



美好生活智造者
BETTER SMART LIFE



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



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Summary of the Report

We remain committed to our founding mission of providing upgraded services and happiness

In the field of comprehensive property management, we came up with the MOT service white paper, upgraded user service system, launched 1001 WeChat home manager platform, and introduced user care fund. With these signature moves, we further optimized the management system, continued to lead the industry in the innovation of service systems and management methods, and brought high-quality and considerate services to our users. In the field of value-added services, we continued to provide quality community and city services with brands like SUNIT, MAO education, Shimao IoT, Shimao Smart home, and Chunxitang, bringing diversity, vitality and unlimited possibilities to the property services market. In the field of city services, represented by our services in city sanitation, elderly care, and municipal projects, we have achieved a comprehensive upgrade of our property services and added new value to the mix of urban renewal and services.

We are persistent in making innovations and empowering our partners

We have made continued efforts to apply the latest technology to our services, addressing social and environmental issues such as energy consumption management and user data security. Technological innovation is an important driving force for our sustainable development; meanwhile, we have also carried out innovative empowerment initiatives in the field of partner management. Among our partners, employees are our most important assets, the foundation of creating differentiated services, and the core of company value realization. We have created a safe, equal and reliable working environment and partnership for our employees, designed employee incentive programs that share development dividends, and built professional skills development courses and training programs; suppliers are also important partners of Shimao Services, and we have set strict supplier selection systems and processes which incorporate social and environmental performance factors; the whole public society is the basis and important interest group of sustainable development, so we have invested resources in education, poverty alleviation, pension, rural revitalization and other issues, and supported the economic development of underdeveloped regions, contributing our share to common prosperity.

We conduct business with integrity and strive for a positive ecology together with our partners

We strictly abide by business ethics and national laws and regulations. We have carried out business ethics publicity trainings for employees, suppliers and important stakeholders, upgraded risk management, internal control and compliance management systems, set up smooth whistle-blowing channels and taken stern measures on related incidents, creating anti-corruption business environment; for the ecological environment, we also uphold the concept of green ecology and implement this philosophy into all our work. In our communities and offices, environmental factors with extensive electricity and water consumption and waste have been properly controlled through technology, management, and publicity measures, and our employees, property owners, suppliers, users and other stakeholders have all made their efforts to contribute to China's carbon emission goals and addressing global climate change issues.

2021 is the first year after the successful listing of Shimao Services, which received MSCI's BBB rating in the ESG field. In the future, Shimao Services will continue to devote itself to ESG work with diligence, creating sustainable value for the whole society.



About The Report

Scope of the Report

This report is the second sustainability report of Shimao Services Holdings Limited ("Shimao Services" or "the Company", together with its subsidiaries). This report concentrates on sustainable development performance of Shimao Services, future plans and objectives, including the impacts of Shimao Services on the environment, society, and economy. The reporting period is from January 1, 2021 to December 31, 2021, and covers Shimao Services headquarters and its subsidiaries.

Reporting Standards

This report is compiled in accordance with Environmental, Social and Governance Reporting Guide under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("HKEX"), and followed the reporting principles as below:

"Materiality": During the compilation 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 ("KPIs") in quantitative data, with accompanying 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 2020 Sustainability Report, and no major changes have occurred.

Source of Information

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

Access to Report

The report is published in Chinese and English. An electronic copy of this report can be downloaded from the official website of Shimao Services (www.shimaofuwu.com) and HKEXnews website (www.hkexnews.hk). Readers should rely on the Chinese version if there is any discrepancy between Chinese and English.

About The Company

About us

Shimao Services Holdings Limited (Stock Code: 873) is a leading comprehensive property management and community services provider in China. With "Better Smart Life" as its philosophy, Shimao Services maintained a high-speed growth with quality - ranking 8th among China's property services enterprises in comprehensive strength, 7th among China's Top 100 property services enterprises in brand value, and 7th among China's Top 100 property services companies. In 2021, Shimao Services was rated BBB by MSCI ESG.



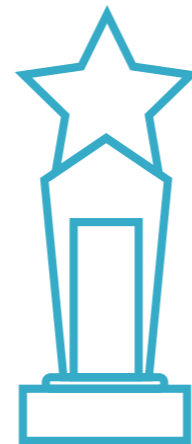
8th among China's property services enterprises in comprehensive strength
7th among China's Top 100 property services enterprises in brand value
7th among China's Top 100 property services companies
In 2021, Shimao Services was rated **BBB** by MSCI ESG



Awards and Honor

Shimao Services emphasized on the quality management and has obtained the certification of ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and ISO 45001 Occupational Health and Safety Management System.

This year, the main awards and honors Shimao Services received are as follows:



China Index Academy	
1	China's Top 100 Property Services Enterprises in Service Capacity, TOP 7
2	2021 China Education Property Management Enterprise Excellency
3	2021 China's Leading Technology-empowered Property Enterprise

Shanghai E-House Real Estate Research Institute/China Property Management Research Institution	
1	2021 China's Property Services Enterprises in Comprehensive Strength, TOP 8
2	2021 China's Top 100 Property Services Enterprises in Brand Value, TOP 7
3	2021 China's Leading Property Services Enterprise in city Service
4	2021 China's Leading Property Services Enterprise in Intelligence
5	2021 China's Leading Property Services Enterprise in School Service
6	2021 Characteristic Property Services Enterprise
7	2021 China's Top 10 Listed Property Services Enterprise
8	2021 China's Leading Listed Property Services Enterprise in M&A capabilities
9	2021 China's Leading Technology-empowered Property Enterprise

CRIC/Shanghai E-House Real Estate Research Institute/China Property Management Research Institution	
1	2021 School Property Service, TOP 2
2	2021 Property Services Enterprises in High-end Service Capabilities, TOP 10

Leju Finance	
1	2021 China's Better Life Enterprise Contributor
2	2021 China Property Services Enterprise with Innovation Capacity

Shanghai E-House Real Estate Research Institute	
1	Selected Services Provider for Smart Community

China Community Poverty Alleviation Alliance	
1	Vice-President Unit of China Community Poverty Alleviation Alliance

China Property Management Association	
1	Honorary Vice President Unit of China Property Association

China Real Estate News/China International Real Estate & Architectural Technology Fair Organizing Committee	
1	Annual Property Services Brand in Comprehensive Strength, NO.8

China Securities Market Research and Design Center/Hexun Finance China	
1	Top 10 Service Companies in Operational Innovation

Alliance of Industrial Internet Industry	
1	Operation Services Provider for Industrial Internet Park

Sustainability Strategy

Sustainability Commitment

Shimao Services dedicates to sustainable development with high service standards, strict work processes, and advanced technology. Shimao Services has established a sustainable development management structure, set key performance indicators for sustainable development, put up energy conservation and emission reduction targets, and continued to follow up on them, in an aim to achieve its vision of Better Smart Life.

Sustainability Management Framework

Being the oversight body for sustainability work, the Board has responsibility for overall sustainability strategy and reporting. The Board formulates high-level strategies for sustainable work, assesses and defines the sustainable development risks faced by the company, and ensures the effective implementation of risk management and internal control systems. The management regularly reports to the board on the progress of sustainable development.

As the main organization for sustainable development work of Shimao Services, the Sustainability Working Group is led by Mr. Ye Mingjie, the President of Shimao Services, with members being business line leaders and key front-line employees. The Group is responsible for implementing the sustainable development strategy formulated by the Board, following relevant company policies on sustainable development, promoting the implementation of sustainable development work, and preparing sustainable development reports in accordance with disclosure requirements.



The Board is the supervision organization for sustainable development work and undertakes full responsibilities of ESG strategy and reporting








The Sustainability Working Group is the main organization of the Company's sustainable development work, which is led by the President of Shimao Services, and consists of each business line's head and key employees



The headquarters function department and each subsidiary are the front organization of sustainability development

Communication with Stakeholders

The expectations and needs of stakeholders guide the company in identifying potential risks, opportunities, the future direction of sustainable business growth, and the healthy growth of the company. The main stakeholders in Shimao Services are our employees, investors, users, suppliers and the government. Through diversified channels, Shimao Services communicates and exchanges ideas with various key stakeholders to understand their expectations and requirements for ESG work and future sustainable development.

Stakeholders	Primary concerns/ expectations	Actions	Communication channels
 Employees	Salary and welfare guarantee Health and safety Promotion and development opportunities	Pay wages and social securities in full and in time Flexible benefit plans Employee care funds Career development channels	Staff 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	Online and offline meetings Roadshows and reverse roadshow Site visits and study
 Users	Integrity and compliance High-quality services Personalized experience Opinion and complaint handling Privacy protection	Provide users with high-quality services Incorporate smart technology Ease user communication and feedback channels Ensure user information security	User satisfaction surveys Door-to-door visits After-service visits
 Suppliers	Integrity and compliance Transparent procurement Mutual development	Standardisation of bidding and performance processes 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 Symposiums Exchanges Bidding cooperation

Materiality Assessment

According to the "ESG Reporting Guidelines", Shimao Services has constructed an ESG materiality analysis model by identifying, screening and evaluating ESG issues that have a significant impact on the company and stakeholders through interaction with stakeholders. The specific steps of materiality assessment are as follows:



Identification

According to the requirements of the "ESG Reporting Guidelines", 16 ESG issues have been identified considering company business development strategy and industry trends



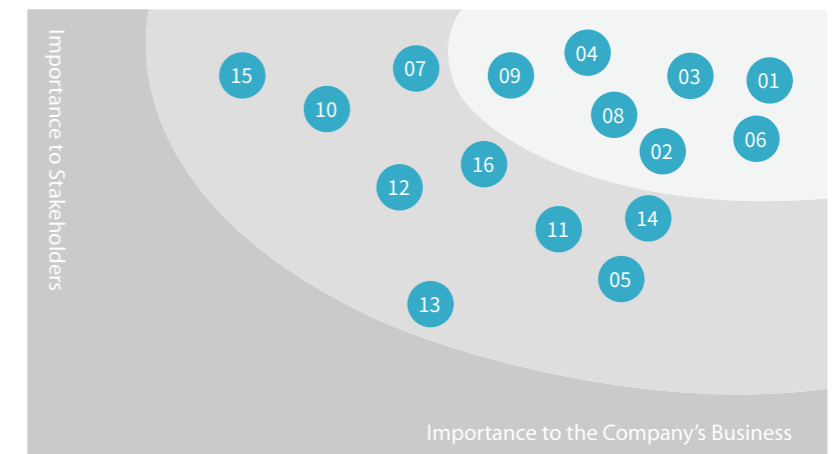
Research

Identify the important internal and external stakeholders of Shimao Services, and invite them to evaluate the importance of ESG issues through a questionnaire survey to understand their opinions and suggestions



Evaluation

Conduct statistical analysis of the questionnaires, analyze the issues from two dimensions, i.e., "Importance to the Company's Business" and "Importance to Stakeholders", compile a materiality evaluation matrix, and confirm the key ESG issues of Shimao Services in consultation with the management and experts



No.	Key issues	Affected key stakeholders				
		Employees	Investors	Users	Suppliers	Government
01	Employee training and development	●				
02	Occupational health and safety	●			●	
03	Service quality management		●	●		
04	Technological innovation and application	●		●	●	
05	Product and service innovation			●		
06	Supplier social responsibility				●	●
07	Community culture building			●		●
08	Compliance and anti-corruption	●	●		●	●
09	Energy and emission management	●		●		●
10	Resource sorting and recycle	●		●		●
11	Diversity and equality employment	●				●
12	User data and privacy protection			●		
13	Property owners & users participation in eco conservation			●		●
14	Risk management and internal monitoring	●	●	●	●	
15	Social equality support					●
16	Urban life empowerment			●		●

Future Deep Blue City

Comprehensive Property Management

Intensive research on service system standardization across multiple business formats

Shimao Services manages projects of various business types, such as residences, university parks, office buildings, industrial parks, hospitals, government, and public facilities.

Diversified Value-added Services

Build a new ecosystem of Shimao community life services

Following the guiding ideology of the national "Fifteen-Minute Urban Convenience Living Circle", Shimao is building a new form of community living around "users" and "assets", with hardcore resources, professional teams, independent operations and high-quality products and services, bringing a humanistic and diversified life to owners and users.

City Services Business

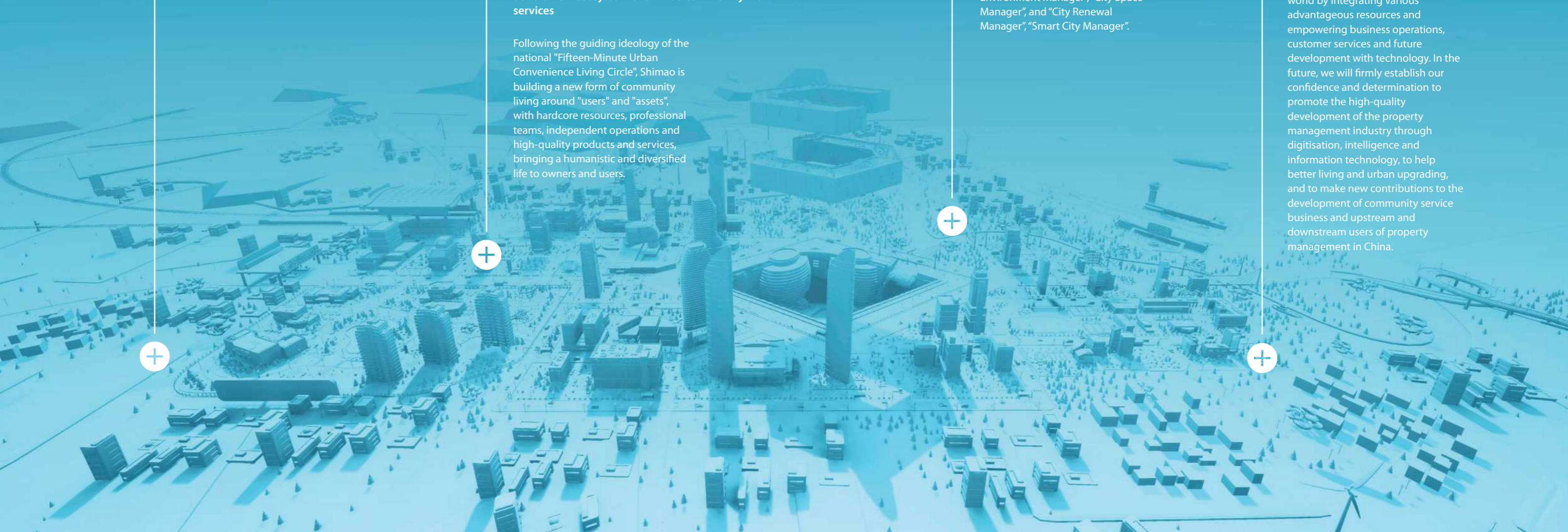
Better services, better city

Positioning itself as a city manager, Shimao Services covers living, transportation, commerce, entertainment, education and medical care, industry and other service scenarios. Four types of themed city management services have been launched, namely "City Environment Manager", "City Space Manager", and "City Renewal Manager", "Smart City Manager".

Digital Technology Business

Leading a new era of digital intelligence with digital innovation drive

Shimao Services has set up a digital technology centre to export intelligent solutions to the outside world by integrating various advantageous resources and empowering business operations, customer services and future development with technology. In the future, we will firmly establish our confidence and determination to promote the high-quality development of the property management industry through digitisation, intelligence and information technology, to help better living and urban upgrading, and to make new contributions to the development of community service business and upstream and downstream users of property management in China.



Better Smart Life

Having made in-depth efforts to contribute to the development of central cities, Shimao Services is committed to becoming China's leading life service provider in cities for all kinds of scenarios. Its four business segments, i.e., comprehensive property management, diversified value-added services, city service business and digital technology business are efficiently coordinated under the two key concepts of caring for users and using technology to make life better, in its pursuit of Better Smart Life.



Comprehensive Property Management

Residential | University Campus | Office Building | Industrial Park | Hospital | Government and Public Facilities



Diversified Value-added Services

SUNIT SHIJI | SHIMAO SHIJI | Mao Education | Shimao Smart Home | Chunxitang



City Services Business

City Environment Manager | City Space Manager | City Renewal Manager | Smart City Manager



Digital Technology Business

Shimao IoT | Baisian Elevator



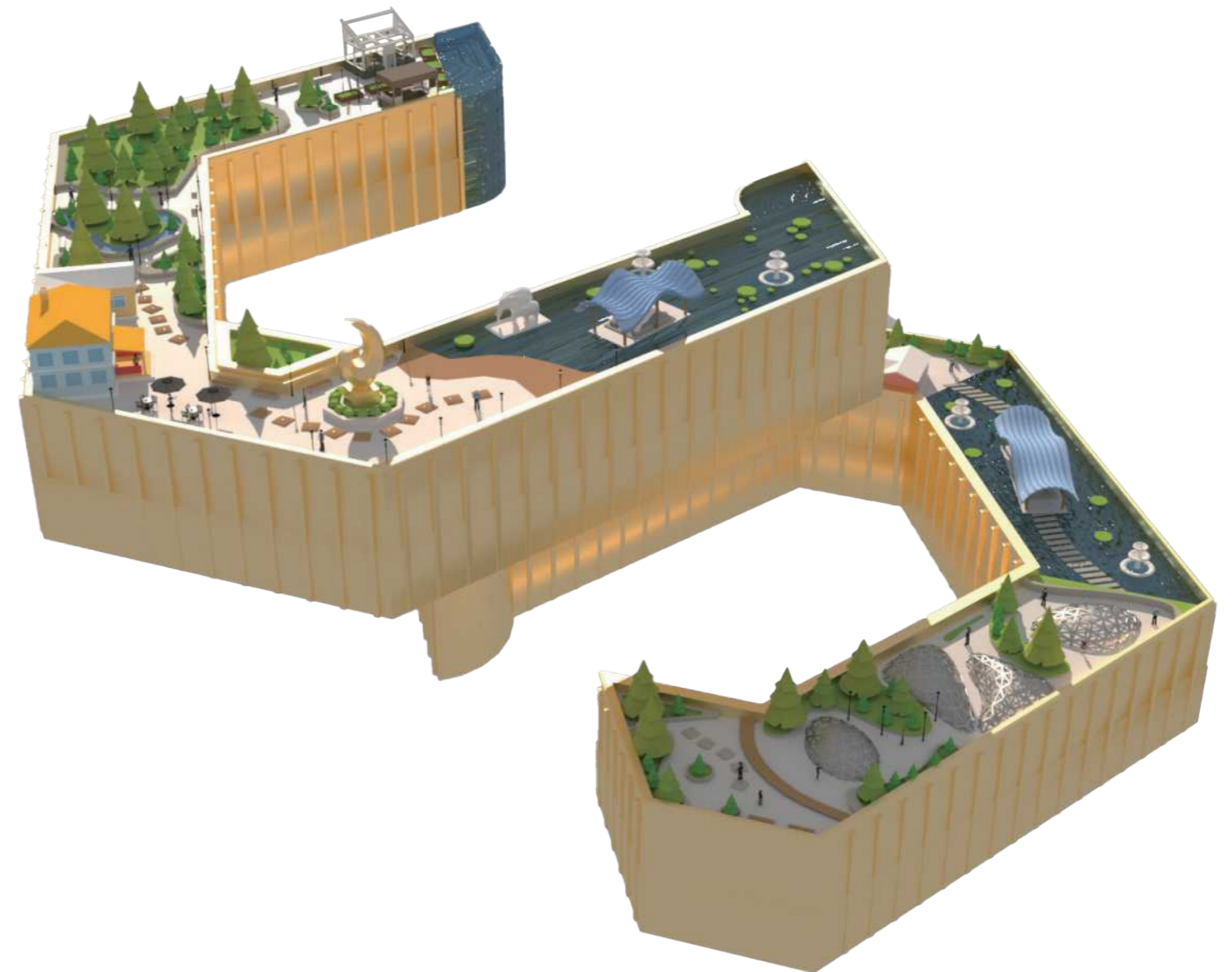
User Is All We Care

Better Community Life | Interaction With Users | User Services | Privacy Protection




Technology Empowers Life

Better Life Smart Solutions | Green and Low-carbon Industrial Solutions



Comprehensive Property Management

Shimao Services's comprehensive property management segment covers residence, university campus, hospital, government and public facilities, industrial park, sales and information centre, office, and other business models.

 <h3>Residence</h3> <p>Based on the Deep Blue Service System, Shimao Services has created five distinctive service systems, which are Premium, Smart, Prestige, Pleasant, and Delightful, to upgrade its services, shape a star-rated and deeply humanistic community, provide a comprehensive community quality assurance, and provide owners with a caring, reassuring, intelligent and diversified service experience.</p>	 <h3>University Campus</h3> <p>With a focus on integrated campus logistics services, Zheda Sinew, a subsidiary of Shimao Services, is committed to providing integrated logistics services solutions for China's campuses, including property, catering, commerce, energy, engineering and technology, providing professional, one-stop, life-cycle and high-quality services to living, studying and working on campus, and creating a good living environment and spiritual environment with its services.</p>	 <h3>Hospital</h3> <p>With a focus on hospital property services, Shimao Services' subsidiary Hunan Jili Property is a leading enterprise in the Hunan hospital property market, serving two core hospital systems, namely Xiangya and Renmin, and focusing on providing hospitals with safe, efficient, convenient and warm one-stop logistic service solutions to promote the development of intelligent, integrated and humanized hospital logistic management.</p>
 <h3>Government and Public Facilities</h3> <p>Shimao Services provides professional and high quality public building management services to meet the needs for security and order maintenance services, environmental protection and cleaning services, and infrastructure operation and maintenance services to protect the city's development.</p>	 <h3>Industrial Park</h3> <p>Shimao Services provides refined and intelligent property services in the Industrial Park. Through the coverage of various special requirements such as administration, regional security and environmental disinfection, Shimao Services continuously optimizes the project risk control and security mechanism to ensure efficient operation of the Park.</p>	 <h3>Sales & Information Centre</h3> <p>Shimao Services selects and cultivates a professional and reliable team of highly qualified personnel to provide integrated property management services to the sales and information centre by customising service solutions from users' perspective. Through the provision of high-standard hospitality and social event planning services, Shimao Services optimises the customer interaction experience in the sales and information centre, creating a high-quality brand image showcase for property marketing.</p>
 <h3>Office</h3> <p>Shimao Services is expanding its presence in first-tier and second-tier cities, further expanding its non-residential physical management services and corresponding value-added services, as well as further possibilities of exploring other business.</p>		

Diversified Value-added Services

Following the guiding ideology of the national "Fifteen Minute Urban Convenience Living Circle", Shimao Services is building a new form of community living around "users" and "assets", with hardcore resources, professional teams, independent operations and high-quality products and services, bringing a humanistic and diversified life to owners and users.

<h3>SUNIT SHIJI</h3>	<p>As the "new species" of Shimao's innovative exploration of new lifestyle services in the community, SUNIT SHIJI has built an online platform and offline spaces with the vision of "aggregating a new and beautiful life", aggregating a variety of lifestyle services including parent-child, education, health, beverage and food, lifestyle, retail, etc., and creating unique service spaces including libraries, halls, X-Spaces, etc., with activities, content, community and user operations to bring a unique humanistic community life to Shimao owners and users, providing a diversified and colourful life service experience to more users and leading a new lifestyle in Chinese communities.</p>
<h3>SHIMAO SHIJI</h3>	<p>SHIMAO SHIJI is a local lifestyle online shopping platform under Shimao Services. Based on Shimao Services' millions of homeowners, SHIMAO SHIJI aims to create a one-stop local lifestyle platform linking branded merchants with community users. Focusing on the needs of community users, SHIMAO SHIJI uses "clothing, food, housing and transportation" as its starting point to select local goodies, aiming to provide community users with a more private, faster and better community shopping experience, leading the new trend of community retail.</p>
<h3>Mao Education</h3>	<p>MAO Education is a community education brand under Shimao Services, which provides nursery services for babies from aged 0 to 3 and childcare services for children from aged 3 to 6 based on the scientific parenting concepts in China and globally. Respecting the development process of infants and young children, MAO Education provides scientific, diverse, international, and customized educational services and guidance focusing on core development indicators such as physical fitness, emotion, social interaction, cognition, language reading, etc. With children's welfare at heart, MAO Education aims to establish an educational ecosystem where family, community, society, and nature work together.</p>
<h3>Shimao Smart Home</h3>	<p>Shanghai Shimao Smart Home Technology Co., Ltd ("Shimao Smart Home") is a new home improvement brand that Shimao Services continues to build, which was established in April 2020 and aim to be the homeowner's professional home furnishing and lifestyle service provider. Shimao Smart Home specialises in the design, development and delivery of home furnishing products such as window sealing and bureau reform, as well as the provision of personalised solutions such as whole-house hard and soft furnishings, home appliances and equipment, providing home furnishing and home living services covering the entire life cycle around the vision of Shimao owners and users for a better life.</p>
<h3>Chunxitang</h3>	<p>As a professional brand of home care and long-term care jointly developed by Shimao Services and Chunxitang, it utilises the advanced technologies and concepts of the Internet and the Internet of Things, and actively explores the "property + elderly care" service model through a multi-level long-term care service system with professional service standards and regulations, focusing on providing professional and intelligent elderly care operation services to the government, society and institutions.</p>

Elderly care services expand city service capacity map

Chunxitang is an elderly care brand providing long-term care service for community, home and institutions. Leveraging advanced technologies and concepts like IoTs, it forms a multi-level system of long-term elderly care services through both online and offline channels.

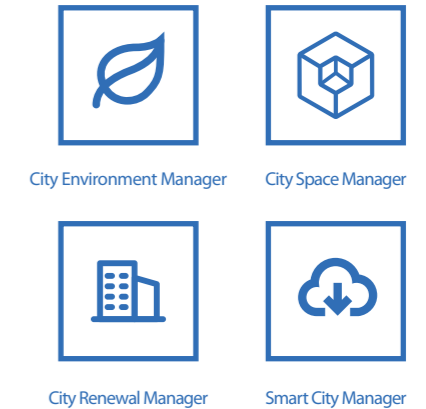


Chunxitang focuses on the requirements of diversified service scenarios and builds a product matrix of "Smart Platform + Intelligent Hardware + Special Services". It provides long-term care insurance, home care, community care, institutional care, smart home care, assistive device leasing and other comprehensive services to meet the "diversified and differentiated" needs of the elderly. Based on Chunxitang, we are able to fulfil our social responsibilities through building a comprehensive and practical social elderly care system with local characteristics that covers a wide scope with low cost and high efficiency, opens to society, and is easy to be promoted, to solve the social problems in the aging process.



City Services Business

The city services business segment is positioned under "Shimao Services as City Manager", covering living, transportation, commerce, entertainment, education, medical care, industry and other service scenarios. Four types of themed butler services have been launched, namely "City Environment Manager", "City Space Manager", "City Renewal Manager", "Smart City Manager" to accurately target the diverse needs of citizens, which not only won Shimao Services brand and services more recognition in the market, but also brought more business opportunities.

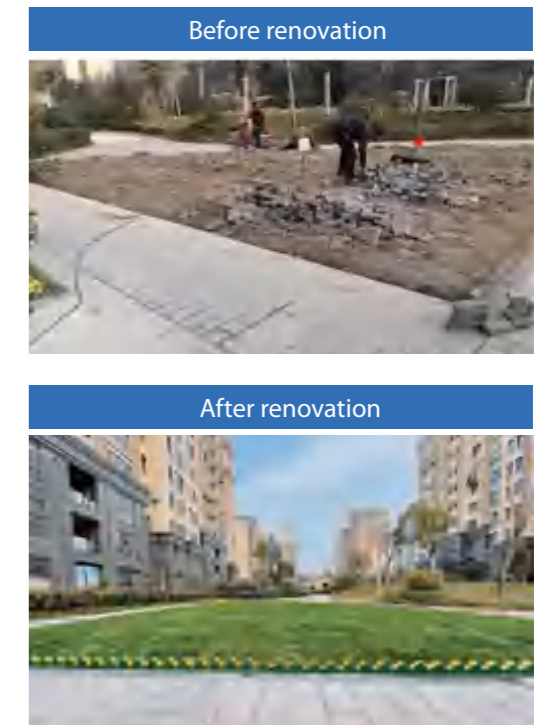


Promotion of multi-dimensional city services plan

Since the end of 2020, Shimao Services has begun to strategically deploy city service track to help make urban governance more scientific, targeted and intelligent.

During the reporting period, Shimao Services successfully implemented the strategic cooperation project signed with Sucheng District and Suyu District, Suqian City, Jiangsu Province, and carried out urban renewal and renovation services for many old communities there. Shimao Services assisted the communities to establish a complete property management system to regulate strictly the management standards of the environment, public facilities, and social order. Embedded in the Shenlan Smart Platform independently developed by Shimao Services, the operation management and user services are fully empowered. Shimao Services also introduced unique service products such as SUNIT and Maojia APP to enable convenience for property owners. At the same time, we organised diverse activities such as the National Day Ceremony and Red Film Festival, which enrich the community life and build a community service ecosystem.

In addition, Shimao Services also fulfilled special projects such as Jiudu Culture Themed Park, Yuedi Lake Ecological Park and Canal City House in Suyu District, which combined the comfortable living environment and pleasant scenic scenery, not only improved the quality of life of local residents, but also maintained and promoted local cultures, building a beautiful home in multiple dimensions.



Digital Technology Business

Shimao IoT

Shimao IoT is a high-tech enterprise under Shimao Services, the first integrated service provider in the field of spatial intelligence, dedicated to creating and leading intelligent scenes in the whole space, thus bringing more intelligent life creations to users.

With the concept of "Human Factor Intelligence", Shimao IoT has realized the overall operation of the whole space with its unique understanding of space and scenery as well as its strong technical strength and ecological integration, and has established a competitive overall solutions capability to provide customers with a one-stop service for the whole life cycle from "space design, product development, integrated delivery, integrated operation".

Shimao IoT is a high-tech enterprise, a double soft enterprise, a small giant enterprise in science and technology, and a member of the Industrial Internet Industry Alliance.

It has

-  **39** technology patents
- 94** software publications

It won

-  Best AIoT Application Innovation Award
- China's Leading Enterprise in Smart Property Service
- Best Service Brand for Property Service Enterprises
- Industrial Internet Park Operation Service Provider
- and other awards

Baisian Elevator

As a joint venture between Shimao Services and Otis Electric, Shanghai Baisian Elevator Technology Development Co., Ltd. is an after-sales elevator enterprise with a full industrial chain, specialising in elevator repair and maintenance, lift installation and retrofitting, elevator fault diagnosis and technical support, elevator energy saving assessment and renovation, lift safety risk and energy saving assessment, platform management, service and technology. The company has applied for the "Special Equipment Installation and Renovation Maintenance Permit (Elevator)" (with maintenance grade A qualification), and will be based on the core development concept of "Technology, Talent, Market and Innovation", effectively implement target management, and strive to develop the development and innovation of staff, in order to sustain the development of the enterprise.

Caring For Users

Strictly abiding by the *Consumer Rights Protection Law of the People's Republic of China* and other laws and regulations, Shimao Services has formulated a number of internal guidelines such as *Guidelines for Customer Satisfaction* and *Guidelines for Handling Customer Complaints*. Integrating multiple services such as retail, catering, health and education, Shimao Services endeavors to make community better through regular festivals and cultural themed activities to increase user interaction, continuous improvements of the user service system, and service quality optimization, and strict control on information security to protect user privacy.

To maintain the service quality, Shimao Services always put customers first, takes reasonable customer demands seriously and responds timely. Under the principles of "100% Complaint Response Rate", "Professionally and Timely", "Law and Regulation Compliance" and "Sincere Treatment", Shimao Services has established a variety of customer complaint channels such as community housekeepers, dedicated telephone lines, and project personnel to ensure that various customer complaints can be resolved in a timely and reasonable manner, effectively reducing the customer complaint rate.



*Data includes services, inquiries, and complaints

Better Community life

► SUNIT SHIJI & SHIMAO SHIJI



SUNIT SHIJI

As the "New Species" of Shimao's innovative exploration of new lifestyle services in the community, SUNIT SHIJI has built an online platform and offline spaces with the vision of "Aggregating a New and Beautiful Life", aggregating a variety of lifestyle services including parent-child, education, health, beverage and food, lifestyle, retail, etc., and creating unique service spaces including libraries, halls, X-Spaces, etc., with activities, content, community and user operations to bring a unique humanistic community life to Shimao owners and users, providing a diversified and colourful life service experience to more users and leading a new lifestyle in Chinese communities.

SHIMAO SHIJI

SHIMAO SHIJI is a local lifestyle online shopping platform under Shimao Services. Based on Shimao Services' millions of homeowners, SHIMAO SHIJI aims to create a one-stop local lifestyle platform linking branded merchants with community users. Focusing on the needs of community users, SHIMAO SHIJI uses "clothing, food, housing and transportation" as its starting point to select local goodies, aiming to provide community users with a more private, faster and better community shopping experience, leading the new trend of community retail. On 25 and 26 December 2021, the first batch of pilot offline experience shops of Shimao Local Life, Nanjing Shimao Bund Store and Shanghai Shimao Binjiang Store, were opened together, realising a new breakthrough in the innovative business of Shimao Services' multi-life services in communities.



Diverse community services

Case Shanghai Shimao Binjiang SUNIT Rooftop Farm

To bring the property owners of Shimao Riverside Garden a place of enjoyment and relaxation and a healthy and sustainable rural life experience, SUNIT built a rooftop farm in the community. The project revolved around the four major themes - people and agriculture, people and nature, people and food, and people and people to provide diverse services of environment, scene, experience, learning, product, content, activity and interaction for the residents.

On the 1,800-square-meter building roof, Shimao Services started from the beginning, taking full consideration of the needs of owners in all aspects, to create a beautiful community space. Shimao Services built tool stations, flower walls, planting boxes, ornamental gardens, and other facilities to meet the diverse needs of owners. Owners can lease exclusive plots on the farm, learn organic planting knowledge under the guidance of agricultural staff, experience the whole process of farming from sowing to harvesting, and enjoy the harvested fruits.

People and Agriculture

People and Nature

People and Food

People and People

Environment / Scene

Experience / Learning

Product / Content

Activity / Interaction



Rooftop farm and planting activity

► MAO Education

MAO Education is a community education brand under Shimao Services. It mainly provides childcare or custody services for children aged 0-3. Through building a multi-modal education service system for full-time care/part-time care + trusteeship, Shimao Services aims to create an educational ecosystem where family, community, society and nature are integrated. This brand is mainly based on the scientific parenting concept in China and domestically. In an interactive, fun and independent atmosphere, children are provided with scientific, diverse, international, and customized services and guidance as they grow up, contributing to Chinese community education.

Users Interaction

Shimao Services attaches great importance to user interaction and has arranged a series of community festivals for residents of all ages in its communities. The themed activities cover Chinese cultural heritage, classic literature promotion, physical health, traditional festivals and more, making interactions full of humanistic care.



2021 "Culture Activities in Community" event



2021 Children's Drawing Competition

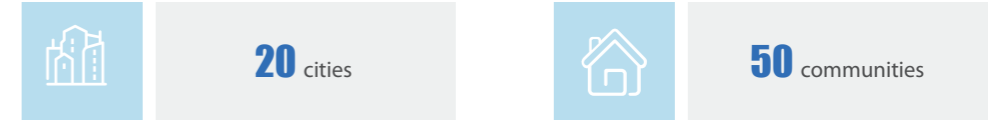


2021 Happy Run



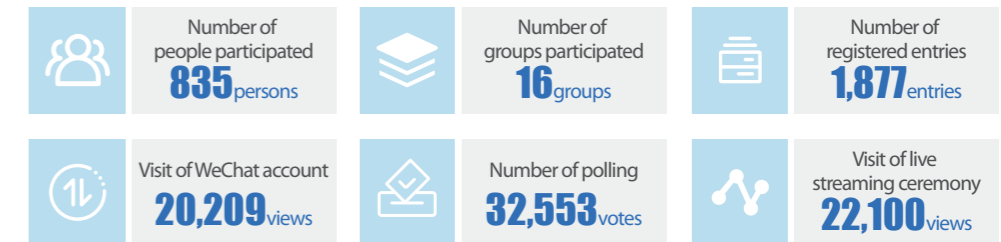
2021 "Cultural Activities in Community" event

To bring cultural activities to communities to promote pride in Chinese culture - this is the vision of Shimao Services's "Beautiful Life" campaign in its communities. In 2021, Shimao Services has held cultural activities in 50 communities in 20 cities throughout the year, leading tens of thousands of residents to experience Tang Dynasty culture, contributing to the promotion of traditional Chinese culture.



2021 resident photography contest

In 2021, Shimao Services held a photography contest for residents, with the theme of "Splendid Mountains and Rivers in My Camera, Shimao Life in My Photo". In this activity





▶ 2021 Happy Run

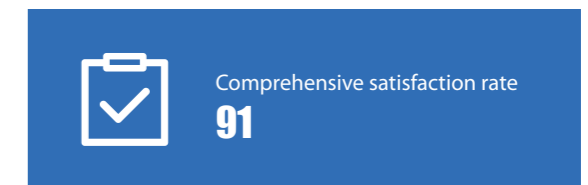
"Let's run towards happiness!" In 2021, Shimao Services held Happy Run in various projects beginning from May. By 2021, Happy Run has been held successfully for three consecutive years and the steps of happiness have been over 32 communities in 10 cities. Through these events, Shimao Services hopes to convey a positive mental attitude and the concept of healthy lifestyle.



High-quality Services

Shimao Services respects the rights and interests of consumers and strives to improve customer satisfaction by enhancing the customer service system, optimizing system functions, and increasing investment for designated purposes.

Year 2021



▶ MOT service white paper

Breaking away from the traditional management mindset, *MOT Service White Paper* is based on the perspective of users. It finds key contact points in products and services with users, summarizes and extracts key MOT scenarios in the eyes of users, and establishes a scenario portfolio by age groups throughout the full life cycle: infants, teenagers, middle-age, and elderly; and by four stages of project cycle: first contact, entrustment, companionship, and guardianship, depicting happy life scenarios.

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"Moment of Truth is a key metric and a specific customer-oriented measure because the customers will only remember those key moments of truth - MOT"

▶ Users service system

As the number of service users and groups increases, different categories and different levels of users have increasingly diverse property services demands. In order to accurately target user service demands and provide a more suitable service experience, Shimao Services has established a user classification and relationship maintenance system and kept a good job at user development and management to formulate targeted maintenance methods, achieving customer satisfaction and influential market reputation, and eventually business development. For B-end, C-end and G-end users, Shimao

Services classified and coded users according to their service evaluation attributes; for users of different categories and levels, Shimao Services formulated personalized maintenance actions to ensure effective maintenance and improve user relationship management. For example, C-end users have been divided into resource users, speech users, special users, and general users; B/G-end users were mainly targeted at the contacts, managers, decision-makers and users of daily property services.

▶ 2021 Children's Drawing Competition



2021 Children's Drawing Competition was themed "A Sunny Childhood - Paintings Telling the Century". Nearly 500 children and 16 parent-child groups from all over China participated in the competition, submitting nearly a thousand paintings, expressing the happy life in their minds and their deep love for China.



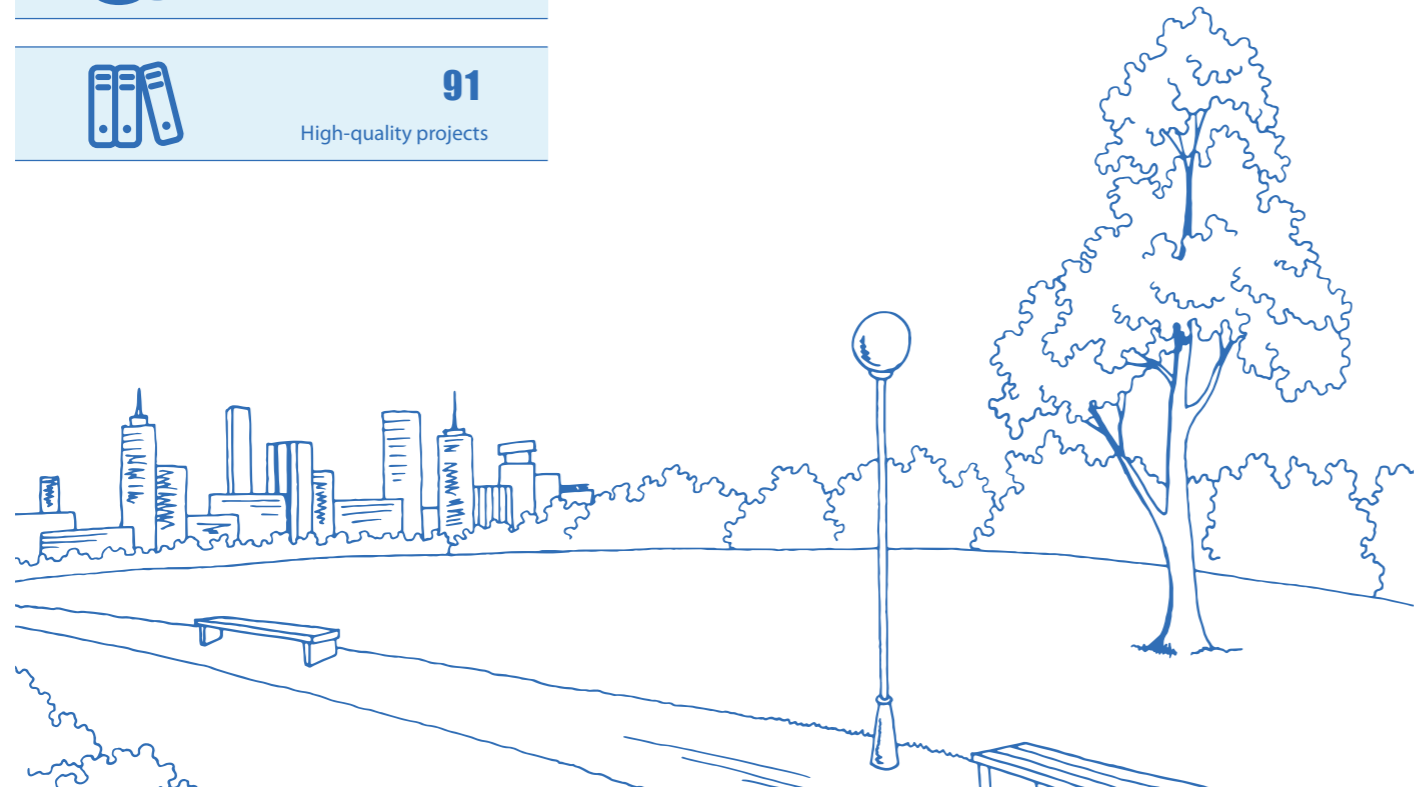
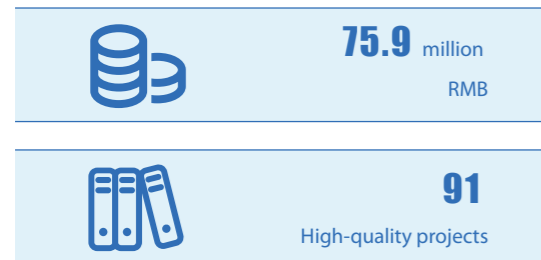
▶ 1001 WeChat Home Manager Platform

To establish a sound customer information database and improve the digital service capability of the city manager system, Shimao Services has comprehensively reformed the way housekeepers communicate with customers. Through the customer relationship management system on enterprise WeChat and combined with the introduction and customized deployment of a mature third-party housekeeper SaaS, Shimao Services has built the 1001 WeChat Home Manager Platform. Its functions include, but are not limited to, housekeeper customer communication standards, such as responding to questions and inquiries, holiday greetings and other routine conversations, to improve housekeeper service standards and make it easier for the housekeepers to quickly get to know the job requirements. There are also real-time public opinion monitoring and regular early warning push to improve risk management and control capabilities. Through scientific big data analysis, customer data can be used to improve and upgrade service quality, thus enhancing customer satisfaction and loyalty.

▶ User care fund

In the property management services industry, quality improvement is an ongoing and continuous theme. Shimao Services regards the quality of basic property services as the lifeline of enterprise development, and strives to ensure that the service quality on-site can meet long-term service demand and the service quality is maintained and improved to the most updated standards in the long run.

In 2021, Shimao Services has invested RMB 75.9 million in renovating facilities, equipment, and risk items, improving quality, and benchmarking itself to the leading standards across the country, including using smart technology to guarantee the safety and convenience of personnel in and out; implementing the Maojia APP for door-to-door service so that residents have various value-added services available at home; adding a moped alarm in the elevators to further ensure safety. In total, Shimao Services carried out 91 high-quality projects, allowing property owners and users to enjoy the convenience enabled by technology.

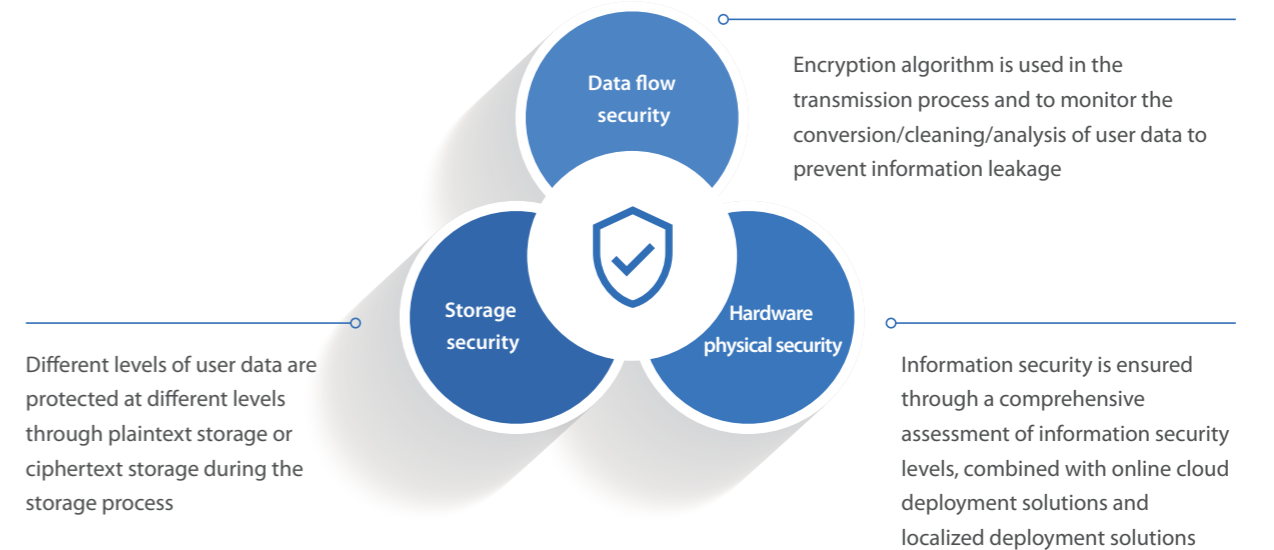


Privacy Protection

Shimao Services strictly abides by relevant laws and regulations on information security in mainland China, such as the Personal Information Protection Law and the Consumer Rights Protection Law of the People's Republic of China, and has formulated internal policies such as *Information Confidentiality Management Regulation*. By setting clear operating authority, classification, personal information encryption and other measures, Shimao Services has strengthened personal data security. Furthermore, Shimao Services has formulated emergency plans, implemented identification security measures, and organized regular security education and training.

In order to improve the security level of user data protection, Shimao IoT has established a safety department, a system development security system and a data management security system, and strengthened process management to fundamentally eliminate risks such as data leakage and improper data application.

▶ System development security system



▶ Data management security system

Security level classification	Set different security levels for personal basic information, sensitive identity information, hobbies and behavioral track
Permission control	Control different security levels through processes and permissions for data creation, maintenance and view
Creation/Maintenance management	Implemented regulation and operational process management for creating user personal information and auditing data
View management	Manage data control from two dimensions, i.e., visibility and quantity
Monitoring and early warning	Real-time monitoring and early warning of unusual operations by business personnel on sensitive information

During the year, the user information security of Shimao Services customers and external customers/projects has been fully guaranteed, and there was no data leakage or improper application.

Technology Empowers Life

Shimao IoT is a high-tech enterprise under Shimao Services and a comprehensive service provider in the field of intelligent environment, dedicated to the innovation and development of all comprehensive intelligent scenarios and bringing users more intelligent life ideas.

Believing in "intelligence enables human being", Shimao IoT leverages its in-depth understanding and strong technical power to integrate various ecological models, thus enabling an overall competitive space operation solution, presenting customers with services throughout the whole life cycle, from environment design, to product research and development, integrated delivery and comprehensive operation.

Better Life Smart Solutions

Integrating technologies such as cloud computing, big data, artificial intelligence, and the Internet of Things, Shimao IoT provides one-stop community services, equipment management, and resident services through digital collection of operational data, cloud interconnection of facilities and equipment, and intelligent interaction of community services in multiple dimensions such as smart security, smart traffic, energy consumption management, and smart home space to ensure property owners and users a safe, comfortable and convenient smart community environment.

Shimao IoT has comprehensively upgraded the products along the smart home ecological chain, and launched a smart home solution centered on user needs. Users can easily control all the equipment in their home through the smart central control interface, Mao speakers, and WeChat mini programs. Users can also use the "Preset Scene" function to allow the system automatic management of device switches in the house, saving power and reassuring users. The intelligent security system provides users with 24-hour protection, continuously monitors and responds to problems such as stranger intrusions, gas leaks, and fires. Bank-level confidentiality agreements are used to encrypt user information to ensure user privacy.

Smart Scenarios and City Solutions

In Nanjing Shimao Bund New Town Phase II and Chengdu Shimao Building, Shimao Services has built a global perception and multi-scenario integrated intelligent system, which has effectively reduced energy and manpower consumption in building management; in the landmark "Hangzhou Wisdom Gate", Shimao Services has improved users' commuting and work efficiency by setting up smart applications such as face recognition access control, intelligent elevator control system, parking lot contactless payment, and shared meeting rooms; in smart hotels such as Shimao Yuluxe Hotel Chengdu, Shimao Services implemented face recognition system to allows easier check-in, and robot assistant to address questions in a timely manner, improving the user's hotel experience throughout their entire stay.



Green and Low-carbon Industrial Solutions

Participated in the compilation of *Guidelines for Industrial Internet Carbon Peak and Carbon Neutral Parks (2021)*

With the goals of "Carbon peaking in 2030 and carbon neutrality in 2060", China has entered a critical period of comprehensive green transformation. As an important carrier for regional economic development, industrial parks have become one of the main sources of carbon emissions as they provide a lot of infrastructure and public services. Therefore, such parks became an important entry point and focal point for China as the country strives to achieve the two carbon goals.

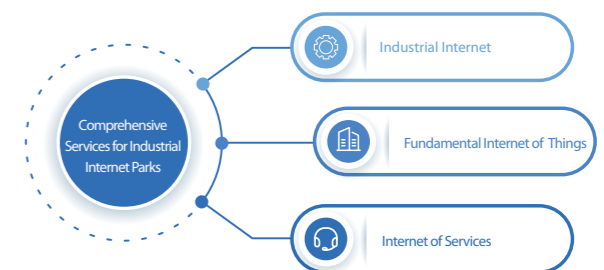
In October 2021, the China Academy of Information and Communications Technology started to compile the *Guidelines for Industrial Internet Carbon Peak Carbon Neutral Parks (2021)*. As the only property management company invited along with 19 other academic and industrial organizations, Shimao Services took part in the compilation of the Guidelines. The integrated solution for smart park operation proposed by Shimao IoT has been unanimously recognized by the expert review, and Shimao IoT was successfully selected as one of the first batch of service providers for industrial internet park operators.

Shimao IoT provides comprehensive services for industrial internet parks, encompassing industrial internet, fundamental internet of things, and internet of services. Compared with other smart park service companies, Shimao IoT pays more attention to the overall smart operation of the park, and integrates industrial production, infrastructure operations, and park services into a unified management system, thus contributing more effectively to the two carbon goals.

Shimao IoT keeps abreast of industry trends and actively participates in major issues that shape industry evolution and promote industry changes. In the process of participating in the compilation of the Guidelines as both a contractor and operator of industrial parks, Shimao IoT contributed its operational experience to laying down the top-level structure of carbon-friendly industrial internet park, especially its unique understanding of the intelligent environment, strong technical strength and ecology integration ability, facilitating industrial park development in a low carbon way while demonstrating Shimao IoT's leading position and extensive influence in the industry.



Shimao IoT
Industrial Internet Park Operation Service Provider Certificate



Cooperate for Mutual Development

Attaching importance to the demands of its employees, suppliers, and the public, Shimao Services supports their interests and joins hands with them in creating an ideal development path for employees, selecting suppliers with sustainable development performance, and investing in social equality and poverty alleviation.

Workplace Harmony

Shimao Services strictly abides by the relevant laws and regulations on human resources management represented by the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, and the *Employment Promotion Law of the People's Republic of China*. Shimao Services has established internal rules and regulations including *Recruitment Management Regulation* and *Remuneration and Welfare Management Regulation*, *Employee Promotion Management Regulation*, *Employee Training Management Regulation*, *Attendance and Holiday Management Regulation*, *Resignation Management Regulation*, *Team Building Management Regulation* and other, to effectively protect the legitimate rights and interests of employees in its efforts to provide employees with an excellent working environment.

Shimao Services treats every employee equally and pays attention to the physical and mental development of employees, prohibiting any form of discrimination and child labour or forced labour. Its suppliers are also prohibited from using illegal labour. Shimao Services conducts regular and comprehensive reviews on employee employment policies to ensure that all human resources policies are properly followed and implemented in its practices.

Shimao Services believes that employees are the core driver for the company to provide better services for a better life. In addition to providing employees with an excellent working environment, competitive salary and benefits, and workplace harmony, Shimao Services also takes active actions to cope with challenges such as rapid business growth and organizational expansion through efforts in corporate culture, organizational vitality, employee training, incentives and rewards to create a closed loop of "Organization-Mechanism-Talent" that matches company strategies and stimulates company momentum and individual success. A multi-level and diversified talent supply pool has also been established with the ultimate aim for the common growth of employees and the company.



Inclusive Recruitment

By December 31, 2021, Shimao Services has 41,643 total employees, including 21,162 female, 909 ethnic minority, and 78 disabled.



► Promote employment

In 2021, the employment market in China was severely impacted by Covid-19. In order to facilitate employment for Class 2022, Shimao Services Beijing City Company has conducted successively campus recruitment fairs in Beijing City College and Beijing University of Science and Technology in 2021, to provide an employment communication platform for college graduates for better employment opportunities while attracting more future graduates with high potential to join the company. These fairs offered a variety of job opportunities in Shimao Services Beijing City Company, and addressed questions on-site from the students on employment paths and career development.

In October 2021, Shimao Services Beijing City Company joined hands with the Citizen Service Center of Babaoshan District in the large-scale job fair hosted in local communities. The company had face-to-face communication with job seekers, helped local residents, people having employment difficulties, college graduates, veterans and disabled people with employment opportunities.



Autumn Community Job Fair

Employee Development

Strategies always need to be implemented by the right people. Adhering to the human resources concept of "Respect, Trust, and Empowerment", Shimao Services advocates technology and training as empowerment methods. Shimao Services is committed to providing employees with a high-quality learning platform to help them advance their careers. Internally, Shimao Services provides performance improvement solutions with focuses on organizational and talent capacity building, encouraging employees to implement what they have learned, to cultivate leading professionals and senior experts. Externally, through alliance cooperation and cross-border learning, Shimao Services has introduced advanced concepts and expert resources to help broaden employee horizons and update the company knowledge system, ensuring support for all-round development paths.

► Post-specific training programs

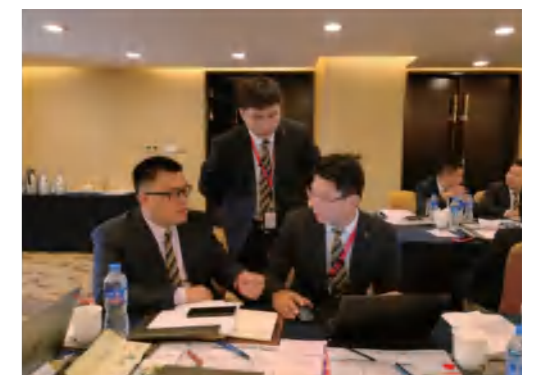
Through professional planning, Shimao Services continuously improves the selection, training, management and incentive mechanism of human resources, and has established a training system that is more beneficial to employee growth and aligned with general corporate development trends.

Shimao Services has set up special training programs for key strategic positions, including the Navigator Program (for senior management team), the Trailblazer Program (for city-level executives and the rank), the Challenger Program (for project managers and the rank), the Pathfinder Program (for grassroots managers) and New Training Program, etc., to cultivate leading professionals for the company. In terms of talent capacity building, Shimao Services has enhanced the "Spark Plan" - the empowerment plan for 1001 home managers and market building managers, and the "Star Shine Plan" for asset management experts, in its commitment to cultivating first-class professional team with first-class business skills and first-class position performance.

Taking the "Spark Plan" as an example, from mid-October to early November 2021, various regional/city companies have successively organized the "Full-cycle of 3rd Party Projects Bidding And Marketing Business Empowerment Sand Table" training course. The Sand Table is a high-quality business full-cycle simulation workshop developed by Shimao Services in 2021 to build professional market development ability through various steps and levels for 3rd party projects bidding and marketing. Under the guidance of the sand table instructors, more than 140 students participated in this two-day event and simulated the four key stages of market development, which are "Business Opportunity Construction", "Exploration and Calculation", "Bid Control and Negotiation" and "Bidding Road Show".

The Sand Table simulation enables the participants to get familiar with the whole life cycle of market development systematically, conduct in-depth drills to practice special skills, understand the supporting role played by the relevant functions in this field, and gain an overall perspective of city development.

Shimao Services employees in trainings



Employee Care

Shimao Services recognizes the importance of every employee and takes initiative to listen to their voices. The company has established a health management operation model committed to a healthy workplace environment. Shimao Services pays attention to the diverse needs of employees, organizes employee participation activities, and creates a good atmosphere at work.

Employee incentive activities

Shimao Services organizes birthday parties for employees every quarter, carries out summer care activities from July to September and winter care activities from December to January, and issues employee motivation awards regularly, such as "Service Star", "Progress Award" and "Best Quality Award". Through such diverse activities throughout the year, Shimao Services hopes to take good care of the employees as they work hard to serve the customers.



Employee incentive activities

Employee mutual aid donation

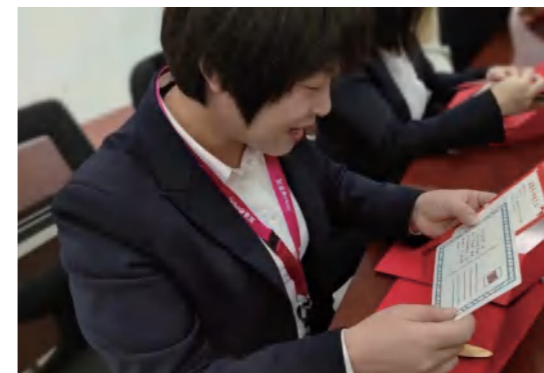
In September 2021, an employee in the Quzhou Service Section of Shimao Services Hangzhou City Company suffered a cerebral hemorrhage. The colleagues promptly took the employee to the hospital, protecting life from danger. To ease this employee of financial pressure, the company organized a donation activity where employees from various service sections actively participated to send their love and support. This donation also showed the solidarity and family-like love among the teams across different service sections in the company.



Employee donation

Thank-you letter to families

Behind every Shimao Services employee, there is an understanding and supporting family. When Shimao Services employees gained achievements at work, the victory also owes to the families behind Shimao Services teams. To show gratitude to employee families for their support and understanding, on the occasion of Thanksgiving Day (November 25, 2021), the Human Resources and Administration Department of Shimao Services Xiamen City Company issued a thank-you letter to the employee families entitled "In the Name of Love" to express how the company is grateful for all the family members of its employees; meanwhile, each employee was also encouraged to write a family letter to thank their families for their support. Through the thank-you letters, the company also hoped there would be more support from family members to employees so that employees could devote themselves to work without anxiety.



Thank-you letter event

Fun sports meeting

To improve team communication, collaboration and harmony, enhance team cohesion, release work pressure, and promote a positive work attitude and active atmosphere, Shimao Services Quanzhou City Company held a fun sports meeting themed "Young Together, Happy Sports". Through a series of fun sports, team spirit has been better built as employees enjoy the fun, relaxed and happy activities.



Fun sports meeting event

Occupational Safety

Shimao Services actively safeguards the legitimate rights and interests of employees and ensures a safe, healthy and comfortable working environment for employees for the sake of their physical and mental health. Strictly abiding by the *Occupational Disease Prevention Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China* and other relevant laws and regulations, Shimao Services has obtained ISO 45001 Occupational Health and Safety Management System certification for providing property management services to its projects. Shimao Services has also formulated internal policies and systems such as *Employee Safety Guidelines*, *Safety Responsibility Commitment*, *Project Inspection and Management System* and *Open Fire Use Permit*, and regularly conducts training on occupational safety, health, and engineering operation risk prevention and control.

► Occupational health and safety training

This year, the National Work Safety Month, Shimao Services carried out comprehensive occupational health and safety training for front-line project employees under its management. The training was based on the risk source design during the business process, such as basic EHS knowledge, occupational health hazards, elevator operation risk points, safe operation requirements, summer risk prevention, etc.



Occupational health and safety training

► 119 Fire Awareness Day safety drill

In order to improve employee awareness of fire safety and enhance the response ability and self-protection in emergencies, Shimao Services management centres and project engineering units took the occasion of "119 Fire Protection Publicity Day" to organize self-audit on fire-fighting equipment and facilities and electricity use under the principle of "Prevention First and Fire-fighting as supplement". Meanwhile, to facilitate fire prevention work, each management centre and project engineering unit organized and assisted each line and department to carry out fire protection knowledge publicity activities, and organized targeted fire escape drills.

Prevention First
Fire-fighting as Supplement



Fire safety training

► Elevator emergency rescue drill

In order to improve the safety feature of elevators and enhance the elevator emergency rescue ability of employees, Shimao Services management centres and project engineering units carried out elevator emergency rescue drills. Shimao Services hopes to ensure that in the event of an accident, the command organization can give correct commands, and each rescue team can carry out their tasks timely and effectively to eliminate and control danger, and rescue the wounded.

Responsible Supply Chain

Supplier performance



Shimao Services has a total of **5,050** suppliers

Among **498** for the Yangtze River Delta region

657 for the Central and Western China region

1,445 for the Strait region

1,628 for the Northern China region

Suppliers Training

37

Supplier meetings and communications

2,869

Supplier evaluation

1

Coverage of the suppliers

82.4%

Supplier Compliance Code

Committed to establishing a fair and transparent supply chain, Shimao Services strictly abides by the relevant provisions of the *Tendering and Bidding Law of the People's Republic of China* and the *Government Procurement Law of the People's Republic of China*, requires its suppliers to strictly abide by the requirements of the *Supplier Integrity Commitment*, and guarantees that the bidding process is fair, open and impartial. Shimao Services has also formulated management systems such as *Supplier Management System* and *Engineering and Service Procurement Operational Procedures*, and considers suppliers from comprehensive aspects, including business indicators, misconduct records, quality systems, business reputation and accounting systems to ensure the suppliers selected match the company's quality standards.

Shimao Services requires suppliers to provide various qualification documents in authenticity, completion and time. In addition, according to the actual needs, the company conducts random reviews on the supplier's qualifications.

Sustainable Supply Chain

Shimao Services is committed to selecting and supporting service providers with outstanding sustainability performance. The company has set social and environmental evaluation criteria, including supplier's human resources policies and implementation, and tracks suppliers' sustainability performance on a continuous and dynamic basis.

► Supplier sustainability assessment dimensions

For the engineering, service, materials and other suppliers, Shimao Services investigates and evaluates their sustainability performance on:

Occupational safety dimension



- Implementation and monitoring of safe workplace practices
- Safety equipment
- Work safety or other emergency response plans
- Effective fire safety system

Personnel safety dimension



- Long-term and stable job opportunities for employees
- Regular professional development training for employees
- Insurance coverage for employees



Environmental dimension

- Policies for environmental protection, resource conservation and waste management; and effective implementation monitoring

The evaluation results are in four grades: A/B/C/D. If a supplier has an evaluation grade of C, Shimao Services will give it an interview and ask for a rectification plan; if the evaluation grade is D, Shimao Services will terminate the relationship with the supplier. Shimao Services only cooperates with suppliers that meet its sustainable development requirements.

In 2021, based on the supplier evaluation results,



30 suppliers were interviewed



8 were terminated



Shimao Services supplier communication meeting

Social Responsibilities

Shimao Services pays attention to social equality and abides by the *Charity Law of the People's Republic of China* and other relevant legal guidelines. While accelerating its development pace, Shimao Services makes sure to play a leading role as a responsible enterprise and fulfill corporate social responsibility. The company actively carries out diverse public welfare projects, such as charitable donations and volunteer services, to provide for the people in need. With ongoing public welfare actions, Shimao Services hopes to motivate more people to work together to make the world better.

► Elderly care

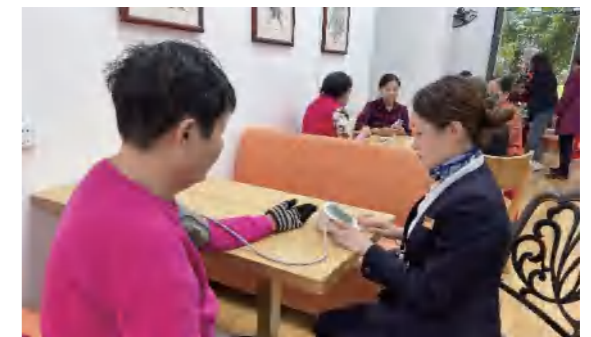
Commonly regarded as a day to revere the elderly, the Double Ninth Festival is a traditional festival in China. By carrying out activities such as visits to the empty-nesters, free clinics, free clothing tailor and other services in communities, Shimao Services endeavors to promote respectful, loving, and helpful conduct towards the elderly.

In 2021, together with Jinhua Property Management and Yefeng Property Management, Shimao Services held the "Double Ninth Festival Gala" in Zhejiang National Fitness Center and Zhengyuan Community, providing a platform for the elderly to showcase their talent and make acquaintance with their neighbors.



► Rural revitalization

On May 11, 2021, Shimao Services participated in the signing ceremony of "Suzhou Merchants Entering Business in Guizhou Province" initiative. The company set up its regional headquarters in Gui'an New District in Guizhou Province to provide city services, aiming to contribute to rural revitalization and common prosperity through stimulating consumption. After establishing in-depth business connections with six processing enterprises in Guizhou province, Shimao Services has sourced more than 100 natural agricultural products locally to help promote consumer awareness of Guizhou ecological food and brands. SUNIT, a subsidiary of Shimao Services, introduced the idea of new retail to open sales channels for high-quality agricultural products to better meet customer demands. For high-quality natural agricultural products in Guizhou, such as prickly pear, Shimao Services has made active outreaches to online and offline malls, communities, and other major channels to promote product sales and shorten the sales chain point-to-point cycle, presenting Guizhou flavors to thousands of households. Statistics showed that Shimao Services new retail platform contributed to more than RMB 1 million sales of natural agricultural products in Guizhou.



Community elderly care



Sales of natural agricultural products in Guizhou
More than RMB 1 million

► Poverty alleviation through consumption

Since November 2021, Shimao Services has carried out poverty alleviation activities through orange sales promotion events in many cities in Anhui province. These events were perfect occasions for Shimao Services to make use of its high-quality community services and "Program of Rural Revitalization". Shimao Services brought Jiangxi's local specialty agricultural products such as oranges into thousands of households through offline sales events and online livestream sales, attracting nearly 10,000 customers. At the offline events, customers won welfare packages by participating in activities such as parent-child activities and lottery draws, sampled oranges directly sourced from the origin places and made purchases in SUNIT SHIJI. These activities enriched consumers' daily life while bringing high-quality agricultural products closer to more people. People can help poverty alleviation through consumption instead of donation, and farmers can still get benefits, adding more value to public welfare activities.



Orange sales events

► Disability care

Shimao Services Chunxitang volunteer team visited Sanzhenzhai Disabled Center in Wuzhen to provide services like blood pressure measurement, haircuts, health exercises and game shows for people with disability. In this way, Shimao Services hopes to encourage them to keep an optimistic attitude, expand the influence of volunteer services, and mobilize more people to participate in voluntary activities, contributing to a favorable atmosphere of social care for people with disability.



Chunxitang volunteers providing services to people with disability

► Green Crop Initiative

In 2021, Shimao Services joined the "Green Crop Initiative - Hand in Hand with Tibet", where communities and households join hands together to help Tibetan children through subscribing purchase of highland barley to contribute to the income of Tibetan families and the healthy growth of local children there.

The influence of the Green Crop Initiative did not stop in Tibetan areas. From July 2021, Shimao Services has carried out public welfare initiatives with Shimao Rainbow Center in 15 cities such as Xi'an, Hangzhou, Wuhan, and Xiamen to pass love and care. Thousands of Shimao property owners participated in RMB 1 donation through the charity sale of Tibetan highland barley gift packs.

In addition to offline activities, Shimao Services also calls on its staff to join charity work together online, and hopes to encourage more people to participate in public service and make it benefit more people.

► Epidemic control

In 2021, the Covid-19 epidemic reemerged in many places across China. Shimao Services has taken active actions and cooperated with various districts and communities to carry out relevant testing and prevention. Meanwhile, the company has provided residents with user-friendly and convenient services such as distribution of daily necessities with delivery staff's physical condition checked and recorded on cards.

In December 2021, Xi'an announced the closed-off management for all resident neighborhoods. Shimao Services organized an emergency donation team which made an urgent purchase of 7,000 pieces of N95 masks and 3,000 sterile protective medical gears for Xi'an Property Management Association. Xi'an Central City Company branch also provided convenience services to help residents purchase daily necessities, ensuring the living standards of residents under closed-off management.



Community epidemic control



Community epidemic control

► Flood fighting and disaster relief

In 2021, Henan province suffered from an extremely heavy downpour. Shimao Services quickly put into place emergency measures, conducted emergency rescue and disaster relief, implemented various safety measures, and provided sufficient daily necessities for customers and employees there.



Shimao Services participated in flood control efforts in Henan

Together for a Better Society

Eco-Friendly Smart Community

Committed to building a low-carbon and sustainable society, Shimao Services pays attention on environmental issues such as low-carbon community construction and climate change response and actively advocate for ecological community practices.

Energy Management

In accordance with the *Energy Conservation Law of the People's Republic of China*, Shimao Services has formulated and implemented internally *Site Resource Management System* and *Energy Consumption Management System* to explore resource saving opportunities in different scenarios, reduce resource consumption generated during its operations, and improve resource efficiency.



Reduce energy consumption

Measures to reduce energy consumption in the community

Energy saving lamps

Replace into more energy-saving light bulbs with sufficient brightness to significantly save energy costs and consumption.

Radar-sensor LED lights

Use LED lights with radar sensors to significantly save energy costs and consumption.

Time-controlled switches

Use time-controlled switches for each independent basement lighting equipment.
Use intelligent time-controller for air-conditioners, saving 50% of electricity consumption.

Smart interconnection

Upgrade and replace into smart meters to help users control electricity consumption at home at any time and formulate optimal electricity consumption plan.
Implement smart energy-saving solutions specifically for underground parking lots and corridors; use smart LED lighting products, centralized smart energy-saving controllers, etc.
Connect indoor lights with doors - lights automatically turned off when the door is closed - to avoid the waste of electricity consumption caused by forgetting to turn off the lights.

Shared charging

Install shared charging platform for centralized charging of electric vehicles, outdoor charging with automatic power-off when fully charged; use compliant equipment configuration for saving energy.



► Smart energy management

Shimao IoT provides comprehensive solutions for smart energy and facility management with optimal sustainability, flexibility, and cost-effectiveness for various buildings, covering energy auditing, data monitoring, and smart operation and maintenance. With the help of IoT technology, Shimao IoT connects and obtains the energy consumption data of buildings, presents a clear picture about the actual energy usage, and optimizes the operating efficiency through an artificial intelligence-based control platform for energy and facility management, thus bringing benefits and value-added services to end users.

Taking the Fuzhou Pingtan Shimao Strait City project as an example, Shimao IoT has applied the smart energy consumption management solution and deployed an online smart meter monitoring system to achieve remote meter reading and real-time monitoring. Unusual energy consumption would trigger early warning, thus facilitating response and operation capacity. Overall energy saving, emission reduction, and environmentally friendly operation in the community can be realized.



Interface of smart energy management



Water Resources Management

In compliance with the "Water Law of the People's Republic of China", Shimao Services has formulated and implemented internally "Site Resource Management Regulation" to reduce the use of water consumption in the operation process, made continuous improvements on water usage using technologies, and carried out water conservation promotion and publicity activities.



Water consumption conservation

Optimizing water resources utilization in the community

Regulation

Put into place community water conservation, supply and management systems, water conservation office meetings, and procedures for emergency response to sudden pipe bursts, etc.

Publicity

Attended by children and their parents, the activities such as watching animated short stories and water-saving movies, with interactive learning and knowledge, raised the awareness of water-saving in families.

Customized water-saving brochures pushed through WeChat Moments and home visits, to promote water-saving at home and raise water-saving publicity across the board, enhancing water-saving ability, so that property owners take the initiative to use water conservatively.

Publish community publicity with black board and newspapers to spread information on water-saving and create a favorable atmosphere.

Launch water-saving cultivation seminars to improve employees' water-saving awareness so that they cherish water resources and understand the current water and environment situation.

Management

Monitor water consumption in public areas and for fire-fighting with meters, whose readings will be recorded daily and summarized monthly and subjected to real-time monitoring; conduct regular inspection on the water system in the community to check running water, drippings and leakage.

Engineering staff conducts sound daily maintenance and management of water facilities and appliances to ensure that they are in good condition and prevent unchecked running water.

Property management conducts offline self-audit and self-inspection through mutual supervision, and launch an online customer service APP to make it convenient for residents to report repairs and issues in a timely manner.

Strengthen the maintenance and renovation of facilities, and set up separate valves for fire-fighting pipelines to prevent water inadequacy in case of fire-fighting emergencies.

Technology

Use water-conservative irrigation method instead of traditional flood irrigation; control scientifically the frequency and timing of irrigation according to the recent rainfall, temperature and humidity. Set up rainwater collection pools, advocate recycling water, and use rainwater and pool water for irrigation.

Update the self-service car washing to water-conservative high-pressure water jetting instead of low-pressure water.

Use cleaning machine for basement cleaning and water-free cleaning for building dusting, reducing water consumption per square meter by 16.7%.

► Deploy high-efficiency watering equipment

Greening during summer time takes a long time with low water efficiency and poor results, which has become a serious water waste issue. To address this problem, Shimao Services conducted active communication with relevant maintenance units and introduced new gardening equipment that has multiple spray holes covering an extensive area, which has effectively solved the current issue of water pipe flooding, thus achieving the purpose of saving water and energy consumption in public areas and cost reduction.

► Use new energy machinery and equipment

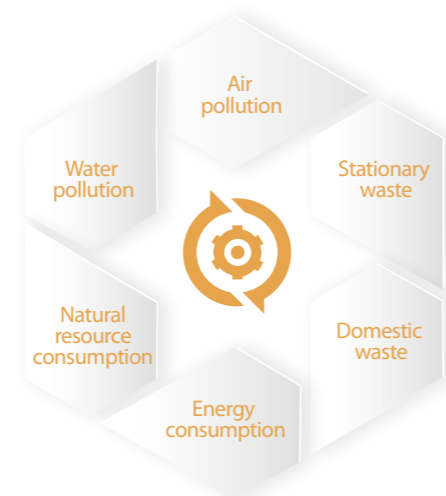
Shimao Services has used new energy floor-cleaning machines to effectively reduce water waste and improve work efficiency and work quality.

New energy floor-cleaning machines



Emission Management

Shimao Services strictly follows the *Environmental Protection Law of the People's Republic of China*, the *14th Five-Year Plan on Controlling Greenhouse Gas Emissions* and other laws and policies. The Company has formulated and implemented internally *Environmental Service Unit Management System* and *Environmental Service Unit Operation Guidelines* to identify and manage water pollution, air pollution, stationary waste, domestic waste, energy consumption and natural resource consumption during company operation. Shimao Services has effectively implemented various measures to effectively control the generation of waste water, waste gas, and noise, and has formulated *Guidelines for Garbage Collection Operations* to classify and treat the garbage generated during daily services, reduce environmental pollution, and continuously improve the surrounding environment. Shimao Services quality management center coordinates the implementation of environmental management indicators, supervises the implementation of environmental prevention and improvement measures in each project branch and department, and assists each functional department in the identification, evaluation and improvement of environmental factors.



Measures for garbage classification in the community

Shimao Services has formulated garbage classification rules and requirements in the communities, including:

- Plan land use reasonably for setting up garbage classification stations, to facilitate the centralized disposal and classification of garbage, and make it easier for garbage removal and transportation, bringing convenience to local residence
- Separate useful materials from garbage for recycling and utilization, turning waste into useful resources; improve the utilization capabilities of garbage resources and reduce the amount of garbage disposal, striving to achieve waste reduction and recycling
- Separate abandoned batteries, due to metal mercury, cadmium and other toxic substances that are seriously harmful to human beings; garbage classification reduces risks of such garbage pollution and harm
- Conduct promotions to enhance community residents' awareness of garbage classification
- Organize relevant trainings and practices to enhance the accuracy of resident garbage classification and reduce secondary classification
- Promote environmental protection practice across the society, and increase the employment acceptance rate of sanitary workers, advocating a respectful and friendly atmosphere towards sanitary workers



Reduce waste

► Community environmental protection activities

In 2021, Shimao Services has carried out various environmental protection activities in many places to convey environmental protection awareness to the property owners and advocate the concept of joint community governance for a better living environment together.

Through various themed environmental protection activities such as "Hand-in-hand, Garbage Sorting Starts with Me" and "Cherish the Earth and Make Our Home Beautiful", Shimao Services have mobilized property owners and their families to establish better concepts of environmentally friendly lifestyle and good habits like garbage sorting. Shimao Services aims to encourage more people to participate in environmental protection and improve the overall environment together.



Community garbage sorting activities

► Fermentation and recycling of waste

Shimao Services has adopted the method of fermenting fertilizers with waste through deep bury and fermentation of green waste, which effectively solved the problem of waste treatment and transportation, and effectively alleviated the negative effects of soil compaction caused by long-term use of chemical fertilizers.

Response to Climate Change

In order to address the risks from climate change that may affect company business and operations, Shimao Services took inspiration referring to the Task Force on Climate-related Financial Disclosures (“TCFD”) established by the Financial Stability Board, and established a climate change disclosure team to publish climate change responses on four core categories, namely “Governance”, “Strategy”, “Risk management” and “Metrics and targets”.

TCFD	Main responsibilities
Governance	The Board oversees sustainability work, including work on climate change. The Board holds discussions on sustainability issues at least once a year; the audit committee under the Board is considering the inclusion of climate change risk as part of the company's risk management.
	The Sustainability Working Group is led by the President of Shimao Services, and Group members include business line leaders and key front-line employees. Through the president of Shimao Services, the Group reports to the Board of the Company on sustainable development matters, including climate-related issues.
	Shimao Services is discussing and drafting a company-level <i>Climate Change Policy</i> to guide company actions to address climate change.
Strategy	Climate change will bring various risks to Shimao Services business; for example, extreme temperature changes and rising acidity of rainwater will increase the company's property maintenance costs, and also cause damage and negative impacts on employees, assets and supply chains, causing direct or indirect financial consequences.
	Climate change also brings business opportunities. Shimao Services is thinking about how to best implement green and low carbon actions while preventing operating cost increases (such as maintenance costs) caused by climate change, and further transform itself into a green and sustainable enterprises.
Risk management	The Company is differentiating climate change risk impacts into more details, including identifying and prioritizing climate change risks according to the financial impacts on properties and communities.
	In terms of investment evaluation, a sustainable development dimension has been added to the risk evaluation process in the due diligence of newly acquired projects, including the energy efficiency and environmental performance of the properties Shimao Services plans to acquire.
	An emergency recovery plan has been developed, stipulating that in the event of extreme weather incidents, the company should be able to address the needs of users and property owners as soon as possible.
Metrics and targets	Key performance indicators for sustainable development and medium-term and long-term improvement goals are being prepared, including energy consumption, water use, and carbon emissions, which are closely related to climate change. Emissions target: by 2030, the carbon intensity of office areas will be reduced to some extent Energy efficiency target: by 2030, the power consumption intensity of office areas will be reduced to some extent Water efficiency target: by 2030, the water consumption of office areas will be reduced to some extent Waste reduction target: by 2030, the waste generated in the office area will show decreasing trend

Green Office

Shimao Services has formulated “Office Environment Management System”, which stipulates green office behavior requirements.



Replacing traditional business travel with smart tools

- Advocate the use of remote video conferencing instead of frequent business trips for meetings
- Advocate high-speed train and public transportation for commuting in the city



No printing unless necessary

- Electronic document circulation preferred for process documents
- If printing is required, double-sided printing is preferred for internal document circulation; employees are also encouraged to leave reusable waste paper in the printing area for recycling and reuse



12:00 to 13:00 to save one-hour energy

- From the perspective of electricity safety, energy saving and environmental protection, when employees leave their seats for a long time, they need to turn off the power of the equipment on their desks
- The last one leaving office or office area needs to turn off the lights; the last one leaving conference room needs to turn off meeting devices



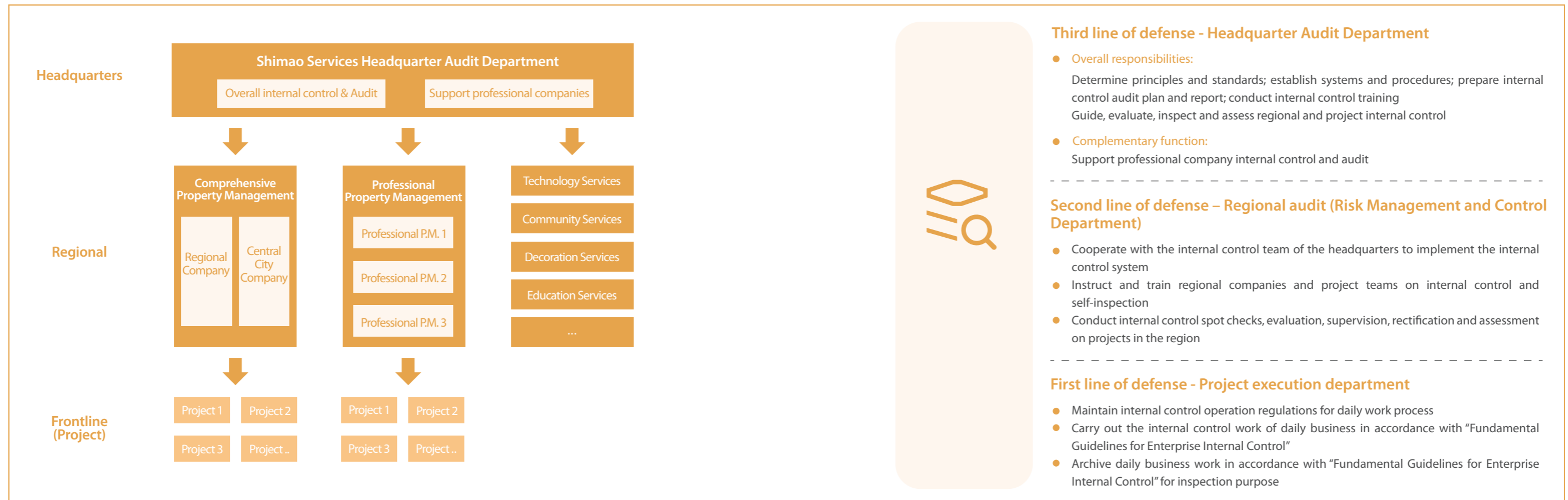
- To deal with the office area waste, resource sorting and recycling bins are placed and employees are required to sort the garbage into residual, household food and other waste
- Maintain a clear ledger of resource recovery and disposal for traceability

Safeguard Social Ethics

Risk Management and Internal Control

In accordance with the "The Company Law of the People's Republic of China", "The Basic Standard for Enterprise Internal Control" and related supporting guidelines, Shimao Services has developed a risk management and internal monitoring system to identify, assess, manage, monitor and report all major risks of the company, and reports to senior management, the audit committee and the Board when necessary. Shimao Services has also formulated and implemented internally the "Internal Control Inspection Management Regulation" and "Comprehensive Risk Management Regulation", and updated the "Business Ethics and Penalty Standards 2.0", "Supplier Management Regulation" and other control documents to enhance and standardize Shimao Services risk management work and facilitate the Shimao Services strategy and its sustainable, stable and healthy development.

► All-around optimization of the internal control system and organizational empowerment



► Risk and Control System



Risk-oriented internal audit

- Focusing on the risks, Shimao Services has conducted internal audit and internal control inspection to implement and improve company policies and systems, thus realizing the supervision on risk management and internal control by internal audit

Systematic approach to risk management

- Shimao Services has established a risk management team to identify the risks through the whole life cycle and conduct risk evaluation and rating; for major risks, the team evaluates the design of controls and verify its effectiveness

Annual Risk Management Assessment

- Shimao Services has established risk self-assessment and made risk management reports based on the results of the self-assessment

Use digital tools to monitor and improve processes

- Shimao Services has standardized and improved the closed loop of internal control evaluation, correction, follow-up and re-evaluation



Third line of defense - Headquarter Audit Department

- Overall responsibilities:
Determine principles and standards; establish systems and procedures; prepare internal control audit plan and report; conduct internal control training Guide, evaluate, inspect and assess regional and project internal control
- Complementary function:
Support professional company internal control and audit

Second line of defense – Regional audit (Risk Management and Control Department)

- Cooperate with the internal control team of the headquarters to implement the internal control system
- Instruct and train regional companies and project teams on internal control and self-inspection
- Conduct internal control spot checks, evaluation, supervision, rectification and assessment on projects in the region

First line of defense - Project execution department

- Maintain internal control operation regulations for daily work process
- Carry out the internal control work of daily business in accordance with "Fundamental Guidelines for Enterprise Internal Control"
- Archive daily business work in accordance with "Fundamental Guidelines for Enterprise Internal Control" for inspection purpose

Compliance Policy

► Employee compliance guidelines

In addition to strictly abiding by national laws and regulations, international business ethics standards, and anti-fraud standards, Shimao Services has issued internal *Code of Business Ethics and Penalty Standards 2.0* (the *Code and Standards*) to address business ethics issues of six dimensions, including illegitimate interests, conflicts of interest, investment, information confidentiality, company assets and information accuracy, and to standardize employee behavior. Shimao Services also formulated *Guidelines for Investigation and Procedures of Business Ethics Violations by Shimao Services Employees* and *List of Employee Severe Violation Behaviors 2.0*. Employees who conducted serious violation against the *Code and Standards* would be given red card or "yellow card", and be dismissed immediately after the red card. In addition, Shimao Services adds the "Code of Integrity" in the "Shimao Employee Handbook", emphasizing that it is the responsibility of each employee to understand and abide by the "Code of Integrity", and clearly stating that "No employee is allowed to solicit and receive benefits", "No permission to leak any information that is not available in the public, such as confidential information, specific document or property technology to outsiders without the Company's authorization". Moreover, Shimao Services posts posters advocating integrity in the main business premises, so as to increase employees' awareness of integrity and enable employees maintaining an honest and self-disciplined working style, which will strengthen anti-corruption and sustainability development in the Company, and eliminate improper and corrupt behaviours.

► Supplier compliance guidelines

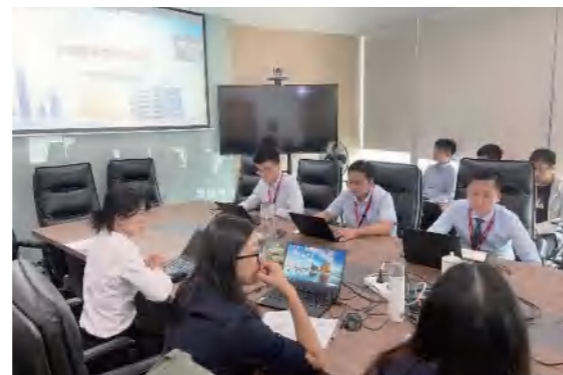


Shimao Services attaches great importance to supplier compliance and business ethics, and follows these cooperation principles:

- Principle of centralized procurement – "Function concentration", "Business concentration";
- Principle of transparency and fairness – "The procurement process must be fully transparent... All decisions on procurement should be made collectively by the bid evaluation team/purchasing team, and under-the-table deals should be prohibited..."
- Principle of sufficient competition and select the best supplier – "...encourage the full and appropriate participation of comparable...suppliers to join the bid to ensure open competition, and select the one with best overall competitive advantages to work with..."
- Principle of confidentiality – "All procurement documents...must not be disclosed or have improper commitments"
- Principle of traceability – "Procurement process data... must be collected, sorted, documented and filed in a timely manner as required. All documents need to be completed, cross-examined and filed according to relevant requirements for future inspections and audits."

Compliance Training

Shimao Services has carried out anti-fraud and anti-corruption training covering all employees. All its subsidiaries have conducted integrity publicity through display boards, internal journals, WeChat official accounts and other channels, and regulated employee behaviour through integrity talks and integrity commitments. This year, Shimao Services conducted business and professional ethics trainings for all employees in the headquarters and all regional companies. The trainings included introduction of anti-fraud policy and its significance, risk analysis, typical case analysis, whistle-blowing channels and policies, etc.



Business ethics training

Internal Whistle-blowing Mechanism

► Internal whistle-blowing and protection mechanism

Shimao Services has a sound internal whistleblowing mechanism. The company has posted anti-corruption notices in the office and sales areas, and has set up a designated line, a mailbox and other reporting channels on company official website. For clear and specific reports, the company carries out thorough investigation, and there is a clear reward system for reporting. In addition, Shimao Services makes every effort to protect the personal and property safety of whistleblowers, and has formulated whistleblower protection policies to keep the related information and materials with strict confidentiality measures and procedures.




In 2021, a total of 16 reports were received, all of which have been investigated and dealt with accordingly.

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Tip-off page on Shimao Services official website

Appendix

HKEX ESG Framework Reference

General Disclosure	Page	KPI	Page/Note
A. Environment			
A1. Emissions	P49-52	A1.1-1.4	Appendix-Emissions
		A1.5-1.6	P49-52
A2. Use of Resources	P45-49	A2.1-2.2	Appendix-Natural resources
		A2.3-2.4	P45-49
		A2.5	Not applicable to business
A3. Environment and Natural Resources	P45-52	A3.1	P45-52
A4. Climate Change	P51	A4.1	P51
B. Social: Employment and Labour Practices			
B1. Employment	P31-33	B1.1-1.2	Appendix-Employee
B2. Health and Safety	P37-38	B2.1-2.2	Appendix-Health and safety
		B2.3	P37-38
B3. Development and Training	P34	B3.1-3.2	Appendix-Development and training
B4. Labour Standards	P31-33	B4.1-4.2	P31-33
B. Social: Operating Practices			
B5. Supply Chain Management	P39-41	B5.1	Appendix-Supplier
		B5.2-5.4	P39-41
B6. Product Responsibility	P13-30	B6.1	Not applicable to business
		B6.2	Appendix-Product responsibility
		B6.3-6.4	P26-27
		B6.5	P28
B7. Anti-corruption	P53-56	B7.1	Appendix-Corporate ethics
		B7.2-7.3	P55-56
B8. Community Investment	P42-44	B8.1-8.2	P42-44

Performance Data Summary

Emissions	By type (if applicable)	Unit	2021
Direct greenhouse gas emissions	Gasoline	Tons of carbon dioxide equivalent	145.40
Indirect greenhouse gas emissions	Electricity	Tons of carbon dioxide equivalent	268.14
Carbon emission density	/	Tons of carbon dioxide equivalent per sq.m.	0.03
Emissions	Nitrogen oxides	Ton	0.583674
Emissions	Sulfur oxides	Ton	0.000944
Emissions	Particulates	Ton	0.055083
Total Hazardous Waste	/	Ton	1.54
Hazardous Waste Density	/	Tons/sq.m.	0.000101
Total non-hazardous waste	/	Ton	-
Non-hazardous waste density	/	Tons/sq.m.	-
Natural resources	By type (if applicable)	Unit	2021
Total direct energy use	Gasoline	MWh	593.98
Total indirect energy use	Electricity	MWh	394.44
Energy use density	/	MWh/sq.m.	0.064887
Total water use	/	Ton	1,259.00
Water use density	/	Tons/sq.m.	0.082649
Employee	By type (if applicable)	Unit	2021
Total employees	/	Person	41,643
By gender	Female	Person	21,162
By gender	Male	Person	20,481
By age	Under 30	Person	6,601
By age	30-50 years old	Person	17,432
By age	Over 50 years old	Person	17,610
By region	Within China	Person	41,642
By region	Outside China	Person	1

Employee	By type (if applicable)	Unit	2021
By type of employment	Full time	Person	41,626
By type of employment	Part time	Person	17
By category	Non-management	Person	35,880
By category	Management - Female	Person	2,445
By category	Management - Male	Person	3,318
Minority	/	Person	909
With disability	/	Person	78
Overall employee turnover rate	/	%	2%
By gender	Female	%	2%
By gender	Male	%	6%
By age	Under 30	%	8%
By age	30-50 years old	%	4%
By age	Over 50 years old	%	2%
By region	In China	%	2%
By region	Outside China	%	0%
Health and Safety		Unit	2021
Number of work-related fatalities		Person	3
Rate of work-related fatalities		%	0.005%
Lost days due to work injury		Days	2,437
Development and training	By type (if applicable)	Unit	2021
Trained employees as a percentage of total employees	/	%	100%
By gender	Female	%	100%
By gender	Male	%	100%
By category	Non-management	%	100%
By category	Management	%	100%

Development and training	By type (if applicable)	Unit	2021
Average training hours of employees	/	Hours/Person	5.35
By gender	Female	Hours/Person	5.49
By gender	Male	Hours/Person	5.21
By category	Non-management	Hours/Person	4.35
By category	Management	Hours/Person	11.57
Supplier	By type (if applicable)	Unit	2021
Total number of suppliers	/	Entity	5,050
By region	In China	Entity	5,050
By region	Outside China	Entity	-
Product Responsibility		Unit	2021
Number of products and service related complaints received		Hours	9,231
Customer Satisfaction Percentage for the Year		%	91%
Corporate ethics		Unit	2021
Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period		Cases	0
Compliance and anti-corruption training ratio for directors and all employees (including non-regular employees)		%	100%
Compliance training ratio of major suppliers		%	100%

Note 1: Scope of Emissions and natural resources is referred to office area of the Group.

Note 2: The calculation of direct and indirect greenhouse gas emissions follows the "Guidelines for Accounting and Reporting of Greenhouse Gas Emissions of Public Building Operating Enterprises (Trial)" set by the National Development and Reform Commission of China and other coefficients of international general standards.

Note 3: The calculation of nitrogen oxides, sulfur oxides and particulate matter in emissions follows the A1.1 "Automobile Emission Data" in "How to Prepare an ESG Report (Appendix 2)" proposed by the HKEX and other coefficients of international general standards.

Note 4: Disposal of hazardous waste consists of scraped cartridge, battery, scrapped bulb, plastics, etc.

Note 5: Disposal of non-hazardous waste consists of used paper, office general waste, metals, etc.

Note 6: The calculation of the total direct and indirect energy use is based on the "Guidelines for Accounting and Reporting Greenhouse Gas Emissions of Public Building Operating Enterprises (Trial)" set by the National Development and Reform Commission of China and other coefficients of international general standards.

Note 7: Water resources include only municipal water.

Note 8: The calculation of the overall employee turnover rate: using the absolute value of the difference between the number of new employees this year and the number of employees terminated this year, then it is divided by the sum of total number of employees by December 31, 2021 and the number of employees terminated this year, then multiply it by 100%.

Note 9: The number of work-related fatalities and its ratio of this year is disclosed, because the statistical method has been updated and historical data does not apply.

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Investor Relations Department
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