



**SHIMAO SERVICES HOLDINGS LIMITED**

**世茂服務控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 873



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Investor Relations Department

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**2020 Shimao Services  
Sustainability Report**



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Mr. Hui Sai Tan, Jason  
Chairman of Board of Directors, Shimao Services

## Chairman's Message

As a subsidiary of Shimao Group (Shimao Group Holdings Limited, together with its subsidiaries, the "Shimao Group"), Shimao Services (Shimao Services Holdings Limited, together with its subsidiaries, the "Shimao Services" or "the Company") offers property management and living service for property owners and users. Committed to the concept of "BETTER SMART LIFE", Shimao Services connects property owners, users, partners, and government to build ecosystem of living service in the community, through Shimao-style quality service, through leading technology empowering better life, and through sincerity fulfilling social responsibility.

**During the reporting period, we are delighted to share the status of sustainability development:**

### Quality service and cosy accommodation

By refined management system empowering Grid Unit Management, we exploit value of operation. We established Ocean X Shimao Deep Blue Service System and Ocean OS Shimao Deep Blue Management System, both of two systems empowering Grid Unit Management. We revamp infrastructure in the communities, updating the old devices and enhancing safety and reliability of users; we build service standard of user scenarios, the scenarios that connect steward service, security, environment, facilitate to serve users without gaps; we promote the community commercial hub, represented by SUNIT, gathering quality 3<sup>rd</sup>-party services to the community and contributing the leisure activities of property owners; we fulfil property owners' diverse need with new brands, like Mao Education and Shimao Macalline; we cultivate humanity in the community through multi-dimensional culture-themed activities.

### Good technology and smart empowerment

The Smart Community Solutions, developed by Shimao IoT companies, improved user experiences significantly, delivering ultimate reliability and convenient one-stop services to users; the solutions emphasise data and personal privacy protection, supporting a comprehensive cybersecurity and confidentiality policy; the solution empowers a digital and smart platform, enabling each family with an effective plan of using energy and public area with reduction of non-essential energy consumption in order to contribute a low-carbon community.

### Social cooperation and better life

A great company responds to call of duty and solve social problems, actively fulfilling social responsibility. For employee, we establish channel of recruitment with fair mechanism, develop comprehensive curriculum and offline immersive learning, and secure safety and wellness in the workplace. We set mechanism of cooperation with suppliers, require supplier to comply with regulation, and assess the effectiveness of compliance program, in order to ensure the safety and wellness of supplier's labour. For other issues in society, we highly concern poverty elimination and social equality so that we support village economics with funds and sales channels as well as help seriously ill children to live a colourful life. Meanwhile, we established a comprehensive risk and internal monitoring system to curb corruption and fraud.

### Green community and fast mover

Responding to climate change, we review all risks related to sustainability development, work on the upgrade program of energy system in the communities, conserve natural resources, introduce green energy, and implement classification and recycle program of waste; we launch community campaigns with various forms and participating experience, in order to promote culture of sustainability and environment conservation in the community.

So far, Shimao Services made quite a few accomplishments in sustainability, the accomplishments that are relied on joint efforts of our employees, partners, users, and publics in the communities. I appreciate every one of participants for all your efforts towards the sustainability development of Shimao Services. In future, Shimao Services will enhance capabilities of service "with city, with life, and with technology" and pursue harmony of economy, society, and environment and sustainability development, to contribute the better life of people and achieve better performance.



## ABOUT THE REPORT

### Scope of the Report

The report is the first sustainability report of Shimao Services. While the annual report focuses mainly on the Shimao Services's business performance and corporate governance, this report, as a complementary material, concentrates on Shimao Services's performance in sustainable development and corporate social responsibility, as well as future plans and objectives, including the impacts of the Shimao Services's operation on the environment, society, and economy. The period covers from 1 January 2020 to 31 December 2020, and the scope consists of the headquarters of Shimao Services and its subsidiaries.

### Reporting Standards

This report is compiled in accordance with the newly revised Environmental, Social and Governance (ESG) Reporting Guide, under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. (the "Stock Exchange")

### Source of Information

The disclosed information is from the official document of Shimao Services, statistics or public data, which are verified by internal mechanism of monitoring. The board of directors is responsible for the authenticity, accuracy and completeness of contents in the report.

### Access to Report

The report is published in Chinese and English. A soft copy of this report can be downloaded from the official site of Shimao Services ([www.shimaofuwu.com](http://www.shimaofuwu.com)) and HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)). Reader would rely on information of Chinese report if there were any discrepancy between Chinese and English.



## ABOUT THE COMPANY

### About Us

Shimao Services Holdings Limited (00873.HK) is a leading comprehensive property management and community living service provider in the PRC. On 30 October 2020, the Company was successfully listed on the Main Board of the Stock Exchange. Shimao Services is one of important wings in the "Giant Aircraft Strategy" of Shimao Group, ranked 12th among the Chinese Top 100 property services companies and 8th among the Chinese Top 100 valuable brands. Committed to the concept of "BETTER SMART LIFE", Shimao Services focus on four highly energetic clusters of cities, including Yangtze River Delta Region, Bohai Economic Rim, The Strait Region, and Middle-West Region, covers multi-type properties such as residence, school, government, public facility, care centre, and hospital, and delivers comprehensive property management, community living service, and value-added services to non-property owners to more than 3.2 million property owners and users.

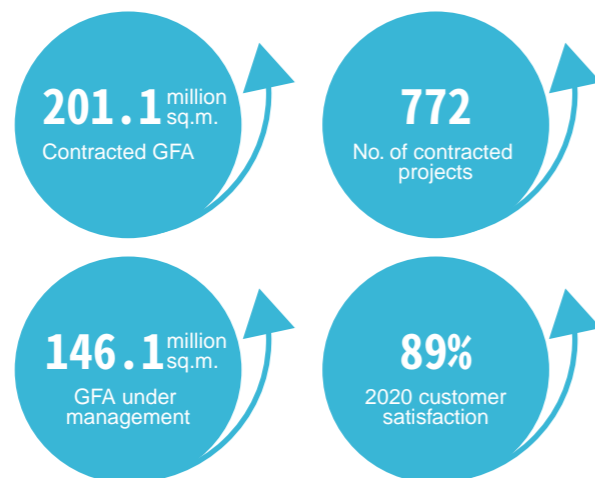
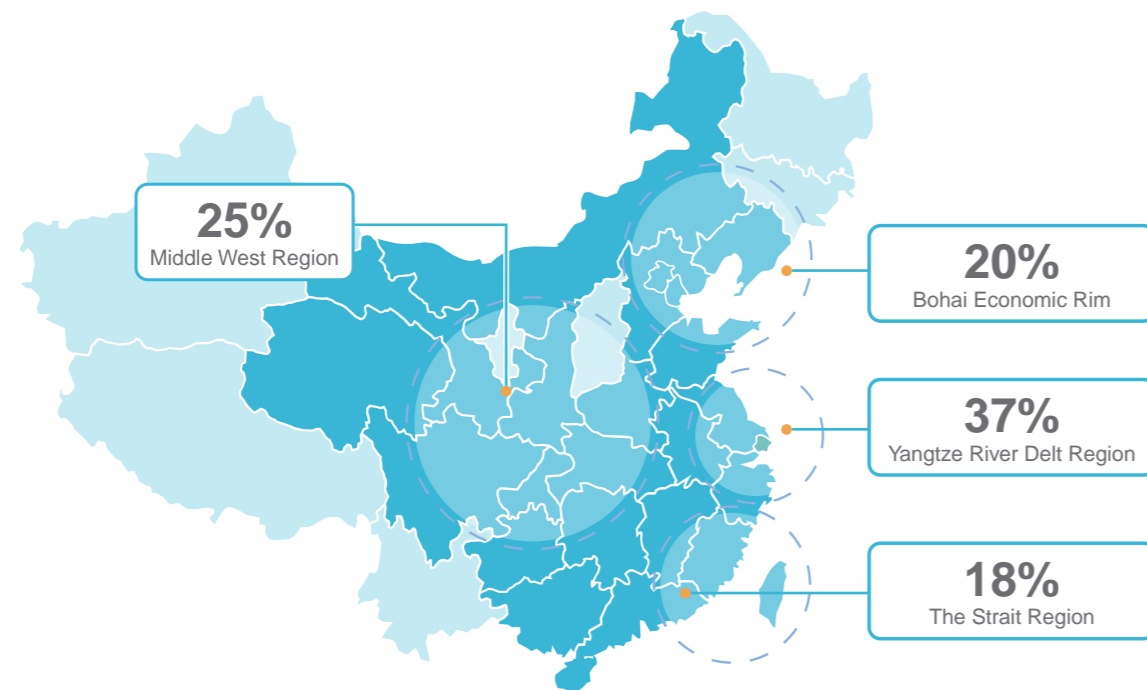
In line with "user-oriented, product-centric and driven by digitization and intelligence" as its service concepts, Shimao Services builds "OCEAN X Service System" and "OCEAN OS Management System". We build value-added service ecosystem, centred on "users" and "assets", concentrate on promotion of Smart Community Solutions, asset operation service, and campus value-added service; through service model with combination of "online platform" and "offline space", creatively establishes "0-1 KM Shimao Community Ecosystem"; in addition, Shimao Services introduces unprecedented service experience "deep blue" quality, smart connection, and diverse humanity for property owners and users, continues to increase value of whole chain of industry, upgrades the industry and city, which will be smarter; with the vision to be the high quality city services provider, Shimao Services is leading the future of Chinese community life style.

### Annual Results

Contracted Gross Floor Area ("GFA") was 201.1 million sq.m., GFA under management was 146.1 million sq.m., revenue was RMB 5,025.7 million, including property management services amounted to RMB 2,712.4 million, community value-added services amounted to RMB 1,600.6 million, value-added services to non-property owners amounted to RMB 712.7 million.

Contracted GFA	>	201.1 million sq.m.
GFA under management	>	146.1 million sq.m.
Property management services	>	RMB 2,712.4 million
Community value-added services	>	RMB 1,600.6 million
Value-added services to non-property owners	>	RMB 712.7 million

## Business covers 104 cities in China 77% projects under management locate in 1<sup>st</sup> tier and 2<sup>nd</sup> tier cities



### Diverse portfolio of property management



## Awards and Honor

Economics Sector		
No.	Award	Awarder
1	Shimao Services was selected as a constituent stock of MSCI China Index	MSCI
2	Shimao Services was selected as a constituent stock of Hang Seng Composite Index	Hang Seng Indexes Company Limited
3	2020 TOP 12 of 100 China Property Management Enterprises	China Index Academy
4	2020 TOP 8 of 100 Valuable Brands of Property Management Enterprises	China Property Management Research Institution, China Real Estate Appraisal Centre of Shanghai E-house Real Estate Research Institute
5	2020 China Property Management Enterprise Service TOP 9	Sponsored by E-House CRIC, co-sponsored by Leju Finance, and co-organised by Digital Real Estate Branch of China Real Estate Association, China Property Research Institution, CRIC Securities and China Property Management Quality Institution
6	Ocean X Shimao Deep Blue Service System -2020 Excellent Brand of Chinese Property Management Enterprise	Sponsored by China Real Estate TOP 10 Research and China Index Academy
7	2020 Characteristic Property Management Brand· Better Smart Life	China Property Management Research Institution, China Real Estate Appraisal Centre of Shanghai E-house Real Estate Research Institute
8	2020 TOP 3 Leading Companies in Residential Property Service	China Property Management Research Institution, China Real Estate Appraisal Centre of Shanghai E-house Real Estate Research Institute
9	2020 Growth Leading Enterprise of Property Management Enterprises	China Property Management Research Institution, China Real Estate Appraisal Centre of Shanghai E-house Real Estate Research Institute
10	2020 Leading Enterprise of Professional Operation of China Property Management	Sponsored by China Real Estate TOP 10 Research and China Index Academy
11	2020 Property Management Enterprise Worthy of the Attention of Capital Market	China Index Academy
12	2020 TOP 1 Property Management Enterprises in East China	China Property Management Research Institution, China Real Estate Appraisal Centre of Shanghai E-house Real Estate Research Institute
13	2020 TOP 4 Leading Property Management Enterprises in East China	China Index Academy
14	2020 TOP 5 China Property Management Enterprise Excellent in Pandemic Prevention and Control	Leju Finance Research Institute
Philanthropy Sector		
1	Co-hosting of China Poverty Alleviation Community Union	China Poverty Alleviation Community Union
2	Vanguard of Poverty Alleviation by Consumption	3rd Administrative Council of China Poverty Alleviation Community Union



Shimao Services invests in the quality management and attained three ISO certifications, including quality management, environmental management, and occupational health and safety management.



## SUSTAINABILITY DEVELOPMENT WORK

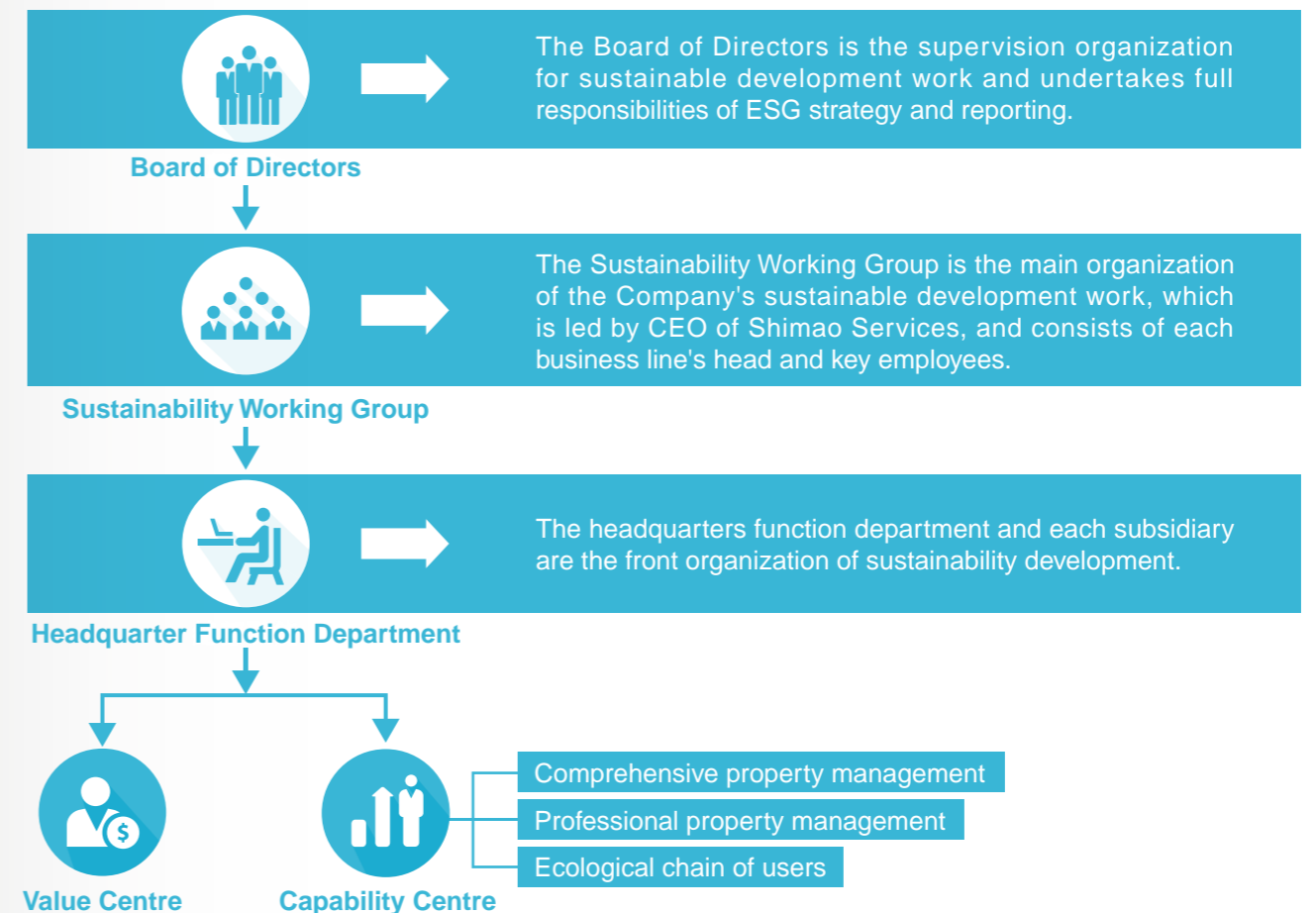
### Commitment to sustainability development

Shimao Services dedicates to sustainability development with high-standard service requirement, rigorous service process, and advanced technology; sets the key metrics of sustainability development, builds and reviews the goals of energy conservation and emission decrease, and achieves the vision of Better Smart Life.

### Organization of sustainability

The Sustainability Working Group is the main organization of the Company's sustainable development work, which is led by Mr. Ye Mingjie, CEO of Shimao Services, and consists of each business line's head and key employees. This group is responsible for implementing the sustainable development strategy laid down by the Board of Directors, complying with the Company's policies related to sustainable development, promoting the implementation of sustainable development work, and preparing the sustainability report according to disclosure requirements.

The Board of Directors is the supervision organization for sustainable development work and undertakes full responsibilities of ESG strategy and reporting. The Board of Directors develops the high-level strategy for sustainable development work, assesses and defines the sustainability-related risks faced by the Company, and ensures the effective implementation of risk management and internal control. The management layer regularly reports to the Board of Directors on the progress of sustainable development work.



# MATERIALITY ASSESSMENT

## Commitment to sustainability development

Shimao Services regards employees, shareholders/investors, users, suppliers and government as the main stakeholders. Considering various impacts on each of them, Shimao Services adopts various means to maintain continuous communication.

Stakeholders	Primary Concern / Expectation	Responses	Means of communication
 Employees	Compensation and wellness Health and safety Promotion and development opportunities	Timely and full payment of wages, contribution to social insurance Flexible farewell scheme Employee Care Fund Career development channels	Employee communication Employee engagement
 Shareholders /Investors	Business development Return and growth Risk control Corporate governance	Continuous growth Risk management and internal control Periodical disclosure Investor meeting	Online and offline meetings Roadshows and reverse roadshows Onsite visits
 Users	Fulfil obligation Quality service Customised experience Complaint feedback Privacy protection	Quality service delivery Smart technology Build communication and feedback channel Secure information of users	Customer satisfaction survey Home visits Return visit
 Suppliers	Fulfil obligation Competitive bidding Co-development	Standardization of bidding procedure and performance evaluation Facilitating the implementation of competitive bidding Achieve reciprocity with suppliers	Supplier assessment Supplier communication
 Government	Legal compliance Tax compliance Employments policy	Enhance compliance program Tax compliance Secure sufficient employment	Government-organized conferences Discussions Meetings

## Materiality Matrix

According to the survey and assessment of 2020 sustainability development, Shimao Services selects 15 key issues through group interviews and questionnaires, based on comprehensive consideration of the impact of such key issues on the sustainable development of the company and the stakeholders.



No.	Key issues	Stakeholders				
		Employees	Shareholders /Investors	Users	Suppliers	Government
01	Employee training and development	●				
02	Occupational health and safety	●			●	
03	Management of service quality		●	●		
04	Innovation and application of technology	●		●	●	
05	Innovation of product and service			●		
06	Social responsibility of suppliers				●	●
07	Community culture			●		●
08	Compliance and anti-corruption	●	●		●	●
09	Management of energy and emission	●		●		●
10	Recycle program of resource	●		●		●
11	Diversity and equality	●				●
12	Protection of users' data and privacy			●		
13	Property owners & users join eco conservation			●		●
14	Risk management and internal monitoring	●	●	●	●	
15	Support equality of society					●



# DEEP BLUE MAP

## 6 Themes of Deep Blue Community



### Growth

The real better life comes from smile faces of children. Shimao Services cooperates with nationally leading professional education teams, introduces internationally prevailing methodology of parenting education, and upgrades the parenting education brand of Mao Education, offering junior property owners and users a childhood with love, fun, and happiness.

### Humanity

The foundation of better life depends on continuous pursuit of life purpose. By SUNIT Library and various community activities, Shimao Services establishes a communication hub connecting individuals, bridging individuals and groups and embracing new opportunities.

### Reliability

The cornerstone of better life depends on all-time companion and warm reliability. Shimao Services Blue Theme of Reliability provides all-time and all-dimension guard for every property owner. M smart + standardized services for multi-type proper ties, Shimao Services 1001 steward, "Deep blue" full cycle service, and 5M quality control mechanism of service, the continuously improved satisfaction and leading score among peers originates from everyday reliable companion of Shimao Services.

### Diversity

The expression of better life contains various forms rather than single routine. Shimao Services creates living services with all-dimension and multi-function and covers all members of families, including SUNIT, real estate brokerage, and other brands. In addition, Shimao Services launched "Blue Carnival", a model of diverse community life, combining art, entertainment, sports, and music. Shimao Services builds 0-1 KM diverse living circle and creates new possibilities of life.

### Smart

The future of better life depends on continuous exploration of smart technology, introduction of unprecedented smart technology, and future life driven by digital and AI. Covering from smart community to smart appliance and from offline reality scenarios to online smart service in the mobile device, the digital technology service of Shimao Services delivers more convenient, smarter, and more personalized all-dimensional experience for communities and families.

### Health

The wellness of better life relied on health. Shimao Services always pays attention to health status of each property owner and provides full-cycle health care for property owners and users, keeping energy level of life forever.





# 01 BETTER SMART LIFE

"Deep Blue" Strategy  
Users Is All We Care  
Technology Empowers Life

# BETTER SMART LIFE

In line with "user-oriented, product-centric and driven by digitization and intelligence" as its service concepts, Shimao Services builds "OCEAN X Deep Blue Service System" and "OCEAN OS Deep Blue Management System". We build value-added service ecosystem, centred by "users" and "assets", concentrate on Smart Community Solutions, asset operation service, and community education services and community living services; through service model with combination of "online platform" and "offline space", creatively establishes "0-1 KM Shimao Community Ecosystem"; in addition, Shimao Services introduces unprecedented service experience "deep blue" quality, smart connection, and diverse humanity for property owners and users, continues to increase value via whole chain of service industry, contributes to digital and smart upgrade of service industry and smart city, with the vision to be the high quality city services provider, leading the future community life style in China.

## "Deep Blue" Strategy

◆The future of community service in China driven by digital smartness

"Deep Blue" Strategy—the comprehensive strategy of brand upgrading launched by Shimao Services to fulfil future industry development and community life upgrade. The "deep blue" strategy consists of OCEAN OS Shimao Deep Blue Management System and OCEAN X Shimao Deep Blue Service System, centred on combination of digital & smart-driven and diverse better life; guided by "deep blue" strategy, Shimao Services will keep on exploration and development, leading future development of community services in China.

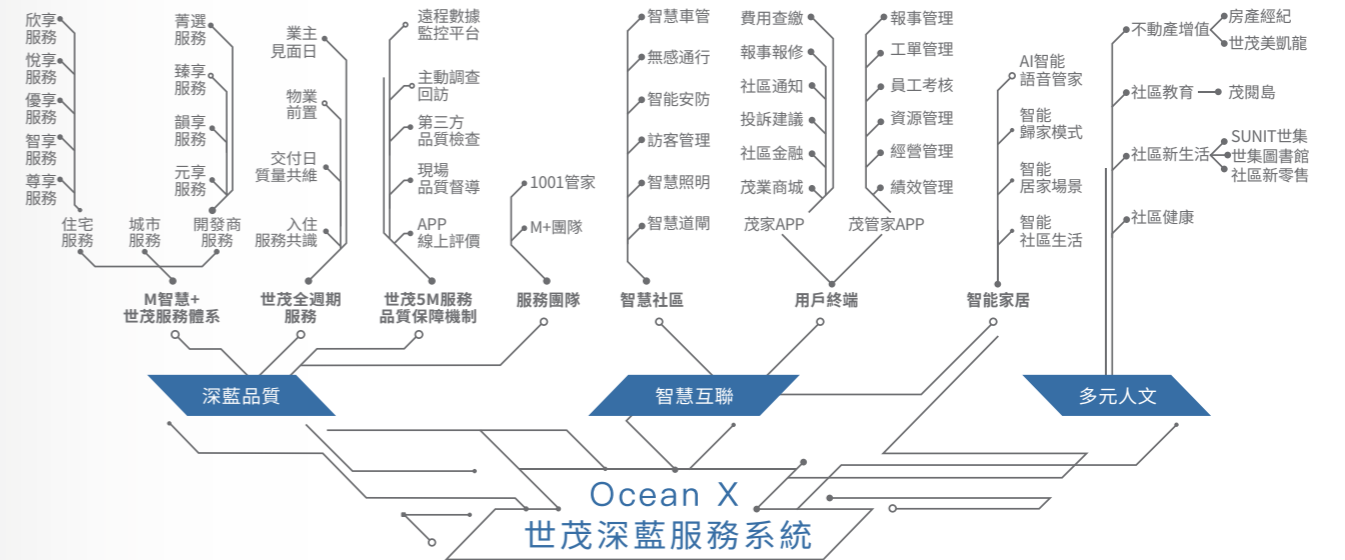


### ◆OCEAN OS Shimao Deep Blue Management System

Shimao Services establishes "OCEAN OS Shimao Deep Blue Management System", empowering enterprise management, organization management, and user service via big data. Firstly, the Company developed industry-leading and innovative management model of "Deep Blue Nebula", which contributes the Company to develop and innovate continuously through Grid Unit Management and Internal Marketization and made the foundation for upgrade service quality and exploration of new service boundary; Secondly, the Company researched "Deep Blue Middle Platform", which connected three terminals consisting of an integrated and visualized digital middle platform, a business middle platform, a Mao Steward APP accessed by employees, empowering the operation management and user service.

### ◆OCEAN X Shimao Deep Blue Service System

Focusing on living service needs of property owners and users, Shimao Services constructed "OCEAN X Deep Blue Service System", through three major values of "deep blue" quality, smart connection, and diverse humanity, which provides comfortable, reliable, smart, and diverse new service experience to Shimao property owners and users.



## Users Is All We Care

Strictly abiding by the "Law of the People's Republic of China on the Protection of the Rights and Interests of Consumers" and other laws and regulations, Shimao Services has formulated a number of internal guidelines, including the "Customer Satisfaction Guidelines" and the "Guidelines for Handling Customer Complaints".

Based on the service concept of "client first", Shimao Services takes clients' reasonable requests seriously and responds to them in a timely manner. For clients' complaints, we always take prompt and professional actions with all sincerity according to applicable laws and regulations. A variety of customer complaint channels, such as community butlers, special line for calls, project specialists, etc., has been opened up to ensure that all kinds of customer complaints can be resolved in a timely and appropriate manner. The complaints rate is therefore decreased.

1>>Channels	2>>Response	3>>Solve			4>>Confirm	5>>Evaluate
<b>Minor Complaint</b> •400 Call Centre •Public Media •From Owner •Website •Property Management Centre •Grid Unit Manager	Grid Unit Manager responses within 1 hour otherwise elevates	Solve and close the ticket in required time otherwise elevate			<b>Within 24 hours</b> headquarters 400 Hotline call client to confirm the status	Close ticket after confirmation
	<b>Delayed response</b> Elevate to project manager	<b>3-day delay</b> Elevate to city company/area Business Administration (abbr.BA) staff	<b>5-day delay</b> Elevate to regional BA staff Notify regional BA leader	<b>7-day delay</b> Elevate to headquarters BA staff Notify headquarters BA leader		Or return ticket to step 3 to solve further
<b>Severe Complaint</b> •400 Call Centre •Public Media •From Owner •Website •Property Management Centre •Grid Unit Manager	Service centre leader responses within 30 mins otherwise elevates	Solve and close the ticket in required time otherwise elevate			<b>Within 12 hours</b> headquarters 400 Hotline call client to confirm the status	Close ticket after confirmation
	<b>Delayed response</b> Elevate city company/area BA staff Elevate to regional BA staff	<b>2-day delay</b> Elevate to city company/area BA	<b>5-day delay</b> Elevate to regional BA staff Notify regional BA leader	<b>7-day delay</b> Elevate to headquarters BA staff Notify headquarters BA leader		Or return ticket to step 3 to solve further
	<b>Notify</b> headquarters BA staff regional BA staff city company/area BA leader	Notify city company/area BA leader	Notify regional BA leader	Notify headquarters BA leader		



## Interaction With Users

### ◆SUNIT (New-life platform)

On 28 August 2020, SUNIT brand (Re-unite New Life) press conference and nationally first store opening ceremony were launched in Shanghai Shimao Riviera Garden. Shimao Services, for a "Better Smart Life", has put great efforts to create "SUNIT", a new living service platform, through continuous exploration on service innovation. An industrial leading "comprehensive service mode" integrates online smart living service and offline humanistic and aesthetic space experience to create a future community living service sample for Shimao users and drive the transformation of community life style in China.



▲Cultural seminars in the SUNIT

Unlike the traditional community commercials, SUNIT provides a brand new community space, the second "living room" for users, and an extension of home. The best space and landscape is preserved as a shared public service for the purpose of optimising service operation that integrates the arts and humanities with community operation. A bookstore of 435 sq.m. is constructed with the conception of "smart dome" and there are five functional zones including "parent-child reading zone", "family reading zone", etc. Looking out of the full-length windows, users can enjoy the scenery of Hawaiian-style beach and swimming pool. With the sun shining on the spines of over 20,000 books, parents can spend more time with their children and accompany them to grow up in a space nourished by the arts. The X-space of 460 sq.m. is wide and open. Professional conference audio-visual equipment and mobile assemblage tables and chairs are available in the shared space for reception and meetings within the community. Neighbours are connected through exchanging their ideas and common interest, enjoying the intimate atmosphere here.



▲Function area of reading in the SUNIT

### ◆Mao Education

Mao Education, a community education brand under Shimao Services, advocates "great education in small community". Cored by leading edge methodology of education, Mao Education is rooted in Shimao Community and committed to lead a new era of lifelong education within communities in China. With its core education philosophy of "all-round growth in the company of fellows", Mao Education fully respects the nature of children, and has developed the education mode of "accompaniment" which means that children study with fellows. This mode focuses on the integration of education and cultivation, and science and art for the purpose of "all-round growth". Systematic curricula are customised by a research team of education professionals for children at age 0-12, including "reading island, exploration island, science island, game island, art island and drama island". The development of companion cooperation, demonstration, competition, feedback and others among children in the neighbourhood allows children to experience interactive learning during the courses and motivates them to learn independently. In addition, with the support of whole-process evaluation system of Shimao Services Intelligence Platform, Mao Education is cultivating ELITE TEN with interdisciplinary and all-dimensional teaching and learning. At the same time, Mao Education pays close attention to Chinese family education and parent-child relationship development and opens up the channel for children to learn and seek knowledge through "reading". Children can "read to experience" a world of much fun. They can also "read to enjoy" their wondrous dreams. Mao Education has created a safe community space for children to grow up and embrace the future in the company of parents.



▲Parent and child in the Mao Education



▲Children in the Mao Education



◆Community Interaction

Shimao Services organises a series of festival activities in the community for users at all ages. These activities are themed with Chinese cultural inheritance, promotion of good literature, health and traditional festivals, providing an interactive environment full of humanistic caring.



<p>2020/5 Beautiful Reading</p>  <p>Over 1,000 users, from all projects and fans of Shimao, together competed "Golden Microphone" .</p>	<p>2020/6-8 Happy Run</p>  <p>"Awake Energy, Run Happily"—over 2,000 families from 32 projects in more than 10 cities joined.</p>	<p>2020/7-8 Sea Silk Festival</p>  <p>Shimao users, from 13 projects in 6 cities, divided 30 – 50 person per batch to experience museum and ceramic art during 1-2 days.</p>	<p>2020/9-10 Mao Neighbour Festival</p>  <p>821 festival activities including Dragon Boat Festival, Tanabata Festival, and Double Ninth Festival, covered 66,376 users; 1,644 activities, such as Happy 1 June and Funny Olympic, etc., covers 13,290 users.</p>
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◆Donation to the care centre for children with severe diseases



▲Shimao Happy Run in Nanjing

On 17 October 2020, 8:30 AM, Shimao Services held a happy run themed with "Awakening, Running, Caring, Giving" for property owners, along the Shimao Riviera scenery belt. The Happy Run integrated sports with charity and raised funds for the Nanjing Shimao Rainbow Care Centre for Children with Severe Diseases ( "Nanjing Rainbow Centre" ), showing the love and goodwill of life in Shimao.

In the 4.2-kilometre course, there were staging posts in Xuanwu Lake, Confucian Temple and Sun Yat-sen Mausoleum, where participants got food and water supplies to replenish energy. Backed by several Shimao user groups, the Happy Run ignited with the passionate waist drum performance performed by the choir from Nanjing Shimao Straits City and offered various entertainment games for users to sign in. All users enjoyed wellbeing from sports with happy smile.

Shimao will invest more in public welfare to benefit more children. The representatives of Shimao, the community secretary, the project manager of Nanjing Rainbow Centre and the representatives of property owners jointly announced the closure of the Happy Run, raising RMB 10,000 altogether in the interests of children.

To bring children hope and happiness, strengthen the owners' sense of happiness, Shimao Services hosted the Happy Run successfully thanks to the followings: an elaborate plan designed by the Company, the whole-process service by stewards of Shimao Services and especially the active participation of owners from each community.

Many owners expressed their recognition and praise to the Happy Run as they not only got more exercises, but also conveyed the positiveness of public welfare. After the event, they spontaneously organised to establish a running club in the hope of continuing their happiness and staying healthy.



## User Services

In 2020, Shimao Services served over 3.2 million customers.  
 Score of comprehensive satisfaction: 89 (2019: 87)  
 User service hotline processed 7,817 hours of consultation and complaints\*,  
 with 100% completion rate and 97% satisfaction rate



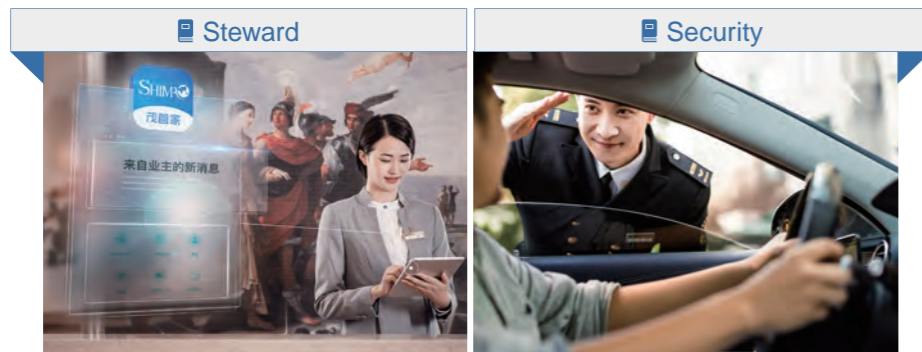
Total customers of Shimao Services

Score of comprehensive satisfaction

\* Data contains service processing, consultation, and complaints.

## Service manual of different scenarios

Shimao Services has prepared and promoted the service scenario manual, corresponding to different functions and scenarios, in order to create standardised and high-quality property services by taking user demand as the core.



## Natural and ecological community

### ◆Soil nourishing

As the soil in plant area at the entrance of units is barren, grass seeds had been replanted for many times, to no avail. Shimao Services therefore applied organic fertiliser multiple times to change the soil pH, and maidong (ophiopogon) was planted there to improve the appearance.

### ◆Forest oxygen centre

Guangzhou Swan Bay is embedded with a forest oxygen centre relying on its geographical advantage. The garden is planted with 400 trees and covers an area of 5,000 square metres to reduce greenhouse gas emissions and improve the air quality of the park.



▲Forrest oxygen centre in community

## User Safety

### ◆"Elevator Safety Tips for Neighbourhood Residents"

16 organisations and over 120 residents from Qingyuan Community, Supo Sub-district participated in the activity of "Elevator Safety Tips for Community Residents", the activity in which more than 230 copies of various materials and 150 minutes of videos were circulated.

A drill was organised for simulating the procedures for the rescue of stranded persons in case of elevator malfunction, which tested the alarm receiving and emergency handling capabilities of the user and maintenance organisations when people are trapped in an elevator. After the drill, all participants got familiar with the standard procedures and their own responsibilities in the elevator emergency rescue. The emergency action plan was proved to be scientific and reasonable by the drill. This provided a valuable practical reference for further to strengthen the emergency rescue capability in response of elevator accidents.

### ◆"Touchless" home delivery service

During the pandemic in 2020, Shimao Services carried out free service of intra-city express, grocery shopping, and provided "touchless" service for a total of 360,000 times, and received 16,319 thank-you letters from owners. The services such as "convenience time", "convenience zone" and "convenience week" bring warmth and convenience to 196,334 Shimao users.

## Privacy Protection

Strictly complying with the "Personal Information Protection Law" "Law of the People's Republic of China on Protection of Consumer Rights and Interests" and other laws and regulations related to information security in Mainland China, Shimao has formulated internal policies (e.g. "Confidentiality Management Policy"), which have strengthened the management of personal data processing, including:

- Internal management systems and operating procedures
- Rating and classification of personal information
- Encryption and identification security measurements
- Safety tutoring and training; operational access clarification
- Preparation and organisation of emergency plans

### ◆Classified management of system access

In order to effectively protect information assets, standardise the use of information, and protect user information, Shimao Services manages the system operational access of employees according to their hierarchy and positions.

### ◆Automatic file encryption

All files are automatically encrypted. Approval is required for decryption of any files. Strict controls over distribution of files are in place to reduce the leakage risk of key information.



## Technology Empowers Life

Based on a deep understanding of technological innovation, Shimao Services, with the high-tech subsidiary Shimao IOT "Double Soft Certification" (Software Company, Software Product) as the platform, devotes to be the comprehensive solutions provider who connects users, spaces, devices, and services with smartness. Committed to concept of "Universal Connection, Artificial Intelligence", we join hands with technology leading enterprises, such as Sense Time, Unisound, Alibaba Cloud, Haier Smart Home, Hikvision, etc. With foundational technology of IoT, big data, cloud computation, artificial intelligence and others, as well as horizontal connections of scenario and vertical connections of eco-system data, we create smart solutions such as smart community, smart home, smart property operation, smart hotel, smart business, smart office, smart display centres, smart engineering, etc. To propel fast implementation and fully upgrade of diverse smart scenarios, Shimao Services continue to improve the experience of owners and users in diverse smart scenarios, such as housing, entertainment, office, etc.

### ◆Shimao Services Smart Community Solutions

Shimao Services Smart Community, with Shimao IOT as the platform, takes advantage of cloud computing, big data, artificial intelligence, IoT and other technologies and organically integrated community services, facility management and property owners' daily life, so that the Company achieves digitalised collection of operational data, cloud connectivity of equipment and facilities, and intelligent interaction of community services. Owners and users can live in smart communities of safety, comfort and convenience in multiple aspects such as smart security, smart pass, energy consumption management, smart living space, etc.



### ◆Face recognition

After "touchless" pass is activated, facial recognition enables the identification of motors and vehicles as well as people. Gates will be automatically opened once owners walk into the camera zone within micro-seconds with a stroller, or by electric bike. For the unauthorised access without prior registration record, the gates will not open so as to guarantee both the convenience of owners and users and the safety of the community.

Face recognition technology helps owners freely pass the gates. In addition, through the collection of face image information, owners' friends can make visits more conveniently. Owners only need to input their visitors' information in "Maojia" APP of Shimao Services in advance and then the permission and time slot information will be automatically delivered to the gate system. Therefore, even if owners stay at home, they can open the gates for their visitors. Authorised visitors can pass the gates using the verification code that was sent to their mobile phones or use temporary face recognition. However, they will fail in passing the gate at any unauthorized time.



▲ Facial Recognition

### ◆Smart pass for cars

As the living standard continues to improve, more and more people own private cars. They are enjoying more convenience in travelling but bearing traffic pressure at the same time. There is no doubt that conventional vehicle access control systems are of many disadvantages. Especially in rush hours or rainy days, the conventional vehicle access is of much inconvenience. For example, it costs too much time to operate the system so that owners may become very impatient because they have to wait for a long time to pass the gate.

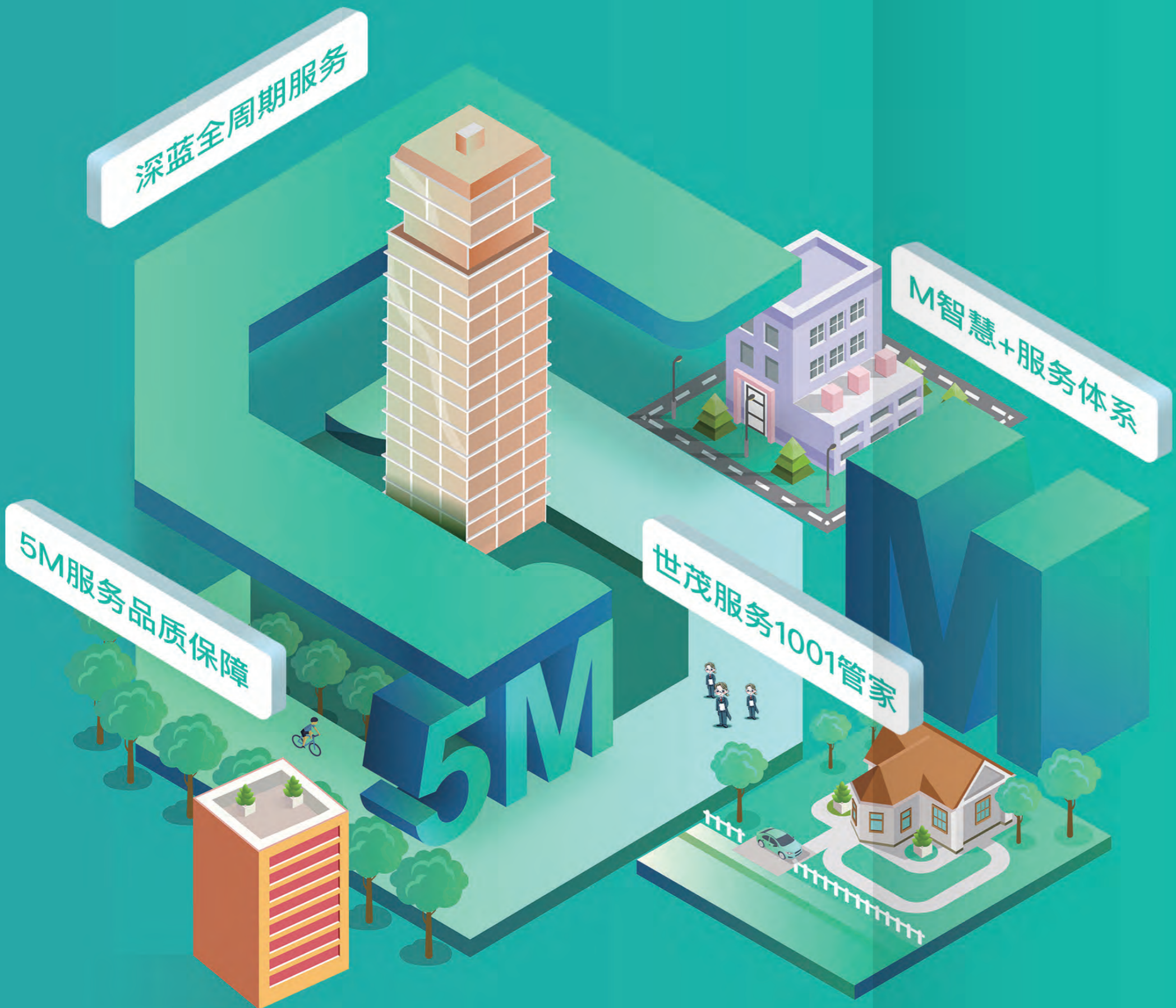
Our smart pass for cars under Shimao IOT's smart community solutions uses technological intelligence to create a brand new version of parking lots, integrating a new parking system, user-friendly design, and multi-dimensional convenient services. Based on in-depth study of every detail, quick recognition of vehicle plates is realised through a series of systems including control devices and capture camera at the entrance and exit, intelligent electric barriers, real-time monitors, vacancy displayers, intelligent tolls, etc. The system improved the efficiency of car-flow, contributed to more advanced property management, and decreased the cost. At the same time, car owners enjoys warm and smart living experience.

Shimao IOT Smart Community Solutions are built on Shimao IoT Deep-sea Oasis Ecological Platform. Originated from people and driven by scenarios of "Services + Technology", the platform delivers capability and output in an active, enabling, and highly cost-efficient way. In addition, it is a scenario-based enabling ecological platform which realises the mutual benefits of alliance eco-system and industry eco-system.



▲ Smart Pass for Cars





# 02 PARTNERSHIP

Employee    Supplier    The Public

## PARTNERSHIP

Shimao Services works with employees, suppliers and the public, listens to their appeals, and support their rights; builds ideal workplace for employee development; cooperates with suppliers with excellent performance of sustainability; and invests in social equality and poverty alleviation.

### Employee

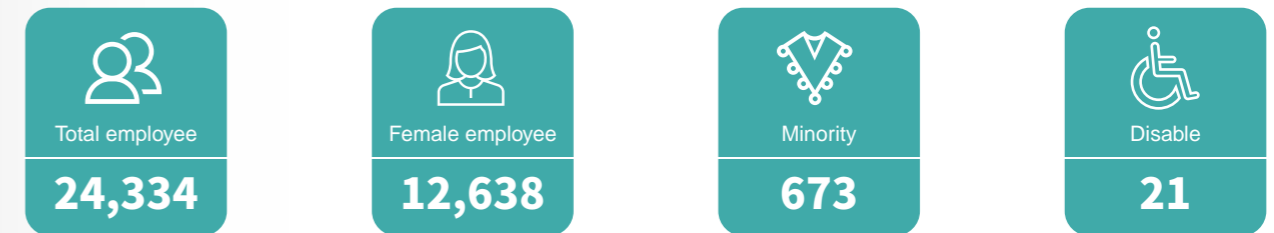
Strictly abiding by the "Labour Law of the People's Republic of China", the "Labour Contract Law of the People's Republic of China", the "Employment Promotion Law of the People's Republic of China" and other human resources management laws and regulations, Shimao Services has established corporate policies including "Guidelines for Recruitment", "Remuneration Management Guidelines", "Promotion Management Guidelines", " Training Management Guidelines", "Management Guidelines for Absence and Leave", "Resignation Management Guidelines", "Management Guidelines for Team Building", etc. These policies effectively protect the legitimate rights and interests of employees.

Shimao Services always adheres to the innovative and inclusive development of talents, and has established a comprehensive and diversified strategy for the development of talents. Moreover, Shimao Services treats every employee equally and pays attention to their physical and mental development, with absolute opposition to any forms of discrimination. Shimao Services will never hire or allow suppliers to hire child labour or forced labour. Shimao Services regularly reviews the HR policies to ensure that all hiring controls are implemented rigorously and are incorporated into human resources policies.

	<p><b>Award</b> 2020 The best innovative practice award of compensation and farewell From Social Power Information Technology</p>
	<p><b>Copyright Certification</b> Shimao Services City/Region in Charge: Full Lifecycle Administration Sandbox From National Copyright Administration of China</p>
	<p><b>Copyright Certification</b> Shimao Services Junior Manager: 5-Lesson Curriculum for High Effectiveness From National Copyright Administration of China</p>
	<p><b>Copyright Certification</b> Shimao Services Project Manager: Full Lifecycle Administration Sandbox From National Copyright Administration of China</p>

## Diversity

As of 31 December 2020, Shimao Services had 24,334 employees, among whom 12,638 were females, accounting for 52% of the total, 673 were from minority ethnic groups and 21 were disabled people.



### Employee Development

Adhering to the concept of "Respect People, Trust People, Build People", Shimao Services promotes technology empowerment, training empowerment, and is committed to creating a high-quality learning platform, facilitating career development of employees.

#### ◆Shimao Services Business College

**Self-developed curricula: 154 lessons, 60 + class hours, 83 videos, and 71 sets of learning materials**

Shimao Services launched a set of comprehensive training programme through an APP, including 8 topics which are operation, human administration, finance, risk control, branding, technology, internal marketisation, and general function.

#### General Lessons

Total 1,421 lessons and 536.3 hours\*  
Including professionalism and personal development

#### Internal Marketisation

Total 8 lessons and 16.9 hours\*  
Including analysis of internal marketisation

#### Technology

Total 28 lessons and 6 hours\*  
Including digital tools and manual

#### Public Relations

Total 16 documents  
Including corporate brand material

\*Hours refer to class hours.

#### Operation

Total 37 lesson and 22.5 hours\*  
Including full cycle management

#### Human Administration

Total 130 lessons and 79 hours\*  
Including HR and administration capability training

#### Finance

Total 21 lessons and 5.2 hours\*  
Including basic knowledge of finance

#### Risk Control

Total 13 lessons and 3.8 hours\*  
Including work ethics and compliance





### ◆ Specific position training programmes

Shimao Services has designed and launched special training programmes for different positions, including "Navigator Programme" for senior management, "Pioneer Programme" for regional general manager and candidates, "Challenger Programme" for project managers and candidates, "Explorer Programme" for front-line supervisors and "Onboarding Training Programme".

Take the "Pioneer Programme" as an example. According to talent standards of a city or regional director, this programme focuses on the "role", "knowledge skills" and "behavioural capabilities" of the person in charge of the city or regional business, through "sandbox exercise, president classroom, situational leadership, job rotation" and other forms to train and empower.



▲ Classroom training of Explorer Programme

## Employee Care

### ◆ Fundraising for those in need

Shimao Services organised fundraising for an employee who suffered a sudden illness, the charity fundraising that got positive responses and high rate of engagement from many employees of every project. The fundraising embodied the reciprocal support and the brotherhood among all of our teams of Shimao Services, making employee feel the warmth and care from the company.

### ◆ Heat safety

In heat summer days, to implement safety standard and secure the health of employees, every project of Shimao Services rigorously implemented corporate cultural spirit of caring employee and worked on the activities "Cooling in Summer" – sweet melons, cold tea, and quality sun screen, which were good tool to prevent heat stroke; meanwhile, the smiles face of employees is the best feedback. The campaign was not only the care and appreciation from leadership team, but also demonstrated belief of "human-centric", promoting the atmosphere of mutual care between company and employee.

### ◆ Re-experience childhood

During the Festival of 1 June Children Day, HR & Administration Department sent employees nostalgia happiness, including foam machine, mini-fan, animal- shape cups, etc. From the gift on the Festival of 1 June Children Day, employee re-experienced childhood happiness, recognized corporate culture -- people care and harmony. Those activities facilitate feelings of belonging and recognition for employee.



▲ 1 June Children Day Activity

### ◆ Competition of dragon-boat rowing

In September 2020, directors from Shimao Services headquarters, regional branches, business units, subsidiaries and new joiners attended dragon-boat rowing; the intensive competition demonstrated spirits of Shimao Services' s people, including time-first, moving forward, cooperation, and alignment.



▲ Competition of dragon boat

## Occupational Safety

Strictly abiding by the "Law of the People's Republic of China on the Prevention and Control of Occupational Diseases" and "Fire Protection Law of the People's Republic of China" and other relevant laws and regulations, Shimao Services pays great attention to the creation of a healthy and safe workplace for employees and has formulated "Employee Safety Guidelines", "Safety Responsibility Agreement", "Management Policy for Special Inspection on Projects", "Permit for Use of Open Flames" and other corporate policies in order to actively safeguard the legitimate rights and interests of employees, create a safe, healthy and comfortable working environment for employees and protect their physical and mental health.

### ◆ "119 Fire-fighting Education Day" drill

On "119 Fire Fighting Education Day" in 2020, in order to improve the capabilities of fire-fighting, the Company kicked off fire prevention programme in winter. Each management centre and project engineering units organised self-check of fire- fighting equipment and safe use of electricity. At the same time, fire-fighting knowledge sharing activities and drills were launched.



▲ Fire drill



## Supplier

### Supplier performance

Shimao Services has a total of 3,998 suppliers, of which 564 in the Yangtze River Delta, 1,162 in the Middle West 690 in the Strait region, and 1,582 in North China; During the reporting period, we conducted 29 training sessions to suppliers, 1,839 talks and communication with suppliers, 2 assessments of suppliers, covering 79% of the suppliers.



### Supplier Conduct Code

Shimao Services is committed to establishing a fair and transparent supply chain. On the basis of strict compliance with the relevant provisions of the "Bidding Law of the People's Republic of China" and the "Government Procurement Law of the People's Republic of China", and has formulated the "Supplier Integrity Commitment Agreement" to ensure a fair, open and just bidding process. Shimao Services has also introduced such policies as "Supplier Management Policy" and "Engineering, Service Procurement Procedures", whereby suppliers are assessed based on their operating performance, record of violation, service quality, reputation and accounting system, so that those meeting our quality standards are selected.

Shimao Services requires suppliers to provide various qualification documents and verifies their authenticity, completeness and validity. Besides, Shimao Services reviews suppliers' relevant qualifications and information materials as appropriate from time to time.

### Suppliers' Sustainability Performance

Shimao Services is committed to selecting and supporting suppliers with outstanding sustainability performance. We need a large number of external service providers during our business processes and pay great attention to their policies concerning employees and how they are implemented. In addition, continuous and dynamic tracking are performed on the sustainability performance of suppliers.

### Supplier sustainability assessment

As for the sustainability performance of suppliers of engineering, service, materials and other types of services, Shimao Services will assess multiply dimensions:

#### Occupational safety

- Formulation and supervision of safe operation regulations
- Safety protection equipment
- Work safety or other emergency response plans
- Effectiveness of the fire-fighting system

#### Personnel protection

- Long-term and stable job opportunities for labourers
- Regular vocational development training to the labourers
- Social insurance with guaranteed amount for labourers

#### Environment

- Establishment and implementation of waste disposal plan
- Suppliers are assessed and rated at A/B/C/D level. If a supplier is rated at level C, Shimao Services will communicate with the supplier and require an improvement plan; if a supplier is rated at level D, Shimao Services will terminate the cooperation with the supplier. Such assessment is in place to select appropriate suppliers that meet the requirements of Shimao Services' sustainable development.

**In 2020, we communicated with 15 suppliers and 3 suppliers were terminated based on the assessment and rating.**

## The Public

Shimao Services concerns social equality and obeys the "Charity Law of the People's Republic of China" and other laws and guidelines. We are the industry leader in the charity investment; take corporate responsibility and deeply dive into the social welfare. We proactively implement innovative practice, charitable donations, voluntary services, etc to deliver warmth and love to those in need of help; we expect to influence more people to take actions through our continuous charity activities so that the society will become better.

### Concerted Efforts for Helping Tibetan children through Purchase of barely seedlings

On 30 October 2020, Shimao Services was officially listed on the Main Board of the Stock Exchange and a celebration ceremony was held. There was a highlight session that Shimao Services purchased 60 acres of Tibetan highland barley land under the "Concerted Efforts for Helping Tibetan children through Purchase of barely seedlings" to help 60 Tibetan children.

The programme is a special activity for poverty alleviation through pro-consumption organised by China Property Management Institute and carried out by the China Poverty Alleviation Community Association. Enjoying the fast growth, Shimao Services kept investment on corporate responsibility and actively participated in the "The Power of Community", a campaign of poverty alleviation through pro-consumption, to make contribution.



▲ Concerted Efforts for Helping Tibetan children through Purchase of barely seedlings

### New retail aids to agriculture - Gannan oranges

SUNIT, the new life platform of Shimao Services, taking advantage of its own new retail channel, cooperates with Jiangxi Anyuan YiXinYiTian Agricultural Professional Cooperative. It took only about one week, from 11 to 19 November 2020, for SUNIT to sell 25 tons of Gannan oranges to 300+ communities in 100+ cities across the country. Shimao Services has helped more than 30 farmers to gain income of over RMB 200,000 in total directly or indirectly by means of purchase oranges or labour employment.

Anyuan was one of 832 impoverished counties in the country. Farmers there encountered a serious difficulty with selling oranges in this year due to the COVID-19 pandemic. Shimao Services has helped farmers in Anyuan to sell Gannan oranges and Gannan sweet potatoes. In active and quick response to the national call, Shimao Services puts a lot of effort and gives support to the poverty alleviation by promoting industrial development. This also allows property owners and users to enjoy more agricultural products with higher quality from mountain poor areas.





▲New Retail aids to farmers to sell Gannan oranges

In communities, Shimao Services launched "mini marketplaces", where the Company communicated with community committees and owner committees to mobilise users to participate in the poverty alleviation activities through pro-consumption. Online media channels, including the corporate WeChat official account, the WeChat group, and offline media channels, including bulletin boards, publicity boards, elevator advertisements, banners over the gates, property service centres, etc. were effectively used to promote the activities.

Through online and offline platforms, users and the public are encouraged to follow the WeChat official account, "Lenongshe", where mini stores are available. Relying on the social poverty alleviation network "Internet +" and the ecommerce platform, Shimao Services has expanded the sales channels for feature products in cooperatives and created a new model of poverty alleviation through e-commerce.

◆Shimao Services with "Spectacled Brother"

Shimao Services introduced "Spectacled Brother", a charity project cooperated with Shimao Group, to SUNIT "Mao Education" in Shimao Riverside Garden, Shanghai. As the first show of "Spectacled Brother" in community, the charity event invited children in the community to host a charity sales. Owners were very gratified to see their children to help other children. All proceeds from the activity were donated to Spectacled Brother Fund under Shanghai Charity Foundation.

The activity was led by children and they took caring actions to help children with severe diseases. A reading class of Mao Education, the high-end community education brand of Shimao Services, marked the official beginning of the charity cause. In the reading class, children were tutored by teachers of Mao Education in reading picture books to learn about health knowledge. Under the guidance of the teachers, the children deepened their understanding of severe diseases gradually which evoked their sympathy and caring for the children with severe diseases.

Through the charity sales, the children not only learned the goods trading, but also were aware of the meaning of charity. Moreover, they experienced the happiness brought by dedication and love. Many parents on site also joined in and showed their love through buying children's items for sale in the charity market or directly making a donation.



▲Shimao Services with project of Spectacled Brother

◆Fighting against COVID-19

During the COVID-19 pandemic, more than 12,000 employees of Shimao Services worked on the frontline for fighting against the pandemic in communities, with a cumulative service time of more than 12,672,000 hours and 206,907 daily reports about pandemic prevention and control. 66 tons of disinfectant were utilised each day to isolate the virus and protect Shimao communities.

Driven by technology, Shimao Services go-lived "Shimao Health Code", "Intra-city Express" and other modules in Maojia APP, an online life platform, to create a safe and convenient shield from pandemic for owners.

During the COVID-19 pandemic, Shimao Services delivered 147.6 tons of fresh vegetables for free, and completed 460,407 times of purchase by order of property owners and offered vegetable delivery, online parent-child classroom, psychological counselling, health diagnoses, fitness live broadcast and other services to meet owners' different demands during quarantine and isolation.

Precautionary actions taken by Shimao Services for public welfare of the residents have been prized and encouraged by owners. As a result, Shimao Services got over 16 thousand thank-you messages and letters from owners and users, and has been reported multiple times by CCTV, People's Daily, XinhuaNet and other official media, earning extreme praise from peers, government and the public.



▲Shimao Services donated medical essentials to Wuhan First Hospital



▲Shimao Services allocate vegetables for communities



▲2 employees of Shimao Services took a photo after work



▲Owner of Shimao City sent the thank you banner to Shimao Services employee





# 03 FOR BETTER SOCIETY

Eco-Friendly Smart Living Community  
Care Goodness



# FOR BETTER SOCIETY

## Eco-Friendly Smart Living Community Tianjin Shimao Eco-City

Shimao Services is committed to building a low-carbon and sustainable society through a lot of efforts in addressing environmental issues, such as low-carbon community construction and climate change response, actively advocating the practice of ecological communities.

Adhering to the concept of ecological economy, ecological society, ecological environment and ecological culture, Tianjin Shimao Eco City was built as an "ecological, environmental-friendly, energy-saving, natural, habitable and harmonious" zone. It is geographically close to the 800,000 square metres of Yongdingzhou Wetland Park and prized as a typical habitable community that suits the coexistence of nature and mankind. Shimao Services took a series of energy saving and environmental protection measures to strengthen the protection of local natural ecology and living environment. In the past two years, the project won various awards, including "Tianjin Quiet Living Community", "3 Stars Green Community", "The Chinese Ecocity with Best Wellbeing", and "The Annually Best Community", etc.



▲Landscape of Tianjin Eco-city



Tianjin Best Project of Property Management



Tianjin Ecocity 3 Stars Green Community



Tianjin Quiet Living Community



The Chinese Ecocity With Best Wellbeing



The Annually Best Community

## Four major environment-friendly measures of Tianjin Shimao Eco-city

### Clean energy to save daily consumption

Install solar energy heater,  
saving electrical consumption  
more than **50% a year**



### Clean energy

To maximize the efficiency of clean energy, the solar energy water heater became standard. Compare to the traditional electric water heater, the solar energy water heater will save more than 50%. In daily using, the Tianjin Eco-City team actively worked with proper ty owners and offered maintenance, delivering the extra saving of the electric bill for property owners and users as well.



### Water resource saving

The activities, like planting and cleaning, consumes plenty of water every year. To balance the need of planting and the requirement of saving water, the Tianjin Eco-City collected condensed water and rains, renovated water-supply system and micro-irrigation devices, and used other technical methods, in order to increase the re-using of water and save consumption in community.

### Reuse water to save consumption in community

Collect condensed water/rain,renovate water-supply system,  
micro-irrigation, in order to increase re-using of water



## Four major environment-friendly measures of Tianjin Shimao Eco-city

### Promote LED to better life experience

LED is featured by high lumen, long lifetime, low consumption, and **2,300+ LED** was applied



### LED Device

The Tianjin Shimao Eco-City team proactively promoted the coverage of LED in public area. Over 2,300 LED contributed significantly to energy conservation in the community; in addition, the advantages of LED, high lumen and long lifetime, create a better living experience for property owners and users.

### Recycle waste with classification



### Recycle waste

The Tianjin Shimao Eco-City is building and initiates "Eco-City Smart Station of Waste Classification". The blue recycle bin is for recyclable waste, the green recycle bin is for kitchen residual, the grey recycle bin is for others. A set of above three recycle bin is part of each smart station; the posters in smart stations guide the new-users to complete the classification correctly.

The dry and wet wastes in the community is classified **100%** in smart station



## Smart Living Concept of Tianjin Shimao Eco-City

Based on the six major themes of the "Deep Blue Community" – Reliability, Smart, Diversity, Humanity, Growth, Health. Tianjin Shimao Eco-City is devoted to providing numerous possibilities to the property owners and users in their daily life, based on their needs.

### The six major themes of the "Deep Blue Community"



### Blue Theme - Reliability

The cornerstone of better life depends on all-time companion and reliability.

Shimao Services provides all-time and all-dimensional guard for every property owner. Through M smart +standardized services for multi-type properties, Shimao Services 1001 steward, "Deep blue" full cycle service, and 5M quality control mechanism of service, Shimao Services continuously improves customer satisfaction. The leading score among peers originates from everyday reliable companion of Shimao Services.

### Overall renovation to build a cosy and fresh-looking community

"Product-centric" and "User-oriented". The "Campaign of CommunityRenovation" was carried out to cope with issues most concerned by owners. The community was upgraded by repairing dilapidated facilities, rearranging the landscape, refining environment, increasing energy efficiency of equipment, painting the exterior walls, etc.



◆Renovate Pavilion



◆Replant Green



◆Renew entertainment facilities



◆Fire drill and trainings, protect life

On 9 November 2020, in order to promote the National Fire Prevention Day and fire safety, Shimao Services invited owners for the activity on the National Fire Prevention Day to improve their capabilities of emergency response and self-protection. The owners participated in fire extinguishing practice, evacuation drills, on-site first aid and equipment instructions, giving positive feedbacks to the activity.



▲Fire-fighting training to the property owners

Blue Theme - Smart

The future of better life depends on continuous exploration of smart technology.

Introducing leading edge smart technology to the community, the future life is driven by digital and AI. The digital technology service of Shimao Services delivers more convenient, more smart, more personalized all-dimensional experience for communities and families, covering from smart community to smart appliance, and from offline reality scenarios to online smart service in the mobile device.



▲Smart face recognition in the community

◆Touchless pass in community in the digital era

Following the trend of the urban transformation of smart community by big data, Shimao Services upgraded the access control system, pedestrian system and vehicle system to enable touchless pass and new experience. The smart community solutions are based on the integrated platform and database, are able to connect various brands and types of devices, and to achieve easy integration and expansion of systems. For example, the data of various face recognition devices, such as gates entry system, access control systems, elevator control systems, and gate locks, is entered in one-time for touchless pass within community.

◆A new lifestyle with touchless pass empowered by technology

Since the launch of touchless pass technology in the community, not only the common motor vehicle identification, the owner identity recognition is realised as well. Gates will be automatically opened once owners walk into the camera zone within micro-seconds with a stroller, or by electric bike. For the unauthorised visitors' access, the gates will not open without prior registration record so as to guarantee both the convenience of owners and users and the safety of the community.

◆24-hour smart safeguard and surveillance




Safety is the most important consideration of the smart community solutions. People, vehicles and objects in the community are monitored and identified in all day through a tight security network. The systems of pedestrian access, vehicle access and surveillance cameras are interconnected for the purpose of identifying risks in advance and handling emergencies as quickly as possible.



## Blue Theme – Diversity

### The expression of better life contains various forms rather than single routine.

Shimao Services creates living services with all-dimension and multi-function, covers all members of families and has several brands, such as SUNIT, Shimao Macalline, etc. In addition, Shimao Services launched "Blue Carnival", a model of diverse community life, combining art, entertainment, sports, and music. Shimao Services builds 0-1 KM diverse living circle and creates new possibilities of life.

	<p><b>Shimao Macalline --Property improvement service</b> Shimao Macalline is a new ecological home decoration brand jointly established by Shimao Services and Red Star Macalline. The combination of the two brands aims to exploit their advantages in real estate and home decoration, integrates the entire industry chain, provides full-cycle services that cover bulk business of new house decoration, and delivers customised decoration and second-hand house renovation.</p>
	<p><b>Mao Education -- International community education service</b> The community education brand of Shimao Services, "Mao Education", is committed to leading the future of lifelong education in communities in China by introducing international advanced education models into Shimao community. With its core concept of "all-round growth within the neighbourhood", Mao Education fully respects the nature of children, and has developed the education mode of "learning with companion", which integrates education and cultivation, as well as science and art for the purpose of "all-round growth".</p>
	<p><b>SUNIT -- Offline humanity space + Online smart living services</b> SUNIT - Integrate better new lives. It provides offline humanity space and Online smart living services. It covers offline services of three categories of "parenthood, health, life", explores diverse experiences in entertainment, food, housing and transportation, and provides the community an unique humanistic spirit and neighbourhood operation.</p>

### ◆Turning "scars" into artworks

Some branches of trees are inevitably cut and sawed, with wound exposed, during the maintenance of the green landscape in community. In order to recover and decorate these trees, the proposal of "Tree Wounds Decoration" was initiated by Yantai Shimao No. 1 Bay and executed by Tianjin Shimao Eco-city. According to this proposal, paintings were done around the wounds or tree holes so that the "scars" of these trees became the eyes-catching spot of the community.



▲Tree Artwork

Acrylic pigments used for the paintings are waterproof, non-toxic, and are ideal materials for paintings on trees due to the bright, thick and lustrous colours. However, painting on tree trunks was far more difficult than on walls, because the cutting wounds of the trees were small and rough, and it was difficult for pigments to adhere to the tree. In order to successfully paint on the trees, the staff conceived the painting in advance according to the sizes and shapes of the wounds and tree holes in order to fit in perfectly.

## Blue Theme - Humanity

### The foundation of better life depends on continuous pursuit of life purpose.

By SUNIT Library and various community activities, Shimao Services establishes a communication hub connecting individuals, bridging individuals and groups and embracing new opportunities.

### ◆Building a humanistic community in a harmonious society

Culture Festival of Maritime Silk Road: Owners are invited to explore the history of Maritime Silk Road and recollect the long and glorious history of China.



▲Culture Festival of Maritime Silk Road

National Day Flash Mob: The flash mob with the theme of "My Motherland and Me" was carried out in order to enhance the sense of honour for the country and leave an impressive memory of National Day celebrations for the owners.

Community Film Festival: In order to enrich neighbourhood entertainment, owners were invited to watch outdoor movies in night, and enjoy the harmony and warmth of the neighbourhood.

Community Flea Fair: In order to promote the owners' awareness of environmental protection, they were encouraged to sell children's products, clothing, plants and other items that are idle at home.

Tree Planting: In response to "Forestry Law of the People's Republic of China", owners participated in the process of planting and cultivating saplings to promote awareness of nature's blessing and sense of environment protection.

## Blue Theme - Growth

### The origin of better life comes from smile faces of children.

Shimao Services cooperates with nationally leading teams of professionals in education, introduces internationally leading methodology of parenting education, and upgrades the parenting education brand of Mao Education, offering junior property owners and users an environment with love, fun, and happiness for the childhood.

### ◆Gifts for children to welcome a new semester

Under the impact of COVID-19 pandemic, children in the community had a special start for the semester. To show love and care, Shimao Services handed out stationery and masks in hope of a happy, safe and motivated semester for all children.



▲Junior property owner smiled to collection gift



## Blue Theme - Health

### The wellness of better life relied on health.

Shimao Services always pays attention to health status of each property owner and provides full-cycle health care for them, keeping energy level of life forever.

#### ◆ Installation of atomiser and disinfection passage against pandemic

A disinfection passage was built by Shimao Services, with a built-in intelligent ultrasonic atomisation disinfecting device that atomises and sprays disinfectant. With remote control and infrared induction function, it is activated automatically when people pass through, for which quite a lot of people raised their thumbs up.



▲ Elders' birthday party

#### ◆ Arranging series of activities to care for the senior citizens and addressing problems of the ageing society

Taking into account the reality of ageing society, the Eco-City actively organises free-of-charge clinical examinations for the senior citizens and visits the elderly solo-dwellers in the community to improve the living system of the senior citizens.

## Smart Management of Energy Consumption

Shimao Intelligent Energy Management Platform, built through big data, cloud computation, artificial intelligence, remote operation and maintenance and other technologies, transforms traditional management methods such as the manual control of equipment, manual monitoring on environment and manual recording of energy consumption registration into real-time intelligent monitoring on the facilities and equipment, community environment and energy consumption. Meanwhile, energy optimisation strategies are formulated with the assistance of data collection, big data computation, data analysis and energy forecasting to comprehensively improve energy utilization efficiency, reduce energy consumption costs and realise environmental protection management.

### Intelligent controller of air conditioner

Shimao IOT, a technology company under Shimao Services, has observed that heat is generated during elevator operation in summer. Conventionally, property management company may keep air conditioners working 24 hours. That will cause unnecessary energy consumption. In response to this problem, Shimao IOT developed the "intelligent controller of air conditioner", which has been applied to the elevator motor rooms in Shimao communities. This "intelligent controller of air conditioner" adopts a high-precision temperature sensor that can detect temperature of the motor room in real time. Omnidirectional infrared control, NB-IoT wireless transmission and other technologies are used to realise multiple intelligent control functions for motor rooms, such as automatic ON/OFF of air-conditioners upon temperature detection, remote direct control, control base on pre-calculated parameter, etc. Through real-time temperature detection and remote control, the air conditioners in the motor rooms can be turned on or turned off automatically according to the change of ambient temperature. Therefore, the property management staffs no longer need to go to the motor rooms on the top floor. In this way, refined property management and environmental protection are achieved with assistance of technology.

Taking one community in Shanghai managed by Shimao Services as an example, the air conditioners in the elevator motor rooms that control 28 elevators consume approximately 20,000 kW/h of power in 60 summer days. With the "intelligent controller of air conditioner" developed by Shimao IOT, the energy consumption has been reduced by 70%.

## Green office

Shimao Services has formulated the "Office Environment Management System", which stipulates the use of water, electricity and other resources in the office.

### ◆ Use of Resources

Pursuant to the "Energy Conservation Law of the People's Republic of China", Shimao Services has formulated and implemented the "Field Resource Management System" for the purpose of rationally allocating the resources, reducing the resource consumption for operations and increasing the efficiency of resource utilisation.

### Standards for community energy consumption management

1. Daily logs of energy consumption shall be kept. The data shall be accurate and recorded in clear and readable handwriting. The on-duty electricians shall record the readings of electric meters properly as required. HVAC staffs shall duly record and monitor the water consumption of the buildings to prevent tap dripping and leakage.

2. Statistical analysis on energy consumption shall be carried out properly. Any abnormal energy consumption shall be analysed and reported promptly.

3. Staffs shall stay at their posts as required and routine inspections shall be carried out properly. Efforts shall be made to save energy in every aspect with the concept of "people foremost, focusing on saving".

- Professional staff shall focus on monitoring the water system of the community to check whether there is dripping or leakage, and whether there is violation of company regulations on energy consumption. For example: stealthy consumption of water and electricity through unauthorised connection.

- The security staff shall monitor whether the lighting of the public area of each floor is turned off when there is no customer, whether the air conditioners in the public areas are turned off at night, whether the lighting and exhaust fans of the rest rooms are turned on or turned off as per requirements, and timely feedback the situation to the person in charge of overall duty.

- HVAC staff shall promptly adjust toilet flush valves to prevent wasting water. For example: adjust the water level of water tank or adjust the duration of flushing.

- All employees are responsible to report, stop or correct the waste of energy.

4. All employees of different specialities shall strictly implement the energy conservation measures of the Company. It is prohibited to operate the equipment without authorisation. The total power consumption shall be controlled effectively and the power consumption during peak hours shall be reduced.

- HVAC staff shall turn on and off the cooler and ancillary equipment in accordance with the forecast temperature and humidity on a daily basis.

- Electricians shall advise on power consumption and unreasonable operation status of the equipment on a daily basis and supervise the implementation of power-saving measures.

- Cleaning staff shall properly arrange the time to use the electrical cleaning equipment to avoid the peak hours and save energy as much as possible.

- Water should be used reasonably to clean rest rooms. It is prohibited to run tap water wastefully.

- All departments shall control the use of household electrical appliances such as heaters and air conditioners, and reduce electricity consumption during the peak hours.

#### ◆Replacement with energy-saving equipment

Traditional equipment has been updated through technology empowerment to reduce energy consumption and increase efficiency of energy utilisation. Intelligent electric meters, water meters and LED energy-saving lighting have been installed for energy conservation, and the specific implementation measures are as follows:

##### ◆Replacement with intelligent electric meters and water meters

By replacing traditional electric meters and water meters with intelligent types, users can keep abreast of electricity and water consumption at home. In this way, they can optimise the plans for electricity and water consumption to ultimately save energy and reduce emission.

##### ◆Replacement of LED energy-saving lighting

Compared with the existing common lighting, the LED lighting is of higher efficiency and longer lifespan. The brightness of the light can be adjusted intelligently so that energy consumed by lighting is greatly reduced.

#### Energy saving outcome (e.g. LED lighting replacement in the garage of a project)



##### Project information:

There is a total of 1,150 LED lights in the garage. The unit price of electricity is RMB 0.62/kWh. The monthly power consumption is 13,248 kWh. The monthly expenditure is RMB 8,213.8 and the annual electricity consumption is 158,976 kWh;



##### After replacement:

After LED energy-saving lights are installed, 9,108 kWh of electricity can be saved per month and 109,296 kWh per year, recording an energy-saving rate of 69%.

## Waste Management

Pursuant to the "Environmental Protection Law of the People's Republic of China", "14th Five-Year Plan Work Scheme for Control of Greenhouse Gas Emissions" and other laws and policies, Shimao Services has formulated and implemented the "Management System of Environmental Service Unit" and "Operation Guideline for Environmental Service Unit" to identify water pollution, air pollution, solid waste, household garbage, energy consumption and natural resource consumption that are possibly generated in daily operation of the Company in terms of community environment, operating environment, infrastructures, working environment, engineering maintenance materials, cleaning items, greening waste and drugs.

Shimao Services formulated the "Guideline for Garbage Collection" to classify and dispose of garbage generated in daily services to reduce environmental pollution. The Company will continue to be devoted to the effective control of waste water, waste gas and noise, and the improvement of the surrounding environment. In addition, the quality management centre of the Company is responsible for overall coordination for the implementation of environmental management indicators, supervising the implementation of measures of environmental prevention and improvement by various branches and departments, and assisting various function departments in the identification, assessment and improvement of environmental factors.

#### ◆Community garbage classification

Shimao Services has formulated the plan and rules for garbage classification in the community, which include:

1. Reasonably planning the land of the community to build the garbage sorting points to facilitate the collective disposal, treatment and transportation of garbage for owners.
2. Promoting the community owners' awareness of garbage classification by appropriate publicity
3. Increasing accuracy in garbage classification to avoid reclassification.
4. Used batteries contain mercury, cadmium and other toxic substances, which may cause serious harm to humans; garbage classification reduces related pollution and hazard.
5. Garbage classification can be considered as a kind of re-utilisation of resources to make the community more beautiful.

#### ◆Community second-hand exchange

The activity was carried out to promote the owners' awareness of environmental protection, encourage them to participate in environmental protection, and adopt a low-carbon lifestyle to contribute to overall environment of the Earth. Shimao Services organised "Community second-hand exchange" event with 6 projects were involved including Chengdu Shimao City and Yujin Bay. More than 600 participants, and 100 works were uploaded for online appraisal. By exchanging and transforming waste items, the owners can give new life to the waste, and meanwhile, improve aesthetic and artistic senses. With the responsibility for protecting the earth with a humble heart, everyone is the creator and witness of a better life.



▲ Egg shell designing in community second-hand exchange



## Response to Climate Change

Aspect	Main work
Governance	The Board of Directors supervises the work on sustainability, including the work in response to climate change. The Board of Directors conducts discussion on sustainability issues at least once a year. The audit committee under the Board of Directors is considering to incorporate climate change risks into the risk management of the Company.
	The sustainable development working group is led by the president of Shimao Services, consisting of persons in charge of different business lines and frontline core employees. The working group reports through the president of Shimao Services to the Board of Directors of the Company on issues related to sustainable development, including climate-related issues.
	Shimao Services is discussing and drafting the feasibility of a "Climate Change Policy" at the company level to guide the actions of the Company in response to climate change.
Strategy	A variety of the risks might be brought by climate change to Shimao Services, including the increase of maintenance costs of the Company's properties or damage or adverse impact on employees, assets and supply chains resulted from extreme temperature changes and rising rainwater acidity, which will cast direct and indirect influence on the Company's finance.
	Climate change might also bring business opportunities. Shimao Services is thinking over applying low-carbon operation to address increasing operating costs (such as maintenance costs) brought by climate change, speeding up the Company's transformation into a green and sustainable enterprise.
Risk Management	The impact brought by the risks of climate change is being specified, which includes the identification and ranking the financial impact of climate change on properties and communities.
	In aspect of investment evaluation, sustainable development factor has been added to the risk evaluation procedure in the due diligence of proposed acquisitions, including the energy efficiency and environmental performance of the properties to be acquired.
	An emergency recovery plan has been formulated that in case of a significant accident in extreme weather, the Company can solve and deal with the needs of users and owners as soon as possible.
Monitoring and goals	Key performance indicators for sustainable development and mid and long-term improvement goals are being set up. The energy consumption, water consumption and carbon emission indicators are closely related to climate change.

## Care Goodness

### Risk Management and Internal Control

Shimao Services has developed risk management and internal control systems, formulated and implemented the "Management System of Internal Control Inspection", "Comprehensive Risk Management System" and "Professional Ethics and Punishment Standards" to strengthen and regulate the risk management of Shimao Services. The well-regulated and effective risk control system is established to prevent, control, and resolve risks that might occur or appear at any time in the complex and ever-changing business environment, realise the strategy of Shimao Services and promote the continuous, stable and healthy development of its business. All significant risks of the Company are identified, evaluated, managed, monitored and reported pursuant to the "Company Law of the People's Republic of China", "Basic Standard for Enterprise Internal Control" and related supporting guidelines, and are reported to senior management, audit committee and the Board of Directors when necessary.

#### ◆ Risk Management System

##### 1. Establishment of a risk-oriented internal audit

Internal audit and internal control inspection are carried out on a risk-oriented basis to promote improvement and implementation of the systems. Internal audit fulfils the supervision function over risk management and internal control of the Company.

##### 2. Systematic measures of risk management

A risk management team is established; full life cycle risk identification and risk assessment and rating are conducted; for significant risks and response measures, design effectiveness is assessed and verified.

##### 3. Annual evaluation on risk management

Risk self-evaluation mechanism is implemented. Risk management report is prepared according to the self-evaluation results.

#### ◆ Internal control management system

Inspections are carried out with full coverage. Systems are strictly implemented to ensure compliance. Violation of regulations is carefully investigated and severely punished. Non-compliance is corrected. The top-down whole process control over the internal control inspection is carried out through the information system, including scoring, appeal, review, rectification and reporting. The foundation and channel for the top-down self-inspection of the project are established.

#### ◆ Internal control mechanism

1. Inspection scoring: The headquarters and regional inspectors can score the inspection through APP and PC backstage.

2. Rectification tracking: After the project manager confirms the score, a rectification sheet will be generated for each deduction item.

- Rectification is carried out according to the deduction items.
- Reviews are conducted by project leader and regional employee at their own level.
- The headquarters will randomly check the rectification sheets reviewed by regions.

3. Reporting: After the project has been scored, the project leader confirms the score.

- Scoring report and rectification sheet are generated promptly.
- Real-time ranking, data export and organisation filtering are available.

**In 2020, ramification rate of internal control findings is 99.4%**



**Compliance Policy**

**◆Guideline for employee compliance**

Apart from strictly abiding by national laws and regulations, international ethical standards, and anti-fraud standards, Shimao Services establishes the "Code of Ethics", which regulates employees' ethics and behaviours from six dimensions: non-legitimate interests, conflicts of interest, investment, information confidentiality, corporate assets, and information accuracy. As supplementary, Shimao Services establishes "Guidelines of Investigation and Judgement for Employees Suspected of Violation and Violation of the Code of Ethics", which stipulates that employees who have seriously violated the Code of Ethics will be treated with the "red and yellow card". If treated with the red card, this employee will be dismissed immediately. In addition, Shimao Services adds the "Code of Integrity" in the "Shimao Employee Handbook", emphasising that it is the responsibility of each employee to understand and abide by the "Code of Integrity", and clearly stating that "No employee is allowed to solicit and receive benefits", "No permission to leak any information that is not available in the public, such as confidential information, specific document or property technology to outsiders without the Company's authorization". Moreover, Shimao Services posts posters advocating integrity in the main business premises, so as to increase employees' awareness of integrity and enable employees maintaining an honest and self-disciplined working style, which will strengthen anti-corruption and sustainability development in the Company, and eliminate improper and corrupt behaviours.

**◆Guideline for supplier compliance**

In the main business fields, Shimao Services requires suppliers to sign the "Open Cooperation Agreement". Pursuant to this agreement, we are committed to abiding by following provisions:

- The Company only accepts and makes clarification for bidding inquiries in written from suppliers during working hours. The employees of the Company are prohibited to contact or reach any tacit agreement with suppliers privately outside working hours for any reason.
- It is strictly prohibited to accept money, goods, securities and free-of-charge services provided by suppliers. It is strictly prohibited to have suppliers paid for any expenses borne by employees .
- It is strictly prohibited to have any fund borrowing and lending or dealings with suppliers, customers, contractors, business partners and related personnel, or accept discounts and rebates in any form privately.
- It is prohibited to participate in banquets and other entertainment activities arranged by any supplier.

- It is strictly prohibited to engage in trading, subcontracting and other intermediary activities regarding materials, services and construction works related to the project.
- It is strictly prohibited to have part-time job, investment or shareholdings in the supplier's companies or companies for which the supplier is a shareholder or controller, or obtain part-time wages, bonuses and other forms of remuneration from the above companies in any other form.
- For paid participation of seminars, trainings, symposiums, lectures, etc., application shall be submitted in advance to the company which the invitee work for. Participation is only allowed with the permission from that company.
- In the process of conducting business with suppliers, it is required to strictly abide by the national laws and regulations and industrial self-discipline regulations, adhere to the principles of fairness, justice, openness, honesty and integrity. No harm shall be made to interests of any party.
- It is prohibited collude with other bidders (sellers), or to take any measure to obstruct other bidders (sellers) from participating in fair competition and harm the interests of your company.

**Compliance Training**

1. Codes of ethics have been detailed to specify requirements for self-regulated behaviours for employees and the mechanism of reward and punishment.
2. Education and publicity events on professional integrity are carried out. A standard integrity training mechanism has been established for the on-job training for new joiners; 100% of directors and employees have received integrity and compliance training.
3. Case analysis and industry sharing are posted on the WeChat account as a reminder for all employees to abide by laws and regulations, and business ethics.

**Whistle-blowing Program**

**◆Internal whistle-blowing mechanism**

Shimao Services has a sound mechanism of internal reporting, with whistle-blowing channels through official website, hotline and mailbox. Anti-corruption publicity tips are also posted in workplaces and sales points. The Company will thoroughly investigate the clear and specific whistle-blower clues and promise to protect and reward the whistle-blower anonymously.



E-Mail



Hotline



Mail



Website

In 2020, a total of 8 reports were received, and relevant investigations and corresponding actions had been completed.



## Appendix 2020 Awards

S/N	Awards	Awarder
1	2020 TOP 12 of 100 China Property Management Enterprises	China Index Academy
2	2020 China TOP 100 Growth Leading Enterprise of Property Management Enterprises	China Index Academy
3	2020 China Leading Enterprise of Characteristic Property Management - Deep Blue Community of Shimao Services	China Index Academy
4	2020 Property Management Enterprise Worthy of the Attention of Capital Market	China Index Academy
5	2020 TOP 4 Leading Property Management Enterprises in East China	China Index Academy
6	2020 Potential Unicorn of Property Management Enterprise	China Property Management Institute, Shanghai E-House Real Estate Research Institute, China Real Estate Appraisal Centre
7	2020 China Property Management Enterprise Service TOP 9	Sponsored by E-House CRIC, co-sponsored by Leju Finance, and co-organised by Digital Real Estate Branch of China Real Estate Association, China Property Research Institution, CRIC Securities and China Property Management Quality Institution.
8	Ocean X Shimao Deep Blue Service System - 2020 China Property Management Enterprise "High-quality Service System"	Sponsored by E-House CRIC, co-sponsored by Leju Finance, and co-organised by Digital Real Estate Branch of China Real Estate Association, China Property Management Research Institution, CRIC Securities and China Property Management Quality Institution.
9	2020 Leading Enterprise of Professional Operation of China Property Management	Sponsored by China Real Estate Top 10 Research and China Index Academy
10	Ocean X Shimao Deep Blue Service System -2020 Excellent Brand of Chinese Property Management Enterprise	Sponsored by China Real Estate Top 10 Research and China Index Academy
11	2020 TOP 12 of 500 China Property Management Enterprises	China Property Management Research Institution, China Real Estate Appraisal Centre of Shanghai E-house Real Estate Research Institute
12	2020 TOP 8 of 100 Valuable Brands of Property Management Enterprises	China Property Management Research Institution, China Real Estate Appraisal Centre of Shanghai E-house Real Estate Research Institute
13	2020 Characteristic Property Management Brand-Better Smart Life	China Property Management Research Institution, China Real Estate Appraisal Centre of Shanghai E-house Real Estate Research Institute
14	2020 TOP 1 Property Management Enterprises in East China	China Property Management Research Institution, China Real Estate Appraisal Centre of Shanghai E-house Real Estate Research Institute
15	2020 Growth Leading Enterprise of Property Management Enterprises	China Property Management Research Institution, China Real Estate Appraisal Centre of Shanghai E-house Real Estate Research Institute
16	2020 TOP 3 Leading Companies in Residential Property Service	China Property Management Research Institution, China Real Estate Appraisal Centre of Shanghai E-house Real Estate Research Institute
17	2020 TOP 5 China Property Management Enterprise Excellent in Pandemic Prevention and Control	Leju Finance Research Institute
18	Co-hosting of China Poverty Alleviation Community Union	China Poverty Alleviation Community Union
19	Vanguard of Poverty Alleviation by Consumption	3 <sup>rd</sup> Administrative Council of China Poverty Alleviation Community Union

## HKEx ESG Framework Reference

General Disclosure	Location	KPI	Location
<b>A. Environmental</b>			
Aspect A1: Emission	For Better Society (P48-P51)	A1.1	Performance Data Summary(P60)
		A1.2	Performance Data Summary(P60)
		A1.3	Performance Data Summary(P60)
		A1.4	Performance Data Summary(P60)
		A1.5	Response to Climate Change(P51)
		A1.6	Response to Climate Change(P51)
Aspect A2: Use of Resources	For Better Society (P48-P51)	A2.1	Performance Data Summary(P60)
		A2.2	Performance Data Summary(P60)
		A2.3	Response to Climate Change(P51)
		A2.4	Response to Climate Change(P51)
		A2.5	Performance Data Summary(P60)
Aspect A3: The Environment and Natural Resources		A3.1	Response to Climate Change(P51)
Aspect A4: Climate Change		A4.1	Response to Climate Change(P51)
<b>B.Social</b>			
<b>Employment and Labour Practices</b>			
B1:Employment		B1.1	Performance Data Summary(P57)
		B1.2	Performance Data Summary(P58)
B2:Health and Safety	Partnership (P29-P32)	B2.1	0 Person*
		B2.2	2,622 Days
		B2.3	Partnership(P32)
B3:Development and Training		B3.1	Performance Data Summary(P59)
		B3.2	Performance Data Summary(P59)
B4:Labour Standards		B4.1	Partnership(P29)
		B4.2	Partnership(P29)
<b>Operating Practices</b>			
B5:Supply Chain Management	Partnership (P33)	B5.1	Partnership(P33)
		B5.2	Partnership(P33)
		B5.3	Partnership(P33)
		B5.4	Partnership(P33)
B6:Product Responsibility	Better Smart Life (P18/P23/P24)	B6.1	N/A, the KPI is not applicable for the Company's business
		B6.2	Better Smart Life(P23)
		B6.3	N/A, the KPI is not applicable for the Company's business
		B6.4	N/A, the KPI is not applicable for the Company's business
		B6.5	Better Smart Life(P24)
B7:Anti-corruption	For Better Society (P52/P53/P54)	B7.1	For Better Society(P54)
		B7.2	For Better Society(P54)
		B7.3	For Better Society(P54)
B8:Community Investment	Partnership (P34/P35/P36)	B8.1	Partnership(P34-P36)
		B8.2	Partnership(P34-P36)

\* Data does not contain the companies owned by acquisition or merger.

## Performance Data Summary

Workforce Profile		
Total Workforce		<b>24,334</b>
By gender	Female	12,638
	Male	11,696
By employment type	Full-time	23,857
	Part-time	477
By age	Under 30 years old	6,116
	30 to 50 years old	11,979
	Above 50 years old	6,239
By region	Headquarters & Specialised Companies	457
	Yangtze River Delta Region	10,339
	Middle West Region	3,223
	The Strait Region	5,515
	The North Region	4,800
By rank	Non-management	20,822
	Management	3,512
	Senior management female	38
	Senior management male	86
Ethnic minority		673
Disables		21
New Hires		
Total new hires		<b>12,832</b>
By gender	Female	6,861
	Male	5,971
By employment type	Full-time	12,832
	Part-time	0
By age group	Under 30 years old	5,275
	30 to 50 years old	5,243
	Above 50 years old	2,314
By region	Headquarters & Specialised Companies	414
	Yangtze River Delta Region	4,861
	Middle West Region	3,619
	The Strait Region	1,989
	The North Region	1,949

## Performance Data Summary

Termination		
Total termination		<b>9,050</b>
By gender	Female	3,880
	Male	5,170
By employment type	Full-time	9,050
	Part-time	0
By age group	Under 30 years old	4,153
	30 to 50 years old	4,245
	Above 50 years old	652
By region	Headquarters & Specialised Companies	209
	Yangtze River Delta Region	2,608
	Middle West Region	3,239
	The Strait Region	1,751
	The North Region	1,243
Turnover Rate		
Total turnover rate		<b>16%</b>
By gender	Female	24%
	Male	7%
By employment type	Full-time	16%
	Part-time	0%
By age group	Under 30 years old	18%
	30 to 50 years old	8%
	Above 50 years old	27%
By region	Headquarters & Specialised Companies	45%
	Yangtze River Delta Region	22%
	Middle West Region	12%
	The Strait Region	4%
	The North Region	15%



## Performance Data Summary

Training		
The percentage of employees trained		100%
By gender	Female	100%
	Male	100%
By rank	Non-management	100%
	Management	100%
The average training hours		4.70
By gender	Female	5.82
	Male	3.75
By rank	Non-management	3.82
	Management	8.60

### Notes

01. Calculation method of termination: The data includes voluntary termination and involuntary termination.
02. Calculation method of turnover rate: The absolute value of difference of 2020 new-hired employees and 2020 terminated employees is divided by balance of employees on 31 December 2020, multiplying 100%.
03. Calculation method of the percentage of employees trained: The Company sets vocational trainings in multi-type training programmes, including on-boarding training, regular staff meeting, compliance & anti-fraud training.
04. Calculation method of the average training hours: The 2020 total training hours for employees are divided by numbers of employees who attended trainings.

## Performance Data Summary

Use of Resources	Unit	
Total Energy consumption	GJ	2,663.2900
Intensity of energy consumption	GJ/sq.m.	0.1304
Total water consumption	cu.m.	5,479.4890
Intensity of water consumption <sup>8</sup>	cu.m./sq.m.	0.2684
Paper	Ton	21.6960
Package Materials	Ton	1.3310
Emission & Disposal	Unit	
Total Carbon Emission	Ton	476.3939
Direct green-house gas emission	Ton	93.9375
Indirect green-house gas emission	Ton	382.46
Intensity of carbon emission	Ton/sq.m.	0.0233
NOx Emission	Ton	0.4965
SOx Emission	Ton	0.0005
Particle Emission	Ton	0.0447
Total disposal of non-hazardous waste	Ton	30.7491
Non-hazardous waste intensity	Ton/sq.m.	0.0015
Total disposal of hazardous waste	Ton	11.9890
Hazardous waste intensity	Ton/sq.m.	0.0006
Total Discharge of wastewater	Ton	778.2960
Intensity of wastewater	Ton/sq.m.	0.0381

### Notes

01. The scope of data is administration area of Shimao Services, including headquarters, middle west region, yangtze river delta region, north China region, and the strait region.
02. In future, we will review scope and calculation method to better introduction of the Company's environmental performance.
03. GJ is the standard unit to measure energy, and conversion formula is referred to General Principles for Calculation of Total Production Energy Consumption (GB/T 2589-2008).
04. No consumption of diesel was found regarding to cars for business use in 2020.
05. Water consumption contains drinking water, utility water, and cooling water of air-conditioner.
06. Direct green-house gas emission contains gasoline and diesel oil.
07. Indirect green-house gas emission contains electricity, paper, waste water purification, business travelling; source of business travel data is provided by third party travel agency, the data that contains business travelling of headquarters, and branches in regions and cities.
08. Disposal of non-hazardous waste consists of used paper, office general waste, metals, etc.
09. Disposal of hazardous waste consists of scraped cartridge, battery, scrapped bulb, plastics, etc.
10. Total discharge of wastewater is estimated according to coefficient from Code of Urban Wastewater Engineering Planning (GB50318-2017).