



世茂集團

SHIMAO GROUP HOLDINGS LIMITED

世茂集團控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

*(Stock code: 00813.HK)*

2024

Shimao Group Holdings Limited

Sustainability Report



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## ABOUT SHIMAO GROUP

### MESSAGE FROM THE CHAIRMAN

#### **Moving forward with determination, building dreams for a hundred years**

In a global context where environmental and social challenges are becoming increasingly severe, Shimao Group deeply recognizes the importance of stable operations and constructing a sustainable development ecosystem. We adhere to our responsibilities and mission, ensuring that all actions and decisions align with sustainable development principles, creating a more prosperous and sustainable world for future generations.

Stable operation is our core strategy. This means we will establish a sound management system, strengthen internal controls, and ensure the efficient use of resources and effective risk management. We will focus on improving efficiency, reducing energy and resource consumption, and driving sustainable operations through innovative methods. We will optimize resource allocation, improve resource utilization efficiency, and reduce waste. At the same time, we will establish a comprehensive risk management system to identify and respond to potential risks in a timely manner. Additionally, we will adopt advanced technology and innovative methods to enhance operational efficiency and environmental performance.

With over 30 years of history in the real estate sector, Shimao Group has led the development of many iconic landmark buildings and super city complexes in China. We take pride in developing high-quality projects and eco-friendly buildings, aiming to provide a healthy living environment and a high-quality lifestyle for everyone. The group always prioritizes product quality and service levels, ensuring that every delivered project meets our clients' high standards. In 2024, Shimao completed the delivery of 73 projects and 136 batches across 49 cities nationwide, with a cumulative delivery of 51,000 units throughout the year, and over 142,200 units delivered in the past two years. On the basis of stable delivery, Shimao actively promotes the collaborative development of diversified businesses, including commercial and entertainment, property management, and hotel businesses. The high-quality development of these businesses not only brings new growth points to the Company but also provides customers with more diverse service options. Through continuous exploration and innovation, Shimao is gradually solidifying the Company's "second curve", laying a solid foundation for future sustainable development.

#### **Leading the way to create a green future**

Shimao Group views addressing climate change as both an important challenge and an opportunity, and has taken a series of energy-saving and emission-reduction measures. We actively implement the national strategy of "Carbon Peak and Carbon Neutrality", striving to achieve carbon peak by 2030 and carbon neutrality by 2060. We continuously invest in and deploy new green solutions to further enhance our environmental performance and provide a better experience for our customers. We believe that green building will become the mainstream of the industry in the future, and Shimao Group will play a key role in this transformation.

In the process of architectural design and construction, we utilize advanced energy-saving technologies to improve the energy efficiency of buildings and reduce carbon emissions. At the same time, we collaborate with suppliers, partners, and other stakeholders to promote the realization of sustainable development. In real estate development projects, we introduce a number of innovative solutions and technologies to further enhance environmental performance and provide a superior experience for our customers, thereby actively contributing to the low-carbon transformation of the industry.

By improving the energy efficiency level of electrical equipment, optimizing the thermal performance of envelope structures, and making full use of renewable and clean resources, Shimao Group has effectively contributed to the realization of the “Dual Carbon” goal. Through the adoption of advanced technology and smart energy systems, we strive to further reduce emissions and waste generation, manage resources more efficiently, and strengthen the implementation of green building principles in more properties we develop and manage.

The real estate industry is changing rapidly, and Shimao Group has demonstrated its core values in the areas of sustainability and advanced technology with its innovative ability and adaptability. The Group’s outstanding projects have won numerous awards. Within three years from 2022 to 2024, Shimao delivered a cumulative total of 262,345 units, adhering to quality delivery and earning the honorific title of “2024 Annual Quality Delivery Real Estate Enterprise”.

We consistently integrate sustainable development, serving society, and giving back to the community into our core business development strategy. The group is deeply aware of its significant social responsibilities and is committed to creating high-quality built environments, providing stable employment opportunities, and fostering green, cultural, and inclusive living spaces for everyone.

### **Ingenuity and far-reaching achievement of lean management**

In 2024, we made substantial progress in our sustainable development goals and demonstrated significant achievements in environmental, social, and governance (“ESG”) management. We always prioritize the health and safety of our employees, continuously improving our supply chain risk management mechanisms to ensure that it meets high standards of social responsibility. By establishing a comprehensive green supply chain management system, we regularly assess the sustainable development performance of our suppliers and take prompt and effective measures to address potential risks in the supply chain.

We deeply recognize that employees are the core driving force behind the long-term success of a company. Therefore, we are committed to creating a healthy, safe, and opportunity-filled working environment for our staff. In our past practices, we have continuously improved career development opportunities for employees by optimizing internal processes and resource allocation. At the same time, we focus on cultivating an open and transparent corporate culture that encourages active participation in the Company’s innovation and development.

We also enhance employee engagement and a sense of belonging by strengthening internal communication mechanisms, making every employee feel valued and appreciated for their contributions. This people-oriented management philosophy not only strengthens team cohesion but also injects a continuous stream of momentum into the sustainable development of the Company. We believe that only by truly caring for the needs and well-being of our employees can we achieve shared growth between the Company and its staff, creating greater value for society.

### **Walking together, creating a bright future**

Shimao Group adheres to its commitment to sustainable development and has disclosed its ESG report to the public for nine consecutive years, showcasing our efforts and achievements in promoting sustainability, green development, and social welfare. By meticulously documenting the major accomplishments and initiatives of 2024, including the implementation of green projects and the enhancement of environmental, social, and governance management, we continue to explore and advance on the path of sustainable development, striving to create greater value for society and to paint a brighter future blueprint for people.

On behalf of the Board of Directors, I would like to express heartfelt gratitude to all stakeholders who have given us unwavering support. Special homage goes to all colleagues, who, in the challenging past year, have faced difficulties head-on with extraordinary courage and relentless effort, overcoming numerous obstacles and making outstanding contributions to the steady development of the Company. It is because of your hard work that we have been able to move forward steadily in a complex and ever-changing environment.

Looking to the future, we expect every employee and partner to actively participate in the great cause of sustainable development. I believe that only through everyone's cohesion can we go further and more steadily on the road of sustainable development. To this end, we will continue to provide diverse range of learning resources and growth platforms to help everyone enhance their awareness and practical ability of the concept of sustainable development, and ensure that this concept is integrated into every work and decision we make. Let us move forward together and jointly write a new chapter of sustainable development that belongs to us and the world!

**Hui Sai Tan, Jason**

*Chairman and President*

Hong Kong, 28 March 2025

## COMPANY INTRODUCTION

Shimao Group Holdings Limited (“Shimao Group”, “Shimao” or “the Company”, stock code: 00813.HK) entered real estate industry in 1989 and has laid out more than 100 core development cities after more than 30 years of development. The Group’s diversified business covers real estate development, commercial properties operations, property management, hotel operations, theme entertainment and culture development. Shimao closely follows the national strategy and adheres to the vision of providing customers with high quality experience in living, life, consumption, business and tourism, leading the lifestyle and serving a better life.

### Corporate honors

In 2024, Shimao Group was honored with the title of “2024 Annual Quality Delivery Real Estate Enterprise”, which recognized the group’s efforts and achievements.

**“2024 Annual Quality Delivery Real Estate Enterprise”**  
( Source: Huaxia Times Golden Phoenix Index Release )



## ABOUT THE REPORT

### CONTENT OF THE REPORT

This report is the 9th sustainability report published by Shimao Group, providing information on the Group's sustainability and corporate social responsibility performance, as well as future plans and goals, including the Group's environmental, social and economic impacts.

### SCOPE OF THE REPORT

This report covers the period from 1 January 2024 to 31 December 2024 (the "reporting period"). The scope of entities in the report covers the headquarters of Shimao Group and its subsidiaries (collectively referred to as the "Group", "we", "us" or "our"), but excludes some data of Shimao Services Holdings Limited ("Shimao Services", stock code: 00873.HK). The specific scope is detailed in each chapter.

### REPORTING GUIDELINES

This report is compiled in accordance with the "Environmental, Social and Governance Reporting Guide", which was in force during the reporting period, under Appendix C2 to the "Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("HKEX" or the "Stock Exchange")".

### HOW IT IS PUBLISHED

The report is prepared in Chinese and English and is available in electronic format on the Shimao Group's official website ([www.shimaogroup.hk](http://www.shimaogroup.hk)) and the website of the HKEX ([www.hkexnews.hk](http://www.hkexnews.hk)). If there is any inconsistency or ambiguity between the English and Chinese versions of this report, the Chinese version shall prevail.

## MATERIALITY ASSESSMENT OF ESG ISSUES

Shimao Group conducts regular materiality assessments on ESG issues and formulates a materiality matrix. In 2024, based on the development of Shimao Group, our ESG Management Committee has decided to continue to use the list of ESG materiality issues of Shimao Group in the previous year and their importance, drawing on the mainstream ESG rating indices in the capital market, taking into account the best practices of the industry and the expectations and requirements of various stakeholders. Shimao will continue to respond to the material issues of concern to all stakeholders, and improve the recognition of Shimao's ESG management by all stakeholders through practical work.



## COMMUNICATION WITH STAKEHOLDERS

Shimao considers employees, investors, users, contractors and suppliers as key stakeholders, and these groups are an important part of our business ecosystem. Based on this, Shimao has not only established a sound communication mechanism, but also ensured close connection with these core groups through diversified interaction methods.

Stakeholders Group	Means of Participation	Primary Concern/ Expectation
<b>Employees</b>	Questionnaire Employee activities	Salary and benefits Health and safe Fair promotion and development opportunities
<b>Investors</b>	Group Interview Road Show Teleconference	Return and growth Risk control Corporate governance
<b>Users</b>	Survey Home visit	Integrity High-quality products Considerate service and experience Comments and complaints handling Privacy protection
<b>Contractors</b>	Communications & interviews	Job opportunities Health and safety Compensation compliance
<b>Suppliers</b>	Communications & interviews	Integrity Equality and mutual benefit Resource sharing Transparent bidding procurement Mutual growth
<b>The public</b>	Company official website Charitable activities Media communication Group cooperation	Green building Environmental protection Charity Urban renewal

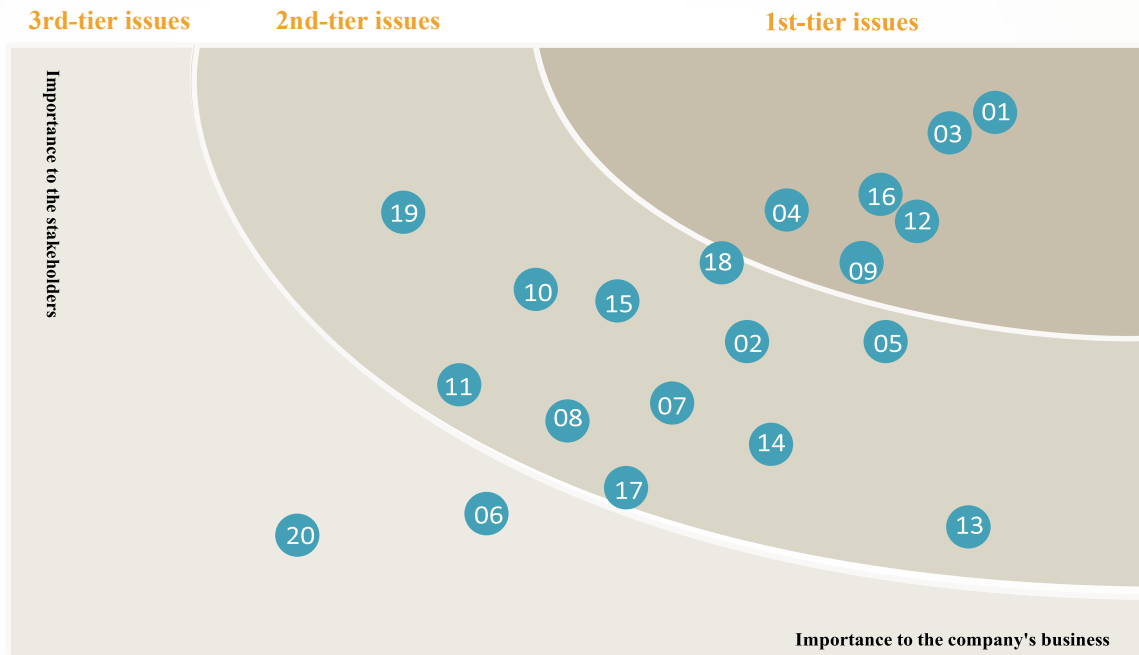
## KEY ISSUE SELECTION PROCESS

In order to assess ESG-related risks and sustainability issues, and to understand and respond to the expectations of various stakeholders regarding ESG efforts, we conducted the following materiality assessments during the reporting period:

Identification of key issues	Stakeholder communication	Materiality matrix
According to the requirements of the “ESG Reporting guidelines” of HKEX, the ESG ratings and indexes in the capital market, such as MSCI, highly concerned topics and best practices of domestic and foreign counterparts, 20 key issues of sustainable development have been sorted out.	The Group’s important internal and external stakeholders have been identified and invited to assess the importance of the Group’s sustainable development issues through group interviews and other written forms, and their opinions and suggestions have been heard and understood.	Through statistics and analysis on interviews and other written results, the following materiality matrix has been laid down on the two dimensions of “importance to the Company’s business” and “importance to stakeholders” with consideration of management and expert advice.



## KEY ISSUES IN 2024



No.	Key issue Topic	Scope	No.	Key issue Topic	Scope
01	Green building	Environment performance	11	Diversity and fair employment	Partner
02	Regional upgrade	City	12	Employee care and career development	Partner
03	Occupational safety and health	Partner	13	Effective use of natural resources	Environment performance
04	Sustainable supply chain	Partner	14	Local culture promotion	Society
05	Energy use and waste management	Environment performance	15	User privacy protection	Partner
06	Community investment	Society	16	Social integration	Society
07	Climate change and greenhouse gas emission	Environment performance	17	City renovation	City
08	User service system	Partner	18	Quality management system	Society
09	Compliance and anti-fraud	Society	19	Smart city and innovation	City
10	Joint forces for sustainability	Environment performance	20	Well-round education	City

SUSTAINABLE DEVELOPMENT WORK

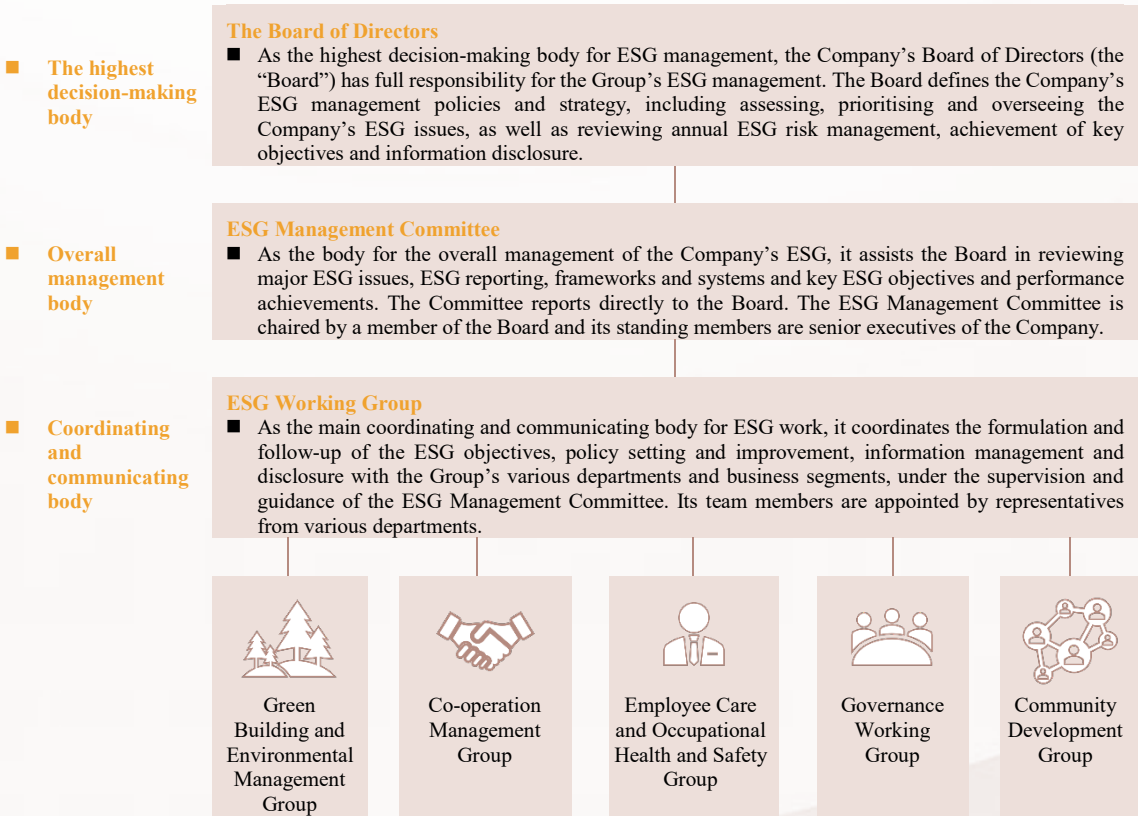
COMMITMENT TO SUSTAINABILITY

Shimao has cultivated a centennial corporate culture, rooted in the ethos of corporate social responsibility and dedication to improving people’s lives. It infuses the pursuit of high-quality growth with the essence of sustainable development and a robust inner momentum, guiding lifestyle trends and contributing to a better quality of life.

SUSTAINABLE DEVELOPMENT WORK MANAGEMENT STRUCTURE

Shimao Group attaches great importance to sustainable development. It has established a comprehensive sustainable development management framework, forming a three-tiered working mechanism of “decision-making level, management level, and execution level”. Systematic control work has been carried out to fully ensure the balance and effectiveness of environmental governance decisions, guaranteeing the effective implementation of various policies and measures. With the Board of Directors as the highest decision-making body, it conducts comprehensive supervision over sustainable development efforts; an ESG Management Committee composed of senior executives reports regularly to the decision-making level; an ESG Special Task Force has been established at the implementation level to clearly define the responsibilities of each department, ensuring the smooth operation of the relevant mechanisms. We will continue to strengthen multiple dimensions such as environment, society, and governance, continuously improving the Shimao Group’s environmental, social, and management standards, enhancing its influence in the field of sustainable development.

During the performance appraisal of the Directors and senior management, we clarify that Directors and senior management are responsible for employee health and safety, climate change response, ESG reporting management, and other performance requirements, prompting the management to optimize and improve ESG management.



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## SUSTAINABLE DEVELOPMENT POLICY

In response to the continuous attention of all sectors of society to Shimao Group's ESG performance, Shimao has formulated 9 sustainable development policies, which are announced on the official website and will continue to be used by Shimao in 2024. Each ESG working group will improve ESG performance in their respective fields under the guidance of the sustainability policy and implement corresponding optimization measures. The policy is as follows:

- Shimao Group Sustainable Development Policy General Program
- Shimao Group Corporate Code of Conduct
- Shimao Group Code of Conduct for Suppliers
- Shimao Group Integrity and Whistleblowing Policy
- Shimao Group Policy on Climate Change
- Shimao Group Policy on Environmental Protection and Biodiversity
- Shimao Group Policy on Community Management
- Shimao Group Policy on Occupational Health and Safety Management
- Shimao Group Policy on Human Rights

To view the electronic version of the policy, please visit the “ESG Policies” on the website at <https://www.shimaogroup.com/en/ESGOverview/>.

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## ENVIRONMENTAL, SOCIAL AND GOVERNANCE WEBPAGE

In response to the concerns of investors and all parties about ESG, Shimao Group has launched a sustainability webpage on its official website and WeChat official account. The column showcases Shimao's structure, policies, and external recognition for sustainability and ESG management, and describes its actions and performance in the areas of employee development, urban renewal, green building, sustainable supply chain, green leasing, business ethics and anti-fraud in separate chapters.

## ENVIRONMENT

### GREEN, LOW-CARBON AND SUSTAINABLE DEVELOPMENT

Shimao Group will continue to uphold the spirit of sustainable development, integrating the concept of green development into every aspect of design, production, construction, operation, and renewal. The group is committed to promoting the development of green buildings and making positive contributions to future sustainable development. We will strictly adhere to national and local environmental standards, gradually aligning with international environmental standards, and continuously promote the group's green building certification, green leasing, and green project initiatives.

Shimao is well aware that the development and promotion of environmentally friendly products is the only way for the transformation and high-quality development of the construction industry, so we have always paid attention to and optimized our own environmental risk management, and significantly improved the environmental performance and energy efficiency of our buildings through innovative design concepts, carefully selected environmentally friendly building materials, and efficient energy-saving measures. Shimao upholds respect for nature, actively responds to climate change, and builds a green and livable city through R&D and application of green technologies, helping to achieve the national "3060 carbon peak and carbon neutrality goals".

On the road to green operation, Shimao adheres to the dual concepts of intelligence and sustainability, optimizes energy management with cutting-edge digital technology, improves resource utilization efficiency, and works with partners to promote the low-carbon transformation of the industrial chain, setting a new benchmark for the sustainable development of the real estate industry. Every effort is a strong support for building a beautiful home, and it is also our profound practice of social responsibility.

Under the guidance of "Shimao Group Policy on Environmental Protection and Biodiversity" and "Shimao Group Policy on Climate Change", we are committed to working with other stakeholders, such as employees, homeowners, tenants, and suppliers, to promote energy conservation, reduce pollution, and protect the ecology, and actively fulfil our social responsibilities. Shimao practices social responsibility with practical actions and makes unremitting efforts to build a better urban living environment.

### GREEN BUILDINGS & PERFORMANCE

In new construction and renovation projects, Shimao Group strictly follows the relevant national standards, such as the "Assessment Standard for Green Building", "General Code for Energy Efficiency and Renewable Energy Application in Buildings", "Design Standard for Energy Efficiency of Public Buildings", "Design Standard for Energy Efficiency of Residential Buildings", "Design Standard for Water-saving of Civil Buildings" and "Assessment Standard for Green Retrofitting of Existing Building", etc., and actively explores land saving and outdoor environment, energy conservation and energy utilization, water conservation and water resource utilization, material saving and material resource utilization, and indoor environmental quality in various aspects of green building practices.

Based on complying with local building standards, Shimao carefully designs green buildings according to the positioning of each project, creating more energy-saving, environmentally friendly, low-carbon, and high-efficiency building environments for the community, and promoting harmonious coexistence between man and nature. By strictly complying with "Law of the People's Republic of China on Evaluation of Environmental Effects", "Outline of Natural Protection of the People's Republic of China", and "Regulations on the Administration of Environmental Protection of Construction Project", Shimao Group has not only ensured the green environmental protection of its buildings but also made positive contributions to the sustainable development of the city. The birth of every green building is Shimao's profound practice of social responsibility and unremitting pursuit of a better urban life.

## ➤ THE RELEVANT REQUIREMENTS OF CHINA FOR THE DEVELOPMENT OF GREEN BUILDINGS

Shimao Group has been actively responding to national policies to promote the high-quality development of green buildings, save resources, protect the environment, and meet the people's growing needs for a better life. According to the 2024 edition of the "Assessment Standard for Green Building", Shimao has been actively engaged in green building practices:

- **Adhering to the concept of green development:** Shimao actively implements the concept of green development, promotes the high-quality development of green buildings, conserves resources, protects the environment, and meets the people's growing needs for a better life.
- **Evaluation principle according to local conditions:** Shimao follows the principle of adapting measures to local conditions in the evaluation of green buildings, and comprehensively evaluates the safety and durability, health and comfort, convenience of life, resource conservation, and environmental livability of the building during its life cycle by combining the climate, environment, resources, economic and cultural characteristics of the building.
- **Scientific and reasonable site design and architectural layout:** Shimao makes full use of the original natural elements of the site, optimizes the building layout to adapt to the climatic conditions and geographical environment of the site, improves the natural ventilation, sunlight and acoustic environment of the building, and creates a harmonious outdoor environment.
- **Complying with the current relevant national standards:** In the evaluation process of green buildings, Shimao strictly abides by the current relevant national standards to ensure the green performance and comprehensive benefits of the buildings, and make positive contributions to the sustainable development of society.

## ➤ SHIMAO'S GREEN BUILDING GOALS AND PERFORMANCE

In order to better guide and motivate the Company's future green building development, Shimao has set a green building development goal and made the following commitments to existing and future new developments:

- Actively participate in the certification of multiple green building systems such as LEED, China Green Building Evaluation Label, and WELL.
- Ensure that no arable land is occupied and the ecological environment is protected.
- Starting from 2022, all new projects will adopt the China Green Building Basic Level as the minimum standard (except for projects that do not meet the objective conditions for the development of the Green Building Basic Level).



The Performance of Green Buildings During the Year

Cumulative total area of green buildings in 2023

93,656,700 sqm.

LEED Gold Building		LEED Silver Building	
7		2	
China Green Building Three Stars	China Green Building Two Stars	China Green Building One Star	China Green Building Basic
6	109	362	49

Additional Green Building Area in 2024

Basic Level	One Star	Two Stars
171,800 sqm.	111,300 sqm.	182,000 sqm.

Green Building Highlights

- **Aluminium alloy formwork:** Improve construction efficiency, reduce quality issues with wood formwork technology; enhance strong load-bearing capacity, high structural safety performance, seismic resistance, and environmental protection; perform one-time pouring and forming, good flatness, high precision, with conditions for no plastering or thin plastering technology.
- **ALC wall panel and plaster-free:** Fast construction, good wall flatness, saving 3%-5% indoor space. There is no wet work during construction, and the environmental performance is excellent.
- **Neoplastic panels are used for exterior wall insulation:** Improve the energy-saving effect of the building and reduce energy consumption.

HEALTHY BUILDING

Shimao Group attaches great importance to the harmonious coexistence of buildings and people and is committed to improving the health of users by improving the quality of indoor environment and thermal comfort. Several office projects have been awarded the WELL Healthy Building Certification, demonstrating Shimao’s excellence and commitment to healthy buildings.

The Company adheres to the concept of sustainable green and low-carbon construction, constantly explores the innovative path of green building, and strives to become a promoter and leader in this field.





## ➤ WELL HEALTHY BUILDING CERTIFICATION

Shimao attaches great importance to the health and well-being of users and buildings, and follows the WELL certification standard to comprehensively reshape building standards and solve residential health problems. Through strict indoor testing of volatile organic compounds, Shimao successfully reduced the PM2.5 concentration to 15 micrograms per cubic meter, far exceeding the standard of the Ministry of Environmental Protection of the People's Republic of China by 2.3 times, ensuring a high-quality fresh air environment and effectively protecting the health of users.

The Group further leveraged the five organism synergistic systems and the four smart driving forces to re-establish a new height of “green + health + smart” around the ecological office systems such as “fresh air system, indoor environment creation, indoor environmental health standards, energy control system, energy consumption monitoring system, water saving system, rainwater recycling system, and new energy parking system”, creating a more livable, healthy, and efficient environment for users.

## ➤ SHIMAO “4C” HEALTHY HOME SYSTEM 1.0

Based on the four concepts of “Carefree, Convenient, Comfortable and Community”, Shimao has launched “4 C” Healthy Home System 1.0. From the perspective of companionship, the system summarizes 16 core technologies and 147 specific implementation plans, reflecting Shimao's meticulous care for users. The mid-to-high-end standards of the Shimao Health System can be directly matched with domestic and foreign standards such as WELL Certification and China Health Certification, ensuring a high-quality living experience and a healthy living environment.

## ➤ SHIMAO SMART COMMUNITY 2.0

Shimao Smart Community continues to be implemented in various projects, and is committed to building a livable, pleasant, and healthy smart community. By configuring a multi-functional health and intelligent system, and continuously upgrading products, we create a genuine smart community living experience for customers. Specific measures include:

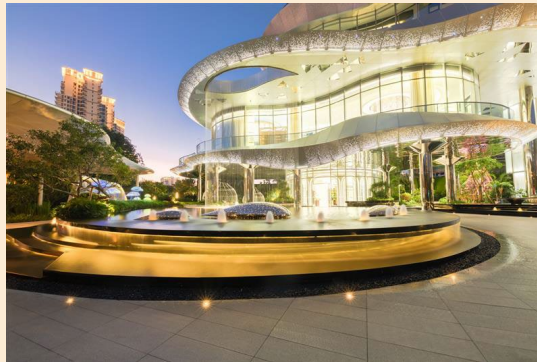
1. **Elevator Health and Safety:** The elevator is equipped with a ventilation system as standard, and an optional automatic induction ultraviolet disinfection lamp can automatically start disinfection when no one is there to maintain a healthy and safe riding environment.
2. **Safety Monitoring:** Set up monitoring in specific danger areas such as water features in the community, and automatically start prompts and notify the property management personnel when someone enters, ensuring safety.
3. **Ecological Landscape:** According to the climatic characteristics and plant characteristics, warm plants such as red, yellow, blue and purple are selected to create a four-season landscape and provide an environment for soothing emotions and aromatherapy. Evergreen plants are mostly used in the garden, and oxygen is released in 24-hour circulation to achieve the ecological effect of flowers in three seasons and scenery in four seasons.
4. **Air Quality Management:** A carbon monoxide detector is set up in the underground garage, and the fan exhaust is automatically started when the concentration exceeds the standard to ensure the air quality in the basement.
5. **Barrier-free Facilities:** Barrier-free measures are set up on roads, green spaces and building entrances in the community, and barrier-free elevators are set up in residences to ensure the convenience of all residents.
6. **Multi-functional Space:** Set up an overhead layer of multi-functional space such as community leisure and entertainment and fitness to provide a wealth of community activity venues.
7. **Energy-saving Lighting:** The lighting in public areas adopts sound and light control light source, which is automatically turned off when no one is around, which is energy-saving and environmentally friendly.

### Case Study: Sanya International Financial Center Green Building

Sanya IFC covers an area of 15,583.88 square meters, with a total construction area of 89,232.01 square meters, and has been awarded the two-star green building certification. Through a number of green building technologies, Sanya IFC not only improves the energy saving and environmental performance of the building, but also provides users with a healthy and comfortable indoor environment, setting a model of green building.

#### Key Technologies for Green Buildings

- **Energy-saving Design:** exterior window air tightness level 6, wind pressure resistance level 4, water tightness performance level 3. The exterior walls and roof of the building are insulated with high-efficiency materials to reduce energy consumption.
- **Green Building Materials:** The proportion of green building materials is 40% to reduce environmental impact.
- **Prefabricated Building:** Adopt prefabricated building technology to improve construction efficiency and reduce construction waste.
- **Rainwater Harvesting System:** Set up a rainwater harvesting system for greening irrigation and flushing roads to save water.
- **Solar Energy Utilization:** Install solar photovoltaic systems to provide electricity for some buildings and reduce carbon emissions.
- **Indoor Environmental Quality:** Adopt high-efficiency air filtration system to ensure indoor air quality. A natural ventilation system is installed to improve indoor comfort.
- **Green Design:** Green belts are set around the building to improve the micro-environment and provide open space.
- **Intelligent Building System:** Adopt intelligent building management system to achieve efficient management of energy and equipment.



### GREEN OPERATIONS AND GREEN LEASING

Shimao Group strictly abides by a series of relevant laws and regulations, such as “Energy Conservation Law of the People’s Republic of China”, “Prevention and Control of Water Pollution Law of the People’s Republic of China”, “Environmental Protection Law of the People’s Republic of China”, “Law of the People’s Republic of China on Evaluation of Environmental Effects”, “Law of the People’s Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes”, “Regulations on the Administration of the Prevention and Control of environmental Pollution by Electronic Waste”, and “Regulations on the Management of Domestic Waste”. In line with the national, regional, and industry’s “14th Five-Year” Development Strategy, Shimao Group strengthens its overall operational management in areas such as energy efficiency, water resource management, waste management, and green leasing, continuously improving the utilization rate of energy and resources in China.

In order to encourage office buildings, shopping malls and hotel operations to pay attention to green environmental protection in their operations, Shimao Group has worked with tenants, merchants and hoteliers to formulate institutional restrictions and implement green and sustainable development measures:

- **Energy-saving Technology and Equipment:** Adopt high-efficiency and energy-saving technology and equipment to reduce energy consumption.
- **Energy Monitoring and Management:** Establish an energy monitoring system, conduct regular energy use analysis, and optimize energy management.
- **Non-polluting Garbage Disposal:** Uniformly dispose of non-polluting garbage and recycle it by designated personnel to ensure environmental hygiene.

In order to strengthen sustainable cooperation among owners, tenants, and various partners, Shimao Group and its project partners have implemented the “Green Pacts” and “Green Leasing” models:

- **Green Pacts:** Sign the Green Pacts with partners to clarify the responsibilities and obligations of green environmental protection.
- **Green Leasing:** Implement the green leasing model to ensure the implementation of green leasing from three aspects: planning, action, supervision and evaluation.

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➤ **GREEN LEASE AGREEMENT**

In order to encourage our partners to improve the environmental performance of their properties, Shimao Hotels & Commercial has actively launched green initiatives and signed agreements to invite tenants, merchants, and partner hotels to join us in our environmental cause. Through the use of eco-friendly materials and technologies, we strive to achieve the goal of environmental protection and jointly create a green and sustainable business environment.

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➤ **DISCUSS ENERGY IMPROVEMENT PLANS WITH TENANTS**

In order to effectively manage energy consumption, Shimao Hotels and Commercial uses operational energy consumption data to comprehensively collect energy consumption data of different types of users and merchants. Through a comprehensive analysis of users’ various energy consumptions, we provide users with optimal energy consumption suggestions and actively discuss energy-saving potential with users to jointly promote the improvement of energy efficiency.

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➤ **INTRODUCE SUSTAINABLE ACTIVITIES**

Shimao actively implements a variety of green actions, including retrofitting and upgrading high-energy-consuming equipment, introducing renewable energy, promoting waste separation, reducing the use of single-use items, and advocating green mobility. These measures not only improve our own environmental performance but also integrate green concepts into the daily operations of partners to jointly promote sustainable development goals.

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➤ **ASSESS THE PROJECT OPERATOR**

Shimao has developed a sustainability performance evaluation plan for project personnel to ensure that all sustainability requirements are effectively implemented through periodic on-site inspections and supervision. Any violation of sustainability requirements will be addressed through interviews and orders to rectify, ensuring the full fulfilment of environmental and social responsibilities.

## ➤ COMMERCIAL PROJECTS

Shimao Group has been committed to providing environmental protection services for merchants and tenants, integrating environmental protection concepts such as energy conservation, emission reduction, waste separation, and reduction of single-use items into property management. At present, Shimao's major real estate projects have adopted the "Green Leasing" model and have taken practical actions to fulfill the commitment to sustainable development.

### GREEN OFFICE

In the "Shimao Group Policy on Environmental Protection and Biodiversity Conservation", Shimao Group solemnly promises to actively consider environmental issues such as energy conservation, pollution reduction, resource utilization, and biodiversity conservation in the course of its operations. Through environmental education and promotion activities, the Group enhances the environmental awareness of staff in their work and life, and cultivates green office habits.

According to the "Shimao Group Guidelines on Construction of Office Area V2.0 Version", the document aims to enable enterprises to prepare for new office space more efficiently and use green building materials to reduce costs and energy waste caused by excessive land use and unreasonable allocation. Shimao focuses on office needs, efficiency, conciseness, low carbon, environmental protection, and workplace health. By formulating and implementing corresponding management measures, the Company has built a long-term mechanism for energy conservation and emission reduction, continuously improving energy efficiency and promoting sustainable development.

Through these measures, Shimao Group not only creates a green and healthy office environment for employees but also makes a positive contribution to the sustainable development of society.

 Reduce Travel	<ul style="list-style-type: none"> <li>• <b>Remote Video Conferencing:</b> Use remote video conferencing to reduce the frequency of travel and reduce the carbon impact of travel activities.</li> <li>• <b>High-speed Rail Priority:</b> Prioritize high-speed rail travel to reduce high energy consumption and emissions caused by flying.</li> <li>• <b>Rail Transit:</b> Priority is given to rail transit to reduce the carbon footprint and emissions caused by the use of fuel vehicles.</li> </ul>
 Recycling	<ul style="list-style-type: none"> <li>• <b>Trade-in:</b> Implement a trade-in policy for daily office supplies, such as pens, paper towels, scotch tape, batteries, etc., to reduce unnecessary updates.</li> <li>• <b>Recycling:</b> Recycle non-consumable office supplies, clean and disinfect them and redistribute them to public areas such as printing areas and conference rooms to improve resource utilization.</li> <li>• <b>Reduce Disposable Products:</b> Encourage the use of your own water cups in the office area, and do not provide bottled drinking water during meetings to reduce the consumption of disposable products.</li> </ul>
 Save Paper	<ul style="list-style-type: none"> <li>• <b>Priority Given to Electronic Documents:</b> Increasing the use of electronic documents and reducing paper consumption.</li> <li>• <b>Double-sided Printing:</b> Implement double-sided printing to further reduce the amount of paper used.</li> <li>• <b>Waste paper recycling:</b> Place recyclable waste paper at designated recycling points to enhance the secondary use of paper.</li> </ul>
 Energy Saving and consumption reduction	<ul style="list-style-type: none"> <li>• <b>Turn off the Power at Hand:</b> When employees leave their seats for a long time, they can turn off the power of the equipment on the workstation; Employees who are the last to leave the office or office area are asked to turn off the lights.</li> <li>• <b>Energy Saving in the Meeting Room:</b> After the meeting, the last employee to leave the meeting room needs to turn off the lights and power off the equipment.</li> <li>• <b>Full Participation:</b> Encourage employees to find energy-saving opportunities and improve efficiency. For example, set office air conditioning between 24-26°C.</li> </ul>



## CLIMATE CHANGE

With the intensification of global warming, extreme weather phenomena such as high temperature and heat waves, flash droughts, heavy precipitation and floods, cold snaps and snowstorms occur frequently. According to the “Global Risks Report 2024”, environmental risks remain one of the main risks to global development, with extreme weather, critical changes in the Earth system, biodiversity loss and ecosystem collapse, and natural resource scarcity and pollution among the top 10 most serious risks in the next decade. Climate change is a growing threat to the planet and people, and ongoing global warming has led to frequent extreme weather events, including heavy rainfall, droughts, hurricanes, and heat waves, which have a huge impact on agriculture, ecosystems, and human society.

Shimao is committed to climate change with the “Law of the People’s Republic of China on Climate Change Response”, the “14th Five-Year Plan for Controlling Greenhouse Gas Emissions” and other national laws and regulations. According to the “Shimao Group Climate Change Policy” issued by the Group in 2021, the Group is committed to incorporating climate change risks into the Company’s risk management system, reducing energy consumption, optimizing the energy structure, strengthening ecological protection and construction, and committing to the control and reduction of greenhouse gases to continuously enhance its ability to adapt to climate change. On this basis, Shimao Group set quantitative targets for climate change control in 2021 (excluding Shimao Services).

These include:

- **Carbon Emissions:** Reduce carbon emissions by 5%-17% over the next 10 years, using 2021 as the base year.
- **Energy Consumption:** Reduce energy consumption by 5%-12% over the next 10 years, using 2021 as the base year.
- **Water Consumption:** Reduce water consumption by 5%-10% over the next 10 years, using 2021 as the base year.
- **Resource Classification and Recycling:** Check the implementation of resource classification and recycling to ensure that the publicity coverage rate of resource classification in the community reaches 100%.

In accordance with the framework recommended by the Task Force on Climate-related Financial Disclosures (“TCFD”), Shimao Group has identified and analysed various physical and transition risks related to climate change, and proposed methods and countermeasures to address climate change risks, to comprehensively enhance the Company’s adaptability to climate change. In line with the TCFD’s recommendations, Shimao Group discloses climate-related financial information through four core pillars: Governance, Strategy, Risk Management, and Metrics and Targets. The following are the climate change risks identified to date:

Climate Change Field	Major Tasks
Governance	<ul style="list-style-type: none"> <li>• <b>Supervision of Sustainability:</b> The Board is responsible for overseeing sustainability efforts, including matters related to climate change.</li> <li>• <b>Regular Communication Meetings:</b> The Board holds no fewer than two sustainability-focused communication meetings annually to ensure that relevant strategies and measures are effectively implemented.</li> </ul>
	<p><b>ESG Governance Structure</b></p> <ul style="list-style-type: none"> <li>• <b>ESG Management Committee:</b> The ESG Management Committee, composed of the Company's senior management, assists the Board in reviewing the Group's ESG materialities, including climate change, and the achievement of key objectives and performance, and reports directly to the Board.</li> <li>• <b>ESG Working Group:</b> The ESG Working Group, composed of the heads of each business line and key front-line employees, is responsible for implementing climate change-related response measures in their respective fields, including but not limited to green building development certification, green leasing, energy conservation and emission reduction in operation, response to health and safety risks caused by climate change, and employee training on climate change issues.</li> </ul>
	<p><b>Climate Change Policy</b></p> <ul style="list-style-type: none"> <li>• The Company issued the "Shimao Group Climate Change Policy" to guide the Company's actions to address climate change.</li> </ul>
Strategy	<p><b>Climate Change Risks</b></p> <p><b>Physical Risks:</b></p> <ul style="list-style-type: none"> <li>• <b>In the short term:</b> Extreme weather and natural disasters (e.g., heavy rains, typhoons, floods) will become more frequent and unpredictable, potentially damaging business continuity and causing financial losses by damaging company assets, disrupting supply chains, and threatening employees.</li> <li>• <b>In the medium to long term:</b> the gradual rise in temperature may increase the probability of heat stroke among employees and contractor workers, resulting in an increase in the cost of care and subsidies; Coastal properties can be threatened by rising sea levels.</li> </ul> <p><b>Transition Risks:</b></p> <ul style="list-style-type: none"> <li>• <b>Policy Changes:</b> In the future, the requirements of relevant policies for green buildings may gradually increase, increasing the cost of developing green buildings for companies.</li> <li>• <b>Market Preference:</b> The market's preference for green buildings will increase, and sales of properties without relevant certifications may decrease.</li> </ul> <p><b>Climate Change Opportunities</b></p> <ul style="list-style-type: none"> <li>• <b>Short-term Opportunities:</b> Properties with green building certification will retain and attract customers and increase competitiveness in the market.</li> <li>• <b>Long-term Opportunity:</b> The energy efficiency of green buildings can reduce operating costs and improve long-term profitability.</li> <li>• <b>Energy Conservation and Emission Reduction:</b> Shimao implements the concept of energy conservation and emission reduction in its business operations, implements relevant measures, establishes a green and sustainable corporate image, and responds to the expectations of stakeholders.</li> </ul>
Risk Management	<ul style="list-style-type: none"> <li>• <b>Risk Management System:</b> Climate change risks have been incorporated into the Company's risk management system, and the risk impacts of climate change are being refined, including identifying and prioritizing the financial impacts of climate change on the Company.</li> </ul>



Metrics and Targets	<ul style="list-style-type: none"> <li>• <b>Green Building:</b> Project development is carried out in strict accordance with the set green building goals; Actively adopt innovative technologies to improve the energy efficiency of buildings.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Investment Valuation:</b> In terms of investment valuation, a sustainability dimension has been added to the risk assessment process in the due diligence process of new acquisitions, including the energy efficiency and environmental performance of the properties to be acquired.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Emergency Recovery:</b> An emergency recovery plan has been formulated, such as a plan to address and deal with the needs of users and owners as soon as possible in the event of a major accident in extreme weather.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Monitoring Objectives and Reporting Mechanisms:</b> Climate change-related monitoring targets and reporting mechanisms have been established, and responsible persons have been designated in each business unit.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Carbon Emissions Data Tracking:</b> In accordance with the requirements of the Exchange's ESG Reporting Guide, track and collect Scope 1 and Scope 2 carbon emission data, and actively discuss research on Scope 3 carbon emission statistical methods.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Green Building Indicators:</b> The number and area of green building certification projects of each level, as well as their proportion in the total number and area of the projects, are used as green building indicators.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Quantitative Targets:</b> The Company has set several quantitative targets related to climate change to ensure the effective implementation of its sustainability strategy.</li> </ul>

Emission	By Type (if applicable)	unit	2024
Emissions	Nitrogen Oxides	Ton	0.00056
	Sulfur Oxides	Ton	-
	Particulates	Ton	0.001
Total Direct Greenhouse Gas Emissions (Scope 1)	/	Tonnes of carbon dioxide equivalent	852.74
Direct Greenhouse Gas Emissions	Gasoline	Tonnes of carbon dioxide equivalent	103.47
Direct Greenhouse Gas Emissions	Refrigerants	Tonnes of carbon dioxide equivalent	749.28
Direct Greenhouse Gas Reductions	Tree Planting	Tonnes of carbon dioxide equivalent	0
Total Indirect Greenhouse Gas Emissions (Scope 2)	/	Tonnes of carbon dioxide equivalent	3,550.54
Indirect Greenhouse Gas Emissions	Purchased Electricity	Tonnes of carbon dioxide equivalent	3,550.54
	Purchased Heat	Tonnes of carbon dioxide equivalent	0
Total Direct and Indirect Greenhouse Gas Emissions	/	Tonnes of carbon dioxide equivalent	4,403.28
Carbon Emission Intensity	/	Tonnes of carbon dioxide equivalent/square meter	0.65

ENERGY CONSUMPTION



Shimao Group strictly abides by the “Energy Conservation Law of the People’s Republic of China” and actively promotes energy conservation and emission reduction. In accordance with the “Shimao Group Policy on Environmental Protection and Biodiversity”, each business unit has further developed energy-saving operating procedures, clearly defining annual energy-saving plans and the responsible parties. Shimao regularly monitors energy consumption data during production and operations and actively promotes the use of clean and renewable energy in daily operations to achieve effective energy management at the source. Shimao is committed to optimizing the allocation of energy by scheduling work sites and hours efficiently and promptly shutting down idle power-consuming equipment, thereby reducing energy consumption in daily operations. Additionally, by setting energy-saving targets, adopting energy-efficient facilities, and establishing a smart energy management system, Shimao aims to further enhance energy utilization efficiency.

Energy Consumption	By Type (if applicable)	Unit	2024
Total Direct Energy Consumption	/	MWh	370.30
Direct Energy Consumption	Gasoline	MWh	370.30
Total Indirect Energy Consumption	/	MWh	6,063.08
Indirect Energy Consumption	Purchased Electricity	MWh	6,063.08
	Purchased Heat	MWh	0
Total Energy Consumption	/	MWh	6,433.39
Energy Consumption Intensity	/	MWh/square meter	0.95

Changsha Yuanda Project - Energy-Efficient Cable Tray Application Case

The Changsha Yuanda Project is scheduled for delivery in December 2024. The project’s mechanical and electrical components will utilize approximately 5,000 meters of cable trays. To achieve energy-saving and emission reduction goals, the project has adopted energy-efficient cable trays with thinner bottom plates. After verification, for cable trays and conduits with a width of 500 millimeters or less, it is proposed to use corrugated bottom cable trays and die-cast reinforced cable trays. The bottom plates, side plates, and cover plates of these cable trays are, on average, at least 4 millimeters thinner than those of the original standard flat plate cable trays, resulting in a reduction of stainless steel material usage by approximately 15% to 30% or more.

By applying new materials, the Changsha Yuanda Project has effectively reduced raw material consumption, not only minimizing resource usage but also enhancing material utilization, thereby achieving the goal of energy conservation and emission reduction.



## Jianqiao Project, Hangzhou, Zhejiang - Energy-Saving Lighting Application Case

**Planning Phase****(1) Clarify ESG goals**

- **Energy and Environmental Goals:** After the project is put into operation, the energy consumption of the lighting system will be reduced by 30%-50% compared with traditional lighting, and a certain amount of carbon dioxide emissions will be reduced every year.
- **Social and Health Objectives:** Ensure that the indoor lighting strobe is below a certain frequency, and the colour rendering index reaches more than 85, so as to create a comfortable and healthy light environment. The lighting design of the public area ensures sufficient illumination uniformity to avoid affecting pedestrian safety.

**(2) Conduct Lighting Demand Analysis**

- **Functional Area Division:** Divide various functional areas in detail, such as living rooms, bedrooms, kitchens, etc. in residential projects, shops and corridors in commercial projects, and determine the corresponding lighting needs.
- **Usage Time Pattern Study:** Analyse the use time law of each functional area, reasonably arrange the lighting period and brightness, and use inductive lighting or timing switch control.

**(3) Select Energy-Efficient Lighting Technologies and Products**

- **Lamp selection:** Priority is given to high-efficiency and energy-saving LED lamps, focusing on their key indicators such as luminous efficiency, color rendering index, and lifespan.
- **Selection of intelligent control system:** The introduction of intelligent lighting system based on the Internet of Things (IoT) realizes intelligent management of lighting.

**Implementation Phase****(1) Integrate with Building Design**

- **Natural Lighting Design:** Reasonably plan the building orientation, window size and location, increase the lighting area, and use glass materials with good light transmittance.
- **Lighting Layout and Building Structure Integration:** According to the division of building structure and functional areas, reasonable layout of lighting fixtures and lanterns to achieve the integrated design of lighting and building.

**(2) Formulate Construction and Installation Plans**

- **Construction Process Planning:** Formulate a detailed construction process and clarify the construction tasks and time nodes of each stage.
- **Quality Control and Acceptance:** Establish a strict quality control system to ensure that the construction quality of the lighting system meets the design requirements.

**(3) Personnel Training and Operation Management Planning**

- **Personnel Training:** Conduct training on the operation and maintenance of energy-saving lighting systems for operation and management personnel.
- **Operation Management Planning:** Develop a comprehensive operations management plan, including daily maintenance of the lighting system, energy consumption monitoring, and equipment updates.

## WATER RESOURCE USAGE

In the process of operation, Shimao Group strictly abides by the “Water Law of the People’s Republic of China”, emphasizing water conservation and promoting the circular use of water resources. By utilizing a variety of water-saving technologies such as reclaimed water systems, rainwater harvesting systems, water-efficient irrigation systems, automatic faucets, and automatic flush toilets, and by encouraging employees and residents to conserve water, the Shimao Group has effectively reduced water resource consumption and increased water resource utilization.

### Jingzhou Nanhu Project - Water Conservation Case Study

The Jingzhou Nanhu Project was delivered in December 2024, located near the Yangtze River with a relatively high groundwater level, requiring continuous dewatering through deep wells. To conserve water, the project team implemented rainwater harvesting for secondary use, collecting it for maintenance during the main structural construction phase, temporary road sprinkling, and dust suppression.

Based on on-site calculations, each building during the decoration phase uses approximately 1 ton of water, resulting in a total water saving of around 1,460 tons. The water saved from temporary road sprinkling and dust suppression amounts to approximately 1,000 tons. Overall, through the reuse of rainwater, a total water saving of about 2,460 tons was achieved, effectively conserving water resources.

This initiative not only reduces reliance on natural water resources but also enhances water resource utilization efficiency, demonstrating the Shimao Group’s commitment to environmental protection and sustainable development. Through scientific management and technological innovation, the Shimao Group has set a good example for the green development of the construction industry.



### Nantong Changtai Road Project - Rainwater Harvesting System Case Study

The Nantong Changtai Road Project implemented a rainwater harvesting system in accordance with standards such as “Technical Code for Rainwater Control and Utilization in Buildings and Residential Areas” (GB50400-2016), “Design Standard for Water Supply and Drainage in Buildings” (GB50015), and “Water Conservation Design Standard for Civil Buildings” (GB50555). The system covers various aspects including rainwater collection, storage, treatment, and reuse. The operational principles are as follows:

- **Rainwater Collection:** Utilizing rooftops and ground surfaces as catchment areas, rainwater is collected into the ground-based rainwater collection system through the roof slopes and ground facilities.
- **Rainwater Storage:** Rainwater first enters a regulating tank for flow adjustment before being stored in a rainwater tank for backup.
- **Rainwater Treatment:** This involves both physical treatment (sedimentation, filtration) and chemical treatment (addition of chemicals, disinfection) to ensure that the water quality meets reuse standards.
- **Rainwater Reuse:** Treated rainwater can be used for landscape irrigation, greenery watering, and washing, among other purposes.

By implementing the rainwater harvesting system, this project has achieved various benefits. In terms of economic benefits, it saves approximately 36,000 yuan in water fees annually and benefits from a yearly reduction of 5,000 yuan in water resource and pollution discharge fees due to recycled water incentives. Additionally, it enhances property values by 5-20 million yuan annually. In environmental terms, it reduces urban drainage pressure, lowers the risk of urban flooding, promotes water resource recycling, and maintains ecological balance. Socially, it highlights environmental awareness and social responsibility, improves corporate image, raises residents' environmental consciousness, and drives energy conservation, emission reduction, and sustainable development.

WASTE MANAGEMENT

Shimao Group strictly follows the “Law of the People’s Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes”, the “National Catalogue of Hazardous Wastes”, the “Regulations on the Administration of the Prevention and Control of environmental Pollution by Electronic Waste” and the “Regulations on the Management of Domestic Waste”, rationally allocates resources, reduces resource consumption in the construction process, and improves resource utilization. In accordance with the “Shimao Group Environmental Protection and Biodiversity Policy”, the Company strictly identifies, sorts, monitors and disposes of the waste generated by office and business activities, and treats and reuses recyclable waste such as waste paper, cardboard, scrap metal, plastic foam, etc. as much as possible.

During the project construction process, the Shimao Group implemented intelligent management for green construction, established energy-saving measures, implemented water metering, selected green materials, and effectively controlled the emission of noise, dust, harmful gases, and solid waste at the construction site, achieving goals of energy conservation, water conservation, material efficiency, resource utilization, and environmental protection. New technologies such as aluminum alloy formwork, skim-free plastering, thin plastering, elevator lifting, high-strength steel reinforcement substitution, unitized curtain walls, ALC technology, and prefabricated PC have been widely applied in the project.

Furthermore, as the Shimao Group did not generate a significant amount of hazardous waste during the project construction process, the relevant disclosure items are not applicable to this group.

Waste	By Type (if applicable)	Unit	2024
Total Amount of Non-Hazardous Waste	/	Ton	18.69
Non-Hazardous Waste Intensity	/	Tons / square meter	0.0027



## Sanya Yuechuan Project, Nanjing Shimao Tianyu Project - Case Study on Proper Handling of Construction Waste

During the construction process, the Shimao Group implemented a series of effective waste management measures to reduce waste generation, enhance resource utilization, and protect the environment.

### Source Reduction of Construction Waste

- **Improve Construction Quality:** reduce the waste of building materials and garbage caused by rework, and construction technicians should summarize the prevention and control methods of common quality problems.
- **Improve Environmental Awareness:** construction personnel should pay attention to reducing the generation of floor ash, excess mortar, concrete, etc., so that the site is cleared after the completion of the work, and the excess materials are recycled and reused in a timely manner.
- **Promote New Technologies:** avoid damage and damage to building materials during transportation, storage and installation, improve the accuracy of structural construction, and avoid unnecessary packaging of building products.
- **Optimization Design:** The architectural design should take into account the long life of the building, the structural design of less construction waste, the selection of recycled building materials, and the amount of construction waste generated during future maintenance and renovation of the building.

### Classification, Collection, Storage, and Comprehensive Utilization of Construction Waste

- **Classified Collection:** the bricks and tiles in the construction waste can be reused after cleaning; Waste bricks, tiles and concrete can be used as recycled aggregates after crushing, screening and cleaning, which can be used for foundation reinforcement and road engineering cushioning.
- **Recycled Aggregates:** Recycled aggregates can be used in the formulation of low-grade recycled aggregate concrete, but attention should be paid to its high porosity and water absorption.
- **Waste Wood:** Waste wood can be reused as formwork and building timber, or processed into chips by wood shredders for use as a raw material for papermaking, fuel, or in the manufacture of MDF.
- **Scrap Metal:** Scrap metal and steel are sorted and sent to steel mills or non-ferrous metal smelters for re-refining.
- **Waste Glass:** Waste glass is sorted and sent to glass factories or glass-ceramic factories as raw materials for production.
- **Other Wastes:** waste linoleum landfill treatment, foundation pit soil and slope soil are sent to the sintered brick factory to produce sintered bricks or transported to the necessary place for backfilling, and the crushed stone is crushed, screened and cleaned for use as concrete aggregate.

### Site Cleanup

- **Cleaning Equipment:** After the construction is completed, the construction machinery will be evacuated in time, and the dismantled solid waste will be collected and processed in a centralized manner.
- **Clean Up the Surface:** The waste at the construction site shall not be dumped or stacked on the spot, and shall be removed and transported to the local permitted location in time.
- **Restoration of Landform:** After the removal and transportation of construction waste, the construction site is cleaned up to restore the original landform and reduce the visual pollution of the surrounding landscape.
- **Review and Approval:** After the construction site is cleaned up, the project leader will review and approve it to ensure that environmental protection measures are in place.



## ➤ GREEN CONSTRUCTION

### Enclosed Management and Barrier Installation

Shimao implements enclosed management at construction sites, setting up closed barriers with a minimum height of 2.5 meters on major urban roads and at least 1.8 meters on general roads. These barriers are sturdy, stable, clean, and aesthetically pleasing, effectively isolating the construction site, and minimizing its impact on the surrounding environment.

### Construction Material Management

Shimao strengthens the management of construction materials to ensure that building materials, components, and equipment are stored according to the overall layout. Pre-mixed concrete and mortar are used within designated areas at construction sites, with measures in place for enclosed, dust-reduced, and noise-controlled on-site concrete or mortar mixing. Cement and other easily dispersible fine-grained building materials are stored in sealed containers or covered to reduce dust pollution.

### Dust Reduction Measures

Shimao prioritizes dust reduction operations, implementing measures to prevent dust during earthwork operations at construction sites. Main roads are regularly cleaned and watered to minimize dust pollution. When demolishing buildings or structures, noise and dust reduction measures such as isolation and watering are employed, and waste is promptly cleared. Effective dust control measures are taken during milling, planing, cutting operations. Dust-reducing measures are employed during the entry of ash and inorganic materials, with water sprinkling to reduce dust during the rolling process.

## ➤ GREEN OFF-SITE

### Road Cleaning and Maintenance

Shimao conducts specific operational and safety awareness training for road cleaning and maintenance personnel to enhance the quality of off-site road cleaning. By optimizing cleaning processes, ensuring a rational allocation of manpower and machinery, standardizing cleaning procedures, and utilizing methods such as flushing, scrubbing, vacuuming, and sweeping comprehensively, the quality and efficiency of off-site road cleaning are improved. The implementation of mechanized operations promotes a steady increase in the mechanization rate of road cleaning.

### Construction Site Management

- **Road Hardening Treatment:** The main roads and the ground of the material processing area at the construction site are hardened to ensure that the road is smooth and the road surface is smooth and solid.
- **Treatment of Exposed Ground:** Cover the bare site and pile of earthwork with measures such as mulching, solidification or greening to reduce dust pollution.
- **Vehicle Washing Facilities:** Vehicle washing facilities are set up at the entrances and exits of the construction site to clean the vehicles and prevent mud from being on the road.
- **Construction Waste Management:** Shimao regularly removes construction waste, the transportation of earthwork and construction waste adopts closed transport vehicles or covering measures, and the removal and transportation of construction waste in buildings adopts appliances or pipelines, and it is strictly forbidden to throw it at will.
- **Prohibition of Waste Incineration:** It is strictly forbidden to burn all kinds of waste at the construction site to reduce air pollution.

- **Monitoring and Control:** Strengthen on-site monitoring and monitoring, encourage construction sites to install online monitoring and video surveillance equipment, and network with relevant local authorities to ensure the accuracy and timeliness of environmental monitoring data.
- **Response to Air Pollution:** When the ambient air quality index reaches moderate or above pollution, the construction site will increase the frequency of sprinkling, strengthen coverage measures, and reduce construction operations that are easy to cause air pollution.



## ➤ GREEMENT ON WASTE MANAGEMENT WITH TENANTS

In order to encourage office tenants in commercial buildings to focus on green environmental practices during office renovations and operations, Shimao has established systematic provisions within lease agreements. The contracts stipulate that tenants must handle garbage and waste in an environmentally friendly manner and have designated personnel responsible for unified recycling and reuse. Additionally, tenants are prohibited from generating, releasing, or leaking toxic, hazardous, annoying, or irritating gases or odors to ensure a green and environmentally friendly office environment.

## ➤ COMMUNITY WASTE SORTING

Shimao has established clear requirements for waste collection, sorting, and processing to minimise waste emissions during operations and to promote the reuse and recycling of waste. In response to national mandates, the company not only implements waste sorting in cities like Shanghai where it is compulsory, but also actively pilots and promotes these practices in other cities.

### Case Study: Community Waste Management Measures

#### Tiered Management

- ❖ Conduct waste management at different frequencies based on the flow of movement within the community.

#### Detailed Waste Collection Requirements

- ❖ Conduct daily patrols, and promptly collect waste when the bins are more than two-thirds full.
- ❖ If the project has designated waste disposal points, dedicated personnel will be arranged to collect waste from high-rise residents for convenience.
- ❖ Waste collection vehicles and bins must be kept clean and free from damage.

#### Detailed Floor Collection Requirements

- ❖ Avoid peak elevator usage times, and conduct waste collection twice daily. Clean the bins and surrounding areas weekly.
- ❖ After waste is bagged, use the freight elevator to transport it to the designated location on the ground floor, and promptly clean the freight elevator cabin.

### Case Study: Creating a New Model for Community Waste Management

Shimao Services, based on the specific actual situations of each community, carefully sets up classification drop-off points as a priority in key areas such as main roads and building entrances and exits. These drop-off points are clearly divided into four types of disposal openings for recyclables, hazardous waste, kitchen waste, and other waste, and corresponding signs are prominently posted at each disposal opening to enable property owners to quickly identify them.

At each drop-off point, professional waste sorting specialists are assigned. During the peak waste disposal period, the specialists actively guide property owners to dispose of waste correctly. When necessary, the specialists will conduct a secondary inspection of the waste and carry out sorting and organizing work, thus greatly improving the efficiency of waste cleaning.

In addition, Shimao Services actively cooperates with the communities where each project is located and vigorously carries out activities to popularize knowledge about waste sorting. Through various forms of publicity and interaction, it joins hands with property owners to jointly build a green and pleasant living environment and contribute to the sustainable development of the community.



## SOCIAL

### EMPLOYEES

Shimao's business strictly complies with the "Labour Law of the People's Republic of China", the "Labour Contract Law of the People's Republic of China" and other relevant laws and regulations. Shimao has established a number of relevant policies, including the "Policy of Recruitment", "Guidelines for Recruitment", "Remuneration Management Guidelines", "Performance Bonus Management Guidelines", "Training Management Guidelines", "Guidelines for Employee Care Programs", "Management Measures for Absence and Leave", "Management Measures for Overtime Work", "Internal Position Competition Management Measures", "Professional Ethics Guidelines", and "Labour Guidelines of 3rd-party Employee".

Shimao is committed to diversity and equality in the hiring and promotion process, and does not employ child or forced labour. The Company is committed to providing all employees with a safe and comfortable working environment, competitive salary and benefits, personalized training and reasonable worktime arrangements, and effectively protecting the legitimate rights and interests of employees. Shimao conducts regular and comprehensive reviews of its employment policies, and the Employee Care and Occupational Health and Safety Team ensures that all employment practices are strictly implemented and incorporated into the human resources policy at the execution level. At the same time, the Company encourages employees to report to the human resources department when they encounter unequal treatment, and the reported information will be independently investigated by the Internal Audit Department. The management will be responsible for follow-up, so as to ensure that the rights and interests of employees are protected.

### DIVERSITY AND INCLUSION

Shimao is committed to providing a diverse, inclusive and fairly competitive work environment for its employees, and continuously monitors and evaluates the Company's performance in equal opportunities and diversity. Shimao strictly abides by the "Labour Law of the People's Republic of China", the "Labour Contract Law of the People's Republic of China", the "Employment Promotion Law of the People's Republic of China" and other relevant laws and regulations. The Shimao Employee Handbook clearly emphasizes "equal opportunities", indicating "all employees will have equal opportunities in hiring, training, promotion, transfer, remuneration and benefits, regardless of nationality, race, religion, gender or age".

Employee	By type (if applicable)	Unit	2024
Total Employees	/	person	947
By gender	Female	person	431
	Male	person	516
By age	30 years old or below	person	84
	31-40 years old	person	621
	41-50 years old	person	212
	Over 50 years old	person	30
By region	Hong Kong	person	1
	Mainland China	person	946
By type of employment	Full-time	person	947
	Part-time	person	0
By position	C-suit executives	person	8
	Senior management	person	102
	Intermediate management	person	655
	General staff	person	182



## CAREER DEVELOPMENT

Shimao's training system consists of three modules: "Management Training", "Professional Training", and "Newcomer Training", which is an online and offline integrated platform with standardized operation specifications. In addition, special training plans have been set up for key strategic positions, thematic trainings have been carried out. The content and form of training have been continuously optimised. The Company pays attention to cultivating an internal team of lecturers, in order to improve learning efficiency, encourage internal practice innovation and knowledge sharing, and to build a learning organization.

### ➤ EMPLOYEE TRAINING

As an important part of employee development, the Shimao College APP covers all employees of the Group's business lines and regional companies, providing comprehensive learning and training services. The app has five core functions: cutting-edge courses, power camp, live broadcasts, course library, and "empowerment +", providing employees with a variety of learning options. In the face of the severe challenges of China's real estate industry, Shimao has broken through the limitations of traditions and actively cooperated with outstanding enterprises and authoritative institutions in the design of courses to inject new vitality into the organisation. In addition to traditional business skills and leadership training, Shimao has also added new courses in diversified areas such as digitalization, urban renewal, and asset management to help employees learn from the best practices and latest insights in various industries, develop and prepare them holistically for major changes in the industry.

In 2024, Shimao College provided a total of 287 hours of training for employees, with 41 employees participating.

Development and Training	By type (if applicable)	Unit	2024
Trained employees as a percentage of total employees	/	%	4
Trained employee percentage <sup>1</sup>			
By gender	Female	%	5
	Male	%	4
By position	C-suit executives	%	0
	Senior management	%	14
	Intermediate management	%	4
	General staff	%	0
Average training hours of employees <sup>2</sup>	/	hours/person	7
By gender	Female	hours/person	7
	Male	hours/person	7
By position	C-suit executives	hours/person	0
	Senior management	hours/person	7
	Intermediate management	hours/person	7
	General staff	hours/person	0

1 Total number of employees in specific categories as of December 31, 2024. The percentage of employees trained is calculated as:

$$\frac{\text{Number of employees in the specific category trained during the reporting period}}{\text{Total number of employees trained up to the end of the reporting period}} \times 100\%$$

2 The average number of training hours is calculated as follows:

$$\frac{\text{Total training hours received by the specific category of employees during the reporting period}}{\text{Number of employees in the specific category trained during the reporting period}}$$

## EMPLOYEE WELLBEING

Since its founding, caring for its employees has always been one of the cornerstones of Shimao's culture. Despite the impact of the downturn in the real estate market on the Company's operations, Shimao is still fully committed to supporting employees in terms of employee welfare, care, communication and activities, and continues to create and maintain a "loving and warm" working environment.

### ➤ EMPLOYEE COMPENSATION AND BENEFITS

Shimao adheres to the compensation philosophy of "pay for position, pay for ability, and pay for performance", and provide reasonable and competitive salary for all employees.

In addition to a comprehensive compensation system, Shimao has also established and continuously developed an all-rounded employee benefits system for employees at different stages of life, including:

- "Convenient life": transportation subsidies, Shimao hotel discounts
- "Illness": social insurance, health check-up, supplementary commercial insurance, supplementary commercial insurance for family members, sick leave with full pay
- "Buying a house": Housing provident Fund, supplementary provident Fund, house purchase discount
- "Having a baby": maternity gifts, maternity insurance, maternity leave, maternity check-up leave

### ➤ EMPLOYEE CARING ACTIVITIES

#### New Year's work commencement activity

On 18 February 2024, Shimao Group headquarters ushered in the first day of the Spring Festival. Members of the Company's leadership team dressed in festive attire and holding red envelopes to celebrate this important moment with employees. Mr. Hui Sai Tan, Jason, Chairman of the Board of Directors and President, extended his New Year greetings to all employees and thanked them for working hard during the Spring Festival. He emphasized that in the new year, Shimao will embark in new opportunities and challenges, and hoped that every employee can jointly promote the development of the Company with more enthusiasm and confidence.

At the event, the executives prepared lottery tickets and small gifts for each employee, which not only conveyed the Company's blessings, but also added to the joyful atmosphere of the event. Employees gathered to greet each other and share the joy of the holiday.





### Holiday benefits

In 2024, the Company has carefully planned a series of holiday benefits to express its care and blessings to employees. On Women's Day, the Company prepared exquisite pastries and drinks as afternoon tea for female employees, so that they could enjoy a warmth and sweetness after busy work. During the National Day, the Company specially arranged overtime condolences and sent warmth and support to colleagues who worked overtime. On 23rd October, the "Frost's Descent", the Company distributed persimmons to each employee, meaning "Everything Goes Well", hoping that everyone will have everything well in the coming year. On Christmas eve, the Company prepared apples, pastries, drinks, etc. for employees, creating a rich festive atmosphere, so that everyone could welcome the arrival of the New Year in joy. These intimate benefits not only enhance the cohesion between employees, but also add more warmth and happiness to everyone's work and life.



### HEALTHY WORKPLACE

The occupational health of employees is of far-reaching significance to the operation and development of Shimao Group. The Company has long introduced sports facilities in the office environment to encourage employees to actively participate in sports and actively engage in employee mental health work.

#### Badminton Club

Shimao Badminton Club has been operating since November 2024 and regularly invites colleagues to the court to compete in badminton skills. The event includes not only fierce friendly matches, but also a variety of fun competitions and skill training, aiming to allow everyone to improve their sports skills in a relaxed and enjoyable atmosphere.

Shimao Badminton Club is not only a competitive platform, but also a big family. The monthly activities not only allow members to have fun in sports, but also allow them to build deep friendships through interaction. Whether you are an amateur or experienced player, everyone can find their own happiness and growth here.

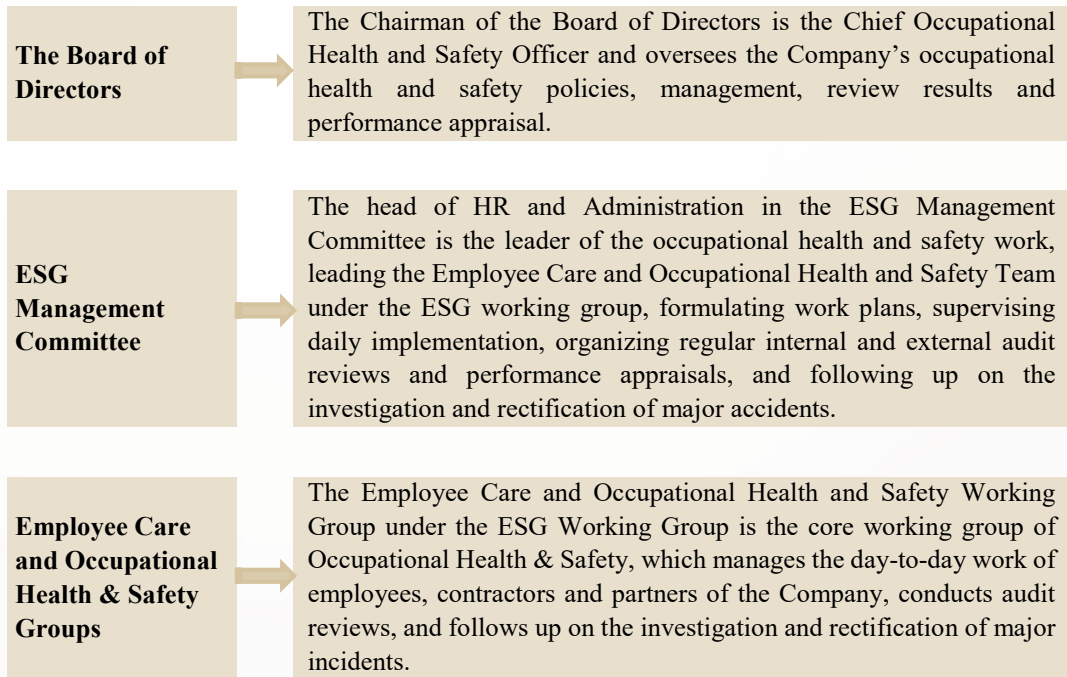


OCCUPATIONAL HEALTH AND SAFETY

Shimao Group strictly abides by the “Production Safety Law of the People’s Republic of China”, and conscientiously implements the requirements of the “Law on the Prevention and Control of Occupational Diseases”, and other relevant laws and regulations. In 2024, Shimao has continued to implement the “Shimao Group Occupational Health and Safety Management” policy compiled in 2021 to effectively manage and regulate the safe operation and construction of all employees, contractors and business partners. In order to ensure the validity of the policy, the Company conducts a comprehensive review of the policy content every three years.

➤ ORGANISATIONAL MANAGEMENT

The Company attaches great importance to the organizational structure of occupational health and safety, and has established an organizational system under the responsibility of the board of directors, senior management leadership, and professional team management to manage the occupational health and safety of the whole company, contractors and their partners.



➤ GOAL SETTING

During 2021, the Group set occupational health and safety performance targets, including targets for contractors, and committed to controlling the serious injury rate to 2 per 10,000 people and the minor injury rate to 47 per 10,000 people by 2025. By 2030, Shimao aim to have zero work-related fatalities.

2024 PERFORMANCE

Safety training coverage for employees and contractors: **100%.**

Work-related fatalities <b>0</b> person (including contractors) From every 10,000 people = 0	Work-related injuries <b>3</b> persons (including contractors) = 1 case per 10,000 persons	Lost days due to work injury <b>208</b> days (including contractors) = 61 days per 10,000 persons
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Shimao regularly monitors the above-mentioned occupational health and safety indicators, and continuously monitors changes in indicators through on-site regular reports, internal and external audit reviews, which are followed up by the occupational health and safety management organization and directly linked to management performance.

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➤ **ISO45001 MANAGEMENT SYSTEM**

The Group has carried out safety management in accordance with the ISO 45001 occupational health and safety management system standard, and the main operating areas of its shopping malls, office buildings, services and other business segments have obtained ISO 45001 certification. During the reporting period, the project management process followed the institutional benchmarking with ISO 45001 carried out in 2021.

Shimao strictly adheres to the ISO 45001 system standard, and has formulated the “Shimao Group Policy on Occupational Health and Safety Management”, which attaches great importance to the occupational health and safety of employees. Through the prevention and control of occupational hazards, safety training, regular physical examination and other measures, Shimao make every effort to protect employees’ health and safety. The Company carries out occupational hazard protection from three aspects: engineering prevention control, management prevention control and personal protective prevention control to ensure the occupational health and safety of employees. At the same time, the Company is committed to providing a safe and healthy workplace environment, setting up multi-functional areas such as reading areas, rest areas, gymnasiums, nursery rooms, and equipped with ergonomic desks and chairs. Equipped with a first-aid kit in the work area, regularly monitor the safety of the office environment and eliminate potential safety hazards in a timely manner. In addition, the Company arranges health knowledge publicity, health tea and other activities from time to time to enhance employees’ professional knowledge and protection awareness in occupational health and safety, and continuously improve the office area of management personnel and the living conditions of workers.

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**INTERNAL AND EXTERNAL REVIEW AUDITS**

In order to effectively implement the “Shimao Group Policy on Occupational Health and Safety Management”, “Contractor Management Manual” and other occupational health and safety-related policies, the Company conducts audit and review of the policies every three years to ensure their continued effectiveness. At the same time, the Company regularly conducts internal and external audit reviews on employees, part-time workers, contractors and their work sites to ensure that various policies are strictly implemented in practice and provide a basis for continuous improvement of occupational health and safety management.

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➤ **REVIEW AND AUDITS ON EMPLOYEES AND THEIR WORK SITES**

The Company’s audit department conducts regular audits on fire prevention, health, safety and other risk points in the workplace. For findings in the audit that do not meet the policy requirements, the audit department would require the person in charge of the relevant department to rectify within a time limit. If the same department is found to have 2 or more problems during the inspection within one year, the occupational H&S assessment scores of the person in charge will be deducted, affecting their payment bonuses. The aim of this mechanism is to strengthen the focus on occupational health and safety in all departments and to ensure that the Company’s policies are effectively implemented.

In 2024, the Audit Department conducted more than 20 on-site audits, including real estate, hotels, commercial sites, and found no major risk matters.

## ➤ REVIEW AND AUDIT OF CONTRACTORS AND THEIR WORK SITES

Shimao has established an internal audit mechanism for contractors, which includes: setting up a supervisory organizational structure, assigning professional safety officers, civil engineers and other personnel to conduct safety inspections at least once a week, and keeping complete records. For high-risk projects such as foundation pit, scaffolding, and large-scale construction machinery, Shimao regularly carries out key safety risk investigations, report the results in a timely manner, and the Company's engineering management department will supervise the rectification process until completion.

In addition, Shimao has established an external audit mechanism for contractors, including engaging a third-party independent assessment agency to conduct a quantitative assessment of the contractor's management and safe construction. For all projects, Shimao will conduct a comprehensive safety assessment of the risk points in the construction process, covering foundation pit, scaffolding, large machinery, special-type construction safety, on-site safety, etc. For the problems found in the audit inspection, the Company's engineering department will supervise the whole rectification process, and report the results to the ESG Management Committee to ensure construction safety and compliance.

## OCCUPATIONAL HEALTH AND SAFETY OF PROJECTS AND CONTRACTORS

The Company has formulated a number of management systems, including the "Shimao Group Engineering Safety Management Measures", "Shimao Group Third-Party Evaluation Management System of Large-scale Construction Machinery", "Maintenance and Construction Safety Guidelines" and "Shimao Group Large-scale Construction Machinery Operation Guidelines". These systems provide comprehensive specifications and guidance for the safety management of the project site, ensure that the safety risks in the construction process are effectively controlled, and ensure the quality of the project and the safety of personnel.

## ➤ ON-SITE SAFETY POLICY

Shimao's construction site management system is strictly in line with the relevant requirements of ISO 45001. In order to implement safe construction, Shimao's safety policy defines detailed requirements for the general contractor, including but not limited to:

- The general contractor shall formulate a detailed plan for the construction site and construction safety prevention facilities within 14 days after entering the construction site, and submit it to the employer and the supervision unit for approval. The employer and the supervision unit may reject or revise the plan, and the general contractor shall make amendments according to the opinions of the employer and the supervision unit.
- The general contractor shall appoint a permanent site manager as the site and construction safety management officer to ensure that the plan approved by the employer and the supervision unit is properly implemented, and that the safety regulations formulated by the Government are complied with during the construction period.
- The general contractor shall submit a site and construction safety report to the employer or supervision unit on a weekly basis. If the employer or the supervision unit believes that the general contractor's safety facilities or treatment methods at the construction site do not meet the requirements, it may issue a stop-work order until the general contractor has rectified the situation to in compliance.
- Safety-related funds must be earmarked for exclusive safety purposes, and misappropriation is strictly prohibited.
- Security guards have to wear unified safety helmets and uniforms, establish a gate registration system, and those who do not wear safety helmets are prohibited from entering the construction site.
- A safety experience area is set up on site, including: safe collision, fire extinguisher demonstration, safety protection equipment display, and safe electricity usage, etc.



- The perimeter of the construction site should be fully enclosed. The construction operation area, the on-site office area, and the workers' living area are separated by temporary enclosures, which is good for a more targeted safety management; protective measures are taken for all buildings, power and other facilities within the coverage of the tower cranes.
- The general contractor must equip the site with fire-fighting equipment and facilities (fire extinguishers, hoses, etc.) that comply with national and local fire safety regulations.

## ➤ SAFETY TRAINING

Combining work-related injuries and other potential safety hazards that occur in daily work, Shimao Group carry out occupational safety education to employees at all departments, covering various aspects such as aerial work and traffic safety, aiming to comprehensively improve the safety awareness of employees. In addition, the Company regularly holds fire drills to enhance employees' emergency response capabilities by simulating actual scenarios, to prevent and reduce the occurrence of industrial accidents and occupational hazards as much as possible, and to ensure the safety and health of the working environment.

## ➤ SAFETY MEASURES

### Smart construction site

The construction area of the Jingzhou Nanhu site is about 80,000 square meters, while the construction area of the Zhengzhou Jinluo Bay residential project is 30,000 square meters. Both projects can have up to 500 construction workers during peak periods. The on-site management adopts the intelligent construction site dust control system, which implements an early warning monitoring system for high-risk dust areas such as earthwork sites and cement mixing tanks, and uploads data in real time. If the dust index exceeds the standard during construction, the system will immediately alarm and automatically start the dust reduction spraying, creating a healthy and safe working environment for construction workers.



### Wuhan intelligent grinding machine

Wuhan Shimao Jinxiu Changjiang Residential Project has a construction area of about 250,000 square meters and 987 households, and will be delivered successively after the construction is completed in March 2024, with a basement area of about 100,000 square meters. The remote-controlled planetary disc grinder can reduce labor intensity, by adopting the remote movement intelligent control, and can be used with industrial vacuum cleaners to achieve dust-free grinding of dry and wet floors, and create a healthy working environment for basement floor workers.

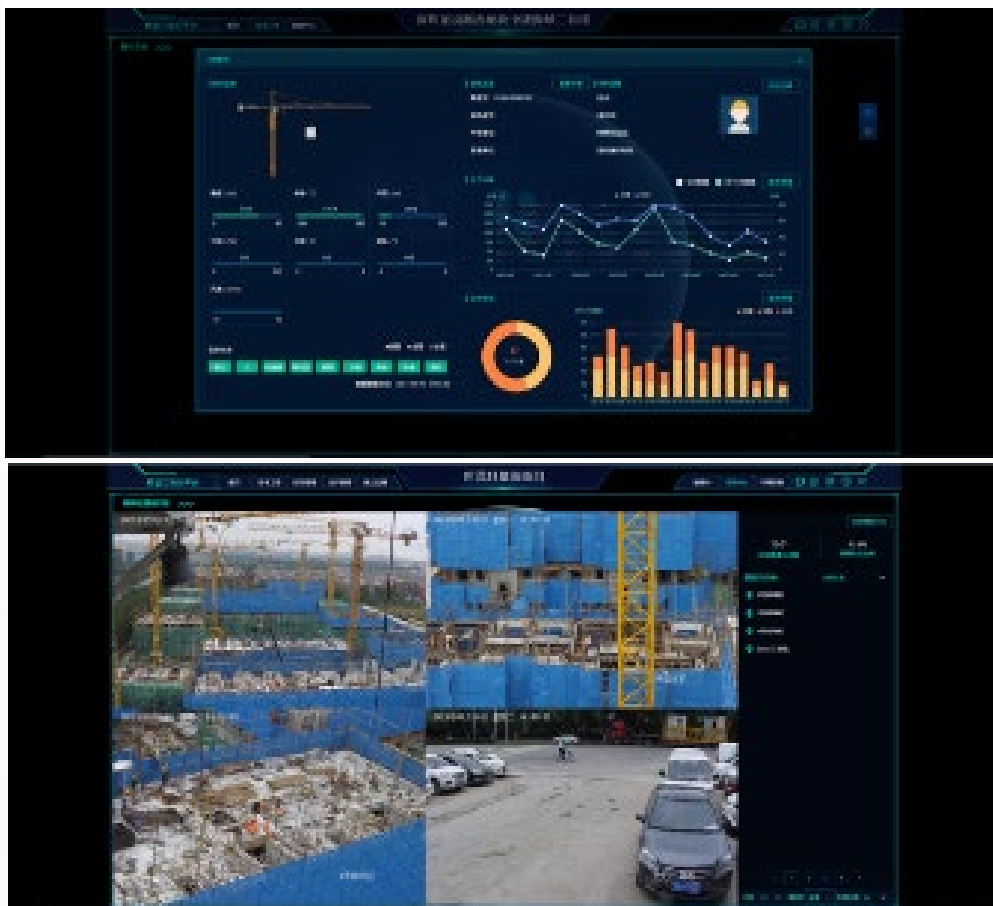




## ➤ DIGITAL SECURITY MANAGEMENT

Shimao Group has launched a smart cloud management platform for construction safety, which has the following advantages: remote video surveillance systems can be deployed at the commanding heights of the construction site (after the installation of the tower crane), easier monitoring of the entrances and exits of construction vehicles, key construction work areas and other parts on site. The platform realises refined safety management of the construction site and ensure the safety of lives and the property. The platform intelligently monitors key equipment such as foundation pit support, tower cranes, and construction elevators, and provides real-time early warning, effectively improving on-site construction safety control. The network and mobile terminals of the intelligent cloud management platform can transmit real-time images of the site, helping production managers quickly understand the site status, optimize the design plan, and adjust the construction deployment.

In addition, Shimao Group has also incorporated environmental monitoring into the scope of supervision to ensure that the quality of the surrounding environment is good. The Group has deployed dust and noise monitoring systems at each project site to monitor the temperature and humidity of the environment, dust particle concentration and other indicators in real time, dust reduction equipment was linked to the platform to ensure green construction. By real-time uploading water and electricity metering data of the site, the construction unit can efficiently control the energy consumption of the project and reduce the waste of water and electricity. Combined with background big data analysis, the platform can also assist the project to correctly deploy construction machinery, ultimately reduce staff and increase efficiency.



## SUPPLIERS

As an integrated enterprise with operations in multiple sectors, Shimao understands that every step of its supply chain can have a significant impact on the environment and society. Therefore, Shimao has set up a cooperation management team to be fully responsible for the daily management and follow-up evaluation of suppliers, as well as the classification and grading of suppliers, and the elimination of unqualified suppliers. Shimao continues to improve its supply chain management methods and work with suppliers to transform towards a sustainable and green supply chain. Shimao's suppliers are mainly divided into material and service suppliers, contractors and others, relevant regulations have been formulated for each type of supplier.

The Supply Chain Center of Shimao Group has compiled the “Shimao Group Engineering Contractor System Management Procedures” to further improve the systematic management of engineering contractors.

Supplier qualification screening and performance assessment can provide a comprehensive picture of the supply chain and help continuously ensure the quality of Shimao's products and services. Shimao has a long-term supplier warehousing assessment and performance evaluation to ensure the service quality across the whole process of cooperation. During the reporting period, Shimao conducted an pool-in assessment on 100% of its suppliers, with 3,538 suppliers in total.

## SUPPLIER CODE OF CONDUCT

Shimao has compiled and published the Shimao Group Supplier Code of Conduct, stating that it will give preference to suppliers who have their own sustainability policies, corporate codes of conduct or sustainable procurement policies. Shimao prioritises suppliers who obtained ESG management system certifications (e.g., ISO14001 environmental management system, ISO 45001 H&S management system and other equivalent management systems) or those that are providing environmentally friendly products and services. Shimao strictly abides by the relevant provisions of the Labor Law, and requires suppliers (including material suppliers and construction contractors) not to employ any form of forced, coerced or bonded labour; abide by the minimum age for employment, and refuse to use child labour. If a supplier is found to be in violation of these regulations, Shimao will immediately terminate the partnership.

Shimao abides by the relevant provisions of the “Tendering and Bidding Law of the People's Republic of China” and the “Government Procurement Law of the People's Republic of China” to ensure that the bidding activities and the whole process of contract performance are carried out legally, justly, and fairly. Shimao requires all suppliers to sign the “Supplier Integrity Commitment” and encourages suppliers to develop internal anti-corruption policies, codes of conduct and operating procedures to eliminate all forms of bribery, corruption, collusive quotations and fraud, and to ensure that these regulations are strictly enforced.

To ensure the quality of the project, Shimao will engage a third-party authoritative assessment agency to assess the construction in progress and the delivery acceptance. The “Shimao Engineering Third-Party Evaluation System” regulates the discipline of evaluation and inspection, and strictly prohibits the third-party evaluation team from colluding with cooperating personnel to falsify during the inspection process, lowering the acceptance standards, or notify the indoor testing area in advance. The “Guidelines for the Evaluation of Shimao Construction in Progress” also set out the integrity management regulations to supervise the professional ethics of third-party assessors.

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SUPPLY CHAIN SOCIAL RISK MANAGEMENT

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➤ **MATERIAL & SERVICE PROVIDERS**

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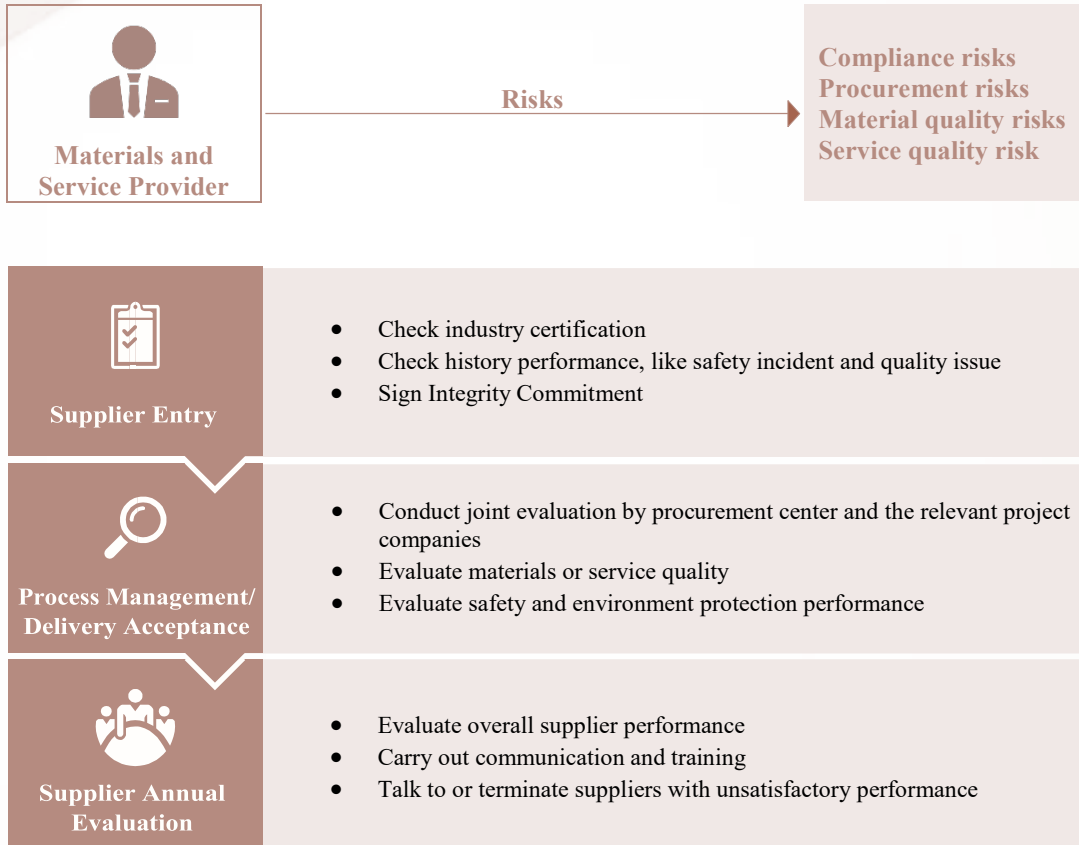
The “Shimao Materials/Equipment Strategic Procurement Management System” clearly stipulates the performance supervision and evaluation of strategic suppliers. Shimao will objectively consider the performance of suppliers in the following four dimensions based on the opinions of relevant functional departments:

- **Delivery schedule:** Whether the supplier is able to deliver materials or equipment timely to ensure that the progress of the project is not affected.
- **Construction quality:** Whether the materials or equipment provided by the supplier meet the quality standards, and the quality control during the construction process.
- **Cooperativeness:** The degree of cooperation of the supplier during the implementation of the project, including communication and collaboration with the project management team.
- **Final Presentation:** The ultimate effect of materials or equipment after construction is completed, and whether it meets the design and use requirements.

For suppliers who fail to pass the performance assessment, Shimao will take different measures according to the degree of violation:

- **Minor violations:** If the damage caused is minor, Shimao will conduct an interview and file an observation, and require the supplier to rectify and improve its performance in future performance.
- **Serious violations:** If a supplier violates the rules seriously and has a significant negative impact on the Company, Shimao will immediately terminate the strategic partnership and cancel its qualification for the next round of bidding.

Shimao has also formulated a management system for quality risk control, maintaining and enhancing project quality, with a healthy competition mechanism and the screening of high-quality suppliers, including shortlist and process evaluation.







## ➤ CONTRACTORS

Shimao Group's contractors are divided into cost contractors and procurement suppliers. Cost contractors refer to contractors under contracts or non-contractual procurement, such as cost, design, engineering, development, etc.; Procurement suppliers are suppliers that are under procurement bids, contracts, or non-contractual requisitions.

Shimao Group has formulated the "Centralized Procurement Management Regulations", and contractors monitoring includes whistleblowing and voluntary interviews. All contractors are required to pass a thorough inspection, which includes a complete qualification review, a company-level inspection, and a construction in progress/completion inspection. For the general contractor that fails to meet the standard of large-scale machinery safety assessment, it will be prohibited from bidding until the rectification and passing of third-party professional assessment, and the penalty can be lifted only after the expiration of the stated period. According to the "Shimao Group Construction Contract Tendering Procedures", contractors with a contract amount of more than 2 million must go through at least one bid negotiation before the bid can be confirmed. After the last bid negotiation, the cost management centre will prepare a bid evaluation report, evaluate whether the technical bids meet Shimao's requirements for engineering technology, and to prioritize the commercial bids, and finally recommend one or more suppliers for the reference of relevant personnel.

The Contractor Inspection and Evaluation Team is the decision-maker for the contractor's inspection and evaluation, and the cost management centre is responsible for the organisation of the Team. According to the "Working Procedures for the Inspection of Construction Contractors", if the Team finds out major distortions such as fraud in the inspection, and verifies that the situation is true in the follow-up on-site assessment, the contractor's inspection qualification can be directly cancelled. After the completion of an inspection, the cost management centre will organize a summary meeting, integrate the opinions of each member of the group, summarize and compile the inspection report, and submit it to the voting members of the Team to review and vote. When the passing votes exceed 60% of the total votes, the concerned contractor is deemed to have passed the inspection.



 <b>Supplier Entry</b>	<ul style="list-style-type: none"> <li>• Set up joint supplier evaluation team</li> <li>• Check industry certification</li> <li>• Check performance history, like safety incident and quality issue</li> <li>• Sign Integrity Commitment</li> </ul>
 <b>Project Process Management</b>	<ul style="list-style-type: none"> <li>• Engage third-party evaluator</li> <li>• Conduct safety training</li> <li>• Conduct weekly safety and environment protection inspection and rectify issues found</li> </ul>
 <b>Delivery Acceptance</b>	<ul style="list-style-type: none"> <li>• Engage third-party evaluator</li> <li>• Evaluate project quality</li> <li>• Evaluate safety and environment protection performance</li> </ul>
 <b>Supplier Annual Evaluation</b>	<ul style="list-style-type: none"> <li>• Evaluate overall performance of suppliers</li> <li>• Carry out communication and training</li> <li>• Talk to or terminate suppliers whose performance are unsatisfactory</li> </ul>

## SUPPLY CHAIN ENVIRONMENTAL RISK MANAGEMENT

Shimao Group is committed to working with its suppliers to create an environmentally friendly society. In the bidding process, Shimao's procurement department will appoint a specialist to inspect the participating companies on site, and the assessment items include "a clean working environment, reasonable lighting and ventilation, and whether the manufacturer's waste discharge meets environmental protection standards".

For project constructions, "Detailed Rules for Shimao Residential Decoration Project Contract" clarifies that the contractor should strictly follow the "Green Construction Guidelines" issued by the Ministry of Construction and the "Environmental Protection Law of the People's Republic of China", and meet the ISO14001 Environmental Management System requirements. The "Maintenance and Construction Safety Guidelines" requires that construction waste must be cleared daily, and shall not be stacked or poured into domestic garbage bins on site, to ensure that the "work is completed, the materials are cleaned, and the site is cleared". In addition, the contractor shall take effective measures to control the pollution and hazards to the environment such as dust, exhaust gas, wastewater, solid waste, noise and vibration on the construction site.

In construction projects, the construction management team and the on-site construction team each bear the responsibility of preventing and controlling dust pollution. The following are the specific division of responsibilities:



**Responsibilities of the construction management team**

- The management team shall include the cost of preventing and controlling dust pollution in the project cost, and clarify the responsibility of the on-site team for the prevention and control of dust pollution in the contract.
- For construction sites that are on hold temporarily, the construction unit shall cover the exposed ground; If the downtime is more than three months, greening, paving or covering should be carried out to reduce dust pollution.

**Responsibilities of the on-site construction team**

- The on-site team shall formulate a specific implementation plan for the prevention and control of dust pollution in construction, and publicize information such as dust pollution prevention and control measures, the person in charge, and the competent department for dust supervision and management at the site.
- The construction unit shall take effective dust prevention and dust reduction measures to reduce dust pollution in operations; And continue to monitor and manage the dust level on the construction site to ensure that the dust prevention measures are effectively implemented.

## USERS

Shimao has always been committed to improving the quality of customer service, and has established and continuously improved the customer service framework by analysing customer needs. The Company tracks the handling of complaints, maintenance and rectification and property service satisfaction rate in a timely manner, and incorporates user service performance into the performance appraisal. The Group has formulated a variety of complaint feedback systems, including “Complaint Handling System and Process” and “Implementation Rules for Group Complaint Incident Comments”, and has opened a multi-channel complaint platform for owners, such as customer service hotline and email, to accept complaints in real time. In addition, the Group has set up a mechanism to respond to complaints within 24 hours to ensure the quality and efficiency of customer services.

### USER SERVICES

#### ➤ CUSTOMER SATISFACTION

In 2024, Shimao fulfilled its promise and took responsibility of stable delivery. In 49 cities across the country, 73 projects and 136 batches were delivered, and the cumulative number of units delivered throughout the year reached 51,000.

#### ➤ CUSTOMER ACTIVITIES

In order to better serve customers, Shimao Services was responsible for customer activities during the reporting period.

##### Communicate with the owner

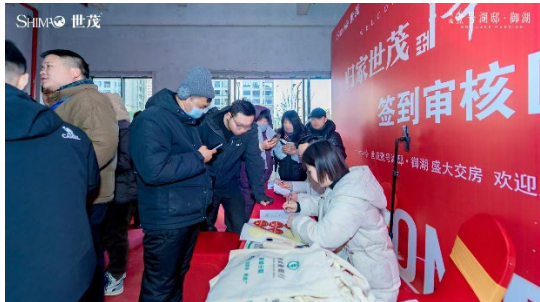
In the process of project development, Shimao strictly implements the “Shimao Group Maintenance Process Management Guidelines”, “Shimao Group Maintenance Management System”, “Shimao Group Property Elevator Maintenance Management” and “Shimao Group Engineering Maintenance Satisfaction Improvement Management Guidelines”, fully respecting regional and Group level guidelines. While ensuring product quality, we also actively communicate with owners, so that they can understand the progress of the project at any time and look forward to it, and simultaneously use WeChat to release project-related information.

The following is an owner meeting record of the International Centre Project:





Customer delivery activity records



## SHIMAO SMART COMMUNITY SOLUTIONS

Shimao Smart Community integrates advanced technologies such as cloud computing, big data, AI artificial intelligence, and the Internet of Things; integrating community services, equipment management and owners' lives, realising the digital collection of operational data, the cloud interconnection of facilities and equipment, and the smart interaction of community services. From multiple dimensions such as smart security, smart access, energy consumption management, and smart home, Shimao provide a safe, comfortable and convenient smart community living environment for owners and users.

Based on insights of changes in people's housing needs after the epidemic, Shimao took action to explore community innovation, focusing on the homecoming path and living environment, giving full play to the advantages of intelligent human settlements, and creating a contactless homecoming route for Western Shimao. From automatic vehicle recognition, face recognition at the community gate, automatic tower calling by face recognition, infrared sensing door locking to face recognition intelligent door locking, a whole set of contactless intelligent homecoming system operates smoothly to create a calm and elegant homecoming experience. At the same time, Shimao pays attention to the management of customer privacy, updates customer information through authorized management, and sets up surveillance measures in the property management room and security duty room to ensure the security of customer information. The Group signs confidentiality agreements with its employees.

## PRIVACY PROTECTION

### ➤ PROTECTION OF USER DATA AND INFORMATION

While continuously promoting digital applications to optimize customer experience, Shimao Group also attaches great importance to the protection of customers' personal information. We strictly abide by the "Personal Information Protection Law", the "Law of the People's Republic of China on the Protection of Consumer Rights and Interests" and other relevant laws and regulations to ensure information security and privacy protection. The Group has established a comprehensive information security control system, and strictly prohibit employees from stealing or leaking undisclosed information of the Company and customers. Currently, the Group has successfully passed China's "National Information Security Grade Protection Level 3 Certification", which is the highest standard of information security for domestic non-financial institutions.

Key information security and privacy protection measures include:

- Formulate internal user information management system and operational procedures
- Categorize personal information
- Implement encryption and identification security measures for privacy-related content
- Provide information security education and training to employees; clarify operation permission
- Formulate and organize emergency plans for information leakage

In addition, the Group's internal data protection measures include:

- Hierarchical authority to system operations: To ensure the security of information assets, standardize the use of employee information, and ensure the security of user information, the system strictly controls permissions according to organizational levels and job roles.
- Automatic encryption of outgoing documents: All externally copied file information is automatically encrypted, and if decryption is required, the corresponding approval process must be completed to strictly control the outgoing of files and reduce the risk of key information leakage.



## PRODUCT RESPONSIBILITY

Shimao always adheres to the fundamental value of high quality, taking quality and our customers as the core, and effectively protects the interests of users. The Group has established a comprehensive “Shimao Quality Control Management Policy” and set up a special quality control team. The Group set up facade sample section stops, landscape sample section stops, refined decoration public area sample section stops, refined interior decoration sample section stops, basement electromechanical sample section stops, and pre-delivery joint inspections, to control the quality of landscape, electromechanical, refined decoration and facade in a large scale, and make timely comprehensive inspection reports on the quality and effect of the project. The quality control team will timely submit inspection reports covering multiple dimensions such as quality and effect, and urge the project team to rectify in time to ensure the high quality of product construction.

Shimao treats product quality with ingenuity, integrates risk management and control into every stage of the project, and provides users with “peace of mind” and a “worry-free” experience through rigorous process control under construction. Every Shimao user can truly feel our dedication and dedication in product creation, and experience Shimao’s persistent pursuit of quality.

### Quality enhancement in the GuAn Project

In response to the customer demand for quality delivery rectification and improvement, Shimao carried out a comprehensive rectification of the GuAn project, including landscape improvement and road resurfacing measures. The following are the key points of rectification:

- Rectification of pathway: The sales paths of the sample unit and the sales office has been upgraded with green plants to create a more comfortable and beautiful environment.
- Decorating in the lower sample unit: improve the overall effect of the room.
- Installing elevators on the upper sample unit: improving the convenience and comfort of the room.
- Outdoor road paving: Improves the traffic environment and enhances the travel experience of owners.
- Increase property services, cleaning and maintenance personnel: ensure that the management and service of the community are more efficient.

Effect after enhancement:



These measures have effectively improved the overall quality of the project and the satisfaction of the owners, and further strengthened Shimao’s reputation in the market.



### Quality control of the delivery model in Northern Shimao

In terms of ensuring the quality of delivery, Northern Shimao has adopted a “sample unit first” strategy, through strict management system and cross-departmental collaboration, to ensure the high quality of the final delivery. The Company strictly implements the “Delivery Sample Management System” and the “Delivery Sample Management Guidelines”, follows the “Key Points of Quality Control in the Northern Region”, and regularly organizes joint reviews of sample units in progress, conducting comprehensive evaluation on construction technology and material use. In addition, Shimao also conducted a cross-departmental review of the visual delivery model, including the project management team, designers, sales team and customer service department, to ensure that the final effect of the model house could meet the customer’s expectations.



## INTELLECTUAL PROPERTY

Shimao attaches great importance to the protection of intellectual property rights, strictly implements the requirements of the “Trademark Law of the People’s Republic of China” and other relevant laws and regulations, fully respects the intellectual property rights of its partners, and actively protects its legitimate rights and interests through legal litigation procedures. Both the standard contract template and the specific contracts have specific clauses for intellectual property rights. Shimao continues to strengthen the protection of intellectual property rights in product design, and has obtained a number of practical invention patents.

### ➤ ENGINEERING MANAGEMENT SYSTEM

Shimao’s engineering management system has been iterated to version 7.0, “Third-party Assessment Management”, “Micro-innovation Management Measures 4.0”, “Strengthened Management Measures for the Bottom Line of Delivery Quality”, “Risk Management of Delivery Quality” and “Group Quality Control Team Management Measures 3.0” have been added or updated to the management mechanism. The management focus is further extended to regional companies, and the engineering system is empowered through information construction to drive management innovation, technological innovation and optimization.

**BUSINESS INTEGRITY**

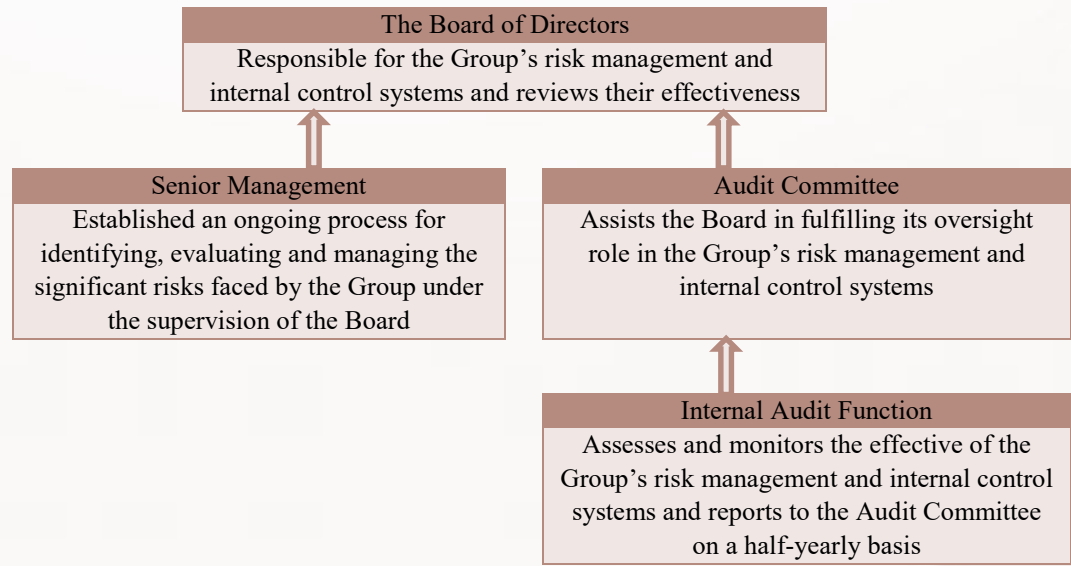
Shimao Group attaches great importance to the construction of integrity, and strictly abides by the “Anti-Money Laundering Law of the People’s Republic of China”, the “Anti-Unfair Competition Law”, the “Regulations on the Prevention of Bribery” and other national and local laws and regulations related to anti-corruption and business ethics. The Company has publicly issued business ethics and compliance policies such as the “Shimao Group Corporate Code of Conduct”, “Shimao Group Code of Conduct for Suppliers”, and the “Shimao Group Integrity and Whistleblowing Policy”, aiming to strictly prevent from giving or soliciting improper business interests, improper use and encroachment of Company’s property, and conflicts of interest. The Company is committed to maintaining a self-disciplined work style, creating a healthy and good business environment, and promoting its own sustainable development. During the reporting period, the audit department did not find any major violations and violations of relevant laws and regulations such as the “Anti-Money Laundering Law of the People’s Republic of China”, the “Anti-Unfair Competition Law”, and the “Regulations on the Prevention of Bribery”.

In March 2024, the Audit Department, together with the Group’s Human Resources Department, issued the “Reaffirmation on Shimao Group’s Efficient Work, Strict Discipline and Integrity and Self-discipline” to all employees of the Group, emphasizing the work style of integrity and self-discipline, and requiring each employee to sign the agreement in the form of “signing on the board”.

**RISK MANAGEMENT AND CONTROL**

➤ **STRENGTHENED RISK MANAGEMENT AND CONTROL SYSTEM**

Shimao Group has put in place a risk management and internal control system to ensure that all material risks faced by the Company are identified, assessed, managed and monitored in accordance with uniform guidelines. Under the leadership of the Board, an Audit Committee has been established to assist the Board in fulfilling its oversight responsibilities over the Group’s risk management and internal control systems. Senior management has established a regular process to identify, assess and manage material risks to the Group on an ongoing basis. The Internal Audit Department is responsible for assessing and monitoring the effectiveness of the Group’s risk management and internal control systems, and reports to the Audit Committee on a regular basis. Among them, the Board of Directors is the ultimate responsible body for risk management and control, and is responsible for guiding and making final decisions on the Group’s risk management and control policies, systems and response plans.



In addition, Shimao Group is also deepening the digital reform of risk management and control, as well as promoting the digital transformation of the audit department.

## ➤ RISK MANAGEMENT PERFORMANCE

The Company makes full use of various educational platforms to carry out integrity training. In 2024, the Company conducted a total of 5 anti-corruption and business ethics education and training sessions in the form of lectures and themed activities, covering topics such as internal control and integrity, involving Shimao Group directors, senior managements, and regional functional leaders.

**Shimao Group Anti-Corruption Training**

Positions	Number of Participants	Number of Hours
Board members and C-suite executives	12	36
Senior management	128	256
Intermediate management	550	1,100
General staff	200	400
<b>Total</b>	<b>890</b>	<b>1,792</b>

## BUSINESS ETHICS

### ➤ SOUND MANAGEMENT STRUCTURE

Shimao Group attaches great importance to business ethics and anti-corruption management, and has established a sound organizational structure and management mechanism, that is, a three-tier management structure composed of the Board of Directors, the Audit Committee and the Audit Department, aiming to create a business environment characterized by integrity and honesty.

The Board is responsible for leading and monitoring the Company, formulating strategies and directing the performance and activities of the management to promote the success of the Company. As the highest governance body for business ethics management of the Company, the Board is committed to establishing and maintaining sound corporate governance practices, regularly reviewing matters related to business ethics violations and corruption, and reviewing and updating relevant business ethics and anti-corruption policies in a timely manner.

The Audit Committee is responsible for monitoring the compliance of the Group's employees with the Code of Conduct and assisting the Board in reviewing the Company's financial reporting procedures, internal control and risk management systems, and advises the Board on the nomination and monitoring of external auditors. The Committee meets with the external auditor at least twice a year to discuss important matters during the audit period and to consider any matters raised by the staff responsible for accounting and financial reporting or the auditor. In addition, the Audit Committee reviews interim and annual reports before they are submitted to the Board, paying particular attention to changes in accounting policies and practices, compliance with accounting standards, the Listing Rules and relevant legal requirements.

Shimao Group's Audit Department is responsible for supervising and inspecting the implementation of the standards, and is responsible for receiving and handling complaints. The Audit Department reports directly to the Audit Committee and to the Board of Directors through the Audit Committee without consulting management. In its day-to-day management, the Audit Department regularly conducts business audits oriented to anti-corruption and other business ethics, and ensures that each business segment is audited at least once every three years to ensure that its operations comply with the relevant requirements of the "Shimao Group Corporate Code of Conduct". For violations of the guidelines, the Group will be given demotion, salary adjustment, post adjustment, fine, administrative sanction, termination of labor contract, etc., according to the authority, and the suspected crime will be handed over to the public security and judicial bureaus for processing. This series of measures aims to ensure that the Group's operations are transparent and compliant, and that it maintains a good corporate image and social responsibility.

### Whistleblowing process

The Company welcomes all employees, partners, suppliers, customers, etc. to report misconduct in accordance with the “Shimao Group Integrity and Whistleblowing Policy”. The Company has long established a variety of reporting channels such as official website, official WeChat, email, telephone, and letter, and whistleblowers can choose to report by real name or anonymously.

In 2024, Shimao Group received more than 160 external reports by email, telephone, letter, etc., all of which were verified and feedback. Three lawsuits have been filed and concluded against fraud incidents within the Company.

## ➤ COMPLIANCE WITH CODE OF CONDUCT

Shimao Group attaches great importance to integrity, resolutely puts an end to all fraud, bribery and other improper behaviors in the process of work, and makes every effort to maintain a work environment of integrity and self-discipline. At the same time, the Group actively promotes anti-corruption and integrity cooperation among upstream and downstream enterprises. It establishes and improves a collaborative anti-corruption mechanism to prevent and address corruption issues at their source, ensuring the effective advancement of the Company’s integrity construction. This lays a solid foundation for achieving sustainable development goals.

### Code of Ethics for Employees

In addition to strictly abiding by national laws and regulations, international codes of ethics and anti-fraud standards, Shimao Group requires directors and all employees (including non-regular employees) to sign the “Personal Code of Professional Ethics”, consciously abide by laws and regulations, work with integrity, be loyal to their duties, and faithfully safeguard the interests of the Group, and must not seek illegitimate interests by taking advantage of position and work-related convenience.

The sign-off rate of Directors and all employees (including temporary employees) is 100%.

### Supplier Code of Conduct

Shimao Group has established and published the “Shimao Group Code of Conduct for Suppliers”, which requires all units participating in the bidding to sign the “Commitment of Integrity”, and requires suppliers and contractors who have business dealings with the Company, as well as their employees, subsidiaries, affiliates and subcontractors to comply with the requirements of the letter of commitment, so as to ensure the legality, fairness and fairness of the whole process from bidding activities to contract performance, and extend the coverage of the anti-fraud commitment to the entire supply chain.

The signing rate of major business suppliers is 100%.

### Discipline in traveling and entertaining on official business

During the year, Shimao Group reaffirmed the discipline of “Business Travel” and “Entertainment” to all staff. Below are a few highlights of the announcement:

1. Strict travel standards: Choose cost-effective means of intercity transportation; all expenses exceeding the standard will not be reimbursed.
2. Against extravagance and waste: The Company does not encourage alcohol culture and night club culture within the organization, and prohibits using company funds to entertain superiors, peers, or subordinates.
3. Compliance with professional ethics: Employees must comply with the “Professional Code of Ethics 2.0” and must not request or accept financial support from suppliers.
4. Strengthen supervision and inspection: The Group will strengthen daily supervision and inspection, and impose immediate penalties for violations.
5. Encourage supervision and reporting: Provide the reporting email, hotline and address, and keep the personal information of the whistleblower strictly confidential.

The Group hopes that by reminding staff and promoting mutual supervision, it can further improve the operating environment of the group, characterized by integrity and practicality.



## SOCIAL RESPONSIBILITY

In 2024, Shimao focused on project delivery and user connections, with approximately 136 centralized delivery activities throughout the year. In October, Shimao made cash donations to the Shanghai Charity Foundation to set up the “Shimao Charity Project”. The Company carried out care and relief activities for social groups in need, actively practice social responsibility, promote charity culture and the harmonious development of the society.

### Weaving a warm, all-age healthy, and energetic environment

Shimao Group has always adhered to the work of “quality delivery” and “weaved a happy life” for the owners. Every home delivered embodies Shimao’s return to humanism. How to build a “warm” community? It can be a public activity area that integrates natural vitality, an open space for people to get along with each other, and an exquisite design that infiltrates urban culture.

Wuhan Hi-Tech Shimao Shili Galaxy integrates the concept of “Four Seasons Garden at the Doorstep” into the garden design, and carefully creates landscapes such as cherry blossom promenades, relaxing gardens, interactive gardens, ginkgo forests, and age-friendly activity areas, bringing a beautiful forest-lifestyle like returning to nature. Fun hills, child activity islands and other activities to meet children’s desire to explore, the circular track for young people’s enjoyment, the elderly can play chess and Tai Chi under the forest, enjoying the fun of retirement. Stroll through Shimao Shili Galaxy and feel the passion and beauty of life in the scenery.



Shaoxing Shimao YunYue Mansion implements the concept of “residence in the park”, connects two children’s outdoor sports areas with a large sunshine lawn, and vividly connects the common room, running track and other community facilities to create an entertainment world suitable for people of different ages, and realize well-being in the lush scenery.



The Jingmen Longshan Central Business District project creates an all-age outdoor parent-child paradise of about 800 square meters, with the theme of “Time Circle”. With the three themed circular areas of “Cognitive Circle”, “Dream Circle” and “Recreation Circle”, it integrates natural cognition, scientific exploration, and parental care, so that parents can relax and socialize with their neighbours while accompanying their children.



The project has also built the first private fitness and entertainment “overhead floor” club in Jingmen, including: Tai Chi room, tearoom, yoga room, children’s indoor theme park, meeting room, library, relaxation room, gym, etc., people of all ages can equally experience the fun of life here.



Shimao’s imagination of beautiful homes, accompanied by the quality delivery, converting blueprints into realistic scenarios. Children laugh, old people chat, pets run freely on the grass, and sport lovers jog ..... The vibrant breath of life, accompanied by the singing of birds and the fragrance of flowers, wafts in every corner of the community, presenting the appearance of a mindful delivery.

### Shimao “Big Babies” – Protecting the peace and health of elderly

Companionship is the most affectionate confession. There is a saying – “having an old man in the family is better than having a treasure”. The “big babies” have always been the focus of care in the Shimao community. In order to promote the Chinese traditional virtues of respecting and loving the elderly, Shimao has made great efforts at all levels to effectively enhance the sense of gain, happiness and security of elderly owners.

The elderly group is a group with a high incidence of chronic diseases, and their health cannot be neglected. On the day of the Chung Yeung Festival, many projects of Shimao has provided free physical examinations, blood pressure and blood sugar measurements, and health care knowledge for the elderly to prevent colds and control “three-highs” in autumn and winter. Shimao always pay attention to elderlies physical condition, detect and prevent health issues in time, and protect the golden years of the elderly.



Ningbo Yaojing Garden has prepared an anti-fraud training for the elderly, so that the elderly owners better understand the scammers' usual fraud practices, enhance their anti-fraud awareness, and build an “anti-fraud security firewall”.



On traditional festivals such as the Mid-Autumn Festival and Chongyang Festival, Wuhan Shimao LinyuAn Property planned the “Warm hearts under the sunset” free shooting activity, taking exclusive wedding photos for the elderly couples in the community. Freezing loves of decades under the lens, filling warmth and romance, and becomes an eternal memory.





In the future, Shimao will continue to provide more comprehensive, meticulous, and diversified services for the elderly, and build a new structure of “one old and one young” care service of co-governance and sharing, so that owners can feel more warmth, and create an ideal home full of vitality and humanistic care.

### Lovely childhood of “little persimmons” in Shimao

Shimao hopes that every child can explore, learn, grow, and explore the world with imagination and creativity, and feel a warm, fresh and bright childhood like persimmons.

Shimao has always taken child-friendliness as an important consideration in improving the community quality. By creating a diversified space and holding a variety of children’s activities, the “little persimmons” will continue to harvest happiness and growth in the big home of Shimao.

The World Bay Garden I has transformed the clubhouse into a shared activity space for the owners, which the owners affectionately call “Mao Yuan”, which means “the paradise created by Shimao for owners”. Mao Yuan is divided into four spaces: “Neighbourhood House”, “Children’s Paradise”, “Shared Activity Room” and “Shared Basketball Court”.



The “Children’s Paradise” focuses on creating child-friendly elements, providing formaldehyde-free and non-toxic toys, extracurricular reading materials, designing protective fences, and equipment using anti-collision angle design, which entertain children while ensuring their safety to the greatest extent.

On the 2024 “International Children’s Day”, Wuhan Shimao Dragon Bay launched an environmental protection market of “Gather to Celebrate Childhood on June 1st, Let’s Recycle”. By exchanging/reselling idle items at home, the children have practiced the reuse and recycling. At the same time, they have felt the importance of environmental protection and resource conservation, and learned to cherish and share.



Every year, the Shimao Children's Drawing Competition is always accompanied by a wonderful research trip. As an annual in-person exchange for "little persimmons" across the country, Shimao prepares interesting and meaningful themes every year to leave precious childhood memories for our "little persimmons".



Under the leadership of Shimao, the "little persimmons" have experienced culture all over the country. With laughter like silver bells, and the beautiful colour of orange paves the way of a meaningful and fun childhood of the children, and inject a vibrant happiness into the city.



In the warm family of Shimao, we are wholeheartedly dedicated to creating a happy childhood full of love and laughter for our children. We believe that these fruitful activities and spaces will become precious childhood memories for our "little persimmons". Let's look forward to the "little persimmons" continuing to grow up healthily and happily in the big family of Shimao!



**APPENDIX****HKEX ESG REPORTING FRAMEWORK INDEX**

<b>General Disclosure</b>	<b>KPI</b>	<b>Page Number/ Notes</b>
<b>A. Environmental</b>		
A1. Emissions	A1.1 -1.6	P. 20 Performance Summary Table (Environment)
A2. Use of Resources	A2.1-2.5	P.21-24 Performance Summary Table (Environment)
A3. The Environment and Natural resources	A3.1	P.11-28
A4. Climate Change	A4.1	P.18-20
<b>B. Social: Employment and Labour Practices</b>		
B1. Employment	B1.1-1.2	P.29-37 Performance Summary Table (Social)
B2. Health and Safety	B2.1-2.3	P.32-37 Performance Summary Table (Social)
B3. Development and Training	B3.1-3.2	P.30 Performance Summary Table (Social)
B4. Labour Standards	B4.1-4.2	P.29
<b>B. Social: Operation Practices</b>		
B5. Supply Chain Management	B5.1-5.4	P.38-42 Performance Summary Table (Social)
B6. Product Responsibility	B6.1-6.5	P.46-47 Performance Summary Table (Social)
B7. Anti-corruption	B7.1-7.3	P.48-51 Performance Summary Table (Social)
B8. Community Investment	B8.1-8.2	P.52-56

## PERFORMANCE SUMMARY TABLE (ENVIRONMENT)

Emissions	By Type (if applicable)	Unit	2024
Emissions	Nitrogen Oxides	Ton	0.00056
	Sulfur Oxides	Ton	-
	Particulates	Ton	0.001
Total Direct Greenhouse Gas Emissions (Scope 1)	/	Tonnes of carbon dioxide equivalent	852.74
Direct Greenhouse Gas Emissions	Gasoline	Tonnes of carbon dioxide equivalent	103.47
Direct Greenhouse Gas Emissions	Refrigerants	Tonnes of carbon dioxide equivalent	749.28
Direct Greenhouse Gas Reductions	Tree Planting	Tonnes of carbon dioxide equivalent	0
Total Indirect Greenhouse Gas Emissions (Scope 2)	/	Tonnes of carbon dioxide equivalent	3,550.54
Indirect Greenhouse Gas Emissions	Purchased Electricity	Tonnes of carbon dioxide equivalent	3,550.54
	Purchased Heat	Tonnes of carbon dioxide equivalent	0
Total Direct and Indirect Greenhouse Gas Emissions	/	Tonnes of carbon dioxide equivalent	4,403.28
Carbon Emission Intensity	/	Tonnes of carbon dioxide equivalent / square meter	0.65
Waste	By Type (if applicable)	Unit	
Total Amount of Non-Hazardous Waste	/	Ton	18.69
Non-Hazardous Waste Intensity	/	Tons / square meter	0.0027
Energy Consumption	By Type (if applicable)	Unit	2024
Total Direct Energy Consumption	/	MWh	370.30
Direct Energy Consumption	Gasoline	MWh	370.30
Total Indirect Energy Consumption	/	MWh	6,063.08
Indirect Energy Consumption	Purchased Electricity	MWh	6,063.08
	Purchased Heat	MWh	0
Total Energy Consumption	/	MWh	6,433.39
Energy Consumption Intensity	/	MWh/ square meter	0.95
Water	By Type (if applicable)	Unit	2024
Total water use	/	Ton	99,689.09
Water use intensity	/	Tons / square meter	14.66

Notes:

1. The calculation method of direct greenhouse gas emissions and indirect greenhouse gas emissions is based on the average emission factor of the national power grid proposed by the Ministry of Ecology and Environment of the People's Republic of China and the international standard coefficient.
2. The calculation method of nitrogen oxides, sulfur oxides and particulate matter in emissions is based on the "How to Prepare Environmental, Social and Governance Report (Appendix 2)" proposed by the Hong Kong Stock Exchange and the international standard coefficients.
3. Non-hazardous waste includes waste paper, office household waste and metals.
4. 4: The calculation method of total direct energy use and total indirect energy use is based on the "How to Prepare Environmental, Social and Governance Report (Appendix 2)" proposed by the Hong Kong Stock Exchange and the international standard coefficients.
5. Water resources include municipal water only.
6. If there is no currency indication, the currency of the amount disclosed in this report is RMB.
7. Due to the adjustment of Shimao Group's operating layout during the 2024 reporting period, the environmental data is no longer comparable with the data disclosed in 2023, so the relevant data for 2023 is not provided here. For details of the 2023 data, please refer to the 2023 Shimao Group Sustainability Report.

## PERFORMANCE SUMMARY TABLE (SOCIAL)

Employee	By type (if applicable)		Unit		2024
Total Employees	/		person		947
By gender	Female		person		431
	Male		person		516
By age	30 years old or below		person		84
	31-40 years old		person		621
	41-50 years old		person		212
	Over 50 years old		person		30
By region	Hong Kong		person		1
	Mainland China		person		946
By type of employment	Full-time		person		947
	Part-time		person		0
By position	C-suit executives		person		8
	Senior management		person		102
	Intermediate management		person		655
	General staff		person		182
Employee turnover rate	By type (if applicable)		Unit		2024
Employee turnover rate	/		%		40
By gender	Female		%		40
	Male		%		39
By age	30 years old or below		%		55
	31-40 years old		%		40
	41-50 years old		%		31
	Over 50 years old		%		39
By region	Hong Kong		%		0
	Mainland China		%		40
Health and Safety	By type (if applicable)	Unit	2022	2023	2024
Number of work-related deaths	/	person	0	0	0
Rate of work-related fatalities	/	%	0	0	0
Lost days due to work injury	/	days	7	122	208
Development and Training	By type (if applicable)		Unit		2024
Trained employees as a percentage of total employees	/		%		4
Trained employee percentage					
By gender	Female		%		5
	Male		%		4
By position	C-suit executives		%		0
	Senior management		%		14
	Intermediate management		%		4
	General staff		%		0

Average training hours of employees	/	hours/person	7
By gender	Female	hours/person	7
	Male	hours/person	7
By position	C-suit executives	hours/person	0
	Senior management	hours/person	7
	Intermediate management	hours/person	7
	General staff	hours/person	0
<b>Supplier</b>	<b>By type (if applicable)</b>	<b>Unit</b>	<b>2024</b>
Total number of suppliers	/	entity	3,538
By region	China	entity	3,538
<b>Product Responsibility</b>	<b>By type (if applicable)</b>	<b>Unit</b>	<b>2024</b>
Number of products and/or service related complaints received	/	case	3,665
<b>Business Ethics</b>	<b>By type (if applicable)</b>	<b>Unit</b>	<b>2024</b>
Number of concluded legal cases regarding corruption brought against the Company or its employees during the reporting period	/	case	3
Compliance and anticorruption training ratio for directors and all employees (including non-regular employees)	/	%	94

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We welcome your feedback on our sustainable development performance and reporting.

You can contact us by email at [csr@shimaogroup.com](mailto:csr@shimaogroup.com).