

Stock Code: 00604





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# About This Report

This report is the tenth environmental, social and governance report issued by Shenzhen Investment Limited (hereinafter referred to as "Shenzhen Investment" or the "Group" or "we" or "us"), which was prepared in accordance with the "Environmental, Social and Governance Reporting Code" (the "ESG Reporting Code") which is set out in Appendix C2 issued by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") while highlighting our own corporate and industry characteristics.

In the preparation of this report, Shenzhen Investment has conducted comprehensive communication with our stakeholders through an independent consultant, and determined the contents after having fully considered the opinions of relevant stakeholders, and in accordance with the four key principles, namely materiality, quantitative, balance and consistency, as required by the Stock Exchange. The Group will continue to strengthen its collection of information for reporting to enhance our performance and disclosure relating to our sustainable development.

# **Scope and Boundary**

This report provides an overview of the Group's efforts and achievements in corporate social responsibility and sustainable development from January 1, 2024, to December 31, 2024. It covers multiple aspects, including "Governance Responsibility, Lean Operations", "Customer Responsibility, Quality Craftsmanship", "Environmental Responsibility, Ecological Craftsmanship", "Employee Responsibility, Talent Codevelopment", and "Social Responsibility, Commitments to Public Welfare". The organizational scope of the report covers the Group's headquarters and a number of key subsidiaries.

# **Term Description**

To facilitate presentation, "Shenzhen Investment", the "Group", "we" or "us" mentioned in this report all refer to "Shenzhen Investment and its subsidiaries" as a whole.

Name of subsidiaries	Short name
Shum Yip Pengji (Holdings) Co., Ltd.	Pengji Company
Shum Yip Southern Land (Holdings) Co., Ltd.	Southern Company
Shum Yip Terra (Holdings) Co., Ltd.	Terra Company
Shum Yip Land Company Limited	Land Company
Shum Yip East China Property Development Co., Ltd.	East China Company
Shum Yip Taifu Logistic Group Holding Co., Ltd.	Taifu Company
Shenzhen Nongke Holdings Company Limited	Nongke Company
Shum Yip Property Operations Group Co., Ltd.	Shum Yip Operations
Shum Yip Commercial Management Co., Ltd.	Commercial Management Company

# **Source of Information**

The information and cases set out herein were mainly derived from the statistical reports and related documents of the Group. Unless otherwise specified, the currency referred in this report is Renminbi.

# Access and Feedback to this Report

The electronic version of this report is available on the official website of the Group.

If you have any questions or feedback about this report and its contents, please feel free to contact us at:

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# **Company Profile**

Shenzhen Investment has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 00604.HK) since 1997, and its controlling shareholder Shum Yip Group is an integrated conglomerate directly managed by State-owned Assets Supervision and Administration Commission of Shenzhen Municipal. The Group, positioned as an "Innovative Constructor of Industrial Cities, Wealthy Livelihood Operator", focuses on property development, property investment and comprehensive urban operation services, and also gets involved in innovative businesses such as high-tech agriculture and high-end manufacturing, endeavoring to transform and upgrade into a technology-based industry group focusing on the development of urban complex and investment in technology industry.

The Group is deeply rooted in Shenzhen, focusing on the Guangdong-Hong Kong-Macau Greater Bay Area, as well as high-powered cities in the Yangtze River Delta region and key provincial capitals. At present, the Group has a total land reserve of approximately 6.22 million square meters in various cities in China, of which approximately 4.13 million square meters of quality land reserve are located in the Greater Bay Area. The Group is committed to optimizing the structure of its land reserve and focusing its assets and business on high-powered cities in the Greater Bay Area and key regions.

Please refer to the 2024 Annual Report of Shenzhen Investment for further information about the Group's business and financial position at: http://www.shenzheninvestment.com/investor.html



# **Principal Business**

#### Land Reserve

Shenzhen Investment focuses on quality land resources in the Guangdong-Hong Kong-Macao Greater Bay Area and key first and second-tier cities.



As of 31 December 2024, Shenzhen Investment had

a land reserve of approximately **6.22** million square meters, among which 66% belongs to Guangdong-Hong Kong-Macao Greater Bay Area.

As of December 31, 2024, the demolition and relocation of the project of Phase II of Chegongmiao First Revitalization project have been successfully completed.



#### **Urban Revitalization**

With the strength of its state-owned controlling shareholder, Shenzhen Investment plans to hasten its progress in urban revitalization planning applications, resettlement and land use issues, to drive more projects to construction phase.

#### **Property Development**

Shenzhen Investment has over 30-year experience in property development, and has been committed to providing customers with premises of highquality and multi-usage.



As of 31 December 2024, the Group had a capacity building area of approximately **3.64** million square meters of the projects under construction.

As of 31 December 2024, the Group's investment properties had a total area of approximately **1.73** million square meters and a fair value of

approximately HK\$**32.9** billion.



#### **Property Leasing and Operations**

Shenzhen Investment adheres to the dual focuses on property sales and operation of investment properties, continues to increase the ratio of high-quality commercial and office premises in its investment property portfolio, and optimizes its investment property portfolio through upgrading and the management therein to improve rent pricing system and enhance operation and service standards.

#### **Urban Integrated Operation Service**

Shenzhen Investment's urban integrated operations business, comprising urban and industrial park property management, residential property management, commercial operation and property management services, conducted its business around the positioning of "full format, full service, and full customer".



As of 31 December 2024, approximately **96.69** million square meters of space is under management,

with approximately 80% of space in independent

third-party projects and approximately **70%** of space in non-residential formats.

In 2024, the Group realized contracted sales amount of approximately HK\$**18.6** billion, and contracted sales area of approximately

**0.603** million square meters.



#### **Contracted Sales**

Shenzhen Investment actively promoted contracted sales. Against the background of continuous adjustment of the real estate market, the Group seized policy windows to accelerate the destocking process, achieving better-than-expected sales performance.

# **Corporate Structure**





# **Responsibilities and Awards**

### **Shenzhen Investment**



Selected into the "Greater Bay Area State-owned Enterprises ESG Development Index"



The 8th China Excellence in IR Best ESG Award

**ESG** 



Best Capital Market Communication Award

港股上市公司 投资者关系管理天马奖		
(20	名)	
准股代码 准股路际	潮腔代码	潮経路線
COLUMN TYPE	All states in the	1000
Contract in States	-	-
COLUMN TRACE	-	-
THE REAL	COLUMN 1	Distant.
Contract International	and the second	and the second
	-	-
THE R. LANSING	10100-001	100.00
COLUMN DESIGNATION	Station &	Distant.
	00604.HK	深圳控股
COLUMN DESIGN	-	81 81

Tianma Award for Investor Relations Management of Hong Kong Shares Listed Companies



The Real Estate Company with Excellent ESG Environmental Performance in 2024

# Awards to Subsidiaries:

#### **Shum Yip Operations**

- Top 100 Property Service Enterprises in Guangdong-Hong Kong-Macao Greater Bay Area in 2024
- Top 10 Office Property Service Providers in Guangdong-Hong Kong-Macao Greater Bay Area in 2024
- Top 5 Urban Service Providers in Guangdong-Hong Kong-Macao Greater Bay Area in 2024
- Top 100 Property Service Enterprises in China in 2024
- Outstanding State-owned Property Service Enterprises in China in 2024
- Leading Smart City Service Enterprises in China in 2024
- Outstanding Residential Property Service Providers in China in 2024
- Leading Property Technology-Empowered Enterprises in China in 2024
- Best Employers in China's Property Management Industry in 2024
- Outstanding Red Property Service Enterprises in China in 2024
- "Top 100 Brands in Shenzhen" Enterprises



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### About Us

#### **Commercial Management Company**

- Outstanding Enterprises in Business Operations in 2024
- Innovative Enterprises in Digitalized Operations in 2024
- Top 100 Retail Commercial Real Estate Enterprises with Comprehensive Strength in 2024
- Best Commercial Enterprise Innovation Award in China in 2024
- 🔍 🔰 Urban Commercial Mainstream List in China in 2024
- Hotel Management Company was honored with the titles of Asia Pacific Accommodation Excellence Potential Hotel Group, Outstanding Hotel Group of the Year, and Forbes Travel Guide Five-Star Rating in 2024
- Mandarin Oriental Shenzhen won the "Forbes Travel Guide" Five-Star Medal, That's Most Influential Hotel of the Year in 2024 and other awards
- Jingju Hotel Shenzhen was awarded the GBE Hotel Design Award, 2024 Best Lifestyle Experience Hotel Award and City Resort Hotel of the Year and other awards
- Wuyishan Jingju Resort Hotel(武夷山憬居度假酒店) was awarded the 19th China and Foreign Hotel Platinum Awards for Best Wellness Resort Hotel, 17th China Best Hotel Awards for Best Travel Wellness Destination Hotel, and YOUNG Fashion Annual Noteworthy New Hotel and other awards



### Pengnan Company ( 鹏南公司 )

Social Responsibility Enterprise among Shenzhen Real Estate Development Enterprises in 2024

Shenzhen Financial Management Standard Unit

Huizhou Caring Enterprise in 2024

- Jinghua Company was rated as the National-level Specialised, Refined, Differentiated and Innovated "Little Giants" Enterprise
- The marketing department of Yunwan Real Estate Company was honored with the titles of May Day Women's Pacesetter Post in Shenzhen and Shenzhen Workers Pioneer
- Yunwan Real Estate Company was rated as Top Ten Real Estate Industry Added Value in Nanshan District, and Top Ten Social Investment in Nanshan District
- Shum Yip Time Mansion Revitalization Unit Sales Center project won the 2024 MUSE Design Awards Platinum Winner



About Us

#### Land Company



- The Shum Yip Nansha Hengli Island Project won the "Grade A Evaluation of Safety Production Standardization Management Level of Guangzhou Construction Projects" and the "High-Quality Structure Award of Guangzhou Construction Projects in 2024"
- Upper Scholar Project was rated as the "Outstanding Project for Prevention and Control of Construction Noise Pollution in Shenzhen in 2024"
- Shenzhen Women and Children Tower Project was included in the List of Replicable Experience for the Construction of Child-friendly Urban Spaces (First Batch) issued by the Ministry of Housing and Urban-Rural Development, and selected as one of the "Top Ten Major Events of the "Millions of Project" in Shenzhen in 2024" announced by Shenzhen China and Shenzhen Special Zone Daily
- Shenzhen Women and Children Tower Project won the "2024 Dezeen Awards", the "Excellence Award in the International Category of the 51st American IES Illumination Awards in 2024" and other awards
- Shum Yip Luxury Mansion Project won the "Outstanding Contribution Award for High-quality Development in 2024 -Quality Residential Property"
- Smart Technology Company was rated as a "Shenzhen Innovative Small and Medium-sized Enterprise in 2024", "Shenzhen Science and Technology-based Small and Medium-sized Enterprise in 2024", and "Shenzhen Specialized and Sophisticated SMEs in 2024", and has obtained CMMI certification
- Fissionable Hu Penghui Craftsman Talent Innovation Workshop was rated as an "Innovation Workshop for Model Workers and Craftsman Talents at the Industrial Union Level of Shenzhen Municipal Trade Union for Finance and Economics in 2024"
- The innovative application of archives of UpperHills won the honor of "Second-class Case of Enterprise Archives Work Innovation in 2023" issued by the National Archives Administration



### Taifu Company

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- "Honest Enterprise among Shenzhen Real Estate Development Enterprises in 2024"
- Star Enterprise of High-quality Development in Luohu District" Award
- Shum Yip Taifu Square was honored with the "Youth Civilization Title"
- Shum Yip Taifu International Home Plaza Project won the "Designer's Most Favorite Home Plaza" Award
- Shum Yip Auto City Project won the "2024 Outstanding Contribution Award for High-quality Development" and the "One-Code-First" Promise Unit of Rapid Service for Safe Consumption Shopping District
- Kechuang Building Project won the "GBE 2024 Best Office Building", LIT Lighting Design "2024 Excellence Prize" and Platinum Award of the French Design Awards

### Nongke Company

- Honest Enterprise among Shenzhen Real Estate Development Enterprises in 2024.
- Gold Medal Purchaser at the 2024 World Food and Agricultural Expo Shenzhen
- 2024 Outstanding Supplier of the Year" in the Shenzhen International Fisheries & Seafood Expo 2024 🖤
- Xinfeng Four Seasons Riverside Garden Project won the "Second Prize" in the architecture category and "Merit Prize" in the landscape category at the Third YinJiXiangCun Creative Design Competition at the Provincial Level and the Second YueXiangYinJi Creative Design Competition

# Letter from the Board

In 2024, the global economic situation remained complex and volatile, and the real estate industry faced numerous uncertainties and challenges. Adhering to an indomitable spirit, Shenzhen Investment continued to deepen its sustainable development strategy, actively responded to market changes, and made great efforts to enhance its corporate competitiveness. It was committed to achieving the coordinated development of economic, environmental, and social benefits, and steadily moving towards the beautiful vision of being an "Innovative Builder of Industry and City, and an Operator of Happy People's Livelihoods". Relying on its solid foundation in sustainable development efforts, the Group has released Environmental, Social and Governance (ESG) reports for 10 consecutive years. Moreover, by delving deep into areas such as green buildings, product quality, health and safety, and corporate governance, it has once again been awarded an MSCI-ESG A rating.

#### Enhancing Governance Efficiency through In-depth Measures

Shenzhen Investment continues to take sound governance as the cornerstone of the Group's stable development. It continuously improves its internal management system and strengthens the awareness of compliance to ensure the standardized and orderly operation of the enterprise. By establishing a collaborative mechanism among compliance management, integrity risk management, risk management, internal control, and legal affairs, the Group keeps promoting the improvement of its compliance system.

#### Deepening the Foundation of Quality and Innovation

Shenzhen Investment has always attached great importance to the delivery of high-quality products and services. We comprehensively understand customer needs, adhere to the principle of responsible marketing, and conduct comprehensive risk management and control to ensure the continuous improvement of customer experience and satisfaction. Meanwhile, we continuously improve our quality management system and strictly control project quality. In 2024, Shenzhen Investment won a total of 8 quality-related awards, including 1 national award, 2 provincial awards, and 5 municipal awards.

#### **Deeply Rooting in Green and Low-carbon Transformation**

Shenzhen Investment keeps in mind the concept of environmental protection, greenness, and low-carbon development. We firmly fulfill our green and low-carbon commitments, continuously construct green and healthy buildings, and promote green building certifications, integrating the green concept into the entire product life cycle, including green design, green construction, and green operation. As of the end of 2024, Shenzhen Investment had a total of 50 projects that obtained green building certifications, with a total certified gross floor area of 8,204,000 square meters.

#### **Pooling the Synergistic Strength for Talent Development**

Shenzhen Investment continuously optimizes its human resources management system, providing employees with broad development space and abundant learning opportunities, and constantly improving the quality of talent team building. We fully safeguard the rights and interests of employees, and actively implement the occupational health and safety management system, quality management system, and environmental management system. By leveraging digital technologies to drive the upgrading of quality and safety management, we create a safe, healthy, happy, and friendly working environment, enabling employees to grow together with the Group and jointly create value.

#### **Deeply Promoting Social Harmony and Progress**

Shenzhen Investment actively fulfills its social responsibilities. We are deeply engaged in work in areas such as urban revitalization, rural revitalization, and social welfare. We lead urban grass-roots governance through Party building, promoting harmonious community integration. In 2024, we accomplished the consumption-based poverty alleviation task of approximately RMB5.538 million, and organized employees to actively participate in volunteer services. The cumulative volunteer service hours reached a new high, contributing to rural revitalization and social harmonious development with practical actions.

Looking back on 2024, Shenzhen Investment closely centered around the core requirements of enterprise operation and management. It actively carried out various sustainable development-related initiatives, further strengthening the foundation for the Group's long-term growth. In the future, we will continue to shore up our business fundamentals, constantly refine the compliance system, deeply tap into energy-saving potential, closely pursue innovation opportunities, and work together with all sectors of society to create a low-carbon and wonderful urban environment.

# Statement of the Board of Directors

Shenzhen Investment has always placed Environmental, Social and Governance (ESG) management at the core of its strategy. It strictly adheres to the requirements of the ESG Reporting Code issued by the Stock Exchange and continuously optimizes the Group's governance system to ensure transparency and accountability.

As the supreme decision-making body for ESG matters, the board of directors is fully responsible for formulating the Group's ESG strategy and overseeing its implementation. We ensure the effectiveness of ESG management through the following measures: Regularly communicate with stakeholders, identify internal risks, and in light of policy dynamics, develop a repository of key ESG issues; Set clear ESG goals and regularly assess the progress towards these goals; Incorporate key ESG risks into the Group's overall risk management system and formulate and implement corresponding risk-mitigation strategies.

In the future, the board of directors will further deepen its engagement in ESG matters, continuously update and refine the management mechanisms and goals. This is to strengthen the board's leadership role in ESG supervision and earnestly fulfill our commitment to sustainable development.



# Milestones 2024



# Full chain control to build a benchmark residential project

In line with its corporate mission of "Building living vision", Shenzhen Investment conducted a total of 40 tours of inspections of all the projects under construction on a group level in accordance with its internal safety and quality requirements, while its subsidiaries carried out internal quality inspections of their own projects regularly, with a 100% coverage of their projects. In addition, the Group engaged third parties to conduct 79 annual process quality assessments, 8 delivery quality assessments and organized 14 Quality Month activities. In 2024, Shenzhen Investment won 8 quality-related awards, including 1 national award, 2 provincial awards and 5 municipal awards.



# Safe production underpinning the foundation of development

Adhering to its core principle known as "Safety First, Prevention Focus and Comprehensive Management", Shenzhen Investment implements all-round safety and protection measures to ensure the achievement of the Group's safety and health objectives. Since 2021, Shenzhen Investment has been persistently strengthening its safety inspection and hidden danger investigation mechanism, with a total of 1,070 safety inspections of projects conducted by third-party professional organizations, and more than 82,000 hidden dangers of various types spotted and rectified, which has not only effectively promoted the steady improvement of safety condition at the project sites, but also built up a solid safety line of defense for the high-quality development of the Group.



# Intelligent operation contributing to a low-carbon city

In 2024, the Group continued to advance its energy saving and emission reduction efforts and promote the intelligent management platform and photovoltaic new energy projects, and saved approximately RMB1,691,000 in electricity costs by contracting through the power trading platform. In addition, Shum Yip Operations took the lead in initiating the preparation of two group standards, namely "Guidelines for Measuring the Economic Benefits of Green Operation of Buildings" and "Technical Guidelines for the Digital Construction and Operation of Building Facilities and Equipment" at the 2024 Shenzhen International Property Management Industry Expo and Shenzhen Real Estate Trade Fair, and was invited by Huawei to participate in the editing of the white paper "Open-Source Harmony Interconnection Reference Architecture for Buildings", which will provide the industry with methods for evaluating energy conservation and carbon emission reduction during construction operations and enhance the overall level of facilities and equipment operation and maintenance in the property services sector.

#### Green design empowering urban development

By the end of 2024, all the projects of Shenzhen Investment had 100% completed the pre-certification of green building standards at the design stage, and 50 projects had completed the green building certification, with a certified total GFA of 8,204,000 square meters and a total capacity area of 5,904,000 square meters. In 2024, the Group added 2 new green building certification projects, with a new GFA of 384,000 square meters and a new capacity area of 257,000 square meters.



# Characteristic agritourism fueling rural revitalization

Shenzhen Investment actively promoted the sustainable growth of rural economy. Nongke Company vigorously advanced the construction and operation of Nan'ao • Four Seasons Pastoral, Xinfeng • Four Seasons Riverside Garden and Dapeng • Seasons Coastal Countryside, which have brought new growth drivers to the local tourism industry and helped revitalize the rural economy. Nongke Company participated and won the "Outstanding Supplier of the Year Award" at the Shenzhen International Fisheries & Seafood Expo 2024.

# **Annual Performance Highlights**



# **Operating Performance**

- Total assets (HK\$171.17 billion)
- Net assets (HK\$45.32 billion)
- Revenue (HK\$15.57 billion)
- Total tax expenses for the year (HK\$0.72 billion)
- Contracted sales (HK\$18.61 billion)
- Rental income (HK\$1.38 billion)



# **Environmental Performance**

- Approximately RMB1.691 million of electricity costs saved with contracts signed on the Electricity Trading Platform
- Annual recycling of approximately 120 tons of kitchen waste oil and water
- By the end of 2024, all the projects of Shenzhen Investment had 100% completed the pre-certification of green building standards at the design stage, and 50 projects had completed the green building certification, with a certified total GFA of 8,204,000 square meters and a total capacity area of 5,904,000 square meters
- Ø Over 30% energy savings on lobby lighting and air conditioning systems
- Total GHG emissions of 74,797.6 tons of CO2 equivalent
- Total energy consumption of 156,502.2 MWh
- Total electricity consumption of 126,849,284.7 kWh
- Total water consumption of 4,514,466 m<sup>3</sup>



# Social Performance

#### Employee

- 100% of the Group's leadership team and new employees from campus completed the integrity training
- Training of cadre inspection and appraisal officers was organized for 73 candidates
- In response to the lack of high-end talent reserves in the emerging segment, 10 industry elites were introduced from outside the system with market-oriented approaches

#### Supplier

- In 2024, the Group fully launched the tendering and procurement management platform and commenced training on the Group-wide online procurement platform
- In 2024, Shenzhen Investment posted over 4,000 procurement projects on the transparent procurement platform

#### The public

- A total of 1,218 volunteers rendered 2,527 service visits with a total of 11,097 service hours
- The Group made greeting and condolence visits to its employees in such events as births, marriages, hospitalizations, deaths, and retirements, covering more than 570 union members with an expenditure of RMB600,000. It also urged 28 unions to purchase "secondary medical insurance" for 3,900 employees at a cost of more than RMB680,000
- Consumer assistance spending amounted to approximately RMB5.538 million in 2024
- Public welfare investment amounted to RMB0.585 million in 2024



# Special Theme: Work Safety-Laying the Foundation

# for Sustainable Development

In 2024, Shenzhen Investment, as always, regards work safety as the cornerstone of the Group's sustainable development and promotes work safety management in an all-round and multi-level manner. Through systematic safety training, regular safety inspections, and the in-depth application of digital technologies, the Group continuously enhances the safety awareness of all employees and their emergency response capabilities, and consolidates the foundation of on-site safety management. In the safety management skills competition for municipal-owned enterprises, the Group won the third-prize for the group and the Outstanding Organization Award issued by the Municipal State-owned Assets Supervision and Administration Commission with its solid safety management capabilities and professional qualities.





Shenzhen Investment was awarded the Outstanding Organization Award of safety management skills competition in 2024

 Shenzhen Investment was awarded the third-prize for the group of safety management skills competition in 2024

# Carry out safety inspections in an all-round way and strengthen risk prevention and control capabilities

Since 2021, Shenzhen Investment has continuously strengthened its safety inspection and hazard investigation mechanisms. The Group has carried out a total of 1,070 safety inspections of projects by third-party professional organizations, investigated and rectified more than 82,000 hazards of various types, effectively promoted the steady improvement of on-site safety conditions, and built a solid safety defense line for the high-quality development of the enterprise. In 2024, through various means such as inspections led by the Group's leaders, inspections by third-party agencies and cross inspections by its subsidiaries, we carried out all-round work safety inspections at the project frontlines. The Group's subsidiaries also actively responded to work safety requirements, incorporated safety inspections into regular management, and carried out regular and irregular special inspections and hazard investigation work in light of their own business characteristics.

CASE YDUTZ

#### Safety inspection and hazard investigation practices of East China Company

To strengthen on-site safety management of projects and improve safety control capabilities, East China Company actively carried out safety inspection work, adhered to regular and irregular inspections of various projects and properties, and at the same time, carried out special inspections in combination with adverse weather, important holidays, and key engineering nodes of major hazard sources to ensure that hazards can be detected in a timely manner and rectified.

In 2024, East China Company carried out in-depth safety inspection work, organizing a total of 164 inspections throughout the year, detecting 441 hazards, and all of them were rectified, with a rectification completion rate of 100%. During this period, the Group's leadership, including the chairman and general manager, led inspections at the frontlines on many occasions to ensure that hazard investigation and rectification work were implemented. Before the end and beginning of the year, resumption of work after the Spring Festival, and important holidays such as Qingming Festival, Labour Day, Dragon Boat Festival, Mid-Autumn Festival, and National Day, East China Company carried out special inspections many times to precisely control safety management at key nodes.



Safety inspection of East China Company

#### Pengnan Company comprehensively strengthens safety risk management

In 2024, Pengnan Company's business covered multiple fields such as underconstruction projects, industrial production, and property operation. To effectively improve safety management levels, at the beginning of the year, Pengnan Company organized its affiliated enterprises to comprehensively assess the safety risks existing in their respective units and formulated targeted control measures based on the assessment results. On this basis, the Group carried out multi-level safety inspection activities throughout the year, including inspections led by the leadership, quarterly inspections by the Safety Committee Office, and daily inspections, with a total of 54 inspections, covering 11 affiliated enterprises.



 Quarterly inspection by the Safety Committee office of Pengnan Company

#### CASE STUDY

CASE

STUDY

#### Taifu Company uses drones for safety inspections of projects under construction

Taifu Company innovatively applied drone technology to commence construction safety management of projects under construction. Equipped with high-definition cameras, drones can conduct all-round and blind-spot-free shooting and monitoring of the construction site, clearly presenting the overall layout, construction progress, and potential safety hazards of the construction site. They can quickly detect problems such as workers not wearing safety helmets, the absence of safety warning signs, and irregular stacking of materials. They can also conduct key inspections of dangerous areas such as high-altitude scaffolding and deep foundation pits. Compared with traditional manual inspections, drone inspections are more efficient and less risky, and can quickly complete large-area inspection tasks, providing clear and accurate on-site images and data.



Drone inspection of the construction of Yinying Square



 Drone inspection of the construction of Auto City in Sungang

# Promote digital management of work safety and empower the upgrading of safety control

In 2024, Shenzhen Investment actively explored the application of digital means in the field of work safety and was committed to improving safety management efficiency through technological innovation. We developed a "1+8+N" safety management information system, which includes a management safety cockpit, eight functional modules such as comprehensive information management, safety risk control, hazard investigation and management, safety training and education, equipment and facility management, dangerous operation management, emergency management, and accident management, as well as N work safety subsystems. We also carried out online inspection operations for the first time, opening a new chapter in using online means to assist safety inspection work.

overnance Report SHENZHEN INVESTMENT LIMITED

# Special Theme: Work Safety-Laying the Foundation for Sustainable Development

CASE STUDY Smart supervision system for under-construction projects helps the Group with efficient communication and safety monitoring

In 2024, on the basis of the work safety information platform, the Group built a smart supervision system for under-construction projects, with 180 surveillance cameras from 22 under-construction projects were connected to the system, enabling real-time remote monitoring of construction sites, and providing convenient tools for the control of project progress, safety inspections, and emergency command. Since the system was piloted and launched, the Group has been carrying out online inspections every month to accurately locate potential hazardous spots on site in real time and quickly issue rectification instructions, breaking the time and space constraints of offline inspections and greatly enhancing the efficiency of safety monitoring and control.



Smart supervision system for under-construction projects

#### CASE YDDTZ

#### AI video surveillance in UpperHills (South) facilitates work safety management

The UpperHills (South) project has a large building area and high-rise floors, and the small-scale and sporadic projects are complex. Every month, there are about 25 small-scale and sporadic construction projects involving construction shops, tenants, and larger scale renovations, which poses great challenges for on-site supervision. To effectively improve supervision efficiency, the Safety Committee Office innovatively proposed the use of AI video surveillance for real-time supervision of the construction site, and this plan was strongly supported by the Commercial Management Company leadership. Currently, 15 AI surveillance cameras have been installed in the project, mainly focusing on on-site safety management of demolition work and small-scale construction. Through the application of AI technology, the supervision of small-scale construction sites has been greatly enhanced, safety risks have been effectively reduced, and the overall safety management level of the project has been improved.



AI Video Surveillance in UpperHills

# STUDY

# "Hand-shoot" campaign mobilizes all employees to participate in safety hazard investigation

In 2024, Shenzhen Investment, relying on the work safety information system, deeply carried out the "Hand-shoot" campaign for safety hazards, mobilizing all employees to participate in hazard investigation, and incorporated the participation in the campaign into the annual work safety assessment indicators, fully stimulating the motivation of non-work-safety managers to investigate safety hazards. Throughout the year, more than 42,000 hazards were investigated and discovered, with effective hazards accounting for 99.1%, and the hazard rectification rate reaching 100%.



 On-site safety hazard investigation work in the "Handshoot" campaign

#### Terra Company uses digital means to accelerate and enhance work safety efficiency

Terra Company actively applies the work safety information platform, continuously promotes the application of intelligent systems such as BIM visualization, video surveillance, tower crane safety systems, and intelligent dust and noise prevention monitoring in various under-construction projects and its own properties. It focuses on improving work efficiency in aspects such as safety risk control, hazard investigation and management, and safety training and education. It strives to promote the digital transformation of work safety work, continuously strengthens the construction of the safety management information system, and uses digital means to accelerate and enhance work safety efficiency. In 2024, the usage coverage rate of the work safety information platform within the Terra system has reached 100%.



Work safety information platform

# Lay a solid foundation for safety awareness and carry out comprehensive training for all employees

Shenzhen Investment attaches great importance to work safety training, regularly conducts a wide variety of training and drill activities, and promotes the improvement of safety awareness and emergency response capabilities of all employees. The Group widely publicizes safety knowledge through various forms such as its official website, WeChat official account, and special publicity columns, and regularly organizes activities such as safety knowledge contests, photography work evaluations, work safety training, and emergency drills every year. On this basis, its subsidiaries also actively carry out targeted safety training and drills in light of their own business characteristics and actual needs, further strengthening the safety awareness and emergency response capabilities of frontline employees.

#### CASE STUDY

CASE

STUDY

# Nongke Company organizes the Group's photography work evaluation activity during the Work Safety Month

During the Work Safety Month, Nongke Company successfully organized the Group's photography work evaluation activity during the Work Safety Month. This activity received extensive support and positive responses from the Group's subsidiaries and the enterprises affiliated with Nongke. A total of more than 200 groups of entries, with over 500 photographs in total, were received. After strict evaluation by the expert review committee, a number of excellent photography works were finally selected. Nongke Company won the group runner-up with its outstanding performance, and the entries from its affiliated enterprises also won several individual awards.



 Photographs exhibited in the photography competition - Polishing the "Heavenly Eye" to protect safety



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#### CASE STUDY Practice of strengthening work safety management and training in the Land Company

In order to thoroughly implement Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the spirit of the 20th National Congress of the Communist Party of China, and to implement the principle of "safety first, prevention first", the Land Company adheres to the concept of "putting life first and giving top priority to safe operation", and comprehensively strengthens work safety management. The Party Committee of the Group organizes special study sessions for the theoretical central group on General Secretary Xi Jinping's important expositions on work safety. The Safety Committee Office requires all its affiliated enterprises to incorporate safety publicity and risk education and training into their daily management. Focusing on key areas such as engineering construction, fire and electricity use, and special equipment operation, as well as key links such as the safety of high-rise buildings and fire safety, the Group conducts special training and emergency drills to form a regular management mechanism. In 2024, the Land Company and its affiliated enterprises carried out a total of 110 work safety training sessions, covering 2,018 person-times, effectively enhancing employees' safety awareness and professional skills. The completion rate of the statutory class hours for the "four types" of personnel in safety management throughout the year reached 100%.

During the "Work Safety Month", the Land Company cultivated a safety culture through various means. By using the OA publicity column, visiting safety education bases, participating in the Group's safety knowledge competition, and projecting posters, it promoted employees to pay attention to safety, care about life, and improve their self-rescue and mutual rescue abilities. On June 20, the Group jointly carried out a visiting and training activity with the Shenzhen Safety Education Base. Through simulating scenarios such as construction work, operation of special equipment, earthquake rescue, and fire emergency evacuation, employees systematically learned basic safety skills, further popularized fire safety knowledge, created a good safety culture atmosphere, and formed the corporate consensus of "everyone talks about safety and everyone can respond to emergencies".



Popularize safety knowledge through simulating scenes



Safety education and training for relevant parties



Employees experience the operation of special equipment



Visit to Shenzhen Safety Education Base

#### East China Company takes multiple measures to strengthen work safety training and publicity

To effectively improve the level of work safety management, East China Company carefully compiled the "2024 Work Safety Training Plan" based on the overall characteristics of work safety in 2024 and the relevant requirements of the Group, and systematically promoted work safety training. In daily management, East China Company and its various projects actively create a strong work safety atmosphere by posting work safety signs and slogans, watching safety video materials, etc., and promote the formation of a good situation where "everyone talks about safety and everyone grasps safety". During important nodes such as the Safety Month, Fire Prevention Month, and the Safety Law Publicity Week, the headquarter of East China Company and its various projects hang relevant publicity banners, post safety aphorisms, warnings, slogans, and messages, produce publicity boards, and purchase and distribute publicity brochures within their respective jurisdictions. In addition, East China Company also invited external experts to conduct special training on construction safety responsibilities and safety control, and used the safety information platform to hold online safety education and training activities such as online safety training, National Day holiday safety tips, and safety month knowledge contests.

CASE

CASE

**УДИТ** 

STUDY

In 2024, the headquarter of East China Company and its various projects organized a total of 96 special training sessions, with 3,710 person-times participating in the training.



Emergency drill for mechanical injury

#### Taifu Company innovatively carries out training in the "VR Smart+" safety experience hall

In 2024, Taifu Company actively innovated the safety training mode and introduced the "VR Smart+" safety training system. This system is composed of seven major areas, including the VR experience area for work safety accidents, the hazard identification experience area, the VR experience area for the "two red lines", the CPR first aid experience area for human bodies, the MR equipment experience area, and the image display area. When employees are trained, they wear VR glasses and hold the operating handle, and can immerse themselves in experiencing various safety accident scenarios, such as tower crane operation errors, sudden fires, etc., and intuitively feel the serious consequences of illegal operations. In addition, the system uses VR space positioning technology to achieve 360-degree blind-spot-free hazard investigation, and at the same time sets up a WeChat interactive quiz session, effectively stimulating employees' enthusiasm for learning.



VR safety training simulated fire fighting experience

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# **Governance Responsibility,** Lean Operations

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Shenzhen Investment adheres to the development vision of "Innovative Constructor of Industrial Cities, Wealthy Livelihood Operator", deeply promotes management improvement initiatives, improves ESG governance, compliant operations, and risk management, implements governance responsibilities, and achieves stable operations. We uphold business ethics, build a responsible supply chain, and work hand in hand with partners to jointly promote sustainable development.

#### ESG issues we concern

SDGs issues we respond to

Anti-corruption and Anti-unfair Competition Responsible Supply Chain Management Operating Performance and Investor Rights and Interests Communication with Stakeholders Risk Management and Internal Control Corporate Governance and Compliance Operation Intellectual Property Protection



HKEx ESG indicators we respond to

B5: Supply ChainManagementB6: Product ResponsibilityB7: Anti-corruption

# Governance Responsibility, Lean Operations

# **Goal Setting and Progress Review**

Goal	Progress
To standardize the enterprise operation and improve the management efficiency, the Group has continued to optimize its management system and strengthen its business supervision in accordance with regulatory requirements.	In 2024, the Group added and revised 43 institutional documents, further standardizing the management of governance, investment management, bidding management, labor employment, accounting, taxation and other business areas.
The Group has put forward a three-year master plan and overall goal for the construction of a compliance management system, which is "one year for foundation, two years for certification and three years for system compliance". Guided by the ISO 37301 standard compliance certification work, the Group aims to realize the standardization, normalization and systematization of compliance construction.	In 2024, the Group carried out internal audits of its compliance management system and passed the supervision audits conducted by the certification body. It continued to maintain the "dual certification recognition" of the ISO 37301 and GB/T 35770 compliance management systems, and guided its subsidiary Pengji Company and Southern Company to pass the ISO 37301 and GB/T 35770 certifications.
Hold special training on integrity for the Group's leadership team and new employees from campus.	In 2024, 100% of the Group's leadership team and new employees from campus completed the integrity training.
Enhance the professional and organizational capabilities of production management comprehensively, improve the supply chain management system and build a supply chain ecosystem to make the Group reach the industry benchmark level from 2023.	The work of improving the supply chain management system has been fully launched and steadily promoted across the entire Group.
All general construction contractors working on projects in first-tier cities receive "triple certifications", i.e., certifications of the environmental management system, quality management system and occupational health management system.	The construction general contracting units in project cooperation in first-tier cities have achieved 100% "triple certifications".

# 1.1 ESG Management System

Shenzhen Investment has established an ESG management system, integrating ESG compliance work into the Group's strategic planning and daily operation management. It promotes ESG governance from the strategic height of the Group. While striving to achieve the Group's "14th Five-Year Plan" economic indicators, it aims to realize the balanced development of economic, social, and environmental benefits.

#### 1.1.1 ESG Strategy

Shenzhen Investment adheres to the mission of "Building Living Vision to Achieve Undertakings in Shenzhen", establishes the values of "Sunshine and Honesty, Innovation and Excellence, Diligence and Commitment, Harmony and Sharing", actively cultivates the ESG culture, continuously improves the ESG management system and reporting mechanism, and creates a sustainable development model with a rigorous structure and efficient operation.

Strengthen ESG awareness	
Concept shaping:	Deepen the understanding of the core concepts of ESG and clarify the far-reaching
	impact of fulfilling ESG responsibilities. Through internal training and external education, enhance employees' awareness and acceptance of ESG.
Culture cultivation:	Form a corporate culture with sustainable development as the core value, and encourage employees to practice ESG principles in their daily work.
Improve the ESG management system	
Issue identification and evaluation:	Establish a complete ESG issue identification and evaluation system to ensure the comprehensive fulfillment of the Group's social responsibilities in legal, economic, ethical, and charitable aspects.
Responsibility allocation:	Clarify the key points and division of responsibilities of ESG work for each business segment and functional department to achieve key breakthroughs and effective docking.
Mechanism optimization:	Continuously optimize the internal operation mechanism and assessment system to improve the efficiency and effectiveness of ESG management.

Improve the ESG reporting mechanism
Report release:
port release:
Social supervision:



#### 1.1.2 ESG Management

Shenzhen Investment has formulated the "Management Measures for Environmental, Social and Governance (ESG) Reporting", clarifying the ESG management system and management mechanism. It has established a three-layer ESG management structure of "Decision-Making-Management-Execution", standardized the management process and reporting mechanism, strengthened the participation of the board of directors and management in ESG work, and fundamentally ensured the smooth promotion and implementation of ESG work.



# 1.2 Communication and Engagement with Stakeholders

Shenzhen Investment has established a two-way communication mechanism with internal and external stakeholders, and set up diversified communication channels. It conducts in-depth understanding of and responds to the demands and expectations of stakeholders, and realizes the co-creation and sharing of sustainable value through long-term cooperation.

Stakeholders	Expectation and Requests	Response Measures	Measures Taken in 2024
Governments and Regulators	<ul> <li>Operate in compliance with laws and regulations Increase the value of assets</li> <li>Support local development</li> </ul>	<ul> <li>Daily reporting and communication</li> <li>Forums and exchange activities</li> <li>Respond actively to national policies</li> </ul>	<ul> <li>Participated in the online training course on risk prevention and control for state-owned enterprises</li> <li>Carried out special rectification of prominent "Four Forms of Decadence"</li> <li>Organized anti-corruption training</li> <li>Participated in industry exchange activities</li> <li>Promoted rural revitalization</li> </ul>
Shareholders and Investors	<ul> <li>Obtain investment returns</li> <li>Ensure information is publicly available and transparent</li> <li>Safeguard shareholders' rights and interests and ensure fair treatment Mitigate business risks</li> </ul>	<ul> <li>Establish a sound and scientific decision- making and supervision mechanism Strengthen risk control</li> <li>Ensure open and transparent information disclosure</li> <li>Organize and participate in activities for different types of shareholders</li> </ul>	<ul> <li>Held 2 earnings release conferences</li> <li>Organized or participated in 27 investor communication meetings, earnings roadshow and research activities</li> <li>Engaged in investor communication with over 220 person-times</li> </ul>
Customers	<ul> <li>Ensure product quality and safety</li> <li>Provide high-quality</li> <li>customer service</li> <li>Protect privacy</li> <li>Handle opinions and complaints</li> </ul>	<ul> <li>Product quality control</li> <li>Work safety</li> <li>Provide high-quality services</li> <li>Conduct responsible marketing</li> <li>Carry out satisfaction surveys</li> <li>Protect customers' privacy</li> </ul>	<ul> <li>Achieved 100% full coverage of internal qualitions inspections and third-party inspections for projects</li> <li>Established an intelligent supervision system for ongoing construction projects to realize digital and intelligent safety management Set up an inspection mechanism for customer service quality and conduct in-process quality control</li> <li>Regularly conducted customer satisfaction surveys</li> <li>No cybersecurity incidents occurred</li> </ul>
Employees	<ul> <li>Ensure fundamental rights</li> <li>Career development and equal promotion opportunities</li> <li>Health and safety</li> <li>Democratic management</li> <li>Humanistic care</li> </ul>	<ul> <li>Staff representative congress</li> <li>Actively conduct various types of training</li> <li>Improve the talent promotion and salary</li> <li>mechanism</li> <li>Strengthen occupational health and safety</li> <li>management</li> <li>Implement diverse employee benefits</li> </ul>	<ul> <li>Built the "T+0" human resources managemen platform covering enterprises at all levels of the entire system</li> <li>Optimized the salary assessment mechanism</li> <li>Enriched promotion channels</li> <li>Promoted the certification of the Occupationa Health and Safety Management System</li> <li>Carried out diverse cultural activities</li> </ul>
Business Partners and Suppliers	<ul> <li>Fulfill contracts with integrity</li> <li>Share resources</li> <li>Achieve win-win development</li> </ul>	<ul> <li>Fulfil contracts in accordance with the law</li> <li>Conduct open tendering</li> <li>Eliminate commercial bribery</li> <li>Participate in industry exchange activities</li> </ul>	<ul> <li>The Group fully launched the tendering and procurement management platform Utilized the Transparent Procurement Platform to ensure the openness and transparency of procurement information Participated in formulating industry standard and engaged in cooperation with industry- leading enterprises</li> </ul>
Community and the Public	<ul> <li>Promote the development of community public undertakings</li> <li>Engage in public welfare and charity</li> </ul>	<ul> <li>Conduct various public welfare activities</li> <li>Strengthen industrial assistance work</li> <li>Support the rural revitalization strategy</li> <li>Encourage employees to participate in volunteer services</li> </ul>	<ul> <li>Continuously promoted the work of rental housing security</li> <li>Deepened the integration of agriculture and tourism to assist rural revitalization</li> <li>Conducted community public welfare activitie such as tree-planting and greenery protection community free clinic, and Party building services</li> </ul>
Environment	<ul> <li>Utilize resources effectively</li> <li>Reduce emissions</li> <li>Protect biodiversity</li> <li>Response to climate change</li> </ul>	<ul> <li>Develop green buildings</li> <li>Energy management, water resource management, waste management</li> <li>Strengthen environmental information disclosure</li> </ul>	<ul> <li>Conducted climate risk adaptation analysis</li> <li>A total of 50 projects with green building certifications have been completed cumulatively</li> <li>Promoted energy-saving renovation work and popularize the intelligent energy managemen platform</li> <li>Facilitated the signing of 257 green lease commercial agreement</li> </ul>

# 1.3 Analysis of ESG Material Issues

Shenzhen Investment regularly conducts analyses of material issues. It distributes survey questionnaires to internal and external stakeholders, including directors, employees, consumers, suppliers, etc., identifies and ranks the material issues, and forms the matrix of material issues for the current year. Through the analysis of material issues, we fully understand the expectations of the Group's management and stakeholders, clarify the direction of ESG management actions, and promote the effective implementation of ESG work.

The determination process of material issues in Shenzhen Investment:



Materiality	Category	Issues	Materiality	Category	Issues
Highly Material Issues	Social	Customer Feedback and Satisfaction		Governance	Operating Performance and Investor Rights
	Social	Employee Rights and Benefits		Social	Responsible Marketing
	Governance	Communication with Stakeholders		Governance	Corporate Governance and Compliance Operation
	Governance	Risk Management and Internal Control		Environmental	Energy Conservation and Emission Reduction
	Social	Responsible Supply Chain Management		Social	Assist Customers and Tenants in Achieving Green Development
	Social	Employee Diversity and Equal Opportunity		Governance	Anti-Corruption and Anti-unfair Competition
	Environmental	Water Resources Usage		Social	Intellectual Property Protection
	Social	Product Safety and Quality		Social	Participation in Social Welfare
	Social	Occupational Health and Safety		Social	Staff Training and Development
	Environmental	Green Building		Social	Affordable Residential
	Environmental	Response to Climate Change			
Moderately Material Issues	Social	Customer Privacy Protection and	Generally Material Issues	Social	Industrial Technology Innovation and Development
		Information Security		Environmental	Biodiversity Conservation
	Environmental	Emissions and Waste Management		Social	City/Community Building and Inclusion

#### Rank and matrix of material sustainability issues of Shenzhen Investment



# **1.4 Sustainable Governance**

Shenzhen Investment adheres to business ethics, continuously improves its compliance management system, internal monitoring, and risk management system, promotes the organic integration of compliance management and integrity prevention and control, strengthens risk control and intellectual property protection, ensures operational compliance, and continuously enhances the level of sustainable governance.

#### 1.4.1 Compliant Operations

Shenzhen Investment adheres to the concept of compliant operations, strictly complies with the requirements of laws and regulations such as the "Rules Governing the Listing of Securities", the "Securities and Futures Ordinance", and the "Company Law of the People's Republic of China". It continuously improves the level of corporate governance and the transparency of information disclosure, and strengthens the foundation for the development of the enterprise through high-quality compliance construction.

#### Corporate governance structure

Shenzhen Investment continuously promotes the construction and standardized operation of the board of directors and improves the corporate governance structure. Under the board of directors, an audit committee, a nomination committee, and a remuneration committee are established, with independent non-executive directors serving as the chairmen of each committee, effectively ensuring the independence and effectiveness of the committees. We have formulated the "Board Diversity Policy" and the "Procedures for Shareholders' Nominees to Stand for Election as Directors". By comprehensively considering various factors of Board of Directors candidates, such as gender, age, cultural and educational background, ethnicity, and professional experience, we promote scientific decision-making by the board of directors,



effectively prevent and resolve potential conflicts of interest, and support the Group in achieving long-term development. The Board of Directors currently consists of 7 directors, including 3 independent directors and 2 female directors. The Board members have rich experience and knowledge in different professional fields such as real estate development, corporate management, finance, risk management and legal affairs.

We have established a "double-layer and multi-level" corporate governance system to standardize corporate governance and decision-making by the board of directors, and update it annually according to changes in the external environment and regulatory requirements. For the Group's headquarter, we have established a "1+5+N" corporate governance system with the Company's articles of association as the core and supported by supporting regulatory documents, including systems such as the "Articles of Association", the "Guidelines on Authorization by the Board of Directors", etc. This clarifies the responsibilities of the board of directors and senior management, standardizes the management of board meetings, and safeguards the legitimate rights and interests of shareholders. For affiliated enterprises, we have established a system dominated by the articles of association management measures and the working rules of the board of directors to ensure effective supervision and checks and balances of power and comprehensively improve the effectiveness of corporate governance.

#### Compliance management system

Shenzhen Investment always insists on the establishment of a compliance management system that covers all areas, penetrates all levels and is highly recognized by all staff. Focusing on the three-year action plan for the construction of the compliance management system, we have established a hierarchical and classified compliance management system. In 2024, we revised the "List of Major Compliance Risks" and the "Compliance Manual for the Performance of Duties by Departments", comprehensively sorted out the Group's compliance risks, clarified the responsibilities for compliance risks, department management responsibilities and processes, and ensured the effective implementation of compliance risk management. We have established a collaborative mechanism among compliance management, integrity risks, risk management, internal control, and legal affairs, incorporated the compliance management responsibilities, and further improved the efficiency of compliance management. In addition, we have carried out diverse compliance publicity and education activities, continuously enhancing employees' compliance awareness. In 2024, we carried out more than 30 compliance training and education activities in total.

- Internal audit: We established an internal audit team for the compliance management system and conducted internal audits of all
  departments of the Group in 2024 to check whether the compliance management of each department meets the requirements of
  international and national standards such as ISO 37301 and GB/T 35770, laws and regulations, external supervision, and the Group's
  internal rules and regulations. On the basis of internal evaluation, in November 2024, the Group's president and chief compliance
  officer carried out management evaluation activities of the compliance management system to comprehensively evaluate the
  Group's compliance management system.
- External audit: In 2024, we passed the supervision audit of the certification body, the British Standards Institution (BSI), and continued to maintain the certification qualification of the compliance management system. The Group's compliance management system continues to meet the international standards of ISO 37301 and the national standards of GB/T 35770.

#### **Compliance honors:**

- The Parent Company, Shum Yip Group, continues to maintain the "dual-certificate recognition" of the ISO 37301 and GB/T 35770 compliance management systems
- The Parent company, Shum Yip Group, was awarded the title of "Shenzhen Leading Enterprise in Foreign-related Compliance Construction" by the Office of the Shenzhen Municipal Party Committee for the Rule of Law
- The compliance case of the Parent Company, Shum Yip Group, won the first prize in the fifth China CSR Innovation Achievements of Modern Industrial Enterprises and received an excellent rating from Legal One, a global research and rating agency
- The subsidiary Pengji Company and Southern Company passed the ISO 37301 and GB/T 35770 certifications



- Certificate of compliance management system certification of Pengji Company
- Certificate of compliance management system certification of Southern Company

# Governance Responsibility, Lean Operations

#### Protection of investor rights and interests

Shenzhen Investment continuously strengthens its communication with investors. It has formulated the "Shareholders' Communication Policy" and established an efficient and transparent communication mechanism. Through diversified communication channels such as general meetings of shareholders, results announcements conferences, official websites, and electronic communications, it maintains communication, interaction, and a long-term trust relationship with domestic and overseas investors, effectively ensuring investors' rights to know and participate in the Group's operation and development. Through investor communication activities, we promptly improve and refine our governance work, promoting the achievement of a higher level of investor relations management.



We always pay attention to the impact of our business activities on the environment and society. By regularly releasing reports and holding investment communication activities, we gradually increase the transparency of information disclosure. We disclose ESG-related policies and data on the Group's website and in this report, and actively respond to sustainable development indices such as the MSCI ESG Ratings, meeting investors' requirements and expectations for ESG information disclosure.

#### 1.4.2 Risk Management and Control

Shenzhen Investment has established an internal monitoring and risk management system, and built an integrated mechanism for internal audit, internal control, and risk control. It regularly conducts the identification, evaluation, and response to internal and external risks of the Group, and continuously improves the level of risk management.

#### Internal monitoring and risk management system

In 2024, Shenzhen Investment continued to improve its internal monitoring and risk management systems and organizational structure. It strictly implemented the revised "Measures for the Management of Internal Audit" and the newly issued "Measures for the Management of Post-evaluation of Investment Projects" by its Parent Company, Shum Yip Group. This standardized the work responsibilities, reporting mechanisms, and post-investment evaluation management of the Group's headquarter and secondary enterprises, and continuously strengthened the foundation of internal control and risk management.

We have established a three-level risk management structure of "Audit Committee-Risk Management Department-Functional Departments and Subsidiary Enterprises", and built risk management information communication channels connecting superior and subordinate levels, various departments, and business units. We adopt a "bottom-up" approach in conjunction with a "top-down" comprehensive risk review process to continuously improve the capabilities of risk identification, monitoring, and prevention. In 2024, we established a Group-wide Comprehensive Risk Management Leading Group with the Chairman as the team leader, the President and Deputy Secretary of the Party Committee as the deputy team leaders. An office was set up under the leading group, and the heads of various departments of the Group's headquarter and the chief property rights representatives of each secondary enterprise are members of the office. We have established a risk classification and grading management system, systematically organized annual major risk assessments and inspections, and improved the normalized risk management closed-loop mechanism.

#### The Audit Committee acting on behalf of the Board of Directors

Supervision of the Board of Directors

•

- Ensure that the Group has established and maintained a suitable and effective risk management framework.
- Supervise the management in design, execution and supervision of the risk management structure.
- Supervise the management in risk control.

Risk management, reporting and communication

#### Risk management department

- Risk management: regularly assess the system risks, and review the risks of major business in advance.
- Internal control: check, evaluate and optimize the execution of internal control system to avoid execution risks.
- Internal audit: audit at multiple levels, and implement the rectification of audit problems to avoid operation risks.
- Review the effect of risk management structure at least once a year.

Daily risk management and monitoring

# Functional departments, risk management departments of affiliated enterprises and individuals

- Responsible for daily operation of risk management procedure and taking internal monitoring measures.
- Regularly review the risk situation and report the risks in the scope of corresponding operation and functions to risk management department and management.



### Governance Responsibility, Lean Operations

# Internal audit, internal control and risk control integration mechanism

Shenzhen Investment has established a comprehensive integrated mechanism of internal audit, internal control and risk control, and regularly conducts assessments of the internal monitoring and risk management system. In 2024, in accordance with the requirements of the "Corporate Governance Code" of the Stock Exchange of Hong Kong and relevant regulations, we prepared the "2023 Annual Evaluation Report on the Internal Control and Risk Management System of Shenzhen Investment", which covers aspects such as the monitoring environment, risk assessment, monitoring activities, information and communication, and supervision. Through supervision, evaluation and control, we ensure the stable operation of the enterprise and the effectiveness of risk management.

#### Oversee the consolidation of resources

- Establish Joint Supervisory Committee, which integrates the supervision resources, such as discipline inspection and supervision, supervisory committee, finance, internal audit, internal control and risk control and other departments
- Strengthen the synergy of supervisory departments to enhance the overall effectiveness of supervision

Risk identification and monitoring

۲ ۲ Key

Performance

In 2024, Shenzhen Investment continued to conduct procedural compliance reviews and substantive risk assessment reviews. It completed the pre-assessment and review work for a total of **35** major business projects in multiple key areas, including investment management, real estate operations, commercial operations, and compliance management. For the prereview of major matters, a total of **80** management suggestions were put forward.

In 2024, Shenzhen Investment comprehensively carried out the post-evaluation of annual investment projects. It completed the "Post-project Evaluation Reports" for **10** projects and disclosed a total of **22** existing problems and risks of the projects.

- Utilize the COSO five elements risk assessment model for risk identification, and conduct at least one major risk sorting and assessment every month
- · Develop risk response and prevention measures for the identified major risks, and prepare special reports on major risks
- Regularly carry out risk tracking and monitoring as well as hidden danger investigation, and generate monthly risk prevention and control reports, monthly briefings, and quarterly major risk tracking and monitoring forms
- Adopt an online monitoring approach, dynamically monitor risk forms through the OA system, and implement a hierarchical screening and reporting mechanism to the management

#### Internal control system review and evaluation

- Systematically review and assessment of the relevant systems of the Group's internal control system
- Supplement and improve the implementation rules of internal control evaluation and audit to ensure that the systems cover grassroots enterprises

#### Final evaluation of internal control system

• Make a comprehensive evaluation of the internal control system in five dimensions: internal control system construction, system implementation, risk assessment and monitoring, supervision and evaluation, and informatization

#### Investment project management and supervision

- Evaluate and supervise the investment projects and process of subsidiaries
- Explore innovative project management modes to enhance the enterprise's investment management and risk control capabilities
- Ensure the safety and preserve and increase in value of the Group's assets

#### ESG risk management and control

Shenzhen Investment manages ESG risks as one of its core risks. It has identified ESG risk issues such as bribery and corruption, business ethics, product quality and safety, occupational health and safety, and climate change, and incorporated them into the regular risk assessment and monitoring process to continuously identify, assess, and manage ESG risks.

In 2024, taking into account the internal and external risk factors related to the Group's sustainable development, reputation, and image, we conducted a risk analysis from two dimensions: the likelihood of risk occurrence and the extent of impact. We identified ten major risks, including macroeconomic risks, investment risks, market competition risks, engineering project management risks. And we formulated risk response measures to effectively prevent and control these ten major risks.

# **CASE** Study Shenzhen Investment organized employees to participate in an online risk prevention and control training course

In 2024, we organized employees from the Risk Management Department and the Financial Management Department to participate in the online risk prevention and control training course for state-owned enterprises held by the Shenzhen State-owned Assets Supervision and Administration Commission. This training focused on key aspects such as corporate financial risks, compliance risks, safety risks, financial risks, audit risks, tax risks, and international operation risks. It set up modules including policy interpretation, professional knowledge, and case practices.

#### 1.4.3 Integrity Construction

Shenzhen Investment continues to promote integrity construction, strictly abides by laws and regulations such as the "Criminal Law of the People's Republic of China", the "Criminal Procedure Law of the People's Republic of China", the "Law of the People's Republic of China on the Administrative Discipline of Public Officials" and the "Regulations on Disciplinary Action Against Managerial Staff in State-owned Enterprises (《国有企业管理人员处分条例》)". It constantly improves the management system and mechanism, deepens employees' concepts of honest and ethical conduct in their professions and their business ethics literacy, and collaborates with business partners to jointly create a fair and just business environment.

#### Management system development

In accordance with the hierarchical and classified compliance management system of "1+3+N", we have formulated systems such as the "Policy on Anti-corruption and Bribery", the "Code of Business Ethics", the "Measures for Anti-bribery Compliance Management", the "Measures for Implementation of Integrity Audit Work", the "Measures to Prevent Staff Conflicts of Interests", the "Measures for the Prevention and Control of Integrity Risks of Off-site Projects" and the "Management Measures for 'Three-Major and One-Large' Decision-Making". In 2024, we added the "Related Party Transaction Management Measures" to promote the organic integration of compliance management and integrity prevention and control. The Group shall carry out internal audit at least at the interval of three years to evaluate and review above policies, business ethical standards and business behaviors within the whole scope of operation of the Group. The Board of Directors is responsible for the work relating to business ethics and anti-corruption. The Audit Committee of the Board of Directors, on behalf of the Board of Directors, is responsible for reviewing the effectiveness of the Group's risk management and internal control system, giving full play to the decision-making, supervisory and advisory roles of the independent directors, coordinating internal and external audit communications, supervision and audits, and evaluating issues such as the Group's internal control and risk management system, so as to effectively prevent and manage commercial bribery and corruption in the course of the operations of Shenzhen Investment and its subsidiaries.


Shenzhen Investment organized its staff to sign the "Commitment on Integrity and Self-discipline" and the "Commitment on Compliance", with a

**100%** coverage rate of signatures by the senior management. We strengthen the supervision of compliant performance and job avoidance of cadres and employees, enhance the awareness of rules and responsibilities, and strengthen the anti-corruption defense line.

In 2024, we organized and held a conference on the construction of the Party's work style, clean government, and the fight against corruption, studied and deployed the work of the Group's Party's work style and clean government construction. The Secretary of the Group's Party Committee signed the "Letter of Responsibility for the Construction of the Party's Work Style and Clean Government" with

the Party organizations of **9** affiliated enterprises, stressing the main body responsibilities.

In 2024, we continued to promote the construction of a comprehensive supervision system and introduced the "Joint Meeting System of the United Supervision Committee of Shum Yip Group". We integrated supervision resources such as discipline inspection, finance, legal affairs, and internal audit, and carried out joint management of matters related to discipline inspection and supervision, legal litigation, financial supervision, audit supervision, and risk management. We optimized the supervision focuses, methods, and approaches of each department to promote the discovery of problems and the proposal of solutions and suggestions. We carried out a special rectification of prominent problems related to the "Four Forms of Decadence". We urged the responsible departments and affiliated enterprises to conduct self-examinations and selfcorrections focusing on aspects such as business receptions, official vehicles, and Party building work. We regularly submitted special reports, problem ledgers, and statistical tables of cases related to the "Four Forms of Decadence" to the Shenzhen State-owned Assets Supervision and Administration Commission, promptly urged the implementation of rectifications, and made sure to draw inferences from one case to others.

In 2024, the Group carried out special inspections on **6** off-site enterprises, focusing on the construction of the Party's work style and clean government and the prevention and resolution of safety and stability risks. We strengthened the investigation and rectification of potential risks and effectively prevented integrity risks.

#### Whistle-blowing management mechanism

Shenzhen Investment has established a whistle-blowing management mechanism. It strictly complies with regulations such as the "Procedures for Handling Petitioning and Reporting" and the "Rules for the Handling of Whistleblowers and Accusation by Disciplinary Inspection and Supervision Agencies", and formulates systems like the "Whistle-blowing Policy" and the "Measures for the Management of Whistleblower Cases". It standardizes the acceptance procedures for internal and external letters and visits and whistle-blowing, including registration, research and judgment, reporting, and transfer for handling. It provides employees and the public with multiple whistle-blowing channels, such as the official website, hotline, email address, and mailbox, to ensure that there are channels for whistle-blowing and procedures for acceptance.

We encourage real-name whistle-blowing and strictly protect the privacy of whistleblowers, including their names, work units, home addresses, etc. We actively safeguard the basic rights and personal safety of whistleblowers. We adhere to handling corruption, fraud, and other improper behaviors in a responsible and effective manner. Regarding behaviors such as confidentiality breaches and retaliation against whistleblowers, we will deal with them seriously in accordance with legal requirements to effectively prevent any form of retaliation.



In 2024, Shenzhen Investment received a total of **88** letters and visits and whistle-blowing cases, dealt with **62** problem clues, and initiated investigations and handled **6** cases.

In 2024, Shenzhen Investment and its employees were not involved in any concluded corruption litigation cases, and no illegal acts such as corruption, bribery, extortion, fraud, and money laundering were found.

#### Integrity education and training

Shenzhen Investment continuously strengthens its integrity education and training work. It conducts integrity publicity and training annually for all employees (including part-time employees). Through forms such as Party discipline education and study, creative production of the "Integrity Power of Shenzhen" videos, issuing notices on rectifying work style and enforcing discipline before major holidays, and sending text messages on maintaining integrity during holidays, it promotes business ethics and corporate governance standards to employees and contractors, and spreads the values of integrity and probity. In 2024, we supervised Party organizations at all levels to carry out a total of 23 theoretical central group study sessions, 15 study classes, 256 discipline-themed Party lectures delivered by Party organization secretaries, 259 viewings of warning education films, and 152 visits to warning education bases. Through the "Three Meetings and One Class" and themed Party Day activities, the "Regulations" were studied 830 times.

#### For partners such as contractors, in addition to entering into contracts, we require them to sign a Business Partner



In 2024, the proportion of employees (including part-time employees) of Shenzhen Investment who received anti-

corruption training reached **100%**.

In 2024, all **31** new employees recruited through campus recruitment by Shenzhen Investment signed a commitment to abide by the anticorruption policy.

Commitment Letter. The commitment letter requires them to thoroughly read the Group's Business Partner Compliance Guidelines, which includes the Group's requirements and guidance on business ethics, serving as a training mechanism for all contractors.



Warning education activity at the Shenzhen Reform and Opening-up Exhibition Hall

In 2024, to further promote the in-depth implementation of the study and education on Party discipline, the Group organized leading cadres to visit the Shenzhen Reform and Opening-up Exhibition Hall for a warning education activity. Through this activity, the leading cadres further strengthened their ideals and beliefs and enhanced their sense of discipline.



The Group organized leading cadres to visit Shenzhen Reform and Opening-up Exhibition Hall for a warning education activity

#### CASE STUDY

## Shenzhen Investment conducted discipline inspection and supervision business training

In 2024, in order to further enhance the capabilities of the enterprise's discipline inspection and supervision cadres and forge a team of discipline inspection and supervision cadres who are loyal, clean, responsible, and courageous and proficient, the Group organized 60 discipline inspection and supervision cadres to participate in the discipline inspection and supervision business training.



Discipline inspection and supervision business training

ASE VDUTZ Shenzhen Investment's work was shortlisted for the 3rd "Integrity Energy of Shenzhen" Micro Film and Micro Video Contest in Shenzhen

In 2024, the Group participated in the 3rd "Integrity Energy of Shenzhen" Micro Film and Micro Video Solicitation Activity in Shenzhen. A total of 13 works were created, among which one work was shortlisted, and the Group was honored as an Excellent Organizing Unit.



The work of the "Integrity Energy of Shenzhen" Micro Film and Micro Video Contest

#### Control of compliance risks of business partners

Shenzhen Investment has formulated the "Guidelines for the Compliance Management of Business Partner", which specify in detail the management requirements for business partners such as customers, suppliers, external contractors, and distributors, as well as the basic compliance requirements for business cooperation, product evaluation and samples, discounts and promotions, environmental protection, employment, etc. It distributes the "Compliance Proposal to Business Partners" and requires business partners to sign the "Commitment Letter of Business Partners", working together with business partners to create an integrity and fair business cooperation environment. In addition, through measures such as promoting compliance policies, signing compliance agreements, providing compliance training for partners, using third-party investigation reports, and conducting compliance audits, we continuously manage and control the compliance risks of business partners to ensure that their behaviors are compliant.

#### Basic compliance requirements for business cooperation



Comply with all applicable anti-corruption and anti-commercial bribery laws and regulations and policy documents, and strictly prohibit any form of corruption or bribery

Adopt fair and proper means to compete and conduct business, and fully comply with all applicable anti-trust and anti-competitive laws and regulations

Comply with all applicable data and information protection laws and regulations to protect the security of confidential information and data

Comply with all domestic applicable import and export controls, sanctions and other trade compliance laws and those in the country (region) where the transaction takes place

Conduct conflict of interest review prior to the cooperation, so as to realize the objective neutrality in the whole process of cooperation with Shenzhen Investment and avoid transactions with interest conflict

#### 1.4.4 Intellectual Property Rights Protection

Shenzhen Investment attaches great importance to the protection of intellectual property rights. It strictly complies with laws and regulations such as the "Patent Law of the People's Republic of China", the "Trademark Law of the People's Republic of China", the "Copyright Law of the People's Republic of China" and the "Computer Software Protection Ordinance of the People's Republic of China". It has established a comprehensive intellectual property rights management system and formulated internal regulations like the "Measures for the



Administration of Intellectual Property" to continuously enhance the protection of intellectual property rights. We keep improving the protection and management of patent rights, trademarks and trade names, copyrights, new plant variety rights, trade secrets, and other intellectual property rights as stipulated by national laws and regulations. We have also established an intellectual property rights monitoring mechanism to strengthen the follow-up management of patent applications. In response to acts of infringing upon the Group's intellectual property rights, we actively resort to legal actions such as litigation to safeguard the legitimate rights and interests of our technological research and development as well as business operations.

In 2024, Jinghua Company, a subsidiary of Shenzhen Investment, applied for 6 patents and was granted 8 utility model patents. The annual investment in research and development amounted to RMB47.445 million. The funds were mainly used for key products such as the intelligent wireless controller integration project, high-contrast and high-reliability LCD display screens, monochrome industrial liquid crystal display modules, and industrial TFT display modules. These efforts aimed to create smarter, more convenient, and more efficient controller products, further consolidating our leading position in the field of display technology.



Patent acquisition status of the subsidiaries of Shenzhen Investment

In 2024, Nongke Company obtained a total of 8 patents, among which there were 4 utility model patents and 4 design patents. They included a greenhouse ventilation circulation device, a plastic film laying device with a cutting function, a stackable hydroponic planting trough, threedimensional hydroponic equipment, a substrate planting pot set, a plant hydroponic planting device, an intelligent desktop planter, and a desktop planting device with a wireless charging function.



In 2024, Shum Yip Technology Company, a subsidiary of the Land Company, obtained three invention patent certificates for the "Smart Park Operation Integrated Communication Method and System", the "Smart Park Data Visualization Analysis Method and System Based on Big Data Processing" and the "Smart Park Information System Collaborative Management Method and System". As of the end of 2024, Shum Yip Technology Company had obtained a total of 6 software copyrights, including Scientific Facility Service Management System V1.0, Scientific Facility Resource Sharing Platform V1.0, Shum Yip Smart Apartment Management System V1.0, Smart Shenzhen City APP V1.0, General Permission Management Sub-system V1.0, and Park Lease Management System V1.0. Cumulatively, it had acquired 32 software copyrights.

<image>

Patent certificates of Shum Yip Technology Company

# 1.5 Sustainable Supply Chain Management

Shenzhen Investment continues to promote the construction of a sustainable supply chain, improves the management of bidding, procurement, and the entire life cycle of suppliers, assists suppliers in enhancing their performance capabilities, effectively controls the ESG risks of the supply chain, strengthens industry exchanges and cooperation, and works hand in hand with business partners to drive the development of the industry.

# 1.5.1 Improving the Management Process

Shenzhen Investment strictly complies with relevant laws and regulations such as the "Bidding Law of the People's Republic of China" and the "Regulations on the Implementation of the Bidding Law of the People's Republic of China". It has formulated internal management systems including the "Code of Conduct of Suppliers", the "Measures for the Management of Bidding and Procurement", the "Management Measures for Bid Evaluation Expert Pool for Major Bidding Projects (Interim)", the "Measures to Prevent Staff Conflicts of Interests" and the "Guidelines for the Supervision of Tendering and Procurement". These systems standardize the processes of bidding, procurement, and supplier management, and effectively control supply chain risks.

#### Tender and procurement management and supervision

Shenzhen Investment adopts a mechanism of separation and balance between decision-making, organization, technology, and supervision for bidding and procurement work, clarifying key processes of tender and procurement, monitoring priorities and paths, refining the boundaries of rights and responsibilities of key positions and personnel. The proposal of procurement requirements, procurement organization and implementation, and approval of procurement matters are not undertaken by the same position, and supervisory personnel do not participate in the approval or decision-making of the supervised projects, nor do they serve as members of the evaluation or calibration committee of the supervised projects.

We have established a special inspection mechanism for bidding and procurement, which inspects the rigor and compliance of the bidding and procurement system, the standardization of archived materials, and the timeliness of the performance management of suppliers. This is to ensure the compliance and transparency of bidding and procurement activities and improve the quality and efficiency of supply chain management.

CASE STUDTZ

# Shenzhen Investment conducts tender procurement management inspections on projects in multiple locations

In 2024, Shenzhen Investment dispatched 4 special inspection teams to Changsha, Chengdu, Nanchang, Ma'anshan and other places to carry out tender procurement management inspections on a number of construction and operation projects. These inspections aimed to strengthen the compliance of decision-making procedures and the implementation of tender procurement management systems, continuously improve the quality and efficiency of tender procurement, and effectively enhance the compliance management of tender procurement.



Special inspection team launches on-site inspection in Nanchang, Jiangxi

#### Transparent procurement

Shenzhen Investment adheres to legal bidding and transparency. Complying with the relevant regulations of the "Notice of Shenzhen State-owned Assets Supervision and Administration Commission on Implementing Unified Issuance of Procurement Information within Municipal State-owned Enterprises of Shenzhen", it makes full use of the Shenzhen Sunshine Procurement Platform to comprehensively promote "transparent procurement". We incorporate the "Integrity Contracts" into the supplier contract signing process to standardize the business



behaviors of both parties and ensure compliance requirements are met, so as to achieve the dual goals of "quality projects" and "clean projects".

#### Information management

Shenzhen Investment has established a supply chain information management system to conduct full-process supervision and management of bidding and procurement. In 2024, the Group fully launched the Bidding and Procurement Management Platform, which standardizes the processes such as the preparation of bidding and procurement plans, procurement project establishment, procurement plans, tender documents and bill of quantities, the drafting and approval of clarifications and amendments, the release of tender announcements and tender document information, the questioning and bidding of bidders, as well as the opening, evaluation, and awarding procedures after the project bid-closing, the publicity of winning bid information, the approval of the notice of winning bid, and the notification to the winning bidder. This realizes the electronic closed-loop management of the entire process of supplier procurement. At the same time, we conduct digital audits of the supply chain. Through work processes such as overall analysis, identification of doubts, decentralized inspections, and systematic research, we achieve "dual penetration" of business and financial data.



# Shenzhen Investment conducted online bidding and procurement platform training for the entire Group

In 2024, we organized online bidding and procurement platform training for the Group headquarter and its subsidiaries to achieve applicability across the entire Group and coverage of all business formats. Through the online bidding and procurement platform, the tenderee can initiate relevant process approvals and release bidding and procurement information, and suppliers can register online and participate in bidding. This effectively reduces procurement costs, improves the quality of bidding and procurement, and standardizes bidding and procurement management.



- Training at the Group headquarter
- Training at the Land Company
- Training at Shum Yip Operations

## 1.5.2 Creating a Responsible Supply Chain

We continuously manage and control the ESG risks of the supply chain, incorporate the ESG performance of suppliers into the consideration scope, and conduct full life cycle management of suppliers focusing on aspects such as screening, access, and performance evaluation. Through responsible procurement behaviors, we safeguard the legitimate rights and interests of relevant parties and actively create a responsible supply chain.

#### ESG risk management of supply chain

We have formulated the "Code of Conduct of Suppliers", which clearly stipulates the requirements for suppliers in terms of legality and compliance, ethical conduct, environmental protection, employee compensation and working hours protection, anti-child labor and forced labor, health and safety protection, anti-discrimination, and intellectual property rights protection, etc., to standardize the ESG management of suppliers.

Supplier access: During the centralized procurement and bidding process, we introduce third-party professional institutions to conduct comprehensive on-site evaluations of bidders, covering multiple key dimensions such as bidders' qualification certificates (e.g., ISO 9001, ISO 14001, ISO 45001, CCC certificates, etc.), financial health status, production facilities, technological innovation (patent certificates), compliance, environmental and occupational health and safety, quality management systems, supply chain management capabilities, production process control, finished product quality inspection, research and development capabilities, information technology level, and technical standards for contract execution. By doing so, we control ESG risks from the source and help create a stable, reliable, and clean supply chain.

Supplier evaluation: We regularly carry out supplier performance evaluation work and include the ESG performance of suppliers in the supplier performance evaluation form. The Land Company has formulated the "Measures for Supplier Inspection and Performance Evaluation", requiring the bidding unit to conduct a performance evaluation of the supplier after the contract performance is completed, and to carry out the annual supplier performance evaluation work at the beginning of each year. Targeted evaluation indicators, evaluation contents, and scoring proportions are formulated for different categories of suppliers, with a focus on the ESG performance of suppliers in aspects such as safe and civilized construction management and quality management.

In addition, we pay attention to the performance of suppliers in product quality and safety, health and safety, etc. We regularly carry out quality training, technical sharing, and safety publicity activities for contractors and suppliers to assist contractors and suppliers in improving their quality management and safety management capabilities, and ensure the overall quality and stability of the supply chain.

#### Protecting the rights and interests of relevant parties

Shenzhen Investment strictly complies with the "Anti-unfair Competition Law of the People's Republic of China" and the "Certain Provisions on Prohibiting the Infringement of Business Secrets". It protects the legitimate rights and interests of relevant parties, strictly guards business secrets, prohibits corruption and unfair competition behaviors, and is committed to creating a fair, competitive, open and transparent business environment.



In 2024, Shenzhen Investment was not involved in any legal proceedings related to anti-unfair competition.

#### 1.5.3 Collaborating for Industry Development

Shenzhen Investment actively conducts industry exchange activities, participates in the formulation of industry standards, assists in establishing an industrial collaboration mechanism featuring resource sharing and complementary advantages, and carries out strategic cooperation with other enterprises to jointly promote the development of the industry.

## Shum Yip Operations appeared at the 2024 Shenzhen Property Expo

In October 2024, Shum Yip Operations made an appearance at the 2024 Shenzhen International Property Management Industry Expo and Shenzhen Real Estate Trade Fair, and hosted a forum on high-quality development. At the expo, Shum Yip Operations took the lead in launching the compilation work of two group standards, namely the "Guidelines for Calculating the Economic Benefits of Green Building Operation" and the "Technical Guidelines for the Digital Construction and Operation of Building Facilities and Equipment". Meanwhile, upon the invitation of Huawei, it participated in the compilation of the white paper titled "Reference Architecture for Building Open Harmony Connectivity", providing the industry with an evaluation method for energy conservation and carbon reduction in building operation and improving the overall level of operation and maintenance of facilities and equipment in the property service industry.



Shum Yip Operations hosted the forum on high-quality development

CASE YDUTZ

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STUDY

# Nongke Company appeared at the Shenzhen International Fisheries & Seafood Expo 2024

In May 2024, the inaugural Shenzhen International Fisheries & Seafood Expo was held at the Shenzhen Conventional & Exhibition Center with the theme "Fisheries in Guangdong: Shaping the Future and Sharing Fresh Living." Nongke Company made a remarkable appearance at the Shenzhen International Fisheries & Seafood Expo 2024 and was honored with the "Outstanding Supplier of the Year" award.



 Nongke Company appeared at the 2024 Shenzhen International Fisheries & Seafood Expo 2024

In terms of industrial development, we regularly conduct industrial analysis and compile quarterly reports on industrial and urban research. We interpret macroeconomic policies, and gain in-depth insights into the development opportunities and challenges in fields such as the AI large model industry, the marine industry, the lowaltitude economy industry, the fresh agricultural product supply chain, and automobile sales and after-sales services. This provides references for the Group's investment decisions and strategic planning, and helps with industrial transformation and upgrading.



Report on industrial and urban research

# Customer Responsibility, Quality Craftsmanship

02

Shenzhen Investment always adheres to the corporate mission of "Building living vision", strictly controls product quality, and insists on responsible marketing concepts, so as to improve customer experience and provide products and services that customers can ensure customers' confidence in use and comfort in living.



# ESG issues we concern

Product Safety and Quality Industrial Technology Innovation and Development Responsible Marketing Customer Privacy Protection and Information Security Customer Feedback and Satisfaction



SDGs issues we respond to

# HKEx ESG indicators we respond to

**B6: Product Responsibility** 



# Customer Responsibility, Quality Craftsmanship

# **Goal Setting and Progress Review**

Туре	Goal	Progress
Material Quality	Check and make sure that the goods are consistent with the brands and specifications required in the relevant contract	All the on-site materials had delivery inspection reports, and the goods were consistent with the brands and specifications required in the relevant contract
Construction Quality	Avoid large-scale common quality defects in the construction process	No large-scale common quality defects occurred in the construction process
Structural Safety	No structural safety incidents	No structural safety incidents occurred

# 2.1 Improving Product Quality

Shenzhen Investment strictly controls project quality and product safety throughout the entire cycle, continuously improves the project quality management system, and implements safety risk management measures to ensure product quality and safety. In addition, we continue to meet the diversified needs of the market through technological innovation and optimization.

# 2.1.1 Product Quality and Safety

Shenzhen Investment strictly abides by the "Construction Law of the People's Republic of China", the "Regulations on Quality Management of Construction Projects" and other relevant laws and regulations, and comprehensively improves the level of project quality management through measures such as improving quality management systems, conducting third-party inspections and promoting special projects. In 2024, Shenzhen Investment won 8 quality-related awards, including one national award, 2 provincial awards and 5 municipal awards.

## Quality management system

Shenzhen Investment attaches great importance to the construction and improvement of the quality management system. Through multidimensional measures such as system construction, supervision and management mechanism and supplier quality management, it ensures the project quality is controlled throughout the entire process and provides customers with high-quality products and services. In 2024, the Group newly issued a number of quality management systems, including the "Engineering Quality Management Measures" and the "Real Estate Project Delivery Quality Control Work Guidelines (Residential and Apartment Types)".

#### Quality management leadership team

In order to implement quality management responsibilities, we have established an independent quality management leadership group to oversee the implementation of quality assurance work. The affiliated companies are required to establish a project quality management system, improve the organizational structure, equip full-time management personnel, clarify quality management responsibilities, and make it clear that project leaders assume lifelong responsibility for project quality to ensure that responsibilities are assigned to the right people.

#### Quality assessment mechanism

At the same time, we have established a quality management process to dynamically manage multiple key stages and important indicators, including material acceptance, quality inspections, building quality and construction sites. We have also set up an internal project progress and quality assessment mechanism to directly link project quality assessment results with the performance of the engineering department.

#### Raw material inspection

Quality control runs through the entire life cycle of the project. We strictly inspect each batch of raw materials to prevent unqualified materials from entering the construction process. During the construction process, we use internal quality assessment and joint inspection by external third-party organizations to conduct comprehensive quality inspection and evaluation of project builders, including various suppliers and contractors.



# Customer Responsibility, Quality Craftsmanship

#### Quality and safety control

In order to strengthen its own product safety and quality assurance, Shenzhen Investment has formulated the "Guidelines for Quality Assessment of Construction Engineering Projects" this year, which were internal audit standards for product safety and quality, to improve the Group's engineering safety and quality audit system, and standardize the quality audit work of all construction projects developed by the Group and its affiliated companies, including process quality audit and delivery quality audit, so as to achieve internal systematic management of product safety and quality. Process quality audit refers to the quality inspection and evaluation work carried out every quarter during the project construction process, and delivery quality audit refers to the quality inspection and evaluation work carried out after the project is completed but before delivery. Shenzhen Investment's internal quality audit work covers 100% of the real estate projects under construction.

In terms of inspection mechanism, the Group adopts a multi-level inspection mechanism to ensure the comprehensiveness and effectiveness of project quality control. For real estate projects, the Group organizes professionals or hires third-party agencies to conduct regular or irregular engineering quality audit on all projects under construction, prepare audit reports and supervise the implementation of rectification. For non-real estate projects, the affiliated companies independently carried out inspections based on the actual conditions of the projects. The Group conducts regular or irregular spot checks on major projects to ensure the uniformity and enforcement of safety standards.

In 2024, the Group conducted a total of 40 audits on all projects under construction in accordance with internal safety and quality requirements, and its affiliated companies also carried out internal quality audit on their projects to achieve 100% coverage of the projects. In addition, the Group and its affiliated companies introduced third parties to conduct process quality audit and delivery audit. The Group involved 79 process quality audits and 8 delivery quality audits throughout the year. They also conducted inspections on dimensions such as actual measurements of each project, quality management behaviors, and quality risks, to ensure full coverage of projects under construction.

On the basis of improving internal quality control, in order to further enhance the quality management level, the Group continues to pay attention to and promote the quality management system certification work. In 2024, 100% of the general contractors of all the Group's project cooperation projects have obtained quality management system certification. At the same time, some affiliated companies such as Shum Yip Operations have obtained ISO 9001 quality management system certification.



 ISO 9001 certification of Shum Yip Property Operations Group Co., Ltd.



ISO 9001 certification of Shenzhen Wonder Shine Real Estate Company Limited



 ISO 9001 certification of Shenzhen Pengji Property Management Service Co., Ltd.



ISO 9001 certification of Shum Yip Land (Shenzhen) Property Management Co., Ltd.



 ISO 9001 certification of Shenzhen Shum Yip Taifu Commerce Property Management Co., Ltd.

#### Quality training

Shenzhen Investment regularly provides various quality training courses for all employees, suppliers and contractors of the Group every year to effectively enhance their quality awareness, compliance awareness and professional capabilities and provide solid guarantees for project quality. In addition, we actively organize special observation meetings to promote micro-innovation processes and methods, collect and summarize experiences and lessons on key management and technical contents, and thus provide a reference for the Group's work.

In 2024, the Group and its affiliated companies have coordinated and organized 441 quality training activities for employees and suppliers, with 13,747 participants, covering 100% of quality-related employees and over 200 key (high-risk) suppliers.

CASE STUDY

# Pengnan Company carried out systematic quality promotion and training

In 2024, Pengnan Company established an Engineering Quality Task Force to promote quality awareness for each project and implement regular quality training for all employees. In terms of engineering quality management, the Group organized three comprehensive training sessions for all staff: batchbased interior decoration management, landscaping management, and project planning, covering topics such as model room design and field visits to outstanding projects. Additionally, the Group conducted a dissemination campaign on the newly released "Project Quality Control Operation Guidelines", targeting all employees, contractors and supervisory units to ensure the principles of quality management are deeply ingrained.



Quality Training for Landscape Architecture

# STUDY

#### East China Company established a task force to ensure delivery

In 2024, in order to ensure the high quality and on-time delivery of the Nanwan Mansion Project, the East China Company established a task force for quality control and delivery assurance, which was specifically responsible for controlling quality and delivery rhythm. The task force was headed by the general manager and had subordinate working groups that were responsible for revising system documents such as product protection and special equipment operation guidelines. The leadership team, working group members, supervision directors and supplier project leaders held weekly meetings and special communications. In addition, the task force conducted construction detail sharing and training at least three times a week to strengthen on-site quality control. By the end of 2024, the Nanwan Mansion Project had delivered a total of 78 units without receiving any delivery complaints.



Special meeting site

## 2.1.2 Product Innovation and Upgrading

Shenzhen Investment is pushing itself steadily forward on the path of high-quality development through digital transformation, technological breakthroughs and business innovation. Under the guidance of the 14th Five-Year Plan development strategy, we continue to increase R&D investment, strengthen cooperation with leading smart technology companies and refine our own product R&D and delivery capabilities, so as to achieve breakthroughs in technical fields such as BIM, prefabricated buildings, green buildings, smart buildings, steel structures, green building materials, and intelligent communities, and enhance the innovation and market competitiveness of its own products.



#### Shum Yip Operations launched the innovative practice of "AI+Life Festival"

During the 2024 Shenzhen Park Culture Season, the Landscape Gardening Branch of Shum Yip Property Operations Group Co., Ltd. held the first park "AI+Life Festival", bringing a feast of integration of technology and nature to citizens and tourists. The event was themed "Smart Services" and for the first time introduced smart equipment such as automatic lawn mowers and unmanned sweepers into the park management section, cleverly combining high-tech products with high-quality service scenarios. Through the "AI+Life Festival", citizens and tourists could experience the convenience and surprises brought by high technology while enjoying the natural beauty, injecting new vitality into the park scene.



 Park management has introduced autonomous lawn mowers



#### Shum Yip Operations carried out intelligent application practice in projects

Shum Yip Operations has actively promoted intelligent applications in multiple projects and improved project operation efficiency and service quality by introducing innovative technologies. In the Jihua project, the Group introduced an intelligent lighting system to realize remote monitoring and automatic fault alarm functions, which improved maintenance efficiency while reducing maintenance costs and improving management efficiency. In the Baolong project, Shum Yip Operations purchased unmanned sweepers for urban road cleaning, which not only reduced the energy consumption of manual cleaning, but also significantly improved the level of cleaning refinement, providing strong support for the sustainable development of the urban environment.



Unmanned sweepers are cleaning urban streets

# 2.2 Protect Customers' Rights and Interests

Guided by customer satisfaction, Shenzhen Investment has established a sound customer service system, focused on responsible marketing, listened attentively to customers, responded promptly to customer needs, and strived to provide each customer with a highquality and trustworthy service experience, safeguarding customer trust with ingenuity and professionalism.

#### 2.2.1 Customer Service System

Shenzhen Investment strictly abides by laws and regulations such as the "Product Quality Law of the People's Republic of China", the "Law of the People's Republic of China on the Protection of Consumer Rights and Interests", the "Advertising Law of the People's Republic of China" and the "Trademark Law of the People's Republic of China", and has formulated a series of internal marketing standards and systems such as the "Real Estate Sales Price Management Measures" and the "Guidelines for Customer Service Management of Real Estate Projects" to provide guidance for providing high-quality and compliant services.

This year, the Group supervised its affiliated companies to improve their corporate-level customer service management standards in accordance with the internal guidelines of "Guidelines for Customer Service Management of Real Estate Projects (Prospective Owner Phase)" and further promoted the improvement of the "Group + Enterprise" customer service system. It has successfully promoted its affiliated companies to issue a series of customer relationship management guidelines, such as Pengnan Company issued the "6S Customer Relationship Management Manual", Terra Company issued the "Customer Service Management Measures (Trial)", and Land Company issued the "Customer Relationship Management System", etc., effectively standardizing customer service management.

#### Customer standard system

In 2024, we strengthened customer service management, adhered to customer orientation, established a customer service quality inspection mechanism and carried out process quality control, so as to improve the quality of front-line customer service. At the same time, we carried out benchmarking learning and organized customer service management workshops across the Group to effectively improve the management capabilities of customer service personnel in our affiliated companies, so as to provide customers with a better service experience.

# STUDY

# Customer service management workshop to improve service management capabilities

The customer service management workshop aims to strengthen customer service management, improve customer service quality. The workshop was conducted through thematic training, case sharing, scenario exercises, etc., with a total of more than 40 people from the entire group participating. On the one hand, the model and value of customer service empowering enterprise development were discussed in the context of real estate transformation and development; and on the other hand, combined with daily work, in-depth sharing of full-cycle customer risks and customer service management was conducted. Through such workshop, the customer service awareness has been enhanced, and thus provide customers with a better service experience.



 Special training on customer service management

# 2.2.2 Customer Satisfaction Management

#### Improve customer satisfaction

Shenzhen Investment attaches great importance to customers' service experience, actively listens to customers' opinions, and conducts customer satisfaction surveys on a regular basis. In order to effectively improve customer satisfaction, we took multiple measures and continued to improve customer satisfaction through the "Four Ones" special action in 2024.

- **"One special customer service training":** organizing and carrying out customer service management workshops to improve the customer service capabilities of front-line personnel and provide customers with a better service experience;
- **"One customer service knowledge base":** building a professional knowledge-sharing platform for customer service and establishing service standards;
- **"One quality control mechanism":** establishing customer service quality control standards and conducting random inspections to improve customer service quality;
- **"One series of customer risk pre-controls":** In conjunction with key nodes such as opening and delivery, orgnizing our affiliated companies to conduct customer service experience assessment and improve customer satisfaction.

Shenzhen Investment's affiliated companies also actively conduct customer satisfaction surveys. For example, Shum Yip Operations conducted customer satisfaction surveys from the aspects of property service brand image, service quality, etc. through an "online + offline" approach. The property customer satisfaction rate in 2024 was 90.27 points. In 2024, the average satisfaction survey score of Shenzhen Investment's affiliated companies was 97.

#### **Customer communication**

In order to listen to customers' opinions in a timely manner and resolve their demands efficiently, Shenzhen Investment has established a complete customer communication mechanism, aiming to comprehensively improve customer experience.

In 2024, we received a total of 455 customer complaints. The Group and corporate clients' demands mainly focused on house design, project quality and sales promotions for individual projects. Once we receive a customer complaint, we will respond as soon as possible, ensuring 100% response to reasonable customer complaints. We will also quickly coordinate with relevant parties to follow up on customer demands and properly handle them in accordance with laws and regulations. After the customer complaint is resolved, we will conduct a review and summary in a timely manner to continuously improve customer satisfaction.

#### 2.2.3 Responsible Marketing

We strictly abide by the "Advertising Law of the People's Republic of China", the "Urban Real Estate Administration Law of the People's Republic of China", the "Regulatory Measures on the Sale of Commercial Houses", the "Provisions on the Release of Real Estate Advertisements" and other relevant laws, regulations and industry norms. We also carry out marketing work in accordance with the "List of Major Compliance Risks" formulated by the Group, strictly control compliance risk points in copyright, patent rights, trademark rights, intellectual property rights, etc., and build internal policies and systems related to marketing, advertising and sales. In 2024, there were no information leaks or false marketing incidents at Shenzhen Investment.

#### Marketing risk management

We are committed to adhering to the basic concepts of compliance, fairness, inclusiveness and environmental protection throughout the entire life cycle of each product and service, and ensuring that all sales and marketing practices carried out by the Group when communicating with stakeholders, promoting and marketing services comply with laws, regulations, social norms and ethical standards. At the same time, we actively encourage all business partners (including partners, contractors and suppliers) to strictly abide by the Group's policies. Shenzhen Investment continues to follow up on the latest government arrangements and the latest requirements of laws and regulations, and implements strict and standardized management of on-site marketing displays.

To further protect the legitimate rights and interests of consumers, we actively guard against risks in housing transactions to avoid conflicts, disputes and litigation. The Group strictly follows relevant policy requirements, focuses on issuing risk warnings for home purchases, and incorporates the "House-purchase Risk Reminder" into the sales contracts of projects on sale. It also establishes "scientific and rational consumption" as an important part of the ESG concept system, and deeply integrates it into the product business chain. At the same time, notices are posted at sales offices to further inform consumers of risks, avoid risks, and protect interests. We put customers' right to know and financial security first, actively respond to the demands of the government, regulatory agencies, customers and other relevant parties, and fully respect and protect customers' right to know.

In accordance with the "Guidelines for Marketing audit of Real Estate Projects", we systematically carried out marketing audit in 2024, with half-yearly audit as the node and conducted twice a year. The review work focused on five dimensions, including the application of marketing standardization, and covered 14 items, and was evaluated in accordance with the scoring criteria set in the current marketing norms system. In July 2024, we conducted various forms of spot checks on the audit results in the first half of the year, standardized and rectified the marketing audit materials of 8 real estate companies, and urged them to complete the rectification and filing.

CASE ST<u>UD</u>TZ

#### Upper Scholar Project successfully passed the joint inspection of six departments

On 23 September 2024, before the launch of the Upper Scholar Project of the Land Company, it underwent a joint audit by six departments including the Longhua District Housing and Construction Bureau, the Longhua District Education Bureau, the Longhua District Urban Management and Comprehensive Law Enforcement Bureau, the Longhua District Planning and Natural Resources Bureau, the Longhua District Market Supervision Bureau and the Minzhi Sub-district Office. The project strictly followed relevant policy requirements in on-site sales display and preparation of sales materials, and ultimately passed the audit.

#### Responsible marketing training

The Group continues to implement responsible marketing training and clarifies marketing behavior norms to employees, ensuring that they understand the Group's commitment to products and services and strictly follow internal responsible marketing regulations to prevent exaggerated publicity, misleading customers or commitments that exceed the scope of their duties.

We regularly conduct training on the Code of Business Ethics for all employees in our employee training system every year. The code clearly states the requirements for responsible marketing, prohibits providing false or misleading information to external parties, and prohibits making false or exaggerated statements and promises to customers and consumers. We also ensure that marketing activities comply with laws, regulations, social norms and ethical standards, and require all affiliated companies to conduct in-depth training on responsible marketing concepts for all marketing personnel, remind employees to pay attention to key issues in the marketing process, fully inform customers of risks, and ensure that customers sign risk documents. During the signing process, records should also be kept through audio and video recording to ensure the transparency and compliance of marketing activities.

In 2024, in order to adapt to market development trends and strengthen the concept of responsible marketing, the Group launched a series of marketing training activities covering key areas such as digital marketing, new media operations, customer service management and marketing standardization management. The training was aimed at leaders of real estate companies and personnel at all levels of the marketing department to ensure that employees in different positions receive targeted guidance. Through training, the professional skills of the marketing staff in digital marketing, new media operations, and customer service have been significantly enhanced. At the same time, they have a deep understanding of the importance of compliant marketing, and clearly put an end to false propaganda, misleading consumers and other behaviors in the marketing process, effectively protecting the rights and interests of customers. This training not only improved the team's professional quality, but also strengthened the marketing staffs' awareness of responsible marketing, providing customers with a better, more efficient and compliant service experience, and helping the Group establish a good reputation in the market competition.



#### Shenzhen Investment carried out special training on marketing inspection

In June 2024, the Group organized special training on marketing inspection for heads of marketing departments and marketing backbones. This training focused on the closed-loop management system of the entire marketing process, including the front-end, mid-end, brand and customer services, and explained standardized marketing management actions in a classified and step-by-step manner. The training effectively strengthened the marketing team's awareness of standardization, ensured that marketing actions were carried out in an orderly manner in accordance with the system, and further improved the overall marketing management level.



Marketing Inspection Site

#### **Customer privacy protection**

Shenzhen Investment strictly abides by laws and regulations such as the "Personal Information Protection Law of the People's Republic of China on the Protection of Consumer Rights and Interests" and the "Network Security Law of the People's Republic of China", and places customer information security and privacy protection in an important position. The Group implements strict management of information in the sales system in accordance with the "Measures for Sales Management" and other internal rules and regulations, and clearly sets specific requirements and standards for customer information management. In 2024, the Group and its subsidiaries continued to improve their internal systems. For example, Shum Yip Operations completed the revision of the "Office Automation System Operation and Maintenance Management Measures" and the "Cybersecurity Incident Emergency Plan", and newly released the "Data Classified and Hierarchical Management Measures" to further improve the mechanism for protecting customer privacy.

Our real estate sales system achieves customer information security management by "standardizing system login paths and implementing refined permission control", such as requiring employees to log in to the system through a unified identity authentication platform to enhance account security. At the same time, we set different customer data permissions according to different job roles, and data within the specific permission range can only be accessed after authorization, so as to further protect information security.



The real estate sales system won the 2024 Smart Marketing Digital Application Innovation Award



The real estate sales system was rated as an excellent application case for the construction of Digital China



The Group has not had any cybersecurity incidents, successfully intercepting more than **3 million** attacks, addressing more than **1,566** security vulnerabilities, completing more than **650** vulnerability scans and penetration tests on approximately **140** systems, and banning **2,624** malicious IP addresses

We participated in **6** cybersecurity attack and defense drills organized by government cybersecurity authorities at all levels. None of our systems were broken into, and no major cybersecurity incidents occurred throughout the year

# STUDY

# Strictly controlling customer information in the Taizhou project

In 2024, the Taizhou project under Pengnan Company adopted a combination of online and offline measures in customer information security management to ensure customer privacy security. In terms of online, we used the Shum Yip Housing System (深業好房系统) as the main online sales platform in the project. The system had a rigorous authority management mechanism. Only authorized employees could access customer information, which ensures the security of data from a technical level. In terms of offline, the project marketing team had assigned dedicated persons to be responsible for data management, strictly controlling the use and storage of customer information to ensure that customer privacy would not be leaked.

# Environmental Responsibility, Ecological Craftsmanship

03

Shenzhen Investment bravely assumes responsibility for ecological civilization construction and applies the concept of sustainable development throughout the production and operational processes while continuously advancing climate governance, green construction, and green operations, and advocating green initiatives throughout the supply chain. By collaborating with its employees and business partners, Shenzhen Investment vigorously promotes green and low-carbon project development throughout its lifecycle, thereby fostering social harmony through environmentally friendly practices.



# ESG issues we concern

Response to Climate Change Energy Saving and Emission Reduction Green Building Emissions and Waste Management Water Resources Usage Biodiversity Conservation



SDGs issues we respond to

# HKEx ESG indicators we respond to

- A1: Emission
- A2: Use of Resources
- A3: Environment and
- Natural Resources A4: Climate Change
- B5: Supply Chain Management



# Environmental Responsibility, Ecological Craftsmanship

# 3.1 Response to Climate Change

Shenzhen Investment fully understands the importance of properly managing climate-related impacts, risks, and opportunities. By eagerly responding to the global trend of "establishing a commonwealth of life between human beings and nature, and promoting harmonious co-existence between human beings and nature", it has been relentlessly enhancing the Group's climate resilience and risk management capabilities. We identified and analyzed the risks in climate change in accordance with the "Guidelines on Disclosure of Climate Information" issued by the Stock Exchange. Following the suggestions of TCFD, we disclosed our climate change management efforts from four perspectives, i.e., governance, strategy, risk management, and indicators and targets.

#### 3.1.1 Governance

Shenzhen Investment integrates climate change-related risks and opportunities into ESG management. Based on its ESG management system, it has formulated the "Policy of Shenzhen Investment on Response to Climate Change", under which a climate governance structure with the Board of Directors as the highest decision-maker has been established to direct the climate governance of the Group from top to bottom. We actively identified and managed climate-related issues such as "response to climate change" and "energy conservation and emission reduction" while continuing to promote the green building, energy conservation and emission reduction initiatives, aiming to mitigate, adapt to and resist the effect of climate change, and respond to the concerns of our stakeholders.

#### Shenzhen Investment's Climate Governance Structure

#### The Board of Directors

- Integrating climate change-related risks and opportunities into ESG management, responsible for the leadership, decision-making, and advancement of the Group's ESG initiatives;
- Regularly receiving the reports presented by the ESG Working Committee on issues such as the Group's ESG strategy, ESG goals, climate change risk identification and mitigation, and conducting reviews and assessments of such issues, while reviewing our ESG management regulations including the "Policy of Shenzhen Investment on Response to Climate Change".

#### The ESG Working Committee

- Leading the climate change risk analysis initiatives, identifying the physical and transitional risks in the industry and within the Group at the operational level, and preparing a list of climate change-related risks;
- Collaborating with functional departments and subsidiaries to advance climate change initiatives, and reporting regularly to the Board of Directors.

#### **Relevant Departments and Subsidiaries**

• Integrating climate change risk management in all aspects of our daily operations, with improving energy efficiency, increasing the percentage of green power usage, and reducing carbon emission intensity as the key management tools and performance indicators, striving to establish a sustainable green development model by continuously optimizing energy structure and promoting low-carbon technologies and products.

# **3.1.2 Strategies**

We continuously monitor climate change-related policies and trends in combination with our business characteristics, internal and external development environments, and experts' opinions to conduct climate scenario analyses, aiming to systematically identify climate-related risks and opportunities and their impacts on the Group's business model and value chain, and thereby further clarifying the list of climate change-related risks and opportunities.

#### Climate scenario analyses

In order to achieve an in-depth and strategically forward-looking climate risk assessment, based on the different scenario principle, the Group selected two typical pathways in the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC): SSP1-2.6 (low-emission scenario) and SSP5-8.5 (high-emission scenario), and combined two major scenario models of Net Zero 2050 and Current Policies proposed by the Network for Greening the Financial System (NGFS). The systematic analysis was carried out by focusing on three major strategic phases of 2025 (short-term), 2030 (medium-term) and 2050 (long-term), in order to identify the evolution trend of climate-related risks under different pathways, and provide solid support for the future decision-making of the Group.

Scenario	Scenario Description
<b>SSP1-2.6</b> and with reference to NGFS Net Zero 2050	<b>Physical risks:</b> Temperature increases are controlled within $2^{\circ}$ , with a change in energy use patterns globally and a significant decrease in greenhouse gas emissions. The frequency and intensity of some extreme weather events increase, and climate-sensitive regions are significantly affected by extreme events. At the same time, governments adopt systematic adaptation and mitigation measures to cope with possible physical risks.
	<b>Socio-economic impacts:</b> The world is gradually shifting to a more sustainable path, with a lower intensity of fossil energy use and a shift in consumption towards greener and more sustainable areas. The global carbon price will rise, and countries around the world will achieve net-zero global carbon dioxide emissions by around 2050 through stringent climate policies and innovation.
<b>SSP5-8.5</b> and with reference to NGFS Current Policies	<b>Physical risks:</b> Unrestricted exploitation and use of fossil fuel resources, with socio-economic development moving towards a direction of high carbon emissions with high dependence on fossil energy. A significant increase in the global average temperature, possibly exceeding the pre-industrial temperature level by $4^{\circ}$ . The frequency and intensity of climate impact events will increase around the world, with extreme weather affecting the vast majority of the regions and populations around the world.
	<b>Socio-economic impacts:</b> Policies to address climate change around the world have not been further strengthened. Resource- and energy-intensive lifestyles have developed globally, with a delay in transformation of energy structures and insufficient access to clean energy. Consumers' purchases of non-essential consumer goods have declined significantly, with a further deterioration of the macroeconomic environment, intensifying inflation and rising unemployment rate.

overnance Report SHENZHEN INVESTMENT LIMITED

## Climate physical risk analysis and assessment

In 2024, the Group initiated the first quantitative analysis of the physical risks of climate change, marking a key step in the scientific approach in response to climate risks. As the Group's business is located in Southern China, Eastern China, Central China, Northeastern China, Southwestern China and Northwestern China, the analysis covers the above six geographic regions<sup>1</sup>, aiming to comprehensively reflect the risk exposure characteristics of different geographic units under the support of urban comprehensive development, property investment operations and technology industry. Based on the two scenarios of SSP1-2.6 and SSP5-8.5, and adopting the climate prediction data released by the Beijing Climate Centre (BCC), we have constructed a five-level physical risk classification system (very low, low, medium, high and very high) to systematically assess four types of acute risks of extreme heat, extreme cold, extreme precipitation and typhoons, as well as the two types of chronic risks of water stress and sea level rise, for the short-, medium-, and long-term periods of the regions.

Physical risk level:



Acute physical risks:

	Short	-term	Mediu	m-term	Long	term
By region	SSP5-8.5	SSP1-2.6	SSP5-8.5	SSP1-2.6	SSP5-8.5	SSP1-2.6
Northeastern China						
Eastern China						
Central China						
Southern China						
Southwestern China						
Northwestern China						

Extreme precipitation risk impact levels

	Short	-term	Mediu	n-term	Long-	term
By region	SSP5-8.5	SSP1-2.6	SSP5-8.5	SSP1-2.6	SSP5-8.5	SSP1-2.6
Northeastern China						
Eastern China						
Central China						
Southern China						
Southwestern China						
Northwestern China						

## Typhoon risk impact levels

<sup>&</sup>lt;sup>1</sup> The regional division involved in this report is based on the actual business with reference to the regional classification standards of the National Bureau of Statistics of China, specifically including: Southern China (Guangdong Province, Guangxi Zhuang Autonomous Region, Hainan Province), Eastern China (Shanghai City, Jiangsu Province, Zhejiang Province, Anhui Province, Fujian Province, Jiangxi Province, Shandong Province), Central China (Henan Province, Hubei Province, Hunan Province), Northeastern China (Liaoning Province, Jilin Province, Heilongjiang Province), Southwestern China (Chongqing City, Sichuan Province, Guizhou Province, Yunnan Province, Tibet Autonomous Region), and Northwestern China (Shaanxi Province, Gansu Province, Ningxia Hui Autonomous Region, Xinjiang Uygur Autonomous Region).

	Extreme heat risk impact levels					
	Short	term	Medium-term		Long-term	
By region	SSP5-8.5	SSP1-2.6	SSP5-8.5	SSP1-2.6	SSP5-8.5	SSP1-2.6
Northeastern China						
Eastern China						
Central China						
Southern China						
Southwestern China						
Northwestern China						

# Extreme cold risk impact levels

Sea level rise risk impact levels

	Short	-term	Mediur	n-term	Long	term
By region	SSP5-8.5	SSP1-2.6	SSP5-8.5	SSP1-2.6	SSP5-8.5	SSP1-2.6
Northeastern China						
Eastern China						
Central China						
Southern China						
Southwestern China						
Northwestern China						

Chronic physical risks:

	Short-term		Medium-term		Long-term	
By region	SSP5-8.5	SSP1-2.6	SSP5-8.5	SSP1-2.6	SSP5-8.5	SSP1-2.6
Northeastern China						
Eastern China						
Central China						
Southern China						
Southwestern China						
Northwestern China						

	Water stress risk impact levels					
	Short	t-term	Medium-term		Long-term	
By region	SSP5-8.5	SSP1-2.6	SSP5-8.5	SSP1-2.6	SSP5-8.5	SSP1-2.6
Northeastern China						
Eastern China						
Central China						
Southern China						
Southwestern China						
Northwestern China						

The business of Shenzhen Investment covers a number of key cities nationwide. As a result, climate risks show different characteristics in different regions. The results of the climate scenario stress test analysis show that:

Acute physical risks:	
Extreme precipitation risks:	The risks are significant in Southern China and Eastern China. Climate scenario simulations show that the intensity of precipitation in the two regions increase, with rising frequency of extreme events, and intensifying regional rainstorms;
Typhoon risks:	Southern China and Eastern China are the main high-risk areas. Due to the change of high pressure in the sub-tropical zone and the influence of rising sea temperature, the future path of strong typhoons will become increasingly concentrated, together with an increase in the intensity of the landfall;
Extreme heat risks:	The frequency, intensity and duration of high-temperature events in Central China, Eastern China, Southern China and Southwestern China will increase significantly, showing a trend of heat wave normalization;
Extreme cold risks:	Northeastern China and Northwestern China are affected by the disturbances of the polar vortex and cold air. The frequency of extreme low-temperature events will remain high, with expansive and persistent risks of cold wave.
Chronic physical risks:	
Sea level rise risks:	The coastal areas of Southern China and Eastern China experience a slow rise in sea level due to the combined factors of ocean thermal expansion and melting of the ice caps, which will increase the risk of potential inundation and erosion as a result of the localized storm surge effect;
Water stress risks:	Eastern China, Northeastern China and Northwestern China face long-term imbalances in the spatial and temporal distribution of precipitation, increased evaporation, and high population and industrial densities, resulting in a decline in the access to water resources and a structural tension and pressure regarding the water usage systems.

Southern China and Eastern China serve as the Group's key deployment regions, with high project density and high concentration of assets, facing a significant climate exposure level. Climate scenario analysis shows that these two regions are facing multiple climate risks such as extreme precipitation, typhoons, heat and sea level rise. Some areas in Eastern China even face the issue of water resource constraints, showing a compound and persistent trend in the overall risks. These regions are not only the locations of the Group's core assets, but also the key economic and urban development areas in China, which require priority allocation of resources to systematically enhance regional climate resilience and operational security capabilities. In addition, despite relatively low proportion of current business in Northeastern China, Central China, Southwestern China and Northwestern China, the risk trends of extreme heat, extreme cold and water resource constraints in these regions should not be overlooked. We will continue to pay attention to and monitor the situation to ensure the long-term resilience and adaptability of the Group's overall deployment. In the future, the Group will continue to gradually improve its climate-related risk monitoring system in conjunction with its regional development focus, and steadily promote the implementation of response strategies, in order to continue to strengthen its climate adaptation capability and operational stability in the key regions.

After analyzing the physical risks, we have preliminarily identified their potential impacts and started to formulate countermeasure strategies. In the future, we will improve the climate-related analysis and strengthen the risk management in a comprehensive manner.

#### Climate transformation risk analysis and assessment

Leveraging on the systematic ESG governance system, Shenzhen Investment has coordinated its response to the four major key transformation risks, namely, policy changes, technology advancement, market preference and reputation management. The Group adheres to a forward-looking perspective, with the ESG Committee providing strategic guidance and promoting in-depth integration of risk management and business development, aiming to strengthen the comprehensive contingency capabilities in the areas of responding to climate change, technology upgrading, market adaptation and brand value shaping. Through scientific research and judgment, steady response and continuous optimization, the Group continues to turn external challenges into internal drivers, steadily moving towards the goals of green transformation and high-quality development, and creating long-term value for all stakeholders.

Transition risks	
Policies & regulations	Requirements and regulations on existing products and services
	An increase in the pricing of greenhouse gas emissions
	An increase in emissions reporting obligations
Technology	Costs of low carbon technology transformation
Market	Changes in customer behavior
	Rising raw material prices
Reputation	Increased concerns or negative feedback from stakeholders

## 3.1.3 Risk Management

Shenzhen Investment continuously advances its climate change risk management by developing targeted measures for identified climate risks and integrating them into its daily operational management, aiming to consistently enhance its climate risk resilience, strengthen climate adaptability, and establish robust defenses against climate risks.

#### Physical risk management

Shenzhen Investment has established a sound emergency management system, formulated the Emergency Plan for Flood Control, Drought Prevention and Typhoon Prevention and the Comprehensive Emergency Plan, clearly defined the emergency organization and responsibilities, carried out classification and categorization of emergencies, and formed a closed-loop mechanism for the management of emergencies through the whole process of risk management in respect of prevention and early warning, emergency response, recovery and reconstruction.

#### Emergency management mechanism for extreme weather emergencies

Emergency response	<ul> <li>Prevention and early warning</li> <li>Response activation</li> <li>Emergency response</li> <li>Emergency support</li> <li>Response termination</li> </ul>
Post-incident response	<ul> <li>Incident site response</li> <li>Production recovery</li> <li>Aftercare</li> <li>Social assistance</li> <li>Insurance and claims</li> <li>Incident investigation and assessment</li> </ul>
Emergency security	<ul> <li>Liaison and communications security</li> <li>Emergency team security</li> <li>Emergency supplies security</li> <li>Funding security</li> <li>Technical support</li> <li>Other security</li> </ul>
Emergency plan management	<ul> <li>Emergency plan training</li> <li>Emergency plan drills</li> <li>Emergency plan revision</li> <li>Emergency plan implementation</li> </ul>

#### CASE STUDY

# Shenzhen Investment Organized the First Emergency Rescue Drill for Typhoon Prevention and Flood Control for the Property Industry in Shenzhen

On 16 May 2024, the Housing and Construction Bureau of Shenzhen Municipality hosted, and the Group and Shum Yip Operations undertook, the first emergency drill for typhoon prevention and flood control for the property management industry in Shenzhen, organizing Shum Yip Operations' subsidiaries, such as Terra Property and Pengji Property, as well as other departmental and social rescue forces, to carry out more than 10 practical drills, including on-site preparations for flood control, emergency response, social support, inland inundation rescue, power supply security, fire rescue, medical rescue, emergency drainage, road surface clean-up, environment disinfection and post-disaster recovery. This drill involved all kinds of emergency forces of nearly 300 people, nearly 50 sets of rescue equipment, vehicles, devices, mobile power supply vehicles, remote control drainage robots, inspection drones, multi-functional street sweepers, sweeping robots, disinfection mist cannon trucks, and other new technologies and equipment, comprehensively improving the property management units' ability to respond quickly to unexpected incidents, the ability to deal with emergencies and ability to cooperate with each other, effectively protecting the public's life and property safety, and creating a new defense line for a safe and resilient city.



Emergency drill for typhoon prevention and flood control

#### CASE YUDTZ

## Adapting to Climate Risks at Shum Yip Natural City Project

During the planning, design and construction stages of the Shum Yip Natural City Project, Nongke Company took the impact of climate changes into serious consideration, and adopted a series of professional measures to address climate-related challenges:

- Planning Stage: Use algorithms and modeling techniques to analyze simulated outdoor wind conditions, and ensure that pedestrian and recreational areas remain in comfortable wind condition at various wind speeds and directions.
- **Design Stage:** Take the impact of climate change on the living environment into account, including the selection of building materials, the design of building forms, and the green landscape layout, so as to maintain comfortable temperature and environmental adaptability in the living areas.
- Construction Stage: Ensure energy efficiency and resource
   conservation during the construction process; emphasize construction
   safety and adopt safe production measures to protect the safety and health of construction workers as well as the smooth progress of the project.



Outdoor wind environment simulation analysis report

Through environmental simulation analysis, climate change adaptive design concepts and stringent management during the construction process, the Shum Yip Natural City Project has demonstrated its proactive attitude towards climate change, thereby laying a solid foundation for creating a sustainable, environmentally friendly and climate change adaptable residential community.

# **3.1.4 Indicators and Goals**

Shenzhen Investment has clear goals for carbon emissions, energy usage, water resources usage, waste usage and green buildings, and continues to monitor and disclose the progress of such goals. In the future, we will unwaveringly adhere to the path of sustainable development, continuously improve climate-related indicators and goals, actively explore carbon reduction pathways, thereby contributing to our efforts in addressing global climate changes.

Туре	Goal	Progress in 2024
Carbon Emissions/Energy Consumption	Reduce carbon emissions intensity per unit of revenue by 15% by 2030 compared to 2022. Continuously reduce all energy consumption and progressively carry out energy efficiency improvements in respect of operational projects to maximize energy efficiency.	Continuous advancement of our energy conservation and emission reduction efforts, and promotion of intelligent management platforms and photovoltaic new energy, UpperHills saving approximately RMB1.691 million in electricity costs through contracts signed on the electricity trading platform.
Water Resources	Continuously strengthen water conservation management efforts, and gradually carry out water-saving renovation in respect of operational projects to improve water efficiency.	Continuous optimization of water management and wastewater treatment, ensuring water resource conservation and intensive utilization, UpperHills achieving an annual recovery of approximately 120 tons of kitchen waste oil and water.
Waste	Increase waste separation rate and comprehensive utilization rate and standardize the management of hazardous waste collection and disposal.	Promotion of organized processing of office waste, household waste, and construction waste, improving the management system for construction waste, and facilitating the resource utilization of construction waste.
Green Building	From 2023, 100% of the new projects of the Group meet the national green building standards and encourage ourselves to obtain higher level certification (e.g., national green building two-star, three-star, LEED certification, WELL certification). At the same time, we will actively implement green transformation, and for the commercial projects held and operated by us, we will make sure they meet one-star evaluation standards for green transformation of existing buildings.	As at the end of 2024, all of Shenzhen Investment's projects have passed green building standard pre- evaluation at the design stage, with a total of 50 projects receiving green building certification, covering a total building area of 8,204,000 sq.m. and a total floor area of 5,904,000 sq.m.

# **3.2 Green Building**

Shenzhen Investment adheres to the concepts of health, quality and culture while fulfilling its commitment to green buildings by promoting standardized certification and the application of green building technologies, aiming to create comfortable, efficient, healthy, and environmentally friendly buildings, and maximize the harmonious coexistence between humans and nature.

# 3.2.1 Green Building Commitment

Shenzhen Investment actively responds to the relevant requirements of the Work Plan on Accelerating Energy Conservation and Carbon Reduction in the Building Sector released by the National Development and Reform Commission and the Ministry of Housing and Urban-Rural Development by means of promoting renovation of existing buildings for energy efficiency and the construction of highquality green and low-carbon buildings. We follow the green design concept known as "reducing environmental pollution, minimizing energy consumption, and enhancing the recyclability of building materials", promoting the comprehensive implementation of green building standards for new projects, and actively applying new energy-saving, emission-reducing, and green & healthy building technologies to create healthy and comfortable living environments.

We commit ourselves that from 2023, 100% of the new projects of the Group meet the national green building standards and encourage ourselves to obtain higher level certification (e.g., national green building two-star, three-star, LEED certification, WELL certification). At the same time, we will actively implement green transformation, and for the commercial projects held and operated by us, we will make sure they meet one-star evaluation standards for green transformation of existing buildings.

# 3.2.2 Green Building Technologies

Shenzhen Investment adheres strictly to the requirements of the Green Building Evaluation Standards released by the Ministry of Housing and Urban-Rural Development, and integrates green building concepts and technologies throughout the entire life cycle of the buildings, while promoting the application and upgrade of sponge city technology, green building information modeling (BIM) technology, and prefabricated construction technology, which has effectively reduced energy consumption, minimized negative environmental impacts, and continuously enhanced the climate adaptability and risk responding capabilities of green buildings.

Ital, Social and Governance Report SHENZHEN INVESTMENT LIMITED

#### Implementing Green Building Design Standards, Promoting the Construction of Sponge Cities

Land Company actively promoted technological breakthroughs in such areas as green buildings, BIM, prefabricated construction, and intelligent buildings. In terms of green buildings, projects under construction in 2024, including Shum Yip Scenery Bay, Shum Yip Luxury Mansion, Shum Yip Park Mansion and Upper Scholar, introduced Green Building One-Star or above design standards for all their land plots, and some of them have already obtained assessment reports on sponge city construction achievements.

Pengnan Company actively responded to government initiatives by vigorously promoting green buildings, prefabricated construction, and digital and intelligent building technologies, striving to help establish the Brand of "Built in Shenzhen (深圳建造)". Currently, several projects including Shum Yip Time Mansion, Shum Yip Upper Coast, Wanlin Mansion (萬林 華府) Phase I, and Cloud View Garden (雲境花園) Plot B have received Two-star green building certification. Additionally, all of the Company's new construction and renovation projects have implemented sponge city construction requirements throughout the planning, construction, and management stages. By designing rooftop greenery and rain gardens, and strategically placing sponge city facilities, the Company has achieved effective management of urban water resources.

Nongke Company's ongoing projects comply with the green building design requirements as well as the basic design concept of creating environmentally friendly, healthy, comfortable buildings with lower energy and resource consumption. The overall design of the Shum Yip Natural City Project has met the national two-star green building standards, with both Phase I and II having obtained two-star green building assessment reports and passing specialized green building acceptance. The project also comes with an ecological drainage system that integrates permeation, retention, storage, purification, utilization, and discharge according to local conditions, and has completed construction in accordance with sponge city planning. The Dapeng Seasons Coastal Countryside Project was designed to meet the two-star green building standards, while the Xinfeng Four Seasons Riverside Garden Project targeted the basic level green building standards.





Shum Yip Natural City Project

# 3.2.3 Green Building Certification

Shenzhen Investment continued to promote green building certification and the number of green building certified projects continued to increase. As at the end of 2024, all of Shenzhen Investment's projects have passed green building standard pre-evaluation at the design stage, with a total of 50 projects receiving green building certification, covering a total building area of 8,204,000 sq.m. and a total floor area of 5,904,000 sq.m.

Higher-Star Certified Projects	Name of Certificate
UpperHills Industrial R&D Building	LEED Gold
UpperHills Theater	LEED Platinum
Shum Yip Qianhai Office	LEED Platinum
Tower 1-2 of Shum Yip Scenery Bay	Three-star green building
Shum Yip Luxury Mansion Phase 2	Three-star green building
Upper Scholar	Three-star green building
Building 1-5 of Shum Yip Tairui Mansion	Three-star green building

# **3.3 Green Construction**

Shenzhen Investment strictly adhered to national and industry standards such as the Green Building Evaluation Standards for Construction Projects (GB/T 50640-2010) throughout the project development and operation process. The Group consistently focused on mitigating the impact of our projects on surrounding ecological environments and communities throughout their lifecycle. Additionally, Shenzhen Investment continuously explored green construction concepts and technologies, aiming to become an environmentally friendly enterprise.

# **3.3.1 Environmental Protection**

Shenzhen Investment strictly adhered to national environmental protection and energy conservation regulations throughout the entire project construction cycle. We have established internal policies such as the Environmental Protection Guidelines of Shenzhen Investment Limited, focusing on accelerating ecological civilization construction and preventing environmental and social risks. Some of our subsidiaries have incorporated ecological environmental protection performance into their evaluations to further enhance employees' awareness of ecological protection. Meanwhile, we integrate biodiversity conservation throughout the project development and construction process while undertaking brownfield redevelopment instead of green space development, striving to create green and beautiful urban and rural living environments.

#### **Biodiversity conservation**

Throughout the entire lifecycle of the project, we consistently prioritized conservation of biodiversity. Through scientific planning, we minimized the project's impact on the ecological environment, and by conducting environmental impact assessments, we have managed to ensure coordinated development between resource utilization and ecological protection, striving to achieve harmonious coexistence between humans and nature.

Xinfeng Four Seasons Riverside Garden Project Fully Protects and Utilizes Natural Resources

During the development of the Xinfeng Four Seasons Riverside Garden Project by Nongke Company, we integrated biodiversity and ecosystem protection as core principles throughout the design and construction process. The project preserved the aesthetically pleasing bamboo groves on site and carbonized the felled bamboo to create crafts such as bamboo fences, woven bamboo items, and bamboo lamps, thereby maintaining the natural landscape while reducing natural resource consumption. Additionally, while protecting riverbeds and the ecological environment, we chose river pebbles for the landscape design, using them to pave pathways and simulate stream formations, creating a naturally tranquil atmosphere. These measures not only enhanced the landscape's entertaining and aesthetic appeal but also provided diverse habitats for wildlife, thus effectively protecting the biodiversity and integrity of ecosystem, achieving a harmonious coexistence between ecological conservation and project development.



Xinfeng Four Seasons Riverside Garden Project

#### Greenfield development commitment

Shenzhen Investment complies strictly with the relevant laws and regulations such as the Land Administration Law of the People's Republic of China while adhering to ecological protection red lines and permanent basic farmland designations by avoiding greenfield development and ensuring green, healthy, and reliable construction and development processes, with the aim of achieving harmonious unity between economic development and ecological protection.

We undertake to avoid developing projects in national nature reserves and do our best to avoid developing projects on farmland or greenfield. If unavoidable, we will only develop green-certified properties in greenfields and obtain approval from relevant authorities before using the land, and ensure ecological protection and restoration during the development process.

#### Brownfield redevelopment

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In the process of urban brownfield redevelopment, we comprehensively coordinate water conservation, ecological restoration, and urban landscape protection, scientifically plan the layout of production and living spaces alongside ecological zones, implement soil and water quality improvement measures, and conduct long-term monitoring to optimize urban ecological functions and promote sustainable urban development.

CASE STUDY The Xiantao Four Seasons Flower Valley Project (仙桃四季花谷项目) - The Ecological Restoration of a Landfill Site

The Xiantao Four Seasons Flower Valley Project, developed by Nongke Company, is situated in the southwestern suburbs of Xiantao City. The site was originally a domestic waste landfill, covering approximately 140,000 square meters. Through ecological restoration techniques such as membrane coverage and earth backfilling, the project successfully transformed this severely polluted land into Central China's first integrated "modern + ecological + low-carbon circular + economic" floral industrial park. The project employs phytoremediation techniques to improve soil conditions by introducing native plants and species capable of absorbing heavy metals, gradually establishing a healthy plant community. The site is divided into transpiration coverage zones, air buffer zones, wetland filtration zones, and waterfront buffer zones. Through the strategic deployment of plants, pollutants in the soil and air are effectively eliminated. This initiative not only provides an optimal habitat for biodiversity but also creates a low-carbon recreational space and an educational base, making it a benchmark case of ecological restoration in Xiantao City.



 Xiantao Four Seasons Flower Valley Project

#### Urban greening

Shum Yip Operations, a subsidiary of Shenzhen Investment, actively responds to the ecological civilization construction requirements of Shenzhen state-owned enterprises, guided by the "Key Points for Ecological Civilization Construction of Shenzhen State-owned Enterprises for the Year 2024" (《深圳市屬國資國企2024年度生態文明建設工作要點》), and fully implements the new development concept, dedicating itself to urban greening and ecological development. Through the execution of the "Six Actions" (六大行動) for green beauty construction, it strengthens planning leadership, promotes green beauty construction at a high level, continually optimizes the urban greening environment, and creates a new, green beauty ecological landscape that fosters a livable and business-friendly urban environment.

- Tree-planting: Shum Yip Operations aims to create an environmentally beautiful and ecologically harmonious park by appropriately planting large-scale trees, evergreen species, and fully crowned trees. In 2024, Shum Yip Operations planted approximately 3,919 trees across parks, municipal roads, and areas known as "the four sides and five edges".
- Green Beauty Enhancement: In accordance with the 2024 Green Beauty Maintenance Plan, Shum Yip Operations is committed to developing landscape roads that integrate multiple functions, including aesthetic appeal and ecological protection. It is making a concerted effort to implement the "One Circle, Three Points, and Four Scenic Wide-Area Coverage" (一圈三點四景廣撒網) initiative, establishing three community green beauty demonstration sites and four community green beauty micro-landscapes. Additionally, enhancement work has been carried out at 56 locations, covering a total of 63,800 square meters, with an investment of RMB5,038,300. It is also advancing the construction of two new parks, a Bougainvillea-themed linear corridor park along Bulong Road and a pocket park beneath the Jihua Road section of Buban Road, continuously enhancing residents' sense of fulfillment and well-being.
STAD STUDT The Gardening and Greening Branch under Shum Yip Operations Launches the "Green Beauty Wide-Area Coverage" (绿美撒网) Initiative for Exposed Land

The Gardening and Greening Branch of Shum Yip Operations established a dedicated task force to conduct multiple thorough and detailed investigations of various types of exposed land, including areas around residential complexes, roads, parks, and urban villages within its jurisdiction. Based on the investigation results, a detailed record of exposed land was established, and greening and replanting plans were formulated according to the specific conditions of each site, with extensive implementation of various greening and beautification measures such as turf covering, flower sowing, and flower cultivation, while a long-term management and maintenance mechanism for exposed land was put in place to integrate short-term actions with long-term governance, ensuring the successful completion of special remediation efforts for exposed land in built-up areas and further enhancing the level of greening in these areas. At present, a special action for exposed land remediation has been carried out in the jurisdiction, with inspections conducted at a total of 315 exposed sites, all of which have been replanted, covering an area of approximately 78,700 square meters, and efforts will continue to be strengthened to enhance inspection and remediation in the future.



"Green Beauty Wide-Area Coverage" Initiative

#### 3.3.2 Green Construction Technology

We consistently integrate the concept of green construction throughout the entire project development process, actively responding to national and local policies, strictly adhering to relevant national standards, and meeting environmental protection requirements in energy conservation, land efficiency, water conservation, and material efficiency. Through a range of measures, including energy and material conservation, dust prevention and noise reduction, waste management, and resource recycling, we continuously optimize construction processes to ensure a safe, clean, and comfortable working environment, delivering green projects. In 2024, Shum Yip Dongyue Mansion was approved as a "Chengdu Green Demonstration Site," passed the special energy-saving inspection and acceptance organized by the Green Building Material Station of Longquanyi District, Chengdu, and was integrated into the Chengdu Energy Consumption Monitoring System Platform. During the construction process, it was also awarded the honorary title of "Chengdu Green Benchmarking Site."



#### Save resources

In the project design, we actively promote the use of ready-mixed concrete and ready-mixed mortar to reduce resource waste in on-site construction. The Shenzhen Yinying Tower project (深圳市銀盈大廈項目) utilized HRB400-grade load-bearing reinforcement bars, with all concrete and construction mortar being ready-mixed concrete and ready-mixed mortar, achieving resource saving.

#### Dust prevention and noise reduction

We strictly adhere to the "Regulations of Shenzhen Special Economic Zone on Noise Pollution Prevention and Control" and other relevant policies, implementing stringent measures to prevent dust and noise pollution, thereby minimizing the environmental impact of the construction work.

- Noise Management: The Group has fully implemented the "eight requirements" for noise pollution prevention and control, and set up a leading group for noise pollution control to ensure that responsibilities are assigned to the right person. Through the implementation of the noise pollution control assessment system, we have included noise control as an assessment indicator, signed a responsibility letter and formulated a reward and punishment mechanism to promote the effective implementation of the work. In the practical operation, we strictly control mechanical noise, implementing measures such as enclosing and covering equipment like concrete mixers, and setting up barriers in the carpentry and masonry areas to block the transmission of noise. At the same time, we scientifically arrange traffic, transportation, and lifting operations, strictly prohibiting vehicles from sounding horns and loud noise, thus minimizing the impact of noise on the surrounding environment.
- Dust Management: The Group strictly enforces the "seven 100% requirements" for dust pollution prevention and control, and has set up a special task force to take charge of dust prevention matters, ensuring that the organization and leadership are in place. The construction site is managed with strict enclosure, ensuring that the fences are sturdy, stable, clean, and attractive. Material management is also strengthened, with construction materials, components, and tools stored according to the general layout to avoid disorderly piling. Regular sweeping and watering of the main roads, the construction site is equipped with green nets to prevent dust, and the fog machine is turned on regularly to reduce dust, especially during the demolition of buildings, where the fog machine is used to reduce dust and clean up the waste materials in a timely manner. In addition, the main roads and the ground of the material processing area of the construction site are hardened to ensure the roads are clear and accessible, with a smooth and solid surface, and vehicles are washed when entering and exiting the site, ensuring a clean and environmental construction environment in various aspects.

#### CASE STUDY

#### Shenzhen Yinying Tower - A Model of Green Construction

During the construction process of the Yinying Tower project by Taifu Company, the "seven 100% requirements" for dust control and the "eight requirements" for noise pollution control were fully implemented. In terms of noise management, the project adopted noise reduction equipment such as sound insulation barriers and pump truck silencing curtains, effectively reducing the impact of construction noise on the surrounding environment. For dust control, the project significantly reduced the dispersion of construction dust through measures such as green net coverage and fog cannon spraying. These measures have not only ensured that the construction site satisfies environmental protection standards but also significantly enhanced the overall environmental quality of the project. Thanks to its outstanding performance in dust control, the project received public recognition from the Shenzhen Luohu District Construction Engineering Supervision and Housing Security Center (深圳市羅湖區建設工程監管和住房保障中心) for its exemplary dust control efforts in construction during the 2023 year.



ALC Sample Display



Effective dust reduction by fog machines

#### Waste management and resource recycling

We actively explore source reduction and resource utilization solutions for construction waste, promote the development of a "waste-free city," and formulate and implement waste management plans. Through measures such as recycling and establishing pilot programs for the collection and disposal of construction and renovation waste, we regulate construction waste disposal and enhance the cleanliness of construction sites.



## Xinfeng Four Seasons Riverside Garden Project Innovatively Adopts the "Permanent and Temporary Combination" Strategy

During the construction process of the Xinfeng Four Seasons Riverside Garden project of Nongke Company, by optimizing construction drawings and plans and fully considering resource utilization efficiency at both the design and construction stages, it ensured that every material was used to its fullest value, significantly reducing unnecessary construction material waste and controlling construction waste generation at the source. In addition, the project innovatively adopted the "permanent and temporary combination" strategy, combining temporary facilities with permanent ones, such as transforming temporary roads and temporary barriers into part of the permanent facilities upon project completion, significantly reducing the generation of construction waste. At the same time, the project strengthened the maintenance and upkeep of temporary facilities to improve their reuse rate, further reducing resource consumption.



Road transformation from temporary to permanent

Key Performance

- The projects under construction of Shenzhen Investment have all met the following standards:
- **100%** recycling and treatment of polluted solid waste
- 100% strict control of noise
- 100% up-to-standard discharge of acid and alkali wastewater from construction upon retreatment
- **100%** eradicating the leak of radioactive substances
- 100% timely restoration and rehabilitation of ecological environment that is damaged during construction
- 100% discharge of wastewater meeting grade
  II discharge standards from living areas at the construction site



### 3.3.3 Prefabricated Construction

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Shenzhen Investment actively responds to the policy requirements of the national and local governments, such as the "Notice of Shenzhen Municipal Housing and Construction Bureau and Shenzhen Municipal Planning and Land Resources Commission on Proper Implementation of Prefabricated Building Projects" (Shenjiangui No. 13 [2018]) (《深圳市住房和建設局深圳市規劃和國土資源委員會關於做好裝配式建築項目實施有關工作的通知》(深建規(2018) 13號)) and the "Shenzhen Specialized Planning for the Development of Prefabricated Buildings (2018-2020)" (《深圳市裝配式建築發展專項規劃(2018-2020)》), and continuously explores the application of prefabricated building technologies in its projects. While ensuring the quality of prefabricated products and economic benefits, the Group adopts various technologies, including BIM technology, pipeline integration, pipeline separation, and internal wall partitioning, to continuously meet users' diverse needs.

#### Shum Yip Tairui Mansion Project: Efficient Application of Prefabricated Components

The Shum Yip Tairui Mansion Project of Terra Company has extensively utilized prefabricated non-load-bearing vertical components (e.g., prefabricated projecting windows and wall panels), prefabricated horizontal components (e.g., prefabricated slabs), and prefabricated partition panels in the standard floors of the towers. Through the efficient application of prefabricated components, the project meets the technical assessment requirements for prefabricated buildings in Shenzhen, while also serving as an excellent showcase for promoting and demonstrating green building, intelligent construction, and prefabricated building technologies.



Efficient application of prefabricated slabs

## 3.4 Green Operations

Shenzhen Investment integrates the concepts of "green development" into the whole process of operation and management, sets emission reduction targets with reference to the 14th Five-Year Plan for energy conservation and emission reduction of the country, region and industry, comprehensively strengthens the management of energy efficiency, water resources, emissions and wastes, implements green leasing, and reduces impact to the environment and climate change in the operation process. The Group will promote the construction of a resource-saving and environmentally friendly society.

## 3.4.1 Emissions Management

Shenzhen Investment has always adhered to the concept of sustainable development, practiced low carbon emission, strictly complied with national laws and regulations such as the "Atmospheric Pollution Prevention and Control Law of the People's Republic of China", and internal management requirements such as the "Environmental Factors Operation Control Procedures", to achieve the emission standards, implement emission reduction measures and promote emission reduction technologies, so as to assist in the realization of the national dual-carbon target.



## Implementation of Emission and Waste Management in Tanglang City

Tanglang City has adopted a series of effective measures for waste management, covering domestic waste, construction waste, food waste, hazardous waste, and other types of waste. Tanglang City has established a waste management system and set up well-equipped waste separation and recycling transit containers. Through on-site training, Tanglang City promotes professional knowledge on "waste separation and waste reduction" to shop tenants and cleaning staff and utilizes media such as LED screens, broadcasts, and in-store promotions to publicize waste separation and low-carbon concepts, thereby enhancing the environmental awareness of staff and customers. Tanglang City has established detailed records for the waste collection and transportation of various types of waste, and the garbage room is managed and supervised by dedicated staff. Through waste reduction and the free booking of some waste for collection and transportation by government-designated units, it is estimated that waste collection and transportation costs were saved by approximately RMB40,000 in 2024.



Waste separation and recycling transit container





Promoting professional knowledge of "waste separation and waste reduction" to commercial tenants and cleaning staff

Emissions management indicators	Unit	Data for 2024
Nitrogen oxide (NOx) emissions	kg	4,124.65
Sulfur oxides (SOx) emissions	kg	8.66
Particulate matter emissions	kg	395.22

## 3.4.2 Waste Management

Shenzhen Investment is committed to the sustainable development philosophy, strictly abides by the "Law of the People's Republic of China on Prevention and Control of Solid Waste Pollution" and the "National Hazardous Waste Inventory" and other laws and regulations, formulates a series of internal systems for waste management. The Group carries out technological research on garbage classification and waste conversion to realize non-hazardous, reducing and resource disposal of solid waste.

#### Office waste disposal

In the office area, we have made every effort to promote waste classification publicity by posting distinctive slogans and organizing seminars and training on waste classification to educate our staff on both its importance and specific operational methods, thereby actively cultivating their awareness and ensuring that waste classification collection and treatment are effectively implemented. Meanwhile, for hazardous waste generated during office operations, such as used batteries and discarded electronic products, we strictly comply with the relevant regulations at the project location and establish cooperative relationships with suppliers or qualified third-party organizations, entrusting them to conduct professional, non-hazardous treatment or recycling to effectively reduce the environmental impact of waste and contribute to the creation of a green office environment.

#### Classification of domestic garbage

Shenzhen Investment actively implements to the spirit of the "Ten Iron Rules for Promoting Garbage Classification Work in Shenzhen", the "Implementation Opinions on Further Exerting the Advantages of Grass-roots Governance to Classify Domestic Waste in a Thorough, Careful and Practical Way" and "Incentive Measures for Shenzhen Household Waste Classification Work" and other policies and documents, deeply integrates the garbage classification work into each project, and commits to the formation of a new pattern to jointly construct, manage and share garbage classification. For the projects independently operated by the Group, we have made great efforts to build a comprehensive household waste classification system, actively guiding owners, tenants and residents to participate widely, thereby effectively enhancing the participation rate and accuracy of waste classification in the community. We have established a management account to accurately record the generation and disposal of garbage, increased publicity efforts to enhance residents' awareness of garbage classification, arranged on-site supervisors to ensure the standardized implementation of garbage classification, and formed volunteer publicity groups to expand the reach of garbage classification promotion. Through these multi-pronged efforts, we effectively enhance residents' awareness of garbage classification, solve issues in the processes of collection, transportation, and treatment, and promote the effective implementation of garbage classification, contributing to the sustainable development of the city.

Waste management indicators	Unit	Data for 2024
Total hazardous waste	kg	11,851.82
Total non-hazardous waste	tonne	150,421.11
Hazardous waste intensity	kg/HK\$ million	0.76
Non-hazardous waste intensity	tonne/HK\$ million	9.66

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Xiyue City Property Services Center: Building a Model Residential Community with High Standards

Under the meticulous management of Shum Yip Operations, the Xiyue City Property Services Center is committed to creating a model residential community, adhering to high standards of planning and design, high-quality construction, and top-level property management. Its excellent management and outstanding services have earned widespread recognition from both the industry and the community. It has received numerous honors, including: "Outstanding Residential Community for Urban Household Waste Classification in Huizhou City" (惠州市城市生活垃圾分類優秀小區),"Model Residential Community for Property Management in Huizhou City" (惠州市物業管理示範住宅小區), "Advanced Unit for Household Waste Classification in Huihuan Street" (惠環街 道生活垃圾分類先進單位), "Vice President Unit of the Property Management Industry in Zhongkai Hi-Tech Zone, Huizhou City" (惠州市仲愷高新區物業管理行業副會長單位), "Best Cooperative Community in Huixin Community, Huihuan Street" (awarded twice) (惠環街道惠新社區最佳配合小區), "2023 Outstanding Project of Shum Yip Pangi Management" (深業鵬基管理2023年 度卓越項目), and many other accolades.



Honor Showcase of Shum Yip Operations

Shum Yip Operations Household Waste Classification Service Capability Certification

#### 3.4.3 Water Resource Management

Shenzhen Investment and its subsidiaries strictly abide by the national laws and regulations such as the "Water Pollution Prevention and Control Law of the People's Republic of China", and actively implement the conservation and intensive utilization of water resources. In 2024, the Group achieved significant results in water resource management. Through standardized water management and the installation of water-saving devices, the public area water consumption in Tanglang City decreased by approximately 5.6% year-on-year. UpperHills optimized lighting control management and effectively reduced energy consumption by leveraging electricity price differentials and ice storage technology. Chaohu Holiday Hotel improved water management by installing watersaving showerheads in guest rooms, conducting regular water consumption tests, and enhancing water meter monitoring in various hotel areas. In terms of sewage and wastewater treatment, UpperHills strictly implemented separate discharge systems for sewage and wastewater. Domestic sewage was treated in septic tanks before being discharged up to standard, while kitchen wastewater was treated with oil-water separation before discharge. Additionally, the Group collaborated with professional companies to recycle approximately 120 tons of kitchen waste oil and water, effectively promoting environmental protection and sustainable development.

Water resource management indicators	Unit	Data for 2024
Total water consumption	Cubic metres	4,514,465.96
Water consumption intensity	Cubic metres/HK\$ million	290

STUDY

Xiantao Four Seasons Flower Valley Project - A Model of Efficient Water Resource Utilization and Ecological Recycling

The Xiantao Four Seasons Flower Valley project by Nongke Company focuses on improving the utilization rate of natural resources such as solar energy, thermal energy, and waste materials by adopting high-efficiency equipment to achieve energy conservation and emission reduction. The project site features sunken green spaces, permeable paving, pebble water collection ditches, and a rainwater reuse irrigation system, which purifies collected rainwater for landscape irrigation, reducing water consumption. The construction of a water recycling system connects internal and external water systems, enhancing the overall ecosystem. The site also includes lighting facilities, and urban furniture to continuously utilize solar energy and reduce electricity consumption.



Efficient utilization of water resources

## 3.4.4 Energy Conservation and Emission Reduction

In 2024, Shenzhen Investment continued to implement management systems such as the "Implementation Plan for Reducing Pollution, Reducing Carbon and Synergizing Efficiency", while its subsidiaries formulated the "Energy Conservation and Consumption Reduction Management System" and "Management Measures for Energy Conservation and Consumption Reduction". These measures aim to integrate energy conservation and emission reduction into our daily operation and carry out regular management. The Group continues to carry out publicity on energy conservation and emission reduction, energy conservation and retrofitting, and actively promote energy-saving technologies and photovoltaic new energy. The Group also promotes digital management of energy consumption, and adopts a regular inspection system, to strengthen energy conservation and emission reduction management. In addition, we provide incentives and impose penalties for annual energy savings to promote comprehensive clean production and operation.

#### Energy-saving renovation

In 2024, we proactively promoted energy-saving renovation work for projects under our management, including the variable frequency conversion of fume hoods and air-conditioners, intelligent control of lighting equipment, and renewal of old lifts. UpperHills saved approximately HK\$1.691 million in electricity costs through the power trading platform and implemented various energy-saving measures, including parking lot lighting upgrades and the addition of light sensors, effectively reducing energy consumption. Tanglang City conducted technical energy-saving measures on air conditioning units based on actual needs, adjusting the operation time of exhaust equipment and turning off some lighting fixtures to achieve significant energy savings. Chaohu Holiday Hotel reduced energy consumption by purchasing green electricity and adjusting water fixture flow rates.

#### Energy management system

We continue to improve the energy management of air-conditioning, elevator, lighting, power distribution, water supply and drainage, boiler, fire-fighting system and office in property service, and have passed the ISO 50001 Energy Management System Certification. In accordance with relevant evaluation requirements, Shum Yip Operations' subsidiary, Wondershine Residence Company, applied for the certification of the energy management activities related to the office system and the under management project of Jilian Building (吉蓮大廈) in Lotus North Village (蓮花北村), including the elevator system, transformer and distribution system, air conditioning system, lighting system, etc., and obtained the Energy Management System Certification.



Shum Yip Operations ISO 50001 Energy Management System Certification

#### Intelligent management platform

We are fully committed to building Shenxianghui intelligent management platform. Leveraging on big data and the Internet of Things, we not only improve the handling of property work orders, equipment management, access management, security management and park services, but also realize interconnection of park data and real-time monitoring, enhance the level of intelligent operation and management, and reduce the park's energy consumption. Shum Yip Operations' Chegongmiao area adopted an intelligent park operation platform to monitor the on-site environmental conditions, and realized electricity saving in public areas through intelligent control, sensor triggering and linked control switches.

#### Photovoltaic new energy

We have actively responded to the initiative of "Shenzhen Carbon Peak Implementation Plan" on distributed photovoltaic power generation by expanding the scope of diversified utilization of "PV+", utilizing slopes, building roofs and other sites to build and promote integrated photovoltaic applications for light, storage and charging, to assist in green mobility, while achieving the purpose of saving energy cost and reducing energy consumption.

Energy consumption indicators	Unit	Data for 2024
Total energy consumption	Megawatt hours	156,502.19
Energy consumption intensity	Megawatt hours/HK\$ million	10.05
Greenhouse gas emission indicators	Unit	Data for 2024
Scope 1: Greenhouse gas emissions	tCO₂eq	6,711.57
Scope 2: Greenhouse gas emissions	tCO₂eq	68,085.98
Total greenhouse gas emissions	tCO₂eq	74,797.55
Greenhouse gas emission intensity	tCO₂eq/HK\$ million	4.80

## UpperHills Parking Lot Lighting Energy Efficiency Upgrade

UpperHills optimized lighting control in the parking lot based on weekend and weekday traffic flow changes, turning off approximately 3,000 energysaving lamps in the B2 and B3 levels, effectively reducing parking lot energy consumption by 30%. Additionally, UpperHills conducted a pilot upgrade in the K area of the B2 parking lot, replacing traditional LED energy-saving lamps with radar infrared sensor-controlled lighting equipment, further enhancing energy efficiency.



UpperHills Parking Lot

#### CASE STUDY

CASE

STUDY

## Zero Carbon Practices of UpperHills' Green Buildings

UpperHills has innovatively adopts a large-scale building-integrated photovoltaics (BIPV) curtain wall system, perfectly integrating solar power generation technology with architectural aesthetics. This design has not only created a highly modern visual effect of the building exterior, but also achieved the efficient use of renewable energy, thereby turning the building itself into a green power station.



Top view of UpperHills

#### CASE STUDY

#### Tanglang City's Multi-Measure Energy Conservation Practices

In 2024, the Tanglang City Commercial Operation Center achieved significant energy savings through a series of energy-efficient measures. The project shutted down commercial exhaust equipment during idle periods, reducing operating hours by 3.5 hours per day. Additionally, certain lights in the mall's logistics corridors were turned off, and the central air conditioning system's operating parameters were adjusted based on outdoor temperatures, resulting in cost savings of approximately RMB28,972. The annual energy saving and consumption reduction amount of Tanglang City in 2024 is approximately RMB130,500 for electricity consumption and approximately RMB19,800 for water consumption, which effectively reduced operating costs and improved energy efficiency for the project.



 Exhaust fan equipment with timer installation



 Water-saving valves installed in public area sinks

## 3.4.5 Green Lease

In 2024, Shenzhen Investment continued to deepen the concept of green leasing and actively explored innovative models. The Group formulated the "Measures for the Asset Management of Centralized Operation Projects" and the "Measures for the Management of Assets in Specialized Markets", further refining green leasing-related clauses to encourage tenants to adopt energy-saving methods and renewable energy, and increasing incentives for tenants in green innovation and technology application. Additionally, the Group formulated more targeted green leasing agreements, promoting tenants to sign the "Green Lease Commercial Agreement," which not only focuses on property decoration, energy, and water resource usage, but also adds support and cooperation clauses for tenants in green technology research and application, jointly promoting the realization of green carbon reduction goals. The Group encouraged tenants to fulfill environmental commitments, adopt energy-saving methods and renewable energy for green leasing activities, use environmentally friendly materials and energy-saving equipment, and reduce waste emissions. The Group assisted tenants in improving energy and water efficiency, and encouraged tenants to enhance their sustainability performance to achieve green and healthy leasing. The Group encouraged affiliated enterprises to incorporate climate change and energy efficiency factors into project design, development, construction, and operation management, conducted energy assessments for energy-intensive businesses, and established energy management systems to continuously improve energy efficiency through technology.

In 2024, Commercial Management Company continuously improved the green leasing system and actively explored innovative green leasing models. Commercial Management Company also endeavors to include clauses in the tenancy contracts to promote the signing of the Green Lease Commercial Agreement by all new and renewed tenants, so as to assist tenants in improving their environmental performance. As of the end of December 2024, the Company successfully promoted the signing of 190 new contracts and 67 renewed contracts for the Green Lease Commercial Agreement, realizing that 100% of the new and renewed tenants of Upperhills, Shum Yip Dongling, Sky Park and Hetangling have signed the Green Lease Commercial Agreement. Additionally, we actively carried out green publicity and education activities, continuously improving the sustainability awareness of employees and tenants through various channels and methods, striving to promote green and healthy leasing, and contributing to the construction of a resource-saving and environmentally friendly society.

## 3.5 Green Initiatives

Shenzhen Investment firmly adheres to the concept of green and low-carbon operations, actively promotes energy-saving and environmental protection measures, and fully fulfills its green mission. The Group creates a green and sustainable development environment for employees, customers, and stakeholders through the implementation of green office actions, the promotion of green culture knowledge, and the advancement of green supply chain management, helping all parties move towards a green future.

## 3.5.1 Green Office

Shenzhen Investment actively participates in the "Green Office" initiative, integrating low-carbon concepts into daily office operations. The Group strongly encourages all employees to actively practice energy conservation, water conservation, and waste sorting, striving to enhance environmental protection and resource conservation awareness and create a vibrant green workplace atmosphere.

Green electricity	The power switch is covered with the slogan of "Save resources and save electricity";
consumption	Reduce the time of turning on the central air conditioner throughout the year, and set the central air conditioner to 26 $^\circ\!\!\!C$ in summer;
-x₩x-	Adjust the power consumption time of the office, and properly turn off the office lighting during lunch break.
Green paper	Save paper and implement double-sided printing for document;
consumption	Use OA and property intelligence platform to gradually implement paperless office;
<b>B</b> I	The adoption of the intelligent property management platform realizes workflow intelligence and continuously reduces the use of paper for patrol sign-in and inspection record book.
Green water consumption	Water saving tips are posted in the restrooms on each floor to enhance staff awareness of water saving;
	Encourage employees to cherish drinking water resources and eliminate waste;
	Water-saving faucets are installed in office areas with a 100% installation rate.
Green travel	Pengnan Company further improves the management system and working mechanism of official vehicles from the perspective of institutional construction, and strengthens the standardization construction of official vehicle management. Pengnan Company replaced 2 new energy vehicles in 2024 and fuel consumption for the current year decreased by 4,873 liters compared to last year;
	Encourage employees to use the stairs more often than the elevators.
Green dining	Hang posters on the walls of the staff dining area: "Cherish the food in your bowl, please take what you need";
P	Carry out the "Civilized Dining Table, Empty Plate Campaign" to become a promoter of the "Empty Plate Campaign";
0_0	The cafeteria is equipped with sorted garbage cans and garbage is sorted and disposed of.



## The Group promotes paperless office

The Group and its subsidiaries promote paperless office operations, improve the recycling efficiency of office supplies, implement energy-saving measures, reduce artificial lighting and standby energy consumption of office equipment, and adhere to Shenzhen's air conditioning temperature control standards, actively creating a green office environment and contributing to enterprise resource conservation.





 Energy conservation and emission reduction label

## 3.5.2 Green Culture

Shenzhen Investment continuously promotes green environmental protection concepts, strongly advocates green and low-carbon office models and energy-saving lifestyles. By means of diversified activities such as cultural promotion, thematic training and knowledge lectures, the Group widely carries out publicity and education activities in office buildings and residential communities, actively conveying green and low-carbon concepts and waste sorting knowledge to employees and property owners, striving to embed green environmental awareness in everyone's hearts.

#### The Group's green beauty manifesto:

## **"Sponge ecological metropolis and green prioritization era**(海綿生態都會 綠色先行時代)" As a sponge-type demonstration building community, Shum Yip Taifu Square is an ultra-large medium and highend urban complex with environmental protection and low-carbon theme. The complex realizes green ecological

and sustainable development through the combination of sponge facilities such as permeable pavement, concave green area, roof greening and rainwater reuse. The annual total runoff control rate of projects is targeted at 58%, the non-point (面源) source pollution reduction rate is targeted at 45%, and the annual recoverable water volume is 21,000 cubic metres, with priority given to using recycled rainwater for water feature replenishment, followed by landscape irrigation and road cleaning.

- Shum Yip Taifu Square



## "Ecological garden and bay, and coastal high-tech countryside (生態兩園半灣夢 濱海高科田園情)"

The overall positioning is a high-tech agricultural theme research park, which is a modern agricultural creative exposition park integrating science education, landscape display, leisure and entertainment. It includes highlights such as the Agricultural Civilization Experience Hall, Modern Agricultural Technology Hall, multifunctional science research and education space, smart glass greenhouse, and open-air ecological planting landscapes.

- Dapeng • Seasons Coastal Countryside

### "Achieve a propagable intelligent park construction model ( 實現可推廣的智慧園區建設 典範 ) "

Through innovative practices, the project has brought significant quality improvements and efficiency enhancements to the park's daily operations, achieving over 30% energy savings in lobby lighting and air conditioning systems. In terms of human-efficiency, the working hours equivalent to about 5 people per year have been increased. Four major achievements have been realized, namely, improvement in human efficiency, energy conservation and emission reduction, development of value-added services, and enhancement of service quality. These efforts have created a dual-engine for new kinetic energy growth and industrial development, providing support for the high-quality development of urban industries. A replicable model for smart park construction has been established, demonstrating the boundless potential of technology and innovation in promoting sustainable development.

— Che Gong Miao Intelligent Park



#### "Manage the city like embroidery (像繡花一樣管理城市)"

Shum Yip Operations practices the "Two Mountains" concept, achieving green development and promoting urban renewal through property management city reform. The Company meticulously planned and implemented the "one type of flower for one road ( $-B-\pi$ )" landscape enhancement project in Jihua Sub-street. Through scientific and reasonable planning and construction, it has implemented the concept of green urban operation, achieving the goal of having flowers on the mountain slopes throughout the four seasons and creating a pleasant scenery. This has added a beautiful ecological landscape for the citizens.

- Jihua Sub-district, Longgang District, Shenzhen City

#### 3.5.3 Green Procurement

Shenzhen Investment continuously deepens the concept of green procurement and improves related systems and processes. The Group formulated the "Measures for the Administration of Tendering and Procurement of Group Headquarters", further improving and perfecting procurement processes and tender documents, gradually forming a more comprehensive green procurement system that balances economic and environmental benefits. Additionally, the Group developed the "Measures for the Asset Management of Centralized Operation Projects" and the "Measures for the Management of Assets in Specialized Markets" by adding green procurement-related clauses, encouraging the development of green procurement, incorporating energy efficiency into procurement decisions. We also prioritize the use of green and healthy materials in the procurement process, and optimize and upgrade equipment and facilities in a timely manner, so as to reduce energy consumption and improve environmental benefits.

The "Strategic Procurement Implementation Rules" of Land Company requires the annual evaluation of strategic suppliers to include the "Corporate Social Responsibility Fulfillment" indicator, assessing suppliers' measures in hazardous waste disposal, energy conservation, and other environmental protection aspects. Through these measures, we effectively promoted the implementation of green procurement in 2024, providing strong support for the Group's sustainable development.

Taifu Company attaches great importance to green and environmentally friendly office operations, actively implementing the green procurement concept. In the procurement of office furniture, the Company strictly screens suppliers to ensure that the purchased office furniture does not contain high volatile organic compounds, effectively ensuring the ecological health of office areas. The office furniture suppliers selected by the Company meet relevant environmental certification requirements, with artificial board furniture obtaining the China Environmental Label Product Certification and wooden office furniture and soft furniture obtaining the China Environmental Product Certification requirements in production, use, and disposal processes, offering significant advantages in low toxicity, harm reduction, and resource conservation compared to similar products, providing employees with a healthy and environmentally friendly office environment.

### **Green Procurement Process Diagram**

Formulation of green standard	Incorporate an assessment of environmental factors into procurement policies, reflect the concept of green environmental protection, and strictly follow procurement standards for procurement. The environmental protection responsibilities of the contractor are stipulated in the bidding documents or contracts.
Selection of green supplier	Add the green indicators in selecting the suppliers - add the review items such as "Shenzhen Blue" into the review of construction plan.
Performance of green contract	Establish an inspection and dispute handling mechanism in performance of green procurement contract, and specify corresponding punishment articles in the procurement contract.
Disclosure of green procurement information	Define the scope and mode of disclosure of green procurement information, and disclose the supplier which violates the green procurement articles in the contract across the Group.

Employee Responsibility, Talent Co-development

Shenzhen Investment adheres to a talent concept known as "Virtue First, Talent Best" and is actively developing a diverse workforce. We are committed to creating an inclusive and equal working environment, with the aim of effectively protecting the legitimate rights and interests and occupational health and safety of our employees, while continuously improving our compensation and benefits system to support them in their career development.







## ESG issues we concern

Occupational Health and Safety Staff Training and Development Employee Rights and Benefits Employee Diversity and Equa Opportunity



SDGs issues we respond to

# HKEx ESG indicators we respond to

- B2: Health and Safety B3: Development and
- B4: Labor Standards



## **Goal Setting and Progress Review**

Goals	Progress
By 2025, the annual production safety fatal accident rate per million square meters of area under management is consistently controlled at below 0.1 (including suppliers and contractors).	2022: 0.00 2023: 0.01 2024: 0.02
There is no occurrence of occupational disease	No occurrence of occupational disease

## 4.1 Creating an Equal Workplace

Shenzhen Investment upholds a people-oriented approach, strictly abides by the relevant laws and regulations, and conducts employment activities in a compliant manner, aiming to effectively protect the legitimate rights and interests of its employees while striving to create an equal and diverse workplace.

## 4.1.1 Equal Employment

Shenzhen Investment strictly complies with the Labour Contract Law of the People's Republic of China, the Employment Ordinance of Hong Kong and other relevant laws and regulations in its place of operation. In addition, based on the actual situation of the Group, it has formulated a series of human resources management policies, including the Management Measures for Campus Recruitment, the Measures for the Selection and Transfer for Vacant Positions in the Group Headquarters and the Administrative Measures for the Selection and Appointment of the Middle Management, aiming to ensure the normalisation and standardisation of human resources management.

During the Reporting Period, the Group continued to improve its human resources management system to ensure that the relevant work was carried out in a standardised and orderly manner, so as to provide a strong institutional guarantee for the standardised and orderly implementation of recruitment.





#### Effectiveness of Work

## 4.1.2 Diversity and Inclusiveness

Shenzhen Investment is committed to creating a fair, diverse and inclusive working environment where all its employees are treated equally. The Group has unequivocally undertaken not to be discriminative in recruitment, promotion or remuneration based on gender, age, health status or ethnic background. We resolutely reject any form of unfair treatment and are committed to creating a harmonious and inclusive workplace. For special groups such as veterans and people with disabilities, we have been actively participating in special recruitment activities to demonstrate the Group's inclusiveness and respect for multiculturalism and our determination to put the concept of equal employment into practice.



During the Reporting Period, the Group focused on team building, organizational control, performance appraisal, infrastructure, with the aim of promoting the effective implementation of its human resources management. In addition, the Group accelerated the construction of a human resources information system, aiming to establish a human resources management platform for its subsidiaries at all levels, which covers five major modules, i.e. organization management, personnel management, employee relationship management, salary management and decision support, aiming to achieve real-time data updates and efficient information flow. Meanwhile, we are vigorously constructing a "T+O" system, aiming to promote the intelligent and digital transformation of our human resources management.

Focused Area	Effectiveness of Work
Mechanism for training management talent	In accordance with the standards and requirements of the "Elite Programme", a cascaded training programme for the cadres in state-owned enterprises under the State-owned Assets Supervision and Administration Commission of Shenzhen City, we actively advanced the cascaded training of cadres within the Group by recommending and assembling more than 70 outstanding young candidates in categories B, C and D within the Group and its affiliated enterprises, and organised training and exercises for them in accordance with the requirements of the programme, representing our determination in holding systematic training for and exercising regular management of our cadres
Introducing emerging and rare talent	In response to the lack of high-end talent in the emerging sectors, we introduced 10 industry elites precisely from outside the system through market-oriented methods; We concluded the 2025 "Shen Drive" autumn campus recruitment with success

## 4.2 Safeguarding the Rights and Interests of Our Employees

Shenzhen Investment protects the rights and interests of its employees in accordance with the law, provides them with statutory benefits, and has established a sound salary and incentive mechanism. At the same time, the Group attentively listens to the voices of its employees, aiming to establish a good employer image.

## 4.2.1 Rights and Interests Protection

Shenzhen Investment sincerely protects its employees' rights and interests and strictly complies with relevant laws and regulations to ensure a fair and just working environment. In accordance with the Labour Law of the People's Republic of



China and the Labour Contract Law of the People's Republic of China, the Group has established a comprehensive human resources management system, covering recruitment, training, and promotion, aiming to provide its employees with overall protection.

Shenzhen Investment strictly prohibits the use of child labour, forced labour and other illegal practices in compliance with labourrelated laws and regulations, aiming to safeguard its employees' legitimate rights and interests. In addition, it supports the development of trade unions, respects its employees' freedom in association, and encourages them to voice their concerns and suggestions through the unions. The trade unions focus on protecting its members' legal rights, and has been playing an important role therein by strengthening communication and collaboration with the Group. They have been striving to foster harmonious and stable relations between the employer and employees. In 2024, our trade unions further solidified their roles by maintaining effective communications with the employers. Through proactive dialogue and negotiation with the employers, they have facilitated the signing of collective labour contracts between 47 grassroots unions under Shenzhen Investment and their respective employers.

#### 4.2.2 Remuneration Package

Shenzhen Investment has established a comprehensive remuneration and incentive system by formulating the Employee Remuneration Management System, Employee Performance Appraisal Management System, Occupational System and Position Management Measures, and the Share Option Scheme, etc., aiming to provide comprehensive protection for its employees. The Group strictly complies with the relevant regulations in ensuring that its employees are entitled to the "Five Insurances and Housing Provident Fund" as well as statutory holidays. We have established a performance management system based on the principle known as "current consideration, long-term benefits, strong excitation and forced constraint", with which, by linking performance appraisal results with bonuses and long-term incentives, we have been able to exert strong excitement and forced constraints over our employees, and ensure that the compensation of our senior management is closely linked with the Group's operational results.



## 4.2.3 Democratic Communication

Shenzhen Investment highly values its employees' rights of conducting democratic communication by actively establishing diverse communication channels to ensure that they are able to fully express their opinions and concerns. The Group collects employee feedback through a wide range of means including staff representative meetings, suggestion boxes and online surveys to hear and consider their needs and expectations in a timely manner.

#### Internal whistle-blowing channel

The Group has set up various internal whistle-blowing channels, such as emails, mailboxes and whistle-blowing hotlines. Meanwhile, it maintains strict confidentiality of the whistleblowers' information and takes effective measures to protect them from any kinds of retaliatory actions. Upon receipt of a report, the Group's Audit Committee will conduct an internal investigation and, depending on the actual circumstances, will decide whether to refer the report to an external auditing and public organization. During this process, the Chairman of the Audit Committee will respond to the whistleblower as soon as possible and handle the reported matter in a timely manner.



#### Employee communication

Shenzhen Investment further promotes democratic management at the grassroots level by improving and implementing the system of staff congresses and supervising each trade union at the grassroots level to convene staff representative meetings at least once a year to scrutinize the rules and regulations or plans on major issues directly involving the vital interests of its employees, such as those relating to labour compensation, working hours, rest and leave, labour safety and hygiene, insurance and welfare, etc., formulated, amended or decided by the enterprises to effectively safeguard staff's rights to information, participation, expression and supervision. During the Reporting Period, the staff representative meetings of the Group successively reviewed the contents of employees' remuneration, insurance and benefits, collective contract and so on.

## 4.3 Promoting Employee Development

Shenzhen Investment values its employees' career development as a crucial foundation for its own sustainable development, and is therefore committed to providing them with comprehensive opportunities and support. In strict compliance with the relevant laws and regulations, the Group has established a series of internal policies and rules to ensure that its employees can achieve their personal career goals in a fair and just environment.



#### 4.3.1 Scientific Training

Shenzhen Investment places high importance on employee training, and strives to meet the needs of its employees across different levels and positions through developing scientific training plans and diversified training programmes in adherence to its internal policies such as the "Measures for Management of the Group's Trainings".



Key Performance In 2024, the Group continued to optimise its management talent training programmes, focusing on strategic target achievement. During the year, the Group planned and organised **3** sessions of Shum Yip Classrooms (深業講堂), **27** business training programmes and **66** ad hoc training projects, which has effectively satisfied the training needs of various business segments, functional departments and personnel at different levels, with encouraging training effects.

#### Marketing Skills Enhancement Training

**CASE** 

Training on real estate new media marketing to enhance our brand influence

In April 2024, the Group organised a real estate new media marketing training programme, with a total of 58 participants, i.e. marketing staff from the Group's marketing centre, managers of marketing departments from our affiliated enterprises and other outstanding marketing personnel. The training aimed to enhance the brand influence of Shum Yip Group, explore new models for real estate new media marketing, and cultivate innovative new media marketing talent.



New Media Marketing Training

#### Management ability improvement training

CASE YOUTZ

## Training for cadre evaluation and assessment officers to enhance their professional capabilities

In June 2024, the Group organised training for cadre evaluation and assessment officers, with a total of 73 participants, i.e. leaders from our affiliated enterprises in charge of personnel management, heads of human resources departments, and Shum Yip cadre assessment officers. The training focused on requirements related to cadre selection, appointment and strict management, helping to enhance the professional capabilities and comprehensive qualities of the Group's cadre evaluation and assessment officers.



Training for cadre evaluation and assessment officers

#### Operation ability improvement training

CASE STUDY Training on new trends in commercial industry development and innovative breakthrough strategies

In September 2024, the Group organised a training session on "New Trends in Commercial Industry Development and Innovative Breakthrough Strategies" at the Shum Yip Upperhills Cloud Lounge (深業上城雲客廳). The training was attended by 75 participants, including executives from the Group's Commercial Asset Management Department, as well as leaders, department heads and key staff from affiliated enterprises' commercial and leasing divisions. The training aimed to address the complex and changing commercial market environment, enhance comprehensive commercial operation capabilities, and optimise the commercial asset management system.



Training on "New Trends in Commercial Industry Development and Innovative Breakthrough Strategies"

## 4.3.2 Standardized Promotion

To promote its employees' career development, the Group has established a clear promotion mechanism and has improved its performance appraisal system, aiming to ensure that employee performance evaluations are based on objective factors such as work performance and capability levels, which ensures that every employee has fair access to promotion opportunities, thereby continuously contributing to the Group's sustained development.

## 4.4 Ensuring Health and Safety

Shenzhen Investment regards its employees' occupational health and safety as the cornerstone of the Group's development as it upholds the core philosophy of "safety first, prevention focus and comprehensive management" and comprehensively advances the implementation of various safety measures to ensure the achievement of the Group's safety and health objectives. We have constructed a safety production management system covering all our employees and contractors, and leveraging the information technology platform, we have achieved digital and intelligent transformation of safety management, integrating safety concepts into every aspect of daily production and operations.

## 4.4.1 Safe Production

#### Safety management system

Shenzhen Investment prioritises the health and safety of its employees in strict compliance with the safety laws and regulations such as the "Work Safety Law of the People's Republic of China", the "Prevention and Control of Occupational Diseases Law of the People's Republic of China". The Group has established a series of internal systems such as the "Measures for the Management of Safety Production Risks", the "Measures for the Management of Occupational Health", the "Measures for the Management of Work Safety Responsibilities", the "Administrative Measures for Withdrawal and Use of Work Safety Expenses", the "Measures for the Management of Safety Inspection and Assessment of Operation Service and Property Management Projects" and the "Measures for the Management of Safety Inspection and Evaluation of Construction Projects". In 2024, we formulated the "Safety Management Measures for Small-scale Projects and Miscellaneous Operations", which clearly defined safety management requirements for small-scale project construction units, miscellaneous contractors, and property management service providers by adding the activity-related parties and the requirements for the control thereof, clarifying key control points for qualification examination and activity supervision. These policies and regulations covered multiple aspects including the promotion and implementation of safety regulations, clarification of safety production responsibilities, organisation of education and training programmes, management of equipment and facilities, control of safety risks, and investigation and governance of hidden dangers, which has provided comprehensive guidance and regulation for our safety management efforts.

During the cooperation with the contractors, we also specify the safety management requirements for them to ensure that their responsibilities for safety management are properly implemented. Our safety management system covers all our employees, suppliers, and contractors, comprehensively safeguarding the occupational health and safety of all the relevant parties. In addition, we regularly (at least once every three years) conduct system analysis and audit, while continuously updating and improving our occupational health and safety management systems, aiming to regulate our safety management efforts. and guide the implementation of our occupational health and safety protection work.

Under the management of the Group's health and safety system, some of our subsidiaries have also passed the ISO 45001:2018 Occupational Health and Safety Management System Certification, which further improve the safety management level of the Group.



Shum Yip Operations' ISO 45001 Certificate

#### Safety Management Structure

To achieve centralized and efficient management, the Group's headquarters provides unified leadership in production safety work by establishing a Production Safety Management Committee (the "Safety Committee") to comprehensively coordinate safety production work across the entire Group. The Safety Committee is chaired by the Chairman and President, with the Vice President overseeing the Safety Office serving as Executive Deputy Director, the dedicated Deputy Party Secretary and other members of the executive team serving as Deputy Directors, and department heads from the Headquarters and leaders of secondary enterprises serving as committee members. The Group clearly stipulates that the remuneration of safety production management personnel at all levels, including the Group's executives, is directly linked to their safety performance, so as to ensure that safety production responsibilities extend "horizontal to the edge, vertical to the end and covering all staff".

#### Management Structure of the Group Safety Committee

Director (by the Chairman of the Board of Directors and President/CEO)

Executive deputy director (by Vice President overseeing the Safety Office)

#### Deputy director (by full-time Deputy Secretary of the Party Committee and the Vice President in charge of other works)

### Safety Committee members

(by the persons in charge of the Group's headquarters departments and the heads of the level-2 enterprises)

Each year, the Group's headquarters signs a production safety responsibility letter with each department and level-2 enterprise, which will in turn sign production safety responsibility letters with its employees, specifying their safety objectives. The Group adopts the methods of supervision and inspection led by leaders, inspection by third-party organizations and irregular inspection by the Safety Committee Office to supervise and inspect the work on production safety, and conducts assessment and decides on reward or punishment according to the responsibility letter at the end of the year, so as to ensure effective guidance, supervision and management of the production safety of its subsidiaries.



#### Safety performance management

In order to implement the primary responsibility for safe production and enhance safety management, in 2024, the Group revised the "Management Measures for Safe Production Assessment, Reward and Punishment at the Headquarters", which included the provision of allowance for the safety production management posts, i.e. the safety production management personnel who bear greater safety responsibility risks, thereby encouraging them to actively improve safety management performance. The Board of Directors of the Group carries out an annual assessment of the leadership team on production safety, and the Group also carries out an annual assessment of staff and the production safety of the subsidies. The assessment indicators cover safety objectives, implementation of responsibilities, supervision and inspection, specialized activities, daily work, emergency management, application of technology, and business management.

The Group has established a mechanism for production safety assessment, reward and punishment, and developed an annual safety performance scoring mechanism for the senior management, the result of which is directly linked to their annual assessment and bonus. Meanwhile, we have put in place a corresponding mechanism for businesses. Through rewards and punishments, the Group encourages all entities to actively improve their occupational health and safety performance and enhance the level of production safety management.

#### Safety inspection

In accordance with the internal systems such as the "Measures for the Management of Safety Production Inspection and Potential Hazard Investigation", the "Measures for the Management of Safety Inspection and Assessment of Construction Projects", and the "Measures for the Management of Safety Inspection and Assessment of Operation Service and Property Management Projects", the Group actively organizes and carries out safety inspections for all projects, such as leader-led inspections, regular self-inspections and various special actions. In 2024, the Group broke away from routine self-inspection by launching a new cross-checking model. It further strengthened third-party safety inspections and evaluations by issuing a relevant notice and revising the scoring criteria to include the implementation of key production safety systems and the execution of important tasks. The revised system imposes greater penalties for the repeated occurrence of similar high-frequency hazards and slow progress in rectification, and extends questionnaire assessments to key personnel such as safety management personnel, fire control room staff, and elevator operators. At the same time, with the help of third-party professionals and employing a "Four Nos and Two Directs" (四不兩直) approach, the Group conducted safety inspections and evaluations on projects under construction, commercial property projects, and highway projects to identify and remediate various potential hazards. The identified potential safety hazards and risks are recorded into the Group's production safety information system, and the Group will follow up and rectify them in a timely manner, so as to realize safety risk management and control in place and safeguard the stability of the production safety situation of the projects.

#### Safety work results in 2024

Enhancing third-party safety assessment and inspections	The implementation of the Group's key production safety systems and the execution of major tasks have been incorporated into the scoring criteria; Stricter point deductions will be applied for the recurrence of similar high-frequency potential hazards and slow progress in their rectification; Extended questionnaire assessments to key personnel such as safety management personnel, fire control room staff, and elevator operators.	
Conducting safety inspections and evaluations under the "Four Nos and Two Directs" approach	Initiated 254 safety inspections and evaluations of projects under construction, commercial properties, etc. Conducted 11 "Look-Back" Reviews; Investigated and rectified more than 16,000 potential hazards and problems	

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Key Performance The Group's senior leaders and responsible leaders organized a total of 39 working meetings throughout the year, including safety alert education meetings and quarterly risk prevention meetings

The Group's leaders conducted **27** supervisory inspections on the frontline of key projects, achieving a potential hazard rectification rate of **100%** 

Shum Yip Group issued the "Implementation Plan for the Three-Year Action to Address the Root Causes of Production Safety," further refining **10** key initiatives and **21** tasks based on practical circumstances. The Group conducted **727** inspections by key responsible persons at all levels, organized **52** initiatives to enhance the standard system for identifying major accident hazards, launched **44** actions to support safety technology and engineering governance, and invested RMB**17.23 million** in the three-year campaign to address the root causes of production safety

CASE STUDY

## The Land Company launched a three-year campaign to address the root causes of production safety

The Land Company conducted a comprehensive investigation and actively monitored major accident hazards, carrying out thorough checks on key projects and areas. It was found that the safety hazards at GALLERIA and Shum Yip Gusu Apartments in Suzhou were particularly prominent. The Company quickly developed a remediation plan and initiated the eviction of at-risk tenants. Within one month, 94 at-risk tenants were cleared, and all were relocated by December 23. As of December 31, 2024, no major potential hazards were identified, and the target of "essentially eliminating the stock of major potential hazards identified in 2023 and prior" by the end of 2024 was successfully achieved.



Safety Checks by Land Company

#### CASE STUDY

## Specialized gas safety inspection and rectification work at Nongke Company

To deeply learn from the lessons of the residential gas explosion in Shenzhen, the Group swiftly organized and launched a specialized gas safety inspection and rectification initiative. Nongke Company disseminated gas safety knowledge through safety production work groups and channels such as Sham Yip Tong (深业通), communicated the directives of higher-level units, and shared gas safety tips and educational videos. Projects under its jurisdiction displayed safety reminders and propaganda posters, while gas safety knowledge was also spread through the owner's WeChat groups. At the same time, various projects were organized to conduct self-inspections and self-corrections of gas safety, with a focus on collaborating with the gas company to inspect potential hazards in vacant rooms, catering shops, staff canteens, hotels, and other gas-using facilities. A total of six safety hazards were identified and rectified, forming a closed-loop management system.



Safety Checks by Nongke Company

## 4.4.2 Safety Training

#### Safety awareness training

The Group regularly organizes and carries out safety education and training activities in accordance with the "Measures for the Administration of the Construction of Safety Production Culture" and the "Measures for the Management of Safety Education Training". By making every effort to facilitate the "Wujin" ( $\pm$ ) safety promotion programme, we actively promote production safety and fire safety knowledge. We use a combination of "online + offline" methods, continuously publicize and popularize safety knowledge through our website, WeChat, thematic bulletin boards, production safety informatization platform, and door-to-door campaigns, so as to



More than **13,000** posters and slogans were published **41,000** safety manuals were distributed;

Organized **2,200** training sessions on various topics A cumulative total of **42,000** person-times were trained

convey new policies and regulations in a timely manner. At the same time, we organize special safety training activities to enhance the overall safety awareness of our employees. In addition, we have introduced third-party inspection and evaluation incentives and implemented a bonus point mechanism for the assessment of "randomly photographed" potential hazards, fostering a proactive and motivated team environment.

In 2024, the Group thoroughly implemented higher-level directives and continued to launch a series of themed activities, such as "Safety Production Month." It organized safety production knowledge competitions and photography contests, mobilized employees to participate in the national emergency management law competition, and actively encouraged its enterprises to take part in the municipal enterprises safety management skills competition, earning the third prize (group division) and the outstanding organization award.



Launching specialized training on "ensuring smooth emergency exit routes"

In June 2024, the Group organized specialized training on "ensuring smooth emergency exit routes". The training covered the promotion of safety production month's themed activities, the key points for investigating potential hazards in emergency exit routes, and the popularization of emergency escape knowledge. The aim was to urge affiliated enterprises to fully launch the "ensuring smooth emergency exit routes" initiative, resolutely remediate issues such as the occupation, blockage, or closure of emergency exit routes, and make every effort to safeguard their smooth flow, thereby effectively protecting public lives and property.



 Specialized training on "ensuring smooth emergency exit routes"

#### CASE STUDY

## On-site safety education and training on safety management at Tanglang City Commercial Operation Center

In June 2024, Tanglang City Commercial Operation Center, aligning with its safety management practices, invited experts from a third-party safety technology organization to conduct on-site safety education and training. The training covered topics such as ensuring unobstructed emergency exit routes, focusing on minor construction projects and sporadic operations, on-site education on escalator safety, and education on electrical and gas safety. A total of 70 employees from various departments and related parties participated in the training.





Safety Education Training in Tanglang City

#### Emergency response

The Group has established a "1+4" emergency plan system, and regularly organizes and conducts emergency drills. We continuously optimize the emergency response mechanism and process, and continuously improve the on-site emergency response capability, employees' awareness of risk prevention, and self-rescue and mutual-help capability in case of emergencies.



Focusing on fire evacuation and rescue, elevator entrapment, and other emergencies, the Group conducted over **1,900** drills and exercises, with a total participation of **55,000** people.

#### ASE VDUTZ

## Nongke Company actively launched emergency drill activities

During "Fire Prevention Month", Nongke Company conducted a "Fire Fighting and Evacuation" emergency drill at the North Plaza of Building 6A in Sky Park. Additionally, in response to electric bicycle fire incidents, a battery fire emergency response drill was held at Tianyu Xiangshan. Nongke Company also organized various emergency drills, including flood prevention, emergency response to elevator entrapment, firefighting, and evacuation. In 2024, more than 20 emergency drills were conducted, with over 1,000 participants.



🕚 Conducting fire-fighting and evacuation drills 🥚 Organizing emergency response drills for



Organizing emergency response drills for battery-related fires



 Tianwuxiangshan organized an emergency drill for flood control



## **4.4.3 Intelligent Security**

The Group adheres to the strategy of "Improving Safety by Science and Technology" to improve the Group's production safety informationization platform and continuously enhance its intrinsic safety level. The Group's production safety informationization platform covers comprehensive information management, safety training and education, safety risk management and control, and hazards investigation and treatment modules, thus empowering production safety in an all-round way.

In 2024, we will continue to advance the second phase of the development of the production safety information platform. Building on the Group's existing '1+8+N' production safety information platform, we will establish an intelligent supervision system for projects under construction, enabling video monitoring and intelligent oversight.



Production safety informatization platform

#### Introduction of production safety informatization platform

Module	Operational Effectiveness
Comprehensive Information Management	Personnel information and basic project information of 14 subsidiaries and 670 projects in the fields of construction, property management and commercial operation have been recorded and regularly updated. More than 1,000 security management personnel and related license information has been recorded and regularly updated
Safety Risk Management	921 hazardous sources have been filled in, which can lead to a risk list covering the location of hazardous sources, risk level, control measures, responsible persons, etc., realizing risk control to the relevant person, and reminding review on a regular basis according to the level of extreme risk to ensure that the safety risk control is in place
Hazards Investigation and Treatment	A systematic hazards guideline database has been established to standardize safety inspections and hazards recording, and to reduce the inconsistency of the same hazards recording. Through the recorded leadership-led inspections, daily inspections, special inspections, third-party inspections, hazards randomly photographed, etc., 84,000 hazards were identified, and the closed-loop management of the entire process of hazard control has been realized
Safety Training and Education	A knowledge base and a database of supporting examination questions covering policies and regulations, management systems, high-quality courses, etc. have been established, and the Group and its subsidiaries initiated a total of 263 online training assignments with 25,000 attendances
Equipment and Facilities Management	Over 600 sets of various equipment and facilities, including firefighting facilities and special equipment, have been recorded. The maintenance and inspection status of these equipment and facilities can be monitored online in real time, and ensures the maintenance of equipment and facilities upon expiry
Hazardous Operations Management	More than 150 hazardous operations, such as small-scale projects, sporadic operations, and confined space operations, have been recorded. Functions such as online filing, online approval, and viewing inspection records have been implemented, ensuring comprehensive management and control of all hazardous operations
Emergency Management	Functional modules covering emergency resources, duty monitoring, and risk alerts have been established, enabling real-time checking of emergency supplies, online initiation of AB corner handovers, duty monitoring, and alert notifications
Accident Management	Establish an accident information database, standardize the design of production safety accident quick reports, ensure the accuracy of the accident information sources and the standardization of data entry, and provide strong support for accident review and analysis, risk assessment, and accident prevention

#### 4.4.4 Healthy Life

**JZAJ** 

YDUTZ

Upholding a service-first philosophy, Shenzhen Investment has deepened its employee care work in all aspects and dimensions to comprehensively enhance the happiness index of its employees.

## Building a health defense line to unleash employees' inner strength

Shenzhen Investment places a high priority on employees' physical and mental health. In addition to organizing health checkups for all employees on a regular basis, we conduct specialized health screenings for female employees, promote

Key Performance

Promoted **28** enterprise unions to purchase the "Mutual Insurance Plan" for **3,900** employees, with an expenditure of more than RMB**680,000**.

women's legal rights awareness, and establish Love Mother Huts. We also organize mental health training workshops and encourage 28 grassroots trade unions to enroll over 3,900 employees in a Mutual Aid Plan, which disburse mutual assistance funds to alleviate employee members' medical expenses, effectively safeguarding employees' occupational health rights.

**Employee Stress Management and Emotional Counseling** 

To enhance employees' mental well-being, Commercial Management Company invited external experts to conduct three sessions of stress management and emotional counseling courses for frontline managers and staff, with a total of over 150 participants. The training aimed to help employees alleviate anxiety, depression, and other negative emotions caused by work-related stress, thereby improving job satisfaction and overall quality of life.



Employee stress management and emotional counseling courses

#### Organizing vibrant cultural and sports activities to boost employee vitality

Shenzhen Investment adhered to the principle of "top-down integration, internal and external exchanges" (上下结合、内外交流) to improve the quality of staff cultural and sports activities. In 2024, by integrating cultural and sports resources, the Group unified the establishment of "5+3" interest groups for basketball, soccer, tennis, table tennis, badminton, instrumental music, choir, and dance, organizing more than 70 high-quality activities with over 1,600 participants. Internally, the Group held a series of sports events such as the "Shum Yip Cup" tennis tournament, table tennis tournament, "Youth Cup" basketball tournament, and the "Fun Sports Day" across the organization. Externally, the Group formed teams to participate in events like the first "Central- Local Youth Cup" basketball friendly match, the "Central-Local Pioneer Cup" tennis invitational tournament, and the "SZ Staff Cup" badminton and table tennis tournaments organized by the Municipal Federation of Trade Unions. The Group achieved excellent results, including third place in the Municipal Federation of Trade Unions' badminton competition and the championship in the Municipal Finance and Trade Workers' Union table tennis competition, effectively inspiring the sense of collective honor and teamwork among employees. In addition, regular activities such as Tai Chi, yoga, Zumba, and combat sports are organized. Themed hiking events and the "Green Youth • Park Economy Green and Beautiful Walk" are also held in conjunction with key occasions, enriching employees' cultural and sports experiences with both "flavor" and "color".



## 4.5 Creating Employee Well-Being

Shenzhen Investment puts into practice the concept of people-oriented development, organizes special cultural activities in conjunction with the corporate culture, strengthens care and concern, does a good job of daily care and focus on care and concern, prioritizes the employees' needs and practically enhances their sense of well-being and sense of belonging, and continuously strengthens the team's cohesion.

### Staff Activities



"Nourished by Books, Cherishing Good Times: A Book Sharing Event"



Women's Day-Themed Outdoor Hiking Activity



• "Youth Brilliance" Youth Spokesperson Contest



Corporate Culture Salon

#### CASE VDJTZ

## Organized the Women's Day event with a theme of "Empowering Women with Passion, You Only Live Once"

To celebrate International Women's Day on March 8, East China Company organized a themed movie screening event titled "Empowering Women with Passion, You Only Live Once." The event aimed to enrich the spiritual and cultural lives of female employees, foster a joyful and uplifting work environment, and further inspire unity and motivation. It also encouraged women across the Company to demonstrate their strength and dedication as they embark on new journeys.

Poster of "Empowering Women with Passion, You Only Live Once"



#### Employee Care

The Group upholds the philosophy of humanistic care, not only by offering thoughtful and meticulous attention to employees in their daily work, but also by leveraging the active engagement of the trade union organization to provide employees with targeted and diversified support and assistance.

**Group Employee Care Initiatives** 

## Greetings on seven major traditional festivals such as New Year's Day, Spring Traditional festival care Festival, Dragon Boat Festival, etc. Member birthday and Greetings for birthday, marriage, childbearing, hospitalization, death (including daily living care immediate family members), retirement and departure, and consumption support Physical examination, critical illness and Spring Festival allowances for the Care for the elderly management elderly managements Care for employees in Provide allowances to employees suffering from serious illness, and cooperate hardship with the related party organizations to carry out care or visit activities for employees in hardship during the Spring Festival and July 1st Regularly conduct routine care for union members regarding events such as childbirth, weddings, hospitalization, death, retirement, and departure, covering over 570 members at a cost of RMB600,000 Collaborated with the related party organizations to carry out caring or visit activities Key Performance during the Spring Festival and July 1st, benefiting **29** person-times

#### Support to Employees

In order to care for the staffs, realize the great love spirit of mutual help and solidarity among the employees of the Group, and realize the regularization of the assistance to the staffs in difficulty, Shenzhen Investment has set up a critical disease relief and mutual aid fund, which is managed in accordance with the "Administrative Measures for Mutual Aid Fund for Critical Diseases" and is publicly disclosed each year to ensure transparency and proper use of the fund.



Fully utilizing the role of the Critical Disease Mutual Aid Fund, the annual expenditure was RMB**160,000**, benefiting **9** staff members 05

# Social Responsibility, Commitments to Public Welfare

Shenzhen Investment keeps breast with national strategies, and integrates itself deeply into key areas such as urban revitalization, rental housing security, rural revitalization and social welfare, aiming to fulfill its social responsibilities. The Group optimizes resources allocation by efficiently promoting urban revitalization projects, and actively participates in the construction of social security housing for talents, thereby contributing strong momentum to the economic and social development of the region. In addition, the Group has also been actively engaged in pairing assistance and community co-building activities. Leveraging on its extensive social influence, the Group promotes the integration and sharing of resources among various sectors, contributing to the building of a harmonious society and demonstrating its commitment as a state-owned enterprise.





## ESG issues we concern

City/Community Building and Inclusion Participation in Social Welfare



SDGs issues we respond to

# HKEx ESG indicators we respond to

## **B8:** Community Investment



## Social Responsibility, Commitments to Public Welfare

## **Goal Setting and Progress Review**

Goal	Progress
Unceasingly conduct diverse, regular volunteer service activities	In 2024, the number of volunteers from the Shum Yip who participated in volunteer services reached 1,218, delivering service to 2,527 persons and accumulating 11,097 service hours
Actively organize innovative public welfare projects aligned with societal needs to enhance public ESG awareness, and collectively promote environmental improvement, social harmony and modern governance	In 2024, volunteer service teams from affiliated companies shouldered their social responsibilities as a state-owned enterprise, organizing a range of distinctive public welfare projects. For instance, the volunteer service teams actively contributed to the Guangdong-Hong Kong-Macao Greater Bay Area Flower Show, the 2nd Little Scientist themed study tour and Guangming Life Science Park open day, and the Warm Bee Action skills competition for new forms of labor, enabling people from all walks of life to deeply experience the "warmth" and sense of responsibility of the brand of Shum Yip Group

## 5.1 Affordable residential and rental properties

Shenzhen Investment actively responds to the "Opinions of the General Office of the State Council on Accelerating the Development of Affordable Rental Housing" and other affordable housing planning, following the principles of adaptive to local conditions, economic and practical, green and healthy, intelligent and humanistic, develops affordable residential and talent housing in urban revitalization and new supply of construction land, and provides rent concessions which has a affordable commercial nature for business incubation and small and micro-enterprises, in order to alleviate the housing difficulties of the citizens and business difficulties of tenants.

#### Shenzhen Investment's steady promotion of affordable residential properties

In 2024, the Group's projects under construction that include affordable housing are as follows:

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- Pengnan Company's Shum Yip Upper Coast offers a total of 718 security housing (including 380 two-bedroom units of 70 m<sup>2</sup> and 338 three-bedroom units of 90 m<sup>2</sup>), of which the total area of housing for talents amounts to 57,000 m<sup>2</sup>.
- The area of self-owned security housing for rental of Shum Yip Tairui Mansion Project of Terra Company amounts to 40,780 m<sup>2</sup>. The project consists of 6 highrise buildings + 1 kindergarten, integrating commercial residential, self-owned security housing for rental, commercial podiums and commercial businesses.



Talent apartment of Shum Yip Tairui Mansion



Shum Yip Natural City Phase II



Shum Yip Upper Coast

Land Company's Shum Yip Park Mansion and Shum Yip Luxury Mansion under construction both provide security housing. Among which, Shum Yip Park Mansion provides 314 units of talent housing with an area of 24,220 m<sup>2</sup>, 120 units of public rental housing with an area of 8,100 m<sup>2</sup>, which are decorated with energysaving design and environmentally friendly materials, and have been reviewed and approved by Shenzhen Housing Security Bureau; Shum Yip Luxury Mansion provides 354 units of security rental housing with an area of 25,450 m<sup>2</sup>, 186 units of self-owned security rental housing with an area of 12,700 m<sup>2</sup>. Meanwhile, the "8070" policy has been implemented, and the number of houses with the floor area less than 70 m<sup>2</sup> accounts for 83.52%. In addition, the development and construction of security housing are in line with commercial housing with the same decoration standards.

Moreover, the Shum Yip Natural City Phase II developed by Nongke Company in Pingshan is the first demonstration project of perceivable green and intelligent livable area in China. The project provides 447 units of security housing (including affordable housing and public rental housing), with 280 units of affordable housing and 167 units of public rental housing (total area of 35,360 m<sup>2</sup>). At the same time, the project is equipped with a 21-class kindergarten, convenience service stations, community management rooms, day care centers for the elderly, community health service centers, Party Service Centers and other convenient facilities. With the smooth progress of the project, it will facilitate strong development of "6 + 3" industrial clusters in Pingshan, and accelerate the rapid emergence of new quality productivity by attracting various talents to move in, thereby leading to the coordinated progress of the regional economy.
### Affordable Residential Properties

CASE VDUTZ

#### Shenzhen Women and Children Tower creates a new model of affordable residential properties

Shenzhen Women and Children Tower renovation PPP project cooperated by Land Company and the municipal government adheres to the service and inclusive principle, providing women, children and families with a platform for international exchanges, skills training, quality education, family education and other activities and exchanges. The platform includes 12 types of businesses including service for women and children, childcare, Party, innovation and development, hotels, etc., creating the first public service complex of "business + culture + government service" in China. The project's business function covers basic function rooms, upgraded service rooms and commercial ancillary rooms. The sustainable development of the building will be facilitated through market-oriented operation, public welfare and user fees, with 30% of the commercial ancillary services feeding back 70% of the public services. In its operation and management, Shenzhen Women and Children Tower has introduced new businesses such as parent-child companionship, childcare and performing arts theater on the basis of giving priority to women and children development, family care and other basic functions, including the installation of interactive experience spaces for children such as the Children's Discovery Hall, the One-Stop Children's Growth Center and the Women's and Children's Theater, and has innovated the investment and financing mode of public services to expand its sources of income in the form of self-operated, joint venture and joint venture proceeds and housing rents, so as to promote mutual reinforcement of the public welfare sector and the business sector and revitalize the vitality of urban revitalization.

Furthermore, Shenzhen Women and Children Tower set up a women's innovation laboratory to provide business incubation, small and micro-enterprise growth consultation, upstream and downstream resource matching and business incubation services for women's innovation and entrepreneurship projects, and at the same time, provide policies such as rent reductions and price concessions aiming at different entities, such as exempt of rent and basic public service fees, rent concessions with only basic public service fees, the hosting entity will be given priority to use the upgraded service rooms in Shenzhen Women and Children Tower after leaving the laboratory, and will enjoy more preferential rental price in the first year.



Shenzhen Women and Children Tower

As an important project of "Millions of Project" (百千萬 工程) of Shenzhen, Shenzhen Women and Children Tower was selected into the first batch of projects with replicable experience for child-friendly urban space construction issued by the General Office of the Ministry of Housing and Urban-Rural Development, the General Office of the National Development and Reform Commission and the General Office of the National Working Committee on Children and Women leveraging on the renovation of child-friendly public service facilities, which has become a benchmark for sustainable construction and operation promoted nationwide, and won a number of international awards:

#### International Awards for Renovation of Shenzhen Women and Children Tower

51st IES Lighting Award in 2024 ArchDaily - One of the 5 Iconic Buildings in the World in 2023 Harper's Bazaar Art - One of the 20 Most Beautiful Buildings in the World in 2023 Dezeen - One of the Top 10 Best High-rise Buildings in the World in 2023 MIPIM Awards "Best Conversion Project" in 2024 Dezeen International -Architectural Lighting Design Award in 2024

### 5.2 Urban Revitalization

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Shenzhen Investment closely follows the direction of national policies and has been unwaveringly promoting urban revitalization. In practice, the Group not only focuses on reshaping the physical space from old to new, but also strives to achieve comprehensive improvement at the economic and social levels. Through scientific planning and innovative practices, the Group brings new economic vitality to old districts, while focusing on community well-being, improving public health, and promoting the reshaping and quality enhancement of urban functions. In addition, the Group adheres to the concept of flexible and mixed-use development, integrating residential, commercial and industrial functions to create complex spaces to meet diverse needs, demonstrating the responsibility and commitment as a state-owned enterprise and providing strong support for the sustainable urban development.

In 2024, the Group convened regular progress meetings on urban revitalization and benefits coordination projects, clarifying the division of responsibilities, supervising subsidiaries in reporting progress, sorting out difficulties and formulating targeted solutions. At the same time, the Group has established a weekly report system for benefits coordination, set up key nodes and timeline of work progress, coordinated resources from various parties, and accelerated the implementation of projects, in an attempt to provide strong support for high-quality urban development.

In urban development, the efficient utilization of land resources and industrial upgrading are the key to stimulating economic and social vitality. In 2024, Terra Company recorded outstanding achievements in urban revitalization and industrial integration. Among which, Phase II of Chegongmiao First Revitalization Project has set a new benchmark for sustainable urban development while enhancing the capacity of regional industries with innovative land integration and spatial optimization.

# Phase II of Chegongmiao First Revitalization Project reshapes urban space and drives industrial integration

In 2024, Terra Company promoted the Phase II of Chegongmiao First Revitalization Project, aiming to create a mixed-use landmark with a combination of commercial, office and innovative industrial housing, and facilitate urban space optimization and industrial upgrading. The project is located in the Chegongmiao area of Futian District, which is conveniently adjacent to the metro stations and various transportation routes. The project covers an area of 28,219.8 m<sup>2</sup>, with a total gross floor area of 488,070 m<sup>2</sup>, a plot ratio of 11.3 and a capacity building area of 359,450 m<sup>2</sup>.

Leveraging on its efficient integration of land resources and creation of a cluster of ultra-high-rise buildings, the Phase II of Chegongmiao First Revitalization Project has not only significantly increased the commercial and industrial value of the region, but also set an innovative benchmark for sustainable urban development. The steady progress of the project will optimize the spatial layout of the city, promote industrial upgrading and integration, and significantly drive Shenzhen toward a modern, international and innovative city.



 Ground breaking ceremony of the Phase II of Chegongmiao First Revitalization Project

### 5.3 Rural Revitalization

Shenzhen Investment is deeply aware of the role of industrial revitalization in rural revitalization. The prosperous development of industries is the core driving force to promote the sustainable growth of rural economy and increase the income of farmers. As an important enterprise under Shenzhen Investment, Nongke Company fully leverages its professional advantages in the agricultural area, and actively explores effective ways to facilitate rural revitalization. It takes an industry-oriented approach as a key step to fully promote the implementation of rural revitalization strategies. According to the Agriculture Sub-Plan under the "14th Five-Year Plan" Strategic Plan, Nongke Company has accomplished all the established objectives with high-quality development, and has set a clear direction for the further development of the agricultural business.

#### High-tech agriculture as an auxiliary to support the leap-forward development of rural industries

By building the core competitiveness of high-tech agriculture and increasing the investment in science and technology research and development, Nongke Company promotes the high-quality development of high-tech agriculture in Shenzhen. The Group focuses on the research and development, planting, production and precise processing of high-end fruits and vegetables, builds a standardized system for production and processing of high-end agricultural products, and creates a "shopping basket" benchmark in two regions in phases.

At present, Xinfeng Modern Functional Agricultural Industrial Park has been successfully put into operation. As of December 2024, 3,300 mu of land had been transferred through various channels, and renovation of 1,300 mu of high-standard farmland has been under process. In particular, 80 mu of artichokes had been planted on a trial basis, with a production capacity of approximately 100,000 catties, which has been widely reported by the State-owned Assets Supervision and Administration Commission of Shenzhen Municipal, the Southern Rural News and other media. Through land transfer, renovation of high-standard farmland and planting of high-value-added crops, the project has driven farmers' income growth and promoted rural revitalization.

#### **B**looming new vitality of rural industries with flowers

With respect to the flower industry, Nongke Company strives to build a leading high-end flower enterprise in the two regions, continues to strengthen the industry leadership in the area of high-end flowers, and fully assists Shenzhen in building a "world-famous garden city". While promoting the development of the flower industry, the Group has brought new vitality to rural revitalization.

Since the grand opening, Xiangmihu Flower Wonderland has successfully hosted a number of important activities with its unique "Flowers +" characteristics, such as the Shenzhen Spring Festival Flower Fair in 2022 and 2023, the Shenzhen Flower Fair of the Guangdong-Hong Kong-Macao Greater Bay Area Flower Fair, and the Floral Installation Displays in Celebration of the 50th Anniversary of Sino-Dutch Diplomatic Relations, which have attracted a large number of citizens and tourists. This not only effectively enhances the popularity and influence of the project, but also brings significant economic benefits to flower farmers and provides strong support for rural revitalization. At the same time, Xiantao Flower Wonderland successfully organized the first Xiantao Flower Fair and New Year Shopping Festival, with the highest number of visitors per day reaching nearly 10,000 persons, providing positive contribution to local economic development and cultural exchanges. The organization of such activities not only promotes the development of the local tourism industry, but also accelerates the sales of local agricultural products, and increases the income of farmers.

#### Agri-tourism draws a new chapter of rural industrial revitalization

In respect of agri-tourism projects, Nongke Company has actively commenced the construction of Nan'ao • Four Seasons Pastoral, Xinfeng • Four Seasons Riverside Garden and Dapeng Seasons • Coastal Countryside, which are expected to bring new growth points for the local tourism and facilitate rural revitalization. STAD STUDT

# Nan'ao • Four Seasons Pastoral: A model of agri-tourism integration for rural revitalization

The Group implements the national strategy of rural revitalization, unwaveringly promotes the construction of the Provincial Committee's "Millions of Project", fully implements the pairing assistance task of Houzhai Town, Nan'ao County, Shantou City, and adheres to the assistance concept of "empowerment of state-owned enterprises, township and village linkage, and win-win situation for all parties" to provide the experience of agri-tourism project construction, aiming to achieve in-depth integration with the unique tourism resources of Nan'ao Island and create a Nan'ao • Four Seasons Pastoral agri-tourism integration project with craftmanship. With a total investment of approximately RMB65 million and an area of approximately 208 mu, the project is operated and managed by a joint venture company established by Nongke Company and Houzhai Town. Through the construction of highstandard farmland, empowerment of hi-tech agriculture, and creation of diversified scenarios for science, education, research, and tourism, the project has facilitated the pairing assistance to achieve a favorable situation in which the economic and social benefits are both enhanced, thereby significantly promoting rural revitalization.



Nan'ao • Four Seasons Pastoral

STUDY

A new ground for agri-tourism integration jointly built by Xinfeng • Four Seasons Riverside Garden and Agricultural Industrial Park

The architectural design of Xinfeng • Four Seasons Riverside Garden won the "Marks of Villages Creative Design Competition" Award of Excellence from the Ministry of Agriculture and Rural Affairs. The project was officially constructed in July. As of the end of 2024, the main structural works had been completed, and approximately 80% of the construction of roofing and outdoor comprehensive pipeline network had been accomplished. In 2024, Xinfeng • Agricultural Industrial Park covered a planting area of nearly 3,500 mu, and has successfully planted high-value crops such as artichokes and high oleic acid peanuts on a trial basis, with an annual output of more than 3 million catties of agricultural products.



Xinfeng • Four Seasons Riverside Garden

STUDY

# Dapeng Seasons • Coastal Countryside: Agricultural and tourism integration for rural revitalization

Dapeng Seasons • Coastal Countryside was included in the "Millions of Project" of Dapeng New District, Shenzhen. During its trial operation in 2024, the project cooperated with the Dapeng Seasons Farm, launched hundreds of business activities throughout the year, including science, research and study for primary and junior school students, group picking, etc., and received 100,000 tourists.



Dapeng Seasons • Coastal Countryside

### Social Responsibility, Commitments to Public Welfare

In addition, Nongke Company also actively participated in the construction of the first batch of modern marine farms in Shenzhen and made strategic deployment in the fishery industry. Since the signing of the "Strategic Cooperation Agreement on the Construction of Modern Marine Farms in Shenzhen" with the Planning and Natural Resources Bureau of Shenzhen Municipality in March 2023, Nongke Company has obtained the approval of the use rights of 83 hectares of sea area of Jiangmu Island in the Shenshan Special Cooperation Zone, which has laid a solid foundation for the subsequent development of the project, and is expected to make new contribution to the development of marine economy in Shenzhen as well as rural revitalization.



Planning and designing diagram of agricultural and science modernized ocean ranch

### **5.4 Social Participation**

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Adhering to the spirit of volunteer service of "dedication, friendly affection, mutual assistance and progress", Shenzhen Investment deeply devotes itself to public welfare. Through the Group's volunteer service team and Party members' volunteer service platform led by Party, we extensively carry out a variety of public welfare activities such as respecting and helping the elderly, planting trees and protecting greenery, cleaning up the environment, community free clinics, volunteer plogging and workstation on duty, so as to fulfill our social responsibility with practical actions, and provide support for co-building of the community.

• In 2024, the Group had 1,218 volunteers, with a total of 2,527 volunteer instances and a cumulative service duration of 11,097 hours.

### Migratory Party members demonstrated their commitment to serving the public

Shum Yip Operations led the migratory Party members to actively pioneer voluntary services, participate in grassroots governance, and contribute community development.

- Xinanxian (新岸線) and Noble Times (東晟時代) continued to carry out in-depth cooperation with neighborhood committees and enterprises, launching services for the convenience of the public on a quarterly basis, such as free haircuts, free clinics, small home appliance repairs, network communication Q&A services, and waste classification publicity, etc., so as to jointly build a happy community.
- Meilin Yicun (梅林一村) launched the "Learning from Lei Feng" campaign with the theme of "Contribution with the Warmth of Spring Breeze", demonstrating the spirit of Lei Feng in the new era with practical actions.
- Wanlin Lake (萬林湖) joined hands with the Party Committee of Wanlin Lake Community Neighborhood Committee to launch the activity of "Planting and Greening to Build an Ecological Homeland" in the Wanlin Lake community to achieve the philosophy of "Lucid Waters and Lush Mountains Are Invaluable Assets" through practical actions. It has also collaborated with the Huizhou Plogging Association for two consecutive years to launch public welfare plogging, combining jogging with public welfare to strive for being the "ecological guardian" of the urban environment.



• "Learning from Lei Feng" campaign

Planting and greening activity

Public welfare plogging

STUDY

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STUDY

# Insisting on building a hub to gather strengthens, enhance development, jointly accumulate advantages and raise quality

In June 2024, Jiangyin Shum Yip Research and Innovation Park successfully built a Party Service Center, and carried out co-building and cooperation with the management committee of the high-tech zone, in an attempt to create the "High-tech Red Cube" brand in the high-tech zone with the plaque named High-tech Zone Party Building Station. The Party Service Center aims to serve enterprises, enhance the cohesion of enterprises, and promote high-quality development of enterprises. It is equipped with the functions of project display area, Party members' activity area, negotiation area, book bar, coffee bar, etc. The center has organized Party member education, enterprise exchanges, roadshow training and other activities.



The book bar of the Party Service Center

# OUTLOOK

Looking ahead, we will uphold the development philosophy of "promoting stability through progress and fostering transformation through innovation with integrity," proactively addressing both internal and external challenges, continuously deepening our sustainable development strategy, and driving high-quality development through innovation. By advancing the modernization of corporate governance, optimizing resource allocation, inspiring talent vitality, and strengthening technological innovation, we are committed to reinforcing the foundation for robust corporate development while driving multidimensional and coordinated development in the economy, society, and environment, thereby contributing to society's sustainable development.

We will deepen our ESG management philosophy, strengthen risk control and compliance system development, and establish a comprehensive compliance management network. Guided by the principles of "flattening, lean management, and efficiency," we will optimize organizational control and strengthen integrity initiatives to solidify the foundation for sustainable development.

### Prioritizing quality and protecting interests

We will continue to focus on customer interests and product quality, improve our quality control system, and ensure health and safety. By advancing operational transformation and strategic innovations, we will focus on our core business, drive the steady development of our real estate business, and comprehensively enhance corporate value, customer satisfaction, and brand value.

### Green, low-carbon and ecological conservation

We integrate the ecological balance concept into our urban revitalization and projects, continuously advance green buildings and green technologies, strengthen environmental protection measures, and reduce resource consumption and greenhouse gas emissions to contribute to the realization of the national "dual-carbon" goal.

### Empowering talents to shape the future together

We will adhere to the philosophy of "putting virtue first and utilizing talents," improve the human resources management system, and optimize the talent selection and incentive mechanisms. By strengthening training and career development planning, we will enhance the quality of our talent pool and create a safe, healthy, fair, and respectful working environment for our employees.

### Building communities to foster inclusion

We will fulfill the responsibilities of a state-owned enterprise, actively engage in community building and rural revitalization, and increase our investments in public welfare and charity to promote the development of social undertakings. By creating a livable and business-friendly community environment, we will foster community inclusion and sustainable development, contributing to the creation of a harmonious society.

## Appendix I: List of Policies and Laws

ESG Indicators	Laws and regulations complied with	Internal Policy
	Law of the People's Republic of China on Environmental Protection (《中華人民共和國環境保護 法》) Law of the People's Republic of China on Appraising of Environment Impacts (《中華人民共和國環	Guidelines on Environmental Protection of Shenzh Investment Limited (《深圳控股有限公司環境保 指引》)
	境影響評價法》) Atmospheric Pollution Prevention and Control Law of the People's Republic of China(《中華人民共	Policy on Response to Climate Change of Shenzh Investment Limited (《深圳控股應對氣候變化
	和國大氣污染防治法》) Water Pollution Prevention and Control Law of the People's Republic of China(《中華人民共和國 水污染防治法》)	策》) Environmental Factors Operation Control Procedur (《環境因素運行控制程序》)
	Ocean Environmental Protection Law of the People's Republic of China (《中華人民共和國海洋環境保護法》)	Environmental Factors Identification and Assessme Management Procedures (《環境因素識別與評價
	Administrative Regulations of the People's Republic of China on the Prevention of Pollution and Damage of Marine Environment by Terrigenous Pollutant (《中華人民共和國防治陸源污染物污染 損害海洋環境管理條例》)	理程序》) Waste and Chemical Management Procedures (《廢 物及化學品管理程序》)
	Law of the People's Republic of China on Prevention and Control of Solid Waste Pollution (《中華人民共和國固體廢物污染環境防治法》)	Meteorological Disaster Emergency Response P (《氣象災害應急處置預案》)
	Regulations on Nature Reserve of the People's Republic of China (《中華人民共和國自然保護區條例》)	Security Protection Emergency Plan(《安全防範 急預案》)
	Law of the People's Republic of China on Land Management(《中華人民共和國土地管理法》) National Hazardous Waste Inventory(《國家危險廢物名錄》)	Typhoon Emergency Response Plan (《颱風應急處 預案》)
	Emission Standard of Environment Noise for Boundary of Construction Site (《建築施工場界環境 噪聲排放標準》)	Emergency Response Plan for Thunder and Stor (《雷電、暴雨應急處置預案》)
	Measures for the Management of Municipal Solid Waste(《城市生活垃圾管理辦法》) Policy on Hazardous Waste Pollution Control Technologies(《危險廢物污染防治技術政策》) Regulations of Guangdong Province on Environmental Management of Construction Projects(《廣	Emergency Response Plan for Heavy Fog, Haze, H Temperature and Cold Weather (《大霧、灰霾、 溫、寒冷天氣應急處置預案》)
	東省建設項目環境管理條例》) Regulations of Shenzhen Special Economic Zone on Ecological Environmental Protection(《深圳經	Emergency Response Plan for Collapse, Landslide Debris Flow(《崩塌、滑坡、泥石流應急處置
	濟特區生態環境保護條例》) Regulations of Shenzhen Special Economic Zone on Environmental Protection of Construction	案》) Implementation Plan for Reducing Pollution, Reduc
A. Environment	Project(《深圳經濟特區建設項目環境保護條例》) Regulations of Shenzhen Special Economic Zone on Noise Pollution Prevention and Control(《深圳 短速性原理性感费完美的论论体例》)	Carbon and Synergizing Efficiency (《減污降碳協 增效實施方案》)
	經濟特區環境噪聲污染防治條例》) Administrative Measures for Classification and Reduction of Domestic Waste in Shenzhen(《深圳市 生活垃圾分類和減量管理辦法》)	Energy conservation and Consumption Reduct Management System (《節能降耗管理制度》) Energy Conservation and Consumption Reduct
	GB/T 50640-2010 Green Construction Evaluation Standard for Building Engineering (《建築工程緣 色施工評價標準(GB/T 50640-2010)》)	Management System for Wondershine Reside (Trial) (《萬廈居業節能降耗管理制度(試行))
	Green Building Evaluation Standard (《綠色建築評價標準》) Ten Iron Rules for Promoting Garbage Classification Work in Shenzhen (《深圳市推進垃圾分類工作「鐵十條」》)	Management Measures for Energy Conservation Consumption Reduction by Terra Property (《泰然 業節能降耗管理辦法》)
	Implementation Opinions on Further Exerting the Advantages of Grass-roots Governance to Classify Domestic Waste in a Thorough, Careful and Practical Way(《關於進一步發揮基層治理優勢做深做 細做實生活垃圾分類工作的實施意見》)	Measures for the Asset Management of Centrali Operation Projects (《集中運營項目資產管理 法》)
	Incentive Measures for Shenzhen Household Waste Classification Work (《深圳市生活垃圾分類工作激勵辦法》)	Measures for the Management of Assets in Speciali Markets(《專業市場資產管理辦法》)
	Work Plan for Accelerating Energy Conservation and Carbon Reduction in the Construction Sector (《加快推動建築領域節能降碳工作方案》)	Emergency Plan for Flood Control, Drought Prevent and Typhoon(《防汛防旱防颱風應急預案》)
	Key Points of Ecological Civilization Construction Work of Shenzhen State-owned Assets and State- owned Enterprise for the Year of 2024 (《深圳市屬國資國企2024年度生態文明建設工作要	<b>Comprehensive Emergency Plans</b> (《突發事件綜合 急預案》)
	點》) Notice of the Housing and Construction Bureau of Shenzhen Municipality and the Urban Planning Land and Resources Commission of Shenzhen Municipality on Doing a Good Job in the	Regulations of Shenzhen Special Economic Zone or Noise Pollution Prevention and Control (《深圳經 特區環境噪聲污染防治條例》)
	Implementation of Prefabricated Construction Projects (Shen Jian Gui [2018] No. 13) (《深圳市住房和建設局深圳市規劃和國土資源委員會關於做好裝配式建築項目實施有關工作的通知》(深	Management Measures for Energy Conservation ar Consumption Reduction(《節能降耗管理辦法》
	建規[2018]13號)) Special Plan for Prefabricated Construction Development in Shenzhen City (2018-2020)(《深圳市	Measures for the Administration of Tendering and Procurement of Group Headquarters (《集團總部
	裝配式建築發展專項規劃(2018-2020)》) Shenzhen Carbon Peak Implementation Plan(《深圳市碳達峰實施方案》)	標採購管理辦法》) Implementation Rules for Strategic Procurement (《戰略採購實施細則》)

# Summary of Sustainability Development

ESG Indicators	Laws and regulations complied with	Internal Policy
B1. Employment	Labor Law of the People's Republic of China (《中華人民共和國勞動法》) Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) Law of the People's Republic of China on Employment Promotion (《中華人民共和國社會保險法》) Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) Provisions of the People's Republic of China on the Prohibition of the Use of Child Labor (《中華人 民共和國禁止使用童工規定》) Law of the People's Republic of China on the Protection of Minors (《中華人民共和國未成年人保 護法》) Standards on Minimum Wage (《最低工資規定》) Hong Kong Employment Ordinance (香港《雇傭條例》) Regulations on Corporate Democratic Management (《企業民主管理規定》)	Management Measures for Campus Recruitment (《校園招聘管理辦法》) Employee Remuneration Management System (《員 工薪酬管理制度》) Management System for Performance Appraisal of Staff (《員工績效考核管理制度》) Equity Incentive Plan (《股權激勵計劃》) Board Diversity Policy (《董事會成員多元化政 策》) Management System for Performance Appraisal of Staff from the Headquarters (《總部員工績效考核管 理制度》) Administrative Measures for the Selection and Appointment of the Middle Management (《中層管理 人員選拔任用管理辦法》) Measures for the Selection and Transfer for Vacant Positions in the Group Headquarters (《集團總部空 缺崗位選調辦法》) Occupational System and Rank Management Measures (《職業體系及職級管理辦法》) Administrative Measures for Mutual Aid Fund for Critical Diseases (《重大疾病互助基金管理辦法》)
B2. Health and Safety	Labor Law of the People's Republic of China(《中華人民共和國勞動法》) Fire Prevention Law of the People's Republic of China(《中華人民共和國第防法》) Work Safety Law of the People's Republic of China(《中華人民共和國安全生產法》) Prevention and Control of Occupational Diseases Law of the People's Republic of China(《中華人民 共和國職業病防治法》) Regulation on Work-related Injury Insurance of the People's Republic of China(《中華人民共和國 生傷保險條例》) Law of the People's Republic of China on Emergency Response(《中華人民共和國突發事件應對 法》) Provisions on the Supervision and Administration of Occupational Health in the Workplace(《工作 場所職業衛生監督管理規定》) Regulations on the Reporting, Investigation and Handling of Production Safety Accidents(《生產安 全事故報告和調查處理條例》) Interim Regulations for the Accident Investigation and Handling of Potential Safety Hazards in Workplace(《安全生產事故隱患排查治理暫行規定》) Occupational Disease Classification and Catalog(《職業病分類與目錄》) Certain Regulations on Fire Fighting in Guangdong Province(《廣東省消防工作若干規定》) General Rules for the Construction of Dual Prevention Mechanism for Shenzhen Enterprises(《深圳 市企業雙重預防機制建設通則》) Shenzhen Work Plan for Construction Safety Special Rectification Action in 2023(《2023年全市建 築施工安全生產事項整治行動工作方案》)	Safety Risk Classification and Control System (《安全 風險分級管控制度》)           Emergency Management Measures (《應急管理辦法》)           Accident Reporting and Investigation Management Measures (《事故報告與調查處理管理辦法》)           Safety Management System of the Group (《集團安全 管理制度體系》)           Safety Production Management Measures (《安全生 產管理制度》)           Production Safety Accident Management System (《生產安全事故管理制度》)           Safety Production File (including Electronic File)           Management System (《安全生產檔案(含電子檔 案)管理制度》)           Safety Production File (including Electronic File)           Management Measures for Small-scale Projects and Miscellaneous Operations (《小散工程和零星作 業安全管理辦法》)           Safety Management Requirements for High-Rise Buildings (《高層建築消防管理規定》)           Measures for the Management of Safety Production Assessment, Reward and Puninshment (《安全生產考 核獎懲管理辦法》)           Comprehensive Emergency Plan of the Group (《集團 史發事件綜合應急預案》)           Production Safety Accident Emergency Plan of the Group (《集團生產安全事故應急預案》)           Fire Accident Emergency Plan of the Group (《集團 火災事故應急預案》)

ESG Indicators	Laws and regulations complied with	Internal Policy
		Emergency Plan for Flood Control, Drought Prevention and Typhoon Prevention of the Group (《集團防汛防 旱防颱風應急預案》)
		Regulations on Safety Production Management Responsibilities of the Group (《集團安全生產管理 工作職責規定》)
		Safety Production Management Measures (《安全生 產管理辦法》)
		Measures for the Management of Safety Production Risks(《安全生產風險管理辦法》)
		Measures for the Management of Occupational Health (《職業健康管理辦法》)
		Measures for the Management of Work Safety Responsibilities(《安全生產職責管理辦法》)
		Administrative Measures for Withdrawal and Use of Work Safety Expenses(《安全生產費用提取和使用 管理辦法》)
		Measures for the Management of Safety Education Training(《安全教育培訓管理辦法》)
		Measures for the Management of Safety Inspection and Assessment of Operation Service and Property Management Projects(《運營服務及物業管理項目 安全檢查評價管理辦法》)
B2. Health and Safety		Measures for the Management of Safety Inspection
		and Assessment of Construction Projects(《建設工程 項目安全檢查評價管理辦法》)
		Management Measures for Safe Production
		Assessment, Rewards and Punishment at the Headquarters(《本部安全生產考核獎懲管理辦 法》)
		Measures for the Management of Safety Production Inspection and Potential Hazard Investigation(《安 全生產檢查和隱患排查管理辦法》)
		Measures for the Management of Safety Inspection and Assessment of Construction Projects(《建設工程
		項目安全檢查評價管理辦法》) Measures for the Management of Safety Inspection
		and Assessment of Operation Service and Property Management Projects(《運營服務及物業管理項目
		安全檢查評價管理辦法》) Measures for the Administration of the Construction
		of Safety Production Culture(《安全生產文化建設管 理辦法》)
		Measures for the Management of Safety Education
		Training(《安全教育培訓管理辦法》) 2024 Work Safety Training Plan(《2024年安全生產 培訓計劃》)

# Summary of Sustainability Development

ESG Indicators	Laws and regulations complied with	Internal Policy
B3. Development and Training	Regulations on the Selection and Appointment of Party and Government Leading Cadres (《黨政領 導幹部選抜任用工作條例》) Regulations on the Management of Leaders of Shenzhen Municipal Enterprises (《深圳市市管企業 領導人員管理規定》) Measures on Examining the Political Performance of Cadres (Shen Zu Tong [2022] No. 38)(《關於 考准考實幹部政治表現的辦法》(深組通[2022]38號))	Measures for Management of the Trainings of the Group (《集團培訓工作管理辦法》) Administrative Measures for the Selection and Appointment of the Management (《管理人員選拔任 用管理辦法》) Administrative Measures for Internal Talents Selection (《內部人才選拔辦法》) Methods for Selecting and Transferring Vacant Posts at Headquarter (《總部空缺崗位選調辦法》) Administrative Measures for the Selection and Appointment of the Middle Management (《中層管理 人員選拔任用管理辦法》) "Shen Drive" Measures for Development and Management of Talents of the Group (《集團「深動 力」人才發展與管理辦法》) Administrative Measures for New Employee Mentor Training of the Group (《集團新員工導師培養管理辦 法》) Rules for Assessment during New Employee Mentor Training Period of the Group (《集團新員工導師培養 期考核細則》) Occupational System and Rank Management Measures (Interim) (《職業體系及職級管理暫行辦法》) Measures for Management of the Trainings of the Group (《集團培訓工作管理辦法》)
B4. Labor Standards	International Covenant on Economic, Social and Cultural Rights (《經濟、社會和文化權利國際公約》) International Covenant on Civil and Political Rights (《公民權利和政治權利國際公約》) Labor Law of the People's Republic of China (《中華人民共和國勞動法》) Provisions on the Prohibition of the Use of Child Labor (《禁止使用童工規定》) Law of the People's Republic of China on the Protection of Minors (《中華人民共和國未成年人保 護法》) International Labor Standards (《國際勞工標準》) Regulations on Corporate Democratic Management (《企業民主管理規定》) Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》)	
B5. Supply Chain Management	Law of the People's Republic of China on Tenders and Bids (《中華人民共和國招標投標法》) Administrative Measures of the State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipal for Engagement of Intermediaries (《深圳市人民 政府國有資產監督管理委員會選聘中介機構管理辦法》) Guiding Opinions of the State-owned Assets Supervision and Administration Commission of Shenzhen Municipal Enterprises (for Trial Implementation) (深圳市國資委《關於進一步加強 市屬企業採購綜合監管的指導意見(試行)》) Notice on Implementing Unified Issuance of Procurement Information within Municipal State-owned Enterprises of Shenzhen (《關於在深圳市屬國企實行採購信息統一發佈的通知》) Regulations for the Implementation of the Bidding Law of the People's Republic of China (《中華人 民共和國招標投標法實施條例》) Notice of the State-owned Assets Supervision and Administration Commission of Shenzhen Municipality on Implementing Unified Issuance of Procurement Information within Municipal State- owned Enterprises of Shenzhen (深圳市國資委《關於企業圳市屬國企實行採購信息統一發佈的通知》)	Guidelines for the Supervision of Tendering and Procurement(《招標採購監督工作指引》) Administrative Measures for Engagement of Intermediaries(《選聘中介機構管理辦法》) Management Measures for Bid Evaluation Expert Pool for Major Bidding Projects (Interim)(《重要招採項 目評標專家庫管理辦法(暫行)》) Measures for the Administration of Tendering and Procurement(《招標採購管理辦法》) Measures for Management of Supplier's Warehouse (《供方庫管理辦法》) Code of Conduct of Suppliers(《供應商行為準 則》) Measures to Prevent Staff Conflicts of Interests(《防 止工作人員利益衝突的辦法》) Measures for Supplier Inspection and Performance Evaluation(《供應商考察及履約評價辦法》)

ESG Indicators	Laws and regulations complied with	Internal Policy
B6. Product Responsibility	Trademark Law of the People's Republic of China(《中華人民共和國商標法》) Advertisement Law of the People's Republic of China(《中華人民共和國廣告法》) Patent Law of the People's Republic of China(《中華人民共和國定告法》) Copyright Law of the People's Republic of China(《中華人民共和國定法典》) Personal Information Protection Law of the People's Republic of China(《中華人民共和國定法典》) Construction Law of the People's Republic of China(《中華人民共和國定法典》) Fire Prevention Law of the People's Republic of China(《中華人民共和國定法典》) Law of the People's Republic of China on Product Quality(《中華人民共和國濟話 and Interests(《中華人 民共和國消費者權益保護法》) Network Security Law of the People's Republic of China(《中華人民共和國網路安全法》) Law of the People's Republic of China on Product Quality(《中華人民共和國網路安全法》) Law of the People's Republic of China on Urban Real Estate Management(《中華人民共和國城市 房地產管理法》) Opinions of the General Office of the State Council on Promoting Healthy Growth of Construction Industry(國務院證公題《關於代力發展裝配式違案的指導意見》) Outions of the General Office of the State Council on Vigorously Developing Prefabricated Buildings(關於於力發展裝配式違案的指導意見》) Notice of the State Council on Housing Industry (國務院辦公題《關於代力發展裝配式違案的指導意見》) Opinions of the General Office of He State Council on Vigorously Developing Prefabricated Buildings(關於於企進房地產市場持續健康發展的通知》) Opinions on Promoting the Modernization of Housing Industry and Improving Housing Quality(《關 於推進住宅產業現代化提高住宅質量的若干意息》) Management Measures for One - and Two-Star Eco-friendly Building Identification Logo (for Trial Implementation)(《在二星聚绕色違葉評價標識管理辦法(試行)》) Detailed Rules for Implementation of Eco-friendly Building Identification Logo (Revised Trial Implementation)(《全違葉評價標識實施出 Standard (《经色建築評價標準GB/T 50378-2019) ( B67 50378-2019 Green Construction Evaluation Standard (《经色建課評價標準GB/T 50378-2019)) CB 50368-2005 Residential Building Code (〈住宅裡菜類範疇 Eso368-2005)) Regulations on Quality Management of Quality of Construction Projects(《建設工程質量管理條例) Provisions on Supervision and Management of Quality of Construction Projects(《建設工程質量管理條例) Provisions on Supervision and Management of Quality of Construct	Marketing Management Measures (《營銷管理辦 法》) Measures for Regulating the Sales (《銷售管理辦 法》) Standard Manual of Property Service Center (《物業 服務中心標準手冊》) Sales Management System and Regulations (《銷售 管理制度及條例》) Property City Enterprise Standard System (《物業城 市企業標準體系》) Measures for the Administration of Intellectual Property (《知識產權工作管理辦法》) Engineering Quality Management Measures (《工程質 量管理辦法》) Real Estate Project Delivery Quality Control Work Guidelines (Residential and Apartment Types) (《房地 產項目交付品質管控工作指引(住宅、公寓類)》) Guidelines for Quality Assessment of Construction Engineering Projects (《建設工程項目質量評估工作 指引》) Project Quality Control Operation Guidelines (《工程 質量管控作業指引》) Real Estate Sales Price Management Measures (《房 地產銷售價格管理辦法》) Guidelines for Customer Service Management of Real Estate Projects (《房地產項目客戶服務管理工作指引(準業主階段)》) 65 Customer Relationship Management Measures (『房地產 項目客戶服務管理辦法(試行)》) Customer Relationship Management Measures (Trial) (《客 戶服務管理辦法(試行)》) Customer Relationship Management System (《客戶 關係管理制度》) Risk Warnings for Home Purchases (《購房風險提 示》) Office Automation System Operation and Maintenance Maagement Measures (《辦公自動化系統運行維護 管理辦法》) Guidelines for Marketing Inspection of Real Estate Projects (《房地產項目營銷巡檢工作指引》) Cybersecurity Incident Emergency Plan (《網絡安全 事件應急預案》) Data Classified and Hierarchical Management Measures (《數據分類分級管理辦法》)

# Summary of Sustainability Development

ESG Indicators	Laws and regulations complied with	Internal Policy
B7. Anti-corruption	Company Law of the People's Republic of China(《中華人民共和國公司法》) Securities Law of the People's Republic of China(《中華人民共和國反進援法》) Anti-money Launoft the People's Republic of China(《中華人民共和國反進憲法》) Anti-monoply Law of the People's Republic of China(《中華人民共和國反不正當競爭 法》) Interim Provisions on Banning Commercial Bribery(《關於禁止商業賄賂行為約暫行規定》) Law of the People's Republic of China (《中華人民共和國犯標投標法》) Rules Governing the Listing of Securities on the Stock Exchange(聯交所《證券上市規則》) Companies Ordinance(《公司條例》) Securities and Futures Ordinance(《證券及期資條例》) Procedures for Handling Petitioning and Reporting(《信諧舉報辦理規程》) Rules Governing the Listing of Securities on the Stock Exchange(聯合》) Securities and Futures Ordinance(《證券及期資條例》) Procedures for the Andling Petitioning and Reporting(《信諧舉報辦理規程》) Rules Governing the Listing of Securities on the Stock Exchange(關於進一步加強 市屬企業採購處理通報規則》) Guiding Opinions of the State-owned Assets Supervision and Administration Commission of Shenzhen Municipality on Further Strengthening the Construction of Sixin-One Supervision of the Procurement of Municipal Enterprises (for Trial Implementation)(深圳市國資委《關於進一步加強 市屬企業採購線合監管的指導意見(試行》)) Guiding Opinions of the State-owned Assets Supervision and Administration Commission of Shenzhen Municipality on Further Strengthening the Construction of Sixin-One Supervision System (深圳市國資委《關於進一步加強市屬國企六位一體監督證推導意見》) Criminal Law of the People's Republic of China(个单本人民共和國刑事訴訟法》) Law of the People's Republic of China(个单本人民共和國刑事訴訟法》) Criminal Law of the People's Republic Of China(个单本人民共和國刑事訴訟法》) Law of the People's Republic of China (个单本人民共和國刑事訴認法》) Criminal Law of the People's Republic of China(个单本人民共和國刑事訴訟法》) Criminal Law of the People's Republic of China(个单本人民共和國刑事訴訟法》) Criminal China State-withen and Accusation by Disciplinary Inspection and Supervision Agencies (紀始語傳送 Of Windtleblowers and Accusation by Disciplinary Inspection and Supervision Agencies (紀檢監察機關處理檢舉控告工作規則》) Certain Provisions on Prohibiting the Infringement of Business Secrets (《關於禁止侵犯商業必管 行為的若干規定》)	Articles of Association(《公司章程》) Implementation Rules for Internal Control of the Group(《集團內部控制實施細則》) Measures for Implementation of Integrity Audit Work (《廉政審核工作實施辦法》) Whistle-blowing Policy of Shenzhen Investment(《深 圳控股舉報政策》) Measures for the Management of Whistleblower Case (《問題線索管理辦法》) Interim Measures for the Management of Internal Audit(《內部審計工作管理暫行辦法》) Overseas/Remote Integrity Risk Prevention and Control Measures (《境外/異地廉潔風險防控辦 法》) Management Measures for "Three-Major and One- Large" Decision-Making(《「三重一大」決策管理辦 法》) Implementation Measures for Pursuing Accountability for Illegal Operations and Investment Due Diligence Compliance and Liability Exemptions(《經 營投資畫職合規免責工作指引》) Measures to Prevent Staff Conflicts of Interests(《防 止工作人員利益衝突的辦法》) Implementation Measures for the Enhancement of Promoting Rectification by Cases(《加強以案促改工 作實施辦法》) Policy on Anti-corruption and Bribery(《反貪污及財 路政策》) Code of Business Ethics(《商業道德準則》) Measures for Anti-bribery Compliance Management (《反賄賂合規管理辦法》) Guidelines for Whistle-blowing on Compliance(《合 規舉報指南》) Guidelines for Whistle-blowing on Compliance(《合 規舉報指南》) Guidelines for Shareholders to Nominate Persons for Election as Directors' Authorization Guidelines(《董事 會授權指引》)

ESG Indicators	Laws and regulations complied with	Internal Policy
B7. Anti-corruption		List of Major Compliance Risks (《主要合規風險一覽 表》) Compliance Manual for the Performance of Duties by Departments (《部門履職合規手冊》) Shareholder Communication Policy (《股東通訊政 策》) Measures for the Management of Internal Audit (《内 部審計管理辦法》) Measures for the Management of Post-evaluation of Investment Projects (《投資項目後評價管理辦法》) 2023 Annual Evaluation Report on the Internal Control and Risk Management System of Shenzhen Investment (《2023年度深圳控股內部控制及風險管理系統評 價報告》) Measures for the Prevention and Control of Integrity Risks of Off-site Projects (《異地項目廉潔風險防控 辦法》) Related Party Transaction Management Measures (《關聯交易管理辦法》) Joint Meeting System of the United Supervision Committee of the Group (《集團聯合監督委員會聯席 會議制度》)
B8. Community Investment	Greening Ordinance of Shenzhen Special Economic Zone (《深圳經濟特區綠化條例》) Opinions of the General Office of the State Council on Accelerating the Development of Affordable Rental Housing (國務院辦公廳《關於加快發展保障性租賃住房的意見》) Agriculture Sub-Plan under the "14th Five-Year Plan" Strategic Planning (《"十四五"戰略規劃農業 子規劃》)	

### **Appendix II: Key Performance Indicator List**

### **Environmental Data<sup>1</sup>**

			2024	2023	2022
A1	Emissions				
A1.1	Types of emissions and respective emi	ssions data²			
	Nitrogen oxide (NOx) emissions	Kilogrammes	4,124.65	5,580.77	6,456.01
	Sulphur oxides (SOx) emissions	Kilogrammes	8.66	10.25	7.99
	Particulate matter emissions	Kilogrammes	395.22	534.75	618.61
A1.2	Greenhouse gas emissions and intensi	ty <sup>3</sup>			
	Scope 1: greenhouse gas emissions	tCO₂eq	6,711.57	5,941.03	5,321.50
	Scope 2: greenhouse gas emissions	tCO₂eq	68,085.98	61,332.91	38,271.04
	Total greenhouse gas emissions	tCO₂eq	74,797.55	67,273.94	43,592.54
	Greenhouse gas emissions intensity	tCO₂eq/HK\$ million	4.80	4.25	1.39
A1.3	Total hazardous waste produced and i	ntensity <sup>4</sup>			
	Abandoned electrical and electronic				
	equipment	Sets	959	1,306	667
	Printer cartridge used	Units	3,834	4,679	4,027
	Fluorescent tubes or energy-				
	saving lamps with mercury	Tubes	15,612	19,282	17,251
	Total hazardous waste	Kilogrammes	11,851.82	14,885.52	11,904.86
	Hazardous waste intensity	Kilogrammes/HK\$ million	0.76	0.94	0.38

<sup>1</sup> Scope of statistics:

a) The scope of statistics of 2024 includes the office areas of the Shenzhen Investment Group's headquarters, the office, construction and operation areas of its subsidiaries and project companies.

b) The statistical scope of the Group's ESG data indicators remains consistent for the past three years, and for each year the ESG data online collection platform is adopted for data collection.

Reference for calculation:

a) The disclosed values of greenhouse gas emissions include the consumption of gasoline, diesel, liquefied petroleum gas, natural gas, purchased heat and purchased electricity. Scope 1 emission factors are calculated with reference to the 'Appendix 2: Reporting Guidance on Environmental KPIs' of the Stock Exchange and the 'GHG Protocol'; and for Scope 2, the greenhouse gas emission factors of power grid in Chinese Mainland are calculated with reference to the "Announcement on the Release of the Electricity Carbon Dioxide Emission Factor for 2022" (《关于发布2022年电力二氧化碳排放因子的公告》) of the Ministry of Ecology and Environment and the National Bureau of Statistics of China, the emission factors of power grid in the Special Administrative Region of Hong Kong, the PRC are calculated with reference to the 'Appendix 2: Reporting Guidance on Environmental KPIs' of the Stock Exchange, and the greenhouse gas emission factor of purchased heat is calculated with reference to the 'CO<sub>2</sub> Emissions Accounting and Reporting Requirements-Other Industries' (DB11T 1787-2020).

b) The energy consumption values include the consumption of gasoline, diesel, liquefied petroleum gas, natural gas, purchased heat and purchased electricity, the relevant factors of which are calculated with reference to the 'General Principles for Calculation of the Comprehensive Energy Consumption of China' (GB/T 2589-2020).

<sup>2</sup> The emissions mainly include the exhausts from the use of official vehicles of Shenzhen Investment. The emission data of official vehicles are calculated pursuant to the 'Appendix 2: Reporting Guidance on Environmental KPIs' of the Stock Exchange.

<sup>3</sup> The Scope 1 greenhouse gas emissions mainly include the direct greenhouse gas emissions from the fossil fuels (e.g. gasoline, diesel oil and natural gas) consumed during the office, construction and operation process of the Group. The formula for the calculation of the main greenhouse gas emissions from fossil fuel consumption is: carbon dioxide emissions from fossil fuel combustion = fuel consumption × emission factors. The Scope 2 greenhouse gas emissions mainly include the indirect greenhouse gas emissions from the purchased electricity and heat consumed during the office, construction and operation processes of the Group. For the calculation of greenhouse gas emissions in 2024, 0.5366 kg CO<sub>2</sub>/kWh is adopted as the emission factor for purchased electricity in Chinese Mainland, 0.37 kg CO<sub>2</sub>/kWh is adopted as the emission factor for purchased electricity in Hong Kong SAR, China and 0.11 tCO<sub>2</sub>/GJ is adopted for purchased heat.

<sup>4</sup> The hazardous wastes mainly include the waste electronics & electrical appliances, mercury-containing fluorescent lamps and other hazardous wastes generated during the office and operation process of the Group.

			2024	2023	2022
A1	Emissions				
A1.4	Total non-hazardous waste produced a	nd intensity⁵			
	Wastepaper	Tonnes	217.50	180.58	186.06
	Construction waste	Tonnes	148,812.96	88,621.65	62,299.44
	Kitchen waste	Tonnes	1,390.65	655.78	597.94
	Total non-hazardous waste	Tonnes	150,421.11	89,458.01	63,083.44
	Non-hazardous waste intensity	Tonnes/HK\$ million	9.66	5.65	2.00
A1.5					
	Electrical and electronic equipment (e.g	•			
	computer) recycled	Sets	596	1,093	1,580
A1.6	Total non-hazardous wastes recycled <sup>6</sup>				
	Metals recycled	Kilogrammes	57,569.86	4,768.80	91,235.00
	Plastic recycled	Kilogrammes	20,227.68	19,739.26	14,721.00
	Glass recycled	Kilogrammes	60,760.03	103,254.52	54,376.10
	Wastepaper recycled	Kilogrammes	57,260.32	83,108.10	44,435.37
	Reinforcing steel recycled	Tonnes	675.62	1,327.82	5,968.07
	Earth recycled	Cubic metres	176,005.14	152,978.00	645,677.26
A2	Use of Resources				
	Deiaka	Cubic metres	107 (0711	150 000 01	
	Bricks	Cubic metres	106,687.11	150,898.01	1,123,570.88
	Concrete	Cubic metres	968,002.15	150,898.01 1,154,341.34	1,123,570.88 1,820,242.59
			,	'	
	Concrete	Cubic metres	968,002.15	1,154,341.34 155,051.60 34,191.92	1,820,242.59
	Concrete Reinforcing steel	Cubic metres Tonnes	968,002.15 114,671.61	1,154,341.34 155,051.60	1,820,242.59 200,848.26
A2.1	Concrete Reinforcing steel Stones Timber	Cubic metres Tonnes Tonnes Tonnes	968,002.15 114,671.61 244,968.12	1,154,341.34 155,051.60 34,191.92	1,820,242.59 200,848.26 77,159.93
A2.1	Concrete Reinforcing steel Stones Timber	Cubic metres Tonnes Tonnes Tonnes	968,002.15 114,671.61 244,968.12	1,154,341.34 155,051.60 34,191.92	1,820,242.59 200,848.26 77,159.93
A2.1	Concrete Reinforcing steel Stones Timber Energy consumption in total and intens	Cubic metres Tonnes Tonnes Tonnes Sity	968,002.15 114,671.61 244,968.12 34,210.98	1,154,341.34 155,051.60 34,191.92 45,176.65	1,820,242.59 200,848.26 77,159.93 45,224.40
A2.1	Concrete Reinforcing steel Stones Timber Energy consumption in total and intens Gasoline	Cubic metres Tonnes Tonnes Tonnes ity Litres	968,002.15 114,671.61 244,968.12 34,210.98 545,119.93	1,154,341.34 155,051.60 34,191.92 45,176.65 631,588.16	1,820,242.59 200,848.26 77,159.93 45,224.40 460,783.45
A2.1	Concrete Reinforcing steel Stones Timber Energy consumption in total and intens Gasoline Diesel oil	Cubic metres Tonnes Tonnes Tonnes Sity Litres Litres	968,002.15 114,671.61 244,968.12 34,210.98 545,119.93 40,066.04	1,154,341.34 155,051.60 34,191.92 45,176.65 631,588.16 60,092.38	1,820,242.59 200,848.26 77,159.93 45,224.40 460,783.45 75,430.84
A2.1	Concrete Reinforcing steel Stones Timber Energy consumption in total and intens Gasoline Diesel oil Liquefied petroleum gas	Cubic metres Tonnes Tonnes Tonnes Sity Litres Litres Kilogrammes	968,002.15 114,671.61 244,968.12 34,210.98 545,119.93 40,066.04 38,913.37	1,154,341.34 155,051.60 34,191.92 45,176.65 631,588.16 60,092.38 30,672.65	1,820,242.59 200,848.26 77,159.93 45,224.40 460,783.45 75,430.84 47,797.00
A2.1	Concrete Reinforcing steel Stones Timber Energy consumption in total and intens Gasoline Diesel oil Liquefied petroleum gas Natural gas	Cubic metres Tonnes Tonnes Tonnes Sity Litres Litres Kilogrammes Cubic metres	968,002.15 114,671.61 244,968.12 34,210.98 545,119.93 40,066.04 38,913.37 2,406,322.18	1,154,341.34 155,051.60 34,191.92 45,176.65 631,588.16 60,092.38 30,672.65 1,942,863.98	1,820,242.59 200,848.26 77,159.93 45,224.40 460,783.45 75,430.84 47,797.00 1,867,023.48
A2.1	Concrete Reinforcing steel Stones Timber Energy consumption in total and intens Gasoline Diesel oil Liquefied petroleum gas Natural gas Purchased heat	Cubic metres Tonnes Tonnes Tonnes Sity Litres Litres Kilogrammes Cubic metres Megajoules	968,002.15 114,671.61 244,968.12 34,210.98 545,119.93 40,066.04 38,913.37 2,406,322.18 226,349.02	$1,154,341.34\\155,051.60\\34,191.92\\45,176.65\\631,588.16\\60,092.38\\30,672.65\\1,942,863.98\\162,513.49$	1,820,242.59 200,848.26 77,159.93 45,224.40 460,783.45 75,430.84 47,797.00 1,867,023.48 170,420.00
A2.1	Concrete Reinforcing steel Stones Timber Energy consumption in total and intens Gasoline Diesel oil Liquefied petroleum gas Natural gas Purchased heat Total power consumption	Cubic metres Tonnes Tonnes Tonnes Litres Litres Kilogrammes Cubic metres Megajoules Kilowatt hours	968,002.15 114,671.61 244,968.12 34,210.98 545,119.93 40,066.04 38,913.37 2,406,322.18 226,349.02 126,849,284.69	$1,154,341.34\\155,051.60\\34,191.92\\45,176.65\\631,588.16\\60,092.38\\30,672.65\\1,942,863.98\\162,513.49\\107,526,459.57$	1,820,242.59 200,848.26 77,159.93 45,224.40 460,783.45 75,430.84 47,797.00 1,867,023.48 170,420.00 67,087,000.73
A2.1	Concrete Reinforcing steel Stones Timber Energy consumption in total and intens Gasoline Diesel oil Liquefied petroleum gas Natural gas Purchased heat Total power consumption Total energy consumption Energy consumption intensity Total non-fossil energy consumption	Cubic metres Tonnes Tonnes Tonnes Litres Litres Kilogrammes Cubic metres Megajoules Kilowatt hours Megawatt hours Megawatt hours Megawatt hours	968,002.15 114,671.61 244,968.12 34,210.98 545,119.93 40,066.04 38,913.37 2,406,322.18 226,349.02 126,849,284.69 156,502.19	$1,154,341.34\\155,051.60\\34,191.92\\45,176.65\\631,588.16\\60,092.38\\30,672.65\\1,942,863.98\\162,513.49\\107,526,459.57\\133,439.11$	1,820,242.59 200,848.26 77,159.93 45,224.40 460,783.45 75,430.84 47,797.00 1,867,023.48 170,420.00 67,087,000.73 91,115.66
A2.1	Concrete Reinforcing steel Stones Timber Energy consumption in total and intens Gasoline Diesel oil Liquefied petroleum gas Natural gas Purchased heat Total power consumption Total energy consumption Energy consumption intensity	Cubic metres Tonnes Tonnes Tonnes Sity Litres Litres Kilogrammes Cubic metres Megajoules Kilowatt hours Megawatt hours Megawatt hours	968,002.15 114,671.61 244,968.12 34,210.98 545,119.93 40,066.04 38,913.37 2,406,322.18 226,349.02 126,849,284.69 156,502.19 10.05	1,154,341.34 155,051.60 34,191.92 45,176.65 631,588.16 60,092.38 30,672.65 1,942,863.98 162,513.49 107,526,459.57 133,439.11 4.23	1,820,242.59 200,848.26 77,159.93 45,224.40 460,783.45 75,430.84 47,797.00 1,867,023.48 170,420.00 67,087,000.73 91,115.66

<sup>&</sup>lt;sup>5</sup> The non-hazardous wastes mainly include the wastepaper, construction waste, kitchen waste and other non-hazardous wastes generated during the office and operation process of the Group. As some construction projects entered a concentrated construction phase in 2024, the construction waste generated increased compared with previous years.

<sup>&</sup>lt;sup>6</sup> Shenzhen Investment is committed to recycling wastes (e.g. glasses and metals) that can be reused in the office, operation and construction process. In 2024, some wastes had an increased recycling volume as a result of the concentrated commencement of construction of a number of projects.

			2024	2023	2022
A2	Use of Resources				
A2.2	Water consumption and intensity <sup>7</sup> Total water consumption Water consumption intensity Others Number of environmental violations and incompliances	Cubic metres Cubic metres/HK\$ million Cases	4,514,465.96 290.00 0	2,544,472.95 160.72 0	2,805,269.17 88.94 -

### **Social Data**

			2024	2023	2022
B1.	Employment				
B1.1	Total workforce by gender, employment type, age gro	up and			
	geographical region				
	Total employees	Persons	18,710	20,445	21,205
	By gender				
	Male	Persons	11,790	12,787	13,161
	Female	Persons	6,920	7,658	8,044
	By rank				
	Senior management	Persons	64	67	62
	Middle management	Persons	378	364	355
	Grassroots employees	Persons	18,268	20,014	20,788
	Male senior management members	Persons	51	54	52
	Female senior management members	Persons	13	13	10
	Male middle management members	Persons	289	271	273
	Female middle management members	Persons	89	93	82
	Proportion of male senior management members	%	79.69	80.60	83.87
	Proportion of female senior management members	%	20.31	19.40	16.13
	Proportion of male middle management members	%	76.46	74.45	76.90
	Proportion of female middle management members	%	23.54	25.55	23.10
	By education level				
	Doctor	Persons	8	9	12
	Master	Persons	624	625	616
	Bachelor	Persons	2,942	2,973	2,786
	Tertiary or below	Persons	15,136	16,838	17,791
	By age group				
	29 and below in total	Persons	2,602	3,084	3,251
	30-49 in total	Persons	8,863	9,547	9,542
	50 and above in total	Persons	7,245	7,814	8,412
	By geographical region				
	Chinese Mainland	Persons	18,691	20,424	21,151
	Hong Kong, Macau and Taiwan	Persons	17	20	47
	Overseas	Persons	2	1	7
	By employment type				
	Full-time	Persons	18,685	20,418	21,205
	Part-time	Persons	25	27	0
	By other type				
	Disabled employees	Persons	49	42	28

<sup>7</sup> The scope of statistics of water consumption includes engineering water and domestic water in the office, construction and operation process of the Group.

			2024	2023	2022
B1.	Employment				
B1.2	Employee turnover rate by gender, age group and				
	geographical region Employee turnover rate <sup>8</sup>	%	32.67	33.20	31.33
	By gender	%	32.07	33.20	51.55
	Male	%	30.70	33.67	29.18
	Female	%	36.03	32.42	34.83
	By age group				
	29 and below	%	43.31	48.35	41.06
	30-49 50 and above	% %	20.56 43.66	23.10 39.57	23.62 36.31
	By geographical region	70	45.00	59.57	50.51
	Chinese Mainland	%	32.70	33.22	31.37
	Hong Kong, Macau and Taiwan	%	17.65	20.00	10.64
	Overseas	%	0.00	0.00	28.57
B2.	Health and Safety				
B2.1	Number and rate of work-related fatalities				
	Number of work-related fatalities	Persons	0	0	0
	Rate of work-related fatalities Number of accidents involving serious injuries and fataliti	%	0.00	0.00	0.00
	among construction contractors	Cases	2	1	0
B2.2	-	Cases	L	1	0
	Number of injured employees	Persons	49	34	58
	Rate of injured employees	%	0.26	0.17	0.27
	Lost days due to work injury	Days	4,263.5	4,298	2,324
	Number of safety emergency drills	Drills	1,837	3,435	2,696
	Lost hours due to work injury	Hours	33,924.00	36,952.00	18,588.00
B3.	Development and Training				
B3.1	Number of employees trained				
	Total employees trained	Person-time	110,679	101,002	110,737
	By gender	Damage times	(( 010	50.442	(0.000
	Male Female	Person-time Person-time	66,918 43,761	59,443 41,559	68,999 41,738
	By employee category	F CI SUII-LIIIIC	45,701	41,009	41,700
	Senior management	Person-time	318	310	256
	Middle management	Person-time	1,503	1,469	2,643
	Grassroots employees	Person-time	108,858	99,223	107,838

 <sup>&</sup>lt;sup>8</sup> Employee turnover includes regular employees who resign or terminate employment due to dismissal, retirement or death. The calculation method of employee turnover rate: employees of the group who left in the year/employees of the group at the end of the year x 100%.
 <sup>9</sup> The statistical scope of work-related injury data covers the full-time employees of Shenzhen Investment. Such data sources from work-related injuries recorded

<sup>&</sup>lt;sup>9</sup> The statistical scope of work-related injury data covers the full-time employees of Shenzhen Investment. Such data sources from work-related injuries recorded by the human resources department and identified by the local Human Resources and Social Security Bureau. The types of work-related injuries mainly include injuries at work and on the way to work. All work-related injuries have been properly dealt with.

			2024	2023	2022
B3.	Development and Training				
B3.2	Total training hours				
	Total training hours	Hours	294,635.10	338,685.45	426,849.70
	Average training hours	Hours/persons	15.75	16.57	20.13
	By gender				
	Training hours of male employees	Hours	184,985.50	218,677.24	266,818.40
	Average training hours of male employees	Hours/persons	15.69	17.10	20.27
	Training hours of female employees	Hours	109,649.60	120,008.21	160,034.30
	Average training hours of female employees	Hours/persons	15.85	15.67	19.89
	By employee category				
	Training hours of senior management	Hours	2,673.00	3,700.00	1,393.00
	Average training hours of senior management	Hours/persons	41.77	55.22	22.47
	Training hours of middle management	Hours	7,953.50	8,945.66	19,159.50
	Average training hours of middle management	Hours/persons	21.04	24.58	53.97
	Training hours of grassroots employees	Hours	284,008.60	326,039.79	406,297.20
	Average training hours of grassroots employees	Hours/persons	15.55	16.29	19.54
B5.	Supply Chain				
B5.1	Number of suppliers by geographical region				
	Total number of suppliers	Suppliers	3,313	2,760	2,926
	Professional service suppliers				
	Guangdong Province	Suppliers	1,590	1,008	1,354
	Chinese Mainland (ex-Guangdong Province)	Suppliers	703	431	582
	Hong Kong, Macau and Taiwan	Suppliers	24	20	16
	Overseas	Suppliers	1	1	2
	New professional service suppliers for the year	Suppliers	459	281	253
	Engineering suppliers				
	Guangdong Province	Suppliers	679	1,113	636
	Chinese Mainland (ex-Guangdong Province)	Suppliers	316	185	335
	Hong Kong, Macau and Taiwan	Suppliers	0	2	0
		Committee and		0	1
	Overseas New engineering suppliers for the year	Suppliers Suppliers	0 281	0	1 442

			2024	2023	2022
B6.	Product Responsibility				
B6.2	Number of complaints for products and service Total number of complaints Number of complaints received for quality of	Complaints	570	109	53
	work/building quality issues Number of complaints received for property problems Number of complaints received for marketing service	Complaints Complaints	115 215	39 61	25 26
B6.3	problems Rating of customer satisfaction surveys Description of practices relating to observing and	Complaints %	125 97.30	9 92.57	2 92.04
	protecting intellectual property rights <sup>10</sup> Number of patent applications Number of patents granted	Patents Patents	12 21	28 19	17 18
B7.	Anti-corruption				
B7.1 B7.3	Legal cases regarding corrupt practices Corruption lawsuits filed or concluded Anti-corruption training <sup>11</sup>	Cases	0	0	0
	Percentage of employees received trainings on anti- corruption policies Percentage of board members and senior management	%	100	100	100
	received trainings on anti-corruption policies Number of employees who sign commitment to comply with anti-corruption policies	% h Persons	100 1,570	100 1,407	100 2,489
	Number of senior management personnel who sign commitment to comply with anti-corruption policies	Persons	64	51	117
B8.	Community Investment				
B8.2	<b>Resources contributed to the focus area</b> Total investment in public welfare activities/donations Total employees participating in volunteer activities Total volunteer hours of employees	RMB Person-time Hours	455,000.00 2,527 11,097	873,011.8 2,704 10,228	1,574,532.66 4,352 802,244

<sup>10</sup> 

Patents include invention patents, utility model patents and design patents. Anti-corruption trainings include activities organized by the Group and each of its subsidiaries, such as conducting relevant courses and lectures, watching integrity education documentaries and visiting integrity education bases, and the scope of training covers all employees. 11

## Appendix III: Environmental, Social and Governance Content Index

No.	Key Performance Indicators (KPIs)	Corresponding Chapters	Notes
Mandatory Disclosure	e Indicators		
Governance Structure	2		
Disclosure of the supervision by the Board of Directors on environmental, social and governance matters		Governance Responsibility, Lean Operations	
The environmental, social and governance management policies and strategies of the Board of Directors, including the process for assessing, prioritizing and managing important ESG-related matters (including risks for the issuer's business)		Governance Responsibility, Lean Operations	
	ctors reviews progress according to ESG-related objectives relate to the issuer's business	Governance Responsibility, Lean Operations	
Reporting scope			
Explain the reporting scope of the ESG report and describe the process for About This Re selecting the entities or businesses to be included in the ESG report. If there is any change in the reporting scope, the issuer should explain the difference and the reason for the change			
"Comply or Explain"	Indicators		
A Environment			
A1: Emissions			
	Information on: (a) the policies; and	Environmental Responsibility, Ecological Craftsmanship	
General Disclosure	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		
A1.1	The types of emissions and respective emissions data	Key Performance Indicator List	
A1.2	[Repealed on 1 January 2025]	/	
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Indicator List	
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Indicator List	

A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Responsibility, Ecological Craftsmanship		
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Responsibility, Ecological Craftsmanship Key Performance Indicator List		
A2: Use of Resources				
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Responsibility, Ecological Craftsmanship		
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Responsibility, Ecological Craftsmanship Key Performance Indicator List		
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Key Performance Indicator List		
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Responsibility, Ecological Craftsmanship		
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Responsibility, Ecological Craftsmanship		
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A		
A3: Environment and Natural Resources				
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Environmental Responsibility, Ecological Craftsmanship		
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Responsibility, Ecological Craftsmanship		
A4: Climate Change				
General Disclosure	[Repealed on 1 January 2025]	/		
A4.1	[Repealed on 1 January 2025]	/		

B Society		
B1: Employment		
General Disclosure	<ul> <li>Information on:</li> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</li> </ul>	Employee Responsibility, Talent Co-development
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employee Responsibility, Talent Co-development Key Performance Indicator List
B1.2	Employee turnover rate by gender, age group and geographical region.	Key Performance Indicator List
B2: Health and Safety		
General Disclosure	<ul> <li>Information on:</li> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.</li> </ul>	Employee Responsibility, Talent Co-development
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Key Performance Indicator List
B2.2	Lost days due to work injury.	Key Performance Indicator List
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employee Responsibility, Talent Co-development
B3: Development and	Training	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee Responsibility, Talent Co-development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Key Performance Indicator List
B3.2	The average training hours completed per employee by gender and employee category.	Key Performance Indicator List

B4: Labor Standards					
General Disclosure	<ul> <li>Information on:</li> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.</li> </ul>	Employee Responsibility, Talent Co-development			
B4.1	Description of measures to review employment practices to avoid child and forced labor.	Employee Responsibility, Talent Co-development			
B4.2	Description of steps taken to eliminate such practices when discovered.	Employee Responsibility, Talent Co-development			
B5: Supply Chain Man	agement				
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Governance Responsibility, Lean Operations			
B5.1	Number of suppliers by geographical region.	Key Performance Indicator List			
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Governance Responsibility, Lean Operations			
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Governance Responsibility, Lean Operations			
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Governance Responsibility, Lean Operations			
B6: Product Responsibility					
	Information on: (a) the policies; and	Customer Responsibility, Quality Craftsmanship			
General Disclosure	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.				

B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
B6.2	Number of products and service related complaints received and how they are dealt with.	Key Performance Indicator List
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Governance Responsibility, Lean Operations
B6.4	Description of quality assurance process and recall procedures.	Customer Responsibility, Quality Craftsmanship
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Customer Responsibility, Quality Craftsmanship
<b>B7:</b> Anti-corruption		
	Information on:	Governance Responsibility, Lean Operations
Concerci Disclosure	(a) the policies; and	
General Disclosure	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Governance Responsibility, Lean Operations Key Performance Indicator List
B7.2	Description of preventive measures and whistleblowing procedures and how they are implemented and monitored.	Governance Responsibility, Lean Operations
B7.3	Description of anti-corruption training provided to directors and staff.	Governance Responsibility, Lean Operations
B8: Community Invest	tment	
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Social Responsibility, Commitments to Public Welfare
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Social Responsibility, Commitments to Public Welfare
B8.2	Resources contributed (e.g. money or time) to the focus area.	Social Responsibility, Commitments to Public Welfare Key Performance Indicator List



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