

美好生活智造者
BETTER SMART LIFE

For any feedback or advice on our sustainable development performance and reporting,
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Investor Relations Department
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SHIMAO SERVICES HOLDINGS LIMITED

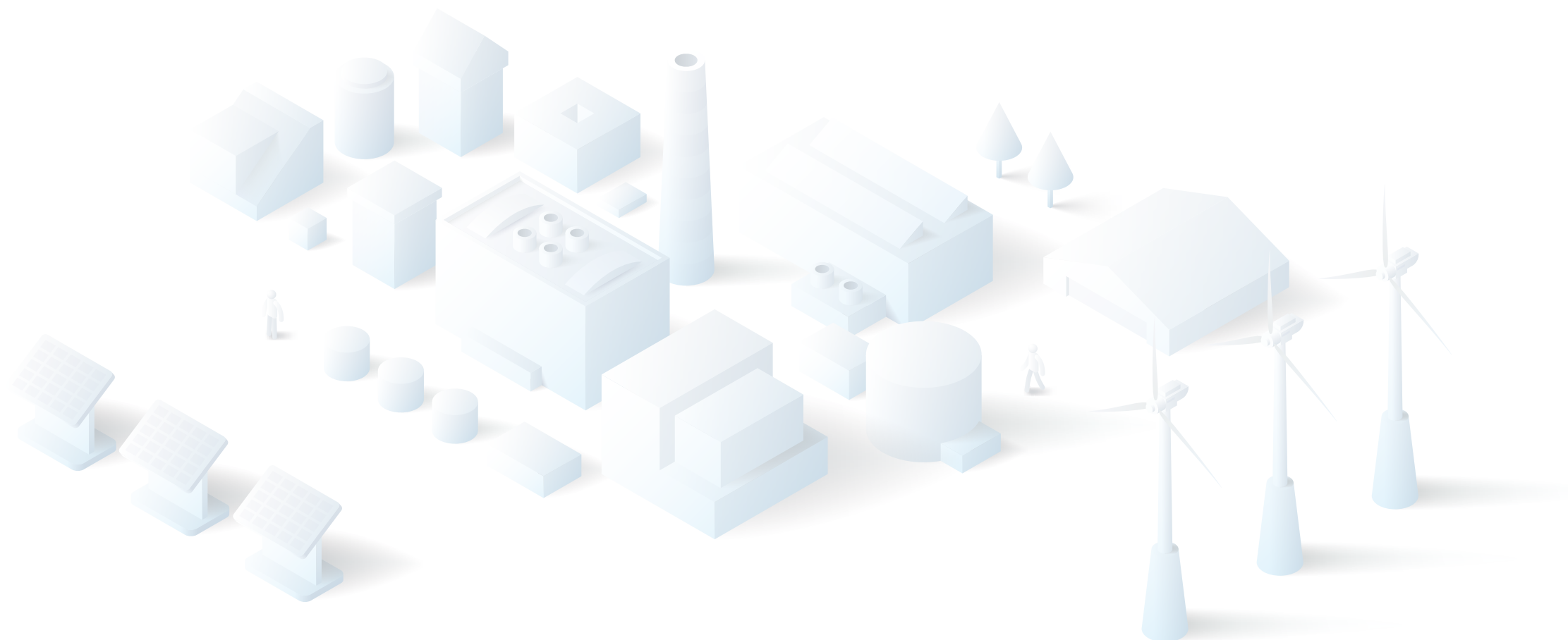
世茂服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 873



2024 可持續發展報告 SUSTAINABILITY REPORT

Report Summary	03
About the Report	05
Company Introduction	06
Sustainability Highlights and Performance Metrics	07
Awards and Honors	08
Corporate Governance	09
Emphasizing Risk Management	09
Ensuring Compliance and Integrity	11
Sustainability Management	13
Communication with Stakeholders	14
Materiality Assessment	15



1	Service and Quality First	17	2	Enhancing Eco-friendliness, Embracing a Greener Future	27	3	Respecting, Trusting and Empowering Employees	37	4	Enriching Communities, Empowering Life	43
	1.1 Enhancing Service Quality	19		2.1 Creating Green Compounds	29		3.1 Creating a Diverse Environment	39		4.1 Cultivating Compound Culture	45
	1.2 Conducting Responsible Procurement	23		2.2 Expanding Environmental Businesses	33		3.2 Empowering Employee Development	39		4.2 Building Friendly Neighborhoods	45
	1.3 Implementing Responsible Marketing	25		2.3 Implementing Low-Carbon Operations	35		3.3 Ensuring Occupational Safety	41		4.3 Participating in Industry Construction	46
	1.4 Driving Development with Digital Intelligence	26		2.4 Advocating Green Concepts	36		3.4 Strengthening Employee Care	42			

Appendix	47
HKEx ESG Report Framework Reference	47
Performance Data Summary - Environmental	50
Performance Data Summary - Social	51



Report Summary



Looking back at 2024, the persistently turbulent international environment and the rapidly changing domestic market have brought new opportunities and challenges to the property management service industry. As a leading provider of integrated property management and community life services in China, Shimao Services is closely following the wave of urbanization and expanding its service scope in multiple business sectors. We actively respond to changes in industry development models and promptly optimize our organizational structure. While catering to market demands and enhancing the operational capabilities of our core property management services, we shift our growth focus towards non-residential sectors, achieving healthy and balanced development across multiple sectors.

Under the national policy advocacy of "Property Services + Life Services", Shimao Services adheres to the concept of "Service and Quality First" and launched comprehensive quality improvement campaigns focusing on three aspects: "hardware improvement", "soft service enhancement", and "community culture construction". These efforts aim to foster warm, inclusive communities for residents. In 2024, nationwide quality improvement initiatives such as "Spring Ploughing Action", "Green Revolutionary Program" and "Seasons of the Heart" were sequentially launched to establish a new and high-standard "Management-Quality-Supervision" business chain.

We strive to reduce the environmental impact of our operations through building up eco-friendly residential projects and innovating new environmental business layout. In residential business sector, we have established energy-saving mechanisms and targets to achieve standardized energy management, collaborating with residents to foster eco-friendly compounds. In non-residential business sector, we pioneered a "sanitation + environmental protection" new business model, in which we realize the cleaning, collection and transfer of waste at the front end, and realize the resource utilization and energy utilization of waste at the back end by sorting and processing solid waste ("solid waste"), thus driving the growth in environmental businesses.

We take respecting, trusting and empowering employees as management goals. By improving the talent employment and development system, we attract and cultivate professional talents to expand our workforce. At the same time, we listen to the voices of employees, ensure employees' occupational health and safety, and promote the continuous growth of each employee in an environment full of humanistic care.

We held diverse community cultural activities to meet evolving spiritual and cultural needs of residents and users. We initiated distinctive public welfare volunteer activities to foster a friendly and mutually supportive neighborhood atmosphere. Furthermore, we enrich our cooperation models with industry partners, through participating in the improvement of industry standards and other methods to lead the standardized development of the industry, achieving mutual benefits and win-win outcomes across the industry.

Looking ahead, Shimao Services will uphold its craftsmanship, consolidate its core business, continuously explore diverse business models, expand into new sectors, and continuously adjust and optimize its business structure, steadily advancing towards high-quality development.

About the Report

Scope of the Report

This report is the fifth sustainability report (the "Report") of Shimao Services Holdings Limited ("Shimao Services", (the "Company") or "We", together with its subsidiaries). The Report focuses on the sustainable development performance of Shimao Services, future objectives and plans, including the impacts of Shimao Services on environment, society and economy. The reporting period is from January 1, 2024 to December 31, 2024 ("Reporting Period"). The content of the Report covers Shimao Services headquarters and its subsidiaries.

Reporting Standard

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

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

Quantitative: The Report presents environmental and social key performance indicators ("KPI") in quantitative data, with descriptions to illustrate their purpose and impact.

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

Consistency: Unless otherwise specified, the statistical method of the Report is consistent with that of the 2023 Sustainability Report, and no major changes have occurred.

Source of Information

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

Access to Report

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

Company Introduction

Shimao Services was listed on the Main Board of HKEx in October 2020 (Stock Code : 873) and is a leading provider of integrated property management and community life services in China. It serves as the sixth council member unit of the China Property Management Association, the vice-chairman unit of the Hubei Provincial Property Services and Management Association, the vice-chairman unit of the Fujian and Hebei Provincial Property Management Associations, and the executive director unit of the Tianjin Property Management Association, etc. The Company has received numerous awards, including 2024 TOP 6 of 100 China Property Service Enterprises in Comprehensive Strength, 2024 TOP 6 of 100 China Property Service Enterprises in Service Capability, and 2024 TOP 6 China Property Service Enterprise in Brand Value.

The Company prioritizes "Service and Quality First", to deliver high-quality, warm property management services to residents. With the core focus on providing convenience for the resident, we develop value-added services that closely meet user needs, creating a diverse and wonderful community life for residents and users.



As of December 31, 2024, the Company operates in 122 cities nationwide, managing 1,447 projects with a total gross floor area ("GFA") under management of 218.4 million square meters, covering various types of properties, including residential, universities and colleges, hospitals, public buildings, industrial parks, and transportation hubs, etc., providing property management services, community value-added services, value-added services to non-property owners and city services for nearly 3.2 million residents and users.

In residential business sector, the Company classifies residential projects into affordable category, basic category and improvement category according to project characteristics, each with specialized service systems. By listening to the voice of customers, focusing on resident needs and enhancing community environments, we provide high-quality property management services for residents. By organizing colorful community cultural activities, we enrich residents' lives and build warm compounds.

In non-residential business sector, the Company provides high-quality property management services for various type of properties, including industrial parks, public buildings, office buildings, transportation hubs and public venues, etc. Through acquirees, including Zhejiang Zheda Sinew Property Services Group Co., Ltd. ("Zheda Sinew"), Hunan Jili Property Management Services Co., Ltd ("Jili Property Management"), Shenzhen Shiluyuan Environment Co., Ltd. ("Shiluyuan Environment") and Shanghai Chunqiji Elderly Care Service Co., Ltd., we offer a variety of specialized services in university and college property management, hospital property management, city services and elderly care services. The Company also expands its service scope into emerging fields such as facility equipment management, energy conservation and emission reduction renovations and solid waste treatment.

In value-added services, the Company focuses on the life and needs of residents, delivering diversified value-added services, including home services, home decoration, rental and sales, new retail and community childcare, etc. By integrating "online and offline" service models, it constructs a "5-mintue lifestyle circle" to create an all-around community life service system and provide high-quality, convenient services for residents and users. We also offer a series of value-added services for customers throughout the entire real estate development cycle, including showroom services, pre-planning, design consulting services and repair and maintenance services.

Sustainability Highlights and Performance Metrics



Governance Responsibility

- ▶Shimao Services was awarded "2024 TOP 10 China Leading ESG Sustainable Development Listed Property Management Enterprise" and "2024 Best ESG Practice for Listed Property Service Enterprises in China" Awards.
- ▶100% signing rate of the *Supplier Integrity Commitment*.
- ▶Conducted compliance and integrity training twice, with 462 participants; 12 email briefings were sent to all employees.



Service Responsibility

- ▶Residential business sector upgraded 2 routes for drivers and pedestrians, 5 scenarios and 18 touchpoints, to upgrade service quality and create a soft service list.
- ▶In non-residential business sector, a total of 6 projects passed benchmark certification, with non-residential business annual owner satisfaction score of 94.
- ▶Completed 99% of extreme climate safety risk inspections for 737 projects under management nationwide.
- ▶Conducted 2,948 safety risk inspections, rectified 6,837 safety hazards, performed 2,051 emergency drills and collaborated with local fire departments for 185 joint drills across all business sectors.
- ▶Delivered 83 supplier training sessions, covering 90% of frequently cooperating suppliers, and had 4,620 supplier communications.
- ▶No customer data or privacy breaches occurred.



Environmental Responsibility

- ▶Established an environmental management organizational framework and launched a special project for energy conservation and consumption reduction in residential business.
- ▶Implemented waste sorting in 23 cities nationwide.
- ▶Launched China's first project integrating sanitation services, solid waste disposal and renewable resources ("Three-Network Integration").
- ▶Promote energy transformation in non-residential projects such as office buildings and industrial parks, etc.



Employee Responsibility

- ▶Enriching tiered training courses for senior, middle and frontline employees.
- ▶Innovated performance evaluation and incentive plans, further expanding the coverage of share award scheme.
- ▶Achieved 100% completion rate for fire safety risk inspections and conducted 1,306 fire drills nationwide totally.
- ▶Implemented the "Five Guidelines" to actively implement the corporate culture.
- ▶Established an employee welfare task force to listen to employee voices and meet their needs.



Social Responsibility

- ▶Continue community cultural activities to foster neighborly communications.
- ▶Innovated public welfare volunteer programs based on community development needs, adding beauty to life.

Awards and Honors

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



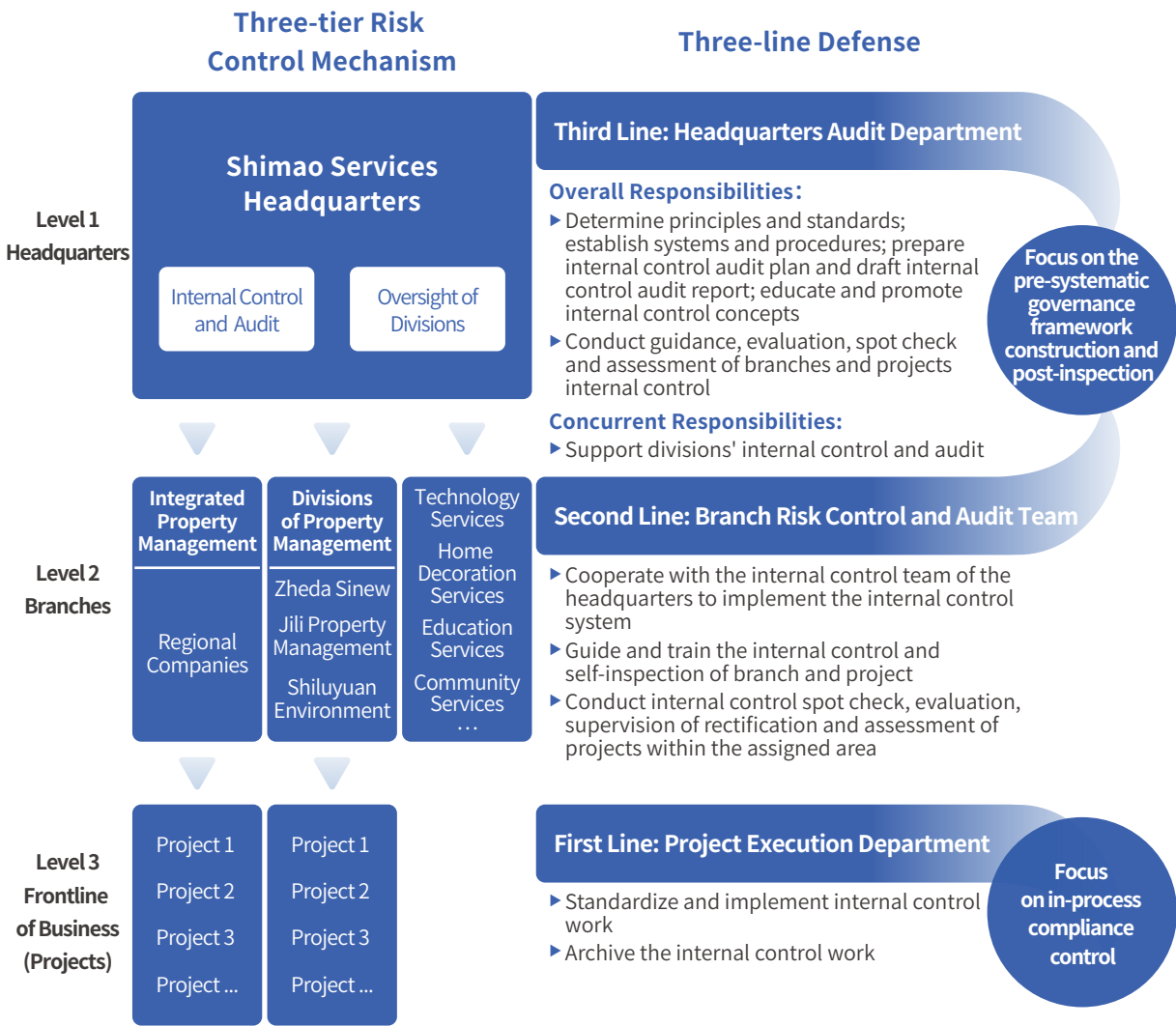
Awards and Honors	Awarding Institution
Awarded Entity: Shimao Services Holdings Limited	
2024 TOP 6 of 100 China Property Service Enterprises in Service Capability	CRIC Property Management
2024 TOP 6 China City Services	
2024 TOP 8 China High-End Property Service Capability	
2024 TOP 2 China Red Property Service Leading Enterprise	
2024 TOP 7 China Transportation Hub Property Service Capability	
2024 TOP 8 China Property Service Satisfaction Leading Enterprise	
2024 TOP 6 China Property Service Enterprise in Brand Value	
2024 TOP 7 of 10 China Property Service Enterprises in Comprehensive Strength	
2024 China Property Service Market Operation Leading Enterprise	
2024 China Property Service Growth Leading Enterprise	
2024 TOP 10 China Leading ESG Sustainable Development Listed Property Management Enterprise	
2024 TOP 20 China Property Management Listed Enterprise	
2024 TOP 10 China Leading Property Management Listed Enterprise in Revenue-Scale	
2024 TOP 10 China Leading Property Management Listed Enterprise in Management-Scale	Beijing Zhongwu Zhihui Information Technology Co., Ltd.
2024 TOP 7 of 20 China Property Management Industry Listed Enterprises	
2024 Best ESG Practice for Listed Property Service Enterprises in China	Leju Financial Research Institute
2024 High-Quality Development Property Service Model Enterprise	
2024 Outstanding Property Service Brand Enterprise	
Awarded Entity: Shimao Tiancheng Property Services Group Co., Ltd	
2024 TOP 6 of 100 China Property Service Enterprises in Comprehensive Strength	Beijing Zhongwu Zhihui Information Technology Co., Ltd.
2024 TOP 100 China Property Enterprises in High-Quality Service Capability	
2024 TOP 20 China Residential Property Service Enterprise	
2024 TOP 20 China Hospital Property Service Enterprise	
2024 TOP 20 China Industrial Park Property Service Enterprise	
2024 China Property Service Satisfaction Leading Enterprise	
2024 TOP 7 of 100 New Quality Property Brand Value	Leju Financial Research Institute
2024 Property Enterprise Service Capability Excellence Performance	Viewpoint Index Research Institute
2024 Property Service Enterprise Excellence Performance	

Corporate Governance

Emphasizing Risk Management

Shimao Services strictly complies with the *Company Law of the People's Republic of China*, the *Basic Internal Control Norms for Enterprises* and other relevant national laws and regulations. The Company has formulated and continuously optimized the *Internal Control Inspection Management Policy*, the *Comprehensive Risk Management Policy* and other internal systems.

The Company has built a top-down risk control ("risk control") and internal control ("internal control") system, which is under the responsibility of the Board, with an Audit Committee and a Audit and Risk Control Center established under it to specifically coordinate and promote relevant work, covering all levels of all branches and departments of the Company. At the same time, based on this risk control organizational structure, the Company has established a "three-tier risk control mechanism" of headquarters decision-making, branch supervision, and project execution, and implemented the setting of the "three-line defense" for internal control through hierarchical internal control inspections.



In 2024, Shimao Services conducted operational internal controls and business-specific audits. It pre-analyzed financial, operational and risk data to evaluate revenue, costs and internal control of six branches and their projects in property management service business. The Company summarized similar cases identified in audit processes, and based on regional operation performances, carried out targeted training and risk evaluations for business departments, headquarters and relevant functional units nationwide. For risk points, the Company will promptly develop rectification plans and track their implementation.

The relevant departments uphold the independent third-party audit principle, maintaining strict confidentiality of the materials obtained and the content of the audit work to avoid conflicts of interest.

Ensuring Compliance and Integrity

We regularly carry out compliance audits for all business sectors, to identify potential risks, and foster a clean corporate culture. In 2024, the Company conducted 20 audits in total. Over 30 management loopholes were detected, covering aspects such as individual fraud committed by employees, and 7 rectifications were proposed.

Audit Content	Main Tasks	Frequency and Scope
Fraud investigation	Conduct lead discovery, investigation and verification, and accountability processing for fraud discovered through complaint reports, internal control specials and internal control inspections, etc.	<ul style="list-style-type: none">▶ Ongoing annually▶ Headquarters + Branches Coordination▶ Cover all business sectors▶ Conduct sampling audits on all business sectors quarterly
Anti-corruption	Organize clean culture construction and anti-corruption education	<ul style="list-style-type: none">▶ Conduct sampling audits on all branches semi-annually

Compliance Policy

Shimao Services strictly complies with national laws, regulations and international ethical standards. We formulate and continuously improve such management regulation documents as the *Policy for Anti-money Laundering and Anti-Terrorist Financing Management*, the *Code of Professional Ethics and Penalty Standards 3.0*, the *List of Employee Severe Violation Behaviors*, and the *Guidelines on Investigation and Procedures of Business Ethics Violations by Employees*, clearly define the Company's code of ethics, and the standards and manner of pursuing responsibility.

We regularly brief the directors of the Company (the "Directors") on changes in HKEx rules, including topics on business ethics. By providing comprehensive information, it helps the Directors supplement their knowledge and capabilities in a timely manner considering the latest market trends, economic developments, and changes in the latest legal and regulatory rules, to better fulfill their duties. We have included the "Code of Integrity" in the *Employee Handbook*, emphasizing that it is the responsibility of every employee to understand and comply with the "Code of Integrity". All employees are required to sign the *Employee Integrity Commitment* when they join company. We have put up integrity posters in key business locations, helping to prevent various improper behaviors such as bribery and corruption.

In terms of supplier integrity management, the Company has formulated the *Supplier Management Policy* and the *Bidding Management Policy*, adhering to the six cooperation principles of centralized sourcing, transparency and fairness, full competition, selection based on merit, confidentiality and traceability. We require suppliers to sign the *Supplier Integrity Commitment*, urging them to firmly abide by relevant codes of conduct. The Commitment also lists reporting channels to encourage suppliers to promptly report disciplinary and illegal incidents such as accepting and soliciting bribes.

Whistle-blowing Mechanism

Shimao Services has opened four reporting channels, including email, letter, official website and telephone. A reporting and sorting mechanism has been established to ensure that each report undergoes efficient screening, thorough tracing or transfer. The Company has formulated a clear reporting reward mechanism. Meanwhile, it attaches great importance to the protection of whistle-blowers. The information of whistle-blowers and the relevant materials they provide are kept confidential under strict procedures, and all forms of retaliation are strictly prohibited.

Shimao Services Whistle-blowing Reporting Channel

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

During the Reporting Period
Supplier Integrity Commitment



The signing rate
100%

Whistle-blower Protection

The *Code of Professional Ethics and Penalty Standards 3.0* defines the whistle-blower protection mechanism and relevant management principles:

- ▶ To trace and punish those responsible for threats, intimidates, bribes and retaliates against investigator, whistle-blower and witness in the process of investigation.
- ▶ Personnel handling complaints or reports should strictly maintain the confidentiality of the whistle-blower and provide timely, clear guidance to the whistle-blower and the parties involved to strictly protect the whistle-blower's information and provide appropriate material rewards.
- ▶ To encourage and prioritize real-name reports.



During the Reporting Period

The number of email complaint and reports received and processed was

192

The number of telephone complaint and reports received and processed was

390

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

0



Cultural Construction

Shimao Services conducts regular compliance training and integrity education for all employees. Through forms such as audit case analysis, education on laws and regulations, and education of internal control systems, employees are clearly informed of the red-line of laws and regulations and the bottom-line of business ethics. In 2024, the Company conducted compliance and integrity training twice, with 462 participants; 12 email briefings were sent to all employees.

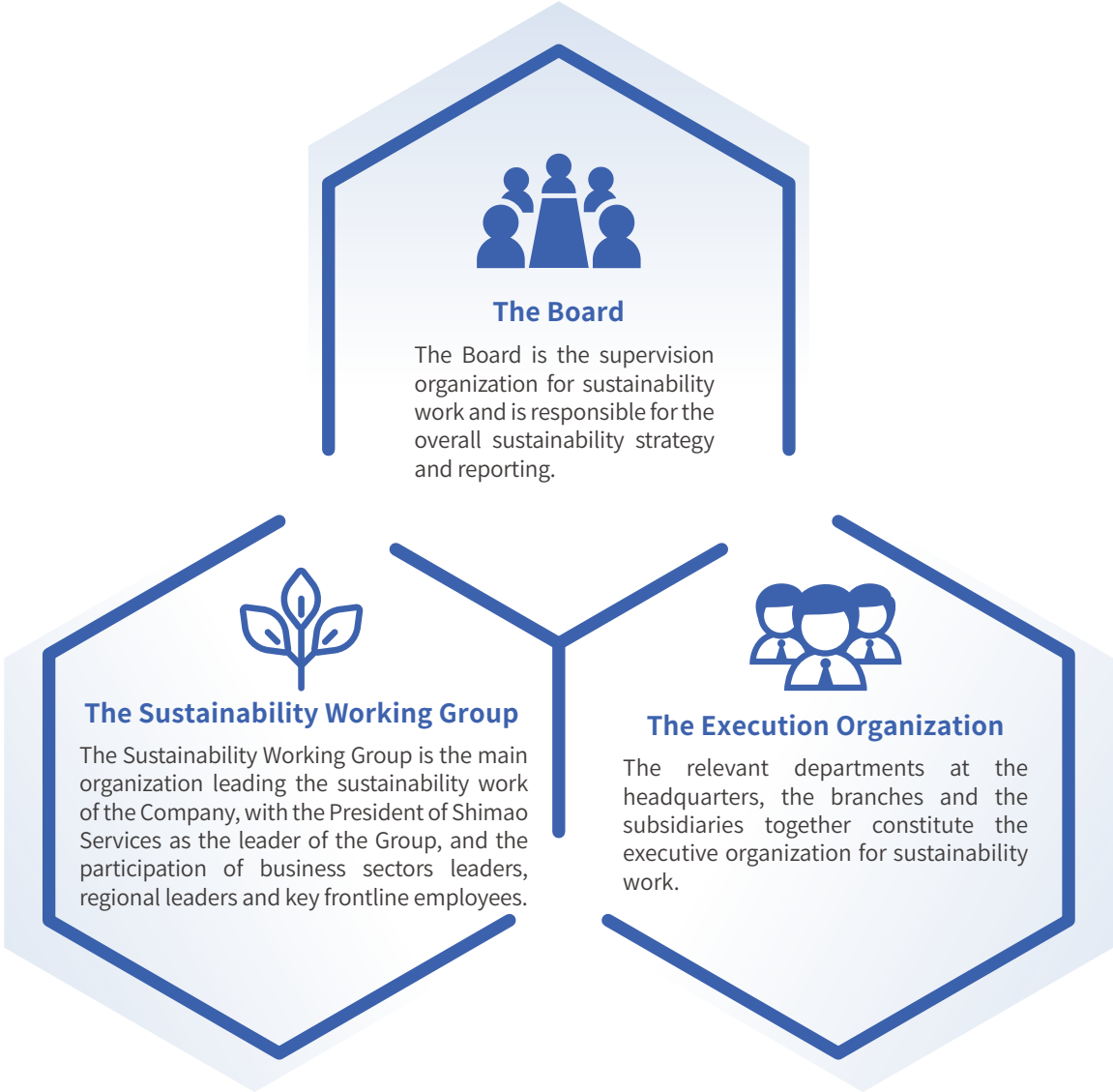
In addition, the Company promotes the *Sunshine Cooperation Agreement* and the *Supplier Integrity Commitment* to suppliers through the internal procurement platform and the procurement WeChat official account. It also irregularly promotes the Company's integrity management requirements to suppliers through face-to-face meetings or emails, etc., continuously enhancing the integrity awareness of suppliers.

Sustainability Management

As a leading provider of integrated property management and community life services in China, Shimaos Services is committed to sustainable development. Through diversified business layouts and refined management, we enhance corporate competitiveness. Meanwhile, we strive to promote the long-term harmonious coexistence of the enterprise, society, and the environment, and work hand in hand with stakeholders to achieve sustainable development goals.

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

The Sustainability Working Group of the Company ("the Group") is the main organization leading the sustainability work of the Company, with the President of Shimaos Services as the leader of the Group, and the participation of business sectors leaders, regional leaders and key frontline employees. The group is responsible for implementing the sustainability strategy of the Company formulated by the Board.



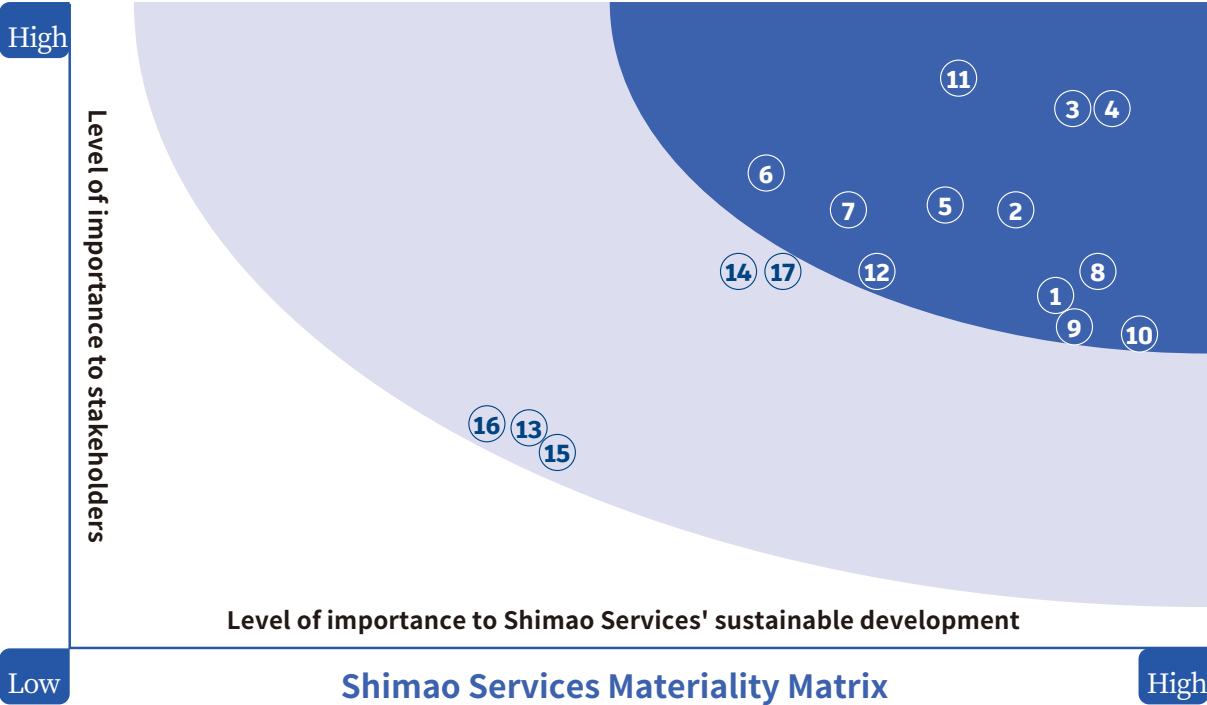
Communication with Stakeholders

Shimaos Services establishes a regular communication mechanism with stakeholders to understand the demands and expectations of each stakeholder in a timely and effective manner and integrate them into the Company's operational decision-making process.

Stakeholders	Primary Concerns and Expectations	Actions	Communication Channels
 Government and Regulator	Legal compliance Tax duty Employment promotion City development	Strengthen compliance management Pay taxes in compliance with laws and regulations Create and secure jobs Innovative city services	Government meetings Symposium Exchanges Bidding cooperation
 Shareholder and Investor	Business development Return and growth Risk control Corporate governance	Continuous growth Risk management and internal control Regular disclosure of operation information Investor meetings	Results briefing Online and offline meetings Roadshows and reverse roadshows On-site visits and tours
 User	Faithful fulfillment of obligations High-quality services Personalized experience Comments and complaints handling Privacy protection	Provide users with high-quality services Incorporate smart technology Smooth user communication and feedback channels Ensure user information security	User satisfaction survey Door-to-door visits Service follow-up
 Supplier and Contractor	Faithful fulfillment of obligations Transparent sourcing Mutual development	Standardization of bidding procedure and performance evaluation Implementation of transparent bidding and sourcing policy Mutual benefit and win-win with suppliers	Supplier evaluations Supplier meetings
 Employee	Salary and welfare guarantee Health and safety Promotion and development opportunities	Timely and full payment of wages and contribution to social insurance Flexible welfare plan Employee Care Foundation Career development channels	Employee communication meetings Employee activities

Materiality Assessment

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



Level of Importance	Category	2024 Material Topic	
12 topics Great Importance	Corporate governance	1	Risk management and internal control
		2	Compliance and anti-corruption
	Product and service	3	User welfare, health and safety
		4	Service quality management
		5	Information security and privacy protection
		6	Responsible marketing
	Employee	7	Sustainable supply chain
		8	Occupational health and safety
		9	Diversity and equality employment
	Community	10	Employee training and development
		11	Community culture building
		12	Urban life empowerment
5 topics Moderate Importance	Product and service	13	Technological innovation and application
	Environment	14	Effective utilization of resources
		15	Energy and emission management
	Community	16	Address climate change
		17	Social equality support

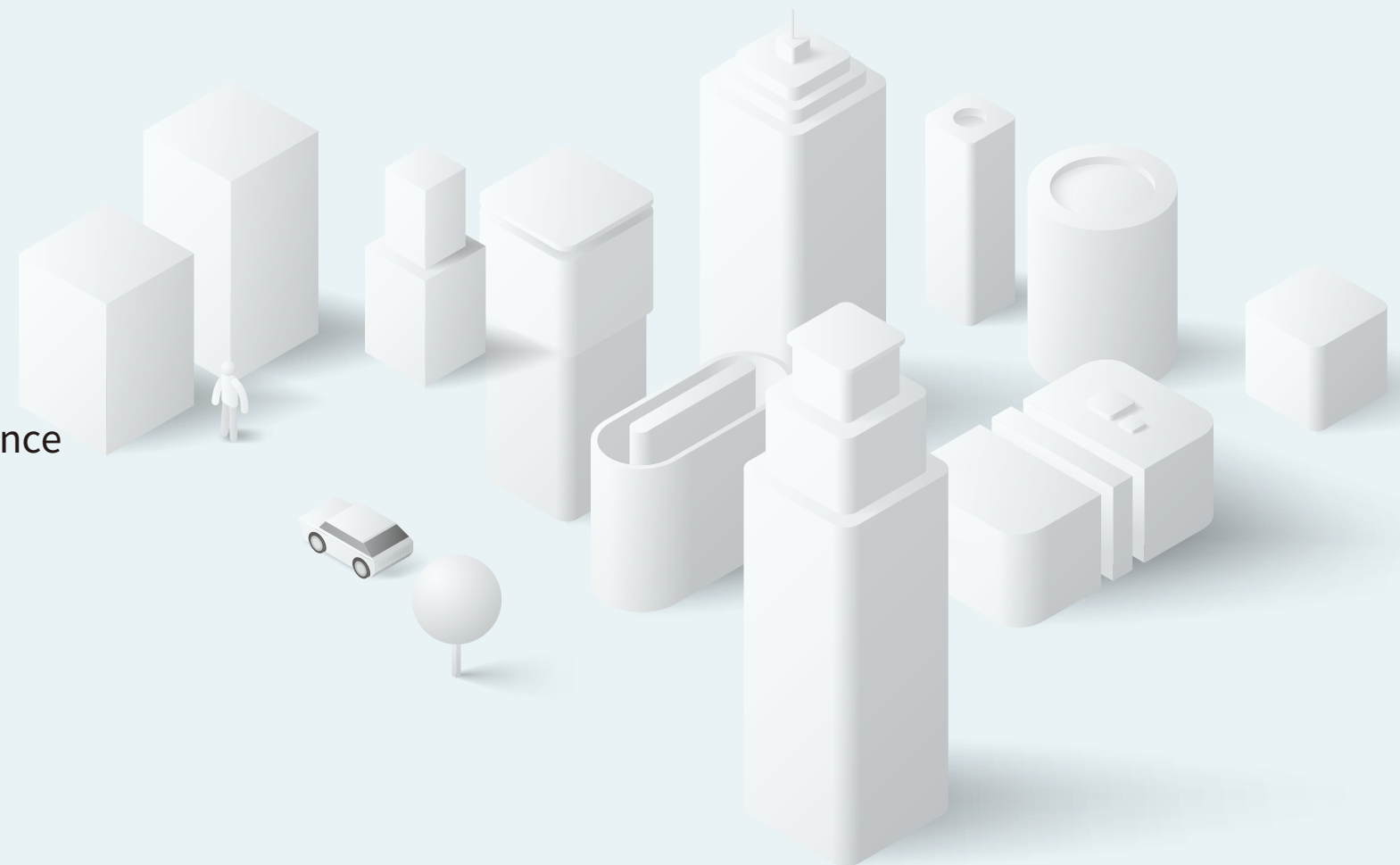


Constantly improving service quality is the key for property management service enterprises to achieve high-quality development. In residential business sector, we emphasize providing differentiated services and community culture construction to elevate customer experience and well-being. In non-residential business sector, we specialize in areas such as universities and colleges, hospitals, and public buildings, striving to maintain a leading position in these fields.

1

Service and Quality First

- 1.1 Enhancing Service Quality
- 1.2 Conducting Responsible Procurement
- 1.3 Implementing Responsible Marketing
- 1.4 Driving Development with Digital Intelligence



1.1 Enhancing Service Quality

Shimao Services continues to explore its service scopes, comprehensively improves its business process of quality management by establishing a "Management-Quality-Supervision" business chain. At the operation and management level, we have improved management mechanisms and enhanced service standards. At the service quality level, we have updated service products focusing on three aspects: hardware improvement, soft service enhancement, and community culture construction. At the supervision level, we have reinforced internal and external supervision mechanisms to comprehensively deepen management.

1.1.1 Compacting Service System

Shimao Services has established a "5M Service Quality" assurance mechanism. We focus on the key segments of customer services to implement quality supervision, integrating core indicators including customer service requests, complaint resolution tracking and satisfaction surveys into our quality supervision management system to ensure service quality.

Call Center Proactive Investigation and Follow-up	Proactively making phone follow-ups to listen to users' feedback and evaluations on service quality and makes timely improvements
Grid Management Model	Shimao Services 1001 Managers implement a grid management model to supervise the execution of various services
Tiered Quality Supervision	Four levels of on-site service quality supervision are conducted to maintain consistent service quality throughout the year through on-site service quality inspections
APP Online Evaluation	Establishing an online communication and feedback mechanism through the Maojia APP, enabling real-time receipt of residents' and users' service evaluations
Remote Data Monitoring Platform	Leveraging community-wide visual remote monitoring and real-time AI data feedback system to supervise the implementation of every service

Shimao Services "5M Service Quality" Assurance Mechanism

Residential Business Sector

In 2024, Shimao Services updated the service level certification standards for the residential business. Based on the unit price of property management fees, projects were classified into three categories: affordable, basic and improvement. The classification also integrates additional factors such as project location, GFA under management, and occupancy rate, providing a comprehensive service level assessment.

For three categories of projects, we have formulated specific standards, focusing on 2 routes for drivers and pedestrians, 5 scenarios and 18 touchpoints to upgrade service quality and create a clean, beautiful, safe and orderly living environment for residents. To further enhance the accuracy and effectiveness of management, the Company has optimized the information system, achieving systematic management of key information such as customer archives information, resident property details, public spaces, parking spaces and elevated layer information, etc. Additionally, we emphasize regular data maintenance, enabling the project data to better serve management decisions.

2 Routes	Routes for drivers and pedestrians				
5 Scenarios	Venue	Way to home	Leisure place	Facility and landscape	Indoor service
18 Touchpoints	Resident entrance and exit	Motor vehicle parking lot	Road and square	Woodwork and iron recreational facility	Indoor repair
	Vehicle entrance and exit	Non-motorized vehicle parking area	Public green space	Garbage house and garbage bin	Customer visit
	Property service center	Unit lobby	Leisure facilities	Landscaping	
		Elevator lobby		Lighting	
		Elevator cabin			
		Staircase			

Shimao Services Residential Project Quality Improvement Special Project

The Company focuses on the development of fundamental business capabilities for project managers, conducting monthly specialized skill training at the branch level. For project managers and other management staff, we provide advanced talent development courses to build a structured talent pipeline for service personnel.

Non-residential Business Sector

In 2024, Shimao Services issued a set of systems and standards, including the *Grading and Maintenance Policy for Major Clients*, the *Operating Guidelines for Nodes in the Life Cycle of Non-residential Business* and the *Quality Inspection Problem Recording Form for Non-residential Business*, etc. In terms of quality inspection, the Company promotes multi-level inspections on project quality at the headquarters, branch and region levels. For key projects with identified quality issues, the Company establishes time-bound rectification protocols, branch review and headquarters review mechanisms to guarantee closed-loop improvement.

During the Reporting Period, a total of 6 projects in the non-residential business sector passed benchmark certification.



In terms of the development of service talents, the Company has successively carried out special training programs with themes such as quality management, fire safety training, etiquette training, etc., to enhance the service awareness and capabilities of employees in service quality control position at all levels, project leaders, and all frontline employees.

1.1.2 Enhancing Customer Experience

Shimao Services continuously improves its customer-centric service system. In response to the problems reported by the customers, the Company carries out timely respond and solution, with work order system to achieve quantitative, immediate and continuous attention and assessment. For customer complaints, the Company adheres to the principle that "all complaints must be addressed" formulating and implementing the *Customer Complaint Handling Guideline* to ensure that customer complaints are dealt with promptly and effectively resolved.

Residential Business Sector

To better listen to the voices of customers, we have launched the "Listening Plan" special initiatives, which include monthly project manager reception days, service announcements and customer visits. These efforts actively identify and follow up on customer concerns. In 2024, the Company conducted over 6,000 project manager reception days, received more than 100,000 customers in total; the completion rate of customer visits reached 94%. Complaints raised by the customer during visits were resolved at a 90% completion rate, while daily service requests achieved a 99% completion rate.

Beyond basic quality services, we have developed a soft service list comprising 7 major categories and 14 service themes, focusing on enhancing customer experience, meeting the psychological needs of customers, fostering interactivity and shaping the differentiation of property management services.



Convenience Activities

22 convenience services

Community Culture

Festival activities

Service Announcements

Display workflow and results

Childhood

Children's fun
Back-to-school gifts

Neighbourliness

Neighborhood clubs

Health and Wellness

Accompanying medical services
Care for empty-nest elderly

Lifestyle

Flea markets, Personalized services
Health appointments, "Night school"
Leisure lounges, Birthday parties

Shimao Services Soft Service List

Case Shanghai Shimao Binjiang Garden: Establishing a High-Quality Service Benchmark

Shanghai Shimao Binjiang Garden, a renowned international community in Lujiazui, actively creates a livable environment and innovative lifestyle for its residents. The project service team provides convenience services including luggage delivery service, express mail service, taxi service and on-demand water delivery, etc. During special occasions such as weddings, relocations and festivals, we prepare flowers, gifts and other congratulatory gifts for the resident. To meet the diverse needs of different groups of resident, the team collaborates with neighborhood committees, community hospitals, and other agencies and institutions to regularly set up health check-up points, establish resident health records, provide emergency medical assistance for empty-nest elderly and offer value-added services such as ventilation for vacant units. Moreover, the team operates various clubs, including the Binjiang Haiyun cheongsam club, choir club, and tai chi club, etc., thereby further enriching residents' daily life.



Health Check-up Services Choir Activities

Non-residential Business sector

Based on client brand influence, market potential of client's location, and client's business stability, the Company classifies non-residential clients into three categories: Strategic Clients, Key Clients, and General Clients, which are managed respectively by headquarters, branches, and projects. The Company has established targeted communication mechanisms including face-to-face meetings, satisfaction surveys, and telephone interviews, etc. In 2024, the non-residential business annual owner satisfaction score was 94.



Guangzhou Huijin Project Creates a High-end Reception Service

1.1.3 Creating Safe Communities

Customer health and safety is a critical indicators of measuring property management service quality. We always place the customer health and safety at the core of our management and continuously strengthen security measures.

In residential business sector, the Company conducts 4 safety risk inspections annually, covering extreme climate safety risk inspections, equipment safety risk inspections, fire safety risk inspections and on-site potential safety hazard inspections. We have developed comprehensive emergency response plans and conduct regular quarterly drills to mitigate relevant risks to the greatest extent.

During the Reporting Period, the completion rate of extreme climate safety risk inspections for 737 projects under management nationwide was 99%.

Case Innovating Safety Management: Enhancing Fire Alarm Host Safety

Shimao Services has independently developed the "Leakage Alarm System for Fire Alarm Host", specifically designed for monitoring living water tanks, fire pools and related equipment. Once leakage is detected, the on-site alarm will be activated immediately, allowing relevant personnel to be aware of the potential safety hazards of the equipment in the first time and avoiding an increase in energy consumption costs.

This equipment has been awarded with "Utility Model Patent Certificate" by the National Intellectual Property Administration and was shortlisted for the "2023 Property Management Innovation Case" by the China Property Management Association.

Conducted 2,948 safety risk inspections

Rectified 6,837 safety hazards

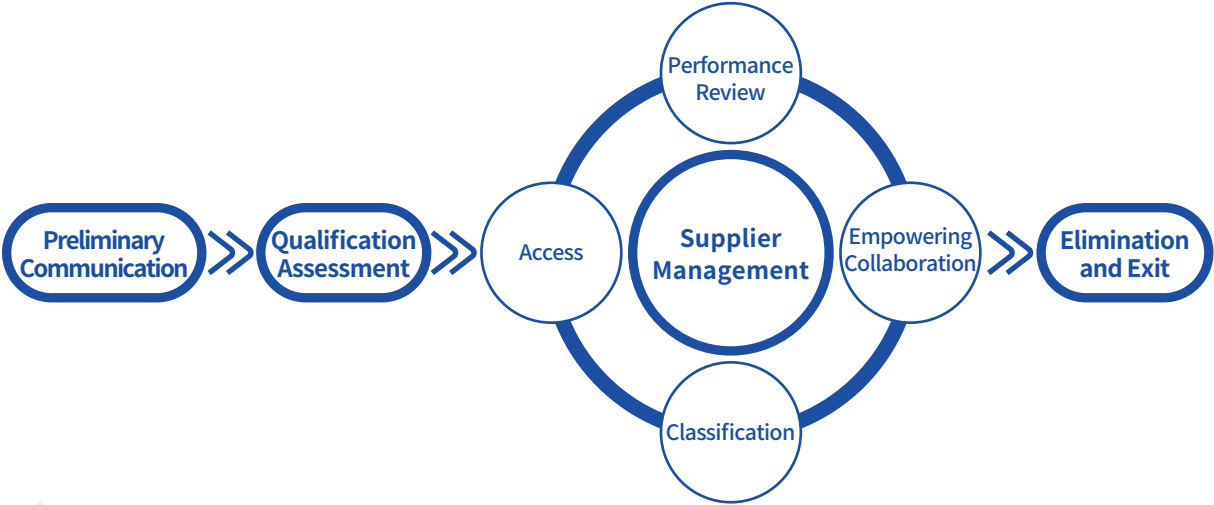
In 2024, the Company conducted special rectification actions for safety production of non-residential projects and conducted two safety inspections. We conduct comprehensive inspections of fire fighting systems, emergency exits, evacuation routes, labour protective equipment, etc., to ensure the normal operation of facilities and equipment. The Company improved various emergency response plans, strengthened routine inspections and organized safety training for related employees and customers to enhance their safety awareness and self-rescue abilities.

In 2024, Shimao Services completed 2,948 safety risk inspections, rectified 6,837 safety hazards, carried out 2,051 emergency drills and collaborated with local fire departments to conduct 185 joint drills across all business sectors.

1.2 Conducting Responsible Procurement

Shimao Services integrates sustainability assessment into procurement decisions-making and supplier management, implementing internal policies such as the *Tendering and Bidding Management Policy*, the *Post-bidding Procurement Management System* and the *Supplier Management System*. The Company exercises strict and entire process control over suppliers from access to elimination and exit, and regularly conducts supplier review and empowerment to establish a supply chain environment featuring fair competition, integrity and transparency, as well as harmonious symbiosis.

In 2024, the Company updated supplier performance evaluation standards, continuously improving the procurement platform, while optimizing the supplier elimination and exit mechanism, improving supplier quality, to provide support for the continuous improvement of project service quality.



Supplier Management Process

To further enhance the sustainability awareness and management capabilities of the procurement employees, the Company holds monthly online meetings and regularly conducts specialized training sessions on integrity, business management, and other topics. This helps employees to keep abreast of the latest regulatory requirements regarding labour management, environmental product applications, and procurement cases across different branches.

Supplier Access



The Company selects suppliers in accordance with the *Tendering and Bidding Management Policy* and other regulatory requirements. During the selection process, the Company collects candidate suppliers' ESG performance data, including business risks, commercial reputation, labour management practices, and environmentally friendly product applications, etc., while organizing on-site inspections to comprehensively identify, assess, and mitigate social and environmental risks. Candidate suppliers are required to sign the *Supplier Integrity Commitment* and other declaration documents to guarantee adherence to business ethical standards throughout future collaborations. Once the relevant qualification is approved, selected suppliers will be added to the Company's supplier database and start cooperation.

Supplier Supervision and Performance Review

The Company implements multi-dimensional sustainability supervision and assessment for engineering, services and materials suppliers, etc., including employment security, occupational health and safety, and environmental compliance. The relevant requirements are explicitly stipulated in bidding documents and agreements to ensure alignment with sustainability objectives.

Environmental Management Requirements	The cleaning equipment, tools and cleaning agents provided by the suppliers must comply with the standards of ISO 9001 Quality Management System Certification, ISO 14001 Environmental Management System Certification, and ISO 45001 Occupational Health and Safety Management System Certification.
Insurance Management Requirements	The supplier is responsible for ensuring the personal safety of its employees and purchasing third-party liability insurance for them.
Material Management Requirements	The supplier must ensure that the quality and packaging of its products meet national and industry standards, as well as relevant regulations regarding repairment, replacement, and return responsibilities, and comply with product environmental protection requirements.
Labour Protection Requirements	The supplier is responsible for handling social insurance, wages, and labour protection benefits, etc., for its maintenance personnel in accordance with national regulations.

Supply Chain Environmental and Social Risk Management (Take Cleaning Services as an Example)

 Red-line items <ul style="list-style-type: none">◆Significant deviations in the payment of employee remuneration from agreements.◆Fabrication of personnel attendance records and settlement statements.	 Yellow-line items <ul style="list-style-type: none">◆Personnel business insurance omitted more than 3 times or more than 10% of personnel are not insured in a single case.
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Supplier Exit Management Red-line and Yellow-Line (Take Compliance Employment as an Example)

The Company has established a routine review mechanism for suppliers, managing their performance through monthly performance evaluations, internal control inspections and third-party quality inspections. The Company also maintains supplier files, organizes irregular meetings and coaching sessions, and conducts annual evaluations of the performance situation to achieve hierarchical management and control of suppliers.

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

Supplier Enhancement and Empowerment

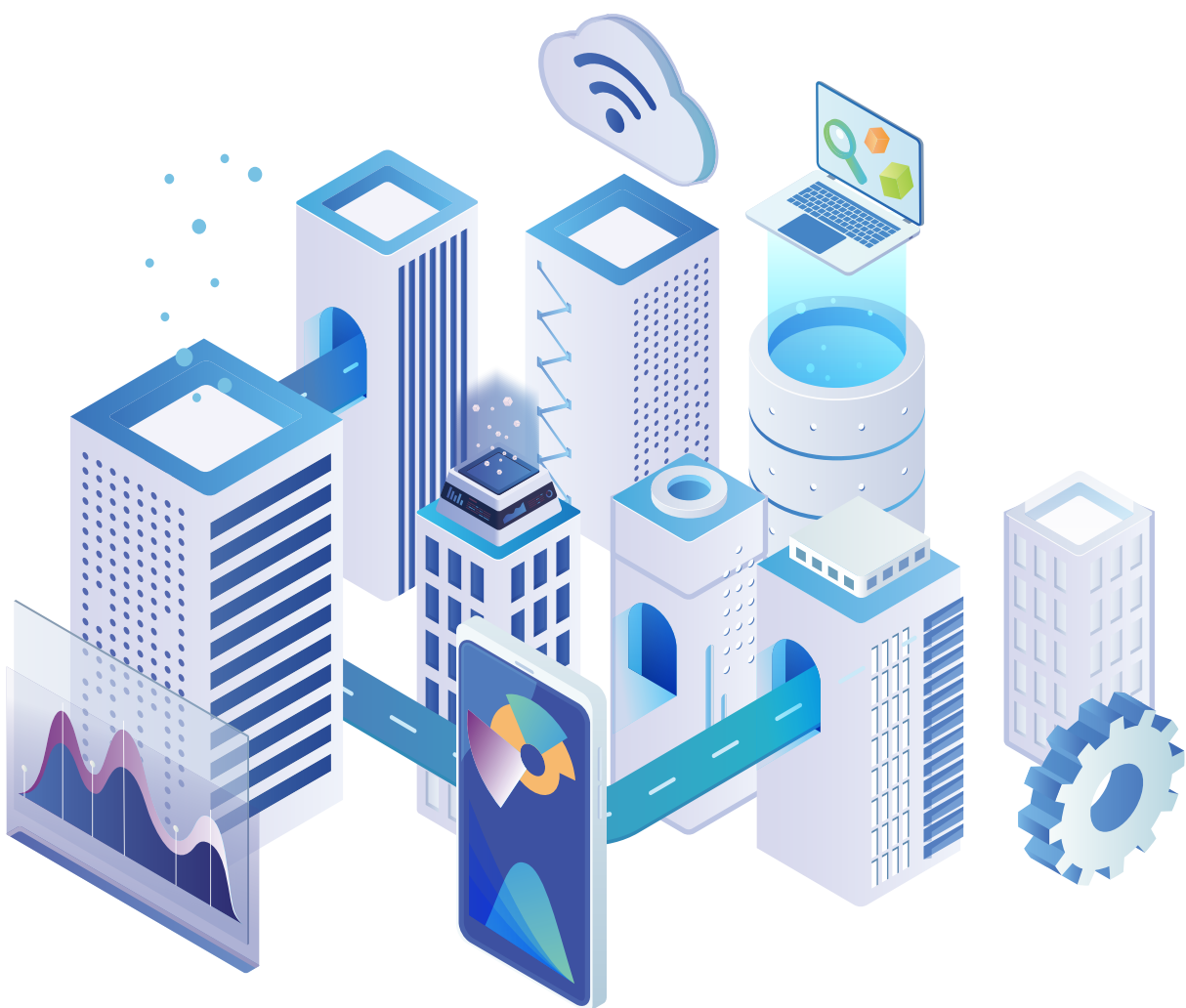
The Company conducted supplier training through various methods such as face-to-face interviews, video conferences, online documents, procurement platforms and WeChat official accounts, and strengthened routine communication via phone calls and video conferences. During the Reporting Period, the Company conducted 83 supplier training sessions, covering 90% of frequently cooperating suppliers, and had 4,620 supplier communications.

1.3 Implementing Responsible Marketing

Shimao Services implements responsible marketing policies, strictly complying with the *Advertising Law of the People's Republic of China* and other relevant laws and regulations. We have established the *Brand Management Policy*, the *Brand Visual Identity Management Policy*, the *Media Communication Management Policy*, the *Public Opinion Management Policy* and other requirements. The Company also established a standardized database for market expansion and marketing to ensure that the marketing information is clearly and accurately conveyed in different advertising scenarios, while guaranteeing its authenticity and legality.

In residential business sector, the Company offers advertising venues for its partners and imposes strict requirements on the content, format and channels of their advertisements, supplemented by routine inspections. In accordance with the demands of property management service business, we formulate differentiated marketing strategies for different types of compounds, integrating service concepts and project features into advertisements.

In non-residential business sector, from project pre-assessment, to service fulfilment, and contract renewal, the property management service business department and the market department collaborate closely. This ensures the legality and compliance of relevant advertising information and fully demonstrates the services capabilities and sustainable competitive advantages of the non-residential business.



1.4 Driving Development with Digital Intelligence

Shimao Services actively embraces digital transformation to enhance service efficiency and quality. The Company has established clear measures for data security and privacy protection management to safeguard the intelligent development of services.

1.4.1 Information Security Management

Shimao Services strictly adheres to relevant laws and regulations, including the *Cybersecurity Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China* and the *Data Security Law of the People's Republic of China*, and has formulated and implemented internal management standards such as the *Information Confidentiality Management System* and the *Information Security Management System*. The Company has passed the ISO/IEC 27001:2022 Information Security Management System Certification and the ISO/IEC 20000-1:2018 IT Service Management System Certification, covering all relevant business sectors.

In terms of risk prevention, the Company has established a data security risk assessment and vulnerability scanning program. Through five major stages, including formulating work plans, implementing risk mitigation plans, conducting penetration tests, data analysis and reporting, and carrying out problem rectification, the identified risk events are classified into different levels, and different preventive measures are formulated.

In terms of risk response, the Company has formulated an *Emergency Response Management Measures* in response to potential network and information security emergencies. Emergencies are classified into four levels based on their controllability, severity and scope of impact. In the event of an emergency, the Company will immediately activate the emergency response plan, determine the emergency level, and identify whether it is caused by natural disasters or human destruction and will quickly initiate the corresponding handling processes to ensure the safe operation of networks and systems through a closed-loop management process.

Ensuring network information security is a long-term work. Shimao Services has comprehensively implemented safeguard measures in personnel, technology, materials, and drill exercises. For personnel safeguard, we value team building and conducted 14 themed training sessions on business systems and security for employees in the information technology lines in 2024. For technical safeguard, we focus on the cybersecurity construction and network information technology upgrades to strengthen the inner, middle and outer rings of the data security system. For material safeguard, the Company has purchased relevant emergency facilities based on the experience of domestic and foreign network information system security prevention over the past 3 years. For drill exercises, we have strengthened the education of users' knowledge of cybersecurity and carried out emergency drill exercises.

By the end of the Reporting Period, the Company had not experienced any customer data or privacy breaches.

1.4.2 Protecting Intellectual Property

Shimao Services values intellectual property protection and encourages innovation. The Company has formulated the *Intellectual Property Management System*, clarified the standardized patent application process for employees, set up special incentives, and integrated the indicators into the research and development department's performance evaluations, ensuring the timely and effective management and protection of the Company's intellectual property achievements. The Company also organize patent law and patent knowledge popularization activities to raise employees' awareness of intellectual property protection and enhance their intellectual property management skills.

Patent Type	Cumulative Valid (Item)
Invention Patent	4
Utility Model Patent	23
Design Patent	41
Software Copyright	151

Latest Intellectual Property Status

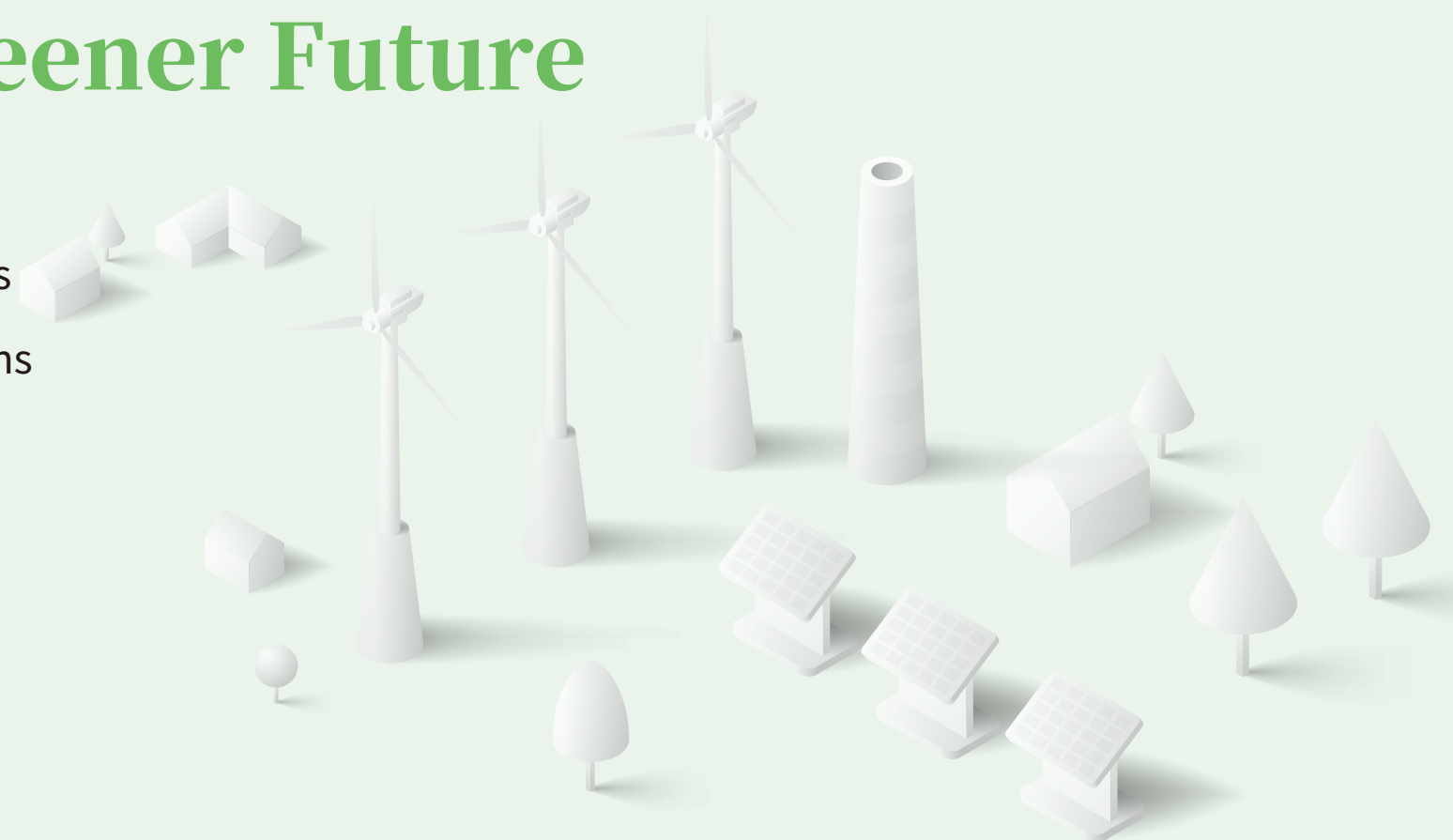
Note: Cumulative valid: Remaining valid as of 31 December, 2024.



Shimao Services strives to minimize the negative environmental impact of our operations. On this basis, property management services take the construction of green compounds as a key strategy of environmental management, actively creating eco-friendly living environments. We have laid out the environmental protection business at the same time, developed green operation models and provided new solutions for the development of green industries.

Enhancing Eco-friendliness, Embracing a Greener Future

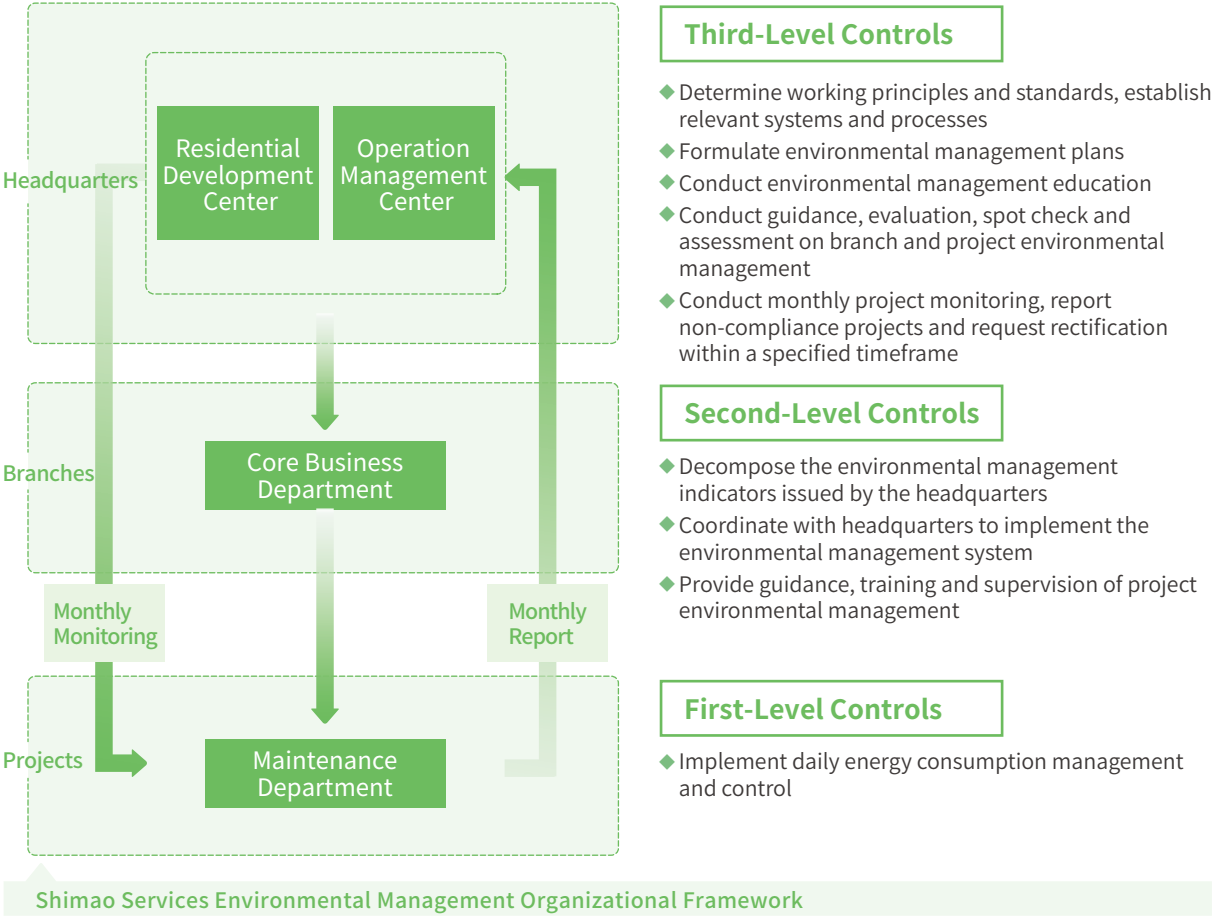
- 2.1 Creating Green Compounds
- 2.2 Expanding Environmental Businesses
- 2.3 Implementing Low-Carbon Operations
- 2.4 Advocating Green Concepts



2.1 Creating Green Compounds

Shimao Services actively responds to initiatives, such as the *Action Plan for Creating Green Communities*, etc., implementing green development concepts throughout the whole process of compound environmental management and services. We advance compound environmental construction and renovation in a low-carbon way, ensuring that the living environment of compound is clean, comfortable, safe, and beautiful.

In terms of environmental management mechanisms, the Company has established a top-down three-tier governance structure. The headquarters' Residential Development Center and Operation Management Center jointly set targets, indicators, and work requirements; the branch's Core Business Department is responsible for decomposing relevant indicators and supervising their implementation; the execution team composed of the project's Maintenance Department is responsible for execution. The headquarters and branches are equipped with full-time environmental management heads respectively to comprehensively promote environmental management work.



 In 2024, Shimao Services set up and reached the target of reducing the average monthly water and electricity consumption per square meter in residential projects under management by 10% throughout the year.  **10%**


2.1.1 Energy Management

Shimao Services strictly abides by national laws and regulations such as the *Environmental Protection Law of the People's Republic of China* and the *Energy Conservation Law of the People's Republic of China*, etc., and formulates management systems and operational guidelines such as the *Energy Consumption Management Guideline*, etc.

In 2024, the Company launched a special energy-saving and consumption reduction project to further optimize energy management and control. According to the special project plan, we have conducted an analysis of large energy consumers, formulated energy-saving management plans, and implemented renovation schemes, etc., while clarifying the corresponding responsible persons, review departments, and inspection standards. The Company has established an energy consumption data management process, from data collection, monthly analysis to result announcement and approval, all having statistical requirements, establishing statistical platform and clarifying responsible departments, to ensure the transparency and reliability of the data.


Meanwhile, the Company has formulated targeted rewards and punishment measures for project teams, the head of project maintenance and regional teams. A certain proportion of incentive bonuses will be given to the team that achieve increased economic efficiency or reduced energy consumption. In the case of unfinished goals, data falsification, data underreporting, etc., relevant personnel will receive oral/written warning, and in severe cases, the head of project maintenance may be dismissed.

Lighting Control in Public Areas




- ◆ Lighting control in public areas: According to the sunshine characteristics of different seasons, set the turn-on and turn-off time of landscape lights and lighting lamps, and set three lighting modes, including workday mode, weekend mode and holiday mode.
- ◆ Lighting control in underground garage: Reduce the number of lights while ensuring adequate lighting; carry out LED or IoT energy-saving transformation while controlling costs.

Elevator Operation Control



- ◆ Turn on the elevator air conditioner when the temperature reaches above 36 degrees Celsius.
- ◆ Prohibit simultaneous operation of air conditioners and ventilation fans.
- ◆ Adopt temperature control mode to adjust the temperature automatically according to changes of indoor temperature.
- ◆ Renovate elevator machine rooms that have conditions but without installation of ventilation fans.
- ◆ Promote elevator energy feedback devices as appropriate.

Pump and Distribution Room Operation Control



- ◆ Post a "Turn off lights when leaving" sign at the switch.
- ◆ Prevent the related equipment in the pump room and distribution room from operating continuously throughout the day.

Energy Management Measures in Compounds (Partial)

2.1.2 Water Resources Management

Shimao Services strictly adheres to relevant laws and regulations such as the *Water Law of the People's Republic of China*, etc. We follow the Company's management standards such as the *Energy Consumption Management Policy*, etc., to carry out statistics and monitoring of routine water usage in the public area of projects, identifying abnormal water usage through self-inspections and customer reports, strengthening the repair and maintenance of various water-consuming facilities, preventing water resources waste caused by human factors such as equipment damage and failure to repair in time, etc.



Management of Water Usage in Public Area

- ◆ Prohibit the usage of fire-fighting water for cleaning and landscaping, and eliminate the "long-running water" phenomenon.
- ◆ Combine water system cleaning with greening irrigation, and eliminate the phenomenon of random discharge of stored water.
- ◆ Choose in the morning and evening when the temperature is lower for greening irrigation to avoid waste, and make reasonable use of rainwater for landscape water system cleaning, water replenishment and greening irrigation.



Optimization of Water Supply Equipment for Pumping Stations

- ◆ Renovate domestic water supply pumping equipment for water-saving and cost control.

Water Resource Management Measures in Compounds (Partial)

2.1.3 Waste Management

Shimao Services strictly adheres to relevant laws and regulations, formulates systems such as the *Guidelines for Garbage Collection Operations* and the *Renovation Waste Cleaning and Transportation Business Management Policy* to specify the requirements for waste collection, sorting and disposal, minimize waste generation during operations and promote the reuse and recycling of waste.

The Company actively responds to national requirements not only implementing waste sorting in cities like Shanghai where it is mandatory, but also actively piloting and promoting it in other cities. During the Reporting Period, we have set up waste sorting drop-off sites in 737 projects nationwide and implemented waste sorting in 23 cities.



Hierarchical Management

- ◆ Based on the routes in compounds, conduct waste management at different frequencies.



Refinement of Waste Cleaning and Collection Requirements

- ◆ Conduct daily patrols, and promptly clean and collect waste when the garbage bin is more than two-thirds full.
- ◆ If the project sets up a fixed waste drop-off site, a cleaner will be arranged to collect the garbage door-to-door for the convenience of the residents on the higher floors.
- ◆ Garbage trucks and garbage bins shall be kept clean and tidy without damage.



Refinement of Floor Cleaning and Collection Requirements

- ◆ Avoid peak elevator usage times, clean and collect waste twice daily, and clean the garbage bins and surrounding environment weekly.
- ◆ After garbage is bagged, use the freight elevator to transport it to designated location, and promptly clean the freight elevator cabin.

Waste Management Measures in Compounds (Partial)

Case Creating a New Model for Compound Waste Management

Shimao Services sets up waste sorting sites in priority areas such as main roads and building entrances based on the actual conditions of different compounds. Each site has garbage bins for recyclables, hazardous waste, food waste and other waste.

Each waste sorting site is staffed with a cleaner who guides residents to sort waste properly during peak hours. These cleaners also conduct secondary inspections and sorting of waste when necessary, improving the efficiency of waste cleaning. Additionally, we collaborate with neighborhood committee where each project is located to conduct waste sorting knowledge promotion, building a green and livable environment with residents.



2.1.4 Prevention and Response to Extreme Weather

Shimao Services places great emphasis and actively prevents the impact of extreme weather to avoid threats to residents' safety, damage to infrastructure, traffic paralysis, facility failures and damage to greenery.

Adhering to the principle of "Prevention first, rapid response and all employees participation", the Company conducts risk inspections for extreme weather such as typhoons, floods, droughts, extreme heat and extreme cold, etc. Detailed emergency plans are developed by the Company and drills are organized for different scenarios. The Company regularly checks the operation status of key facilities and equipment in the compound. Before extreme weather arrives, disaster prevention measures are implemented, such as reinforcing greenery and billboards, etc., and monitoring weather changes in a timely manner to send safety alerts and response suggestions to residents.

Case Typhoon Defense

In November 2024, Typhoon Yagi made landfall in Hainan. To minimize the impact of typhoon on projects in Hainan, we took a series of preventative measures.

Pre-disaster

- ◆ Rapid Early Warning: Upon receiving a typhoon warning, each project immediately organized meetings to assign tasks, conduct safety inspections and prepare necessary supplies.
- ◆ Adequate Preparation: Before the arriving of typhoon, each project sent typhoon warnings to over total 9,000 residents, reinforced over 1,000 trees, reinforced over 4,000 doors and windows, unclogged over 200 drainage facilities, reinforced over 200 railings and put over 1,200 sandbags for flood control.

Post-disaster

- ◆ Establish a Special Task Force: Assigned dedicated personnel to follow up on the progress of restoring the water supply and power supply systems and clearing main roads. Timely confirmed the material situation of empty-nest elderly and those residents with limited mobility, and paid attention to vacant houses.
- ◆ Support Post-disaster Reconstruction: Dispatched additional temporary staff, started using heavy equipment for post-disaster recovery, repaired water supply and power supply equipment and cleared obstacles on main roads.
- ◆ Apply for Financial Support: Actively communicated with insurance companies for loss assessment and claims, and applied for special funds applicable to emergency repairs.
- ◆ Home Reconstruction: The manager provided daily updates on post-disaster reconstruction progress in public areas to residents and assisted them in repairing damaged houses.

Because of a series of active pre-disaster precautions and efficient post-disaster reconstruction efforts, the Company received recognition from the Haikou City and Wenchang City government, received positive feedback from the residents, receiving more than 30 banners, more than 30 thank-you letters, as well as many praises from the residents' WeChat groups.



2.2 Expanding Environmental Businesses

Shimao Services actively responds to the strategic guidance of circular economy, green development and dual-carbon goal outlined in the national 14th Five-Year Plan. We actively explore a new business model of "Sanitation + Environmental Protection" in the non-residential business sector. At the front end, the Company provides integrated urban and rural sanitation services, including cleaning, collection, and transportation of waste. At the back end, the Company conducts waste sorting and solid waste disposal to achieve resource utilization and energy conversion of waste.

2.2.1 Efficient Resource Utilization

The Company launched China's first Three-Network Integration project. The Company through consolidates resources from Huai'an environmental protection projects, achieved waste reduction, resource utilization and harmless disposal, contributing to the construction of "Waste-free City". The Company has equipped professionals for the Three-Network Integration project project, making full use of their rich experience in solid waste resource utilization and production management to assist the successful launch and development of the project.



August 2024

Shimao Xinneng · Huai'an Refuse Derived Fuel Project ("RDF", "RDF Project")

Shimao Services collaborates with China Securities Investment and Financing to innovate and upgrade the general solid waste disposal model. The RDF Project transforms general solid waste into low-carbon fuel that can replace coals, and sells them to enterprises that need renewable fuel such as power plants, cement factories and brick kiln factories, realizing solid waste recycling.



October 2024

Renewable Resources Sorting Center Project

The project collects recyclable waste generated by residents and implements refined sorting and traceability management at specialized sorting centers, ensuring all waste generated in daily life and production activities is collected.



October 2024

Huai'an City Sanitation Services Project

Shiluyuan Environment won the bid for the sanitation services project in Huaigao Town, Huaiyin District, Huai'an City, established a foundational platform for the collection and transportation of general solid waste and renewable resources.

Case Opening up Resource Recycling Chain to Advance Three-Network Integration Project

Shimao Services actively arranges general industrial solid waste RDF Projects and renewable resource projects, building a comprehensive industrial chain, realizing the efficient coordination of waste sorting, resource recycling and solid waste disposal, and promoting the efficient recycling of resources.

Characteristics of General Industrial Solid Waste RDF Project

- ◆ Source Classification and Collection: Classify and collect waste from the source, implementing unified and standardized management of various solid wastes.
- ◆ Intermediate Classification and Transportation: Through intelligent scheduling, the classified general industrial solid waste is transported to the RDF Project center.
- ◆ RDF Project Center: Combine manual and mechanical sorting, after the processing and production of resources, converting combustible solid waste into high-value product that can replace traditional fuel.
- ◆ Post-Sorting Resource Utilization: The sorted outputs include renewable resources, non-combustible solid waste, and combustible solid waste are further processed into RDF briquettes, etc.

Characteristics of Renewable Resource Project

- ◆ Source Classification and Collection: In compounds, shopping malls, office buildings, and other locations, implement the classified collection of renewable resources, ensuring unified and standardized management.
- ◆ Intermediate Classification and Transportation: Implement a multi-tiered transportation model of "point → station → sorting center → waste-utilizing enterprises" combined with actual business scenarios, equipped with specialized vehicles to transport recyclable materials to the renewable resource sorting center.
- ◆ Renewable Resource Sorting Center: Establish multiple semi-automated and AI-driven sorting lines for wastepaper, Expanded Polystyrene ("EPS"), Polyethylene Terephthalate ("PET") and metals, achieving efficient sorting of renewable resources.
- ◆ Post-Sorting Resource Utilization: The sorted outputs include high-value, medium-value and low-value renewable resources are further processed into PET bottle flakes, etc.

2.2.2 Implementing Energy Transformation

Under the national policy advocating the green transformation in traditional industries, Shimao Services has oriented itself towards energy-saving renovations and new energy business, carrying out a series of innovative practices centered on energy-saving and emission reduction in non-residential projects such as office buildings and industrial parks, etc.

The Company has launched energy management pilot programs in collaboration with Southern Power Grid and Beijing Gas Group. In the southern regions, the Company has carried out renovations of heating, ventilation and air conditioning system. In the northern regions, the Company has carried out renovations of heating facilities to assist clients in achieving energy-saving and emission reduction. We actively develop electric vehicle charging businesses, partnering with joint venture partner to explore the market of electric vehicle charging services and increase the proportion of new energy adoption. We are continually advancing traditional energy-saving renovations by optimizing lighting systems in underground garages and replacing equipment with higher energy efficiency.



Installed charging stations in the underground garages of office buildings and the parking lots in Nanjing Cloud Valley Science Park Project to facilitate the convenient use of electric vehicles

2.3 Implementing Low-Carbon Operations

We continuously optimizes the office operation management model to comprehensively enhance environmental performance of all businesses, reducing carbon emissions generated during business operations. We actively advocate green office and collaborate with every employee to create a green office environment.

2.3.1 Addressing Climate Change







In accordance with the guidance of the International Sustainability Standards Board ("ISSB"), Shimao Services continuously optimizes climate risk prevention strategies to strengthen the Company's capacity to address climate risks. The Company has integrated climate risks into overall risk assessment and management systems, and has established a relatively comprehensive climate management framework.

The Company will further identify climate risks and opportunities in its business operations, residential and non-residential business operations, improving corresponding emergency plans to reduce regulatory compliance risks, mitigate potential financial impacts such as asset depreciation and cost increases arising from climate-related incidents.

Management Framework	Main Work
Governance	<ul style="list-style-type: none">◆ The Board: Responsible for supervising sustainable development work including climate change and holds meeting on relevant issues at least once a year.◆ The Audit Committee: The Audit Committee under the Board considers to integrate climate change as one of the Company's risk management issues.◆ The Sustainability Working Group: Led by the President of the Company and composed of business sectors leaders, regional leaders and key frontline employees, climate-related issues are reported to the Board through the President of the Company.◆ Policy: The Company is discussing and drafting the <i>Climate Change Policy</i>.
Strategy	<ul style="list-style-type: none">◆ Risk: Extreme weather such as typhoons may cause harm to employees, damage assets and supply chains at the same time, and have indirect financial impacts.◆ Opportunities: Plan to implement green and low-carbon initiatives to prevent the increased operating costs caused by climate change and promote the Company's sustainable development.
Risk Management	<ul style="list-style-type: none">◆ Identification: Identifying and ranking relevant transition risks and physical risks.◆ Assessment: Sustainability related issues have been integrated into the risk assessment of due diligence for new acquisition projects, including energy efficiency and environmental performance.◆ Management: An emergency response plan has been established, including the Company can promptly respond to resident and user needs in the event of major extreme weather incidents.
Metrics and Targets	<ul style="list-style-type: none">◆ Climate change related key sustainable performance indicators and medium to long-term improvement goals are being developed: By 2030, the carbon emission intensity, energy efficiency (electricity consumption intensity), water efficiency (water consumption intensity), and the amount of waste generated in office areas will all gradually reduce.

2.3.2 Promoting Green Office Practices

Shimao Services continuously optimizes and execute *Office Management System*. By implementing management measures such as promoting the green office concept to all employees, posting eco-friendly and low-carbon posters, and organizing the "Earth Hour" themed event, promoting the formation of green and low-carbon work concepts and behavioral habits among employees..

Measures	Actions
Replace Electronic Devices 	◆ Replace old, high energy-consuming electronic devices with energy-saving devices.
Electricity Conservation 	◆ Promote turning off the electronic devices immediately after use, and implementing smart control of air conditioning systems.
Water Conservation 	◆ Promote turning off the tap immediately after use. ◆ Use energy-saving faucets, phosphate-free detergents, and biodegradable cleaning supplies.
Paper Conservation 	◆ Promote paperless office, avoiding repeated printing and encouraging double-sided printing. ◆ Promote paper recycling, set office paper recycling bin to centrally collect discarded paper, encouraging the use of printed paper for secondary printing.
Waste Management 	◆ Bottled water and paper cups are no longer provided in the meeting room, encouraging employees to use personal cups. ◆ Encourage the adoption of renewable or recyclable office supplies such as recycled paper, pens with replaceable refills, and toner cartridges.
Green Commuting 	◆ Encourage employees to travel green and use public transportation for commuting. ◆ Guide employees to reduce travel frequency, avoid unnecessary travel, and improve travel efficiency.

2.4 Advocating Green Concepts

Shimao Services values the green operation of its own business and hopes to advocate the green concept through collaborating with residents and users, carrying out environmental protection promotion actions in a larger scale.

Case Carry Out Tree-Planting Activities

On Tree-planting Day, Shimao Services carried out tree-planting activities, to jointly create a livable environment with the residents.

Case Turning Waste into Treasure to Build a Beautiful Home Together

At Wuhan Shimao Splendid Yangtze River Phase V, the project team discovered pipes and wooden boards discarded by residents. Inspired by creative videos on social media, the team came up with the idea of using waste materials to create decorative landscapes and functional areas.

Since 2021, the team has actively collaborated with residents to repurpose discarded materials into various landscapes such as windmills, painted murals, and boardwalks, newly added over 20 landscapes.



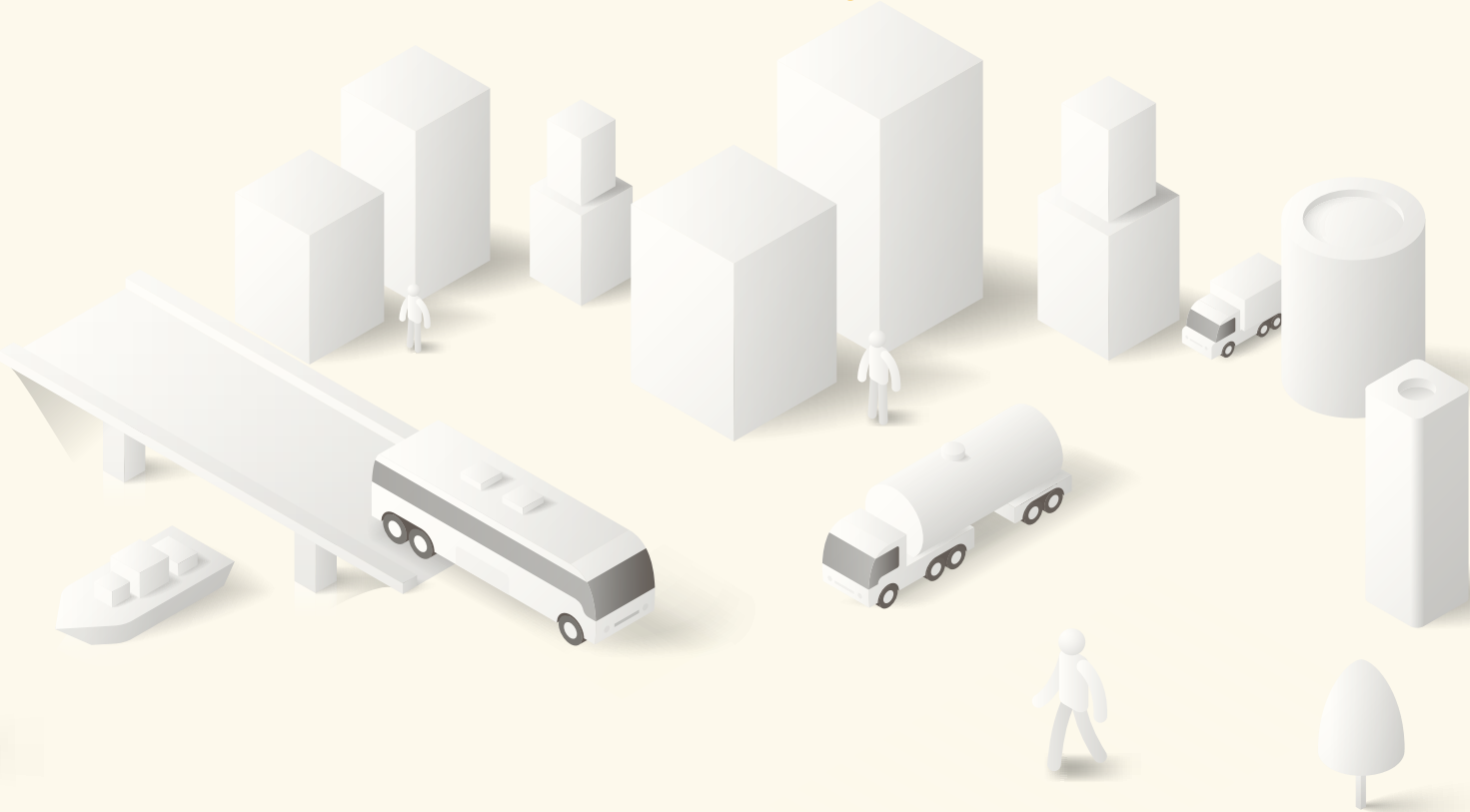
Wuhan Shimao Splendid Yangtze River Phase V Discarded Materials Reutilization Decorative Landscape



Shimao Services regards talent as the core driver for corporate development. We highly value employees' diverse needs, safeguard employees' legitimate rights and interests in all aspects, strive to create a fair, transparent, and humanistic work atmosphere, and build a positive, collaborative and inclusive workplace ecosystem.

3 Respecting, Trusting and Empowering Employees

- 3.1 Creating a Diverse Environment
- 3.2 Empowering Employee Development
- 3.3 Ensuring Occupational Safety
- 3.4 Strengthening Employee Care




3.1 Creating a Diverse Environment

Shimao Services adheres to internationally recognized human rights norms, such as the core conventions of the International Labour Organization, etc., and strictly complies with relevant laws and regulations, including the *Labour Law of the People's Republic of China* and the *Company Law of the People's Republic of China*. The Company has formulated and implemented internal policies, such as the *Recruitment Management Policy*, *Remuneration and Welfare Management Policy*, *Employee Promotion Management Policy*, *Employee Training Management Policy*, *Attendance and Leave Management Policy*, and *Resignation Management Policy*, to create a fair and impartial employment environment, build a broad platform for employees' development and effectively safeguard employees' legitimate rights and interests.


We provide employees with equal employment and career development opportunities. In recruitment, appointment, transfer, training, and promotion, we objectively evaluate candidates based on job requirements to ensure a good match between personnel and positions. The Company respects individual differences among employees and does not discriminate against employees or candidates based on legally protected factors such as nationality, race, ethnicity, religion, color, gender, sexual orientation, or age, etc. We have a zero-tolerance policy towards illegal discrimination and harassment and will deal with such issues seriously in accordance with laws and regulations once discovered. The Company strictly complies with regulations such as the *Law on the Protection of Minors* and the *Provisions on the Prohibition of Child Labour*, etc., and conducts strict screening during the recruitment process to avoid child labour. Meanwhile, we have also established a regular work intensity inspection mechanism, optimized the processes, and allocated tasks reasonably to avoid forced labor.

By the end of the Reporting Period


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




Total employees
35,633



Female employees
20,986



Ethnic minority employees
1,315



People with disabilities
108

3.2 Empowering Employee Development

Shimao Services upholds the talent concept of "Respecting, Trusting and Empowering Employees", focuses on talent innovation and development, and has established a comprehensive and diversified talent development strategy.

3.2.1 Constructing Training Systems

In 2024, Shimao Services upgraded the talent development system. Based on the learning needs of senior, middle and frontline employees, targeted hierarchical training courses are provided.

Training Types	7:30 Classroom for Management (Senior)	Special Training on Business and Operational Consensus (Middle)	Standardized Job Operation Training (Frontline)
Contents	Focus on the key points and challenges of businesses, conduct special seminars, and output action plans	Focus on key businesses and draft standardized work manuals	Focus on standardized operations on frontline and strengthen offline practices and drills
Outcomes	5 special seminars 29 action plans	26 developed courses 27 online training sessions 18,043 person-time participants	420 offline training sessions 6,489 person-time participants

Shimao Services Hierarchical Training System

In terms of building an online professional learning platform, the MaoXue Online Platform 4.0 was officially launched. Based on job responsibilities and key learning tasks, the platform developed a customized course system and continuously enhanced the quality of online courses. Besides providing expert-copyrighted courses and a specialized case library, the course format has gradually shifted from long videos to short videos to meet employees' fragmented learning needs.

In terms of the lecturer and mentoring system, Shimao Services established the *Internal Lecturer Management Policy*, guided by the concept of "Everyone can be a mentor", to encourage more employees to become internal lecturers. Meanwhile, various mentoring plans (one-to-one, one-to-many, many-to-many) are set up by the Company to assign different types of mentors to new employees, building a learning-oriented organization and supporting employee growth.

3.2.2 Constructing Incentive Systems


Shimao Services has established and continuously improved its employee evaluation and incentive system, to unleash every employee's potential, cultivate a proactive and enterprising work environment, and enable every employee to shine on the Company's platform, achieving a harmonious alignment between personal value and company development.

Case

"Win a Gold Medal" Project-Level Position Evaluation and Incentive Plan

To motivate employees to achieve their work goals and set service benchmarks, Shimao Services launched the "Win a Gold Medal" position evaluation and incentive plan in September 2024.

The plan targets frontline employees of residential and non-residential projects nationwide, defines the "Gold Medal Employee Profile" for each position and establishes clear standards of excellence. Every month, employees are comprehensively evaluated based on "results performance" and "behavioral performance". The specific evaluation criteria are linked to operational results, including various operation indicators, process management, customer complaints, etc., combined with a one-vote veto system for major risks. For the selected Gold Medal Employees, the Company will immediately provide financial incentives and honorary recognition.



Honorary Recognition for Gold Medal Employees

Case Share Award Scheme

A Share Award Scheme of the Company (the "Share Award Scheme") was adopted by the Board on 28 June 2021 (the "Adoption Date"). The purpose of the Share Award Scheme is to recognize the contributions by certain selected employees of the Company and to provide them with incentives so as to retain them for the continual operation and development of the Company, and to attract suitable personnel for further development of the Company.

The Share Award Scheme shall be valid and effective for a term of ten years commencing from the Adoption Date. The maximum number of shares which can be awarded under the Share Award Scheme is 3% of the total number of issued shares of the Company as at the Adoption Date (i.e. 70,919,190 shares).

3.3 Ensuring Occupational Safety

The Company strictly enforces national labour safety and health regulations and standards, complying with relevant national laws such as the *Work Safety Law of the People's Republic of China* and the *Occupational Disease Prevention Law of the People's Republic of China*, etc., Property management services of all projects under management have obtained ISO 45001 Occupational Health and Safety Management System Certification. Meanwhile, the third-party regularly analyzes and assesses key risks of all related businesses to ensure the effectiveness of the system.

To further standardize the health and safety management of employees across the Company and relevant parties, the Company has established a series of internal safety guidelines and specialized management systems, such as the *Employee Safety Guidelines*, *Maintenance Special Inspection Management Policy*, *Emergency Incident Management Policy*, *Fire Safety Management Operation Guidelines*, and *Equipment and Facility Risk Matter Control Policy*. These guidelines incorporate the safety responsibilities of employees, including outsourced employees, into the assessment content for responsible persons, and strengthen the implementation of safety responsibilities.

The Company treats all outsourced employees equally by including standardized clauses related to health and safety in their employment contracts. The contract signed with outsourced employees includes occupational health and safety clauses such as safety responsibility systems and evaluations, work safety protection, and safety training, etc., requiring suppliers to establish a comprehensive occupational safety responsibility system, provide third-party liability and personal safety insurance for outsourced employees, and set a "zero casualties" target. Meanwhile, suppliers are also responsible for providing safety education related to work safety, occupational hazards, business ethics, and technical operations, and are required to conduct at least one occupational safety training per quarter for outsourced employees.

In terms of employee health protection, we provide pre-employment physical examinations and annual physical examinations for employees, regularly update physical examination suppliers, specifically adjust examination items according to different positions. In terms of safety inspections and training, the Company has established routine safety inspection system, such as comprehensive safety operation inspections, quarterly safety inspections, and region-level and project-level self-inspections, etc. The Company also organizes routine safety trainings on environmental safety, personal safety, water consumption and electricity consumption safety, and fire safety, etc., and conducts assessments on the training content to enhance safety awareness of all employees.

Case Fire Safety Inspections and Drills

Shimao Services regularly organizes all employees to participate in fire drills, simulating fire scenarios and strictly following standard procedures to executing from alarm, evacuation to extinguishing. Quarterly, professional personnel conduct comprehensive inspections of fire facilities, including extinguishers, hydrants, alarm systems, etc. Any issues found should be immediately rectified, with clear assignment of responsibilities and deadlines to ensure the facilities are always available. In 2024, the Company achieved a 100% completion rate for fire safety risk inspections, with a total of 1,306 fire drills conducted nationwide.



Fire Safety Inspection

3.4 Strengthening Employee Care

3.4.1 Constructing Corporate Culture

We have deeply integrated corporate culture into business operations and management. By implementing a series of systems and practices aligned with our development, we have gradually transformed the corporate culture into a shared value consensus among all employees.

Case "Five Guidelines" Code of Conduct

Shimao Services' "Five Guidelines" encompass responsibility, communication, execution, results, and review. To support the implementation of the "Five Guidelines" code of conduct, the Company established the "Five Guidelines Praise Card" mechanism. By issuing "Praise Card" to outstanding employees, immediate recognition and motivational encouragement are given to them.

Management from headquarters, branches, and regions delve into the frontline to promptly praise employees' behaviors. During the event, a total of 265 "Praise Card" were issued to commend outstanding employees.



Praise Card

3.4.2 Employee Communication and Care

The Company has launched the "Face-to-Face with the President" campaign, organizing small-scale face-to-face communications according to the management's schedule, and encouraging employees to fully express their thoughts. Hotlines of audit department and human resources department are open 24 hours, and email communication is encouraged. An "Employee Welfare Task Force" is set up by the Company to attentively listen to the voice of employees and provide them with care and support.



We offer comprehensive welfare guarantee to all employees, including part-time employees. Besides statutory benefits such as pensions and retirement funds, etc., multiple supplementary welfare are provided.

Welfare Type		Items
Welfare Allowances (In cash)		Lucky Money for New Year, Wedding Bonus, Newborn Baby Bonus, Bereavement Allowance, Meal Allowance, High-Temperature Allowance
Welfare Allowances (In kind)		New Year Gift Package, Women's Day Gift, Mid-Autumn Festival Gift
Health Care		Annual Physical Examinations, Commercial Insurance, Welfare Paid Leave, Winter Care Package, Summer Cooling Package, Illness and Injury Condolence
Cultural and Recreational Activities		Spring Festival On-Duty Care, Overtime Care for Late Shifts, Employee Birthday Party, Family Day

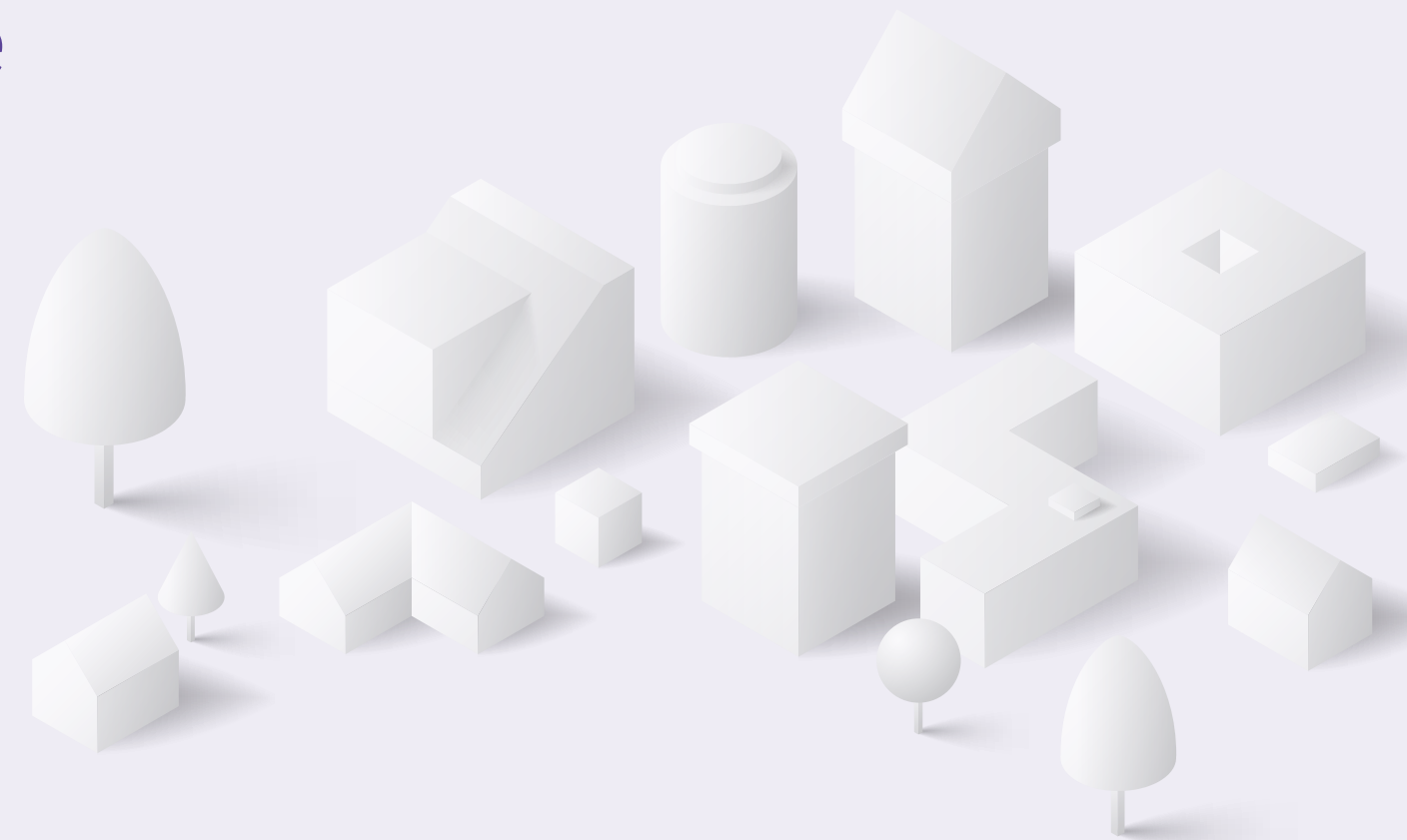
Shimao Services Supplementary Welfare



Shimao Services actively creates communities for a better life. By organizing various cultural events and charitable activities, we bridge the gap with residents and users. With professional service experience and proactive innovation practices, we also provide references for the development of the property management service industry, fostering a harmonious and win-win industry ecosystem.

Enriching Communities, Empowering Life

- 4.1 Cultivating Compound Culture
- 4.2 Building Friendly Neighborhoods
- 4.3 Participating in Industry Construction



4.1 Cultivating Compound Culture

In 2024, Shimao Services successively launched a series of activities, including "Bringing Traditional Culture to the Compounds", etc., allowing residents to appreciate the charm of traditional culture in a joyful atmosphere.

Case Chinese New Year Folk Activities

In January 2024, Shimao Services, jointly held a series of consumption promotion activities with the superior competent departments, sub-district offices and neighborhood committees of Hanyang District, bringing a different folk atmosphere to the residents of Wuhan Shimao Splendid Yangtze River Phase V.



Case Volunteer Shared Library

The volunteer shared library in the Fuzhou Shimao Brilliant City was a space within the compound that had been left vacant due to water damage and deterioration. In August 2024, the project team renovated it to meet the reading needs of the residents. Currently, the volunteer shared library has a collection of 356 books covering literature, history, geography, and science and technology, providing a warm and convenient reading space for the residents.

4.2 Building Friendly Neighborhoods

Starting from the daily details, Shimao Services, after having a deep understanding of the residents' needs, gives full play to its business expertise to carry out diverse public welfare volunteer activities, including "Respect the Elderly and Ensure Their Well-being" and "Stray Animal Protection", etc.



Case "The Elderly and the Young" Public Welfare Photography

In September 2024, the Wuhan Shimao Linyu'an project collaborated with a professional photography studio to organize a public welfare photography activity. This activity provided free wedding photo shoots for over 40 elderly couples aged 55 and above in the compound.



Case Cat-Friendly Home

The Guangzhou Tianyue Mansion project has launched a "Cat-Friendly Home" pilot program. We collaborated with the residents to shelter, clean, and provide epidemic prevention for 6 stray cats in the compound to safeguard their health and actively address stray cat issues. The program has successfully applied for the plaque of "Stray Animal" shelter and management demonstration base.



4.3 Participating in Industry Construction

The need for coordinated local economic development and industry standardization is increasingly prominent. With keen market insights, the Company actively participates in strategic cooperation with local governments and continuously participates in the establishment of industry standards, offering suggestions for the advancement of the industry.

Case Zheda Sinew's Active Participation in Industry Standards Compilation

In 2024, Zheda Sinew proactively took on industry responsibilities by leading the compilation of multiple industry standards and research reports. In January, Zheda Sinew submitted the *National University and College Student Apartment Industry Research Report* to the Department of Development Planning of the Ministry of Education, providing strong data support and a decision-making basis for the joint issuance of the *Guidelines on Strengthening University and College Student Dormitory Construction* by seven ministries including the National Development and Reform Commission and the Ministry of Education, etc. In October, Zheda Sinew led the compilation of the *National University and College Student Apartment Management and Service Cases*, sharing new ideas and solutions for improving national university and college student dormitory work. In November, the *National Standards for University and College Student Apartment Safety Management and Service* led by Zheda Sinew was successfully approved for project implementation, establishing a new criteria for student dormitory safety through practical actions.

Appendix

HKEx ESG Framework Reference

Subject Areas, Aspects, General Disclosures and KPIs		Chapter	Page
A.Environmental			
Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Creating Green Compounds	P29-32
		Expanding Environmental Businesses	P33-34
		Implementing Low-Carbon Operations	P35-36
KPI A1.1	The types of emissions and respective emissions data.	Performance Data Summary - Environmental	P50-51
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Summary - Environmental	P50-51
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Summary - Environmental	P50-51
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Summary - Environmental	P50-51
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Creating Green Compounds	P29-32
		Expanding Environmental Businesses	P33-34
		Implementing Low-Carbon Operations	P35-36
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Creating Green Compounds	P29-32
		Expanding Environmental Businesses	P33-34
		Implementing Low-Carbon Operations	P35-36
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Creating Green Compounds	P29-32
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Performance Data Summary - Environmental	P50-51
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Data Summary - Environmental	P50-51
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Creating Green Compounds	P29-32
		Implementing Low-Carbon Operations	P35-36
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Creating Green Compounds	P29-32
		Implementing Low-Carbon Operations	P35-36

KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable to business	
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Creating Green Compounds	P29-32
		Expanding Environmental Businesses	P33-34
		Implementing Low-Carbon Operations	P35-36
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Creating Green Compounds Expanding Environmental Businesses Implementing Low-Carbon Operations	P29-32 P33-34 P35-36
Aspect A4: Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Implementing Low-Carbon Operations	P35-36
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Implementing Low-Carbon Operations	P35-36
B. Social			
Employment and Labour Practices			
Aspect B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Creating a Diverse Environment	P39
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Performance Data Summary - Social	P51-52
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Data Summary - Social	P51-52
Aspect B2: Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Ensuring Occupational Safety	P41
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Performance Data Summary - Social	P51-52
KPI B2.2	Lost days due to work injury.	Performance Data Summary - Social	P51-52
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Ensuring Occupational Safety	P41
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Empowering Employee Development	P39-41

KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Data Summary - Social	P51-52
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Data Summary - Social	P51-52
Aspect B4: Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Creating a Diverse Environment	P39
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Creating a Diverse Environment	P39
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Creating a Diverse Environment	P39
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Ensuring Compliance and Integrity	P11-12
		Conducting Responsible Procurement	P23-24
		Ensuring Occupational Safety	P41
KPI B5.1	Number of suppliers by geographical region.	Performance Data Summary - Social	P51-52
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Ensuring Compliance and Integrity	P11-12
		Conducting Responsible Procurement	P23-24
		Ensuring Occupational Safety	P41
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Conducting Responsible Procurement	P23-24
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Conducting Responsible Procurement	P23-24
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Enhancing Service Quality	P19-22
		Implementing Responsible Marketing	P25
		Driving Development with Digital Intelligence	P26
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to business	
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Enhancing Service Quality	P19-22
		Performance Data Summary - Social	P51-52
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Driving Development with Digital Intelligence	P26

KPI B6.4	Description of quality assurance process and recall procedures.	Enhancing Service Quality	P19-22
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Driving Development with Digital Intelligence	P26
Aspect B7: Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	Ensuring Compliance and Integrity	P11-12
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Ensuring Compliance and Integrity Performance Data Summary - Social	P11-12 P51-52
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Ensuring Compliance and Integrity	P11-12
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Ensuring Compliance and Integrity Performance Data Summary - Social	P11-12 P51-52
Community			
Aspect B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Cultivating Compound Culture	P45
		Building Friendly Neighborhoods	P45-46
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Cultivating Compound Culture	P45
		Building Friendly Neighborhoods	P45-46
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Cultivating Compound Culture	P45
		Building Friendly Neighborhoods	P45-46

Performance Data Summary - Environmental

Energy	Unit	Data
Total direct energy use	MWh	9,876.83
Total indirect energy use	MWh	1,567.88
Total energy use	MWh	11,444.72
Energy use density	MWh/sq.m.	0.024734
Greenhouse Gas	Unit	Data
Direct greenhouse gas emissions	tCO ₂ e	2,158.97
Indirect greenhouse gas emissions	tCO ₂ e	841.33
Total greenhouse gas emissions	tCO ₂ e	3,000.29
Carbon emission density	tCO ₂ e/sq.m.	0.006484
Water	Unit	Data
Total water use	Ton	42,754.61
Water use density	Tons/sq.m.	0.09

Waste	Unit	Data
Total hazardous waste	Ton	13.33
Hazardous waste density	Tons/sq.m.	0.000029
Total non-hazardous waste	Ton	1,202.14
Non-hazardous waste density	Tons/sq.m.	0.39

- Notes:
- 1.The direct energy type includes natural gas. In 2024, the Company expanded the statistical scope of direct energy consumption, newly added statistics on the natural gas consumption of Zheda Sineu's self-operated catering business.
 - 2.The indirect energy type includes purchased electricity, and the statistical scope covers the Shimao Services headquarters, the administrative office areas of subsidiary companies and property office buildings in projects under management.
 - 3.The calculation of energy consumption is based on the National Standard of the People's Republic of China *General Rules for Calculation of the Comprehensive Energy Consumption GB/T 2589-2020*.
 - 4.In 2024, Shimao Services headquarters and its subsidiaries canceled the use of official vehicles, so there was no direct energy consumption related to gasoline, and air emissions related to the use of official vehicles during the Reporting Period.
 - 5.The direct greenhouse gas emissions come from the use of natural gas, and the indirect greenhouse gas emissions come from the use of purchased electricity. The calculation of greenhouse gas emissions is based on the *Accounting and Reporting of Greenhouse Gas Emissions of Public Building Operating Enterprises (Trial)* issued by the National Development and Reform Commission of the People's Republic of China. The greenhouse gas emission factor for purchased electricity is based on the 2022 National Average CO₂ Emission Factor for Grid Electricity published by the Ministry of Ecology and Environment of the People's Republic of China and the National Bureau of Statistics.
 - 6.The water resource type includes municipal water, and the statistical scope covers the administrative office areas of Shimao Services' subsidiary companies and property office buildings in projects under management.
 - 7.The hazardous waste type includes discarded fluorescent tubes, discarded batteries, and discarded selenium drums, and the statistical scope covers the administrative office areas of Shimao Services' subsidiary companies and property office buildings in projects under management.
 - 8.Non-hazardous waste type includes wastepaper and household garbage. Among them, the statistical scope of wastepaper covers the administrative office areas of Shimao Services' subsidiary companies and property office buildings in projects under management, and the statistical scope of household garbage covers the Shimao Services headquarters.

Performance Data Summary - Social

Employee	By type (if applicable)	Unit	Data
Total employees	/	Person	35,633
By gender	Female	Person	20,986
	Male	Person	14,647
By age	Under 30	Person	3,792
	30-50 years old	Person	14,374
	Over 50 years old	Person	17,467
By region	Mainland China	Person	35,633
	Overseas	Person	0
By type of employment	Full time	Person	35,628
	Part time	Person	5
	Labour Dispatch	Person	0
By category	Non-management	Person	32,131
	Management - Female	Person	1,666
	Management - Male	Person	1,836
Minority	/	Person	1,315
Disability	/	Person	108
Overall employee turnover rate	/	%	9.07
By gender	Female	%	7.42
	Male	%	11.33

By age	Under 30	%	4.12
	30-50 years old	%	4.06
	Over 50 years old	%	13.54
By region	Mainland China	%	9.07
	Overseas	%	0.00
Health and Safety	By type (if applicable)	Unit	Data
Number of work-related deaths	2022	Person	7
	2023	Person	8
	2024	Person	7
The rate of work-related deaths	2022	%	0.01
	2023	%	0.02
	2024	%	0.02
Number of working days lost due to injury	/	Days	13,401.50
Development and Training	By type (if applicable)	Unit	Data
Percentage of employees under training			
By gender	Female	%	46.84
	Male	%	53.16
By category	Non-management	%	92.33
	Management	%	7.67
Average hours of training for employees			
By gender	Female	Hours/Person	31.60
	Male	Hours/Person	22.39
By category	Non-management	Hours/Person	25.85
	Management	Hours/Person	37.01
Supplier	By type (if applicable)	Unit	Data
Total number of suppliers	/	Entity	8,125
By region	Mainland China	Entity	8,125
	Overseas	Entity	0
Product Responsibility		Unit	Data
Total number of complaints about products and/or services		Cases	37,301
Percentage of customer satisfaction		%	82
Corporate Ethics		Unit	Data
The number of concluded corruption cases brought against companies or employees		Cases	0
Compliance training ratio for directors and all staff (including non-regular staff)		%	100

Note:

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