



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



For any feedback or advice on our sustainable development performance and reporting,
please contact us by email at ir@shimao.com

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Investor Relations Department

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2025

可持續發展報告

SUSTAINABILITY

REPORT

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Report Summary



Evolving from a property management services provider, Shimao Services has grown into an integrated services provider covering residential property management services, non-residential property management services and diversified value-added services. In 2025, the Company launched the "Heart Light" service system, embedding the philosophy of "Keeping Promises in Heart, Guarding through Action" across all service scenarios.

Shimao Services defines high-quality services as its most crucial competitiveness. In 2025, the Company launched the nationwide "Heart Gravity Live+" annual revitalization initiative, focusing on quality, service, standard, culture and management, upgrading 132 service standards of the residential business, and upgrading more than 40 service standards of the non-residential business.

In the residential business sector, Shimao Services has upgraded its elderly care service products and established the "Maoyue Island" community classroom. In the non-residential business sector, the Company has continuously accumulated operational expertise across niche markets, including universities and colleges, hospitals, and industrial parks, etc. Community value-added services, including "MaoMao Quality Selection" and "MaoMao Assets", etc., have become deeply integrated into the daily lives of residents.

Shimao Services refines its environmental management, integrating addressing climate change into the Company's governance framework. The Company has launched specialized management initiatives to identify and assess climate-related risks and opportunities, while systematically formulating response strategies. In the residential business sector, the Company focuses on energy conservation and consumption reduction, achieving cost reduction and efficiency enhancement through refined operation. In the non-residential business sector, Shimao Services actively expands its environmental protection business, fostering the synergistic integration of operational efficiency and environmental value.

In 2025, Shimao Services developed the "Future Forest Academy", establishing a talent pipeline that from new graduates to senior management. This system ensures that every employee can derive a sense of professional fulfillment through clear career development pathways.

Moving forward, Shimao Services will remain steadfast in its commitment to "Service and Quality First", co-building the urban future with open collaboration.

About the Report

Scope of the Report

This report is the sixth sustainability report (the "Report") published by Shimao Services Holdings Limited ("Shimao Services", "Shimao" or the "Company", together with its subsidiaries, collectively, the "Group"). The Report provides Shimao Services' performance in sustainable development, as well as its future goals and implementation plans, including the impacts of Shimao Services on the environment, society and economy. The reporting period covered by the Report is from 1 January 2025 to 31 December 2025 (the "Reporting Period"), and the content covers the headquarters of Shimao Services and its subsidiaries.

Reporting Standard

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

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

Quantitative: The Report adopts the quantitative data to present key performance indicators ("KPIs") on the environmental and social issues, supplementing with explanations to illustrate their purpose and impacts.

Balance: The Report follows the principle of balance to objectively present the ESG management performance of the Company.

Consistency: Unless otherwise specified, the Report maintains consistent statistical methodologies with the 2024 Sustainability Report, and no significant changes have occurred.

Source of Information

The information disclosed in the Report comes from official documents, statistical data, and public data of Shimao Services, and has been verified by internal supervisory mechanisms. The Board of Directors of the Company (the "Board") is responsible for the authenticity, accuracy, and completeness of the Report content.

Access to Report

The Report is published in Chinese and English. A soft copy of the Report can be downloaded from the 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 versions.

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 services and community life services in China. Shimao Services currently serves as the council member of the Sixth Council of the China Property Management Association, the vice-chairman of the Hubei Provincial Property Services and Management Association, the vice-chairman of the Fujian Provincial Property Management Association, the vice-chairman of the Hebei Provincial Property Management Association and the executive director of the Tianjin Property Management Association, etc. The Company has won multiple honors such as 2025 TOP 6 of 100 China Property Service Enterprises in Service Capability, 2025 TOP 8 China Property Enterprise in Service Capability, etc.

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



As of 31 December 2025, the Company operates in 145 cities nationwide, managing 1,428 projects with a gross floor area ("GFA") under management of 221.2 million square meters, covering various types of properties, including residences, universities and colleges, hospitals, public buildings, industrial parks, and transportation hubs, etc., and providing property management services, community value-added services, value-added services to non-property owners and city services for over 3.2 million residents and users.

In the residential business sector, the Company classifies residential projects into affordable, basic and improvement categories according to the project fundamentals, each with specialized service systems. By listening to the voice of the customers, focusing on the residents' needs and improving compound landscaping, the Company provides high-quality property management services for the residents. By organizing various community cultural activities, the Company enriches the residents' lives and builds warm community.

In the non-residential business sector, the Company provides high-quality property management services for various types of properties such as industrial parks, public buildings, office buildings, transportation hubs, and public venues, etc. Through the 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. ("Shi Lu Yuan") and Shanghai Chunqiji Elderly Service Co., Ltd ("Healthtop"), etc., the Company provides a variety of professional services such as university and college property management, hospital property management, city services, and elderly care services, etc. The Company also expands its service scope to new fields such as facility and equipment management, energy conservation and emission reduction renovations and solid waste treatment, etc.

In the value-added services business sector, the Company focuses on the life and daily needs of the residents, delivering diversified value-added services, including new retail, indoor services, home decoration, real estate agent, and childcare, etc. By integrating "online and offline" service, the Company constructs a "5-minute lifestyle circle" to create an all-around community life service system and provide high-quality, convenient services for the residents and the users.

Sustainability Highlights and Performance Metrics



Governance Responsibility

- ▶ The signing rate of the *Supplier Integrity Commitment* was 100%.
- ▶ Conducted 18 compliance training sessions for employees in relevant back-office and front-office departments, and carried out integrity promotion for all employees every quarter, with a total of 77,860 participants trained.



Service Responsibility

- ▶ The residential business sector has upgraded 132 service standards.
- ▶ The non-residential business sector has upgraded more than 40 service standards.
- ▶ The satisfaction of key customers in the residential business sector reached 83%, representing an increase of 14% as compared to 2024.
- ▶ The annual satisfaction score in the non-residential business sector has reached 98 points, representing an increase of 1 point as compared to 2024.



Environmental Responsibility

- ▶ Conducted a special project for climate change management to systematically identify and assess climate-related risks and opportunities.
- ▶ Promoted energy conservation and consumption reduction management for residential projects, and formulated reward and punishment for project teams, project maintenance heads, and branch teams.
- ▶ Introduced the AIS smart energy management platform in non-residential projects to promote efficient resource utilization.
- ▶ Developed general industrial solid waste Refuse Derived Fuel ("RDF") business and renewable resource business.



Employee Responsibility

- ▶ Built the "Future Forest Academy" training system according to the learning needs of senior, middle, and frontline employees.
- ▶ Reimbursed a total of RMB 154,000 in employee certification exam fees and issued a total of RMB 153,000 in allowances.
- ▶ Continuously improved the management of employer liability insurance for outsourced employees, with insurance coverage maintained at 100% in both 2024 and 2025.
- ▶ Launched the employee mental health activity "Heart Healing Meeting", carrying out a total of 86 sessions, with nearly 3,000 employees participating.



Social Responsibility

- ▶ Established the "Heart Linking City" brand to comprehensively upgrade urban public service and asset management.

Awards and Honors

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

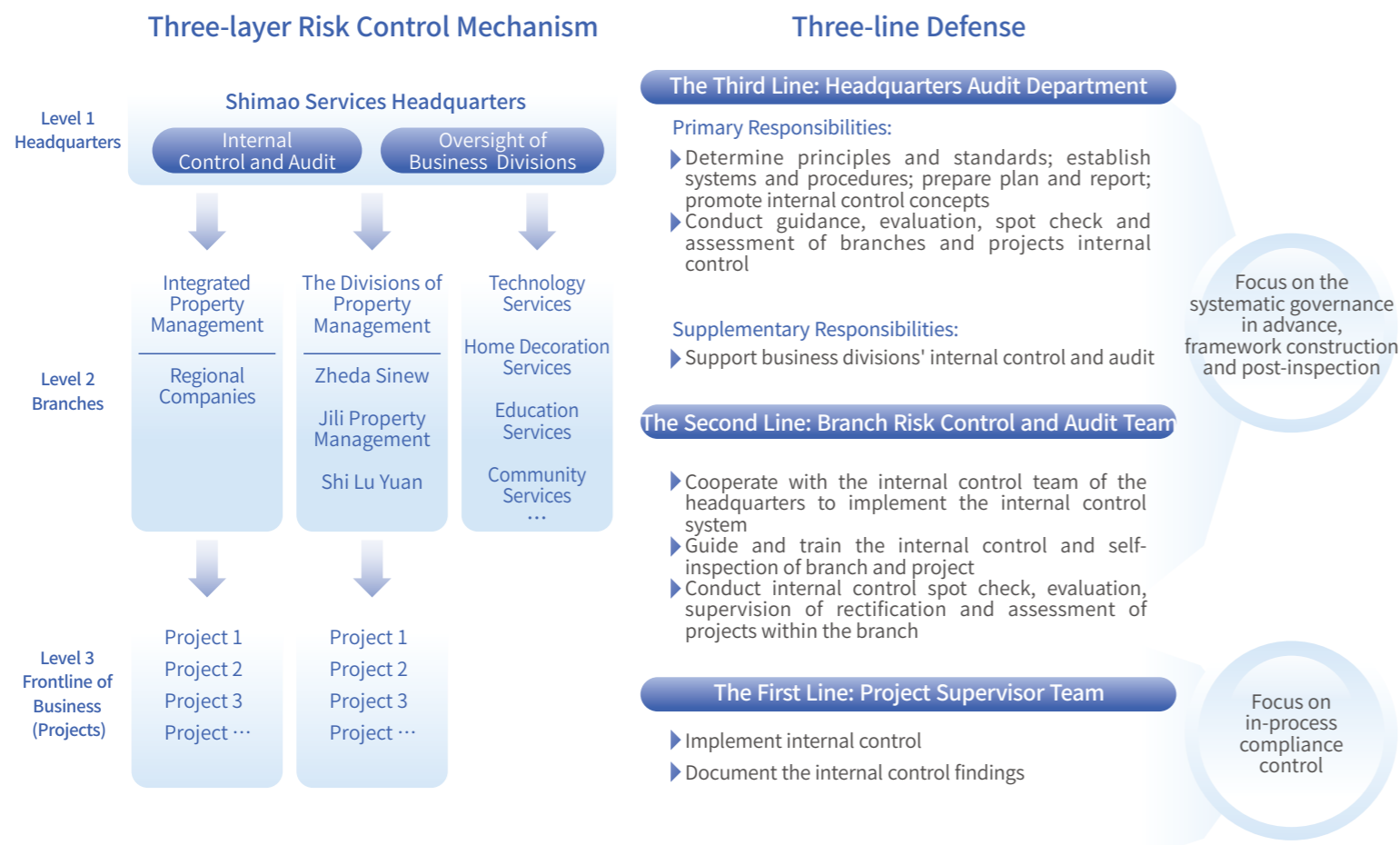
Award Name	Awarding Institution
2025 TOP 6 of 100 China Property Service Enterprises in Service Capability 2025 TOP 20 China Residential Property Service Enterprise 2025 TOP 10 China University Property Service Enterprise 2025 Best ESG Practice for Listed Property Service Enterprise in China 2025 China "Property Management + Elderly Care" Service Leading Enterprise 2025 TOP 20 China Property Management Industry Listed Enterprise 2025 TOP 100 China Property Brand Influence Enterprise	China Property Management Think Tank
2025 TOP 6 of 100 China Property Service Enterprises in Service Capability 2025 TOP 20 China Residential Property Enterprise in Service Capability 2025 TOP 20 China High-End Property Enterprise in Service Capability 2025 TOP 30 China Industrial Park Property Enterprise in Service Capability 2025 TOP 20 China City Services Enterprise 2025 China Property Service Satisfaction Leading Enterprise 2025 China Property Facility Management Leading Enterprise 2025 TOP 7 of 10 China Property Service Enterprises in Comprehensive Strength 2025 China Residential Property Service Leading Enterprise 2025 China Property Low-Carbon Operation Leading Enterprise 2025 China Quality Property Service Leading Enterprise 2025 China High-End Property Service Leading Enterprise 2025 TOP 100 China Property Service Enterprise in Brand Value 2025 China Property Brand Marketing Leading Enterprise 2025 China University Property Service Leading Enterprise (Zheda Sinew) 2025 TOP 1 China University Property Enterprise in Service Capability (Zheda Sinew) 2025 TOP 6 China Hospital Property Enterprise in Service Capability (Jili Property Management)	CRIC Property Management
2025 TOP 8 China Property Enterprise in Service Capability	E&H Consulting E&H Property Research

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 improved 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 an Audit and Risk Control Center under it to specifically coordinate and promote relevant work, covering all levels of all branches and departments of the Company. At the same time, the Company has established a "Three-layer 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 layered internal control inspections.



The Audit and Risk Control Center of the Company upholds the independent third-party audit principle, maintaining strict confidentiality of the materials obtained and the audits to avoid conflicts of interest.

In 2025, the Company upgraded its risk control system, formulated checklists tailored to the differences between residential and non-residential properties business types, and supported business departments to carry out self-inspections. In addition, the Company carried out cross-departmental integrity inspections, shared information across the headquarters, branches and projects, proactively collected risk clues and established a closed-loop processing mechanism, enhancing the foresight and systematic skills of risk identification.

The Company will implement corrective actions immediately if any issues or deviations are observed during the audit, and will conduct follow-ups to seek monetary compensation, to hold directly responsible persons and managers accountable and to effectively communicate violation cases across the Company to enhance awareness. If the violation is serious or involves illegal activity, the Company will seek the assistance of legal counsel or law enforcement department.

Audit Responsibilities	Main Tasks	Frequency and Scope
Fraud Investigation	Conducting thorough initial assessment, investigation and examination on fraud and misconduct that are triggered by a whistle-blower complaint, routine monitoring or audit findings	Ongoing annually Headquarters + branches coordination
Integrity Education	Cultivating a culture of integrity and ethics across the organization	Cover all business sectors

During the Reporting Period

Conducted audit sessions	Issued disciplinary announcements	Dealt with employees not following company policies	The number of concluded legal cases regarding corrupt practices brought against the Company or its employees was
68	19	143	0

For material risk events, the Company has established a case library and a warning mechanism, continuously upgrading the risk control system.

Ensuring Compliance and Integrity

Compliance Policy

Shimao Services strictly complies with national laws, regulations and international ethical standards. The Company formulates and continuously improves such regulations 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 defines the Company's code of ethics, and the standards and manner of pursuing responsibility.

The Company regularly promotes business ethics, risk control and internal control, etc., to the directors of the Company (the "Directors"). By providing comprehensive information, the Company assists the Directors in understanding the latest market trends, economic developments, and changes in legal and regulatory requirements, enabling them to enhance their knowledge and capabilities in a timely manner to better fulfill their duties. The Group conducts quarterly integrity awareness campaigns for the Directors, senior management and employees. The Company lists the "Code of Integrity" in the *Employee Handbook*, emphasizing that understanding and complying with the "Code of Integrity" is every employee's responsibility. Each employee is required to sign the *Employee Integrity Commitment* when they come on board. The Company posts integrity and reporting posters in principal business places to prevent various improper behaviors such as bribery and corruption, etc.

In terms of supplier integrity management, the Company formulated the *Supplier Management Policy* and the *Bidding Management Policy*, adhering to the six major cooperation principles of centralized procurement, transparency and fairness, full competition, merit-based selection, confidentiality and traceability. The Company requires suppliers to sign the *Supplier Integrity Commitment*, and sets out the reporting channel therein to ensure the integrity of commercial activities. During the Reporting Period, the signing rate of the *Supplier Integrity Commitment* was 100%.

Whistle-blowing Mechanism

Shimao Services has established a reporting and sorting mechanism through four reporting channels, including email, letter, website and telephone, to ensure that each report undergoes efficient screening, tracing or transfer. The Company has formulated a clear reporting reward mechanism, and meanwhile attached great importance to the protection of whistle-blowers, keeping the information of whistle-blowers and the relevant materials they provided confidential under strict procedures and strictly preventing all forms of retaliation.

Shimao Services Whistle-blowing Reporting Channel

Email	audit@shimaowu.com
Letter	Shimao Services Audit Department, 26th Floor, Shimao Tower, No. 55 West Weifang Road, Pudong New Area, Shanghai, post code: 200000
Website	https://www.shimaofuwu.com/index/index/honest.html
Telephone	400-620-8130



Whistle-blower Protection

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

- ▶ Holding accountable and imposing strict disciplinary actions on individuals who threaten, intimidate, induce, or retaliate against investigators, whistle-blowers, or witnesses during the investigation process.
- ▶ Personnel handling complaints or reports shall strictly maintain confidentiality for the whistle-blower, provide timely and clear guidance, and offer appropriate material rewards.
- ▶ Encouraging and prioritizing real-name reports.



Integrity Education

Shimao Services conducts regular compliance training and integrity promotion for all employees. Through laws and regulations education, internal control system education and audit case study, etc., employees are clearly informed of the red-line of laws and regulations and the bottom-line of business ethics.

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

In 2025



Conducted compliance training

18 sessions

Conducted integrity promotion for all employees every quarter

Training a total of 77,860 participants

Sustainability Management

As a leading provider of integrated property management and community life services in China, Shimao Services enhances corporate competitiveness through diversified business layouts and refined management. Meanwhile, the Company strives to promote the long-term harmonious coexistence of the enterprise, society and the environment, and works hand in hand with stakeholders to jointly achieve sustainable development goals.

The Board oversees the Company's sustainability work and is responsible for formulating high-level sustainability strategies, clarifying annual ESG work focuses, targets and responsibilities, 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 forms a Sustainability Steering Committee to assist the Board in supervising ESG work progress and target achievement, and regularly reports to the Board.

The Sustainability Working Team of the Company (the "Team") primarily leads the Company's sustainability work, with the President of Shimao Services as the leader of the Team, and the joint participation of business sectors leaders, branches leaders and key frontline employees. The Team is responsible for implementing the sustainability strategy formulated by the Board, following the sustainability-related policies of the Company and promoting the implementation of various tasks, and regularly formulating and reporting ESG management improvement plans.

The Company has linked sustainability metrics to the remuneration and performance reviews of senior management. The specific review metrics include business ethics, customer satisfaction, energy consumption management, and employee health and safety, etc., ensuring the step-by-step and effective implementation of ESG work.



The Board
The Board oversees the Company's sustainability work and is responsible for overall sustainability strategy.



Sustainability Steering Committee

Assisting the Board in supervising ESG work progress and target achievement, and regularly reporting to the Board.



The Sustainability Working Team

The Sustainability Working Team primarily leads the Company's sustainability work, with the President of Shimao Services as the leader of the Team, and the joint participation of business sectors leaders, branches leaders and key frontline employees.

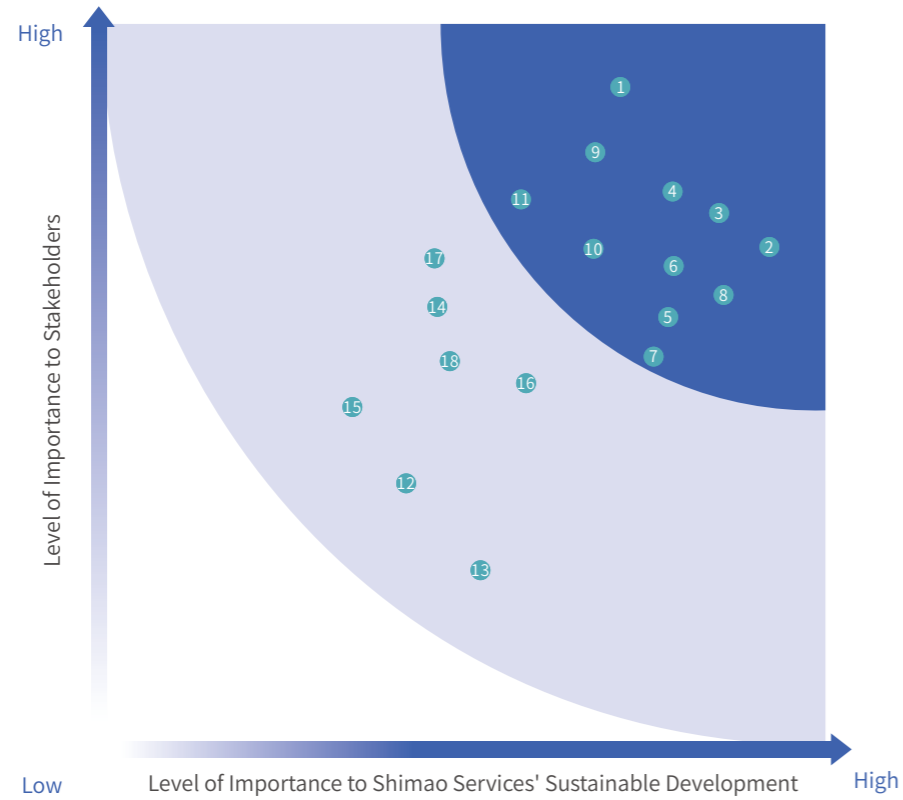
Communication with Stakeholders

Shimao 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	Responses	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 Meetings 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 Contract 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	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 material industry topics concerned by information disclosure requirements, capital market ESG ratings and peers, and conducted interviews and questionnaire surveys among internal and external stakeholders to rank the importance of the topics.



Shimao Services Materiality Matrix

Level of Importance	Category	2025 Material Topic
11 Topics Great Importance	Product and Service	1 User Welfare, Health and Safety
		2 Service Quality Management
		3 Information Security and Privacy Protection
		4 User Satisfaction Management
		5 Sustainable Supply Chain
	Employee	6 Occupational Health and Safety
		7 Employee Training and Development
		8 Diversity and Equal Employment
	Corporate Governance	9 Risk Management and Internal Control
		10 Compliance and Anti-corruption

Level of Importance	Category	2025 Material Topic
11 Topics Great Importance (continued)	Community	11 Community Culture Building
	Product and Service	12 Responsible Marketing 13 Technological Innovation and Application
7 Topics Moderate Importance	Environment	14 Efficient Resource Utilization
		15 Energy and Emission Management
		16 Address Climate Change
	Community	17 Support Social Equality 18 Empower Urban Life




1 Enhancing Quality with Heart, Co-creating Value

1.1 Enhancing Quality Service

1.2 Empowering Development with Digital Intelligence

1.3 Conducting Responsible Procurement

1.4 Implementing Responsible Marketing



In the residential business sector, the Company advances the upgrading of property management services. In the non-residential business sector, the Company provides efficient comprehensive services for office buildings, universities and colleges and industrial parks, etc. In value-added service business sector, the Company creates a convenient and safe community life for residents and users.

1.1 Enhancing Quality Service

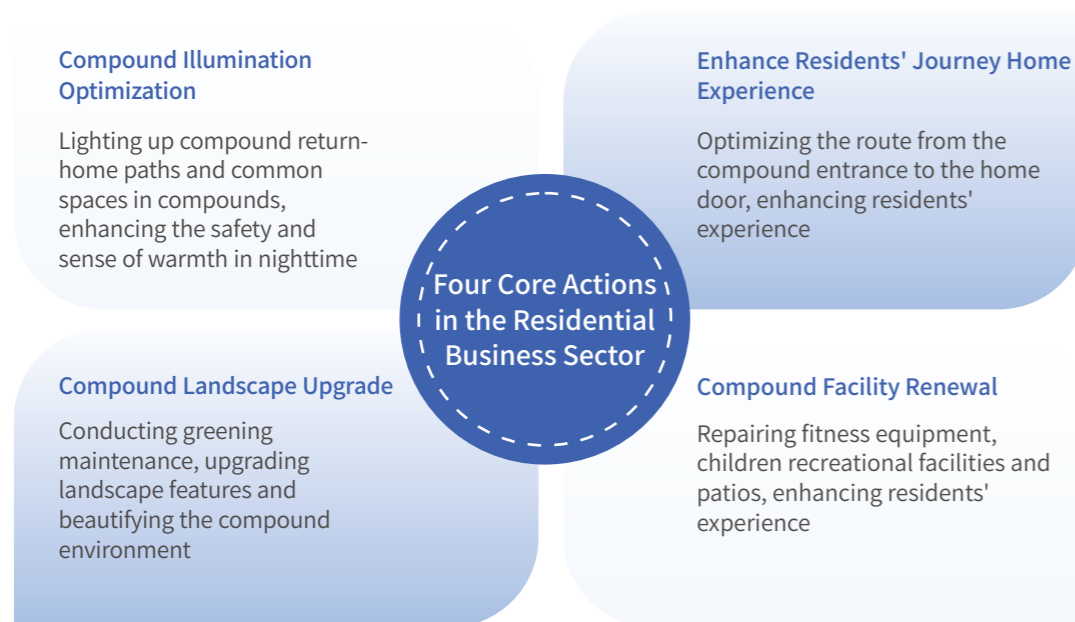
Shimao Services conducts the "Heart Gravity Live+" annual renewal initiative nationwide, promotes the upgrading of service standards and management systems, and delivers high-quality services to residents and users.

1.1.1 Improving Service Levels

Heart Light Community: Residential Business Sector

In terms of service standard upgrades, the Company carried out four core actions, upgraded 132 service standards, and issued supporting work manuals and instructional videos to enhance the service awareness and capabilities of frontline employees.

In terms of management system upgrades, the Company established an online and offline digital supervision mechanism and spot-checked at least 15 projects monthly within 4 branches, to guarantee the standardized implementation of service standards in frontlines.



The Company improved the conventional customer visits model, arranging branch management to deeply participate in customer maintenance, visiting a total of approximately 980,000 residents throughout the year. The Company also developed layered training plans for project managers and frontline employees.



During the Reporting Period, completing systematic training for **840** project managers

Heart Linking City: Non-residential Business Sector

Shimao Services upgraded more than 40 service standards, issued brand-new work manuals for cleaning and reception service, further refining the workflows.

The Company established a satisfaction monitoring and complaint handling mechanism, collecting feedback from residents and users through APP, 400 hotline and text message survey platforms.



Heart Enjoying Life: Value-added Services Business Sector

Shimao Services focuses on diversified quality life services, launching brands such as "MaoMao Quality Selection", "MaoMao Assets", and "MaoMao Home Decoration", etc. to construct a comprehensive value-added service ecosystem from grocery shopping to asset management and from landscaping to community operation. At the same time, Shimao Services further diversifies the "5-minute lifestyle circle" product portfolios through businesses such as energy saving services, club services, pet services, and long-term rental apartment services, etc.

Case

Shimao Market New Retail Services Shortens "Food Mileage"

Shimao Market's new retail services, through the business model of "farm-to-compound", constructs a "last 100 meters" life service platform in the compounds, greatly bypassing conventional multi-level distribution channels, multiple warehousing and package consumption, shortening "food miles", supporting the rural community and implementing the sustainability concept.

1.1.2 Customer Health and Well-being

Shimao Services actively promotes the health and well-being of residents and users. In 2025, the Company launched the "Heart Healing Meeting" activity, creating a warm community. At the same time, the Company provides health and wellness lectures and indoor services for elderly residents and "Safe Routes to School" services for young residents.

Shimao Services also integrates health concepts into the space management. In residential and non-residential projects, the Company implements strict indoor environmental management, including regular elevator car air quality management, as well as smoking ban actions and air quality control in public areas, etc.

Case

Mental Health Activities

Shimao Services carries out mental health activities nationwide, inviting professional psychological counselors every month to give themed lectures on stress management, emotion regulation and parent-child relationships. In 2025, 289 employee activities and 96 resident activities were carried out, with a total of 14,430 participants.



Case

Ensuring "Safe Routes to School"

Shimao Services launches the "Safe Routes to School" special program to provide pick-up and drop-off escort services, guarding young residents' safety. In 2025, the program was carried out in 641 projects across 103 cities nationwide, offering 900,000 services.



1.1.3 Guarding Safe Places

Shimao Services updated the *Emergency Incident Management Policy* and the *Maintenance Special Inspection Management Policy* in 2025, creating a "zero risk" living and working places for residents and users, combining regular facilities and equipment inspections and emergency drills, to build safe communities.

The Company comprehensively conducts safety hazard inspections in residential and non-residential projects. In 2025, the residential business department conducted safety inspections on 6,210 items of facilities and equipment, of which 5,154 items have been completed hazard rectifications, achieving a rectification completion rate of 83% within the year, with the remaining rectification work still ongoing. Focusing on fire safety, the residential business department organized a total of 1,472 fire drills throughout the year, inviting local emergency fire departments to participate in guidance, with a total of 33,000 participants. With the carrying out of 260 sessions of fire safety promotion activities, the safety awareness and emergency self-rescue capabilities of all employees have been significantly enhanced.



1.2 Empowering Development with Digital Intelligence

Shimao Services advances digital intelligence development, strictly implements information security and privacy protection requirements, and constructs a comprehensive safety management system and protection mechanism; at the same time, deeply cultivates intelligent innovation, building an end-to-end digital intelligence system by using technology platforms, strengthening independent innovation and intellectual property management, empowering service enhancement with technology, and realizing an advancement in both safety guarantee and intelligent development.

1.2.1 Customer Privacy Protection

Shimao Services strictly adheres to the laws and regulations such as 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*, etc., formulating and implementing internal management norms such as the *Information Confidentiality Management Policy*, the *Information Security Management Policy*, and the *Emergency Response Management Measures*, etc. 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, involving all relevant business sectors.

In 2025, the Company further strengthened the security protection of information technology infrastructure. The Company conducted information security awareness training for all employees, including anti-phishing emails and account security. In residential projects, customer communication has been transferred to WeCom platform. In addition, the Company established a comprehensive network security emergency response mechanism, and no customer data and privacy leakage incidents or material network security attack incidents occurred during the Reporting Period.

1.2.2 Emphasizing Intelligent Innovation

Shimao Services constructed an end-to-end digital intelligence system of "technology-platform-scenario-ecosystem", focusing on "full-life-cycle management of common spaces", and breaking through the digital barriers between home, community and city. The Company emphasizes technology accumulation and intellectual property protection, strictly complying with relevant laws and regulations, and formulates the *Intellectual Property Management Policy*, ensuring that the software and technology systems are legal and compliant, and motivating internal technical teams to innovate.

Case

Promotion of "Tap" Smart Access Equipment

To enhance the access efficiency in compounds and buildings, Shimao Services promoted and installed "Tap" smart visitor equipment nationwide. The equipment replaces the traditional paper registration, and visitors can quickly verify their access with just a simple step, which not only protects visitors' privacy, but also enhances the precision of security management. By the end of the Reporting Period, a total of 2,639 units had been installed, recording over 3.16 million visitors, and nearly 580,000 food delivery and express delivery rider registrations, significantly enhancing the entry and exit management efficiency.

Case

Practice of Whole-House Intelligence and Smart Compound

The Company's whole-house smart brand "NICELS" developed whole-house smart system. The system can connect whole-house smart controls and the security systems of compounds. Residents can enjoy the smart return-home experience such as opening the door with face identification and automatic home appliances, etc.

1.3 Conducting Responsible Procurement

Shimao Services has established the *Supplier Management Policy* and improved supporting documents, improving the supplier management system from access, performance to exit. The Company takes supplier evaluation and capability enhancement as routine management measures, continuously promoting the fairness, transparency, and synergy of supply chain operations.



Supplier Access

Shimao Services carries out supplier access and screening in accordance with relevant policies such as the *Tendering and Bidding Management Policy*, etc. Based on environmental, social, governance and business-related indicators, the Company comprehensively evaluates the operational status, business reputation, labor management, and utilization of eco-friendly products, etc. Suppliers are required to sign the *Supplier Integrity Commitment*. Upon passing the review, they can be included in the Company's supplier database and commence cooperation.

The Company adopts differentiated cooperation models and implements centralized procurement management for key businesses including maintenance and repair, security, cleaning and landscaping services, etc. In the residential business sector, the Company prioritizes green building materials in maintenance procurement and enhances standards for on-site construction operations; in the non-residential business sector, the Company engages cleaning robots suppliers to pilot and promote automated cleaning services.

Supplier Performance Review and Supervision

The Company implements a tiered supplier management and establishes routine supervision and evaluation mechanism for suppliers, managing the performance of suppliers through methods such as monthly performance evaluations, internal control inspections and third-party quality inspections, etc. The Company uses digital tools such as AI monitoring, etc., to assist in identifying and assessing the performance of security services. On this basis, the Company further strengthens performance compliance management and conducts compliance reviews on backdated contracts and delayed performance.

Supplier Management Mechanism	Annual Rating	Policies
Incentive Mechanism	Grade A	Being renewed directly, and able to extend the scope of services without evaluation
	Grade B	Being renewed contracts with identical terms and conditions (except for security, cleaning and landscaping businesses)
Elimination Mechanism		<ul style="list-style-type: none"> Conducting counseling, defining improvement requirements, improvement deadline and supervisors, and recording for filing
	Grade C	<ul style="list-style-type: none"> Suppliers who fail to meet improvement requirements will not be renewed Suppliers that have been rated Grade C for 2 consecutive years will be downgraded to Grade D
	Grade D	Not renewing or adding new contracts, downgrading to restricted suppliers, and finding alternative suppliers timely

Tiered Supplier Management Mechanism

The Company conducts ongoing supervision and evaluation of suppliers for maintenance, security, cleaning, landscaping and consumables, etc., to assess the fulfillment of their performance in labor compliance, occupational health and safety, and environmental management. Relevant management requirements have been incorporated into tender documents and contract terms in advance.

Requirements for Cleaning Services Suppliers	The cleaning facilities and equipment, tools, and cleaning agents provided by the supplier must comply with the standard requirements of national ISO 9001 Quality Management System Certification, ISO 14001 Environmental Management System Certification, and ISO 45001 Occupational Health and Safety Management System Certification.
Requirements for Employee Insurance Suppliers	The supplier is responsible for ensuring the personal safety of its employees and purchasing third-party liability insurance for employees.
Requirements for Consumables Suppliers	The supplier should ensure that the product quality and packaging meet national standards and industry standards, including repair, replacement, return responsibility and environmental protection requirements.
Requirements for Maintenance Services Suppliers	The supplier is responsible for its employees' social insurance, wages, labor protection benefits, etc.

Supply Chain Environmental and Social Risk Management

Red-line Items	Yellow-line Items
<ul style="list-style-type: none"> Breach of employment contract. Falsification of employee attendance and settlement sheets. 	<ul style="list-style-type: none"> Failure to enroll employees in commercial insurance more than 3 times, or failure to provide coverage for more than 10% of employees in a single instance.

If Breaching the Management Red-line or Yellow-line, the Suppliers shall exit

Supplier Enhancement and Empowerment

The Company conducts supplier training through various methods such as face-to-face interviews, video conferences, online documents sharing, procurement platforms notifications, and WeChat official account articles of procurement department, etc. Routine communications are strengthened through phone calls and video conferences.

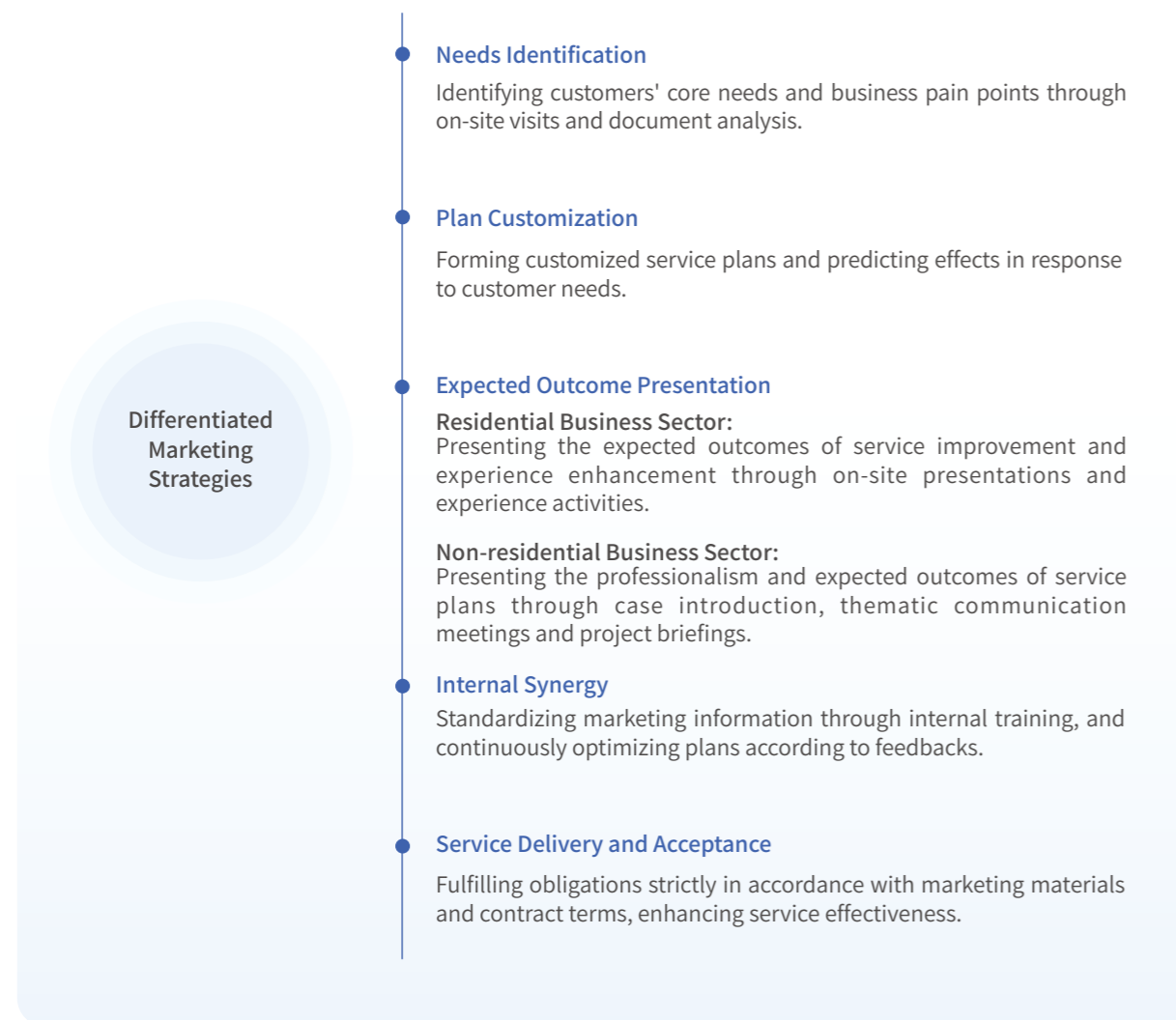
During the Reporting Period		
	The Company conducted 64 supplier routine training sessions covering 83% of key suppliers	Conducted more than 4,000 times of supplier communications

1.4 Implementing Responsible Marketing

Shimao Services establishes a responsible marketing management system, strictly complying with the *Advertising Law of the People's Republic of China* and other relevant laws and regulations, standardizing marketing behaviors and information release management and constructing standard marketing and materials management mechanisms, to ensure that marketing information is true, accurate, and compliant under various promotional scenarios.

The Company implements compliance constraints on the partner's advertising, strengthening management through methods such as contract approval, and routine inspections, etc., and according to internal policies such as the *Parking Lot Operation Management Policy*, and the *Space Business Management Policy*, etc., preventing marketing compliance risks.

Meanwhile, the Company develops differentiated marketing strategies based on key processes such as needs identification, plan customization, expected outcome presentation and contractual performance, etc. It aligns marketing solutions with customer needs to enhance service value.



The Company continuously strengthens responsible marketing awareness of employees, ensuring that market expansion activities are compliant and controllable.

The Company has conducted training sessions on brand management and public opinion management at both headquarters and branches, and standardized marketing information by holding monthly and quarterly brand meetings. On this basis, the Company carried out professional skills training, enhancing employees' understanding of business processes, key steps and standardized operations.



2 Initiating Green Environments with Heart, Coexisting Harmoniously

2.1 Addressing Climate Change

2.2 Implementing Low-Carbon Operations

2.3 Expanding Environmental Businesses



Shimao Services responds to the national "15th Five-Year Plan" and the "Carbon Peaking and Carbon Neutrality" strategy, and takes proactive action to address climate change. Meanwhile, the Company adheres to the principles of green development concepts, implementing low-carbon operations in its offices and projects under management, and integrates innovative environmental protection initiatives to create a green, clean and pleasant living environment.

2.1 Addressing Climate Change

Shimao Services actively carries out actions to address climate change by establishing a climate governance structure, identifying climate-related risks and opportunities, assessing their impacts on the Company, and developing response strategies.

2.1.1 Climate Governance

Shimao Services has established a top-down climate governance structure: the Board acts as the highest governance and decision-making body for climate-related matters. The Sustainability Steering Committee assists the Board in overseeing and managing climate-related matters, reviewing climate impact assessments, developing climate response strategies, setting targets and tracking progress toward its achievement. The Sustainability Working Team regularly identifies, analyzes, evaluates, addresses and monitors climate-related risks and opportunities; coordinates the implementation of climate initiatives across headquarters departments, regional offices and affiliated companies; and regularly reports on progress to the Sustainability Steering Committee.

The Company has incorporated energy-saving and consumption-reduction targets into the annual performance review of directors, management and business department heads, establishing a sustainability-driven compensation incentive mechanism.

Governance Level	Governance Roles and Responsibilities	Communication Frequency
The Board	<ul style="list-style-type: none"> ● Reviewing the Company's climate-related risks and opportunities assessment work; ● Guiding the Company in developing climate strategies, setting targets and implementing response work; ● Overseeing the progress of climate actions; ● Overseeing climate-related employee training, conducting regular assessments of the climate management competencies of members of the Sustainability Steering Committee and Sustainability Working Team, and ensuring that relevant members possess sufficient capabilities to fulfill their climate management responsibilities. 	<ul style="list-style-type: none"> ● Holding the meeting at least once a year to receive updates on climate-related matters and make decisions.
The Sustainability Steering Committee	<ul style="list-style-type: none"> ● Assisting the Board in conducting evaluation meetings on climate-related risks and opportunities, and carrying out dedicated climate study; ● Organizing climate management awareness and skills training to enhance employees' capabilities in responding to climate risks and seizing climate-related opportunities. 	<ul style="list-style-type: none"> ● Holding the meeting at least twice a year and holding extraordinary meetings in case of important matters.
The Sustainability Working Team	<ul style="list-style-type: none"> ● Regularly identifying, analyzing, assessing, addressing, and monitoring climate-related risks and opportunities; ● Coordinating headquarters departments, branches and affiliated companies to implement climate initiatives, including energy consumption management and climate disaster prevention and response, and regularly reporting on progress to the Sustainability Steering Committee; ● Improving the quality of climate-related information disclosure to comply with regulatory requirements. 	<ul style="list-style-type: none"> ● Regularly reviewing and summarizing progress on climate action; ● Disclosing climate-related information to the public on an annual basis, including climate governance, strategy, risk management, metrics and targets.

Shimao Services Climate Governance Structure

2.1.2 Climate Strategy

Shimao Services focuses on the impact of climate change on the Company's operations and projects under management. According to the characteristics of operational activities and the actual conditions of the upstream and downstream of the value chain, the Company identifies and ranks climate-related risks and opportunities, sorts out their impact paths, and formulates reasonable and effective response measures.



Climate Risks

Physical Risk Identification, Impact Assessment and Response

Risk	Impact Overview	Potential Financial Impact	Impacted Period	Impacted Section	Response Measures	
Acute	Hail	May cause damage to outdoor facilities and equipment or personnel safety risks, briefly affecting the normal operation of property services.	Asset impairment loss Increase in operating costs Increase in insurance expenses	Short-term Medium-term	Own operations Residential business sector Non-residential business sector Upstream suppliers Downstream customers	<ul style="list-style-type: none"> ● Risk Inspection: Conducting special assessments of acute and chronic risks regularly and strengthening protection for vulnerable facilities and equipment. ● Emergency Management: Establishing a 24-hour on-duty emergency team; formulating comprehensive extreme weather emergency plans; conducting regular inspections of emergency supplies and key equipment to ensure operational readiness. ● Warning Information Release: Closely paying attention to weather warnings released by the China Meteorological Administration, and releasing warning information and emergency contact phone numbers timely through various channels such as compound notice boards, electronic screens, WeChat groups, APPs, and broadcasts, etc. ● On-site Management and Control: Installing prominent warning signs at main entrances and areas prone to accidents, and using barricade tape to control access when necessary; strengthening security patrols, giving advice to stay safe outdoors and prepare for emergencies; releasing emergency guidelines through various channels, including compound broadcasts, WeChat groups, and door-to-door notifications, etc. ● Focusing on Special Groups: Proactively reaching out to vulnerable residents, such as the elderly living alone, etc., to provide necessary emergency help. ● Own Operations Guarantee: Developing emergency response plans for office areas; equipping local server rooms with dual power lines and backup power sources to ensure continuous operation of core equipment; performing cloud backups of key data to achieve disaster recovery in remote; establishing remote operation and maintenance mechanisms to reduce reliance on on-site maintenance. ● Employee and Supplier Health and Safety: Releasing weather warnings through online and offline channels; carrying out safety education and first aid knowledge training; providing personal protective equipment and resting areas for outdoor operation personnel; scheduling personnel reasonably, monitoring employee health conditions, and arranging timely rest and medical treatment when necessary. ● Post-disaster Response: Setting up a warning areas immediately, completing on-site cleanup, and preventing secondary injuries; maintaining timely communication with local sub-district offices, electric power companies and water companies; notifying the recovery status of public facilities and equipment and weather changes to avoid misinformation. ● Comprehensive Loss Assessment: Conducting comprehensive inspections of public areas, assessing and quantifying property damage losses immediately after disasters; assisting residents and users in verifying the damage situations, and liaising insurance companies to launch a fast-track claims process. ● Post-event Review: Holding debriefing meetings to assess the indicators of emergency plans, such as the effectiveness and response speed, etc., with a view to optimizing the plans and budgets for the following year.
	Snowfall	May lead to an increase in energy costs of property services, aggravation of safety hazards and an increase in maintenance costs for facilities and equipment.	Asset impairment loss Increase in operating costs Decrease in operating revenue			
	Cyclone/ Typhoon/ Hurricane	May cause damage to property facilities and equipment, overloading of drainage systems, power supply interruptions, and threats to personnel safety, posing significant challenges to service operations in coastal and offshore areas.	Asset impairment loss Increase in operating costs Decrease in operating revenue Increase in insurance expenses			
	Extreme heat	May lead to equipment overheating and shutdowns, field personnel heatstroke, and surges in energy loads, temporarily affecting on-site service efficiency and personnel safety.	Asset impairment loss Increase in operating costs Decrease in operating revenue			
	Extreme precipitation	May lead to waterlogging, water ingress into facilities and equipment or operation interruptions, causing short-term impacts on on-site service safety and customer experience.	Asset impairment loss Increase in operating costs Decrease in operating revenue			
	Cold wave	May cause damage to outdoor facilities and equipment due to low temperatures, and injuries to personnel working in low-temperature environments, temporarily affecting on-site service efficiency and personnel safety.	Asset impairment loss Increase in operating costs Decrease in operating revenue			
	River flooding	May cause damage to the underground space and the facilities and equipment along the riverbanks, posing direct threats to the operation of the property projects near riverbanks.	Asset impairment loss Increase in operating costs Decrease in operating revenue Increase in insurance expenses			
	Coastal flooding	May cause damage to coastal underground space and the facilities and equipment, posing direct threats to the operations of coastal property projects.	Asset impairment loss Increase in operating costs Decrease in operating revenue Increase in insurance expenses			
	Wildfire	May lead to destruction of forest resources, deterioration of air quality, traffic interruptions, suspension of production activities, and threats to residents' lives and properties.	Asset impairment loss Increase in operating costs Decrease in operating revenue Increase in insurance expenses			

Risk		Impact Overview	Potential Financial Impact	Impacted Period	Impacted Section	Response Measures
Chronic	Water shortage	May affect operational water supply and impact cleaning and landscaping services in public areas, thereby undermining overall service stability.	Increase in operating costs	Medium-term Long-term	Own operations Residential business sector Non-residential business sector Upstream suppliers Downstream customers	<ul style="list-style-type: none"> ● Risk Inspection: Conducting special assessments of acute and chronic risks regularly and strengthening protection for vulnerable facilities and equipment. ● Emergency Management: Establishing a 24-hour on-duty emergency team; formulating comprehensive extreme weather emergency plans; conducting regular inspections of emergency supplies and key equipment to ensure operational readiness. ● Warning Information Release: Closely paying attention to weather warnings released by the China Meteorological Administration, and releasing warning information and emergency contact phone numbers timely through various channels such as compound notice boards, electronic screens, WeChat groups, APPs, and broadcasts, etc. ● On-site Management and Control: Installing prominent warning signs at main entrances and areas prone to accidents, and using barricade tape to control access when necessary; strengthening security patrols, giving advice to stay safe outdoors and prepare for emergencies; releasing emergency guidelines through various channels, including compound broadcasts, WeChat groups, and door-to-door notifications, etc. ● Focusing on Special Groups: Proactively reaching out to vulnerable residents, such as the elderly living alone, etc., to provide necessary emergency help. ● Own Operations Guarantee: Developing emergency response plans for office areas; equipping local server rooms with dual power lines and backup power sources to ensure continuous operation of core equipment; performing cloud backups of key data to achieve disaster recovery in remote; establishing remote operation and maintenance mechanisms to reduce reliance on on-site maintenance. ● Employee and Supplier Health and Safety: Releasing weather warnings through online and offline channels; carrying out safety education and first aid knowledge training; providing personal protective equipment and resting areas for outdoor operation personnel; scheduling personnel reasonably, monitoring employee health conditions, and arranging timely rest and medical treatment when necessary. ● Post-disaster Response: Setting up a warning areas immediately, completing on-site cleanup, and preventing secondary injuries; maintaining timely communication with local sub-district offices, electric power companies and water companies; notifying the recovery status of public facilities and equipment and weather changes to avoid misinformation. ● Comprehensive Loss Assessment: Conducting comprehensive inspections of public areas, assessing and quantifying property damage losses immediately after disasters; assisting residents and users in verifying the damage situations, and liaising insurance companies to launch a fast-track claims process. ● Post-event Review: Holding debriefing meetings to assess the indicators of emergency plans, such as the effectiveness and response speed, etc., with a view to optimizing the plans and budgets for the following year.
	Humidity change	May accelerate the aging of building structures and the mildewing on walls, affecting indoor comfort and increasing facility and equipment maintenance frequencies and customer complaint risks.	Asset impairment loss Increase in operating costs			
	Warming trend	May aggravate cooling loads, increase energy consumption of air conditioners, and thereby increasing operation and maintenance costs and energy management pressures in the long term.	Increase in operating costs			
	Wind speed trend	May affect natural ventilation effect due to some inland and coastal areas have shown a downward trend in average annual wind speed; in some high-altitude or high-latitude areas, wind speeds are strengthening, which may increase the wind load risks of building facades, roof facilities and equipment, and greening, affecting property energy consumption performance and facilities and equipment durability.	Asset impairment loss Increase in operating costs			
	Sea level rise	May cause the rising of groundwater levels, the decline of drainage system efficiency and the aggravation of infrastructure corrosion, posing a persistent threat to building safety and asset durability.	Asset impairment loss Increase in operating costs Decrease in operating revenue			
	Low river flow	May trigger landscape water shortages, water quality degradation, and algal blooms, etc., thereby increasing environmental management complexity and operational costs while compromising customer experience.	Increase in operating costs Decrease in operating revenue			

Transition Risk Identification, Impact Assessment and Response

Risk	Impact Overview	Potential Financial Impact	Impacted Period	Impacted Section	Response Measures	
Policy and Law	Climate disclosure requirements	Climate disclosure requirements are becoming increasingly strict, which may lead to an increase in compliance costs.	Increase in compliance costs	Long-term	Own operations	<ul style="list-style-type: none"> ● Compliance Requirement Monitoring: Timely monitoring and analyzing climate disclosure requirements. ● Improving Management Mechanism: Establishing climate management systems, and carrying out climate information disclosure regularly. ● Auditing Disclosure Document: Auditing climate information disclosure contents, ensuring they are true, accurate and complete.
	Carbon market	With the establishment and continuous improvement of carbon markets in various regions, if property management companies are included in this market in the future, they may face carbon emission reduction cost expenditures.	Increase in compliance costs Increase in operating costs Increase in capital expenditures	Medium-term	Own operations	<ul style="list-style-type: none"> ● Policy Monitoring and Scenario Analysis: Paying close attention to carbon market-related policies, such as carbon prices, mandatory trading scopes, Chinese Certified Emission Reduction (CCER) trading rules and local carbon allowances, and simulating and analyzing compliance and financial impacts under different scenarios. ● Carbon Asset Compliance Management: Planning to establish internal carbon asset management systems, and preventing trading and compliance risks; aligning carbon allowance and credit reserves with actual emission. ● Carrying Out Energy-conservation Renovations: Implementing energy efficiency retrofit projects to systematically and effectively manage carbon emissions.
	Carbon-related policies and regulations	Failing to promptly adapt to evolving regulatory frameworks may result in escalated compliance costs.	Increase in compliance costs Increase in operating costs Increase in capital expenditures	Medium-term	Own operations	<ul style="list-style-type: none"> ● Establishing a regulatory compliance repository: Monitoring standard updates and dynamically adjusting response strategies. ● Carrying Out Special Training: Covering topics such as carbon accounting, green operation and maintenance, and policy interpretation, etc., and enhancing frontline employees' awareness and management capabilities. ● Addressing Administrative Verifications and Lawsuits: Proactively addressing regulatory special inspections and managing risks associated with administrative litigation or civil disputes.
Technology	Clean energy usage	Rising prices of clean energy equipment will increase corporate costs for clean energy usage.	Increase in operating costs Increase in capital expenditures	Short-term Medium-term Long-term	Own operations Residential business sector Non-residential business sector	<ul style="list-style-type: none"> ● Non-residential Business Sector: Adopting Energy Management Contracting (EMC) models; developing distributed photovoltaic projects on public rooftops. ● Residential Business Sector and Own Operations: Cooperating with stable clean energy suppliers; and conducting compatibility testing prior to introducing clean energy equipment.

Risk		Impact Overview	Potential Financial Impact	Impacted Period	Impacted Section	Response Measures
Market	Supply chain cost fluctuation	With environmental protection regulations becoming increasingly strict, suppliers' own environmental protection costs increase, perhaps raising their product or service prices, leading to an increase in enterprise procurement costs.	Increase in operating costs Increase in capital expenditures	Short-term Medium-term Long-term	Own operations Residential business sector Non-residential business sector	<p>Supply Chain Management Optimization:</p> <ul style="list-style-type: none"> ● Centralized Procurement and Strategic Price Lock-Up: Conducting centralized tenders for high-volume, standardized products; securing fixed-price and fixed-quantity agreements with industry-leading suppliers. ● Expanding Alternative Suppliers: Establishing a backup supplier pool for key categories; introducing high cost-performance eco-friendly alternative products. ● Optimizing Procurement Processes and Standards: Revising technical standards to expand the use of eco-friendly materials, on the premise that service quality is ensured. ● Establishing a Tiered Management System for Green Suppliers: Integrating suppliers' environmental qualifications, green technology investments, and carbon footprint data into access criteria and performance evaluations; prioritizing collaboration with suppliers possessing higher decarbonization potential. ● Upgrading Digital Procurement Platforms: Implementing advanced price monitoring capabilities; enhancing sourcing efficiency and bargaining power, while leveraging data analytics to forecast cost trends. <p>Internal Operations Enhancement:</p> <ul style="list-style-type: none"> ● Product and Service Alternatives: Piloting and promoting more cost-effective products including eco-friendly cleaning agents, greening agents, and energy-conservation equipment, etc., on the premise that service quality is ensured. ● Process Refinement: Optimizing inventory management, applying centralized warehouse to minimize waste, while leveraging digital procurement solutions to drive down costs.
Reputation	Low-carbon transition	Stakeholders such as customers, shareholders, and investors, etc., prefer green and low-carbon service models. If an enterprise fails to meet industry best practices, it may face brand reputation pressures, affecting business expansion and capital market performance.	Decrease in brand value Decrease in operating revenue Increase in operating costs	Long-term	Own operations Non-residential business sector	<ul style="list-style-type: none"> ● Green Service Plans: Integrating services such as energy-conservation renovations, and energy management, etc., and developing comprehensive service plans for office buildings; piloting the "Green Low-Carbon Building Certification Service" in selected non-residential projects. ● Employee Awareness Raising: Conducting training sessions on green building standards, including LEED and WELL certifications, etc. ● Stakeholder Communication: Carrying out green and low-carbon action promotions, strengthening communication with external stakeholders such as investors and shareholders, etc.

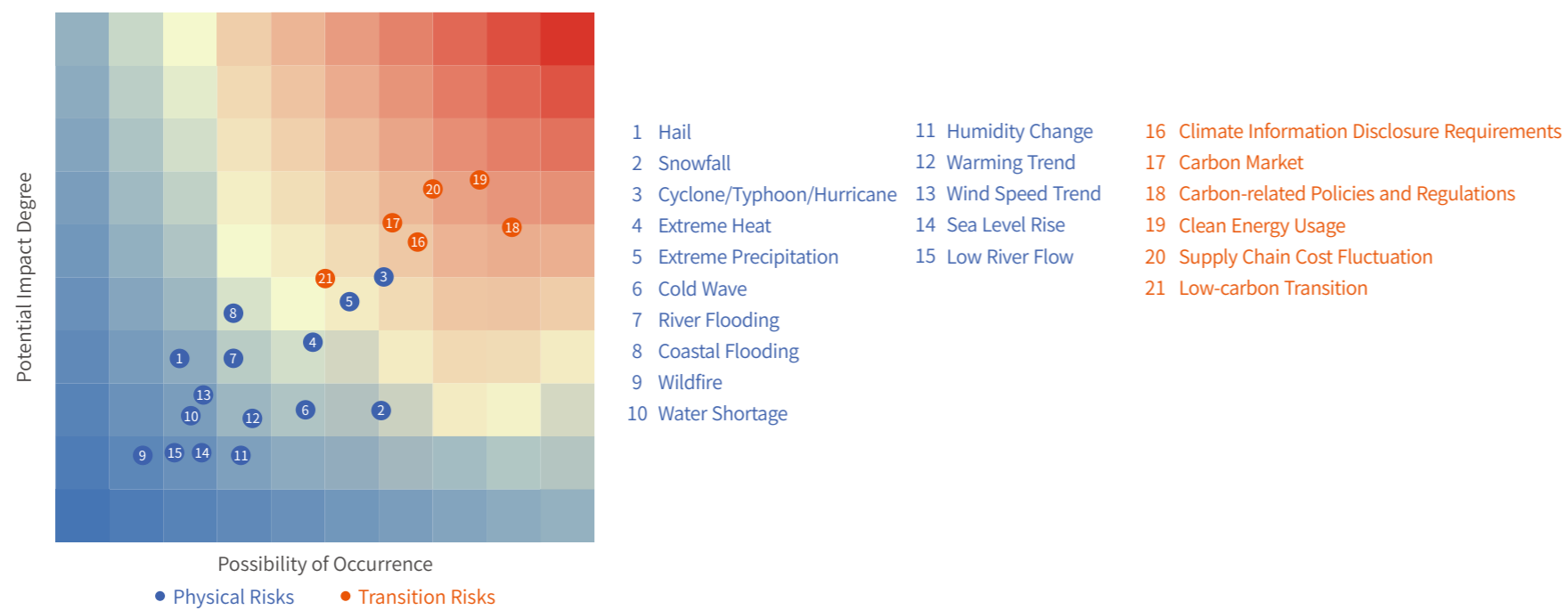
Climate Opportunities

Opportunity Identification, Impact Assessment and Response

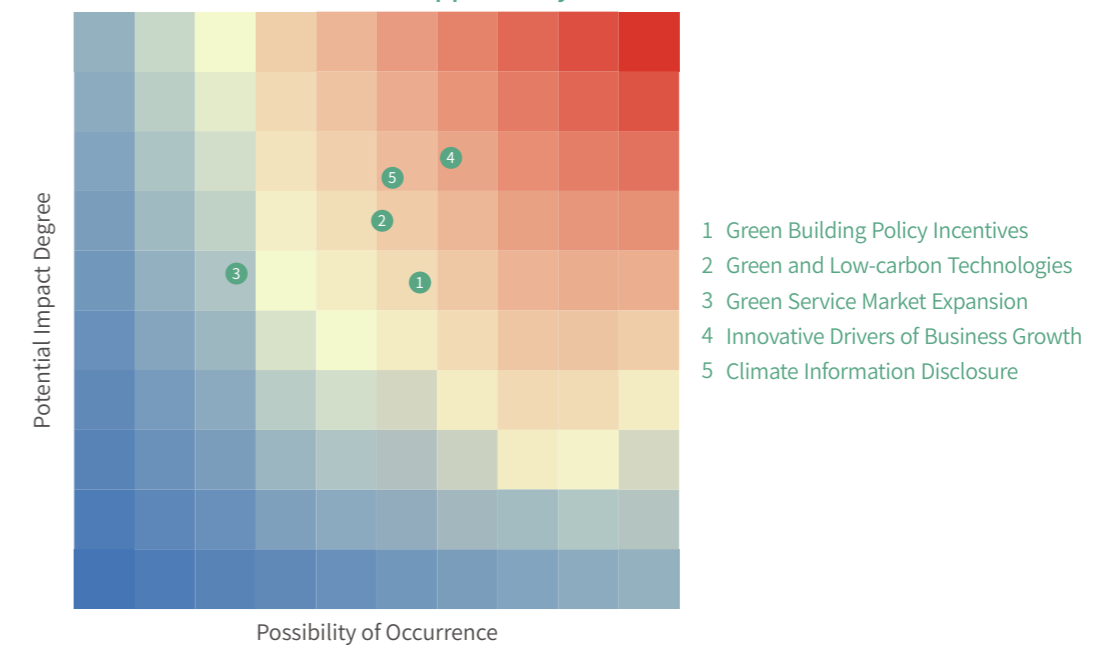
Opportunity	Impact Overview	Potential Financial Impact	Impacted Period	Impacted Section	Response Measures	
Policy and Law	Green building policy incentives	Certifications and supports for green buildings by local governments, including green building rewards, and special subsidies for green property management, etc.	Decrease in operating costs	Medium-term Long-term	Own operations Non-residential business sector	<ul style="list-style-type: none"> ● Inventorying Green Certification of Projects under Management: Filtering qualified projects not yet declared and establishing database for projects under management. ● Preparing Materials Based on Each City's Policies: Supplementing energy efficiency inspection reports and identification certificates for green building projects in Guangzhou and Beijing; completing application materials for green properties projects in Shenzhen. ● Liaising with Local Authorities: Liaising with local authorities such as Guangzhou Municipal Housing and Urban-Rural Development Bureau, and Beijing Municipal Commission of Development and Reform, etc., and understanding subsidy application processes, deadlines and material review requirements. ● Effective Use of Subsidies: Funds should be prioritized for green renovations (such as energy-conservation equipment replacements) and green property operation and maintenance upgrades.
Technology	Green and low-carbon technologies	Carrying out energy-conservation technical renovation, saving resources, and reducing costs.	Decrease in operating costs	Long-term	Own operations Residential business sector Non-residential business sector	<ul style="list-style-type: none"> ● Own Operations: Identifying energy conservation and consumption reduction opportunities within office areas; fostering a culture of green office practices among employees; leveraging virtual server technology to minimize hardware footprint; planing to establish a IT carbon emission monitoring system with regular reporting; actively pursuing policy subsidies for green and low-carbon technologies. ● Residential Business Sector: Implementing energy-conservation retrofits in public areas (such as upgrading lighting systems and adopting elevator kinetic energy recovery systems, etc.); adopting smart energy management systems. ● Non-residential Business Sector: Carrying out building energy-conservation renovations, including optimizing the heating, cooling, ventilation, lighting and elevator systems of properties; installing smart electricity meters, implementing multi-property partitioned energy consumption management.
Market	Green service market expansion	Driven by green policies, the green service market presents significant opportunities. The green management demand in non-residential business sector is rising rapidly.	Increase in operating revenue Impact on asset value	Short-term Medium-term Long-term	Own operations Non-residential business sector	<ul style="list-style-type: none"> ● Creating a Green Services Checklist: Incorporating energy management, and energy-conservation renovations into service checklist. ● Carrying Out Resource Recycling: Including resource recycling and asset retirement and disposal businesses on campus. ● Providing Smart Energy Consumption Management: Monitoring and analyzing water and electricity energy consumption in real-time by using smart water and electricity meters. ● Green Service Marketing: Synthesizing service experiences to enable precise advertising and promotion.

Opportunity		Impact Overview	Potential Financial Impact	Impacted Period	Impacted Section	Response Measures
Market	Innovative drivers of business growth	The property management industry is extending from traditional services to environmental protection management services.	Increase in operating revenue	Medium-term Long-term	Own operations Non-residential business sector	<ul style="list-style-type: none"> ● Own Operations Innovation Incentives: Establishing innovative technology support teams; formulating technological innovation incentive mechanisms. ● Supply Chain Management Optimization: Mapping key equipment, technical services, and consumables lists; prioritizing partnerships with suppliers that are capable of delivering integrated solutions or key technologies; actively pursuing policy subsidies; innovating service pricing models. ● Advancing Environmental Business: Launching energy conservation and emission reduction renovation business and solid waste treatment business and enhancing core competitiveness.
Reputation	Climate information disclosure	The completeness, comparability, and auditability of climate information are the important measurement standards for corporate governance and risk management.	Increase in brand value Decrease in financing costs Increase in operating revenue	Short-term Medium-term Long-term	Own operations Residential business sector Non-residential business sector	<ul style="list-style-type: none"> ● Monitoring Policy Developments: Regularly monitoring climate-related regulations and requirements to enhance the transparency and credibility of climate disclosures. ● Expanding Industry Influence: Leveraging best practices in climate action, developing management frameworks and training standards, thereby empowering the industry.

Shimao Services Climate Risk Matrix



Shimao Services Climate Opportunity Matrix



2.1.3 Climate Risk Management

Shimao Services is gradually standardizing its climate risk management processes, comprehensively assessing the likelihood and impact of climate risks in accordance with the Company's risk assessment criteria, prioritizing such risks, and formulating risk response strategies to ensure that the climate risks faced by the Company are adequately addressed, thereby minimizing negative impacts and maximizing potential opportunities.



Identification

Regularly conducting research on climate-related policies and regulations, market consumption preferences, and technological innovation trends; combining the Company's industry attributes, operational characteristics, internal risk inspection results, and external expert recommendations, to identify the actual and potential climate risks and opportunities affecting Shimao Services.



Analysis

Analyzing the affected segments, financial indicators, and stakeholders across the entire value chain (upstream value chain - operations - downstream value chain), based on the transmission pathways of risks and opportunities and the value creation process.



Assessment

Assessing the likelihood, magnitude and duration of climate-related impacts, ranking different types of climate impact sources, developing climate risks and opportunities impact matrices, and identifying those climate risks and opportunities that have material impacts on the Company.



Response

Developing preventive and responsive strategies for the pre-event, during-event, and post-event phases by analyzing the Company's resilience to various climate impacts and the time and resources required to recover from such impacts; regularly collecting and categorizing occurred risk incidents to optimize risk response measures in a timely manner.



Monitor

Establishing climate management metrics to track and measure climate management outcomes, regularly reporting on risk management effectiveness, and minimizing adverse impacts.

Shimao Services Climate Risk Management Processes

2.1.4 Climate Metrics and Targets

Metrics

In 2025, Shimao Services' GFA under management reached 221.2 million square meters. Among them, the GFA under management of non-residential projects reached 78.0 million square meters.

Sustainable Property Management Service Metrics	Applicable Scope	Coverage Area (Square Meters)	Covered Buildings (Buildings)	Revenue (RMB Million)
Green building certification	Non-residential projects under management	160,000	3	7.39
Green electricity usage		960,000	22	22.17

Shimao Services Non-residential Business Sector Sustainable Property Management Metrics

Metrics	Unit	2025
Total greenhouse gas emissions	tCO ₂ e	213,118.42
Greenhouse gas emission density	tCO ₂ e/sq.m.	0.0019

Shimao Services Greenhouse Gas Emissions Metrics

Targets

Climate Targets	Applicable Scope	Progress in 2025	Future Targets
Monthly average water consumption per square meter	Residential projects under management	Decreased by 3.21% as compared to 2024	By 2026, decrease by 2% as compared to 2025
Monthly average electricity consumption per square meter	Residential projects under management	Decreased by 4.36% as compared to 2024	By 2026, decrease by 3% as compared to 2025
Coverage rate of projects using elevator kinetic energy recovery system	Residential projects under management	Coverage rate 33%	By 2026, achieve a coverage rate of 75%
	Non-residential projects under management	Coverage rate 7%	By 2026, achieve a coverage rate of 30%
Coverage rate of projects using green electricity	Non-residential projects under management	Coverage rate 20%	By 2026, achieve a coverage rate of 50%



2.2 Implementing Low-Carbon Operations

The Company continuously optimizes the environmental management system, improving energy and resource use efficiency: in terms of energy management, it conducts energy-conservation equipment renovations; in terms of water resources management, it implements rainwater recycling and utilization and establishes smart irrigation systems; in terms of waste management, it carries out resource classified recycling and reutilization.

2.2.1 Environmental Management

Shimao Services has established a top-down environmental management structure, defining the division of responsibilities at all levels. Among them, the Residential Development Center and the Operation Management Center of the headquarters jointly oversee the environmental work, including management system construction, target setting, monthly performance review, rectification supervision, and environmental management education, etc.; the regional business departments of branches carry out relevant work according to the requirements of the headquarters for environmental management; the frontline project maintenance departments are responsible for implementing specific environmental protection, and reporting monthly work.

Shimao Services has established a smart AI monitoring platform for property management to monitor, analyze and predict energy consumption. This platform can identify anomalies in consumption intelligently and automatically push warnings.

2.2.2 Energy Management

Shimao Services strictly complies with national laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, and the *Law of the People's Republic of China on Energy Conservation*, etc., formulating policies such as the *Energy Consumption Management Guideline*, etc.

In 2025, the Company continued to advance the special project of energy conservation and consumption reduction in the residential business. The Company defined person in charge, audit departments and inspection standards, strengthened energy consumption data management and standardized the procedures of data collection, monthly analysis and result announcement. The Company formulated reward and punishment for frontline project teams, project maintenance heads, and branch teams. Issuing incentive bonuses to teams that improved economic efficiency or reduced energy consumption. For failure to reach targets, data falsification, and data omission, etc., the person in charge will receive oral or written warnings, and the project maintenance heads will be penalized for serious misconduct.

Building Automation Control



- In public areas, human body induction and light sensing control are adopted to automatically turn off unnecessary lighting and air conditioners during off-duty hours. Tests have shown that energy consumption in pilot projects can be reduced by 12%, and the service response time to equipment failures can be shortened to within 1 hour.

Smart Meter Application



- Smart meters are deployed to enable online remote energy consumption management and control. In 2025, a total of 17,906 smart meters were installed, enhancing energy consumption management and control.

Shimao Services Energy Management Measures (Partial)

Kinetic Energy Recovery Systems in elevators



- Energy-conservation retrofitting of elevators is carried out to convert the kinetic energy generated by an elevator's movement and braking into reusable electricity. In 2025, the Company completed retrofitting a total of 350 elevators in cities including Hangzhou, Guangzhou, Beijing, and Changsha etc., achieving a comprehensive energy conservation rate of over 30%.

Lighting Energy-conservation Renovation



- The retrofitting of parking garage lighting has been continuously promoted. In 2025, a total of 51,026 energy-saving lighting tubes in parking garages were installed, with a comprehensive energy conservation rate of 83%;
- Energy-conservation LEDs and intelligent control are adopted for landscape lighting to realize mode switching among daily mode, festival mode and late-night mode.

Shimao Services Energy Management (Partial)

2.2.3 Water Resources Management

Shimao Services strictly complies with national laws and regulations such as the *Water Law of the People's Republic of China*, etc., according to the management of the Company, monitoring, compiling statistics, and analyzing routine water usage in public areas of projects under management, and implementing water-saving measures such as water-saving irrigation and rainwater recycling, etc.

Water-saving Irrigation

Shimao Services adopts methods such as drip irrigation, and micro-sprinkling etc. to conduct partitioned rotational irrigation, achieving reasonable control of water usage. In addition, the Company uses smart irrigation systems, conducting precise irrigation at fixed times and fixed points according to soil humidity and weather conditions, maximizing water conservation while ensuring irrigation effect.

Rainwater Recycling and Utilization



Underground rainwater storage tanks are connected to the lower ends of downspouts of single building to collect rainwater for greening and irrigation around the detached buildings.

Rainwater from the rooftops of multiple buildings is collected into underground medium-sized water storage tanks, which is utilized for greening and cleaning within the compound.

In feasible compounds, "rain gardens" or "sunken green spaces" are constructed in low-lying green areas, with embedded small-scale water storage modules that integrate water storage, infiltration and landscaping functions.

Shimao Services Rainwater Recycling and Utilization (Partial)

2.2.4 Waste Management

Shimao Services strictly complies with relevant laws and regulations on waste management, formulating management provisions such as the *Guidelines for Garbage Collection Operations*, etc., defining the requirements for waste disposal. In 2025, the Company actively carried out recycling and waste utilization, effectively sorting recyclables, and enhancing the recycling rate.

Waste Sorting

The Company further enhances waste sorting management: by setting up smart drop-off sites and equipping hand-washing convenience facilities to enhance participation rate; carrying out promotion activities such as environmental protection classes, etc., and providing bulky item pickup service for the elderly, reducing waste effectively.

During the Reporting Period



The Company completed thorough cleaning of over **1,200** garbage stations in total



Completed clearing and removal of construction debris for **205** projects

Resource Recycling and Utilization

Case

Organizing Compound Environmental Protection Activities

Shimao Services collected old car tires, invited residents to paint them, and repurposed them as road barriers. This initiative promotes recycling of waste materials, eliminates safety risks, and improves landscaping.



2.3 Expanding Environmental Businesses

Shimao Services extends from property management service to "full-scenario" city services, carrying out environmental protection businesses.

2.3.1 Efficient Resource Utilization

The Company actively explores energy conservation and efficiency enhancement space in non-residential projects under management, through methods such as using the AIS smart energy management system, etc., utilizing resources efficiently.

Case

Applying the AIS Smart Energy Management System

Shimao Services applies the AIS smart energy management system to collect and analyze project energy consumption data, establish a database. According to the project's requirements for environmental management, the system intelligently change the operation modes of air conditioners, to balance comfort with efficiency. After the renovation, air conditioners achieve an average energy conservation of 20% compared with the traditional mode.

Case

Applying the Smart Elevator Management Platform

Shimao Services applies the smart elevator management platform, efficiently monitoring elevator operations, and autonomously adjusting elevator operation policy according to passenger flow patterns, which can save energy consumption by 20-45%; at the same time, the platform can assign the optimal elevator to each other, minimizing idle runs and reducing average waiting time. Through intelligent dispatching, the system reduces unnecessary elevator starts, stops and speed adjustments, cutting energy consumption.

2.3.2 Circular Economy

Shimao Services carries out general industrial solid waste RDF business and recyclable business, building a closed-loop business system of "front-end collection - mid-end smart transportation - back-end smart sorting - recycling", and developing regional circular economies.

The Company optimizes the solid waste collection, transportation and disposal processes, which can achieve the standardized disposal of 50,000 tons of general industrial solid waste and 20,000 tons of renewable resources annually, substantially reducing waste and landfilling and cutting emissions.

During production line equipment installation, the Company comprehensively controls pollution sources. In terms of dust control, hoarding fences and wet spray systems using spray technology are used for dust prevention and suppression in construction sites. All construction materials such as sand, gravel, and cement, etc., are 100% fully covered, and vehicles' wheels should be washed before exiting the sites. In terms of noise control, through choosing modern machinery with noise reduction features, and keeping noise down during "quiet hours", the construction noise management complies with the requirements of the *Emission Standard of Environment Noise for Boundary of Construction Site*. In terms of solid waste disposal, the principles of construction waste management are reused on-site after sorting, and the comprehensive recycling rate is no less than 95%. The remaining parts are handled by the factory's solid waste RDF system, achieving recycling, material reuse, and cost saving.

General Industrial Solid Waste RDF Business



The business converts combustible solid waste into high-calorific-value alternative fuel, supplying power plants and other environmental facilities, and providing a high-quality, eco-friendly energy option for energy conservation and carbon reduction. The core product, RDF, has a calorific value of 3,500~4,000 kJ/kg, with an annual production capacity reaching 50,000 tons in 2025.

Renewable Resources Business



The business processes 20,000 tons of recyclables annually, maintaining an equipment utilization rate of over 90%. Each collection site serves up to 22,500 individuals. Once the eight planned sites are operational, they will cover over 100,000 residents, and over 240 stores. All collection sites adopt a "Recycling + Education + Science Popularization" operational model. In 2025, the business facilitated over 10 environmental activities, engaging more than 5,000 participants.

Progress of General Industrial Solid Waste RDF Business and Renewable Resource Business

Case

Smart Management of Solid Waste

Shimao Services constructs a smart management and control system, a smart factory management and control system, and a dual-carbon R&D system, conducting smart management of solid waste for industrial parks and industrial enterprises. The Company conducts real-time traceability and dynamic data monitoring of waste stream paths by combining core technologies such as GPS positioning, vehicle-mounted weighing and big data analysis.

In terms of disposal technologies, the renewable resource business uses AI smart optical sorting equipment with a sorting accuracy rate over 98%, and by using equipment such as hydraulic baling and crushing, enhancing processing efficiency by more than 3 times compared to traditional manual labor.


3 Nurturing Colleagues with Heart, Integrating Diversely

3.1 Creating Diverse Environment

3.2 Empowering Employee Development

3.3 Ensuring Health and Safety

3.4 Enhancing Workplace Warmth

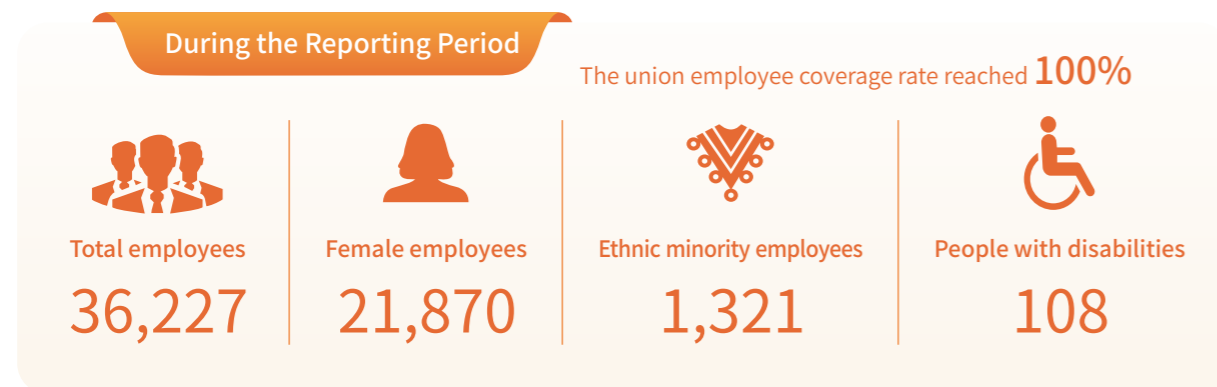


The Company safeguards rights and interests with institutional rules, stimulates potential with development and fosters cohesion with care, building a workplace ecosystem of respect for individuals, growth empowerment and shared value, allowing every employee to achieve self-worth in a safe, inclusive and caring environment.

3.1 Creating Diverse Environment

Shimao Services adheres to human rights standards including the core conventions of the International Labour Organization, etc., and strictly complies with national laws and regulations including the *Labor Law of the People's Republic of China*, the *Company Law of the People's Republic of China*, the *Law on the Protection of Minors*, and the *Provisions on the Prohibition of Child Labor*, etc. The Company formulates and implements multiple internal regulations, such as the *Recruitment Management Policy*, the *Remuneration and Welfare Management Policy*, the *Employee Promotion Management Policy*, the *Employee Training Management Policy*, the *Team Building Management Policy*, the *Attendance and Leave Management Policy*, and the *Resignation Management Policy*, etc. Through standardized human resource management systems, the Company regulates working hours, remuneration and other employment matters, safeguarding employees' legal rights and interests.

Shimao Services adheres to the principles of fair employment and equal career development opportunities, and conducts objective evaluations based on job requirements in stages such as recruitment, appointment, transfer, training, and promotion, etc., ensuring that personnel and positions are reasonably matched. 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, and age, etc. The Company adopts a zero-tolerance policy for illegal discrimination and harassment. Once such conduct is identified, it will be handled seriously in accordance with relevant laws and regulations. The Company implements strict screening throughout the recruitment process, eradicating the employment of child labor. At the same time, the Company has established a human rights risk assessment mechanism, systematically identifying and preventing potential labor rights-related risks, and continuously optimizing employment management practices.

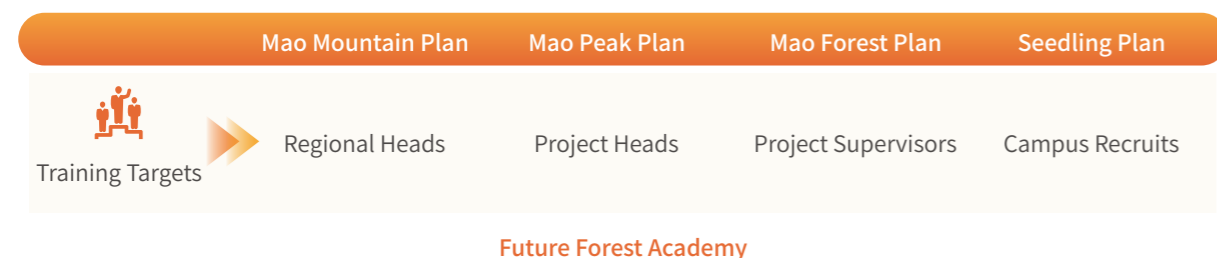


3.2 Empowering Employee Development

Shimao Services upholds the talent philosophy of "respecting people, trusting people and empowering people", creating a high-quality learning platform and formulating a diversified talent development strategy.

3.2.1 Constructing Training Systems

In 2025, Shimao Services upgraded the talent development system, and according to the learning needs of senior, middle and frontline employees, developed training strategies.



Case

Mao Mountain Plan: Strengthening Strategic Execution Capabilities of Regional Heads

The project delivered offline training through two modules to enhance regional heads' motivation, operational capabilities and leadership. Module One covers strategic alignment and business planning, with 6 core courses offered. Module Two focuses on management innovation and cross-disciplinary thinking, with industry experts invited to discuss topics including technological development and customer experience improvement.

In addition, the Company launched the monthly "7:30pm Classroom for Managers" and held in-depth seminars on residential and non-residential businesses.

Case

Mao Peak Plan: Enhancing Operational and Management Capabilities of Project Heads

Shimao Services provides training courses for project heads, covering project operational management capabilities and team management capabilities, with a total training duration of approximately 6 to 8 weeks.

In the residential business sector, the Company has cumulatively trained 225 project heads and pipeline talents, with a core course passing rate of 100%.

In the non-residential business sector, the Company has offline trained 54 project heads and online trained 68 project heads, with a core course passing rate of 100%.

Case

Mao Forest Plan: Customized Courses for Project Supervisors

Shimao Services focuses on topics such as business standards, job skills, and on-site management quality improvement, etc., providing customized skills training and evaluations for project supervisors. In 2025, the Company has cumulatively developed 61 business courses, trained 840 project supervisors and pipeline talents, with a core course passing rate of 100%.

Case

Seedling Plan: Focusing on Capability Development of Campus Recruits

Shimao Services carried out training for campus recruits through a variety of methods such as centralized training, dual-mentor coaching, online courses, and job rotations, etc. It helps them understand the corporate culture and values, enhances their professional capabilities, and cultivates their teamwork awareness. In 2025, the Company developed 11 customized courses, with a total of 41 campus recruits participating in the training.



Seedling Plan

Case

Practical Training: Skills Enhancement for Frontline Employees

In 2025, Shimao Services carried out a total of 4,156 training sessions nationwide for employees from property assistant, security, landscaping, environmental management and maintenance, etc., with 67,000 participants. Meanwhile, the Company established a "certification before promotion" mechanism for core positions.

In terms of the development of online professional learning platforms, Shimao Services upgraded the "Maoxue Platform". Centering on job responsibilities and key learning tasks, the Company developed a systematic course framework and improved the practicality of online courses. It provides expert courses and special cases, innovates course training methods by converting long-video courses into short-video sessions, and boosts overall training efficiency. In addition, the platform applied intelligent technologies, launched an AI learning assistant to strengthen employees' basic service capabilities.

In terms of course content, focusing on empowerment training for new managers, the Company updated 35 themed courses, and newly added 31 business and operation alignment courses, 116 frontline position standardized operation courses, 61 project supervisor courses, 30 project head courses, and 6 regional head courses, further improving the professionalism and systematicity of training.

In terms of lecturer and mentorship mechanisms, Shimao Services has established diversified mentoring mechanisms, launched standard courses, premium courses and expert courses, and assigned mentors to new employees as required. In addition, the Company encourages all employees to serve as internal trainers, with incentive schemes and grading and certification for internal lecturers.

By the end of the Reporting Period

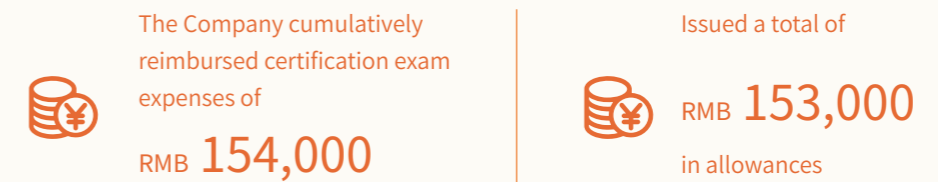


3.2.2 Establishing Incentive Systems

Shimao Services establishes and continuously improves the employee excellence selection and incentive system, strengthens competency development, invigorates talent motivation, and drives employee growth alongside business development.

To enhance employees' professional capabilities, the Company has formulated the *Employee Certification and Certificate Management System*, defining the types of certificates and the principles for expense reimbursement, and providing certificate allowances. Meanwhile, a mechanism of "plan declaration - expense reimbursement - allowance incentive - service period management" has been established to ensure the compliance and appropriateness of certificate utilization.

In 2025



To further stimulate organizational vitality and talent potential, the Company implements a "horse racing" quarterly across branches, regions and projects, according to operation performance, dynamically implementing internal mobility and job changes. The Company carries out bimonthly "project horse racing", targeting heads of residential projects, and conducting promotion or demotion based on operational results, where those performing excellently prioritize obtaining promotion and cultivation opportunities, and those falling behind will face transfers, demotions, or eliminations.

To enhance frontline service quality, the residential business sector holds the annual "Skills Grand Competition". Focusing on practical skills and comprehensive service capabilities, the competition is for selecting good property assistants.



3.3 Ensuring Health and Safety

The Company adopts national laws and regulations, including the *Work Safety Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, etc., as the guidelines for safety management. It strictly abides by local laws, regulations and relevant standards on occupational health and safety. In accordance with the requirements of the ISO 45001 Occupational Health and Safety Management System, the Company formulates and implements comprehensive occupational health and safety management measures. The property management business of all projects under management have obtained ISO 45001 Occupational Health and Safety Management System Certification. The Company engages third-party institutions to regularly analyze and evaluate the health and safety risks of all relevant businesses.

In terms of system construction, the Company formulates systems such as the *Employee Safety Guidelines*, the *Maintenance Special Inspection Management Policy*, the *Emergency Incident Management Policy*, the *Fire Safety Management Operation Guidelines*, and the *Equipment and Facility Risk Matter Control Policy*, etc. It integrates safety requirements for outsourced employees into job responsibilities and performance evaluation of responsible people, improving safety culture, and setting a "zero casualties" target.

The Company provides pre-employment and annual physical examinations for employees and adjusts examination items based on the characteristics of different positions to enhance health management effectiveness. In 2025, the Company further improved employee health protection by organizing company-wide physical examinations in the first quarter and providing supplementary commercial insurance for all permanent employees. The insurance coverage includes various risks such as major illnesses, accidental injuries and disabilities, traffic accidents, illness-related deaths, and medical protection, etc.

In terms of the health and safety management of outsourced employees, the Company adheres to the principle of equal treatment, managing the occupational health and safety of outsourced employees, and strengthens safety protection through setting contract terms, building the supplier accountability framework and conducting regular safety training. At the same time, the Company continuously improves the employer liability insurance management of outsourced employees, with insurance coverage rates maintained at 100% in both 2024 and 2025. The Company also sets differentiated insurance standards according to the actual situations of different branches and businesses, and continuously optimizes insurance mechanisms through claim tracking and annual review situations.

Residential and non-residential projects have carried out regular safety inspections and emergency drills. In addition to quarterly emergency fire drills, every holiday each project will carry out specialized safety inspections. Fire drills are implemented for all staff, including fire safety education, mock scenarios conduct and proper use of fire extinguisher demonstration. Flood and typhoon emergency training focuses on emergency response processes, drainage system operations, flood barrier materials usage and emergency safety guidelines.



3.4 Enhancing Workplace Warmth

Shimao Services pays attention to employees' sense of gain and happiness in the workplace, constructs communication channels, establishes welfare systems and enhances physical and mental health care, creating a heartwarming workplace environment for employees.

In terms of employee communication channel, the Company carries out "Face-to-Face with the President" campaign, and according to employees' time and schedule arrangements, organizes small-scale face-to-face exchanges, allowing employees to fully express their thoughts. The Company establishes 24-hour hotlines for audit and human resources departments, and establishes an Employee Welfare Task Force, listening to employees' voices.

In terms of employee welfare, the Company implements mandatory benefits such as pension insurance and retirement funds, etc., and provides comprehensive and diversified welfare for all staff including part-time employees. In 2025, the Company launched the employee mental health activity "Heart Healing Meeting", cumulatively carrying out 86 sessions, with nearly 3,000 employees participating in total; and providing "Destressing Station" services, serving frontline employees.

Welfare	Policy
Welfare Allowances (In cash)	Lucky Money for New Year, Wedding Bonus, Newborn Baby Bonus, Bereavement Allowance, Meal Allowance, Summer and Winter Allowance (according to local policies, RMB 100-300 is issued per person per month, and a total of RMB 10.55 million in subsidies was issued in 2025)
Welfare Allowances (In kind)	New Year Gift Package, Women's Day Gift, Dragon Boat Festival Gift Box, Mid-Autumn Festival Gift Box
Health Care	Annual Welfare Physical Examinations, Commercial Insurance, Annual Leave, Winter Care Package, Summer Cooling Package, Gift for Sickness and Sympathy
Cultural and Recreational Activities	Spring Festival On-Duty Care, Care for Night Shift, Employee Birthday Party, Family Day Activities

Shimao Services Supplementary Welfare

Women's Day Activities



Employee Birthday Party Activities



"Heart Healing Meeting" De-stressing Activities



4 Linking Cities with Heart, Co-building Happiness

4.1 Heart Light Community Culture

4.2 Heart Linking City Empowerment



Shimao Services hopes to bring more warmth and happiness to community life, continuously narrowing the emotional distance with residents and users. The Company takes professional services as the foundation, driven by innovative practices, actively outputs replicable city service models and co-builds a harmonious and symbiotic industry ecology.

4.1 Heart Light Community Culture

Shimao Services values the important role of culture construction in community work, continuously carrying out community activities including traditional culture, kid education, and health and wellness, promoting neighborhood communication, and enhancing community cohesion.

Bringing Traditional Culture to the Compounds

Lantern Festival Celebration



Organizing entertaining activities such as guessing lantern riddles, lion dance performances and handcraft, etc.

Respecting the Elderly in Double Nine Festival



Taking golden wedding anniversary photos for elderly residents for free, holding events to honor the elderly with longevty noodles

Growth Care Action

Summer Study Room



Opening "summer study rooms", and providing safe and convenient learning spaces

Vibrant Neighborhood

Sports Activities



Organizing table tennis matches, and basketball matches for residents, promoting healthy lifestyle concepts

4.2 Heart Linking City Empowerment

Shimao Services' non-residential business sector established the "Heart Linking City" brand system, comprehensively upgrading urban public services and empowering urban asset management.

4.2.1 "Heart Enterprise" Office Services

Shimao Services' "Heart Enterprise" brand serves office building and complex projects, providing full-life-cycle asset operation services. In 2025, the Company released the *Non-residential Position Pocket Book Version 2.0*, involving work instructions such as cleaning, reception, and conference affairs services, etc., ensuring service quality.

Case

Beijing Qiaoshang Center

Beijing Qiaoshang Center is a complex project integrating business apartments, office buildings, and commercial spaces. The project provides environmental cleaning, security services, reception services, and repair and maintenance services, creating a pleasant office environment. The project has won multiple honors such as "water-saving unit", "safe park demonstration unit", "waste sorting demonstration commercial building", etc.

4.2.2 "Heart Link" Government and Enterprise Services

The "Heart Link" brand serves government institutions and enterprises and institutions, providing efficient services. The Company deeply understands the special needs of government and enterprise customers, and through establishing the "professional + efficient" service criteria, ensures effective service delivery in public administration.

Case

Weihai Municipal Hospital

Weihai Municipal Hospital, as a Grade A Class III General Hospital, is characterized by large patient volume, strict hygiene standards and rigorous requirements of nosocomial infection prevention and control. Shimao Services team upgraded the waste transfer vehicles and cleaning equipment, not only significantly enhancing the cleanliness and comfort of the medical space, but also receiving high recognition from the hospital relying on professional and humanistic care services.

4.2.3 "Heart Guard" City Environmental Protection

The "Heart Guard" brand provides city services, integrated urban and rural sanitation services and solid waste treatment services through Shi Lu Yuan.

Case

Xi'an Chang'an District Integrated Sanitation Services

Shi Lu Yuan has replaced the original fuel-powered operation vehicles with new energy vehicles, and deployed a batch of small smart sanitary equipment to replace manual operations. Through applying smart platforms to analyze data, the project can reduce idle runs and repetitive operations, enhancing operation efficiency and reducing energy consumption. The project also innovated the public toilet cleaning model, effectively saving labor costs while maintaining service quality. In 2025 Xi'an City sanitation public toilet cleaning evaluation, the project outperformed 19 participants, ranking in the top three.



4.2.4 "Heart Element" Niche Markets

The "Heart Element" brand serves universities and colleges and provides services such as child care and elderly care, etc., through business divisions such as Zheda Sinew, Shanghai Guanghe Education Technology Co., Ltd., and Healthtop, etc.

Case

Zheda Sinew Campus Services Innovation

In the Ningbo University library, Zheda Sinew team creates the "Silent Library" service through technological innovation and management optimization. The project is equipped with AED first-aid equipment and medicine boxes, and it organized employees to participate in Red Cross rescue training, providing teachers and students with a safe, healthy and convenient learning environment.

Appendix

HKEx ESG Reporting Code Reference

Part C: "Comply or explain" Provisions			
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.	Implementing Low-Carbon Operations	P48-50
		Expanding Environmental Businesses	P51-52
KPI A1.1	The types of emissions and respective emissions data.	Performance Data Summary - Environmental	P76
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	P76
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	P76
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Implementing Low-Carbon Operations	P48-50
		Expanding Environmental Businesses	P51-52
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.	Implementing Low-Carbon Operations	P48-50
		Expanding Environmental Businesses	P51-52
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Implementing Low-Carbon Operations	P48-50
		Expanding Environmental Businesses	P51-52
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	P76
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Data Summary - Environmental	P76
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Implementing Low-Carbon Operations	P48-50
		Expanding Environmental Businesses	P51-52

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.	Implementing Low-Carbon Operations Expanding Environmental Businesses	P48-50 P51-52
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not Applicable to Company Business	
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Implementing Low-Carbon Operations Expanding Environmental Businesses	P48-50 P51-52
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Implementing Low-Carbon Operations Expanding Environmental Businesses	P48-50 P51-52
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 Diverse Environment Empowering Employee Development Enhancing Workplace Warmth	P55 P55-58 P60
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Performance Data Summary - Social	P77-78
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Data Summary - Social	P77-78
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 Health and Safety	P59
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	P77-78
KPI B2.2	Lost days due to work injury.	Performance Data Summary - Social	P77-78
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Ensuring Health and Safety	P59
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	P55-58
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Data Summary - Social	P77-78

KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Data Summary - Social	P77-78
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 Diverse Environment	P55
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Creating Diverse Environment	P55
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Creating Diverse Environment	P55
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Ensuring Compliance and Integrity Conducting Responsible Procurement Ensuring Health and Safety	P11-12 P24-26 P59
KPI B5.1	Number of suppliers by geographical region.	Performance Data Summary - Social	P77-78
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 Conducting Responsible Procurement Ensuring Health and Safety	P11-12 P24-26 P59
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	P24-26
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	P24-26
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 Quality Service Implementing Responsible Marketing Empowering Development with Digital Intelligence	P19-22 P27-28 P23-24
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not Applicable to Company Business	
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Enhancing Quality Service Performance Data Summary - Social	P19-22 P77-78
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Empowering Development with Digital Intelligence	P23-24

KPI B6.4	Description of quality assurance process and recall procedures.	Enhancing Quality Service	P19-22
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Empowering Development with Digital Intelligence	P23-24
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 P77-78
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 P77-78
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.	Heart Light Community Culture Heart Linking City Empowerment	P63 P64-65
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Heart Light Community Culture Heart Linking City Empowerment	P63 P64-65
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Heart Light Community Culture Heart Linking City Empowerment	P63 P64-65
Part D: Climate-related Disclosures			
Subject Areas, Aspects, General Disclosures and KPIs		Chapter	Page
Part D: Climate-related Disclosures			
Aspect: Governance			
19	An issuer shall disclose information about: (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about: (i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	Addressing Climate Change	P31-32

19	(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; (iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; (iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and (ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Addressing Climate Change	P31-32
Aspect: Strategy			
20	Climate-related risks and opportunities An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall: (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term; (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and (d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Addressing Climate Change	P33-44
21	Business model and value chain An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose: (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and (b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Addressing Climate Change	P33-44

22	<p>Strategy and decision-making</p> <p>An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:</p> <p>(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:</p> <p>(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;</p> <p>(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);</p> <p>(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and</p> <p>(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and</p> <p>(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).</p>	<p>Addressing Climate Change</p> <p>Implementing Low-Carbon Operations</p> <p>Expanding Environmental Businesses</p>	<p>P33-44</p> <p>P48-50</p> <p>P51-52</p>
23	<p>An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).</p>	<p>Addressing Climate Change</p> <p>Implementing Low-Carbon Operations</p> <p>Expanding Environmental Businesses</p>	<p>P33-44</p> <p>P48-50</p> <p>P51-52</p>
24	<p>Financial position, financial performance and cash flows Current financial effect</p> <p>An issuer shall disclose qualitative and quantitative information about:</p> <p>(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and</p> <p>(b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.</p>	<p>Addressing Climate Change</p>	<p>P33-44</p>
25	<p>Financial position, financial performance and cash flows Anticipated financial effect</p> <p>The issuer shall provide qualitative and quantitative disclosures about:</p> <p>(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:</p> <p>(i) its investment and disposal plans; and</p> <p>(ii) its planned sources of funding to implement its strategy; and</p> <p>(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.</p>	<p>Addressing Climate Change</p>	<p>P33-44</p>

26	<p>Climate resilience</p> <p>An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:</p> <p>(a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:</p> <p>(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;</p> <p>(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and</p> <p>(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;</p> <p>(b) how and when the climate-related scenario analysis was carried out, including:</p> <p>(i) information about the inputs used, including:</p> <p>(1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;</p> <p>(2) whether the analysis included a diverse range of climate-related scenarios;</p> <p>(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;</p> <p>(4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;</p> <p>(5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;</p> <p>(6) time horizons the issuer used in the analysis; and</p> <p>(7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);</p> <p>(ii) the key assumptions the issuer made in the analysis; and</p> <p>(iii) the reporting period in which the climate-related scenario analysis was carried out.</p>	<p>The Company will endeavor to provide additional details of climate scenario analysis, etc., climate resilience in subsequent disclosures.</p>	<p>/</p>
Risk Management			
27	<p>An issuer shall disclose information about:</p> <p>(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:</p> <p>(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);</p> <p>(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;</p> <p>(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);</p>	<p>Addressing Climate Change</p>	<p>P45</p>

27	<ul style="list-style-type: none"> (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period; (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process. 	Addressing Climate Change	P31-32
Aspect: Metrics and Targets			
28	<p>Greenhouse gas emissions An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO₂ equivalent, classified as:</p> <ul style="list-style-type: none"> (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions. 	Addressing Climate Change Performance Data Summary - Environmental	P46 P76
29	<p>An issuer shall:</p> <ul style="list-style-type: none"> (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions including: <ul style="list-style-type: none"> (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). 	Addressing Climate Change Performance Data Summary - Environmental	P46 P76

30	<p>Climate-related transition risks An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.</p>	The Company will endeavor to provide additional details of the amount and percentage of assets or business activities vulnerable to climate impacts in subsequent disclosures.	
31	<p>Climate-related physical risks An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.</p>		/
32	<p>Climate-related opportunities An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.</p>		
33	<p>Capital deployment An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.</p>	The Company will endeavor to provide additional details of capital deployment in subsequent disclosures.	/
34	<p>Internal carbon prices An issuer shall disclose:</p> <ul style="list-style-type: none"> (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; <p>or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.</p>	The Company will endeavor to provide additional details of internal carbon prices in subsequent disclosures.	/
35	<p>Remuneration An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).</p>	Addressing Climate Change	P31-32
36	<p>Industry-based metrics An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.</p>	Addressing Climate Change	P46-47

37	<p>Climate-related targets An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:</p> <p>(a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.</p>	Addressing Climate Change	P46-47
38	<p>An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:</p> <p>(a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions.</p>	Addressing Climate Change	P46-47
39	<p>An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.</p>	Addressing Climate Change	P46-47
40	<p>For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:</p> <p>(a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and (e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).</p>	Addressing Climate Change	P46-47

Performance Data Summary - Environmental

Energy	Unit	Data
Total indirect energy use	Mwh	401,655.52
Total energy use	MWh	401,655.52
Energy use density	MWh/sq.m.	0.0035
Greenhouse Gas	Unit	Data
Indirect greenhouse gas emissions	tCO ₂ e	213,118.42
Total greenhouse gas emissions	tCO ₂ e	213,118.42
Greenhouse gas emission density	tCO ₂ e/sq.m.	0.0019
Water	Unit	Data
Total water use	Ton	11,895,122.56
Water use density	Tons/sq.m.	0.10
Waste	Unit	Data
Total hazardous waste	Ton	9.12
Hazardous waste density	Tons/sq.m.	0.000000079
Total non-hazardous waste	Ton	196.53
Non-hazardous waste density	Tons/sq.m.	0.0000017

Notes:

1. Since 2024, Shimao Services headquarters and its subsidiaries have canceled the use of official vehicles, so there has been no direct energy consumption related to gasoline, and no air emissions related to the use of official vehicles during the Reporting Period.
2. Due to adjustments in Shimao Services' operational model, the statistical scope of direct energy consumption during the Reporting Period did not cover the natural gas consumption of Zheda Sinew's self-operated catering business.
3. The indirect energy type includes purchased electricity, and the statistical scope covers the Shimao Services property office buildings in residential projects under management.
4. 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 2023 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.
5. The water resource type includes municipal water, and the statistical scope covers the Shimao Services property office buildings in residential projects under management.
6. The hazardous waste type includes discarded fluorescent tubes, discarded batteries, and discarded selenium drums, and the statistical scope covers the Shimao Services headquarters, the administrative office areas of subsidiary companies and property office buildings in residential projects under management.
7. Non-hazardous waste type includes wastepaper, and the statistical scope covers the Shimao Services headquarters, the administrative office areas of subsidiary companies and property office buildings in residential projects under management. Due to adjustments in Shimao Services' operational model, the statistical scope of non-hazardous waste generation during the Reporting Period did not cover the amount of household waste generated.

Performance Data Summary - Social

Employee	By Type (If Applicable)	Unit	Data
Total employees		Person	36,227
By gender	Female	Person	21,870
	Male	Person	14,357
By age	Under 30	Person	3,413
	30-50 years old	Person	14,035
	Over 50 years old	Person	18,779
By region	Mainland China	Person	36,227
	Overseas	Person	0
By type of employment	Full time	Person	36,225
	Part time	Person	2
	Labor dispatch	Person	0
By category	Non-management	Person	35,100
	Junior management	Person	899
	Middle management	Person	199
	Senior management	Person	29
Management	Management - Female	Person	488
	Management - Male	Person	639
Minority	/	Person	1,321
Disability	/	Person	108
Overall employee turnover rate		%	0.34
By gender	Female	%	1.03
	Male	%	2.44
By age	Under 30	%	1.71
	30-50 years old	%	0.69
	Over 50 years old	%	1.40
By region	Mainland China	%	0.34
	Overseas	%	0.00
By category	Non-management	%	0.30
	Junior management	%	0.62
	Middle management	%	7.02
	Senior management	%	6.45
Total new employees		Person	14,680
By gender	Female	Person	9,352
	Male	Person	5,328
By age	Under 30	Person	1,705
	30-50 years old	Person	4,632
	Over 50 years old	Person	8,343

By region	Mainland China	Person	14,680
	Overseas	Person	0
By category	Non-management	Person	14,439
	Junior management	Person	215
	Middle management	Person	26
	Senior management	Person	0
Union employee coverage rate		%	100
Health and Safety			
Number of work-related deaths	2023	Person	8
	2024	Person	7
	2025	Person	3
The rate of work-related deaths	2023	%	0.02
	2024	%	0.02
	2025	%	0.01
Number of working days lost due to injury		Days	8,035.50
Development and Training			
Percentage of trained employees			
By gender	Female	%	44.90
	Male	%	55.10
By category	Non-management	%	92.10
	Management	%	7.90
Average hours of training for employees		Hours/Person	29.74
By gender	Female	Hours/Person	43.26
	Male	Hours/Person	18.75
By category	Non-management	Hours/Person	29.24
	Management	Hours/Person	35.50
Total training investment		RMB'000	2,533
Supplier			
Total number of suppliers		/	Entity
By region	Mainland China	Entity	10,123
	Overseas	Entity	0
Product Responsibility			
Total number of complaints about products and/or services		Cases	32,311
Percentage of customer satisfaction		%	83.00
Business Ethics			
The number of concluded corruption legal cases brought against the Company or its employees		Cases	0
Compliance training rate for directors and all employees (including non-regular employees)		%	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%.