ul style="list-style-type: none"> • Long-term climate stress affects the operational stability and service life of assets. • Increased continuous investments in maintenance and adaptive retrofitting. • Potential structural changes in resource supply and service demands within the communities we serve.
<p>Transition Risks <i>(Policy & Legal Risks)</i></p>	<p>The introduction of stricter carbon emission policies and environmental regulations, such as: Climate disclosure requirements, carbon pricing mechanisms, emission reporting obligations, product and service regulatory requirements, and litigation risks.</p>	<ul style="list-style-type: none"> • Increased compliance costs and heightened risk of fines for non-compliance. • Policies such as carbon taxes and carbon trading push up operating costs and insurance premiums. • Certain assets facing write-offs, impairments, or early retirement due to policy adjustments. • The need to introduce new operational processes or technologies to meet new regulations. • Increased costs or reduced service demand resulting from fines and legal judgments. • Risks of asset impairment or increased financing costs due to failure to meet standards.

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Risk Category	Specific Risk Description	Impacts on Business Model and Financials
<p>Transition Risks <i>(Technology Risks)</i></p>	<p>Rapid development of low-carbon technologies may render traditional high-carbon technologies obsolete, such as: Substitution with low-emission products, failure of investments in new technologies, and costs of low-carbon transition.</p>	<ul style="list-style-type: none"> • Failure to transition in a timely manner will weaken market competitiveness, triggering asset impairment or a decline in market share. • Risk of early retirement for high-energy-consuming equipment. • Consumer preferences shifting towards low-carbon products, affecting demand for existing products. • The development of low-carbon and smart O&M technologies brings risks associated with transition investments and potential failures. • The need for continuous investments in new technology R&D and operational upgrades.
<p>Transition Risks <i>(Market Risks)</i></p>	<p>Shifts in customer preferences, rising demand for low-carbon investment and financing, market signal uncertainties, and rising raw material prices.</p>	<ul style="list-style-type: none"> • Increased costs resulting from green operations and technological upgrades. • Risks and opportunities co-existing during market expansion. • Potential changes in fee structures and revenue sources, affecting earnings stability.
<p>Transition Risks <i>(Reputation Risks)</i></p>	<p>Shifts in consumer preferences, stigmatization pressures faced by the industry, heightened stakeholder scrutiny, and increased negative feedback.</p>	<ul style="list-style-type: none"> • Decreased demand for products and services impacting revenue. • Delays in project planning or approvals, and supply chain disruptions, affecting service delivery capabilities. • Increased difficulty in recruiting and retaining employees, impacting workforce stability. • Narrowing of channels for capital acquisition.

03. Tech for Green, Empowering with Technology

Based on the aforementioned risk identification, the Company has formulated systematic response strategies by combining our profound accumulation of expertise in green buildings and smart operations and maintenance (O&M). Through concrete technological practices, we transform risk management into corporate competitiveness.

Table: Climate Risk Impacts on the Value Chain and Response Strategies

Risk Category	Impacts on the Value Chain	Time Horizon	Response Strategies
<p>Physical Risks <i>(Acute Risks)</i></p>	<p>Extreme weather (e.g., typhoons, rainstorms, high temperatures, freezing) may lead to:</p> <ul style="list-style-type: none"> • Damage to equipment and facilities in managed properties and operational interruptions. • Temporary disruptions in the supply chain (e.g., maintenance, energy). • Elevated safety risks for on-site operations and increased customer complaints. 	<p>Short-term, Medium-to-Long-term</p>	<ol style="list-style-type: none"> 1. Refine the Emergency System: Formulate and continuously optimize specialized emergency plans and on-site response protocols for various disasters, such as typhoons, rainstorms, high temperatures, and freezes. 2. Strengthen Execution and Safeguards: Regularly organize emergency drills and stockpile necessary emergency supplies to ensure the effective operation of emergency response mechanisms. 3. Enhance Business Continuity Management: Assess vulnerable links in critical businesses and supply chains, and formulate business recovery plans to minimize the risk of service interruptions.

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Risk Category	Impacts on the Value Chain	Time Horizon	Response Strategies
<p>Physical Risks <i>(Chronic Risks)</i></p>	<p>Long-term climate change (e.g., water scarcity, sustained high temperatures) may lead to:</p> <ul style="list-style-type: none"> • Continuous increases in water costs and water shortages in managed property areas. • Increased cooling energy consumption, bringing long-term upward pressure on operating costs. • Increased difficulty and costs in community landscaping maintenance. 	<p>Medium-to-Long-term</p>	<ol style="list-style-type: none"> 1. Refined Resource Management: Comprehensively promote water-saving measures such as sprinkler and micro-irrigation across property projects, install water-saving appliances, and strengthen the inspection and maintenance of water equipment. 2. Promote Community Co-governance: Launch theme activities such as “Zero-Waste Communities” and “Water-Saving Communities” to encourage residents to participate in waste sorting and resource recycling, promoting a circular resource economy within communities. 3. Apply Innovative Technologies: Explore and implement water-saving technologies such as rainwater harvesting, reclaimed water utilization, and smart irrigation tailored to local conditions, thereby enhancing water resource utilization efficiency.
<p>Transition Risks <i>(Policy & Legal Risks)</i></p>	<p>Increasingly stringent environmental regulations and carbon policies may lead to:</p> <ul style="list-style-type: none"> • Increased compliance costs (e.g., energy audits, carbon accounting, and reporting). • High-energy-consuming equipment facing mandatory retirement or retrofitting pressure. • Green management capabilities becoming a critical threshold in government and corporate client bidding processes. 	<p>Short-term, Medium-to-Long-term</p>	<ol style="list-style-type: none"> 1. Dynamic Monitoring and Compliance: Establish a policy tracking mechanism to systematically assess the impact of new regulations on operations, ensuring business compliance. 2. Proactively Optimize Assets: Forward-lookingly conduct energy-saving diagnostics and retrofitting plans for high-energy-consuming equipment in managed projects to circumvent asset impairment and policy risks. 3. Build Green Capabilities: Actively acquire project-level green building certifications (such as LEED, BREEAM, and WELL) to elevate the green competitiveness of our service portfolio.

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Risk Category	Impacts on the Value Chain	Time Horizon	Response Strategies
<p>Transition Risks <i>(Technology Risks)</i></p>	<p>Rapid development of low-carbon and smart O&M technologies may lead to:</p> <ul style="list-style-type: none"> • Inefficient traditional O&M models leading to decreased customer satisfaction. • Resource waste due to misguided investment decisions in new technologies. • Lagging behind the market in energy cost control due to failure to adopt new technologies promptly. 	<p>Short-term, Medium-to-Long-term</p>	<ol style="list-style-type: none"> 1. Deepen Technological Cooperation: Monitor technology development trends, collaborate with universities, research institutions, and industry chain enterprises, and leverage the latest technological means to strengthen energy consumption management, comprehensively advancing green operations and driving the practical application of cutting-edge technologies. 2. Advance Smart Operations: Utilize IoT, big data, and other technologies to enhance real-time monitoring and refined management of energy consumption, comprehensively advancing green and smart operations. 3. Pilot and Promote: Pilot innovative energy-saving technologies in selected projects; upon verifying their effectiveness, formulate standardized solutions for broader rollout, thereby mitigating transition risks.
<p>Transition Risks <i>(Market Risks)</i></p>	<p>Shifts in market demand may lead to:</p> <ul style="list-style-type: none"> • Customer demand for green and healthy spaces becoming the standard, necessitating service upgrades. • Corporate clients' own carbon neutrality targets placing carbon emission requirements on their office spaces. • Financiers and investors paying closer attention to the environmental performance of projects. 	<p>Short-term, Medium-to-Long-term</p>	<ol style="list-style-type: none"> 1. Elevate Green Service Capabilities: Proactively optimize service offerings by adding high-value-added services such as energy-saving consulting and green operations reporting. 2. Create Low-Carbon Scenarios: Promote green office practices within managed areas, increase the proportion of supporting facilities for new energy vehicles, and respond to market demands for low-carbon work and living environments. 3. Strengthen Market Communication: Proactively communicate green value to clients and the market through ESG reports, project sustainability showcases, and other means to consolidate and expand market share.

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Risk Category	Impacts on the Value Chain	Time Horizon	Response Strategies
<p>Transition Risks <i>(Reputation Risks)</i></p>	<p>Heightened stakeholder attention to climate action may lead to:</p> <ul style="list-style-type: none"> • Being perceived as environmentally unfriendly will damage brand image and customer stickiness. • Diminished attractiveness to top-tier talent (especially the younger generation). • Investors and partners adopting more cautious assessments. 	<p>Medium-to-Long-term</p>	<ol style="list-style-type: none"> 1. Strengthen Transparent Disclosure: Systematically disclose climate targets, actions, and progress through multiple channels, including annual ESG reports and periodic briefings. 2. Deepen Stakeholder Engagement: Proactively communicate with property owners, tenants, and investors, integrating their expectations regarding environmental issues into the Company's climate actions and improvement plans. 3. Shape a Responsible Brand: Actively participate in the formulation of industry green standards, share best practices, and shape the Company's leadership and professional image in the field of sustainable property management.

Risk Management

Facing the potential short-, medium-, and long-term material financial and strategic impacts brought by climate change, First Service Holding has fully integrated climate risk management into the Company's comprehensive risk management framework, establishing a full-chain closed-loop management system encompassing risk identification, assessment, response, and strategy execution. Relying on the climate scenario analysis frameworks of the International Sustainability Standards Board (ISSB) and the Network for Greening the Financial System (NGFS), we systematically identify the potential shocks of physical and transition risks on our business model and value chain, dynamically optimizing our response strategies based on the assessment results. The Company will also enhance the awareness of climate change risks among employees and stakeholders through training, community activities, and campaigns advocating sustainable development, strengthening their engagement and sense of responsibility in risk management. Furthermore, based on the results of climate change scenario analysis, we plan to conduct an in-depth financial impact assessment of the Company's business and strategy in 2026. Aligned with business development needs, we will formulate targeted climate change mitigation and adaptation strategies to continuously enhance the long-term resilience of the enterprise and the communities we serve.

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Metrics and Targets

We continuously disclose relevant energy consumption and greenhouse gas (GHG) emission data to enable our broad base of stakeholders to stay informed about the Company's progress and effectiveness in energy conservation and emission reduction in a timely manner. Moving forward, relying on the AI Smart O&M Cloud Platform, we will conduct real-time monitoring, in-depth analysis, and management of project energy usage. Integrating relevant national standards and the latest technological advancements, we will formulate scientific energy control targets to drive the enterprise's low-carbon development. In our energy-saving and carbon-reduction practices, we will reduce the use of fossil fuels at the source through technologies such as ground-source heat pump cross-seasonal energy storage, providing solid technical support for achieving future emission reduction targets. We strive to achieve a 20% proportion of zero-carbon industrial parks by 2040 and aim for all projects to reach the zero-carbon park target by 2060.

Table: Short-, Medium-, and Long-Term Climate Targets

Time Horizon	Climate-Related Targets and Action Plans
<p>Short-term Targets</p>	<p>Establish and perfect a material climate risk identification, assessment, and prevention system covering all business scenarios. Refine specialized emergency plans for extreme weather events such as rainstorms, floods, high temperatures, and typhoons. Strengthen emergency drills and material reserves to effectively mitigate the impact of extreme weather on managed project operations and client living, ensuring the Group's overall operations remain stable and orderly.</p>
<p>Medium-term Targets</p>	<p>Comprehensively align the AI Smart O&M Cloud Platform with industry energy efficiency standard systems to build a systematized energy efficiency management linkage mechanism. Continuously elevate operational energy-saving levels, striving for a significant reduction in operating energy consumption per unit area compared to the short-term baseline. Concurrently, scale the application of clean energy technologies such as ground-source heat pumps to accelerate the replacement of traditional fossil fuel consumption, optimizing the indoor and outdoor environmental comfort and health performance of project areas. Deepen the promotion of healthy building concepts, drive the large-scale implementation of high-star green building certifications, and comprehensively enhance the Group's overarching capabilities in addressing climate change and low-carbon transition, injecting robust momentum into sustainable development.</p>

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Time Horizon	Climate-Related Targets and Action Plans
<p>Long-term Targets</p>	<p>Comprehensively establish a green and low-carbon technology system and achieve standardized output, effectively mitigating the impacts of external policies and market changes on the energy consumption and carbon emissions of managed projects. Develop the climate adaptability and low-carbon competitiveness required for sustainable development. Strive for a substantial decrease in the carbon emission intensity of the Company's overall operations (Scope 1 and Scope 2) compared to the baseline year, and propel certain leading projects to take the lead in achieving "near-zero carbon" or "carbon neutrality" during the operational phase.</p>

GHG Emissions Management

First Service Holding consistently places climate change mitigation at the core of our strategy, regarding greenhouse gas (GHG) emission reduction as a long-term responsibility and a critical operational issue. We profoundly understand that building heating, domestic hot water production, and daily operational energy consumption are the primary sources of the Company's GHG emissions. To systematically conduct accounting and management, we reference the ISO 14064 and GHG Protocol standards to define clear accounting boundaries: Scope 1 focuses on direct emissions, primarily monitoring fuel consumption from company-owned vehicles and refrigerant escapes; Scope 2 deeply manages emissions from purchased electricity, which is the core source of the Company's operational carbon footprint; Scope 3 progressively incorporates energy consumption from managed projects and related value chain activities into the calculations to drive coordinated emission reductions across the entire value chain.

To continuously consolidate our emission reduction outcomes and respond to the national "Dual Carbon" strategy, the Company's core objective is shifting from "passive response" to "proactive management". We are dedicated to exploring and establishing a sustainable, endogenously driven business model for community energy conservation and carbon reduction. During this process, we have clearly defined our "four-in-one" role as an "advocate, organizer, executor, and operator" of community energy conservation and carbon reduction. Using "technical energy conservation" and "managerial energy conservation" as two main levers, with "model innovation" as the breakthrough point and "owner co-governance" as the foundation, we have established the management principles of "source reduction, process control, technology-driven, and full participation" to achieve the unification of environmental, economic, and social benefits.

The Company integrates climate change factors into our long-term operational strategy, systematically identifying and managing risks and opportunities during the low-carbon transition. Through refined control, systematic technological upgrades, and employee behavior guidance, we steadily decrease the emission intensity per unit of managed area. This ensures that while service quality continuously improves, our climate impact is minimized to the greatest extent, driving synergy between environmental performance and operational efficiency. We have set clear quantitative targets for GHG management. According to the targets assigned by the Beijing Municipal Development and Reform Commission, our cumulative energy consumption intensity reduction target for the "14th Five-Year Plan" period (up to 2024) is 0.18. Building upon this, the Company has set a more stringent internal management target: using 2024 as the baseline year and covering Scope 1 and Scope 2 GHG emissions, we strive to achieve a continuous decline in emission intensity per unit of managed area (tCO₂e/10,000 sq.m.) by the end of the "14th Five-Year Plan" (2025). In 2025, the Company's total GHG emissions were 45,905.10 tCO₂e, of which indirect GHG emissions amounted to 40,386.74 tCO₂e. The GHG emission intensity was 6.77 tCO₂e/10,000 sq.m., successfully ensuring the achievement and surpassing of the intensity target assigned by the government.

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Table: GHG Emissions of the Group

Emission Source	2025	2024
Scope 1: Direct Emissions (tCO ₂ e)	5,513.28	19.84
Scope 2: Indirect Emissions (tCO ₂ e)	40,386.74	40,385.85
Total GHG Emissions (tCO ₂ e)	45,905.10	40,407.27
GHG Emission Intensity (tCO ₂ e/10,000 sq.m.)	6.77	5.45

Notes:

1. Direct GHG emissions: The Group's gasoline and natural gas consumption multiplied by the corresponding emission factors. The quantification process and emission factors refer to the China Energy Statistical Yearbook, the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, the IPCC Sixth Assessment Report (AR6), the Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Public Building Operation Units (Enterprises) (Trial), the Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Land Transport Enterprises (Trial), and the Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Enterprises in Other Industrial Sectors (Trial).
2. Indirect GHG emissions: The Group's purchased electricity consumption multiplied by the corresponding emission factors. The quantification process and emission factors refer to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, the Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Public Building Operation Units (Enterprises) (Trial), the Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Enterprises in Other Industrial Sectors (Trial), and the Announcement on Releasing the 2023 Carbon Dioxide Emission Factors for Electricity issued by the Ministry of Ecology and Environment. Regional classifications are consistent with the Announcement on Releasing the 2023 Carbon Dioxide Emission Factors for Electricity.
3. Explanation of data variance: The significant increase in Scope 1 (Direct Emissions) in 2025 compared to 2024 is primarily due to the continuous improvement of the Company's environmental data collection system. Natural gas consumption was comprehensively collected and included in the disclosure scope for the first time in 2025 (this data was excluded in 2024 due to data collection difficulties at the time).

Centered around the aforementioned targets, and building upon our previous emission reduction efforts, we further advanced deep emission reductions and value chain synergistic emission reductions in 2025, focusing on four key areas:

- **First, advance the clean transition of our energy structure to implement “technical energy conservation.”** We piloted the application of technologies such as ground-source heat pumps in qualified managed projects, exploring alternative pathways to natural gas boilers to reduce Scope 1 (direct) GHG emissions at the source.
- **Second, deepen digital and smart energy efficiency management to strengthen “technical energy conservation”.** We deployed Internet of Things (IoT) sensing terminals on major energy-consuming equipment, fully integrating them into the Company's smart AI cloud platform to enable real-time monitoring of equipment operations and environmental parameters. Relying on big data analysis and AI algorithms, we conducted load forecasting, energy efficiency evaluation, and automatic strategy optimization for Heating, Ventilation, and Air Conditioning (HVAC) systems, significantly enhancing the precision and intelligence of our energy use.

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- Third, upgrade the standardized green operations system to solidify “managerial energy conservation.”** The Company continuously revised and refined four core standards: the *First Service Holding Energy Management Operating Standards*, the *First Service Holding Environmental Management Professional Process and Standardized Operating Standards*, the *First Service Holding Hazardous and Non-Hazardous Materials Management Operating Standards*, and the *First Service Holding Water Body Cleaning and Maintenance Operating Standards*. We organized all-employee training and assessments, and combined internal audits with third-party spot checks to ensure that all requirements are fully executed at the project level and deeply integrated into daily operational processes.
- Fourth, guide the value chain towards joint emission reductions to explore “model innovation” and “owner co-governance.”** The Company optimized our employee green commuting incentive program, encouraging the use of low-carbon commuting methods such as public transit and subways, and explored collaborations with shared mobility and new energy vehicle enterprises to provide employees with more diverse and convenient low-carbon travel options. In supplier admission and assessment, we increased the consideration of carbon emission management and environmental performance, prioritizing partners with low-carbon certifications or environmental qualifications to drive the supply chain to collaboratively participate in emission reduction actions.

First Service Holding will continue to systematically advance the operational carbon neutrality process through scientific methods and pragmatic actions, creating green, low-carbon, and healthy sustainable development value for property owners, employees, and society as a whole.

Wastewater Management

First Service Holding is committed to practicing the concept of sustainable water resource management, adhering to the principles of “source reduction, recycling, smart supervision, and compliant disposal”. The wastewater generated during the Company’s operations is primarily domestic sewage, mainly originating from kitchen waste water, washing water, restroom cleaning, and daily household cleaning. All of these are discharged in a standardized manner through the municipal pipeline network with separate systems for rainwater and sewage; rainwater within the industrial parks is discharged directly into the municipal rainwater pipelines. We deeply understand that domestic sewage and park rainwater generated during operations are major water-related issues. Therefore, we not only ensure that all wastewater is discharged legally and compliantly, but also actively enhance water resource utilization efficiency. Through systematic planning and technological applications, we maximize the resource utilization and recycling of wastewater, alleviating the pressure on municipal pipeline networks and environmental water bodies, and contributing to the construction of a water-saving society.

In 2025, building upon our existing water management achievements, we focused on increasing the water recycling rate, deepening technological applications, and strengthening process monitoring. Specific strategies include: expanding the utilization scale of unconventional water sources (rainwater and reclaimed water), promoting the practical verification of pilot wastewater treatment technologies, and establishing a more refined water consumption and drainage data management system. Looking ahead, we will continue to explore highly efficient and low-consumption wastewater treatment technologies, deepen the water resource recycling system, and strive to transform every community into an energy-saving, water-saving, and environmentally friendly green ecological homeland.

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Waste Management

We consistently regard waste management as a critical component of environmental management, striving to build a full-chain management system spanning source reduction, sorted collection, and standardized disposal, ensuring that the entire waste treatment process causes no pollution to the environment. Building upon our current foundation, we will focus on advancing the perfection of a closed-loop management system, data-driven refined operations, and the synergistic enhancement of internal resources, aiming to achieve the minimization of waste generation and the maximization of resource utilization.

Building upon the optimized sorted collection process, we focus on strengthening the compliance supervision of the classified transportation and end-of-pipe disposal of hazardous waste. The Company will establish more stable cooperation and traceability mechanisms with qualified treatment entities, ensuring that the entire process for hazardous waste (such as waste batteries, waste toner cartridges, etc.)—from project collection points to final harmless treatment — is traceable and verifiable. Furthermore, we will refine internal management standards. Based on the execution experience of the *First Property Hazardous and Non-Hazardous Materials Management Operating Standards*, we upgraded and refined the standards, specifically adding on-site operational details such as temporary storage, labeling, and handover records for different types of hazardous waste. We also strengthened specialized training and assessments for relevant personnel in the Environmental Management Department and the Engineering Department, striving to build a waste control system characterized by “all-employee awareness and all-employee management” to ensure the effective implementation of the standards.

Strengthening data management and performance tracking. Building upon the disclosure of hazardous and non-hazardous waste data in 2024, the Company further optimized the statistical ledgers for waste across all projects, standardizing data calibers and reporting processes. We have initiated the establishment of a company-level waste management data platform to progressively achieve the regular aggregation and analysis of generation and recycling volumes for major waste categories (especially hazardous waste). Based on historical data, we are attempting to set recovery rate improvement targets for non-hazardous waste (such as office paper) at the regional or project level, and incorporating waste management effectiveness into the performance observation metrics of relevant departments, driving the pragmatic implementation of management responsibilities.

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Table: Key Performance Indicators Related to Emissions

Indicator	2025 Emissions
Total GHG Emissions (tCO₂e)	45,905.10
Direct Emissions (Scope 1) (tCO₂e)	5,513.28
Natural Gas (tCO ₂ e)	5,503.96
Gasoline (tCO ₂ e)	9.33
Indirect Emissions (Scope 2) (tCO₂e)	40,386.74
North China Region (tCO ₂ e)	9,535.35
East China Region (tCO ₂ e)	4,403.52
Central China Region (tCO ₂ e)	9,591.05
South China Region (tCO ₂ e)	8,460.15
Northwest China Region (tCO ₂ e)	8,396.66
Total Scope 3 Emissions (tCO₂e)	5.08
Scope 3 Category 5 Emissions (tCO₂e)	3.97
Office Paper (tCO ₂ e)	3.5
Waste Toner Cartridges (tCO ₂ e)	0.27
Waste Ink Cartridges (tCO ₂ e)	0.20
Waste Batteries (tCO ₂ e)	0.004
Scope 3 Category 6 Emissions (tCO₂e)	1.11
GHG Emission Intensity (tCO₂e/10,000 sq.m.)	6.77

Notes:

1. The main sources of other indirect GHG emissions include Scope 3 Category 5 (Waste generated in operations) and Category 6 (Business travel). The quantification process references the Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard of the Greenhouse Gas Protocol. Emission factors reference the authoritative factors published by the UK Department for Environment, Food & Rural Affairs (UK DEFRA).
2. Hazardous waste involved in the Company's operations primarily includes waste ink cartridges, toner cartridges, and batteries.
3. Non-hazardous waste involved in the Company's operations primarily includes waste office paper.

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Table: 2025 Waste Management Performance

Indicator	2025	2024
Total waste disposed (tonnes)	3.52	4.38
Total non-hazardous waste disposed (tonnes)	3.50	3.60
Office paper (tonnes)	3.50	3.60
Total hazardous waste disposed (tonnes)	0.02	0.78
Waste toner cartridges (tonnes)	0.01	0.72
Waste ink cartridges (tonnes)	0.01	0.05
Waste batteries (tonnes)	0.001	0.01
Hazardous waste disposal intensity per unit of managed area (kg/10,000 sq.m.)	0.004	0.11
Non-hazardous waste disposal intensity per unit of managed area (kg/10,000 sq.m.)	0.52	0.49

3.2 Developing Green Technology

Adhering to the philosophy of “Technology for Human Settlements, Comfortable Services,” First Service Holding is dedicated to providing clients with healthy, comfortable, and energy-saving sustainable living solutions, helping to achieve the “Four Constants” target: “constant temperature, constant humidity, constant oxygen, and constant tranquility”. In 2025, using the AI Smart Cloud Energy Management Platform as our core engine, we comprehensively deepened the application of green technology and “digital twin” technology. This drove the leap of our energy operations and maintenance (O&M) and community management from “refined” to “digital and intelligent” (digi-intelligent), achieving a series of breakthrough results in energy conservation, emission reduction, technological innovation, and smart services.

AI Cloud Platform and Digital-Intelligent O&M

➤ **Energy Management: Precise Measurement, Detailed Evaluation, and Smart Optimization**

To comprehensively enhance energy utilization efficiency, the Company has established an energy management system covering all service scenarios. We continuously advance sub-metering and data collection for the energy consumption of facilities and equipment across all service centers. Through real-time statistics and scientific evaluation of electricity, heating, and water resource consumption, we have constructed a dynamic energy consumption baseline.

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Relying on the AI Smart Cloud Energy Management Platform, our energy management team can conduct in-depth analyses of energy consumption trends, accurately identify abnormal energy usage points, and promptly adjust the operational strategies of cooling and heating systems based on data analysis results. This ensures that equipment consistently operates within high-efficiency ranges. This closed-loop management mechanism of "analysis-decision-optimization-feedback" safeguards energy-saving operations at the system level. By the end of 2025, the AI Smart Cloud Energy Management Platform had been successfully integrated into 21 projects, covering a total service area of 2 million square meters. This includes 11 internally managed projects and 10 external projects, spanning diverse asset classes such as high-end residential buildings, offices, shopping malls, hotels, and residential heating. Compared to 2024, the annual energy consumption of all projects connected to the platform in 2025 dropped significantly, with energy-saving rates generally ranging from 10% to 37%, demonstrating outstanding achievements in energy conservation and consumption reduction.

➤ **Digital Twin Application: Virtual-Real Mapping and Visualized O&M**

In terms of digital twin applications, First Service Holding has deepened its strategic partnership with 51WORLD, a leader in the digital twin industry, to jointly explore the profound application of digital twin technology in the field of property O&M. By deeply integrating project Building Information Modeling (BIM) and Internet of Things (IoT) data with 51WORLD's digital twin platform, we have constructed "digital twins" of critical energy systems. This enables remote, real-time monitoring of equipment status and energy flow, and scales AI energy-saving strategies from single projects to regional centers, achieving higher-dimensional precise energy consumption forecasting. This 3D visualized platform not only enhances our capabilities in precise fault localization and the simulated deduction of disposal schemes but also marks the formal transition of our O&M model from "passive response" to a new phase of "proactive early warning and decision optimization".

Green Energy-Saving Consulting and Empowerment

First Service Holding is not only dedicated to energy conservation and consumption reduction in our own projects but also transforms our green technology capabilities accumulated over many years into a core advantage for external services. By analyzing the characteristics of each property, we provide tailor-made customized solutions regarding the design, consulting, bidding, procurement, installation, and/or operation of energy systems and "Green Building Label" applications, empowering more buildings to achieve low-carbon transition.

Technological Innovation and R&D

First Service Holding attaches great importance to technological R&D and innovation, committing to materializing innovation outcomes through patents and copyrights. In 2025, we focused on deepening the functions and optimizing the deployment of the AI Cloud Smart O&M Platform, achieving two landmark results.

Achievement 1: Scaled Application of the AI Cloud Smart O&M Platform

Based on big data and AI algorithms, the AI Cloud Smart O&M Platform was successfully deployed in 21 projects nationwide in 2025, covering cities such as Beijing, Shenzhen, Nanjing, Suzhou, Hefei, Wuhan, Xi'an, and Taiyuan. The project types encompass diverse asset classes including high-end residential, offices, shopping malls, hotels, and residential heating. The platform enables fully automated AI O&M and fault diagnosis for equipment rooms, which not only drastically reduces project operating energy consumption but also significantly cuts personnel and training costs. Relying on high-frequency automated equipment inspections and fault diagnosis functions, the AI Cloud Smart O&M Platform achieved energy-saving rates of 10% to 37% across all projects, markedly enhancing the operational stability and reliability of each site.

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Achievement 2: Successful R&D of a Low-Cost, Rapid Deployment Solution

To drive the scaled democratization of advanced technologies, we made critical breakthroughs in hardware R&D in 2025, successfully launching a 5G-based, low-cost DTU (Data Transfer Unit) communication control module and a universal wireless sensor module. These two hardware innovations reduced the deployment costs of the AI Cloud Platform by 75% and shortened the deployment time by 90% compared to previous iterations, greatly enhancing the market promotion competitiveness of the AI Cloud Smart O&M Platform. Concurrently, we continuously iterated our low-cost energy-saving solutions for office buildings. By collecting indoor temperature and humidity, weather forecasts, and air conditioning supply and return water temperature data, the AI platform can automatically generate optimal water supply temperature strategies, achieving a 10%–15% energy-saving effect.

Future Outlook and R&D Direction

First Service Holding continuously monitors the latest national development policies regarding green and healthy buildings. Looking ahead, we will continue to focus on green buildings and the “Dual Carbon” targets, deepening the promotion and application of the AI Smart Cloud Energy Management Platform in green building management. We will leverage technological capabilities to elevate the O&M management level of complex energy systems, such as central air conditioning, achieving energy conservation and efficiency enhancements. Concurrently, we will strengthen the integration of the green building framework with “Dual Carbon” technologies to consolidate the market competitiveness of our technologies and products. Relying on our accumulated expertise in the R&D and product application of low-energy building technologies, such as passive houses and near-zero energy consumption buildings, we will continuously expand our healthy building practices.

At the R&D level, we will continuously endeavor to promote AI Cloud O&M technologies, striving to integrate more external projects into the platform and constantly perfecting its functionalities. In 2026, the Company will dedicate itself to developing a low-cost, micro-power, and high-precision wireless temperature and humidity sensor. Through large-scale, flexible deployment, we will construct a high-density indoor environmental sensing network. This will provide a real-time, precise data foundation for model predictive control and on-demand zonal regulation of HVAC systems. By deeply integrating this with the AI Cloud Platform, we will ultimately provide clients with an advanced, integrated “sensing-analysis-control” energy-saving solution, striking an optimal balance between energy conservation and indoor comfort.

3.3 Low-Carbon Operational Footprint

Optimizing Emissions Management

The Company consistently adheres to the green development philosophy of harmonious coexistence between humans and nature, regarding pollutant emissions management as a core component of environmental management. In 2025, we strictly complied with national environmental laws and regulations, including the *Atmospheric Pollution Prevention and Control Law of the PRC*, the *Water Pollution Prevention and Control Law of the PRC*, and the *Law of the PRC on the Prevention and Control of Environment Pollution Caused by Solid Wastes*, while actively benchmarking against more stringent environmental requirements. Building upon a series of existing systems such as the *First Service Holding Energy Management Operating Standards*, the *First Service Holding Hazardous and Non-Hazardous Materials Management Operating Standards*, and the *First Service Holding Water Body Cleaning and Maintenance Operating Standards*, we focused on driving the deep implementation and closed-loop execution of standard operating procedures. We are dedicated to constructing a more precise and efficient emissions and waste management system to ensure that waste gas, wastewater, and various types of waste are controlled in a compliant and scientific manner.

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The Company continues to strengthen the core role of the three-tier “Headquarters-Region-Project” environmental control system in emissions management, clearly defining the annual deepening tasks for each level:

- **Headquarters Operations Management Center:** Based on identifying environmental factors and setting overarching targets, the focus of work in 2025 shifted towards the detailed breakdown of targets and process monitoring. The headquarters is responsible for establishing and maintaining a data collection and analysis system for critical emissions and waste management, providing quantitative support for management decisions. The annual environmental management system review will focus on examining the effectiveness of emissions management-related processes, and based on the review findings, it will lead the optimization and revision of existing operating standards to ensure their continuous adaptation to operational realities and regulatory changes.
- **Regional Company Operations Management Departments:** Serving as the critical hub connecting top and bottom, the regional companies must translate headquarters' targets into specific action plans and monitoring schemes for their respective jurisdictions. The deepening of their responsibilities is reflected in: organizing specialized training and assessments on emissions management standards; conducting regular on-site inspections and risk assessments of emissions and waste management at subordinate projects; and establishing tracking and verification mechanisms for project issue rectification to ensure that headquarters' policies and standards are strictly executed and corrected at the regional level.
- **Project Service Centers:** As the ultimate execution units of management, responsibilities are further compacted at the project level. In addition to adopting and executing various standards, projects must regularly conduct self-inspections of environmental factors, paying special attention to key emission-related areas such as waste transfer stations, sewage treatment facilities, and storage (for hazardous materials). Project managers must ensure all relevant operational personnel are fully proficient in operating standards and conduct daily supervision and recording of subcontractors' environmental behaviors. Simultaneously, they must effectively organize emergency plan drills to enhance on-site emergency response capabilities.

The Company firmly believes that “prevention is better than cure.” We will continuously promote energy conservation, consumption reduction, and green operations to reduce pollutant generation at the source. Through continuous optimization of operational processes and guidance of employee behavior, we strive to reduce the volume of waste generated per unit of service. We regard waste minimization and resource utilization as long-term targets, actively exploring achievable resource recycling pathways at the project level, and steadfastly pursue the path of sustainable development, contributing corporate strength to realizing the concept of a circular economy.

Optimizing Operations with Low Carbon

The Company continuously practices a green and low-carbon development strategy, striving to achieve high-efficiency energy conservation and resource savings in property management and services. In 2025, during the critical execution period of the national “14th Five-Year Plan,” the Company further deeply integrated the “Dual Carbon” targets into all operational processes. We clearly set reducing the carbon emission intensity per unit of managed area as our core orientation, continuously enhance the utilization efficiency of energy and water resources, maximize their environmental and economic benefits, and are dedicated to creating sustainable green value for property owners and society.

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Deepening Energy Management: From Efficient Use to Smart Regulation/Energy Saving in Offices and Public Areas

Regarding electricity conservation management, we will introduce intelligent and precise control measures based on our current foundation to push energy utilization efficiency to a new level. During project retrofits and equipment upgrades, we prioritize Grade 1 energy-efficient construction equipment and tools. For large public building projects, prior to the cooling and heating seasons, the headquarters relies on the energy efficiency monitoring platform to conduct simulated pre-commissioning of the systems. This not only identifies operational issues but also utilizes AI algorithms to optimize equipment start-stop strategies and operating parameters, thereby elevating the overall energy efficiency of the system. In office areas, we will gradually pilot the installation of smart sensing systems to interlock and control air conditioning fresh air volume and lighting brightness based on indoor occupancy density and carbon dioxide concentration, achieving automated management of "lights on when people arrive, dormancy when people leave." The security patrol mechanism has been upgraded from "turning off lights and air conditioning to save energy" to "checking and reporting abnormal energy consumption points," forming a closed management loop. The non-working hour elevator operation strategy will integrate big data on building usage to precisely assess demand, further optimizing energy-saving modes while ensuring basic services. Furthermore, in projects with suitable conditions, we will actively explore the maximum utilization of natural site conditions, such as installing photovoltaic facilities on garage canopies or building roofs for public area lighting or equipment power supplementation, further reducing reliance on traditional energy sources.

Deepening Water Resource Management: From Water-Saving Measures to Recycling

We regard water resources as valuable environmental assets and are committed to building a multi-dimensional water-saving system encompassing "measurement, control, and recycling."

- **Landscaping Irrigation Water:** Comprehensively considering local climate, precipitation, and plant habits, we enforce the establishment of landscaping irrigation ledgers to record the water volume, time, and soil moisture of each irrigation, achieving refined and data-driven irrigation management.
- **Cleaning and Sanitation:** We strictly require the use of high-pressure water guns and professional equipment for cleaning operations, strictly prohibiting direct flushing with water hoses, and this serves as one of the key assessment metrics for cleaning service providers. While ensuring the environmental quality of the industrial parks, we scientifically assess and dynamically adjust cleaning frequencies by formulating water feature cleaning work instructions based on visual cleanliness standards. The practice of prioritizing the use of replaced water from water features for landscaping irrigation has been rolled out across all applicable projects.
- **Measurement and Water-Saving Devices:** We are accelerating the installation of water meters in public areas, advancing towards full coverage of public area water metering in managed projects, which lays the foundation for water consumption statistics and analysis. All water outlets must be equipped with water-saving nozzles. Simultaneously, we continue to promote highly efficient water-saving irrigation methods such as micro-sprinkling and drip irrigation, expanding their coverage to more managed areas.

Deepening the Environmental Management System: From Three-Tier Control to Digital Empowerment

The Company's core business is property management, meaning our direct resource consumption and major environmental impacts are limited. We profoundly recognize that our environmental responsibility is primarily reflected in the management of indirect energy and water consumption during operations, as well as environmental requirements for our supply chain. In 2025, through the aforementioned deepening measures, we are dedicated to further reducing resource consumption in operational processes.

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The Company persistently executes and continuously optimizes the three-tier “Headquarters-Region-Project” environmental control system, striving to deeply integrate environmental management requirements into daily operations:

- **Headquarters** is responsible for the top-level design, optimization, and updating of the environmental management system. In 2025, the headquarters' key tasks included: establishing and promoting a monitoring system for key environmental performance indicators (KPIs); conducting quarterly data analysis and evaluation of system implementation across regions and key projects; and organizing the annual environmental management review to ensure the suitability, adequacy, and effectiveness of the management system.
- **Regional Companies**, acting as the critical link connecting top and bottom, are responsible for implementing headquarters' standards and policies within their respective regions. In 2025, regional companies were required to conduct monthly on-site supervision, inspections, and data verification for subordinate projects, regularly organize specialized environmental management training and experience sharing, and conduct closed-loop tracking and verification of the implementation progress and effectiveness of project rectification measures.
- **Projects**, serving as the specific execution units for environmental management, are responsible for implementing and recording environmental management measures at the service centers; they are responsible for the daily supervision and monthly evaluation of the environmental performance of outsourced service providers (such as cleaning and landscaping); simultaneously, based on the specific characteristics of each project, they must perfect and regularly drill emergency plans for environmental incidents to enhance emergency response capabilities.

Looking ahead, the Company will continue to fortify the construction of our environmental management system, ensuring full compliance with all applicable environmental laws and regulations while actively benchmarking against advanced industry practices. We will contribute corporate strength to mitigating climate change and protecting the ecological environment through more solid actions and measurable results.

Realizing Low-Carbon Development

The Company steadfastly implements the green and low-carbon development philosophy, placing energy conservation and emission reduction at the core of our operational strategy. In 2025, building upon our established energy management system, we focused on promoting its refined operation and continuous optimization. By strictly implementing a series of institutionalized documents — including the *First Service Holding Energy Management Operating Standards*, the *First Service Holding Power Supply and Distribution System O&M Operating Standards*, the *First Service Holding HVAC System O&M Operating Standards*, the *First Service Holding Water Supply and Drainage System O&M Operating Standards*, the *First Service Holding Public Area Lighting Management Operating Standards*, the *First Service Holding Ceiling System Operation Operating Standards*, and the *First Service Holding Energy System Commissioning and Acceptance Operating Standards* — and by conducting in-depth energy-saving awareness campaigns and specialized training, we have not only consolidated the energy-saving and consumption-reduction awareness of all employees, but also deepened energy-saving practices into every aspect of daily operations, systematically reducing energy consumption and enhancing energy utilization efficiency.

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The energy and resources consumed during the Company's operations primarily include electricity, gasoline, natural gas, and water resources. Among these, gasoline is mainly used for company vehicles; natural gas is used for heating in certain projects and staff canteens; and electricity is the primary energy source for offices, public facilities, and equipment operations. All consumed water resources are sourced from the municipal water supply, and there are no issues in sourcing water that is fit for purpose. The nature of our business determines that our operations do not involve the use of packaging materials.

In 2025, we continuously advanced our energy conservation and emission reduction efforts through a series of deepening measures. On the technical front, we conducted energy efficiency diagnostics and optimization retrofits for critical systems (such as HVAC and lighting) in certain high-energy-consuming projects, and promoted the application of smart control technologies. On the management front, we strengthened the supervision, inspection, and data verification regarding the implementation of various energy management operating standards, ensuring the effective execution of our systems. During the year, the Company's total indirect energy consumption was 77,271.46 MWh, with electricity consumption per unit area reaching 11.40 MWh/10,000 sq.m. Total water consumption was 1,030,929.50 tonnes, with water consumption per unit area decreasing to 152.14 tonnes/10,000 sq.m. Looking ahead, we will continue to explore and apply more low-carbon technologies and solutions, dedicating ourselves to achieving a steady decline in operational carbon emission intensity.

Table: Key Performance Indicators Related to Energy Consumption

Indicator	2025 Data	2024 Data
Total Indirect Energy Consumption (MWh)	77,271.46	68,962.02
Electricity Consumption Intensity per Unit of Managed Area (MWh/10,000 sq.m.)	11.40	9.3

Table: Key Performance Indicators Related to Water Consumption

Indicator	2025 Data
Total Water Consumption (tonnes)	1,030,929.50
Water Consumption Intensity per Unit of Managed Area (tonnes/10,000 sq.m.)	152.14

Notes:

1. The disclosure scope for key performance indicator data related to energy and resource consumption in 2025 includes the office areas of the Company's various business segments, as well as the public property management areas of managed projects (excluding projects managed on a commission basis).
2. The Company's water consumption is sourced from the municipal water supply, and there are no issues in sourcing water that is fit for purpose.
3. Packaging material data is not applicable to the Company's business operations.

04. Smart Connections, Digital Services

This chapter responds to UN SDG 11



Against the backdrop of the digital wave and the “Dual Carbon” targets, First Service Holding firmly believes that technology is the core driver for enhancing service quality and operational efficiency. During the reporting period, we continuously deepened the application of the “Lv Zai (Green Boy) Butler” smart system. Taking the “Smart Community Brain” as a starting point, we promoted the deep integration of AI security and digital management within communities, striving to build a safe, convenient, and green smart living space for property owners. Concurrently, we elevate information security and privacy protection to a strategic height, laying a solid foundation of trust with rigorous systems and technologies.

4.1 Smart Services

First Service Holding is committed to empowering community services with information technology systems. Through the synergistic upgrade of software platforms and hardware facilities, we create a data-driven smart community ecosystem for our clients. During the reporting period, utilizing “Lv Zai Butler” as our carrier, we internally achieved management efficiency enhancements and externally elevated the service experience. Through low-cost, highly effective smart retrofits, we pragmatically addressed pain points in community management.

Digital Work Order System: Streamlined Processes and Upgraded Experiences

During the reporting period, we continuously iterated the “Lv Zai Butler” digital work order system, efficiently synergizing service processes and deeply integrating them into community service scenarios to achieve two-way connectivity between the employee side and the property owner side.

The “Lv Zai Butler” Employee Edition focuses on internal management efficiency enhancements and has been deeply applied in business scenarios such as financial fee collection, facility and equipment inspections, customer service work order processing, and security patrols. Through the decision analysis platform, management can monitor the operational status and key performance indicators (KPIs) of basic business in real-time, achieving precise data-driven control.

The “Lv Zai Butler” Owner Edition serves as the customer service portal, integrating functions such as online payment, online incident reporting, mobile door access, and remote video monitoring. During the reporting period, we focused on optimizing the user interface and interaction logic, significantly accelerating the response speed for online incident reporting and boosting the payment conversion rate. In 2025, the platform's average response time for online incident reporting was 3.61 minutes, and the annual work order completion rate remained at a high level of 99.83%. The smart work order system has demonstrated outstanding results in enhancing service efficiency and ensuring a closed loop of services.

04. Smart Connections, Digital Services

Table: Related Data of the Lv Zai Mini-Program Digital Work Order System

Year	Incident Reports (Cases)	Completed Incident Reports (Cases)	Incident Report Completion Rate	Average Response Time (Minutes/Order)
2024	732,334	731,336	99.86%	3.29
2025	704,901	703,698	99.83%	3.61

Innovation Case: Smart Community Brain — AI Smart Recognition Solution for Preventing Electric Bicycles from Entering the Park

In terms of smart scenario construction, First Service Holding continuously drives the implementation of smart access control, smart security, and remote equipment monitoring systems. Targeting the industry pain point of fire safety hazards caused by the illegal entry of electric bicycles (e-bikes) into buildings and households, the Company encourages frontline projects to engage in technological innovation. In 2025, the Changsha Furong MOMA Service Center successfully developed and implemented a low-cost "AI Smart Recognition Solution for Preventing Electric Bicycles from Entering the Park", vividly interpreting the concept of "small innovations solving big problems."

The project team did not resort to expensive, large-scale equipment overhauls; instead, they conducted a smart, minimally invasive retrofit based on the existing access control system. By installing electric bicycle AI recognition cameras at the pedestrian entrances of the park and connecting their normally closed switches to the access control system via an added intermediate relay, a smart linkage was established. When the AI camera detects an electric bicycle entering the recognition zone, it automatically sends a lock signal to the access control system and triggers a voice broadcast stating "Electric Bicycles Prohibited from Entering the Park," complemented by on-site floor markings for guidance. Only when the electric bicycle exits the recognition zone will the access control system automatically unlock, restoring normal passage.

This solution yields significant economic and social benefits:

- **First, extremely low cost and rapid scalability.** The material cost for retrofitting a single entrance/exit is only about RMB 500 (including the AI recognition camera, intermediate relay, and wiring), possessing exceptionally high value for replication and promotion.
- **Second, staff optimization, efficiency enhancement, and source governance.** It achieves 24-hour unmanned smart guarding, effectively alleviating the pressure of manual intervention at security posts and physically eliminating the risks of electric bicycles forcibly entering the park and subsequently charging inside buildings from the source.
- **Third, quality improvement and property owner satisfaction.** This solution practically ensures the effective segregation of pedestrians and non-motorized vehicles within the park, elevating the overall safety index and environmental quality of the park, and has garnered unanimous praise from the broad base of property owners.

04. Smart Connections, Digital Services

4.2 Information Security and Privacy

First Service Holding deeply understands that customer privacy and information security are the cornerstones of corporate sustainable development. Strictly complying with national laws and regulations such as the *Data Security Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*, and integrating our own business development, the Company has established a comprehensive, multi-layered, and robust mechanism system to protect the security and compliance of customer information throughout the entire process of collection, storage, usage, and transfer.

System and Mechanism Construction

Integrating our business development status, the Company formulated the *First Service Holding Customer Archive and Data Management Operating Standards* to safeguard the establishment, storage, and borrowing processes of customer archive data. We also rely on the *First Service Holding Customer Facial Recognition Usage Rules Operating Standards* to explicitly govern the collection and protection of customers' biometric information and safeguard their portrait rights. Regarding customers' paper archives, we have designated archive rooms managed by dedicated personnel; each household's archive is sealed separately, and the keys are centrally managed by the project responsible person. Any borrowing of customer archives must undergo a strict process approval and real-name registration before proceeding, thoroughly ensuring customer privacy and security.

For information stored on online platforms, the Company formulated the *First Service Holding Server Management Operating Standards*, the *First Service Holding Information Technology Equipment Room Management Operating Standards*, and the *First Service Holding IT Infrastructure Emergency Response Operating Standards*. From the perspectives of the physical environment and network architecture, these standards clearly define the access control and registration processes for personnel entering and exiting equipment rooms, server inspection procedures, and emergency response procedures for system incidents.

Multi-Dimensional Privacy Protection Strategy

In the specific execution of customer privacy protection, we adopt a multi-dimensional strategy of "physical isolation + digital encryption + access control".

All customer paper archives are stored in designated independent archive rooms, implementing a sealed management approach of "One Household, One Archive". The keys to the archive room are centrally kept by the project responsible person. Any borrowing action must go through strict online or offline process approvals and require real-name registration, firmly ensuring that paper information is not leaked.

04. Smart Connections, Digital Services

In our IT systems, we have established a strict access control system for viewing customer information. Through hierarchical authorization, we ensure that only authorized personnel can access relevant data when strictly necessary for business operations. Simultaneously, we have deployed advanced anti-virus software and firewalls on our office systems and servers, conducting regular vulnerability scans and system updates to effectively prevent the risks of data attacks, leaks, and tampering.

We sign strict confidentiality agreements with all active employees to clearly define their responsibilities regarding data leaks. In processes involving the review or destruction of confidential customer data, written approval from the relevant customer service manager must be obtained in advance, fortifying the security defense line at the personnel awareness level.

Looking ahead, we will further increase technical investments and management innovations to continuously elevate the level of customer privacy protection.

- **First, centralized control of electronic archives.** We are advancing the digitization of customer archives to establish an electronic archive database centrally managed by Group headquarters. All electronic archives will implement a password protection mechanism; they can only be accessed after strict verification to obtain a real-time dynamic password, thoroughly eradicating unauthorized viewing.
- **Second, optimizing customer communication tools.** We are comprehensively rolling out Enterprise WeChat as the official communication channel for customer services, gradually replacing the practice where Private Butlers (Si Jia Zong Guan) use personal WeChat for customer communication. When a Private Butler's position changes or they leave the company, their Enterprise WeChat account will be uniformly inherited and taken over by the Company. This ensures the continuity of customer contacts and communication records, fundamentally eradicating the risk of customer information leakage caused by personnel turnover, making customer communication safer and more professional.

05. Sincere Services, Healthy Communities

This chapter responds to UN SDGs 3, 4, 9, 11, and 17



First Service Holding consistently places "people" at the core of our services, dedicated to building a safe, healthy, warm, and vibrant community ecosystem. Always taking customer needs as our starting point, we integrate health technology into daily services and embed social responsibility into the community's DNA. Through full-lifecycle meticulous care and an open, innovative community ecosystem, we are committed to building a safe, healthy, harmonious, and vibrant beautiful homeland.

5.1 Technology Safeguarding Health

Adhering to the philosophy of "Technology for Human Settlements, Comfortable Services," First Service Holding is not only dedicated to creating a physical environment characterized by "constant temperature, constant humidity, constant oxygen, and constant tranquility," but also upgrades our services into comprehensive health safeguarding. Our core health technology systems, by creating a stable and clean indoor environment, build an invisible health barrier for property owners, especially for sensitive groups such as the elderly and children.

From "Temperature Control" to "Health Safeguarding"

We profoundly understand the importance of a healthy living environment for residents, particularly for sensitive groups such as the elderly and children. Therefore, the value of our "constant temperature, constant humidity, constant oxygen, and constant tranquility" green living solutions goes far beyond comfort; it lies in the proactive safeguarding of respiratory health. A stable indoor temperature and humidity environment effectively inhibits mold growth and reduces allergens; the continuously circulating fresh air system ensures sufficient indoor oxygen levels while continuously expelling pollutants such as carbon dioxide and formaldehyde, providing an invisible protective barrier for the active respiratory systems of children and the relatively vulnerable immune systems of the elderly.

Transparent Services: Visible Sense of Security

To make health "visible," we implement a transparent service mechanism. In qualified projects, we have deployed indoor and outdoor environmental monitoring systems to conduct 24/7 real-time monitoring of key indicators such as PM2.5, formaldehyde, temperature, and humidity. When monitoring data shows abnormal fluctuations, the system automatically pushes an early warning to the butler's end, triggering on-site inspection and resolution processes to ensure that environmental quality remains continuously under control. Relevant data can not only be viewed at any time via indoor terminals or the Owner Edition of the "Lv Zai Butler" APP, but some public area data is also regularly published to all property owners through display screens. This transparent data disclosure is not only a confident display of our technology systems' operational effectiveness but also a solemn response to property owners' right to know about their health, ensuring peace of mind and reassurance in healthy living.

05. Sincere Services, Healthy Communities

5.2 Practicing Community Philanthropy

Since its establishment in 1999, First Service Holding has always regarded giving back to society as an intrinsic pursuit of corporate development. While continuously refining service quality and expanding operational scale, we constantly explore effective pathways to fulfill our social responsibilities through corporate strength. Adhering to the service philosophy of "Sincerely caring for everyone", we are not only dedicated to deeply integrating high-quality services into the daily lives of our communities but also actively extending advanced service concepts to the broader field of social philanthropy, achieving the symbiotic prosperity of corporate value and social value.

Enthusiastic about Social Philanthropy, Conveying the Warmth of Goodwill

In 2025, First Service Holding continued to engage in philanthropic endeavors through practical actions, actively collaborating with multiple charitable foundations such as the China Social Welfare Foundation, Xiao Caixiang, Hong Foundation, One Foundation, and China Space Foundation. We steadily advanced long-term philanthropic projects such as the "Warmth Box", "Sprout Nurturing Plan", and "Caring Library", delivering tangible care to groups in need. Concurrently, focusing on the core issue of green environmental protection, we innovated philanthropic formats to transform low-carbon concepts into vivid practices within our communities.

From March to April, the Company officially launched the annual "Earth Burden Reduction Plan" and introduced the "Love My Homeland Action — Healthy Green Movement, Low-Carbon Life" series of public welfare activities. We advocated for property owners to practice green living through various forms, including issuing the *Low-Carbon Commuting Initiative*, organizing the "Green Movement Spring" themed run, and conducting a lights-out initiative in conjunction with "Earth Hour". Furthermore, we used art as a medium to make environmental protection concepts tangible and palpable. At projects such as Beijing Grand MOMA and Nanjing Wanguofu MOMA, we organized property owners to paint environmentally themed artworks on canvas bags; in multiple communities, we led property owners and children to paint manhole covers and stone bollards, transforming cold public facilities into community art corners bearing environmental protection concepts, making "Healthy Green Movement, Low-Carbon Life" evolve from a slogan into vibrant scenery within the community.



First Service Holding "Green Movement Spring" Running Event

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First Service Holding organizing property owners to paint eco-themed artworks on canvas bags

Deepening Community Culture, Building Low-Carbon Homelands

Internally within the communities, First Service Holding focuses on building harmonious, vibrant, and warm neighborhood relationships. Relying on the *PM4-KF-14 First Service Holding Love My Homeland Action — Community Cultural Activities Operating Standards*, we have established a three-tier management system consisting of headquarters planning, regional supervision, and service center execution. Through a closed-loop mechanism of monthly reviews, regional showcasing, and headquarters re-evaluation, we ensure that community cultural activities are carried out with high quality and full coverage.

During the reporting period, the "Love My Homeland Action" continuously advanced around the themes of green environmental protection and "Red" Party building, in the form of monthly and quarterly activities. The Company headquarters coordinated monthly and quarterly themed events, while each service center solidly implemented routine actions such as monthly convenience services, property owner symposiums, equipment room open days, civilized dog-keeping campaigns, and fire safety propaganda. Through the management closed loop of monthly reviews, regional showcasing, and headquarters re-evaluation, we ensured a steady increase in activity coverage and client awareness.

1. Responding to "Healthy China," Fostering Diverse Community Groups

To respond to the "Healthy China 2030" strategy, we used "100 core projects" nationwide as a fulcrum in 2025 to comprehensively launch the construction of community sports and arts groups. We successfully established various interest groups covering badminton, table tennis, dancing, chess, Guandan (a popular card game), and running. At Changsha Weishengyuan and Xianyang Guorun Contemporary MOMA, badminton groups warmed neighborhood friendships amidst the swinging of rackets; at Beijing Tongzhou Grand MOMA and Wuhan Hanyang Grand MOMA, dance groups showcased the vitality and charm of the communities; in the Jiujiang area, public welfare chess classes opened the window of traditional cultural enlightenment for young property owners. These groups, provided with platforms by property management and co-created and co-governed by property owners, have become a crucial wellspring for activating community vitality.

05. Sincere Services, Healthy Communities



First Service Holding Sports & Arts Co-created Community Groups

2. Solidifying Convenience Services, Safeguarding Peaceful Living

We deepened and solidified convenience services, launching a series of themed convenience activities to effectively resolve pain points in property owners' lives. In March, we initiated the "Convenience Service Festival: Little Safety Helper" special campaign, focusing on the two major hidden dangers of pipeline dredging and indoor electrical safety, providing professional and reassuring door-to-door services for 2,889 households nationwide. We paid special attention to lower-floor residents and those who had experienced sewage backflow issues, proactively inviting them, adopting safe and eco-friendly operational methods, and establishing traceable service archives for each household. In May, the "Convenience Service Festival: Little Cooling Helper" warmly followed up, providing property owners with deep cleaning services for indoor fans and air conditioners, dispelling the summer heat with professional actions and fulfilling the promise of "Love My Homeland".

05. Sincere Services, Healthy Communities



First Service Holding • Love My Homeland Action Convenience Service Festival "Little Safety Helper"

Exploring Co-governance Models, Co-drawing the Future Blueprint

In 2025, we continuously advanced the exploration and implementation of the "tripartite co-governance" special task, dedicating ourselves to building a virtuous mechanism of efficient communication and synergistic co-governance among the government, property owners, and property management. By converging multi-party wisdom and strength, we jointly solved community governance challenges and elevated the level of homeland co-construction.

Looking ahead, First Service Holding will continuously monitor the development of the times and the needs of property owners, constantly deepening our social responsibility practices. We plan to further optimize our community cultural activity system in 2026, breaking it down into three major categories: "Convenience Service Festival" (targeted value-added services), "Warmth Notes" (inclusive and heartwarming services), and "Holiday Themed Activities," achieving precise and heartwarming services. We will unswervingly join hands with property owners and all sectors of society, continuously moving forward on the path of practicing corporate social responsibility, and jointly creating a safer, healthier, greener, and more harmonious beautiful homeland.

5.3 Full-Lifecycle Care

First Service Holding deeply understands that clients are the core of our services. We continuously deepen our "customer-centric" service philosophy, integrating care into the full lifecycle of our clients through institutionalized, standardized, and digitalized management approaches. We constantly optimize the service experience, fortify the community safety defense line, and proactively respond to every request, dedicating ourselves to building harmonious, trusting, and warm community relationships.

05. Sincere Services, Healthy Communities

Providing High-Quality Services: Deepening Grid Management and Fortifying Safety

➤ Deepening Grid-Based Butler Services and Implementing the First-Inquiry Responsibility System

To provide more precise and efficient services, the Company has established a standardized customer service system. We have comprehensively implemented a grid-based butler responsibility system and a first-inquiry responsibility system across all projects, ensuring every property owner has a dedicated "first responsible person for service". The first person to receive any customer request becomes the first responsible person, required to track and coordinate the entire process to ensure that "every matter has a response, and every case is settled".

Concurrently, we attach great importance to customer privacy and security, strictly following the First Service Holding Customer Archive and Data Management Operating Standards and the First Service Holding Customer Facial Recognition Usage Rules Operating Standards to safeguard customer archive data and portrait rights. The Company not only signs confidentiality agreements with all employees but also implements strict access control and approval processes for customers' paper and electronic archives. In 2025, we further strengthened electronic archive management and comprehensively upgraded customer communication to the Enterprise WeChat platform, effectively avoiding the risk of information leakage caused by butlers' personal WeChat communication or job changes, thereby building a "digital firewall" for customer information security.

In service operations, we rely on online and offline multi-channel request collection, strictly executing a closed-loop process of "reception and dispatch — time-limited resolution — acceptance and follow-up". Relying on a comprehensive institutional system, First Service Holding continuously promotes institutionalized quality control, providing solid guarantees for achieving property management quality goals. By the end of 2025, the Company consistently maintained GB/T 19001-2016/ISO 9001:2015 Quality Management, GB/T 24001-2016/ISO 14001:2015 Environmental Management, and ISO 45001:2018 Occupational Health and Safety Management system certifications, utilizing them as the foundation to standardize our daily operations.

➤ Implementing Multiple Safety Measures to Fortify the Community Safety Defense Line

First Service Holding has always regarded community safety as the cornerstone of property services, adhering to the principle of "safety first, prevention foremost," and has built an institutionalized and systematic safety management system. We continuously execute and perfect nearly 30 work guidance documents covering various aspects such as community hazard control, fire safety, public security, gate guard duties, and surveillance. These include the First Service Holding Hazard Control Operating Standards, the First Service Holding Typhoon, Public Security Incident, Fire Safety, Water Outage Emergency, and Fire Drill Operating Standards, the First Service Holding Gate Guard Management Operating Standards, the First Service Holding Surveillance Center Management Operating Standards, and the First Service Holding Park and Building Patrol Operating Standards, ensuring safety management follows established rules and evidence.

We continuously implement various safety measures: enforcing closed-off management in residential areas with 24-hour staffing at entrances, exits, and central control rooms; and conducting daily patrols of the parks and buildings at a frequency of no less than once every 4 hours. To enhance the safety awareness and emergency response capabilities of all personnel, we continued our past good practices, with each service center organizing a series of themed activities during the "11.9" National Fire Safety Day, continuously fortifying the community "firewall" through knowledge lectures and practical drills. Simultaneously, we strictly execute a semi-annual safety risk ledger review and update system, formulating and implementing specific control measures for identified risk points to ensure safety management has no blind spots and achieves full coverage.

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Building an Efficient Grievance Mechanism: Diversified, Unimpeded, and Closed-Loop Guaranteed

First Service Holding has established a customer grievance mechanism with clear hierarchies and transparent processes, ensuring that every customer's voice can be heard and responded to promptly and effectively.

Regarding complaint handling, First Service Holding has established diversified and convenient grievance paths, divided into project-level and company-level channels. Customers can report issues through multiple methods, including the 400 grievance hotline, direct reception, front desk complaints, suggestion boxes, online complaints, the Lv Zai system, media complaints, as well as letters and emails. All grievance information is received and followed up by dedicated personnel, ensuring 100% entry into the system, and guaranteeing that company-level complaints are entered into the APH system within 10 minutes, while service center-level complaints are entered into the Lv Zai system within 10 minutes.

The Company has a clear hierarchical processing and strict time limit system for customer complaints. Complaints are classified into three levels based on severity. We have set strict reply and resolution time limits to ensure efficient problem-solving:

- **Level 1 Major Complaints:** Processing completed within 15 calendar days, a mandatory reply on the same day, and a resolution plan determined within 3 days.
- **Level 2 Serious Complaints:** Processing completed within 7 calendar days, a mandatory reply on the same day, and a resolution plan determined within 2 days.
- **Level 3 General Complaints:** Processing completed within 3 calendar days, a mandatory reply on the same day, and a resolution plan determined within 2 days.

For issues that can be resolved within 30 minutes, we promise to arrange immediate processing.

Furthermore, the Company has formulated a clear grievance escalation and approval mechanism; the complaint handling process involves multi-level approvals. Service center responsible persons approve the processes and results of service center-level and company-level complaints; regional company responsible persons approve the abnormal closure of service center-level and company-level complaints, and are responsible for the processing, follow-up, and closure of escalated complaints at these levels; the General Manager of First Service Holding approves the processes and results of company-level complaints, as well as the abnormal management of company-level complaints. For certain key and difficult complaints, we have established a three-tier grievance escalation mechanism. Service center responsible persons handle the first escalation for complaints unresolved for 3 (inclusive) working days or more since a resolution plan was determined; regional company Operations Management Department responsible persons, First Service Holding Operations Management Center, and Customer Relationship Management professional group responsible persons handle the second escalation for complaints unresolved for 7 (inclusive) working days or more; regional company responsible persons, First Service Holding Operations Management Center responsible persons, and the General Manager of First Service Holding handle the third escalation for complaints unresolved for 15 (inclusive) working days or more.

05. Sincere Services, Healthy Communities

Regarding complaints concerning energy operations, headquarters will immediately feedback the issue to the project responsible person and regional company operations management responsible person upon receiving a report via the 400 hotline, ensuring a timely response. For issues that can be handled immediately, the grievance handler should provide a definitive resolution plan to the customer and resolve it within 2 hours of receiving the complaint; for issues that can be resolved within 30 minutes, they should arrange immediate processing and provide a resolution plan. For more complex situations or issues where responsibility cannot be immediately clarified, the grievance handler should agree on a time with the customer for a subsequent reply regarding the resolution plan, not exceeding 1 working day. For complaints where a subsequent reply is agreed upon, the handler must communicate the progress (or result) of the complaint processing with the customer within the agreed time frame and record the follow-up in the APH or Lv Zai system until the complaint is closed.

Under the strict execution of the closed-loop mechanism and the continuous deepening of proactive services, we received a total of 1,246 complaints in 2025, with a complaint rate of 0.55% and a complaint resolution rate of 89.41%. (Note: Complaint Rate = Number of Complaints/Total Number of Customers).

Elevating Customer Satisfaction: Digitally Driven, Refining Services

Customer satisfaction is the core yardstick for measuring our service quality. First Service Holding obtains more authentic and comprehensive customer feedback through multi-dimensional, full-cycle surveys.

This year, we conducted a comprehensive digital upgrade of our customer satisfaction surveys, fully utilizing the "Enterprise WeChat" platform to uniformly push survey questionnaires to property owners whose residential areas have been occupied for at least half a year. Surveys are conducted quarterly with broad sample coverage; scores for the first to fourth quarters are calculated based on 5%, 5%, 5%, and 10% of the total collected questionnaires respectively, ensuring the representativeness, credibility, and objectivity of the survey results. The survey content covers core dimensions such as customer service, order maintenance, engineering maintenance, environmental management, and community culture. After each quarterly survey, we output the Company's overall survey results and the results for each professional field; through data showcasing and problem analysis, we formulate measures to improve satisfaction, arrange dedicated personnel to follow up on rectifications at each service center, and conduct random follow-up calls from headquarters to verify the rectification results. The goal of the satisfaction survey is to identify issues at managed service centers regarding customer relationship maintenance, on-site management, and service quality, aiming for further perfection and improvement.

In 2025, our customer satisfaction building efforts achieved remarkable results. The overall satisfaction score increased to 86.63 points, up 4.74 points from 2024, with excellent performance across all sub-items: Project Manager Satisfaction (87.82 points), Customer Service Dimension (88.93 points), Order Dimension (84.6 points), Environment Dimension (86.58 points), and Engineering Dimension (85.02 points); customer recognition continued to rise across all service aspects.

In the future, our goal is to upgrade the satisfaction survey from a mere "scoring tool" to a core engine driving service innovation and building harmonious communities. We will focus on incorporating common pain point issues reflected in the surveys into company-level specialized rectification plans, precisely matching the core demands of property owners, and striving to elevate property owners' overall recognition of our property services (such as "willing to recommend" and "recognize service value") by over 10 percentage points.

05. Sincere Services, Healthy Communities

Typical Rectification Case of "Crucial Trifles": "Love My Homeland Action — Convenience Service Festival"

We firmly believe that excellent service stems from keen insights into customers' "crucial trifles" and proactive assumption of responsibility. In 2025, we deeply carried out the "Love My Homeland Action — Convenience Service Festival", extending the tentacles of our service to the subtle details where customers need them most through a closed-loop process of "collection — planning — proactive service — ledger management — feedback evaluation".

During annual satisfaction surveys and daily home visits by grid butlers, we discovered that many households, especially elderly individuals living alone, had pain points such as "reluctance to find someone for minor repairs" and a "lack of awareness regarding water, electricity, and gas safety checks". These seemingly "small matters" actually harbor massive safety hazards and are critical factors affecting residential safety and a sense of well-being.

In response, the Company swiftly launched the "Love My Homeland Action — Convenience Service Festival", led by customer service and integrating resources from multiple departments such as engineering, cleaning, and order maintenance, to plan a one-month proactive care service. The entire engineering department mobilized to provide free in-home safety checks for participating property owners, covering indoor circuit aging tests, gas pipeline leak inspections, drain unblocking, and door/window hinge reinforcement. This event provided in-home safety check services to a total of 2,889 households.

We established a "Home Safety Medical Examination Archive" for each household, repairing minor hazards on-site, and issuing written rectification suggestions and assisting in contacting professional agencies for major issues that could not be resolved on the spot. This activity not only eliminated a large number of potential household safety hazards but also won high recognition from property owners through service details such as engineering staff wearing shoe covers, laying drop cloths, and cleaning up construction debris when entering homes. This action truly realized the service leap from "passive maintenance" to "proactive care", putting the philosophy of "Love My Homeland" into concrete practice.

5.4 Community Innovation

We believe that the best community services stem from symbiotic co-creation with customers and social resources. In May 2025, First Service Holding officially reached a strategic cooperation agreement with Xiyou Wuzhong to launch the "Green Service 3.0 Super Growth Launch Camp" program, jointly exploring a new model of an "open community co-creation ecosystem". We have opened up over 200 community resources nationwide and 16 meticulously curated core open scenarios to external innovators. Serving as "testing grounds" and "incubators" for innovation, we collaborate with external partners to shape "genuine products" that truly meet the needs of property owners.



06. People-Oriented, Shared Prosperity and Development

This chapter responds to UN SDGs 3, 4, 5, 8, 10, and 17



6.1 Talent Attraction and Retention

First Service Holding consistently regards talent as our most valuable asset. Adhering to our service tenet of "sincerely caring for everyone," the Company focuses on the multi-dimensional needs of property owners, employees, and communities, dedicating ourselves to building a fair, equal, and growth-oriented working environment. By strictly complying with regulations, providing comprehensive benefits and care, designing clear development channels, and implementing systematic training programs, we comprehensively attract, retain, and motivate outstanding talent, achieving the mutual growth of the enterprise and our employees.

Complying with Employment Regulations and Safeguarding Equal Rights

The Company strictly complies with national laws and regulations, including the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the PRC*, the *Provisions on the Prohibition of Using Child Labor*, the *Social Insurance Law of the PRC*, and the *Regulations on the Administration of Housing Provident Funds*, as well as relevant conventions of the International Labour Organization (ILO), resolutely eliminating any form of child labor and forced labor. To effectively implement compliance requirements, we continuously refine our internal human resources management system. We have formulated internal operating standards, including the *First Service Holding Employee Relations Management Operating Standards*, the *First Service Holding Recruitment Management Operating Standards*, the *First Service Holding Job Competition Management Operating Standards*, and the *First Service Holding Employee Care Operating Standards*. During the reporting period, we updated and optimized multiple standards to ensure they keep pace with business development and regulatory changes.

06. People-Oriented, Shared Prosperity and Development

In the recruitment process, the Company manages operations based on standards such as the *First Service Holding Recruitment Management Operating Standards* and the *First Service Holding Employee Relations Management Operating Standards*, actively benchmarking against industry peers to continuously optimize internal management standards. We adhere to the principles of equality, fairness, and non-discrimination, explicitly prohibiting any form of discrimination based on gender, age, nationality, race, or religious beliefs. All recruitment information explicitly states "restricted to legal workers aged 16 and above," and we eradicate the risk of employing child labor through methods such as networked identity card verification. For employed juvenile workers aged 16 to 18, we establish a *Juvenile Worker Registration Ledger* and provide special health protection. The Company has established an anti-forced labor mechanism, explicitly including a clause stating "employees have the right to resign voluntarily" in labor contracts, and providing anonymous whistleblowing channels (email/hotline). Concurrently, the Company exercises strict management over labor dispatch and outsourcing suppliers, requiring them to sign the *Anti-Child Labor and Anti-Forced Labor Commitment Letter*, and conducting regular compliance audits. During the reporting period, the Company did not experience any compliance violations regarding the prevention of child labor and forced labor, nor did we receive any related complaints or reports, or face any administrative penalties.

Equal Employment Practices and Diverse Workforce Composition

We adhere to the principles of equality and fairness, committing to provide discrimination-free employment and development opportunities for all employees. The recruitment and hiring processes strictly follow the principles of equal pay for equal work and gender equality. After new employees join, we help them quickly integrate into the team through onboarding training and an onboarding mentor system. As of December 31, 2025, First Service Holding had a total of 3,782 active employees, a decrease of 1.18% compared to the end of 2024, all of whom are full-time employees under labor contracts. Our workforce structure is highly diverse; among them, there are 2,133 male employees and 1,649 female employees, with female employees accounting for 43.60%. In terms of age, employees aged 31 to 50 constitute the backbone of the Company, totaling 2,496 people and accounting for 66.00% of the total workforce. Among them, there are 653 young employees aged 30 and below, and 633 experienced employees aged 51 and above. Our employees are distributed nationwide, with the South China region having the largest number of employees at 824.

In 2025, the Company processed a total of 722 resignations throughout the year, representing a turnover rate of 19.09%, which is a decrease from 24.92% in 2024, indicating an effective improvement in employee stability. Through resignation interview analysis, "personal development" and "compensation and benefits" were identified as the primary reasons for leaving; relevant suggestions have been utilized to optimize our talent retention programs.

06. People-Oriented, Shared Prosperity and Development

Table: Key Performance Indicators Related to Employment

Indicator	2025 Number of Employees	2024 Number of Employees	2025 Employee Turnover Rate	2024 Employee Turnover Rate
Total Employees	3,782	3,827	19.09%	24.92%
By Gender				
Male	2,133	2,237	20.39%	22.94%
Female	1,649	1,590	17.40%	27.53%
By Age Group				
30 and below	653	688	27.11%	34.16%
31–50	2,496	2,570	44.51%	24.12%
51 and above	633	569	2.21%	14.44%
By Employment Type				
Full-time	3,782	3,827	19.09%	24.92%
Part-time	0	0	–	–
By Region				
Headquarters	57	62	21.05%	22.50%
North China Region	611	662	17.35%	24.60%
Northwest China Region	581	482	17.04%	25.50%
South China Region	824	767	22.94%	31.70%
Central China Region	467	533	24.41%	33.29%
East China Region	318	366	38.05%	40.49%
Dalian Yahang	330	319	13.03%	–
Shandong Shangcheng	594	636	6.40%	–

Comprehensive Employee Care and Communication

The Company is dedicated to providing employees with a competitive compensation and benefits system alongside comprehensive rights protection. In addition to statutory benefits, the Company provides diverse benefits based on position and performance, including communication allowances, uniform allowances, training and education allowances, travel allowances, transportation allowances, holiday allowances, housing subsidies, and vehicle subsidies. Furthermore, the Company legally provides employees with paid annual leave, marriage leave, maternity/paternity leave, and parental leave. Moreover, employees who have been with the Company for five years are entitled to seniority leave (1 day for 5 to under 7 years, 2 days for 7 years and above), reflecting our recognition of long-serving employees.

06. People-Oriented, Shared Prosperity and Development

The Company has established a communication and care system covering the entire career lifecycle of our employees. Based on the *First Service Holding Employee Care Operating Standards*, we categorize employee care into various forms across their lifecycle within the Company: onboarding care, birthday care, marriage care, family care (including bereavement care, care for families in difficulty, and donation care), maternity care, holiday care (providing corresponding holiday blessings to employees on duty during New Year's Day, International Women's Day, Dragon Boat Festival, Mid-Autumn Festival, etc.), Spring Festival care (members of the Company's General Manager's Office express sympathy to on-duty employees via red envelopes and on-site visits on New Year's Eve), anniversary care, health care (including health check-ups and high-temperature care), and reward care (including warm spring care and warm winter care). These initiatives aim to enhance employees' work enthusiasm and sense of organizational belonging. Concurrently, all human resources-related work standards of the Company are open to all employees. We listen to our employees through various channels, including the 400 hotline, internal forums, quarterly satisfaction surveys, the anti-fraud whistleblowing hotline, and the "Golden Idea" proposal system, ensuring that employees' voices are heard and responded to promptly. During the reporting period, responsible persons from various functional centers at the Company headquarters conducted on-site office visits at projects 10 times, and the opinions/suggestions collected from employees were shared, communicated, and resolved on-site or during weekly meetings. In 2025, a total of 82 "Golden Ideas" were collected from employees, among which 13 excellent proposals passed the review. An additional 15 Golden Ideas, although not passing the review, possessed certain promotional value and were also eligible for incentives; a total of RMB 3,350 in incentives was distributed in cash in October.

Systematic Training and Development System

Regarding talent development, First Service Holding headquarters has established the *First Service Holding Training Management Operating Standards*, building a systematic training framework based on the "Five Talents Strategy" and the "Three-Battle Talent Model". Through the management of the Green Tech Management Academy, training processes, and standardization, we achieve the goals of enhancing employees' capabilities and qualities, helping them quickly integrate into the organization, and providing talent support for organizational development, continuously cultivating professionals who align with the Company's development strategy and business to enhance our core competitiveness.

The Company provides clear career development channels for all employees. The "12-Level Position and Function System," running parallel management and professional tracks, provides a clear path for employee promotion. In 2025, through the "Potential Employee Accelerated Regularization" plan, 32 employees who performed exceptionally well during their probation period were regularized 1 to 2 months ahead of schedule. The promotion mechanism is tightly linked to talent development, requiring promoted personnel to participate in course development to crystallize organizational experience.

The Company attaches great importance to employee training and has established a multi-layered training system. At the headquarters level, on one hand, we focus on core talent, launching the "Nebula Camp" for high-performing project managers, and the "Chaos Onboarding Training" and "Strategy Seminars" for middle and senior management. On the other hand, we require each professional line to conduct targeted training for nationwide employees within their respective fields, such as professional theme month training. At the regional company level, tailored development programs are provided for project responsible persons based on local conditions, such as the "Yangtze River Plan" in the North China region, the "Voyage Plan" in the Central China region, and professional empowerment boot camps in the South and East China regions. Simultaneously, regional companies set monthly training frequency requirements for each project, and each professional line initiates the "Starlight Camp" based on actual situations, focusing on enhancing the business capabilities of frontline staff. Training in 2025 yielded significant results, with 10 professional lines conducting professional theme month training. This included 366 survey participations, the formulation of 12 training plans, 13 training notices issued, 189 photos archived, 64 course materials consolidated, 50.8 hours of video courses recorded, 3,440 attendance check-ins, 2,597 exam participations, 1,928 satisfaction evaluations, 24 excellent cases consolidated, and 16 centralized promotional releases.

06. People-Oriented, Shared Prosperity and Development

During the reporting period, signature training activities included extending the value of the "Nebula Camp" by editing and uploading 9 core courses and designing online learning programs to organize study sessions for all project responsible persons, maximizing training value. Another highlight was the "Green Service 3.0 Super Growth Launch Camp," jointly initiated by the Company and Xiyou Wuzhong, focusing on new tracks such as "Property Management + AI" and "Community + Elderly Care," attracting 15 external entrepreneurs and business owners. By opening up 16 core community scenarios, we transformed communities into innovation "testing grounds" to explore the second curve of business growth.

These training programs have effectively assisted employee growth. For instance, Anna, a trainee in the "Yangtze River Plan" in the North China region, successfully grew from a professional head of performance and compensation to the head of Human Resources and Administration at a sister company through systematic cultivation, achieving a leap from a professional to a managerial role, and from a single module to comprehensive responsibility.

In 2025, the Company's total investment in employee training reached RMB 2 million, completing a total of 8,652.85 training hours and covering a total of 93,381 participations, achieving a 100% completion rate for the annual training plan. Training content covered safety education, work standards and professional skills, general skills, and management capabilities, fostering employee growth, empowering the business through training, and enhancing organizational efficiency.

Building upon the *First Service Holding Training Management Operating Standards*, and based on the Company's 2026 strategic theme of "Returning to the Essence, Consolidating the Foundation, and Seeking Innovation," the Company plans to conduct nationwide professional customer service intensive training throughout 2026, focusing on elevating the customer-facing service capabilities of the customer service profession.

Table: First Service Holding's 2025 Training Data Summary

Indicator	Unit	2025	2024
Average training hours of senior management	Hours/person	233	225
Average training hours of middle management	Hours/person	226	206
Average training hours of junior employees	Hours/person	211	210
Average training hours per employee	Hours/person	223	210
Average training hours of male employees	Hours/person	237	210
Average training hours of female employees	Hours/person	205	210
Percentage of senior management trained	%	100	100
Percentage of middle management trained	%	100	100
Percentage of junior employees trained	%	100	100
Percentage of general employees trained	%	100	100
Percentage of male employees trained	%	100	100
Percentage of female employees trained	%	100	100

06. People-Oriented, Shared Prosperity and Development

Clear Promotion Channels and Compensation/Benefits

The Company headquarters has established the *First Service Holding Performance Management Operating Standards*, using the performance management form as the evaluation basis. We comprehensively evaluate employees' work results, work efficiency, work capabilities, and work attitudes across dimensions including performance corresponding to the Five-Book evaluation results, process and standardization performance, and intellectual enterprise culture performance, ensuring the realization of corporate strategic goals. Concurrently, we have established the *First Service Holding Incentive and Accountability Mechanism Model*, *12-Level Compensation Management Operating Standards* and the *First Service Holding Job Competition Management Operating Standards* to safeguard the fairness and transparency of the compensation and incentive mechanisms. We implement the "12-Level Position and Function System," which runs parallel management and professional tracks. Employees can achieve cross-level promotion through qualification assessments, performance appraisals, and competitive hiring events.

Looking ahead, First Service Holding will directly confront multiple challenges in the operating environment, including operational pressures brought by rigid increases in compensation and benefit costs, increased difficulty in retaining core talent, the need to improve cross-departmental collaboration efficiency, and seasonal employment fluctuations. In response, the Company will focus on the dual-wheel drive of organizational efficiency and talent competitiveness in 2026, systematically advancing a series of key initiatives.

Regarding employment models, we will explore more flexible and efficient human resource allocation methods, optimize seasonal labor reserve mechanisms, and establish long-term collaborations with local vocational colleges to secure high-quality interns in advance, thereby alleviating phased employment pressures. Regarding efficiency enhancement, we will actively introduce AI tools to empower business and management, driving process automation and decision intelligence; concurrently, we will focus on cultivating and introducing digital talent who understand both technology and operations. We will establish an "Efficiency (ROI) Evaluation Model" to achieve refined management of human resource inputs and business outputs, enhancing resource allocation efficiency. Regarding talent development, we will build an "Internal Career Development Map" clarifying promotion paths and capability requirements for each position, complemented by a mentorship program, providing employees with a tangible growth channel. We will standardize cross-departmental evaluation criteria and establish a "Talent Assessment Center" to provide objective capability assessment reports for personnel transfers and regularizations, enhancing internal mobility efficiency and collaboration smoothness. Through the above combination of initiatives, First Service Holding will utilize a more agile, efficient, and humanized talent management system to tackle challenges, consolidate our foundation, and continuously drive the mutual growth of the organization and our employees.

6.2 Occupational Health and Safety

First Service Holding places the life, health, and safety of our employees first, dedicated to building an occupational health and safety (OHS) management system centered on the principles of "prevention-oriented, full participation, and continuous improvement". We strictly comply with national laws and regulations, including the *Work Safety Law of the People's Republic of China*, the *Law of the PRC on the Prevention and Control of Occupational Diseases*, and the *Regulation on Work-Related Injury Insurances*. We have established a management architecture centered on a "Safety Management Responsibility System", clearly defining the safety responsibilities of leaders at all levels, functional departments, and on-site employees. We sign *Safety Management Responsibility Letters* across all levels and divide service areas into independent responsibility zones to ensure safety management leaves no blind spots or overlooked areas.

06. People-Oriented, Shared Prosperity and Development

Focusing on critical operational aspects such as fire safety, equipment operation, and environmental cleaning, we have formulated a series of specialized operating standards. These include the First Service Holding Security System O&M Operating Standards, the *First Service Holding Window Cleaning Machine Safe Operation and Abnormality Handling Operating Standards*, the *First Service Holding Fire Safety Management Operating Standards*, the *First Service Holding Common Area Environmental Cleaning Safety Protection Operating Standards*, and the *First Service Holding Yahang Property Safety Management Responsibility System Operating Standards*. We continuously deepen our OHS management, embedding safety responsibilities into every position and every employee. During the reporting period, the Company did not experience any major compliance violations in the field of occupational health and safety.

Improving the Management System, Strengthening Work-Related Injury Prevention and Response

The Company has established a full-process work-related injury risk management mechanism encompassing pre-event prevention, mid-event response, and post-event rectification.

First, strengthening pre-event prevention. The Company strictly enforces pre-employment health checks and a "certified to work" system to ensure employees' capabilities align with position requirements, while normalizing safety training and emergency drills. Regional companies have conducted diversified training — covering fire safety, elevator safety, and operational standards — tailored to local conditions. Examples include the *Fire Safety and Elevator Safety Must-Knows* training organized by the Central China region, and the specialized post safety training conducted by the East China region, ensuring 100% of employees pass their training before taking up their posts. Furthermore, the Company pays close attention to supply chain safety, stipulating clear requirements regarding the age, health checks, insurance, and high-risk work certifications of supplier personnel, while minimizing outsourced operational risks through pre-construction briefing meetings. For instance, for specific high-risk operations, we firmly require supplier personnel to be certified to work: confined space operations require a confined space work permit, and exterior wall maintenance requires a high-altitude operation permit, along with the purchase of commercial insurance. Moreover, prior to construction, we mandate the organization of construction briefing meetings to integrate and train on construction and safety protocols, minimizing risks within the processes as much as possible.

Second, standardizing mid-event response. The Company legally pays work-related injury insurance for all employees in full and has formulated a clear, rapid response process. Once a work-related injury occurs, the emergency plan is immediately activated to ensure the injured employee receives timely medical treatment. The Human Resources and Administration Department assists in completing work-related injury determination and benefit claims within the legally prescribed time limits, following up on the employee's recovery throughout the entire process. In 2025, the total number of working days lost due to work-related injuries in the Company was 1,218 days, and the number of work-related fatalities was 2.

Third, deepening post-event rectification. The Company conducts root cause analysis for every work-related injury incident and reports them during monthly regular meetings. Based on these analyses, we formulate rectification plans, conduct warning education, and reinforce specialized risk reminders tailored to seasons (such as winter anti-slip measures), dedicated to eradicating the recurrence of similar incidents from the source.

06. People-Oriented, Shared Prosperity and Development

Table: Statistics on Work-Related Fatalities

Indicator	2025 Data	2024 Data	2023 Data
Number of work-related fatalities each year	2	0	0
Rate of work-related fatalities each year (%)	0.05	0	0

Perfecting Health Services, Implementing Comprehensive Safety Supervision

We actively promote health management and proactive safety supervision to create a healthy and safe working environment for our employees. Regarding health services, the Company fully pays work-related injury insurance for all employees and has established a regular health checkup mechanism. In 2025, we organized health checkups covering employees who had been with the Company for over two years, providing differentiated packages for different genders. The Company headquarters hosted a free "Cardiovascular Health Screening" welfare event, offering key indicator checks such as blood pressure, blood lipids, and blood sugar to help employees stay informed of their health status in a timely manner. Regional projects also took active measures; for instance, the Jiujiang zone in the Central China region partnered with a community health service station to organize free health checkups for 70 employees.

Regarding safety supervision and hardware guarantees, the Company enforces a "Daily check — weekly inspection — monthly patrol" mechanism, outfitting employees with personal protective equipment (PPE) that meets national standards, such as safety helmets, insulated gloves, anti-slip shoes, and stab-resistant clothing. Meanwhile, in certain projects, we have equipped emergency and health monitoring devices like Automated External Defibrillators (AEDs), blood pressure monitors, and standardized first-aid kits. For example, the Central China regional company equipped one AED at the Hanyang MOMA project, uniformly provided blood pressure monitors and standardized first-aid kits for all projects, and specifically organized AED usage training to fortify the workplace safety defense line. The East China regional company achieved 100% PPE coverage for frontline workers in compliance with national standards, including stab-resistant clothing for order maintenance posts, insulated shoes and safety goggles for engineering maintenance posts, and dust masks for cleaning and landscaping posts.

Implementing Humanized Care, Showcasing Corporate Warmth

Guided by the *First Service Holding Employee Care Operating Standards*, the Company injects warmth throughout the entire career lifecycle of our employees. Addressing extreme weather, we strictly enforce the high-temperature allowance policy during the summer (June to September each year) and provide heat-relief supplies such as mung bean soup, cold drinks, and Huoxiang Zhengqi water for outdoor workers. During winter, we outfit employees with cold-proof gear such as heavy coats, scarves, and gloves; certain projects also shorten shift rotation times for outdoor posts, genuinely safeguarding employees' work safety and physical health under extreme climate conditions.

System Certification and Future Planning

The Company's OHS management practices have gained authoritative recognition. Both First Property Service (Beijing) Co., Ltd. and First Property Service Hubei Co., Ltd. have passed the China Occupational Health and Safety Management System Certification, marking that our management has reached national standards.

06. People-Oriented, Shared Prosperity and Development

Looking ahead, the Company will continuously elevate its practices across three major dimensions: "System establishment and responsibility clarification," "Safety training and culture output," and "Safety reminders and material guarantees". Specific actions include: incorporating safety performance into management KPIs; dynamically identifying work-related injury risks for each position and implementing closed-loop management; conducting more precise, specialized safety training and normalized emergency drills; continuously improving safety hardware facilities and signage in the workplace; and ensuring PPE is fully equipped and effective. Our goal is to build an even more resilient safety culture, making safety a conscious action for every First Service Holding employee, and escorting the happy lives of our employees and the robust development of the Company.

Table: Employee Health and Safety Improvement Plan and Key Points

Prevention Dimension	Specific Measures and Requirements	Key Goals/Points
System establishment and responsibility clarification	Clarify safety responsibilities: Integrate safety awareness and work-related injury prevention into the daily work of responsible persons in each department, concurrently setting corresponding KPI evaluations.	Assign responsibilities to individuals; solve the problem of "who should be responsible."
	Execute risk identification: Each department must formulate and check a work-related injury risk list based on job content (e.g., cleaners may face slip-and-fall risks on wet floors; engineering technicians may face falling-from-height or crush-injury risks).	Dynamic identification, achieving closed-loop management.
	Implement safety patrols: Establish a "Daily check — weekly inspection — monthly patrol" system to immediately rectify and record discovered issues (e.g., aging equipment, blocked passages).	Proactive discovery, eliminating potential risks.
Safety training and culture output	Conduct specialized training: Conduct operating standard and practical training targeting core risks of different positions, and set corresponding assessments.	Targeted content, ensuring training is effective.
	Organize routine drills: Regularly conduct first aid, firefighting, and emergency evacuation drills to familiarize employees with operational procedures.	Practice makes perfect, enhancing response capabilities.
	Foster a safety culture: Continuously strengthen safety awareness through sharing work-related injury case studies during morning/evening briefings and selecting "Safety Role Models."	Internalize in the mind, making safety a habit.
Safety reminders and material guarantees	Improve safety hardware: Ensure adequate lighting, sturdy stair handrails, complete equipment protective covers, and clear signage for hazardous areas (warning signs, painted lines).	Environmental safety, creating inherently safe conditions.
	Fully equip protective gear: Ensure employees wear work gear (such as safety helmets, insulated gloves, anti-slip shoes, etc.) in accordance with operating standards and safety regulations, and regularly inspect and replace them.	Personal protection is the last line of defense.

06. People-Oriented, Shared Prosperity and Development

6.3 Green Supply Chain

First Service Holding is consistently committed to establishing long-term, stable, and mutually trusted strategic cooperative relationships with suppliers, jointly providing high-quality services to clients, pursuing the sustainable value of Environmental, Social, and Governance (ESG), and joining hands with partners to co-create a win-win future.

Supplier Classification and Management Panorama

The Company continuously optimizes its supplier management system. To implement refined and professional management, we classify suppliers into three major types based on the nature of their services:

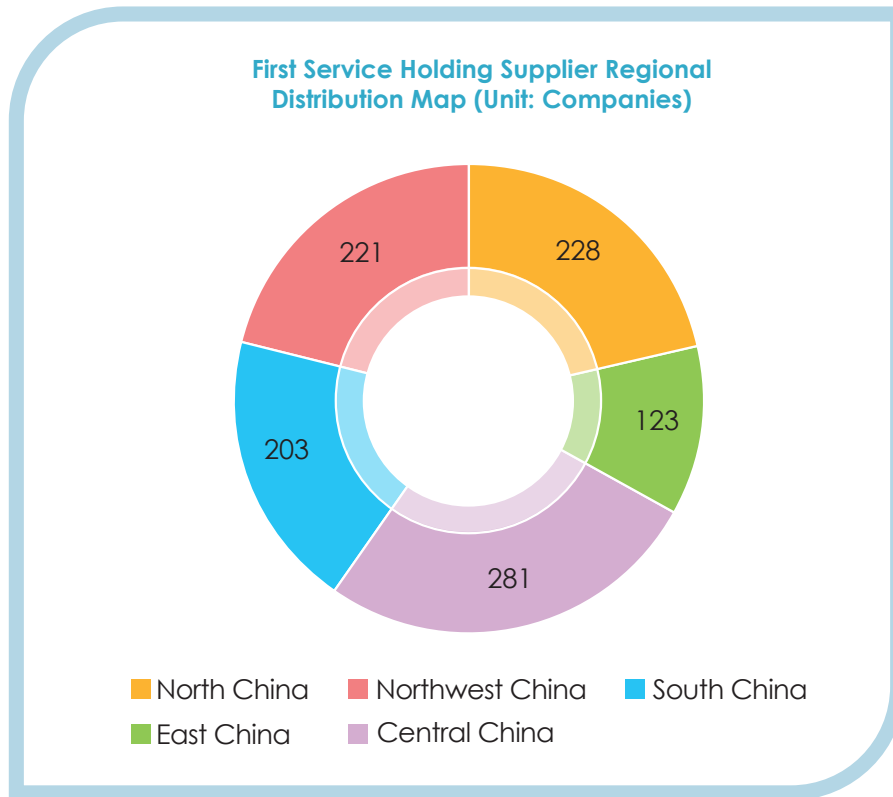
Table: Supplier Types and Main Scopes

Supplier Type	Main Scope
Material Procurement	Engineering materials, engineering tools, MOMA system consumables (filters, wet films), office supplies (office supplies, office furniture, office equipment), cleaning and environmental materials (cleaning supplies, cleaning tools, landscaping tools, landscaping seedlings, landscaping fertilizers, pesticides, etc.), administrative and welfare items (employee uniforms, mobile phones, work shoes), brand and image items (VI logos, printed materials, souvenirs, and other customized items), etc.
Service Outsourcing	Service labor outsourcing mainly includes order maintenance, daily cleaning, landscaping maintenance, garbage removal, environmental disinfection, indoor plant rental, etc. Engineering labor outsourcing mainly includes elevators, air conditioning systems, fire protection systems, power supply and distribution, water pumps, boilers, weak current systems, etc.
Testing Services	Specialized testing services such as fire and electrical testing, annual elevator testing, domestic water testing, lightning protection testing, high-voltage equipment testing, boiler testing, and fire extinguisher testing.

As of the end of 2025, First Service Holding had a total of 1,056 suppliers in its database, an increase of 530 compared to 2024. The expansion of the supplier team provides a solid resource guarantee for the rapid expansion of our business. Among them, the newly introduced suppliers this year have injected new vitality and competitiveness into the supply chain. In terms of the regional distribution of suppliers, all suppliers are located in Mainland China, widely distributed across five major regions: North China, Northwest China, South China, East China, and Central China. Benefiting from the Company's strategic deepening and project expansion in the central region, the number of suppliers in Central China jumped to the top, reaching 281, accounting for 26.61%. The balanced layout of suppliers across various regions strongly supports the response speed and stability of our nationwide services.

For the specific distribution of suppliers in each region, please refer to the attached map in this report.

06. People-Oriented, Shared Prosperity and Development



Note:

North China includes Beijing, Tianjin, Hebei, Liaoning;

East China includes Shanghai, Jiangsu, Zhejiang, Shandong, Anhui;

Central China includes Hubei, Jiangxi, Henan;

South China includes Guangdong, Guangxi, Hunan, Chongqing, Guizhou;

Northwest China includes Shaanxi, Shanxi

06. People-Oriented, Shared Prosperity and Development

Supplier Admission and ESG Assessment Mechanism

The Company strictly executes the *First Service Holding Supplier Management Operating Standards*, the *Material Procurement Operating Standards*, and the *Bidding and Purchasing Operating Standards* to build a responsible and sustainable supply chain, establishing a full-cycle supplier management system covering "admission, performance, evaluation, and exit". In 2025, we began exploring the establishment of a supplier carbon performance evaluation system and set environmental qualification certification as a core admission threshold. We have established a systematic supplier admission process, including:

- **Document Pre-screening:** Verifying industrial and commercial information and legal risks through platforms such as Qichacha and Qixinbao;
- **Qualification Pre-screening:** Auditing registered capital, qualification certificates, quality management systems, and similar past performance;
- **On-site Inspection:** Conducting on-site evaluations of organizational structure, construction capabilities, civilized construction practices, and green technology application capabilities;
- **Specialized ESG Assessment:** Explicitly requiring key service suppliers, such as cleaning and engineering maintenance, to hold valid ISO 9001 (Quality Management System) and ISO 14001 (Environmental Management System) certifications during key service bidding processes; bidding documents require successful suppliers to comply with all clauses regarding environmental protection and labor rights in the *Supplier Code of Conduct*; before selecting subcontractors for large-scale projects, we conduct on-site verifications of similar high-end projects they manage, focusing on evaluating their on-site ESG management levels.

The Company strictly enforces national labor laws and eradicates child labor and forced labor. In 2025, no relevant material risks were found among any existing or newly admitted suppliers.

Supply Chain Risk Identification and Control

The Company has established a multi-dimensional supply chain risk identification and supervision mechanism to strictly evaluate supplier service quality and proactively identify potential environmental and social risks.

- **First, normalized performance evaluation.** Service centers conduct monthly performance evaluations for service outsourcing suppliers, issuing warning or rectification letters immediately upon discovering issues.
- **Second, semi-annual 360° comprehensive evaluation.** Based on the *First Service Holding Supplier Management Operating Standards*, the five "Three Work Centers" at headquarters organize various professional lines from regions and service centers to conduct comprehensive semi-annual evaluations of core suppliers (mainly those focused on customer comfort and safety, such as order maintenance, daily cleaning, landscaping maintenance, pest control, garbage removal, elevator maintenance, fire safety, and domestic water tank cleaning). This covers dimensions such as environment, safety, labor, and quality. Among them, for service outsourcing suppliers, service centers execute monthly and quarterly service quality evaluations; the five "Three Work Centers" at headquarters conduct routine communications with company-level and regional-level strategic suppliers to evaluate their cooperation trends and mitigate performance risks. For material procurement suppliers, service centers execute single-service quality evaluations. The Company will upgrade the star ratings of highly-scored suppliers, downgrade those with lower scores, and phase out suppliers with scores below 60.

06. People-Oriented, Shared Prosperity and Development

- Third, surprise inspections and integrity audits.** To enhance supply chain resilience and reduce management risks, we have established a supplier reserve mechanism for key service categories such as security, cleaning, and maintenance, ensuring a smooth transition of project operations in the event of unqualified performance or cooperation interruption by any single supplier. We implement comprehensive cooperative performance evaluations and grading for suppliers every half year, and increase the frequency of special inspections for high-risk suppliers. In 2025, we completed comprehensive cooperative performance evaluations and grading for 582 high-risk suppliers. Furthermore, we implemented a multi-dimensional supervision system combining "regular evaluations with irregular surprise inspections," utilizing proactive supervision methods like surprise inspections to deeply verify suppliers' on-site ESG performance. We take decisive measures against non-compliant behaviors. For example, during a surprise inspection of the cleaning services at a residential project, it was discovered that the service provider illegally employed overage workers; the Company immediately suspended cooperation with that supplier in accordance with the contract and management regulations, and held the relevant responsible persons accountable, ensuring the strictness of our management requirements.
- Fourth, transparent procurement and anti-corruption mechanisms.** Before any bidding activities begin, all relevant parties must sign the *Integrity Commitment Letter* and strictly adhere to the Company's "Five 'Do-Nots' Principles". We adopt a zero-tolerance approach toward any behavior that crosses the red line of business ethics, including blacklisting the supplier, permanently terminating cooperation, and pursuing legal responsibilities.

Synergistic Development and Long-Term Incentives

We regard excellent suppliers as strategic partners for co-creating a sustainable future, and drive the enhancement of overall supply chain capabilities through empowerment and incentives. We actively organize core suppliers to participate in green O&M technology exchange meetings and training, sharing the Company's experiences in energy-saving retrofits and the application of eco-friendly materials, jointly exploring the practical application of new materials and new processes in property management scenarios. In addition, the Company has established a supplier star-rating system. We consider an "excellent" rating as the core basis for renewing long-term strategic cooperation framework agreements. We are committed to establishing stable partnerships of two years or more with top-tier suppliers to jointly plan and reduce transaction costs for both parties. Based on the semi-annual and annual evaluation results, suppliers rated as "Excellent" or "Strategic" are given priority support in terms of new business opportunities, contract renewals, and bid bond reductions or exemptions. Through the annual supplier conference, we commend partners who have made outstanding contributions, consolidating long-term cooperative relationships built on mutual trust and win-win outcomes.

Looking ahead, First Service Holding will continue to deepen sustainable supply chain management. We will advance the "Green Supply Chain Co-construction Plan," expand the strategic supplier pool, and elevate the green standards for centralized procurement. We will deepen synergistic innovation with partners in the fields of low-carbon technologies and smart equipment; explore the establishment of a supplier carbon performance evaluation system to drive overall carbon emission reductions in the supply chain; and continuously enhance the transparency, resilience, and responsible competitiveness of our supply chain, working hand in hand with value chain partners to build a sustainable ecological circle.

Appendix

ESG Reporting Code Content Index

Subject Areas	Aspects	General Disclosures and KPIs	Corresponding Section/Status
Environmental	A1: Emissions	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Tech for Green, Empowering with Technology
		KPI A1.1: The types of emissions and respective emissions data.	Tech for Green, Empowering with Technology
		KPI A1.2: Repealed January 1, 2025.	
		KPI A1.3: Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Tech for Green, Empowering with Technology
		KPI A1.4: Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Tech for Green, Empowering with Technology
		KPI A1.5: Description of emissions target(s) set and steps taken to achieve them.	Tech for Green, Empowering with Technology
		KPI A1.6: Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Tech for Green, Empowering with Technology
	A2: Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	Tech for Green, Empowering with Technology
		KPI A2.1: Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Tech for Green, Empowering with Technology
		KPI A2.2: Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Tech for Green, Empowering with Technology
		KPI A2.3: Description of energy use efficiency target(s) set and steps taken to achieve them.	Tech for Green, Empowering with Technology

Appendix

Subject Areas	Aspects	General Disclosures and KPIs	Corresponding Section/Status
		KPI A2.4: Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Tech for Green, Empowering with Technology
		KPI 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 business
	A3: The Environment and Natural Resources	General Disclosure: Policies on minimising the issuer's significant impact on the environment and natural resources.	Tech for Green, Empowering with Technology
		KPI A3.1: Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Tech for Green, Empowering with Technology
	A4: Climate Change	Repealed January 1, 2025.	
		KPI A4.1: Repealed January 1, 2025.	
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.	People-Oriented, Shared Prosperity and Development
		KPI B1.1: Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	People-Oriented, Shared Prosperity and Development
		KPI B1.2: Employee turnover rate by gender, age group and geographical region.	People-Oriented, Shared Prosperity and Development
	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 issuer relating to providing a safe working environment and protecting employees from occupational hazards.	People-Oriented, Shared Prosperity and Development
		KPI B2.1: Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	People-Oriented, Shared Prosperity and Development

Appendix

Subject Areas	Aspects	General Disclosures and KPIs	Corresponding Section/Status
		KPI B2.2: Lost days due to work injury.	People-Oriented, Shared Prosperity and Development
		KPI B2.3: Description of occupational health and safety measures adopted, how they are implemented and monitored.	People-Oriented, Shared Prosperity and Development
	B3: Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	People-Oriented, Shared Prosperity and Development
		KPI B3.1: The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	People-Oriented, Shared Prosperity and Development
		KPI B3.2: The average training hours completed per employee by gender and employee category.	People-Oriented, Shared Prosperity and Development
	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 issuer relating to preventing child and forced labour.	People-Oriented, Shared Prosperity and Development
		KPI B4.1: Description of measures to review employment practices to avoid child and forced labour.	People-Oriented, Shared Prosperity and Development
		KPI B4.2: Description of steps taken to eliminate such practices when discovered.	People-Oriented, Shared Prosperity and Development
	B5: Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	People-Oriented, Shared Prosperity and Development
		KPI B5.1: Number of suppliers by geographical region.	People-Oriented, Shared Prosperity and Development
		KPI B5.2: Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	People-Oriented, Shared Prosperity and Development

Appendix

Subject Areas	Aspects	General Disclosures and KPIs	Corresponding Section/Status
		KPI B5.3: Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	People-Oriented, Shared Prosperity and Development
		KPI B5.4: Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	People-Oriented, Shared Prosperity and 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 issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Robust Corporate Governance and Compliance-First Operations/Smart Connections, Digital Services
		KPI B6.1: Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to the Company's business
		KPI B6.2: Number of products and service related complaints received and how they are dealt with.	Sincere Services, Healthy Communities
		KPI B6.3: Description of practices relating to observing and protecting intellectual property rights.	Robust Corporate Governance and Compliance-First Operations
		KPI B6.4: Description of quality assurance process and recall procedures.	Not applicable to the Company's business
		KPI B6.5: Description of consumer data protection and privacy policies, how they are implemented and monitored.	Smart Connections, Digital Services
	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 issuer relating to bribery, extortion, fraud and money laundering.	Robust Corporate Governance and Compliance-First Operations
		KPI B7.1: Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Robust Corporate Governance and Compliance-First Operations

Appendix

Subject Areas	Aspects	General Disclosures and KPIs	Corresponding Section/Status
		KPI B7.2: Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Robust Corporate Governance and Compliance-First Operations
		KPI B7.3: Description of anti-corruption training provided to directors and staff.	Robust Corporate Governance and Compliance-First Operations
	B8: Community Investment	General Disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Sincere Services, Healthy Communities
		KPI B8.1: Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Sincere Services, Healthy Communities
		KPI B8.2: Resources contributed (e.g. money or time) to the focus area.	Sincere Services, Healthy Communities

Part D: Climate-related Disclosures

Subject Areas	Aspects	General Disclosures and KPIs	Corresponding Section/Status
Climate-related Disclosures	Governance	D(a) Describe the board's oversight of climate-related risks and opportunities.	Climate Governance and Strategy
		D(b) Describe management's role in assessing and managing climate-related risks and opportunities.	Climate Governance and Strategy
	Strategy	D(c) Describe the climate-related risks and opportunities the issuer reasonably expects could affect its business model, strategy and cash flows.	Climate Governance and Strategy
		D(d) Explain how the issuer defines short, medium and long term and how these definitions are linked to the issuer's strategic planning horizons.	Climate Governance and Strategy
		D(e) Describe the actual and potential impacts of climate-related risks and opportunities on the issuer's business model and value chain.	Climate Governance and Strategy

Appendix

Subject Areas	Aspects	General Disclosures and KPIs	Corresponding Section/Status
		D(f) Describe the actual and potential impacts of climate-related risks and opportunities on the issuer's strategy and decision-making.	Climate Governance and Strategy
		D(g) Describe the actual and potential effects of climate-related risks and opportunities on the issuer's financial position, financial performance and cash flows, and its transition plans.	Climate Governance and Strategy
		D(h) Describe the resilience of the issuer's strategy to climate-related risks and its use of climate-related scenario analysis.	Climate Governance and Strategy
	Risk Management	D(i) Describe the issuer's processes for identifying, assessing and managing climate-related risks.	Climate Governance and Strategy
		D(j) Describe the issuer's processes for identifying, assessing and managing climate-related opportunities.	Climate Governance and Strategy
		D(k) Describe the extent to which and how the processes for identifying, assessing and managing climate-related risks are integrated into the issuer's overall risk management.	Climate Governance and Strategy
	Metrics and Targets	D(l) Describe the metrics used by the issuer to assess and manage climate-related risks and opportunities.	Climate Governance and Strategy
		D(m) Disclose Scope 1, Scope 2 and Scope 3 greenhouse gas emissions.	Climate Governance and Strategy Low-Carbon Operational Footprint
		D(n) Describe the internal carbon prices applied by the issuer and how remuneration is linked to climate-related considerations.	Not applicable to the Company's business
		D(o) Describe the climate-related targets set by the issuer and its performance against these targets.	Climate Governance and Strategy

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