



SHIMAO SERVICES HOLDINGS LIMITED
世茂服務控股有限公司
(Incorporated in the Cayman Islands with limited liability)
Stock Code : 873

2023

可持續發展報告

SUSTAINABILITY REPORT



For any feedback or advice on our sustainable development performance and reporting,
please contact us by email at ir@shimaowy.com
or write to us: 26th Floor, Shanghai Shimao Tower, No. 55 West Weifang Road, Shanghai, PRC
Investor Relations Department
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Report Summary

At present, the industry is facing unprecedented opportunities and challenges. In the complex environment and fierce market competition, high-quality development has become the consensus of the property management industry. As a leading comprehensive property management and community living service provider in China, Shimao Services has been dedicating to empowering a better life and urban upgrading, and maintaining steady development since listed three years ago.

By 2023, Shimao Services has operated in 144 cities nationwide, providing in-depth services in 19 cities of them, and extending our warm services to many niche markets such as residential, schools, hospitals, public buildings, industrial parks and transportation hubs. In the comprehensive property services segment, Shimao Services fulfills its service objectives of "Better 100+1, Service Beyond Satisfaction", and provides high-quality services around full-industry, full-scenario and full-cycle. In the diversified value-added services segment, we closely follow national policies, comprehensively promote the construction of 15-minute radius livelihood service circles and actively explore the modes of "Property Service + Life Service" and "Property Service + Elderly Care Service".



Operated in
144 cities
Providing in-depth services in
19 cities

While maintaining high-quality and distinguishing services, Shimao Services also focus on how to truly create value for owners and users. Hence, we have been actively building a customer-responsive organisation, carrying out a series of quality improvement actions such as "Spring Ploughing Action", "Improvement Action" and "Breakthrough Action", insisting our service is close to perfection and better than full mark. In two consecutive years, we have been honored as the "TOP 1 of 100 China Property Service Enterprises in Satisfaction". Besides, we attended the China International Property Management Industry Exposition for the first time in 2023.

We believe that employees are the driving force for the sustainable development of Shimao Services. The Company provides employees with comprehensive career planning and professional training to build a team of energetic talents. At the same time, we are committed to building a big family with warmth, listening to employees, meeting their demands, and helping employees to achieve self-fulfilment.

Shimao Services strives to drive more employees, owners, users and other stakeholders to participate in actions combating climate change and fulfilling green office and living. In addition, we continue to conduct diversified community activities to create a compound atmosphere with more love and fun, and establish 142 Xiaohong Mao volunteer teams to build a bridge between the public, the compound and the property.

In the future, Shimao Services will continue to adhere to high-quality development, keep the concept of "Better Smart Life" in mind, and realize the goal of becoming "Leading Full-scenario Provider of City Life Services in China", to cultivate the core competitiveness for sustainable development and create more value for the society.

About the Report

Scope of the Report

This report is the fourth sustainability report ("Report") of Shimao Services Holdings Limited ("Shimao Services", the "Company" or "We", together with its subsidiaries). This Report focuses on the sustainable development performance of Shimao Services, future objectives and plans, including the impacts of Shimao Services on environment, society and economy. The reporting period is from January 1, 2023 to December 31, 2023 ("Reporting Period"). The content of the Report covers Shimao Services headquarters and its subsidiaries.

Reporting Standard

This Report was prepared in accordance with the *Environmental, Social and Governance Reporting Guide* as set out in Appendix C2 of the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited ("HKEX"), and followed the reporting principles as below:

Materiality: During the preparation of this Report, important stakeholders have been identified, and material Environmental, Social and Governance ("ESG") issues have been identified through materiality assessment.

Quantitative: This Report presents environmental and social key performance indicators in quantitative data, with descriptions to illustrate their purpose and impact.

Balance: This Report follows the principle of balance and presents the Company's ESG management status objectively.

Consistency: Unless otherwise specified, the statistical method of this Report is consistent with that of the 2022 Sustainability Report, and no major changes have occurred.

Source of Information

The disclosed information is from the official documents, statistics or public data of Shimao Services, and has been verified by internal supervisory. The Board of directors of the Company (the "Board") is responsible for the authenticity, accuracy and completeness of contents in this Report.

Access to Report

This Report is published in Chinese and English. A soft copy of this Report can be downloaded from the official website of Shimao Services (www.shimaofuwu.com) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). Readers should rely on the Chinese version if there is any discrepancy between Chinese and English.

About the Company

Shimao Services Holdings Limited (Stock Code: 873), is a leading comprehensive property management and community living service provider in China. It was successfully listed on HKEX in October 2020. The Company is the honorary vice president of China Property Management Institute, with "Better Smart Life" as its brand concept. By the end of the Reporting Period, the Company has a contracted gross floor area ("GFA") of 332.3 million square meters, GFA under management of 250.6 million square meters, and 1,737 projects, covering 144 cities across the country, including residential, schools, hospitals, public buildings, industrial parks, transportation hubs, etc., and provides comprehensive property management services, diversified value-added services, smart city services and digital technology services for nearly 3.2 million owners and users.



Awards and Honors

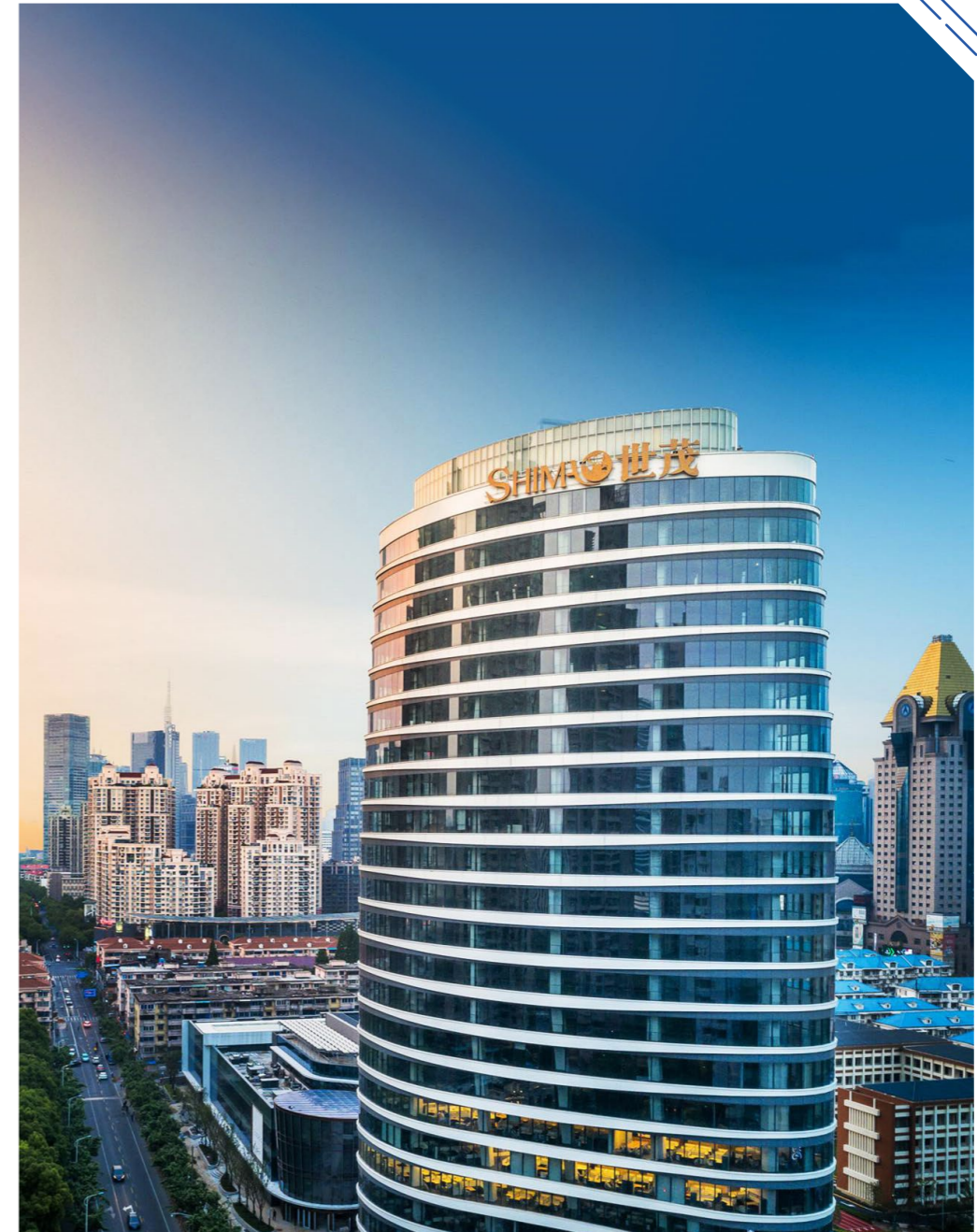
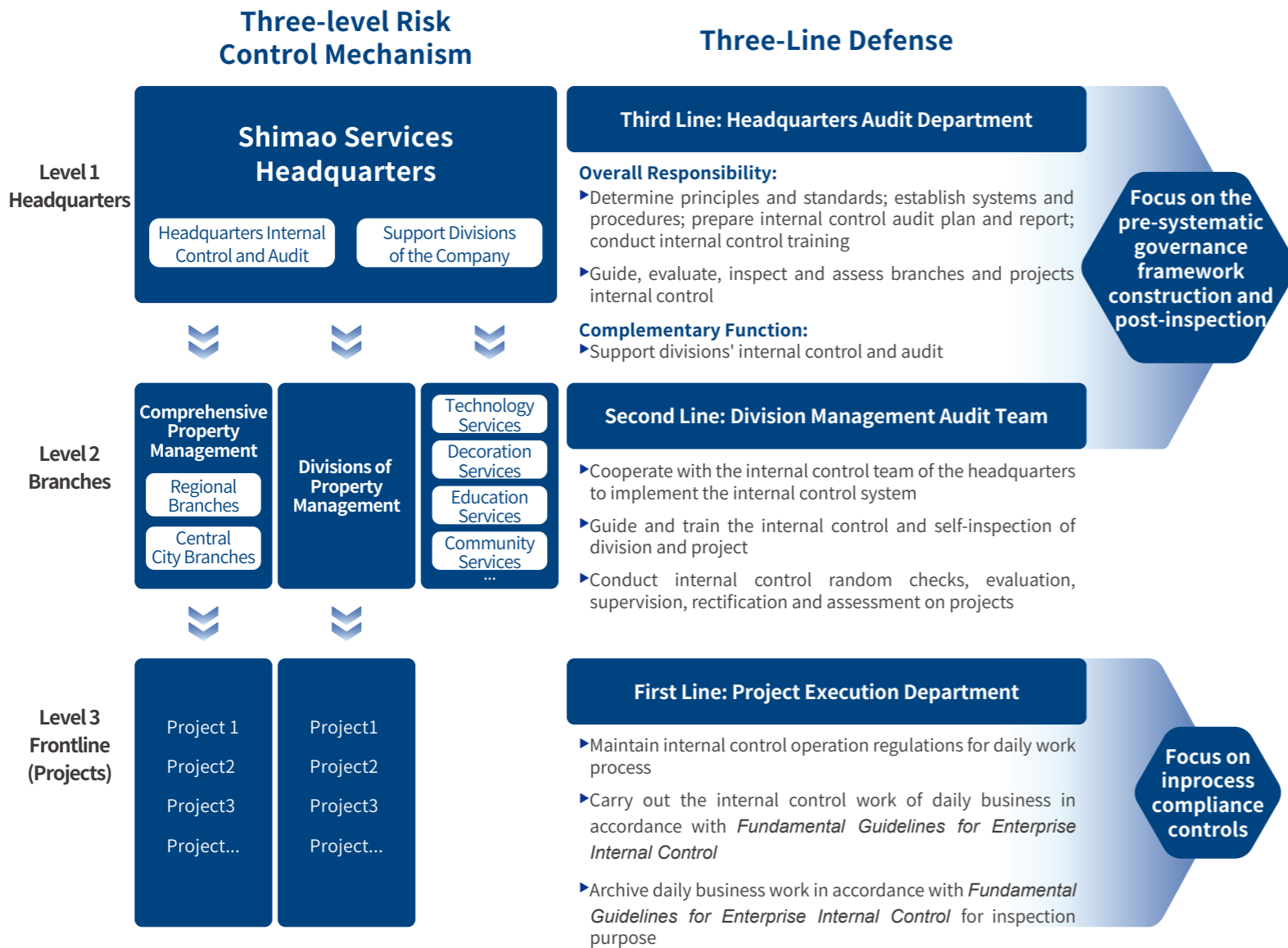
During the Reporting Period, the main awards Shimao Services received are as follows:

Awards and Honors	Awarded Company
2023 TOP 7 of 10 China Property Service Enterprises in Comprehensive Strength	Shimao Services Holdings Limited
2023 TOP 6 of 100 China Property Service Enterprises in Brand Value	
2023 TOP 6 of 100 China Property Service Enterprises in Service Power	
2023 TOP 1 of 100 China Property Service Enterprises in Satisfaction	
2023 Leading Red Property Service Enterprises in China	
2023 TOP 10 Public Buildings Property Service Enterprises in China	
2023 TOP 10 Government-sponsored Institutions Property Service Enterprises in China	
2023 TOP 10 Industrial Park Property Service Enterprises in China	
2023 Leading Hospital Property Service Enterprises in China	
2023 TOP 1 Leading School Property Service Enterprises in China	
2023 Leading Enterprises in Elderly Care Industry of Zhejiang Province	Zhejiang Chunxitang Elderly Care Service Management Co., Ltd.
2023 Shanghai Specialized, Special and New Small and Medium Enterprises	Shanghai Shimao Wulianwang Technology Co., Ltd. ("Shimao IoT")
2023 TOP 20 Real Estate Digital Power Science and Technology Leading Enterprises	

Corporate Governance

Risk Management

Shimao Services strictly complies with the *Company Law of the People's Republic of China*, the *Basic Internal Control Norms for Enterprises* and other relevant national laws and regulations. The Company formulated and continuously optimized the *Internal Control Inspection Management Policy*, the *Comprehensive Risk Management Policy* and other management norms. The Company builds a top-down risk management and internal control system, which is under the responsibility of the Board, with an audit committee and a risk control center, forming a Headquarters-Branches-Projects "three-tier risk control mechanism".



In 2023, Shimao Services further sorted out the whole process of risk control before, during and after the event. For the business risks identified in the early stage, the Company conducts assessment and management controls on them through performance audits, special audits and fraud investigations. In this process, the Company continuously identifies new business risks and timely supplements the risk pool to improve the overall business risk management and control level.

During the Reporting Period, the Company conducted 7 thematic trainings in response to high employment risk issues, including "Labour Disputes Risk and Prevention", "Organizational Structure Adjustment", "Employees Violating the Company's Management Policy", etc. The Company also issued a manual of operational guidelines on labour risks.

Compliance and Integrity

We regularly conduct compliance audits of all business lines to identify and promptly improve management weakness, prevent violations of business ethics and build a clean working environment.

Audit content	Main tasks	Frequency and scope
Fraud investigation	Conduct investigations and processing for fraud discovered through complaint reports, internal control specials and internal control inspections, etc.	Ongoing annually Headquarters + Branches Cover all business lines
Anti-corruption	Organize the Company's clean culture construction and anti-corruption education	

Compliance Policy

Shimao Services strictly complies with national laws, regulations and international ethical standards. We formulate and continuously improve such management norms as the *Code of Professional Ethics and Penalty Standards 3.0*, the *List of Employee Severe Violation Behaviors*, and the *Guidelines on Investigation and Procedures of Business Ethics Violations by Shimao Services Employees*. It helps to clearly define the Company's code of ethics, and the standards and manner of pursuing responsibility.

We have included the "Code of Integrity" in the *Employee Handbook*, emphasizing that it is the responsibility of every employee to understand and comply with the "Code of Integrity". All employees are required to sign the *Employee Integrity Commitment Letter* when they join the Company. Besides, we have put up integrity posters in the main area of office to create an atmosphere of compliance and integrity.

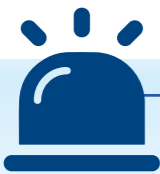
In terms of supplier integrity management, the Company has formulated the *Outline of Sourcing Management Policy* and the *Supplier Management Policy*, following the six cooperation principles of centralized sourcing, transparency and fairness, full competition, selection based on merit, confidentiality and traceability. At the same time, through the signing of *Supplier Integrity Commitment* with the suppliers, the Company has further eliminated the occurrence of disciplinary and illegal incidents such as accepting and soliciting bribes. During the Reporting Period, the signing rate of the *Supplier Integrity Commitment* was 100%.

The signing rate of the *Supplier Integrity Commitment* was



Whistle-blowing Mechanism

Shimao Services opens reporting channels to ensure that each report is efficiently screened, processed or transferred. In addition, the Company establishes a whistleblower protection mechanism, keeps the whistleblower's information and relevant data confidential under strict confidentiality measures and procedures, and strictly prohibits all kinds of retaliation.



Shimao Services whistle-blowing reporting channel

E-mail audit@shimaowu.com
Letter Risk Control Center – Audit Department, 26th Floor, Shanghai Shimao Tower, No. 55 West Weifang Road, Shanghai, PRC, post code: 200122
Website <https://www.shimaofuwu.com/index/index/honest.html>
Tel 021-38611206



Whistle-blower Protection

The *Code of Professional Ethics and Penalty Standards 3.0* clarifies the protection mechanism for whistle-blowers, including:

- ▶ We will prosecute those responsible for threats, intimidates and retaliates against investigator, whistle-blower and witness in the process of investigation.
- ▶ Those who handle the complaint or report shall keep strictly confidential for whistle-blowers, and give whistle-blowers and persons concerned a clear guidance in time.

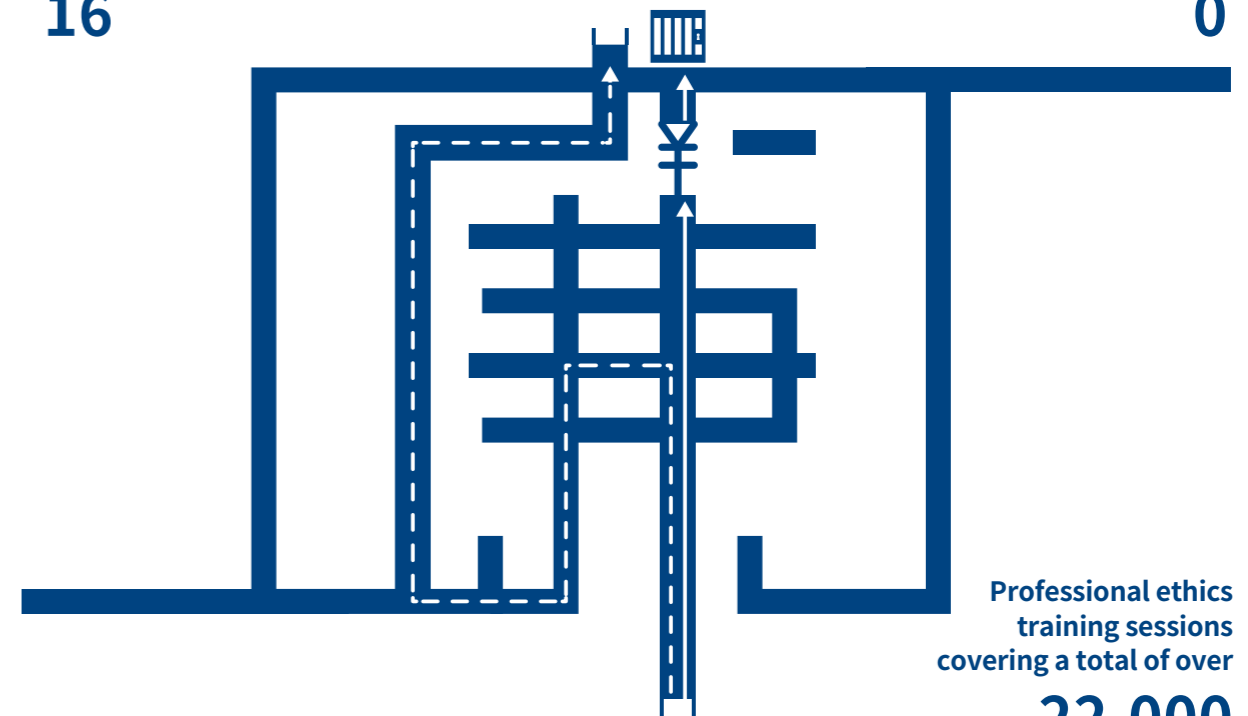
During the Reporting Period

The total number of complaints and reports received and processed by the Company was

16

The number of concluded legal case regarding corrupt practices brought against the Company or the employees was

0



Professional ethics training sessions covering a total of over **22,000** participants

Cultural Construction

Shimao Services carries out regular compliance and integrity training for employees at all levels and in multiple business lines to enhance their awareness of self-disciplinary standards.

In 2023, the Company conducted offline and online professional ethics trainings for all employees, covering a total of over 22,000 participants and involving topics such as "Interpretation of Violation Cases" and "Business Compliance Enhancement". We also share adequate and appropriate information, including changes in regulatory rules on ethics, with the directors of the Company (the "Directors") in a timely manner by sending emails, etc., to ensure the Directors are equipped with appropriate knowledge and skills to fulfill their duties and responsibilities.

Sustainability Management

We integrate the concept of sustainable development into management, while actively focusing on and responding to the demands of internal and external stakeholders, continuously reviewing and managing our impact on the economy, society and environment, and striving to create comprehensive value.

Being the supervision organization for sustainability work, the Board has responsibility for formulating high-level sustainability strategy, defining and assessing sustainability risks faced by the Company, and ensuring the effective implementation of risk management and internal control systems. The senior management regularly reports to the Board on the process of sustainability work.

The sustainability working group of the Company ("Sustainability Working Group") is the main organization leading the sustainability work of the Company ("Sustainability Work"), with the president of Shimao Services as the leader of the group, and the participation of business line leaders and key frontline employees. This group is responsible for implementing the sustainability strategy of the Company ("Sustainability Strategy") formulated by the Board, following related policies and promoting the implementation of related work.



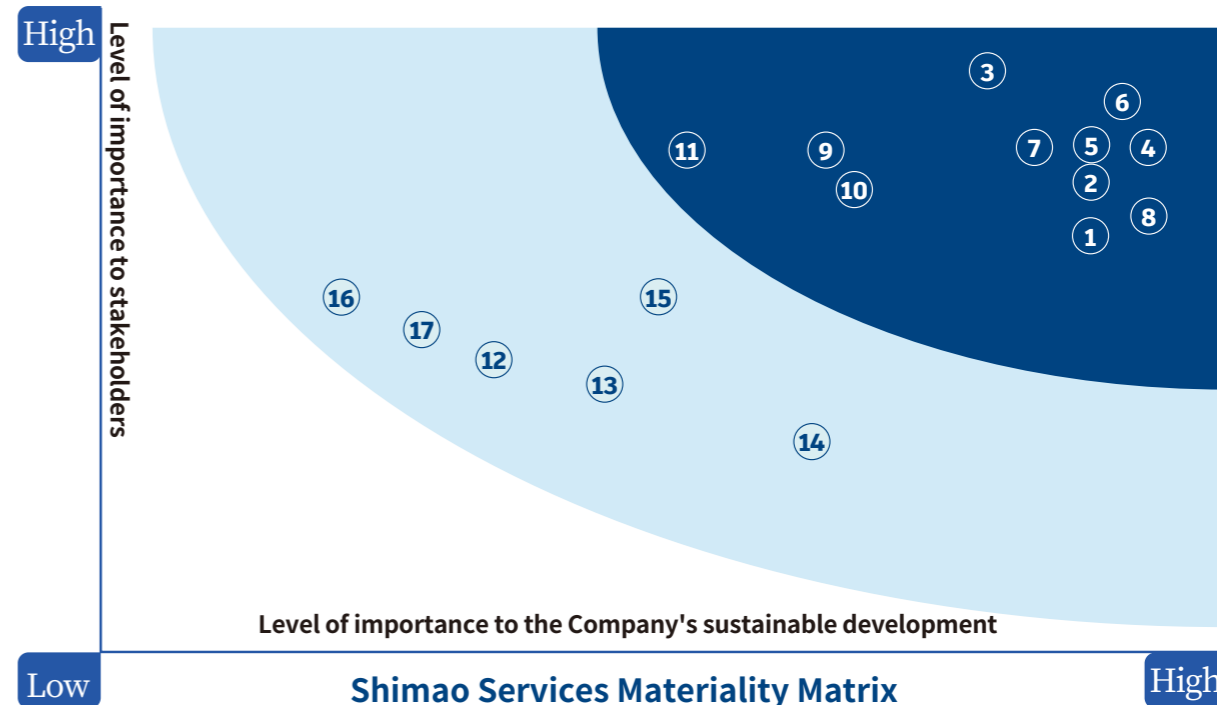
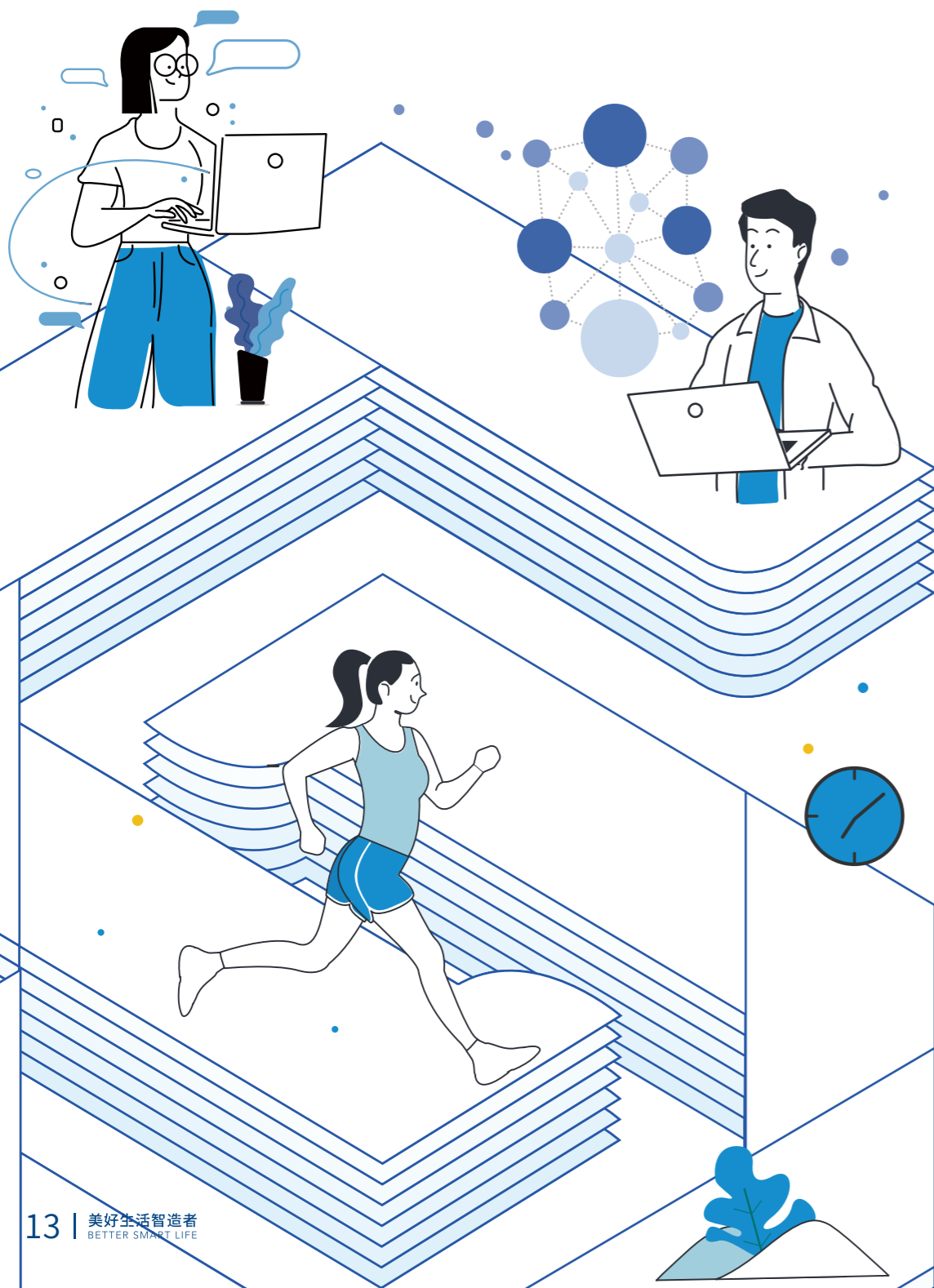
Communication with Stakeholders

Shimao Services establishes a regular communication mechanism with stakeholders to understand the demands and expectations of each stakeholder and incorporate them into the Company's operational decision-making process promptly and effectively.

Stakeholders	Primary Concerns /Expectations	Actions	Communication Channels
Employees	Salary and benefits Health and safety Fair promotion and development opportunities	Timely and full payment of wages and contribution to social insurance Flexible benefit plans Employee Care Foundation Career development channels	Employee communication meetings Employee activities
Investors	Business development Return and growth Risk control Corporate governance	Continuous growth Risk management and internal control Regular disclosure of business information Investor meetings	Results briefings Online and offline meetings Roadshows and reverse roadshows On-site visits
Users	Integrity and compliance High-quality services Personalized experience Comments and complaints handling Privacy protection	Provide users with high-quality services Incorporate smart technology Smooth user communication and feedback channels Ensure user information security	User satisfaction Door-to-door visits After-service visits
Suppliers	Integrity and compliance Transparent sourcing Mutual development	Standardization of bidding procedure and performance evaluation Implementation of transparent bidding and purchasing policy Mutual benefit and win-win with suppliers	Supplier evaluations Supplier interviews
Government	Legal compliance Tax duty Employment opportunities City development	Strengthen compliance management Pay taxes in compliance with laws and regulations Create and secure jobs Innovative city services	Government meetings Seminars Exchanges Bidding cooperation

Materiality Assessment

During the Reporting Period, the Company sorted out the material topics pool based on the own business characteristics and industry material topics from information disclosure requirements, ESG ratings and peers, and conducted interviews and questionnaire surveys with internal and external stakeholders to rank the importance of the topics.



Shimao Services Materiality Matrix

Level of Importance	Category	2023 Material Topic	
11 topics Great Importance	Corporate governance	1	Risk management and internal control
		2	Compliance and anti-corruption
	Product and service	3	User welfare, health and safety
		4	Service quality management
		5	Information security and privacy protection
	Employee	6	Occupational health and safety
		7	Diversity and equality employment
		8	Employee training and development
	Community	9	Community culture building
		10	Urban life empowerment
		11	Social equality support
6 topics Moderate Importance	Product and service	12	Responsible marketing
		13	Sustainable supply chain
		14	Technological innovation and application
	Environment	15	Effective utilization of resources
		16	Energy and emission management
		17	Address climate change



LIGHTING

SHIMAO SERVICES HOLDINGS LIMITED

UP A

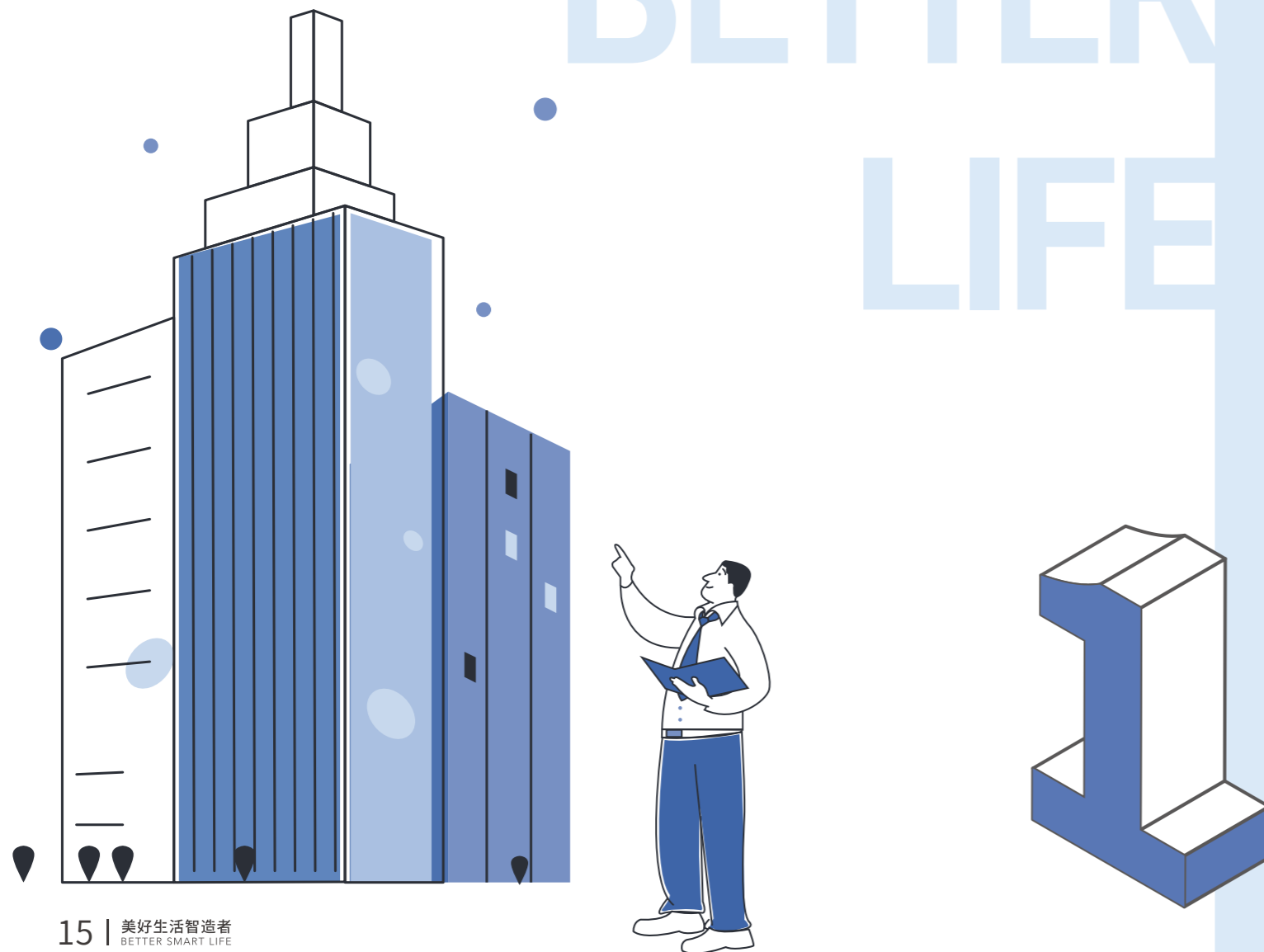
BETTER

LIFE

Positioned as a "Leading Comprehensive Property Management and Community Living Service Provider in China", Shimao Services has been continuously expanding diversified and innovative service scenarios with the strategy of "Deep Cultivation in Central Cities" to improve the project density and service quality in deep cultivation cities.





Lighting up a Better Life

- 1.1 Comprehensive Property Services
- 1.2 Diversified Value-added Services
- 1.3 City Services
- 1.4 Digital Technology Services



1.1 Comprehensive Property Services

Shimao Services is committed to improving full lifecycle management of projects and providing high-quality services to residents and users with the philosophy of "Better 100+1, Service More Than Satisfaction". The Company has been honored as "TOP 1 of 100 China Property Service Enterprises in Satisfaction" in two consecutive years.

Property Types	Businesses Objectives	Outstanding Projects
 Residential	Continuously developing the residential market	Guangdong: Shenzhen Aoyuan Emerald East Bay Garden Hubei: Wuhan Wanhao Waterfront Maple Forest Project, Wuhan Chuxia Garden Cozy Mansion Anhui: Hefei Yili Compound, Chuzhou Mingguang Pinshangwen Compound
 City Complex	Building multifunctional city complexes	Henan: Zhengzhou Heyoushi Square
 School	Assisting the construction of "Double First-Class" colleges and universities	Beijing Normal University Changping Campus (Area G) and Yurong Park Property Service Project
 Government Public Facility	Layout of government service projects	Wuhan Railway Transportation Branch of Hubei Province People's Procuratorate Wuhan Jiangnan District People's Court Party School of Xiangyang Municipal Committee of the Communist Party of China People's Government Foreign Affairs Office of Xinyu
 Aviation Hub	Realizing breakthrough in airport property service	Henan Province Zhangjiajie Hehua International Airport
 Hospital	Focusing on hospital logistic service	Xiangya Hospital of Central South University The Second Xiangya Hospital of Central South University The Third Xiangya Hospital of Central South University

Outstanding Projects of Shimao Services Comprehensive Property Management

1.2 Diversified Value-added Services

Shimao Services focuses on layout of community elderly care, value-added services for campus, compound new retail and compound education, and innovates to create a "0-2KM Shimao Community New Ecology". We provide a series of value-added services such as on-site services, maintenance services, preliminary services and property development consulting services around all aspects of the real estate development cycle for real estate developers and other non-residential customers.

Community Elderly Care: Shanghai Chunqiji Elderly Care Service Co., Ltd. ("Healthtop")

The market demand for elderly care services is increasing with the trend of population aging. Leveraging on the business advantages and resources, Shimao Services strategically cooperated with Healthtop, a long-term care professional elderly care services brand, in 2021, to jointly promote the development of "online + offline" elderly care services and build a "multi-level long-term care service system" for home-based, community-based and institution-based care.



Standardized Service Process

- ◆ Formulated a total of 78 standards for various types of elderly care services
- ◆ Participated in the preparation of 25 local and institution elderly care service standards
- ◆ Standardized service process with informatization system



Smart Elderly Care Model

- ◆ Developed a platform of elderly care information management with the combination of Internet of Things ("IoT") technology, to achieve integrated management of centralized community-based care, home-based service and professional care information



Business Scale and Honors

- ◆ Total of 320 community-based elderly care centers, 51 long-term insurance service sites, 10 publicly-owned and privately-operated elderly care institutions, 3 county-level and 25 township-level smart elderly care platforms
- ◆ In 2023, honored as the Leading Enterprise in Elderly Care Industry of Zhejiang Province
- ◆ In 2023, selected into the promotion catalogue of smart health and elderly care products and services

Value-Added Services for Campus: Zheda Sinew

While taking the university services as the core business, Zheda Sinew continuously expands the service to scenarios such as research institutes, science and technology innovation parks and industrial parks, providing users with high-quality, warming and smart services. We devote to become the leader for Chinese campus services and leading the development of Chinese campus services in the future.

During the Reporting Period, Zheda Sinew continuously upgraded the services based on the concept of systematization, productization and branding. We launched a series of "YU+ Education Upgrade Service Products", such as "Public Education Site", "Thematic Public Education Project", "Behavioral Development Education", "Campus Cultural Activities" and "Excellence Awards", to create a better campus life for faculties and students.

By the end of the Reporting Period, Zheda Sinew has served 256 universities, colleges and parks, with a contracted GFA of 31.4 million square meters, serving more than 2 million faculties, students and users, and projects distributed in 37 cities.

Serving **256** universities, colleges and parks

Serving more than **2** million faculties, students and users

<p>YU+Growth Second class for students' physical and mental growth</p> <p>"YU+ Concept" series activities: carrying out safety education, energy saving, smoking ban, waste segregation and other thematic activities</p> <p>"YU+ Culture" series activities: jointly carrying out public health campaign, 119 fire safety education week and other themed activities with student associations</p>	<p>Colourful Life A wonderful space for students' life</p> <p>Providing services such as welcoming new students and assisting graduates with departure, compassionate public welfare services, and mental health counseling</p> <p>Enhancing the function of apartment public space, create campus self-service room and life education spaces</p>	<p>Smart Campus Education development in the digital age</p> <p>Building an integrated digital platform with "Smart Apartment, Smart Catering, Smart Transportation, Smart Retail"</p> <p>Including functions of Face Recognition, Temperature Measurement Access Control, Smart Building Big Data Monitoring and 24-hour Student Apartment Data Visualization Dashboard</p>
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Zheda Sinew Campus Service Ecological Value Chain

Zheda Sinew "YU+ Smart Campus Service Product" can provide campus management with multi-scenario and intelligent solutions including energy consumption management, to improve the digitalization level of comprehensive campus property management and service for faculties and students.

Case

Assist University in Three-year Action Plan for Energy Conservation and Emission Reduction

The project takes the "Three-Year Action Plan for Energy Conservation and Emission Reduction of Tourism College of Zhejiang" as the goal to promote various energy conservation and environmental protection work. For example, the public lighting facilities of apartments shall be reconstructed to reduce the number of lamps without changing the brightness; the reasons for high energy consumption in certain areas of apartments are analyzed, and the dormitories have better energy-saving performance shall be rewarded; based on cooperation with the school, energy-saving and practical environmental protection education activities are carried out to cultivate the environmental protection awareness of all faculties and students. Tourism College of Zhejiang has been certified as the first batch of Green Schools (higher education institution) in Zhejiang Province.

Compound New Retail: Shimao SUNIT

Based on the Company's vision of "Better Smart Life", Shimao SUNIT provides adequate goods and services to owners and users within 2km of Shimao Services projects through online and offline integration, improves the convenience and living happiness of owners and users, and creates a sample of future compound life services.

By the end of the Reporting Period, the number of registered members on the platform of Shimao SUNIT has exceeded **2 million**. Shimao SUNIT will continue to upgrade the products, supply chain and after-sale services, to provide users with high-quality products at low prices.



<p>Optimize Product Selection Ability</p>	<ul style="list-style-type: none"> ◆ Focusing on core categories, covering high-frequency and necessity consumer goods ◆ Selecting best-selling products to create a "small but fine" SUNIT selection characteristic
<p>Upgrade Supply Chain Capacity</p>	<ul style="list-style-type: none"> ◆ Reducing the supply chain costs by preferring well-known brand manufacturers and direct signing with fresh fruits producers, and strictly controlling the product quality to improve the satisfaction of after-sale services
<p>Innovate Marketing Mode</p>	<ul style="list-style-type: none"> ◆ By grasping key marketing nodes, conducting monthly marketing activities and regular offline events, and innovating the marketing models, to activate platform traffic

Future Plan of Shimao SUNIT

Compound Education: Shanghai Guanghe Education Technology Co., Ltd. ("Guanghe Education")

The "Mao Education" nursery brand of Guanghe Education provides high-end nursery services for infants aged 1-3 years old. We cultivate and stimulate the potential of infants from different dimensions such as emotion, social interaction, cognition, language and reading, providing scientific and comprehensive parenting guidance for parents.

By the end of the Reporting Period, Guanghe Education continued to deepen presence in two cities, Shanghai and Wuxi, with four directly operated stores serving more than 400 families, leading the local middle and high-end nursery market. In Wuxi, as one of the most trusted high-end childcare brands, "Mao Education" is highly praised by parents and rated as the president of the Childcare Association.



"Mao Education" provides Scientific, Diversified, International and Exclusive Growth Services and Guidance for Children

1.3 City Services

Shimao Services is positioned as "City Manager" and has formed four service series: city environmental manager, city space manager, city renewal manager and city intelligent manager.

Covering full scenarios horizontally: Focusing on comprehensive city services, management and operation, and covering diverse business formats such as residential compounds, public buildings, hospitals, schools, transportation hubs and office buildings.

Extending Industrial Chain Vertically: Exploring the business development pattern of the full-industry chain of "environmental sanitation + environmental protection", focusing on businesses supported by national macro policies such as waste-free city construction and green energy industry development, and expanding businesses including end-of-pipe solid waste disposal that align with the dual carbon goal orientation.



Transformation of City Service to Comprehensive Service

In 2023, the Company updated the *Allocation Standard for Urban and Rural Sanitation Integration Service Personnel*, the *Allocation Standard for Urban and Rural Sanitation Integration Facilities and Equipment*, the *Guidelines for Road Cleaning Service Operation* and other related documents, providing standard guidance for the integration of sanitation, and won multiple bidding projects of sanitation integration.

In addition, we closely followed the national "Zero-Waste City Construction Plan", taking solid waste resourcefulness as a new business growth point, and piloted the "RDF waste-derived fuel" business based on the governance needs of source reduction, resourcefulness utilization and non-hazardous disposal of solid waste.

Bidding Case Examples

Urban Sanitation Marketization (Phase II) in Fugu County, Yulin City, Shaanxi Province

Service area: 1.6 million square meters
Service population: 170,800 people

Fugu County is an important part of the national energy and chemical industry basement in northern Shaanxi. To cooperating the urban renewal of Fugu County, Wuxi Jinshatian Technology Co., Ltd. ("Jinshatian") provides urban space sanitation services for roads, squares, parks, public toilets, main and secondary roads in the urban area.



Marketization of Rural Domestic Waste Treatment in He County, Maanshan City, Anhui Province

Service area: 5.95 million square meters
Service population: 118,000 people

Jinshatian provides rural domestic garbage treatment services for He County, mainly including cleaning and garbage removal of roads at all levels and areas on both sides, and establishes, operates and maintains intelligent sanitation management platform to cooperate with the He County government to improve the living environment of residents.



1.4 Digital Technology Services

Shimao IoT is a high-tech enterprise under Shimao Services, committed to becoming the leading integrated service provider of space intelligence in China.

Shimao IoT leverages technologies, such as AI, IoT, cloud computing, big data and digital twinning, to deeply integrate technology, operation and service, and to realize empowering connections among platforms, spaces, devices and users. We provide customers with full life-cycle services of "space design-product development-integrated delivery-comprehensive operation".

Shimao IoT owns 25 technical patents and 120 software copyrights. As a member of the Alliance of Industrial Internet and a director unit of CSHIA Smart Home Industry Alliance, Shimao IoT has been certified as a high-tech enterprise, dual-soft enterprise, technology giant and Specialized, Special and New enterprise. At the same time, we have obtained the honor of Best AIoT Application Innovation Award, China's Leading Intelligent Property Service Enterprise, Industrial Internet Park Operation Service Provider, etc.



Scenario Space Intelligence Business

- Deeply integrating technology, operation and service, and providing one-stop service for the full life-cycle from space design, product development, integrated delivery to comprehensive operation
- Focusing on the standardized design solutions of smart community, smart park, smart campus, smart city and other core business scenarios
- Developing large customer channels, maintaining quality customers and improving customer satisfaction

Whole House Space Intelligence Business

- Providing users with full-process intelligent upgrade services through deep integration of smart home and smart decoration business
- Launched smart home brand "NICELS" and created a "1+6+N" product system
- More than 20 new service providers were explored, 3 new stores were opened, and many stores were under preparation in 2023
- Completed the product system and service process construction of smart decoration brand "Unique Space", and the first image store landed in Wenzhou

Shimao IoT Strategic Layout of Scenario Space Intelligence Business and Whole House Space Intelligence Business



IMPROVING SERVICE QUALITY

SHIMAO SERVICES HOLDINGS LIMITED

Shimao Services closely aligns with the needs of owners and users and relies on continuous innovation to provide them with high-quality and comprehensive services. This approach has created a service benchmark for a delightful compound life.

Improving Service Quality

- 2.1 High-quality Services
- 2.2 Digital Intelligence-Driven Development
- 2.3 Responsible Sourcing
- 2.4 Industry Co-construction



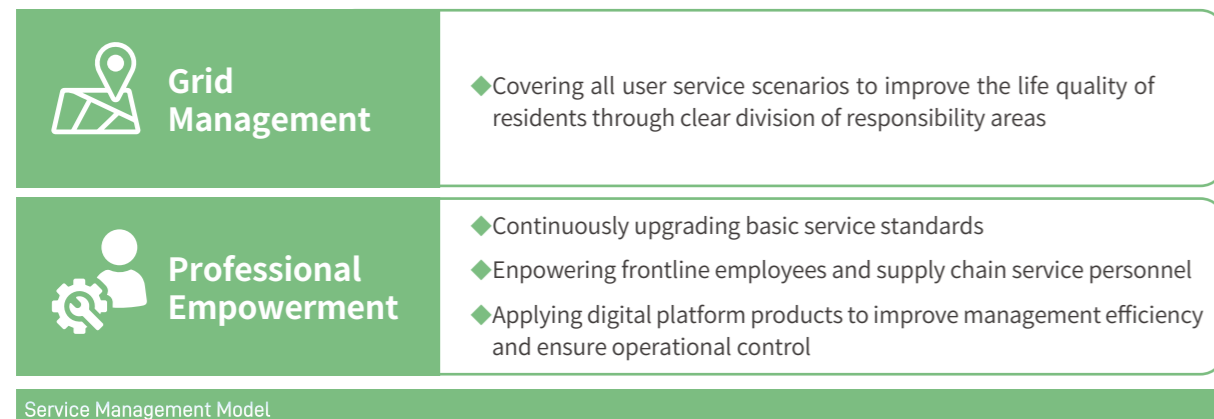
2.1 High-quality Services

Shimao Services continuously optimizes the service system and upgrades product services in multiple dimensions to enhance the well-being of owners and users, with the goal of creating a better life.

2.1.1 Consolidating Services System

Shimao Services always upholds the values of "quality-oriented, user-first, pursuit of excellence, innovation and diversity, openness and transparency" and implements four unique service systems, which are Prestige, Premium, Pleasant and Delightful. The Company formulates and implements the *Property Service Management Plan*, setting unified service standards for our property services.

The Company has established a service management model that combines "grid management" with "professional empowerment" to consistently upgrade service quality. Shimao Services "1001 Manager" is responsible for executing grid management tasks and on-site service supervision, providing warm, professional and meticulous assistant services for residents.



In addition, the Company relies on the department responsible for cleaning, greening, security, maintenance and repairment services ("Mao Supply Chain", "Tri Services") to provide environmental services, security services, and maintenance and repairment services for the compound. This ensures that owners receive a more comprehensive and refined service, which guarantees the smooth operation of the compound.



Case

Establishing Quality Benchmark Projects and Providing Comprehensive Property Services

In 2023, Shimao Services created benchmark service projects in 19 deeply cultivation cities based on city development strategy, demonstrating high-quality property management services.

Maintenance and Repairment Services: We are equipped with a professional maintenance worker team to oversee the full spectrum of services required for the compound, encompassing planning, design, installation and maintenance.

Security Services: The security team is responsible for security patrol services, with scheduled patrols during the day and night shifts, inspecting the main roads and periphery of the compound to eliminate potential safety hazards.

Fire Emergency Response: We regularly inspect the compound's fire facilities and equipment to ensure they are in fine condition. We strictly supervise the fire maintenance units, conduct regular training and implement fire safety management responsibilities to each person in charge. At the same time, we carry out fire safety publicity in the compound to raise the fire safety awareness of the residents.

Livable Environment: The project invests considerable manpower and resources annually in tasks such as replacing seedlings, replanting green hedges, reseeding lawns and replacing planting soil. It maintains and upgrades the common facilities within the projects to actively create a beautiful, comfortable, secure and harmonious living environment.

2.1.2 Optimizing Compound Services

Shimao Services regularly carries out various risk investigations to strive for creating a safe living environment and building a happy and safe compound. In addition, we organize diverse compound activities to light up the life of residents.

Creating Safe Compounds

The Company always places compound safety at the core and continuously strengthens health and safety protection. We conduct four regular safety risk inspections annually and carry out quarterly emergency drills. Moreover, we regularly organize safety education and risk warning activities for residents.

- ◆ Extreme Climate Safety Risk Screening: Preparation for emergency response to extreme weather such as typhoons, floods, droughts, extreme high and low temperatures.
- ◆ Equipment Safety Risk Screening: Mainly for eight major equipment systems.
- ◆ Fire Safety Risk Screening: Mainly for fire and water safety facilities and equipment.
- ◆ Potential Safety Hazard Investigation: Mainly for potential safety hazards on the project sites.

In 2023, Shimao Services



Enriching Compound Life

We carry out regular compound cultural construction activities such as children's painting competitions and festival celebrations to build a colourful compound.



Optimizing Responsible Marketing

The Company has established a standardized database for marketing materials, which includes enterprise brand introduction, brand basic materials, brand video materials, brand image materials, product manuals, company logo collections, roadshow material packages, marketing advertisement packages, excellent project case libraries, brand management systems, etc. This database serves as an external marketing standard system, guaranteeing that marketing information can be conveyed clearly and accurately in different publicity scenarios, maintaining a unified enterprise visual image, and ensuring the authenticity and legality of the information.

2.1.3 Enhancing Customer Experience

Shimao Services is committed to enhancing the customer-centric service system, focusing and protecting customers' interests and rights, strengthening customer relationship management, and consistently improving customer satisfaction.

Customer Service Management

The Company has established a 5M service quality assurance mechanism, focusing on the key aspects of customer service and carrying out quality supervision. We incorporate customers' requests, repair requests, complaints and satisfaction evaluations into the quality supervision system. We also assess timeliness of response, completion rate, and follow-up satisfaction of customer work orders to ensure service quality.

Call Center survey	We take survey to listen to residents' advice on the quality
On-site supervision for services quality	Shimao Services "1001 Manager" supervises and implements the on-site services in a grid-based management
Third-party mystery shopper quality inspection	We conduct irregular quality checks on services by third-party team to ensure consistent service quality all year round
APP online evaluation	Maojia APP opens online communication and feedback channel, and receives real-time service evaluation from residents
Remote monitoring platform	We can make use of community-wide visual remote monitoring and AI data system to supervise the implementation of each service

Shimao Services 5M Service Quality Assurance Mechanism

To better facilitate the connection between assistants and clients and truly listen to clients' authentic feedback, the Company has upgraded a series of tools:

- ◆ Establishment of Customer Visit Mechanism: Managed customer visits through online tools to monitor the quantity, quality, customer information and visit results from all dimensions.
- ◆ Work Order System Upgrade: Optimized operation functions to improve the efficiency of work order creation, response and processing.
- ◆ Manager Performance System Upgrade: Clarified assistant service standards and refined assistant assessment factors.
- ◆ Opening of the Maojia APP Evaluation Function: Developed an online assessments entrance and added data analysis function to improve assistants' business capabilities.
- ◆ Other System Optimization: Added work order timeout warning and work order acceptance reminder.

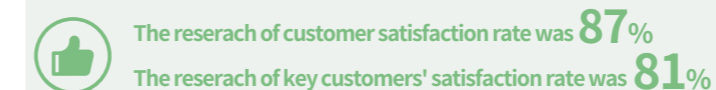
By the end of the Reporting Period, the customer visit rate of the Company reached **92%**

Customer Satisfaction

Shimao Services implements closed-loop management of work orders and assesses employees based on factors such as "timely response to work orders", "timely completion", and "customer satisfaction". In response to customer complaints, the Company always adheres to the principle of "addressing all complaints" and has developed and implemented the *Customer Complaint Handling Operations Guide* to ensure that customer complaints are promptly and effectively resolved. During the Reporting Period, the Company received a total of 66,114 customer complaints, with a timely response rate of 95%, a complaint completion rate of 95%, and satisfaction rate of 97%.

To timely understand customer needs, the Company has adjusted the frequency of customer survey from yearly to monthly. We conduct sampling surveys through APP, SMS, 400 customer service telephone and key customer research to understand customers' living experience from multiple aspects.

During the Reporting Period



Case Addressing Parking Complaints and Enhancing Residents' Satisfaction

In response to the residents' difficulties in finding parking spaces through the investigation, the Company communicated thoroughly with several residents committees and sub-district office. To address this problem, we implemented an online lottery system for renting parking spaces within the compound to improve resident satisfaction by providing a solution to the parking shortage.

2.2 Digital Intelligence-Driven Development

Shimao Services comprehensively deepens digital transformation, insists on technology empowerment to improve operational and management capabilities and efficiency, and upgrades customer experience. Additionally, the Company formulates and implements data security and privacy protection management measures to ensure the safeguarding of digital intelligence development.

2.2.1 Intelligent Management Upgrade

The Company continues to refine the construction of "Shimao Services Intelligent Compound", supported by the "OCEAN OS iBlue Management System" and "OCEAN X iBlue Service System", and brings intelligent services to every Shimao compound.

Digital Tools Upgrade

The Company has developed and upgraded multiple intelligent application systems, including Maojia APP, Quality Customer Service System, Customer Work Order Management System and Business Finance Management System, thereby enhancing service quality and operational management efficiency.

<p>Maojia APP</p> 	<p>◆ Create a mobile intelligent service platform for the property owners and users, providing comprehensive online property services, online shopping malls and diverse lifestyle services in one-stop</p>
<p>Quality Customer Service System</p> 	<p>◆ Respond to on-site service needs in a timely manner and achieve closed-loop management of customer service, completing the four stages of dispatching, handling, acceptance and evaluation</p> <p>◆ Provide more flexible and convenient service methods for owners, and provide digital management tools for frontline service personnel</p>
<p>One Home One File</p> 	<p>◆ Establish systematic archives for customers, including basic information, business service processes, customer visit records, warranty inquiries and payments of each household, to achieve online management of service processes</p>

Upgrade of Digital Service Tools



Protecting Intellectual Property Rights

To strengthen intellectual property management, the Company has compiled and issued the *Intellectual Property Management Measures*. These measures clearly outline a standardized process for employee patent applications, ensuring the timely and effective management of our intellectual property achievements. We implement a "Patent Strategy" that includes the number of patents in the performance assessment of the research and development department. Additionally, we have established special incentives to encourage invention and creation. Furthermore, we conduct patent law and patent knowledge trainings for our employees to enhance their awareness of intellectual property protection and improve their related skills.

Latest Intellectual Property Rights

	Obtained during the year	Cumulatively valid
Invention patents (items)	1	4
Utility model patents (items)	0	23
Appearance patents (items)	0	41
Software copyright (items)	7	151

Notes: 1. Patent statistical standards:

- 1) Obtained during the year: counted according to the official authorization documents received as of December 31, 2023.
- 2) Cumulatively valid: refers to maintaining validity as of December 31, 2023.

2. Statistical standards of software copyright:

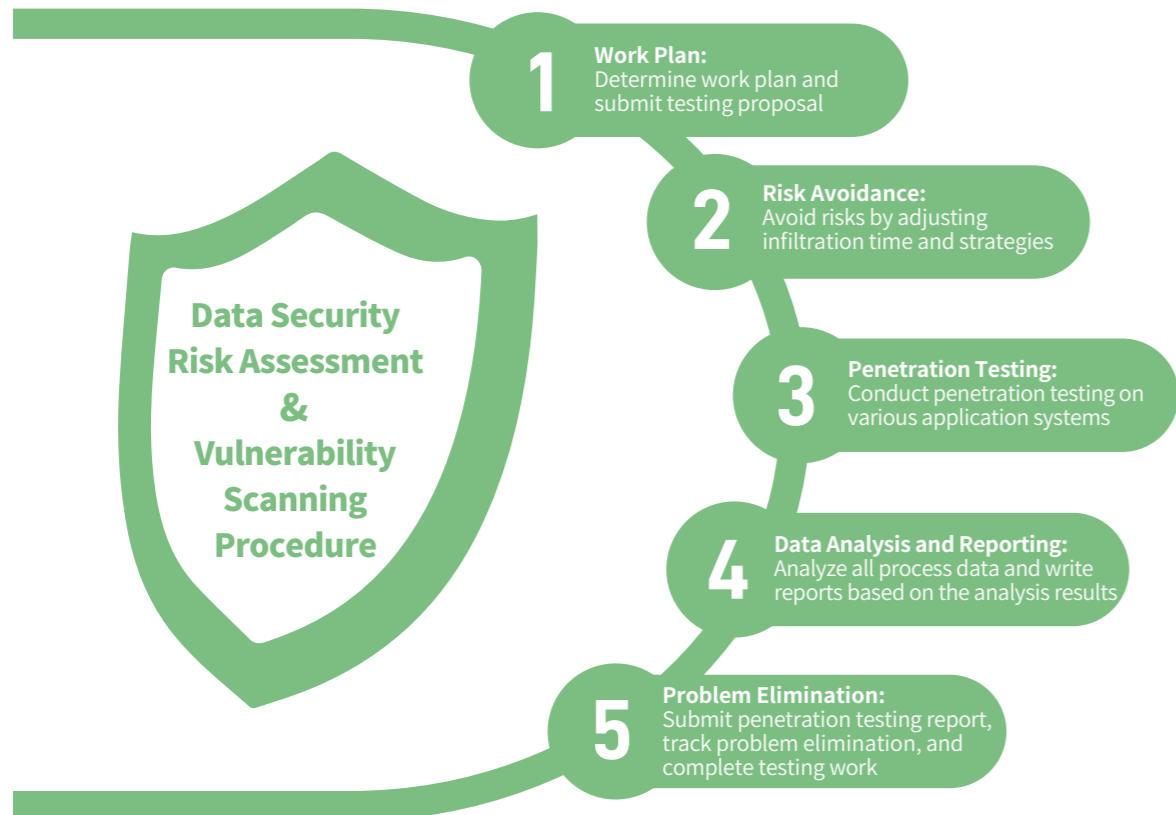
- 1) Obtained during the year: counted according to the certificates received as of December 31, 2023.
- 2) Cumulatively valid: refers to maintaining validity as of December 31, 2023.



2.2.2 Information Security Management

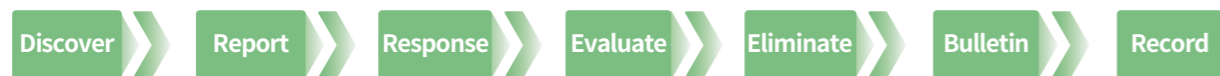
Shimao Services strictly adheres to the *Cybersecurity Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China* and other relevant national laws and regulations. We also implement internal management systems including *Personal Computer Management Policy*, *Network Security Management Policy*, and *Information Confidentiality Management Policy* to secure the Company's data. Currently, the Company has obtained the ISO/IEC 27001:2022 Information Security Management System Certification and the ISO/IEC 20000-1:2018 Information Technology Service Management System Certification, covering various business lines such as comprehensive property services, diversified value-added services, city services and digital technology services. At the same time, we regularly enhance the information security awareness and crisis response capabilities of all employees through cybersecurity email reminders, publication on WeChat, and other methods. By the end of the Reporting Period, the Company did not have any customer data or privacy breach incidents.

The Company has established a data security risk assessment and vulnerability scanning system. This system classifies potential risks into different levels through a five-step process, and takes corresponding countermeasures based on the results of the different levels. In 2023, the Company conducted network security assessments on major systems, including the business middle platform, finance middle platform, sourcing platform, main data platform, data middle platform and archive management platform, and completed relevant vulnerability remediation work.



Shimao Services Data Security Risk Assessment and Vulnerability Scanning Procedure

To standardize the handling of security incidents in the Company's information system, we have developed the *Security Incident Reporting and Disposal Management Measures* to ensure that information security incidents are responded to, handled, and followed up on a timely manner. We classify information security into four levels according to the importance of the information system, severity of system losses and scope of social impact, and implement hierarchical management. Additionally, we categorize information security incidents into "failure" and "leakage", and define the handling processes for both. Through closed-loop management, we ensure the continuous security operation of networks and systems.



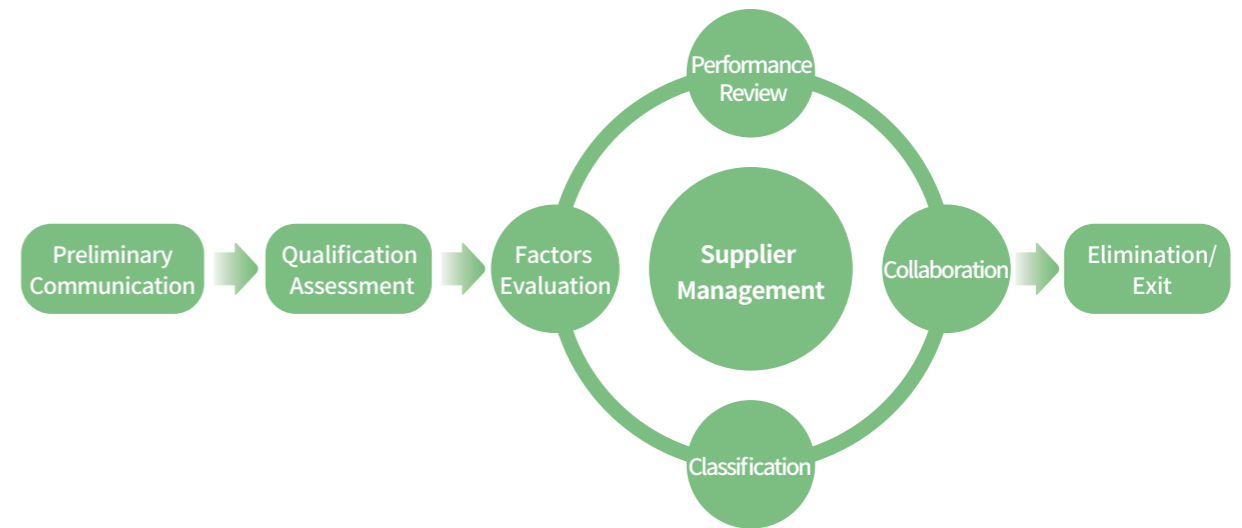
Shimao Services "Failure Category" Information Security Incident Handling Process



Shimao Services "Leakage Category" Information Security Incident Handling Process

2.3 Responsible Sourcing

Shimao Services continues to optimize the supplier management process and implements internal policies such as the *Supplier Management Policy*. During the Reporting Period, the Company strengthened the management of supplier performance and settlement management, and introduced new internal systems, including the *Supplier Credit Management Implementation Measures* and the *Supplier Payment Priority Management Standards*. The Company strictly controls the entire process of supplier management from access to elimination/exit, and regularly carries out supplier audit and empowerment to ensure the sustainable operation of the supply chain. This helps establish a fair, transparent and harmonious supply chain environment.



Supplier Management Process

Supplier Access

The Company selects suppliers in accordance with the *Tendering and Bidding Management Policy*, as well as the principles of centralized sourcing, full competition, transparency and fairness, integrity and traceability. We collect information on potential suppliers' business status, operational indicators, business risks, commercial reputation and employee health and safety. We arrange the specialists to conduct on-site inspections as well. At the same time, suppliers are required to sign relevant declarations such as the *Supplier Commitment Letter* to ensure that they comply with business ethical standards. Once the relevant qualifications are approved, they will be added to the Company's supplier database.



Note: The Company will send a letter to notify suppliers who do not pass the review of introduction criteria, terminate the introduction of these unqualified suppliers, and look for new suppliers.

Shimao Services Supplier Introduction Process

Supplier Supervision and Performance Review

The Company carries out supervision in the factors of occupational health and safety, personnel protection and environmental protection for suppliers of repairment and maintenance, services, personal protective equipment, etc. It assesses the environmental and social risks of the supply chain by setting standards, and ensures the quality and sustainable development of the Company's various businesses.

Environmental Factor



- The products used must comply with national safety standards and environmental standards, and meet the requirements of ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and ISO 45001 Occupational Health and Safety Management System
- We ensure that the quality and packaging of the submitted products comply with national standards, industry standards and relevant standards such as the regulations on the responsibilities for repairment, replacement and return, and meet environmental requirements

Social Factor



- We ensure the personal safety of employees by purchasing third-party liability insurances for them
- We ensure social insurance, wages and labour protection benefits for outsourced maintenance service personnel

Supply Chain Environmental and Social Risk Management

The Company has established a regular evaluation mechanism for suppliers, from which their performance can be recorded through project performance review, cross-departmental audits and unannounced inspections. In addition, we have introduced a third-party annual audit procedure. Through third-party performance review and 400 call center satisfaction surveys, we conduct multi-factor assessments of suppliers' business performance, including integrity. According to the results of annual performance assessment, the Company categorizes suppliers into four grades, implements hierarchical management, evaluates supplier performance to continuously optimize and improve the Company's supplier management system.

Supplier Management	Annual Rating	Policies
Incentive Mechanism	Grade A	Being renewed directly with no assessment to extend the scope of services
	Grade B	Being Renewed in accordance with the original contract (except for security, cleaning and landscaping business)
Elimination Mechanism	Grade C	<ul style="list-style-type: none"> ◆ The interview would be conducted to clarify improvement requirements, improvement period and supervisors, and it would be recorded ◆ Suppliers who do not qualify for improvement will not be renewed ◆ Suppliers that have been rated C in two consecutive years will be downgraded to grade D
	Grade D	Not renewing or adding new contracts, downgrading to restricted partners, and finding alternative suppliers timely

Supplier Improvement and Empowerment

During the Reporting Period, the headquarters and branches respectively organized supplier trainings through various methods such as video conferences, document circulation, publication on sourcing platform and official WeChat. The training mainly includes system operation and business model. At the same time, the Company strengthened communication with suppliers through face-to-face meetings, telephone calls and video conferences. During the Reporting Period, we conducted 79 supplier trainings including the theme of integrity in practice, covering 85% of the suppliers. The Company also conducted 3,920 meetings with suppliers to promptly identify and resolve issues to ensure the stable operation of the supply chain.

Conducted
79
supplier trainings

Covering **85%**
of the suppliers

3,920
meetings with suppliers

Case / Holding a Supplier Conference to Comprehensively Enhance Supplier Capabilities

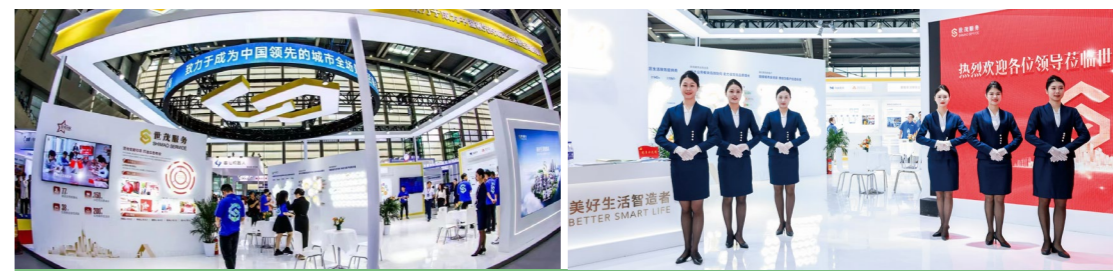
In 2023, each city branch held a supplier conference based on the specific circumstance. During the conference, we summarized the cooperation with suppliers in the previous year and looked forward to future collaboration. Additionally, we announced the service quality requirements and cooperation norms, and commended outstanding suppliers to promote win-win cooperation.

2.4 Industry Co-construction

As an honorary vice president of the China Property Management Institute, the Company values maintaining relationships with provincial and municipal property institutes. We are committed to working together with the entire industry for common development. Currently, we serve as the vice president of nine provincial and municipal property institutes, the executive council of three provincial and municipal property institutes and the council of ten provincial and municipal property institutes.

Case / Exhibition at 2023 China International Property Management Industry Expo

In 2023, Shimao Services participated in China International Property Management Industry Expo for the first time. We were invited to attend the opening ceremony and delivered a speech at the 6th Main Forum of Property Management Innovation and Development. Shimao Services Theme Pavilion focuses on "Company Layout" and "Featured Business" to showcase innovative measures and practical achievements of business development.



Photos of China International Property Management Industry Expo



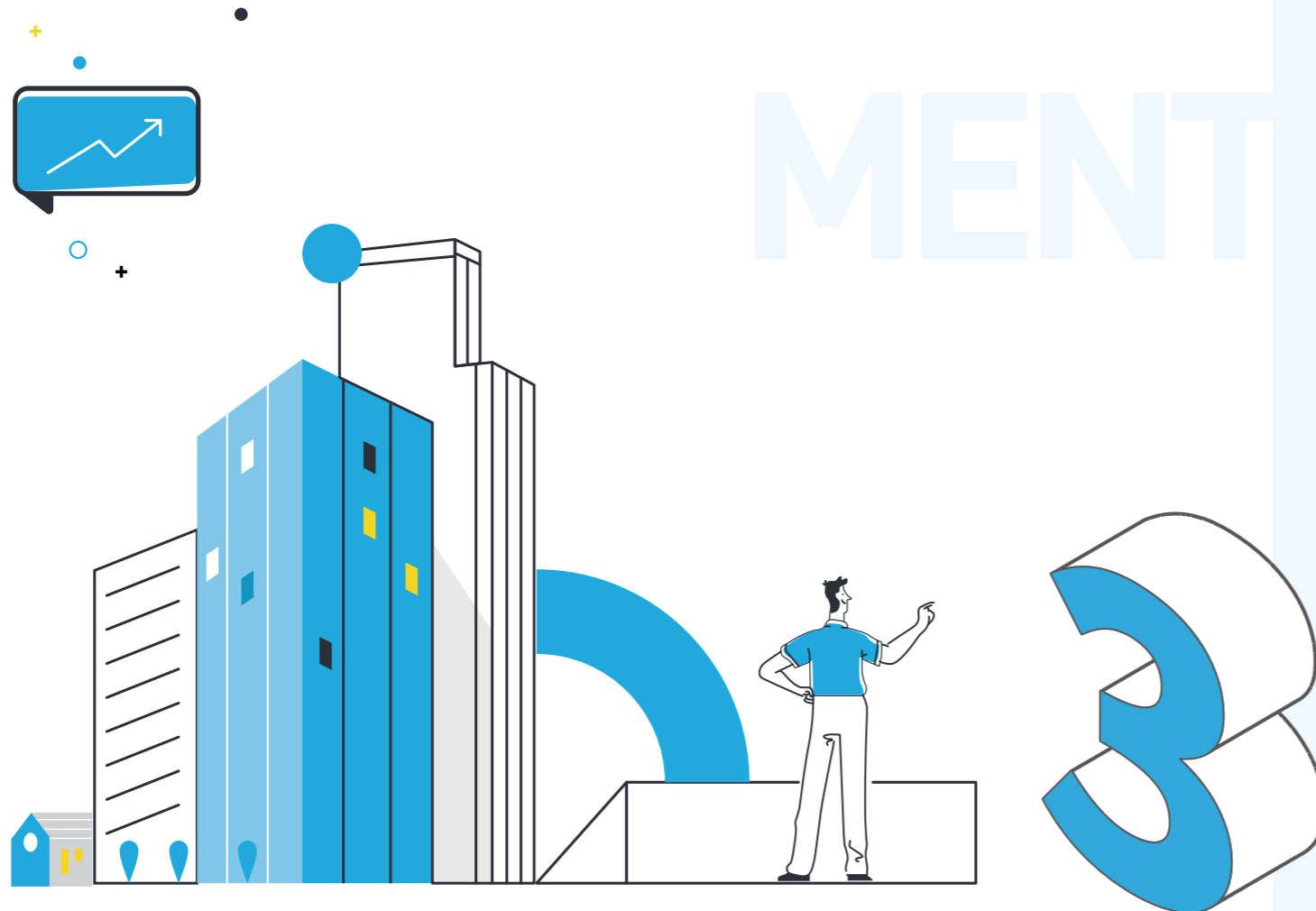
SUPPORTING EMPLOYEE DEVELOP- MENT

SHIMAO SERVICES HOLDINGS LIMITED

Shimao Services adheres to the principle of taking talent as the foundation, always implementing respect, trust and employee achievement in talent management systems, development models, welfare and care, and other aspects of work.

Supporting Employee Development

- 3.1 Inclusive Recruitment
- 3.2 Employee Development
- 3.3 Occupational Safety
- 3.4 Employee Care



3.1 Inclusive Recruitment

The Company strictly abides by relevant laws and regulations such as the *Labour Law of the People's Republic of China* and the *Company Law of the People's Republic of China*. Meanwhile, we implemented internationally recognized human rights norms such as the core conventions of the International Labour Organization. We established and improved various regulations including the *Recruitment Management Regulation*, the *Remuneration and Welfare Management Regulation*, the *Employee Promotion Management Regulation*, the *Employee Training Management Regulation*, the *Team Building Management Regulation*, the *Attendance and Leave Management Regulation*, and the *Resignation Management Regulation*, etc. Through above regulations, the Company protects the rights and interests of its employees and is committed to creating a work environment that is conducive to attracting, retaining and developing high-quality talents.

We are committed to providing employees with equal employment and development opportunities, and firmly opposing to discrimination in recruitment and employment due to race, religion, gender, sexual orientation, age, ethnicity, nationality, etc. The Company strictly abides by the *Law on the Protection of Minors*, the *Provisions on Prohibition of Child Labour* and other laws and regulations, to avoid child labour recruitment. Meanwhile, the Company regularly carries out work intensity inspections to avoid forced labour.



Shimao Services won the "Annual Intelligent Value Awarded for Human Resources Management" in the 2023 Annual Intelligent Manpower Value Enterprise Award



By the end of the Reporting Period



The union employee coverage rate was **100%**

3.2 Employee Development

In 2023, the Company improved the structure and updated the content of the talent development system, clarified two main lines of cultivating "Generals" and developing "professionals", and simultaneously carried out the development of specialized reserve talents. In addition, by integrating the Maoxue Online Platform and talent management system, we effectively leveraged the power of digitalization to better sustain the output of high-quality talent for the Company's development, and grow together with our employees.



Shimao Services Human Resources Management

Empowerment System

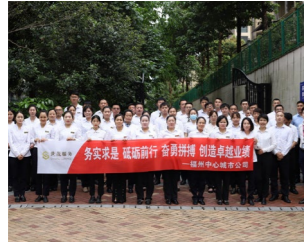
We uphold the talent development concept of "Respecting, Trusting and Empowering", and further refined the talent empowerment system. We put forward more specific talent development requirements with the talent echelon category as the basic framework, and formulated different training plans based on the three talent echelons, so that employees at all levels can be better qualified for their positions.

First Echelon	Navigator Program	Core business leaders, Core personnel of partner companies
Second Echelon	Trailblazer Program	City leaders and team, City function leaders and team
	Challenger Program	Project leaders and team
Third Echelon	Pathfinder Program	Project managers and team
	Fresh Energy, New Vitality	New hires, New graduates

Echelon Talent Training System

Case

Challenger Program: Full Cycle Management Sandbox Training for Reserve Project Managers



To better cope with the development of the industry and enhance the comprehensive ability of the reserve talent team, the Northwest Central City Branch carried out a series of training sessions on "Full Cycle Management Sandbox Training for Reserve Project Managers" in November 2023.

This training adopted scenario simulation, role playing and other ways to improve the management ability and decision-making level of trainees by simulating real project management, business management, human resources management, quality management, financial management and other scenarios. By the end of the Reporting Period, all Challenger Program trainees had completed professional knowledge learning and assessment, as well as the sandbox simulation training.

During the Reporting Period, based on the Company's strategic position and diverse business types, we sorted out a comprehensive talent system blueprint for the year, promoted competency inventory and talent portrait of key positions, and conducted specialized training such as general leadership enhancement for the middle and grass-roots levels. We also continuously tracked talent performance through talent evaluation, ability assessment, willingness survey, employee performance and capability reporting, talent inventory calibration meetings, etc., thereby enhancing and improving talent training planning and management, assessment and feedback processes.

Shimao Services continuously optimizes assessment schemes, tools and indicators. We undertake the Company's business objectives to formulate performance appraisal indicators and conduct semi-annual or annual performance appraisal for relevant employees of headquarters, central city branches, divisions and featured divisions. We comprehensively evaluate employees' organizational performance scores, positional indicator scores, past performance improvement scores and return on investment scores.



Overview of Shimao Services Business Training System

Case

Improving the Leadership of Middle-level and Grass-roots Employees

To address the problems that middle-level and grass-roots employees may face in the management process, such as insufficient team cohesion, weak execution and lack of strategic vision, Shimao Services has launched a series of specialized courses on middle-level and grass-roots leadership, combining advanced leadership theories, practical experience and real business cases from both domestic and international sources.

The Company's human resources team, based on the middle-level and grass-roots leadership models, has developed and completed a course demand research template, to meet the core competency requirements of the positions and form the course outline.

Main Course Content			
Middle-level Leadership	Role cognition	Grass-roots Leadership	Role cognition
	Understanding strategy		Target decomposition and achievement
	Understanding complex problem		Problem analysis and resolution
	Building constructive relationship		Task sequencing and decision-making
	Organization performance management		Task implementation and review
	Performance improvement		Member recruitment
	Right person for the right job		Mentoring subordinates
	Inspiring employees		Team motivation
	Personal performance management and coaching techniques		

Resource Guarantee

Lecturer and Mentoring System

Shimao Services is committed to promoting the talent development concept of "Everyone can be a mentor" and tries to build a learning-oriented organization. We encourage more employees to join the internal lecturer team to further improve the quality of training. In 2023, the Company updated the *Shimao Services Lecturer Management Policy* to clarify the management and cultivation of lecturers in each organization. Through this measure, we refined the criteria of lecturer classification, specify the certification requirements, processes, evaluation methods and incentive measures, and provide sufficient resources for the talent empowerment system.

In addition, the Company has established one-to-one, one-to-many and many-to-many mentoring systems to provide new employees with resources such as project mentors, phase mentors and task mentors, to support their growth.

IT Support

The Company opened MaoXue Official Account, MaoXue Online Learning Platform and other channels to realize digitization of position training. We also created digital Management Academy, New Hires Academy, Assistant Academy, Mao Supply Chain Academy, Value-added Services Academy, Market Expansion Academy, Finance Academy and HR and Office Administrative Academy, etc. In 2023, we updated the *Shimao Services Curriculum Management Policy* simultaneously to standardize the courses' launching process, ensured the quality of online courses of the academy and the role of curriculum in supporting business development. At the same time, we actively encourage employees to participate in the development of new courses and contribute their wisdom to the Shimao Services knowledge base.

Case

Digitalization of Human Resources Management

In 2023, Shimao Services continued to optimize the digital talent management platform. Based on the construction of talent echelon and talent development framework, our updates were made to the digital management throughout the entire talent development lifecycle. Through a five-step process (establishing talent pool, setting talent standard, cultivating talents, tracking talent performance, talent promotion or elimination), the Company achieved full-process visual management of talents to further enhance the efficiency and objectivity of talent management.

Based on the MaoXue Platform, we launched several training modules of the position training system:

- ◆Mao Supply Chain Academy: The training module is for the basic property service team, covering the basic property service knowledge of maintenance, repairment, security, cleaning and greening.
- ◆Market Expansion Academy: The course is based on the business process of market expansion, focusing on the ability improvement of key points of market expansion.
- ◆Assistant Academy: The training module is based on the new standard of business ability, developing special training to improve the ability of assistants. The course opens to new assistants, senior and head assistants, supervisor of assistants and managers of assistants department, head of city branch, head of region branch, etc.
- ◆Value-added Services Academy: The course includes two business modules of common space management and asset management. It is designed for common space management business in city branches.

Further Education

To construct Shimao Services as a learning-oriented organization, promote continuous learning and knowledge upgrading of senior management, and better adapt to the development demands of the Company and the industry, we provide reimbursement for MBA or EMBA certificates obtained by senior management during their tenure.

3.3 Occupational Safety

We insist on creating a safe, healthy and comfortable working environment for employees and strictly abide by the *Work Safety Law of the People's Republic of China*, the *Occupational Disease Prevention Law of the People's Republic of China* and other relevant laws and regulations, as well as national labour safety and health regulations and standards. All property operations under our management have obtained ISO 45001 Occupational Health and Safety Management System Certification. We invite the third party to conduct regular analysis and evaluation of relevant operation risks to guarantee the effectiveness of the system.

The Business Management Department of the Company established safety guidelines and special management systems according to internal safety management requirements, including the *Project Inspection and Management Policy*, etc., and provided sufficient labour protection appliances for employees. The Company provided occupational health and safety knowledge and skills training to all employees in combination with regular activities such as Safety Production Month to minimize the possibility of accidents.

To cope with situations that could potentially lead to occupational health and safety incidents, such as rainstorm, lightning strike and fires, we also formulated comprehensive emergency response plans and formed internal control standards such as the *Emergency Plan Operation Guidelines* and *Emergency Response Guidelines*. During the Reporting Period, the total number of working days loss due to work-related injury was 13,736 days, and there were 8 work-related deaths.

In addition, we treat all outsourcing employees equally by normative clauses on health and safety management in their labour contracts, and regularly supervise and assess the occupational safety and health status of them. We include the occupational health and safety content such as the safety responsibility system and assessment, work safety protection and safety training in the contract terms signed with the outsourcing employees. We require the suppliers to provide personal safety and liability insurance for the outsourcing employees and establish a complete occupational health and safety responsibility system reviewed by the Company. At the same time, suppliers are also responsible for providing the outsourcing employees with safety education related to labour safety, occupational risks, occupational ethics and technical operations. Suppliers are required to conduct occupational safety training for the outsourcing employees at least once a quarter.

Case

Fire Drills and Safety Trainings



Fire Drill Site and Routine Safety Inspection

In 2023, Shimao Services carried out several fire drills to enhance employees' awareness of fire safety and improve their self-rescue capabilities.

In terms of employees' daily lives, the Company requires all management departments to regularly conduct safety inspections of employee dormitories to eliminate any potential safety hazards. Additionally, safety training videos are launched on the employee APP, helping employees to acquire safety knowledge more conveniently.

3.4 Employee Care

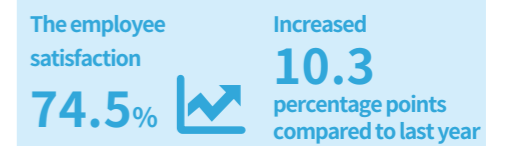
We sincerely care for our employees, uphold the concept of "serving the front-line", and commit to solve problems for our employees.

Employee Communication

We listen to the employees' voices, promote the standardization and normalization of communication between managers and employees. We encourage employees to offer suggestions and promote the construction of corporate culture.

During the Reporting Period, Shimao Services conducted a regular employee engagement survey. The results showed that organizational engagement was 74.9%, which increased 7.5 percentage points compared to last year, placing it in the optimal zone for corporate talent. The employee satisfaction was 74.5%, which increased 10.3 percentage points compared to last year.

To further consolidate the corporate culture, the Company successively initiated a series of activities during the Reporting Period, including the "Customer Service Benchmark" personnel selection, "KOL Collection", "Top Ten Advanced Deeds" selection and outstanding service assistants selection. These activities aimed to establish excellent service examples, strengthen employees' sense of honor and promote their ownership spirit.



Fuzhou Central City Branch Holding Monthly "Listen to Voice" General Manager Symposium, and General Managers, Heads of Operation Department and Employee Representatives Having Communication Online and Offline

Employee Care

We strictly abide by laws and regulations to provide employees with statutory benefits such as pensions and retirement funds, as well as various supplementary benefits. We also pay attention to the needs of all employees, including outsourcing employees, and regularly arrange activities such as high-temperature care, holiday condolences, winter warmth deliveries, etc. We try to cultivate employees' hobbies and promote team building by carrying out a rich array of cultural and sports activities, such as health running activities, basketball games and singing competitions.

<p>Parent-child Festival Activity</p> <p>We pay attention to employees' life with their children, organize activities on Father's Day, Children's Day and other festivals. Besides, we provide summer day care for children of dual-employee families, and meet the requirements of employees</p>	<p>Health Voluntary Medical Care</p> <p>In 2023, we conducted special voluntary medical care activities, such as dental care, traditional Chinese medical care and vision protection for employees. We hired professional doctors to provide medical advice to employees, caring employees' physical and mental health</p>
<p>Employees' Birthday</p> <p>We hold group birthday parties for employees every quarter, so that employees can feel a harmonious and warm working environment to enhance team cohesion and centripetal force</p>	<p>Various Sports Activity</p> <p>We organize and plan various kinds of sports activities to cultivate employees' sports habits, and to improve employees' physical fitness</p>



BUILDING A RESPONSIBLE COMMUNITY

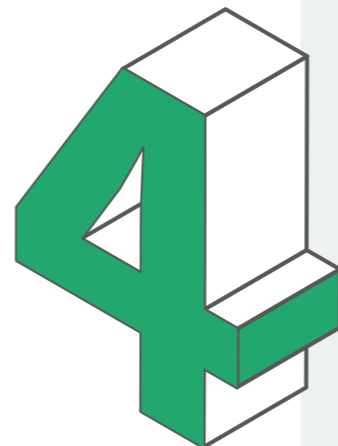
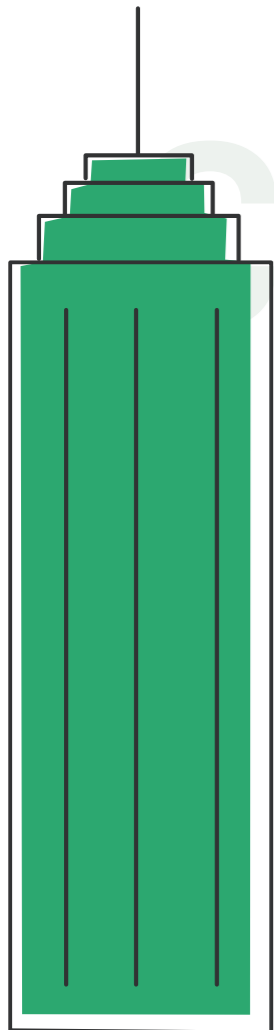
SHIMAO SERVICES HOLDINGS LIMITED

Shimao Services implements the green and low-carbon development, strives to build beautiful and green Shimao compounds and promotes green culture. We also actively fulfil the social responsibilities and strive to achieve the sustainable development of the Company and the environment and society.

Building a Responsible Community

4.1 Green Development

4.2 Friendly Neighbourhood



4.1 Green Development

Shimao Services actively responds to the national call for energy conservation and emission reduction, integrating environmental protection into our business operations. We enhance the environmental performance of our compounds and offices by addressing climate change, reducing the environmental footprint and advocating green offices.

4.1.1 Addressing Climate Change

Shimao Services incorporates climate change risk into the Company's overall risk assessment and management system. In accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Company works on "Governance – Strategy – Risk Management – Metrics and Targets".


Management Framework	Main Work
Governance	<ul style="list-style-type: none"> ◆The Board: The Board is responsible for overseeing sustainable development related climate change, and holds discussion meeting on relevant issues at least once a year ◆The Audit Committee: The Audit Committee of the Board considers climate change as the Company's risk management issue ◆The Sustainability Working Group: It is led by the president of the Company, composed of business line leaders and key front-line employees. Climate-related issues are reported to the Board through the president of the Company ◆Policy: The Company is discussing and drafting a company-level <i>Climate Change Policy</i>
Strategy	<ul style="list-style-type: none"> ◆Risks: Extreme weather such as temperature changes and acid rain increase the Company's property maintenance costs and cause disruption to employees, assets and supply chains, resulting in indirect financial impacts ◆Opportunity: We plan to drive the Company's green and sustainable transformation by implementing green and low carbon initiatives to reduce increased operating costs due to climate change
Risk Management	<ul style="list-style-type: none"> ◆Identification: Financial impacts of climate change on properties and compounds are being identified and prioritized ◆Assessment: Sustainability related issues have been incorporated into the risk assessment of due diligence for new acquisitions, including energy efficiency and environmental performance ◆Management: Emergency recovery plans have been developed, including the ability of the Company to timely resolve and address the needs of users and owners in the event of extreme weather or major incidents
Metrics and Targets	<ul style="list-style-type: none"> ◆Climate change related sustainability KPIs, and medium-term and long-term improvement targets are being developed: carbon intensity, energy efficiency (electricity consumption intensity), water efficiency (water consumption intensity) and waste generation in the office area will gradually decline by 2030

4.1.2 Environmental Footprint

Shimao Services has established an environmental management organizational structure consisting of the Headquarters' Business Quality Department, Internal Control and Operations Group, Environmental Management Center and Environmental Project Team. This structure collaborates to promote hierarchical supervision and implementation of energy management, waste gas management, water resources management and waste management, aiming to minimize the impact on the compound environment. The Company's related business lines have achieved ISO14001 Environmental Management System Certification.


Energy Management

Shimao Services strictly adheres to the *Energy Conservation Law of the People's Republic of China* and has formulated and implemented internal systems such as the *Common Space Management Policy* and the *Energy Consumption Management Policy*. We try to promote green actions such as energy conservation and emission reduction, energy efficiency improvement and renewable energy use, and reduces greenhouse gas emissions.



Precise Control

- ◆Control the lighting switch in the public area and upgrade to smart lighting devices
- ◆Implement zone lighting and turn off parts of elevators during off-peak hours
- ◆As an example of the Tiancheng project (Phase E) in Jinan, we have made energy-saving improvements to the elevator. Elevator power feedback devices were installed to reduce the heating of the elevator control cabinet, thereby reducing the frequency of air conditioning use in the machine room and achieving energy-saving effects



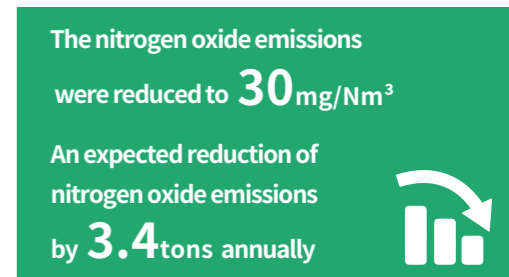
Use of New Energy Equipment

- ◆To reduce the purchase and use of diesel, gasoline and other energy sources, it is recommended to promote and utilize electric power equipment, such as rechargeable floor scrubbers, sweepers and more
- ◆The Wuhan Shimao Jinxiu Yangtze River project serves as a great example of the transformation of solar street lights. This project is estimated to reduce electricity consumption by an average of 2,168.1 kWh annually
- ◆The Changzhou Champagne Lake project is another great example of new energy capacity expansion. The project has installed 40 sets of charging cabinets and 42 sets of ground public charging piles, which meet the charging needs of new energy vehicle owners in the project. This project has received multiple reports from local media

New Energy-Saving and Emission-Reduction Measures in Shimao Services Compounds

Waste Gas Management

In 2023, we carried out a low-nitrogen emission transformation for the self-operated heating boiler room project in the north. For instance, the Northwest Central City Branch completed the low-nitrogen transformation of 9 gas boilers for the Lanzhou Binhe No.1 and Xining Daduhui projects, with a total investment of approximately RMB 4.18 million.



Water Resources Management

Shimao Services strictly abides by the *Water Law of the People's Republic of China* and implements internal management systems such as the *Common Space Management Policy* and the *Energy Consumption Management Policy*, etc. The content of these management systems includes temporary water and electricity use management, long-term water and electricity use management, energy consumption management of water supply (firefighting) pump houses, maintenance of water systems and bodies and greenery energy consumption management. Additionally, we standardized the emergency response process for sudden pipe bursts.

In daily management, we record and regularly monitor the data of the water meters through offline self-inspection and customer reporting. We also investigate abnormal water consumption and strengthen the maintenance of various water-consuming facilities to prevent water waste caused by dripping, leaking, and other problems.

Case

Upgrading of Water System Maintenance and Greening Energy Consumption Management

Shimao Services has continuously strengthened the requirements for water conservation and reuse in the water resource management system, and has promoted the implementation in managed compounds:

Landscape Water Usage

Landscape water shall be replaced monthly, and proper maintenance shall be done well to reduce the frequency of replacement.

Greening Water Usage

1. We reuse landscape cleaning water for greening irrigation, and prohibit random discharge of stored water during landscape cleaning. Stored water has a good fertilizing and supplementing effect on plants, which can save both greening water usage and fertilizer consumption.
2. Greening irrigation should be carried out during the cooler morning and evening hours. Employees should be arranged to inspect the irrigation situation to avoid excessive water usage and prevent waste.
3. We pay attention to the weather conditions, actively use rainwater for cleaning and watering to avoid wasting water resources.
4. For greening outsourcing party, a quota water usage mechanism is implemented. The project team negotiates with the greening outsourcing party to set a monthly water usage quota. Any excess water usage beyond the quota is charged at twice the market price.

Waste Management

Shimao Services strictly complies with relevant laws and regulations and has formulated management policies such as the *Environmental Service Unit Management Policy* and *Environmental Service Unit Operation Guidelines* to strive for waste reduction, reuse and recycling. In response to the management of domestic waste within compounds, we have formulated the *Waste Collection Operation Guidelines* to build a beautiful compound with residents by advocating garbage classification and refined garbage recycling. During the Reporting Period, Shimao Services has implemented garbage classification services in 23 cities.



Shimao Services Compound Waste Management Measures

Case

Comprehensive Full-process Management of Construction Waste

Shimao Services has formulated the *Renovation Waste Clearance Business Management Policy* to carry out full-process management of the construction waste clearance business.

We provide dedicated dumping areas for construction waste. All these areas are selected in fixed areas with open terrain which are convenient for clearance vehicles to maneuver, convenient for mechanical operations to lift and work, and has a minimal impact on living environment of residents. The entrances to the construction waste dumping areas are equipped with dust-preventing barriers, curtains and other dust-reduction facilities. Those with average conditions use waterproof oilcloth and mesh for covering to reduce the spread of dust caused by weather. The construction waste dumping areas can be closed and locked during non-clearance periods, and are covered by surveillance cameras.

Regarding garbage clearance, the owner should transport the construction waste to the designated dumping areas, and we provides centralized clearance services to deliver it to the government-designated locations. The clearance frequency depends on the storage volume/acceptance volume of the dumping areas.

Regarding supervision, we conduct cross inspections on buildings and parks on a regular basis. It includes security routine inspections, cleaning staff inspections, assistance inspections and irregular spot checks by the city headquarters to avoid disorganized stacking of construction waste. If unqualified items are found, they will be notified for rectification and treatment as soon as possible.

4.1.3 Green office

Shimao Services advocates a green and low-carbon office culture. We have formulated the *Green Office Management Policy* to guide all employees developing good habits and jointly creating an efficient, energy-saving and eco-friendly office environment.

Energy conservation and consumption reduction

- Turn off the electrical equipment such as lights, computers, fans and air conditioners when not in use
- Make use of natural lighting as much as possible to reduce electricity consumption

Water conservation

- Use energy-saving faucets and advocate for turning off faucets after use
- Try to use phosphate-free detergents and biodegradable cleaning products to reduce water pollution

Resource conservation

- Promote paperless office to reduce paper usage
- When printing or copying documents, try to use double-sided printing
- Encourage the use of recycled paper, pens with replaceable cores, toner cartridges, rechargeable batteries and other renewable and recyclable office supplies
- Set up an "office paper recycling box" for centralized collection of waste office paper, newspapers and packaging

Case

Displaying Green Office Posters, and Practicing Low-carbon Office Actions Together

In the office area, we have posted signs and environmental protection posters to raise employees' awareness of environmental protection. The main initiatives include:

<p>Paperless office: Online office, reducing printing</p> <p>PAPERLESS OFFICE 无纸化办公 非必要不打印</p>	<p>Efficient collaboration: Using intelligent tools instead of traditional business trips</p> <p>EFFICIENT COLLABORATION 高效协同 以智能工具代替传统出差</p>	<p>Turn off the lights when not in use: Controlling lightings in different time periods</p> <p>SAVING ENERGY 随手关灯 小举动节约大能源</p>	<p>No lighting at noon: Advocating turning off the lights for one hour during lunch break</p> <p>OFF FOR ONE HOUR 关灯一小时 12:00-13:00 节能一小时</p>
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Green Office Posters

4.2 Friendly Neighbourhood

We continue to pay attention to public welfare and actively fulfil corporate social responsibilities in areas such as rural revitalization, grassroots care and support for vulnerable groups. Additionally, we integrate services spirits into our compound initiatives, particularly through the development of Xingmao Community and promote the effective improvement of service refinement and professionalization around core tasks such as "compound co-construction and co-governance" and "improving service quality".

During the Reporting Period

142 Xiaohong Mao volunteer teams

307 compound service activities



Case

Love Transfer Activity



Xiaohong Mao Volunteer Team Supporting Farmers with Love

Shimao Services responded to the government's call to promote the integration of urban and rural development. In 2023, the Hefei branch of Shimao Services carried out the "Supporting Farmers with Love Campaign". As part of this initiative, we purchased approximately 500 kilograms of watermelons from local farmers and distributed them for free to residents over 65 years old in managed compounds. For elderly residents living alone or with limited mobility, the assistants also provide a door-to-door delivery service. We hope to convey the power of love and public welfare through these kinds of activities.

Case

Caring for the "Children of Stars"



Xiaohong Mao Volunteer Team Companion with the Children

As a "Caring Organization", Shimao Services has been continuously caring for and nurturing children with autism. In 2023, we collaborated with the Luyang District People's Social Work Service Center in Hefei to launch an autism care program with the theme of "Lighting the Forward Lamp for the Children of Stars".

The Xiaohong Mao volunteer team, which consists of employees and property owners, donated educational and daily necessities to the children. Volunteers brought companionship and joy to the children through painting, games and other activities.

Case

Tribute to City Service Workers



Shimao Services Coolness Stations

In summer, Shimao Services set up "Xingmao Community · Coolness Stations" in Wuhan, Zhengzhou, Nanchang, Changsha, Hefei and other cities to carry out the city-scale public welfare action of "Tribute to City Service Workers". This initiative aimed to show our appreciation for the frontline service providers, including sanitation workers, express delivery and takeout couriers, and urban management personnel who work in high temperatures. We provided them with a cool and comfortable rest place, a glass of cold drink, a package of basic medical supplies and a sentence of considerate encouragement, contributing to the construction of a beautiful city.

Case

Green Environmental Participation



Protecting the Environment Activity

Shimao Services Fuzhou Branch Xiaohong Mao volunteer team performed as "beach cleaning" guardians, concentrating on clearing up garbage including foam plastic bags, broken fishing nets and decaying branches to safeguard "the Most Beautiful Coastline" of Pingtan. We hope to inspire more people to participate in protecting the planet we live on through this green action.

Case

Respecting the Elderly

Shimao Services listens attentively to the voices of the elderly and actively carries out various free services such as compound medical consultations, assistance with daily tasks, and errand running, to address the practical needs of the elderly. We pay special attention to those who live alone or have mobility difficulties, and provide them with convenience through home visits, household cleaning and other means. Additionally, we collaborate with local medical institutions to regularly provide health check-ups in compounds, focusing on the daily living conditions of the elderly and providing timely assistance when necessary. We hope that the elderly can always feel our high-quality services in daily life.

During the Double Ninth Festival, we carried out special elderly-friendly actions in provinces across Jiangxi, Anhui, Hubei, Hunan and Henan. We organized handcrafted traditional folk food festivals, holiday celebrations and convenient haircuts for the elderly, sending our warmest festival greetings to them.

Appendix

HKEX ESG Framework Reference

Subject Areas, Aspects, General Disclosures and KPIs		Chapter	Page
A. Environmental			
Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Green Development	P45-48
KPI A1.1	The types of emissions and respective emissions data.	Performance Data Summary - Environmental	P54-55
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Summary - Environmental	P54-55
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Summary - Environmental	P54-55
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Summary - Environmental	P54-55
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Green Development	P45-48
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Green Development	P45-48
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Green Development	P45-48
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Performance Data Summary - Environmental	P54-55
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Data Summary - Environmental	P54-55
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Development	P45-48
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Green Development	P45-48

KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable to business	
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Green Development	P45-48
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Development	P45-48
Aspect A4: Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Green Development	P45-48
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Green Development	P45-48
B. Social			
Employment and Labour Practices			
Aspect B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Inclusive Recruitment	P37
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Performance Data Summary - Social	P55-56
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Data Summary - Social	P55-56
Aspect B2: Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational Safety	P41-42
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Performance Data Summary - Social	P55-56
KPI B2.2	Lost days due to work injury.	Performance Data Summary - Social	P55-56
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Safety	P41-42
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee Development	P38-41

KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Data Summary - Social	P55-56
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Data Summary - Social	P55-56
Aspect B4: Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Inclusive Recruitment	P37
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Inclusive Recruitment	P37
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Inclusive Recruitment	P37
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Compliance and Integrity Responsible Sourcing Occupational Safety	P9-10 P32-34 P41-42
KPI B5.1	Number of suppliers by geographical region.	Performance Data Summary - Social	P55-56
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Compliance and Integrity Responsible Sourcing Occupational Safety	P9-10 P32-34 P41-42
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Responsible Sourcing	P32-34
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Responsible Sourcing	P32-34
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	High-quality Services Digital Intelligence-Driven Development	P25-28 P29-31
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to business	
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	High-quality Services Performance Data Summary - Social	P25-28 P55-56
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Digital Intelligence-Driven Development	P29-31

KPI B6.4	Description of quality assurance process and recall procedures.	Diversified Value-added Services	P18-20
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Digital Intelligence-Driven Development	P29-31
Aspect B7: Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Compliance and Integrity	P9-10
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Compliance and Integrity Performance Data Summary - Social	P9-10 P55-56
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Compliance and Integrity	P9-10
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Compliance and Integrity	P9-10
Community			
Aspect B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Friendly Neighbourhood	P49-50
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Friendly Neighbourhood	P49-50
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Friendly Neighbourhood	P49-50

Performance Data Summary - Environmental

Energy	Unit	Data
Total direct energy use	MWh	82.53
Total indirect energy use	MWh	1,770.25
Total energy use	MWh	1,852.78
Energy use density	MWh/sq.m.	0.004024
Greenhouse Gas	Unit	Data
Direct greenhouse gas emissions	tCO ₂ e	20.96
Indirect greenhouse gas emissions	tCO ₂ e	1,009.57
Total greenhouse gas emissions	tCO ₂ e	1,030.53
Carbon emission density	tCO ₂ e/sq.m.	0.002238
Waste Gas	Unit	Data
NOx	Ton	0.069700
SOx	Ton	0.000139
PM	Ton	0.006679

Water	Unit	Data
Total water use	Ton	52,379.92
Water use density	Tons/sq.m.	0.114548
Waste	Unit	Data
Total hazardous waste	Ton	5.94
Hazardous waste density	Tons/sq.m.	0.000013
Total non-hazardous waste	Ton	1,054.69
Non-hazardous waste density	Tons/sq.m.	0.340222

Note:

- In addition to water resources and non-hazardous waste data, other data statistics cover Shimao Services headquarters, the administrative office areas of subsidiary companies and property office buildings in managed projects.
- The direct energy source is gasoline, and the indirect energy source is purchased electricity. The calculation of energy consumption is based on the National Standard of the People's Republic of China, *General Rules for Comprehensive Energy Consumption Calculation GB/T2589-2020*.
- The direct greenhouse gas emissions come from the use of gasoline, and the indirect greenhouse gas emissions come from the use of purchased electricity. The calculation of greenhouse gas emissions refers to the *Guidelines for Accounting and Reporting of Greenhouse Gas Emissions of Public Building Operating Enterprises (Trial)* issued by the National Development and Reform Commission of China. The greenhouse gas emission factors for purchased electricity refer to the average emission factors for the national power grid for the year 2022 issued by the Ministry of Ecology and Environment of China.
- The calculation of exhaust gas emissions refers to the A1.1 "Automobile Emission Data" in *How to Prepare an ESG Report (Appendix 2)* proposed by the HKEX.
- Water resources only include municipal water. The scope of water resource data statistics covers the administrative office areas of subsidiary companies and property office buildings in managed projects.
- Hazardous waste includes discarded selenium drums, batteries, and fluorescent tubes.
- Non-hazardous waste includes wastepaper and household garbage. The statistics of non-hazardous waste cover Shimao Services headquarters.

Performance Data Summary - Social

Employee	By type (if applicable)	Unit	Data
Total employees	/	Person	47,531
By gender	Female	Person	26,077
	Male	Person	21,454
By age	Under 30	Person	5,162
	30-50 years old	Person	18,159
	Over 50 years old	Person	24,210
By region	Mainland China	Person	47,531
	Overseas	Person	0
By type of employment	Full time	Person	44,809
	Part time	Person	2,078
	Labour Dispatch	Person	644
By category	Non-management	Person	42,941
	Management - Female	Person	2,126
	Management - Male	Person	2,464
Minority	/	Person	1,687
Disability	/	Person	103

Overall employee turnover rate	/	%	2.56
By gender	Female	%	1.65
	Male	%	3.67
By age	Under 30	%	3.03
	30-50 years old	%	3.54
	Over 50 years old	%	7.90
By region	Mainland China	%	2.56
	Overseas	%	0.00
Health and safety	By type (if applicable)	Unit	Data
Number of work-related deaths	2021	Person	3
	2022	Person	7
	2023	Person	8
The rate of work-related deaths	2021	%	0.01
	2022	%	0.01
	2023	%	0.02
Number of working days lost due to injury	/	Days	13,736
Development and Training	By type (if applicable)	Unit	Data
Percentage of employees under training			
By gender	Female	%	100
	Male	%	100
By category	Non-management	%	100
	Management	%	100
Average hours of training for employees			
By gender	Female	Hours/Person	25.95
	Male	Hours/Person	22.74
By category	Non-management	Hours/Person	24.43
	Management	Hours/Person	20.97
Supplier	By type (if applicable)	Unit	Data
Total number of suppliers	Mainland China	Entity	7,351
	Overseas	Entity	1
Product Responsibility	By type (if applicable)	Unit	Data
Total number of complaints about products and/or services	/	Cases	66,114
Percentage of customer satisfaction	/	%	87
Corporate ethics	By type (if applicable)	Unit	Data
The number of concluded corruption cases brought against companies or employees	/	Cases	0
Compliance training ratio for directors and all staff (including non-regular staff)	/	%	100

Note:

- The calculation of the overall employee turnover rate: using the absolute value of the difference between the number of new employees during the Reporting Period and the number of employees terminated during the Reporting Period, then it is divided by the sum of total number of employees by the end of the Reporting Period and the number of employees terminated during the Reporting Period, then multiply it by 100%.