



上海實業城市開發集團有限公司

SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GROUP LIMITED

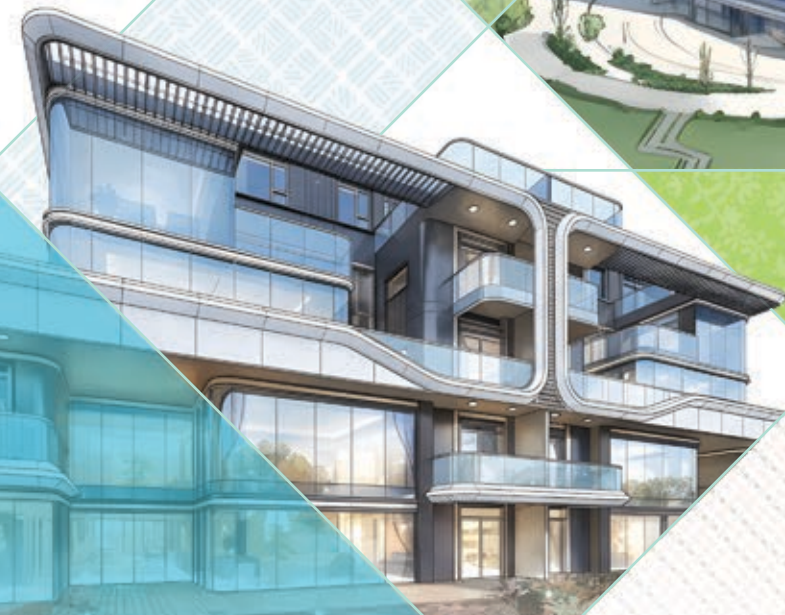
(Incorporated in Bermuda with limited liability)

Stock Code: 563

UNITING **MINDS**
and **EFFORTS**
PROGRESSING STEADILY
for **LASTING**
SUCCESS



ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE
REPORT
2025



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1. ABOUT THIS REPORT

This Environmental, Social and Governance report (“**this Report**”) aims to provide the concept, management approach, practices and achievements of Shanghai Industrial Urban Development Group Limited (the “**Company**”) and its subsidiaries (collectively referred to as “**SIUD**”, the “**Group**”, “**we**” or “**us**”) in the environmental, social and governance (“**ESG**”) aspect. To gain a comprehensive understanding of the environmental, social, and governance performance of SIUD, this Report shall be read in conjunction with the Corporate Governance Report as set out in the 2025 annual report of the Company.

This Report is available on the Company’s website (<https://www.siud.com>) and the HKExnews website of the Hong Kong Exchanges and Clearing Limited (<https://www.hkexnews.hk>) for review.

1.1 Reporting Scope

Unless otherwise indicated, this Report covers the same organizational scope as the consolidated financial statements in the 2025 annual report of the Company and includes the core businesses of the Group: residential and commercial property development, property investment and hotel operations in the PRC. Unless otherwise indicated, the reporting period is from 1 January 2025 to 31 December 2025 (the “**Reporting Period**” or the “**Year**”).

1.2 Basis of Preparation

This Report has been prepared by the Group in compliance with the Environmental, Social and Governance Reporting Code (the “**ESG Code**”) as set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) published by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the IFRS Sustainability Disclosure Standards 2: Climate-related Disclosure (“**IFRS S2**”) published by the International Sustainability Standards Board (“**ISSB**”), in accordance with the four reporting principles contained in the ESG Code. The Group has made corresponding information disclosure in respect of all the “mandatory disclosure requirements” and “comply or explain” provisions as set out in the ESG Code.



Materiality

The Group has disclosed the material environmental and social impacts of its main operations in this Report. During the report preparation, the Group determined the material issues as key disclosures of this Report by conducting a materiality assessment and inviting the Board for their identification and validation. For the process and results of the materiality assessment, please refer to the section headed “Management of Materiality Issues” in this Report.



Quantitative

The Group continuously records and discloses quantitative indicators related to our operations for readers to better assess the efficiency of our ESG management system. Besides, the Group has disclosed the standards, methodologies and assumptions used in calculating the environmental data, and the sources of the unit conversion factors being used.



Balance

This Report provides an unbiased picture of the Group’s ESG management performance during the Reporting Period and an objective view of the Group’s operation.



Consistency

Unless otherwise indicated, this Report adopts statistical and calculation methods consistent with those used in the prior reports to ensure the continuity and relevance of comparisons regarding quantitative environmental and social performance.

2. ESG GOVERNANCE AND APPROACH

Upholding the belief in a robust corporate governance and compliance system, the Group is committed to integrating ESG elements into our corporate strategic planning and daily operations. We have aligned our business operations with the United Nations Sustainable Development Goals (“SDGs”)¹, which served as our guiding framework for key issue management and implementation during the Reporting Period, ensuring the integration of sustainable development principles into our business operations. By continuously optimising risk management and internal control systems, we ensure stable operations and sustainable development while enhancing our market competitiveness and sustainability.

¹ SDGs refer to the 17 global goals established by the United Nations in 2015 as part of the 2030 Agenda for Sustainable Development. These goals aim to address major global challenges, including poverty, inequality, climate change, environmental degradation, peace, and justice.

2.1 ESG Governance System

The Group has established a top-down ESG governance structure, led by the board of directors (the “**Board**”), to ensure the efficient advancement of sustainable development. As the governing body, the Board oversees the formulation and supervision of the Group’s ESG management approaches and strategies, and responds to stakeholders’ concerns in a responsible manner. Under the Board, the ESG Working Group, established under the audit committee (“**Audit Committee**”), is responsible for supporting the Board in fulfilling ESG duties. A representative from the Company Secretary Department of the Group serves as the Secretary for the ESG Working Group, which includes members from the Administrative and Human Resources Centre, Project Management Department and Internal Audit Department. The ESG Working Group regularly reports its progress and achievements to the Audit Committee and the Board.

The main duties of the ESG Working Group include but are not limited to:

- Assisting the Audit Committee and the Board in overseeing and managing the ESG matters of the Group and coordinating the Group’s functional departments to implement and execute ESG related initiatives;
- Assisting the Audit Committee and the Board in developing ESG management approaches and strategies, including the assessment, prioritisation and management of important ESG matters (including the business risks of the Group);
- Assisting the Audit Committee and the Board in identifying and assessing the ESG risks of the Group and ensuring the establishment of an appropriate and effective ESG risk management and internal control system; and
- Assisting the Audit Committee and the Board in setting ESG-related targets and reviewing progress toward achieving these targets.



2.2 Board Statement

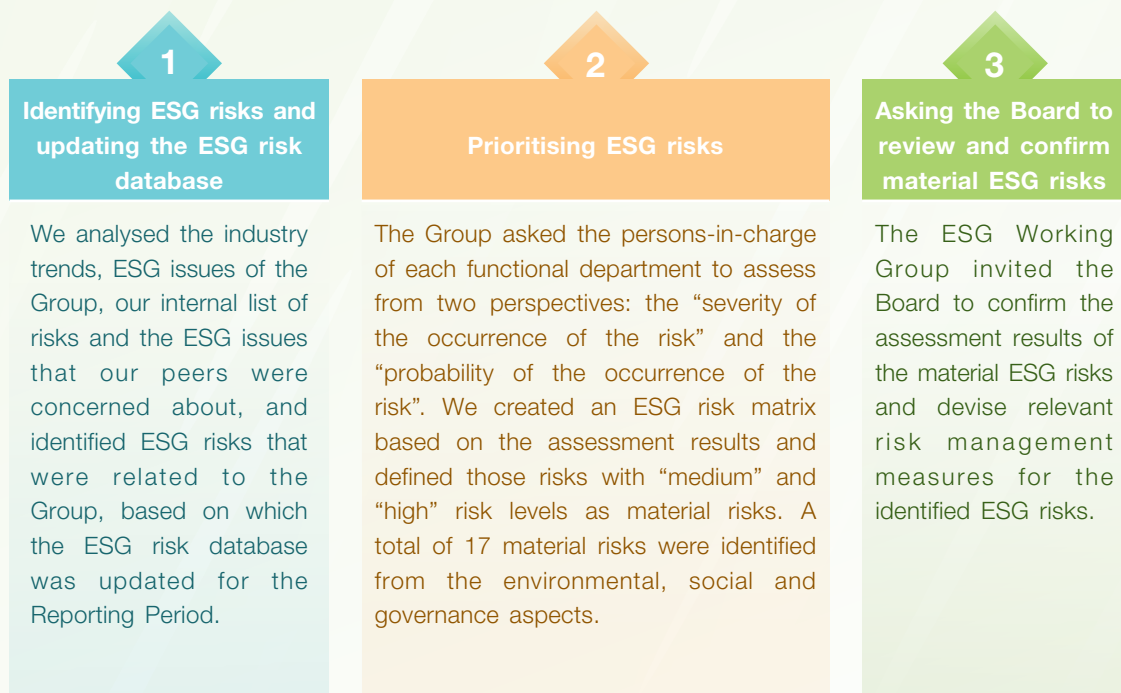
The Board played an active role in formulating and implementing the Sustainable Development Strategies for 2025. It is responsible for establishing a robust ESG governance system and regularly reviewing sustainable development matters. The Board's Audit Committee develops and oversees ESG strategies and policies, enhances materiality assessment and disclosure, and monitors the Group's sustainability performance. Under the direction of the Audit Committee, the ESG Working Group coordinates the implementation of ESG initiatives across departments, ensuring efficient use and deployment of resources.

The Board is also responsible for overseeing the Group's risk management framework, sustainable development and ESG-related risks, including climate-related risks. In 2025, the Board identified and assessed the risks of climate change, developed corresponding measures, and set environmental performance targets based on the TCFD framework.

The Group attaches high importance to the truthfulness and effectiveness of ESG information disclosure. Disclosures made in the annual ESG report by the ESG Working Group are reviewed by the Audit Committee to ensure information transparency. The progress and effectiveness of the ESG initiatives of the Group are detailed in this Report, which was approved by the Board on 24 March 2026.

2.3 ESG Risk Management

Recognising ESG risk management as a key component of its sustainable and robust development, the Group has established a comprehensive ESG risk management system and internal control mechanism to more effectively identify and manage material ESG risks. The ESG Working Group, formed by the Group, is responsible for providing ESG support to the Board by identifying, assessing, prioritising and managing material ESG risks. Through the Audit Committee, the Board oversees the management's design, implementation and monitoring of the relevant systems, and reviews their effectiveness annually. The Company's internal audit department is responsible for monitoring the operation of risk management and internal control systems of the Group (including its principal subsidiaries), and reports its findings regularly to the Audit Committee and the Board. During the Reporting Period, the Group conducted a thorough ESG risk assessment and the process is detailed as follows:



2.4 Communication with Stakeholders

The Group views communication and collaboration with stakeholders as an essential component of its ESG management efforts. To deeply understand stakeholder priorities, expectations, and views on sustainability issues, various activities were regularly organised to engage with stakeholders, such as general meetings, field research and staff interviews. The Group discloses its ESG performance and achievements with stakeholders and the public through the publication of annual ESG reports, ensuring greater transparency and building confidence.

| Stakeholders | Area of Impact | Our response |
|-----------------------------------|---|--|
| Government and Regulators | <ul style="list-style-type: none"> Compliance with laws and regulations Tax compliance | <ul style="list-style-type: none"> Monitor and respond to national policies Operate in compliance with regulations |
| Shareholders and Investors | <ul style="list-style-type: none"> Internal control and risk management Performance growth Information transparency | <ul style="list-style-type: none"> Strengthen corporate governance and enhance ESG performance Regular disclosure of financial and business performance Protect the shareholders' right to know |
| Employees | <ul style="list-style-type: none"> Legal rights and interests, compensation and benefits, career development, occupational health, employee caring | <ul style="list-style-type: none"> Create an equal and diverse working environment Improve communication channels Provide comprehensive career development and promotion opportunities Carry out staff caring activities |
| Customers | <ul style="list-style-type: none"> Ensure product quality Provide high-quality services | <ul style="list-style-type: none"> Deliver high-quality products and services Protect customer privacy and data security |
| Partners | <ul style="list-style-type: none"> Fair procurement Partner empowerment | <ul style="list-style-type: none"> Adopt open tender processes Implement full-lifecycle supplier management |
| Community and the Public | <ul style="list-style-type: none"> Contributions to the society Community engagement | <ul style="list-style-type: none"> Organize public welfare and charity activities Support rural revitalization initiatives |

2.5 Management of Materiality Issues

We conducted a materiality assessment by taking into account the key concerns and expectations of stakeholders and the capital market. Based on the assessment results, we further optimised our operational flow, enhanced our decision-making and accountability systems, and adjusted our strategies and priorities. We have identified more material ESG issues as key focuses for corporate management and reporting, thereby continually enhancing the value of our disclosures.

We conduct annual research or review and analysis on material topics to ensure a thorough understanding of stakeholders' valuable feedback on SIUD's ESG efforts. As there were no significant changes to the Group's operations during the Reporting Period, we continued to review the ESG materiality assessment results for 2024 and, based on disclosure standards, international trends, industry developments and our actual business development, made necessary adjustments to the issue database. We identified 17 material issues for the Reporting Period. The ESG Working Group submitted the issue database for the year 2025 to the Board for review and approval. Key disclosures regarding these material issues will be made in this Report to demonstrate the Group's ongoing attention and commitment to ESG.

| Basis for ESG Materiality Assessment | |
|--------------------------------------|--|
| Disclosure Standards | Comprehensive reference to the HKEX ESG Code, guidance produced by the Task Force on Climate-related Financial Disclosures (TCFD) and others |
| International Trends | United Nations Sustainable Development Goals (SDGs) and others |
| Industry Trends | Focus on real estate industry regulations and laws, as well as current practices and disclosures by industry peers |
| Business Relevance | Alignment with SIUD's overall strategy and business model |

SIUD's ESG Materiality Matrix for the year 2025



The Group identified the following material issues after reviewing the materiality assessment results:

| Materiality | Priority | Issue | Category |
|-------------|----------|--|---------------------|
| High | 1 | Occupational health and safety | Social issue |
| | 2 | Staff development and training | Social issue |
| | 3 | Emission and management of pollutants | Environmental issue |
| Medium | 4 | Green buildings | Environmental issue |
| | 5 | Effective utilisation of resources | Environmental issue |
| | 6 | Protection of employee rights | Social issue |
| | 7 | Business ethics | Governance issue |
| | 8 | Compliant operation | Governance issue |
| | 9 | Addressing climate change | Environmental issue |
| | 10 | Quality of products and services | Social issue |
| | 11 | Protection of intellectual property rights | Governance issue |
| | 12 | Biodiversity conservation | Environmental issue |
| | 13 | Customer data and privacy | Social issue |
| | 14 | Customer satisfaction | Social issue |
| Moderate | 15 | Supporting rural revitalisation | Social issue |
| | 16 | Supply chain management | Social issue |
| | 17 | Public welfare | Social issue |

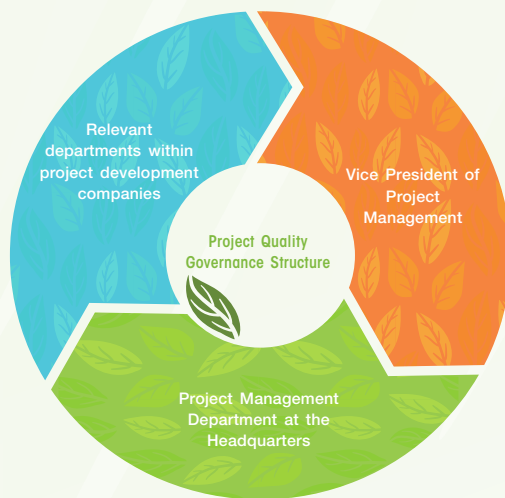
3. HIGH QUALITY SERVICE DRIVES BUSINESS GROWTH

| Material Issues | Corresponding SDGs |
|--|--|
| <ul style="list-style-type: none"> Quality of products and services Customer data and privacy Customer satisfaction |    |

In pursuit of excellence, the Group is dedicated to building “good housing” in line with our construction standards, paying attention to every detail in product delivery and service quality. With customer satisfaction as our goal, we take customer needs as the starting point for product and service innovation, striving to meet every homeowner’s aspirations for a better life. At the same time, we attach great importance to customer privacy and data security, strictly implementing comprehensive data protection measures throughout all business processes to safeguard customer rights and interests.

3.1 Enhancing the Quality of Products and Services

The Group has established a three-tier project quality governance structure, comprising the Vice President of Project Management, the Project Management Department at the Headquarters, and the relevant departments within project development companies. This structure covers all stages of project development and construction, ensuring effective oversight and collaborative management.



| Level | Management Structure | Responsibilities |
|---------------------|---|---|
| Management | Vice President of Project Management | Oversees the quality of products and services, assumes responsibility for quality management, and reports timely quality management progress to the Board |
| Coordination | Project Management Department at the Headquarters | Reviews the implementation of policies and mechanisms related to the quality of products and services, and monitors the implementation of quality management work |
| Execution | Relevant departments within project development companies | Comply with relevant standards, implement quality management measures, and submit regular quality management reports |

Throughout the entire process from project design and construction to delivery, we strictly comply with laws and regulations such as the Construction Law of the People's Republic of China (《中華人民共和國建築法》), the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》) and the Construction Works Quality Management Ordinance (《建設工程質量管理條例》), as well as various industry standards at all levels. We have formulated internal policies the Design Management System, Construction Quality Management System, and Administrative Measures on Construction Progress Planning, and established a comprehensive project quality management system to ensure an integrated alignment between our policies and practical execution.

The Group regularly discloses information on product and service quality to enhance transparency and encourages customers and stakeholders to provide feedback for continuous improvement. Through good design, quality materials, excellent workmanship, and comprehensive supporting facilities, we aim to create safe and comfortable living spaces. Our goals are to minimise quality complaints, increase project approval rates, and deliver exceptional value and experiences for customers.

Design

The Group continuously enhances project design and design inspection by closely collaborating with the project design team throughout the project launch process. We maintain frequent communication and coordination during conceptual design, proposal design and construction drawing design stages to ensure steady improvements in project quality. Meanwhile, the Group proactively adopts advanced construction techniques, successfully applying Building Information Modelling (BIM) technique in selected projects. This technology optimises safety and design quality, laying a solid foundation for delivering high-quality projects.

Construction

- **Material and Equipment Control:** The Group supervises construction units in accordance with the Construction Quality Management System to ensure all materials, components and equipment meet safety standards. On-site random inspections and reviews of materials are also conducted.
- **Construction Supervision:** The Group requires construction units (including the main contractor and subcontractors) to prepare comprehensive construction plans. Fully qualified supervision units are hired to monitor and inspect the entire process, ensuring both construction quality and the safety of workers.
- **Progress Monitoring:** To ensure project progress, quality and safety are maintained, the Group implements the Progress Management System. This system identifies construction challenges and develops timely solutions through regular checks, assessments and tracking. The Group also organises experience-sharing sessions for project companies to exchange quality management practices, fostering continuous improvement in project quality.

Delivery

The Group has set up a robust system for completion acceptance and delivery management, covering various stages including acceptance inspections and rectifications.

- Acceptance Inspection: A comprehensive inspection is performed on the project together with supervision companies, professional engineers and construction units in accordance with the Acceptance Inspection and Assessment Criteria for the Quality of Construction and Installation Projects and the relevant requirements before project completion and delivery.
- Rectification: In the event of any quality defects, we require the construction units to carry out rectifications until the project passes the acceptance inspection, ensuring the delivery of high-quality products to customers.

Building Homes for Youth

SIUD is deeply engaged in the urban development and livelihood protection initiatives of Shanghai, actively developing affordable rental housing under the “U CHANGE” (阡集) brand, which offers long-term rental apartments for youth. To date, we have established seven such projects across five districts of Xuhui, Minhang, Baoshan, Qingpu and Jiading, providing over 7,700 high-quality homes with a total area of 395,000 square metres. These homes are designed to meet the diverse living needs of different youth groups, and continue to inject new vitality and energy into youth-development-friendly districts in Shanghai.

By conducting in-depth researches into the housing needs of youth group with a customer-centric approach, we are committed to creating communities built on care and connection. By cultivating rich community connections and embedding care into daily life, we support every resident in discovering and embracing their own ideal lifestyle. In 2025, our U CHANGE brand’s Hui Community (匯社區) and Xin Community (莘社區) were both honoured as the “Shanghai 5A Youth Centre” in recognition of their innovation in youth services and community building.



“Shanghai 5A Youth Centre” certificate

- *Xin Community:*

Xin Community under the U CHANGE brand, stands as one of Shanghai’s first affordable rental housing projects launched following the introduction of the city’s relevant housing policies. Xin Community was the first to set up a “Governance Preparation Group” (治理籌備組) comprising the Party-Mass Service Centre, community operators, resident representatives and 12 government departments, to build a collaborative governance framework. This transitions community governance from a single-authority system to a coordinated governance model.

Besides, Xin Community offers a wide array of sustainable, diverse shared spaces, ranging from a comprehensive sports centre and art space to a pet park, delivering an enhanced living experience for young residents in terms of safety, comfort, sustainability and smart living. Residents also benefit from dedicated spaces such as a community lounge, healthcare station, library room and non-profit laundry room, providing convenience and one-stop solutions for their everyday living.

In addition, Xin Community has introduced an innovative operation model that integrates online communities and offline spaces, transforming the entire community into an open, interactive and vibrant hub for youth. With 25 online youth communities and 20 thriving youth clubs, the community encourages a shift in their roles from participants to organisers and co-operators through a peer-led management approach based on principles of being “youth-driven, self-managed, and independently operated”. This model both strengthens residents’ sense of belonging and drives community vitality. Signature initiatives such as the Xin Youth Theatre Academy, artist-in-residence programmes, and evening schools for youth reflect our ongoing commitment to building a youth-friendly community.



U CHANGE Xin Community Youth Centre — Event Photos

Case

Community Building to Foster Connections with Neighbours

In 2025, U CHANGE's communities brought residents together through light-hearted events such as football matches, Zumba classes and welfare veterinary clinics with an aim of breaking the routine of "staying indoors" and promoting interaction with neighbours and community spirit. Creative initiatives such as upcycling workshops using traditional crochet techniques and eco-themed drama workshops further integrated heritage and sustainability into daily life. These activities not only keep cultural traditions alive, but also encourage reuse and raise environmental awareness, achieving synergy among youth engagement, community inclusion and low-carbon living.



U CHANGE Community Drama Workshop

• *Hui Community:*

U CHANGE Hui Community has introduced an innovative "4+6" youth service framework, addressing the diverse needs of youth. Centred around six core themes of "enjoying culture, embracing growth, savouring life, sharing joy, participating in sports and engaging in governance", it systematically builds a vibrant community service ecosystem that supports mental and cultural development, personal growth, quality of life and community engagement.





U CHANGE Hui Community Youth Centre — Event Photos

Case **Community Events**

On 17 October, SIIC hosted its first “Young” market featuring centennial brands, together with the second “SIIC Youth Voice” forum at U CHANGE Hui Community developed by SIUD. The event adopted a three-fold collaboration approach, by leveraging synergy between brands and the youth, integrating resources across different segments within the Group, and partnering with other state-owned enterprises. This created a dynamic youth platform for brand showcases, interactive experiences and inspiring conversations. The market will continue to be held at SIIC’s residential apartments for talent, shopping centres, and other youth-focused venues, presenting the Group’s century-old brands and time-honoured labels through immersive “sales + interaction” experiences that highlight their latest innovations.



- Neo Community:*

As a supporting community for the “Grand NeoBay” Science and Technology Innovation Functional Zone, U CHANGE Neo Community places youth development at the heart of its operations. The community has established a closed-loop ecosystem of “resource sharing — value creation — community reciprocity”, enabling the youth to progress from “simply having a place to live” to “achieving personal and professional growth”. In addition to providing green, healthy and smart living spaces for scientific and academic talent, Neo Community is fully integrated into the innovation landscape. By leveraging synergy between science and technology parks, universities and urban districts, it is developing a community innovation centre and creating a collaborative, open environment that connects talent, urban resources and industry services to support the advancement of science and technology professionals.

Case

Bringing Higher Education Resources into the Community with “One Classroom”

On 8 September 2025, the launch of “One Classroom” which was jointly initiated by SIUD in partnership with East China Normal University (ECNU), together with the 2025 autumn semester opening ceremony of ECNU Seniors College took place at U CHANGE Neo Community. “One Classroom” is located at the Arts Centre of Neo Community, the third affordable rental housing project invested, constructed and operated by SIUD. The establishment of the Minhang teaching site by ECNU Seniors College in Neo Community, marks the first time that a renowned university’s seniors college has set up a teaching site within a community in Shanghai. This initiative pioneers a new model for bringing high-quality education resources from a double first-class university into youth communities, achieving innovative collaboration among the university, enterprise, and the community.



“One Classroom” Launch Ceremony

Highlights

During the Reporting Period, the Group **did not have** any projects or design plans that were required to be rebuilt or returned out of safety or quality concerns.

Two rounds of third-party quality inspections and occasional internal inspections were conducted on ongoing projects, achieving a **100%** rectification closure rate overall.

3.2 Protecting Customers’ Privacy and Data

The Group strictly adheres to the Data Security Law of the People’s Republic of China (《中華人民共和國數據安全法》) and the Personal Information Protection Law of the People’s Republic of China (《中華人民共和國個人信息保護法》), as well as all relevant regulations, and has established a comprehensive security management system that covers the entire data lifecycle. We have set clear standards for data classification, grading and processing, further strengthening the protection of clients’ personal information and key data assets. Through a dual approach combining technology and management systems, we ensure compliance and control at every stage of the data lifecycle, from collection and storage, to use, transfer and destruction. All client information is processed exclusively within the Group’s authorised systems, subject to a policy of minimum necessary access, to prevent unauthorised access or use.

Moreover, we have made client information protection an integral part of every employee's core responsibilities. Confidentiality and compliance requirements are clearly set out in our Staff Manual to ensure all staff strictly adhere to data usage protocols in their daily work. In the event of any information breach or potential threat, employees are required to take initial remedial actions and report promptly to the Administrative and Human Resources Centre, as well as relevant management departments. The Group will then activate its emergency response mechanism, set up a dedicated team to investigate and manage the incident, minimise possible impact, and, as appropriate, hold those responsible to account, thereby upholding our commitment to information security at all times.

3.3 Improving Customer Satisfaction

We proactively listen to our clients' voices and feedback, maintaining comprehensive channels of communication and organising regular engagement activities. Guided by clients' needs and suggestions, we continually strengthen our management and service capabilities. Improving client satisfaction is embedded as a core goal within the Group's long-term strategic plan, supported by an integrated governance framework and regular senior management reviews to monitor service quality and customer satisfaction levels. During the Reporting Period, we collected client feedback across multiple channels and actively enhanced our service quality in response.

Operation of Commercial and Residential Properties

To achieve product optimisation, the Group actively communicates with tenants. Complaints from tenants undergo a supervision and self-inspection process conducted by the property and commercial management department, after which they are promptly forwarded to the relevant engineering and technical departments for active and efficient handling.

Hotel Operation

The Group pays high regard to safety management in hotel operation. Apart from implementing a safety accountability system and conducting continuous safety risk assessments, drills, training sessions and inspections, the Group also cooperates with professional bodies to carry out regular repairs and maintenance on access control system, security systems and fire monitoring systems in our hotels. Detailed maintenance plans and operational procedures are developed in strict compliance with the maintenance requirements of equipment manufacturers and industry standards, ensuring that all safety facilities and equipment are well-maintained, providing solid protection for the safe operation of our hotels.

Highlights

During the Reporting Period, the Group achieved a **100%** complaint resolution rate and promptly improved the management mechanism based on the nature of the complaints.

Customer satisfaction for the Reporting Period was **99.26%**.

4. GREEN AND LOW-CARBON DEVELOPMENT FOR HARMONIOUS COEXISTENCE

| Material Issues | Corresponding SDGs |
|--|--------------------|
| <ul style="list-style-type: none"> • Emission and management of pollutants • Green buildings • Effective utilisation of resources • Addressing climate change • Biodiversity conservation | |

Adhering to the operational concept of “green and low-carbon development for harmonious coexistence”, we uphold sustainability in product development, emphasising green health and smart technology. We fully execute the principles of green, low-carbon and sustainable development across construction design, material selection, building processes and operations. Committed to creating low-carbon products and achieving green operations, we continuously explore solutions for climate change, ultra-low energy buildings, zero-carbon buildings and energy efficiency enhancement in existing buildings— leading the way in developing green residences and creating value for a better way of living.

We exercise stringent environmental controls in property development, operations and offices to address risks and capitalise on opportunities arising from climate change, supporting the construction of a sustainable and livable city through concrete actions. In strict compliance with the environmental protection laws and regulations of the PRC, we have published specific environmental maintenance and service manuals to ensure that we do not violate the relevant regulations in our operations.

The laws and regulations complied with and the management systems established by the Group are as below:

| Laws and regulations complied with | Management systems established |
|---|---|
| Environmental Protection Law of the People’s Republic of China 《(中華人民共和國環境保護法)》 | Garbage Treatment |
| Energy Conservation Law of the People’s Republic of China 《(中華人民共和國節約能源法)》 | Energy Management |
| Law of the People’s Republic of China on Prevention and Control of Environmental Noise Pollution 《(中華人民共和國環境噪聲污染防治法)》 | Green Energy Management |
| Law of the People’s Republic of China on Prevention and Control of Atmospheric Pollution 《(中華人民共和國大氣污染防治法)》 | Water Treatment |
| Water Law of the People’s Republic of China 《(中華人民共和國水法)》 | Environmental Maintenance Service Manual for the Shenyang U Centre Commercial Project |

| Laws and regulations complied with | Management systems established |
|--|---|
| Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste 《(中華人民共和國固體廢物污染環境防治法)》 | Administrative and Management System for Shenyang Intercity Company |
| Environmental Impact Assessment Law of the People's Republic of China 《(中華人民共和國環境影響評價法)》 | / |
| Law of the People's Republic of China on Prevention and Control of Water Pollution 《(中華人民共和國水污染防治法)》 | / |
| Law of the People's Republic of China on Prevention and Control of Soil Contamination 《(中華人民共和國土壤污染防治法)》 | / |
| Regulations of Shanghai Municipality on Household Waste Management 《(上海市生活垃圾管理條例)》 | / |
| Regulations of Shanghai Municipality on Prevention and Control of Atmospheric Pollution 《(上海市大氣污染防治條例)》 | / |

Highlights

During the Reporting Period, the Group **did not violate** any of the above environmental laws or regulations that had a significant impact on the Group.

Committed to advancing environmental protection in our operations, the Group has set specific targets and implemented practical measures across multiple areas, including green buildings, air pollutant emissions, greenhouse gas emissions, waste management, energy efficiency, water conservation and environmental and conservation awareness.

Our specific targets and action plans are shown in the table below:

| Environmental Target | Metrics | Action Plan | Achievement Timeline | Progress |
|--|--|---|----------------------|--|
| Green Buildings | | | | |
| Promoting the development of green buildings | Increasing the proportion of green construction projects in all our projects | <p>Further expand the application of green materials and gradually increase the proportion of prefabricated construction</p> <p>Increase green building certification</p> <p>Follow national and local standards and government requirements on green construction for all new development projects</p> | Long-term (Ongoing) | <p>The percentage and types of recyclable and reusable materials are specified in the green construction design sections of the design documents of new development projects</p> <p>As at the end of 2025, the Group has obtained 17 green construction certifications (including LEED and WELL) with a total certified area of 1.64 million square meters</p> |
| | Incorporating green construction design concepts | <p>Adopt people-oriented and energy-efficient building design to minimise energy consumption by considering the climate, environment, resources, economy and cultural characteristics of the location of the building. The most suitable green facilities should be determined and project design should be conducted by considering the safety and durability, health and comfort, convenience, resource conservation and environmental liveability of a building throughout its lifecycle</p> | Long-term (Ongoing) | Green construction project design is adopted for all new development projects. Appropriate measures are adopted based on specific project conditions to achieve green star rating targets |
| Air Pollutant Emissions | | | | |
| Encouraging green travel | Strengthening the management of official vehicles | <p>Record the fuel consumption of official vehicles</p> <p>Regular inspection and maintenance of official vehicles</p> <p>Gradually replace official vehicles with vehicles of lower or zero emission levels</p> <p>Monitor the preparation and execution of the fuel budgets of official vehicles</p> | Mid-term (Ongoing) | <p>Fuel consumption of official vehicles is recorded annually</p> <p>Annual inspections are conducted on official vehicles to access their air pollutant emissions</p> |

| Environmental Target | Metrics | Action Plan | Achievement Timeline | Progress |
|---|--|--|------------------------|---|
| Greenhouse Gas Emissions | | | | |
| Contributing the carbon neutrality target | Enhancing the management of carbon emissions | Learn the rules relating to carbon trade and enhance the capability of engaging in carbon trade as soon as possible Conduct a carbon audit on the Company's operations and devise carbon reduction measures | Long-term (Ongoing) | We have gradually begun collecting and regularly disclosing data on Scope 3 carbon emissions |
| | Offsetting carbon emissions | Purchase carbon credits to offset carbon emissions from operations, such as directly investing in renewable energy and environmental rehabilitation, and conducting or sponsoring tree-planting activities | Long-term (To launch) | / |
| Waste Management | | | | |
| Increasing waste recycling rate | Increasing the recycling rate of office waste papers | Improve the office waste recycling system and calculate the amount of office waste papers recycled, etc. | Short-term (Ongoing) | The amount of waste recycled from offices (e.g. amount of office waste papers recycled) is recorded |
| | Recycling office electronic equipment | Develop recycling plans for electronic equipment, etc. Regularly check the implementation status of the plan | Short-term (To launch) | / |
| | Separating and recycling wastes | Set up non-renewable and renewable waste recycling bins in the properties and increase the types of waste to be recycled | Short-term (Ongoing) | Waste separation points have been set up in the commercial buildings managed by the Group |

| Environmental Target | Metrics | Action Plan | Achievement Timeline | Progress |
|------------------------------|--|--|----------------------|--|
| Energy Efficiency | | | | |
| Increasing energy efficiency | Reducing office energy consumption | <p>Purchase electrical appliances with an energy label, promote the use of energy-saving lighting, adopt new air-conditioning equipment and install automatic control devices, etc.</p> <p>Monitor the preparation and execution of energy consumption budgets of offices</p> | Short-term (Ongoing) | The actual execution of energy consumption budgets for offices is monitored, with comparisons and tracking of metrics to provide timely alerts when thresholds are exceeded. |
| | Conducting energy audit on offices | <p>Devise annual energy audit plans</p> <p>Devise energy-saving measures</p> | Mid-term (To launch) | / |
| | Monitoring the energy consumption of commercial properties | <p>Choose energy-saving construction materials</p> <p>Record the meter readings of energy consumption of commercial properties regularly, and summarise and analyse the consumption of energy</p> <p>Understand the energy-saving policies of the country and strive for energy saving subsidies</p> <p>Monitor the preparation and execution of energy consumption budgets of commercial properties</p> | Mid-term (Ongoing) | The actual execution of energy consumption budgets for commercial properties is monitored and compared with and analysed against that of previous years for alert in a timely manner |

| Environmental Target | Metrics | Action Plan | Achievement Timeline | Progress |
|--|---|--|------------------------|--|
| Water Efficiency | | | | |
| Increasing water efficiency | Reducing average water consumption | <p>Formulate water management regulations</p> <p>Increase the use of water-saving equipment, including water-saving faucets</p> <p>Monitor the preparation and execution of water consumption budgets of offices and commercial properties</p> | Mid-term (Ongoing) | The actual execution of water bill budgets for offices and commercial properties is monitored and compared with and analysed against that of previous years for alert in a timely manner |
| All Environmental Aspects | | | | |
| Promoting environmental and conservation awareness | Providing environmental training/promotion campaigns among staff members | <p>Incorporate environmental training into employee induction programmes</p> <p>Devise environmental training/promotional plans to organise energy saving activities regularly</p> | Short-term (Completed) | Environmental protection is promoted during the induction training of new staff members and various environmental protection activities have been rolled out |
| | Setting up environmental protection bulletin boards in the management service areas | Post environmental protection signage and slogans on the public facilities and equipment of commercial properties | Short-term (Ongoing) | <p>Environmental awareness is promoted to the marketing department of each project company</p> <p>More environmental promotional activities have been conducted with the project companies</p> |

4.1 Emissions Management

We actively identify and assess potential risks related to emission controls and pollution prevention in our operations. Specific response strategies have been developed to address regulatory and market changes.

The Group strictly manages the waste gas generated during production and operations by implementing targeted measures to ensure air emissions meet standards, thus minimising negative impacts on the atmosphere. Meanwhile, we have established a comprehensive waste management system that provides thorough controls throughout the sorting, transfer and disposal processes.

Fugitive Dust Emission and Noise Management:

- Installing spraying systems at construction sites to control dust from earthwork machinery operations.
- Using water mist cannon and mobile water bowser to manage fugitive dust at works sites and access to work.
- Regularly cleaning vehicles entering and leaving construction sites.
- Implementing noise control measures at construction sites, including the installation of sound-proof and dust-proof hoardings and requiring that work involving significant noise levels must be scheduled for daytime hours, and a noise monitoring system shall be used to enable the prompt implementation of noise reduction measures.

Material Usage Management:

- Focusing on the adoption of recyclable materials and prefabricated construction methods.
- Promoting waste separation, the “Clean Plate Campaign” and encouraging the use of both sides of paper to foster recycling and resource reuse and implement waste reduction at source, with the goal of creating a green office environment and reducing resource consumption.
- To increase energy efficiency and minimise waste, Baoxu Zhiye Co., Ltd., a subsidiary of the Group, established an energy and office supplies saving plan, which is displayed on its bulletin board for awareness.
- The Yantai subsidiary set up an office supplies sharing platform, allowing employees to access materials as needed.

Waste Disposal Management:

- Collecting the household waste, construction waste and hazardous waste generated during the construction process and handing them to qualified organisations for handling.
- Designating different waste collection points based on actual needs for source separation and clearing the waste regularly.
- Conducting guidance on waste separation and promoting such awareness.

Wastewater Treatment:

- Completing the construction of site drainage and wastewater treatment facilities prior to the commencement of works, and ensuring the effectiveness of these facilities throughout the construction process, so that there is no standing water on site, drainage does not overflow or become blocked, and water quality meets regulatory standards.
- Installing drainage channels at the construction sites to systematically direct production wastewater into three-stage sedimentation tanks. Three-stage sedimentation tanks shall be installed within the site perimeter and at the main entrance. Wastewater from the cleaning of concrete pump trucks and mixer trucks shall be channelled via drainage ditches into these tanks. After sedimentation, construction wastewater shall be discharged into the municipal sewage network. The wastewater sedimentation tanks shall be cleaned regularly, with waste removed immediately upon cleaning.

Highlights

Emissions of exhaust gases, wastewater and waste disposals all comply with national and local standards; there have been no instances of pollutant emissions exceeding permitted limits.

4.2 Energy Management

In response to the national initiative for building an environmentally-friendly and resource-efficient community, the Group has set clear goals for promoting green construction and sustainable development and fulfilled its commitment to carbon neutrality. Our projects span various regions in China, with all our project development companies strictly adhering to national and local design standards.

We are in key pursuit of creating healthy, functional and efficient residential and working spaces for our customers. The Group continues to prioritise green building standards by incorporating renewable energy, conserving land, materials and energy, using eco-friendly materials, and maintaining rigorous control over indoor environmental quality. We have achieved a harmonious balance between people, architecture and nature by reducing consumption of land, energy, and water resources during the design and development process, reducing the environmental impact of buildings throughout their lifecycle, and promoting energy-saving and consumption reduction practices in offices and operations among both our employees and tenants.

- **Material Selection and Design Stage:** We introduce internationally leading green designs and construction materials, such as the sponge city technique, concave green spaces and rainwater retention tanks, to make sure our projects meet local annual runoff volume and pollution control standards.
- **Construction stage:** Contractors are required to strictly adhere to environmental regulations and implement administrative measures to minimise negative impacts on air, water and land, while protecting the surrounding community environment.
- **Office and Operational Stage:** Employees are encouraged to adopt resource-saving practices and low-carbon travel options, focusing on energy-saving, emission reduction and low-carbon lifestyles in their daily commute and office operations. They are also encouraged to uphold the principles of green and sustainable development while enhancing resource efficiency. Additionally, we encourage our tenants to adopt energy-saving and consumption-reduction practices.

Through the above measures, we will continually optimise resource efficiency and promote the popularisation of green buildings, aiming to create a new model of sustainable development that harmonises people, buildings and nature while setting an example for urban low-carbon transition.

Highlights

In 2025, SIUD obtained ISO 50001 Energy Management System certification.

4.3 Water Resources Management

With a focus on the utilisation and management of water resources, the Group is committed to implementing a comprehensive water-saving mechanism — conserving water at the source, optimising usage during processes and promoting water recycling at every stage of water use.

During the Reporting Period, all of SIUD's water supply was sourced from the municipal water network, and no difficulties were encountered in obtaining water.

| Water Use Stage | Specific Measures |
|---------------------------|---|
| Design | <ul style="list-style-type: none"> • Adopt sponge city design principles, reduce emissions at the source, and implement process controls and system governance to ensure the sustainable use of urban water resources. |
| Construction Sites | <ul style="list-style-type: none"> • Construct gullies on construction sites to collect sewage for treatment in sedimentation tanks. • Install water metering devices and regularly calculate the water consumption of our project construction sites. |
| Operation | <ul style="list-style-type: none"> • Construct water reclamation facilities to collect and treat rainwater for greenery irrigation and road cleaning on works sites, etc. • Use water-saving equipment, such as sanitary ware of higher water efficiency. • Conduct regular inspections of water supply pipelines to minimise water wastage. |
| Office | <ul style="list-style-type: none"> • Set up grease traps and septic tanks so that sewage from onsite canteens and washrooms is filtered through sewage screens before entering the effluent pipelines. • Display water-saving signage in office areas. |

4.4 Deepening Efforts in Green Buildings

Green buildings are at the core of the Group’s practice of sustainable development. We focus on the green building sector and integrate environmental protection, energy efficiency and sustainability concepts throughout the entire lifecycle — from architectural design and construction to operations and management — aiming to create healthy, comfortable and eco-friendly and sustainable living and working spaces. We promote the widespread adoption of green principles, contribute to environmental protection and climate change responses, and make sustainability the standard model for future buildings.

We are committed to using prefabricated construction techniques, which are applied to all our ongoing projects. Our design precast ratio and prefabrication rates meet the relevant requirements set by local government authorities. We have adopted BIM technology for all our projects in progress in Shanghai, enhancing both design accuracy and construction efficiency.

The Group ensures that all new development projects comply with national and local regulations, as well as government requirements for green buildings, meeting the criteria for the relevant star ratings. Strict energy-saving standards are adhered to, and green building techniques are systematically applied across all of the Group’s projects.



Case

Shanghai Hongqiao Business District — Uplaza Xinhonghui: creating a green lifestyle experience

Uplaza Xinhonghui in Shanghai Hongqiao Business District adopts durable building materials, gives priority to solar hot-water systems, uses water-saving irrigation for landscaping, applies vibration- and noise-reduction treatments to MEP equipment, and continuously advances green and healthy concepts. The project introduces VOCO and EVEN, InterContinental Hotels Group’s low-carbon brands, implements energy-saving technologies and provides plastic-free guest rooms. From green buildings to community activities, from circular economy practices to digital decarbonisation, SIUD embeds its ESG strategy and green low-carbon concepts into every detail of architectural design and commercial operations. Going forward, SIUD will continue to implement SIIC’s commitment to green development and, using commercial space as a fulcrum, gather more forces to join the green movement.



Uplaza Xinhonghui VOCO and EVEN hotels



T18 Xin Zhuang Metro Superstructure Project obtained the WELL Platinum certification

Highlights

As of the end of 2025, the Group has completed the design of 33 green building projects (including LEED and WELL), covering a total area of 3.79 million square metres. Among these, 14 projects obtained green building certifications (including LEED and WELL), has been awarded a total of 17 certificates, with a total certified area of 1.64 million square metres.

In May 2025, the T18 Xinzhuang Metro Superstructure Project obtained the WELL Platinum certification. In December 2025, the Lingang New Area PDC1-0103 Unit A03-02 land parcel project (Ocean One) was awarded the Shanghai Green Residential Community Platinum Award.

4.5 Addressing Climate Change

Addressing climate change has become one of the core issues of global sustainable development; its importance and urgency are widely recognised. China has set clear “dual-carbon” goals: peaking carbon emissions by 2030 and achieving carbon neutrality by 2060. The Group actively responds to the national dual-carbon strategy, proactively considers the impacts of climate change on operations and long-term value, identifies development opportunities arising from climate change, advances prefabrication and green building, increases the use of renewable energy, and promotes green operations. We are steadily advancing climate risk management, seizing opportunities under climate change, and continuously strengthening our climate response capabilities. Looking ahead, the Group will actively explore opportunities presented by climate change, accelerate the low-carbon transition, and contribute to sustainable development.

To enhance transparency in the Group’s climate-related disclosures, we have disclosed the climate-related information in accordance with the framework recommended in the Implementation Guidance for Climate Disclosures under the HKEX ESG reporting framework.

4.5.1 Governance

SIUD attaches great importance to the risks and opportunities inherent in climate change and the carbon-neutral transition and views them as key drivers of high-quality development. The Board regularly reviews the Company’s progress on climate action and carbon performance, and has established a climate-change governance framework comprising the Board, the Audit Committee, the ESG Working Group and relevant functional departments, clarifying responsibilities and implementation pathways to strengthen climate-related risk management. SIUD has set energy-saving and emission-reduction targets and plans, as early as 2026, to include the relevant performance indicators in the Board’s annual targets assessment system to actively promote the implementation of energy-saving and emission-reduction work.

Table: Climate-change Board governance structure

| Level | Composition | Responsibilities | Capabilities | Information channel & frequency | Climate factors in strategic decisions | Supervisory focus |
|---------------------------|---|---|--|--|---|---|
| Board of Directors | Board members | <p>Responsibilities: review and approve the Group's strategy on climate-related risks and opportunities</p> <p>Mandate: authorise the Audit Committee to manage SIUD's climate-related risks and opportunities</p> | <p>Capabilities: capacity for overall strategic decision-making and systematic consideration of climate risks and opportunities</p> <p>Enhancement plan: organise participation in specialised training on climate change and carbon-neutral strategies</p> | Hold Board meetings: once a year | As the highest decision-making body, the Board systematically considers climate-related risks and opportunities when formulating the Group's overall strategy, business plans, major transaction decisions, risk management procedures and related policies. | Regularly supervise the setting of energy-saving and emission-reduction targets and annual progress |
| Audit Committee | Three independent non-executive directors | <p>Responsibilities: manage the Group's strategy on climate-related risks and opportunities</p> <p>Mandate: authorise the ESG Working Group to analyse and assess SIUD's climate-related risks and opportunities</p> | | Hold Audit Committee meetings: once a year | As the management and supervisory level, the Audit Committee is responsible for translating the Board's climate strategy into operational strategies that can be implemented, integrating climate risk and opportunity considerations into business operations, technology choices, supply-chain management and capital allocation. | |
| ESG Working Group | Representatives from the Group's Company Secretarial Department, Administrative and Human Resources Centre, Project Management Department, and Internal Audit Department, among other departments | <p>Responsibilities: perform detailed analysis of climate-related risks and opportunities, review and manage the Group's climate-related targets, strategies and action-plan implementation, and prioritise climate risks and opportunities</p> <p>Mandate: authorise relevant functional departments to carry out daily climate-related risk management and to track and supervise the implementation of measures and indicator management responding to climate-related risks and opportunities</p> | <p>Capabilities: ability to manage and supervise the breakdown of sustainability goals into actionable plans</p> <p>Enhancement plan: organise participation in benchmarking of industry best practices and training on carbon emission management and ESG</p> | Hold ESG Working Group meetings: once a year | As the coordination level, the ESG Working Group follows the climate strategy and guidance from the Audit Committee and the Board and coordinates departmental efforts to drive implementation. | Manage the setting of energy-saving and emission-reduction performance indicators and annual progress |

| Level | Composition | Responsibilities | Capabilities | Information channel & frequency | Climate factors in strategic decisions | Supervisory focus |
|------------------------------------|--|---|---|--|--|---|
| ESG-related functional departments | Project Management (Safety Committee Office), Technical Management, Administration Office, Human Resources, Party-Mass Office, Discipline and Inspection Office, Legal Department, Marketing Planning, Procurement, Finance and Accounting, Asset Management and project companies | <p>Responsibilities: carry out daily climate-related risk management and track and supervise the implementation of measures and indicator management responding to climate-related risks and opportunities</p> <p>Mandate: authorise business-related personnel to implement climate-related measures</p> | <p>Capabilities: professional execution capabilities such as cross-departmental coordination of resources, data analysis and project management</p> <p>Enhancement plan: participate in carbon emission management and ESG training</p> | Hold ESG functional department meetings: once a year | As the execution level, the functional departments are responsible for embedding climate targets into specific business processes and projects, supporting senior decision-making with data analysis, and identifying practical energy-efficiency improvements and process upgrades at the execution level to reduce carbon emissions. | Supervise the setting of process performance indicators and annual progress |

4.5.2 Strategy

Climate change is increasingly a material factor affecting corporate strategic planning and financial performance. On the one hand, the rising frequency and intensity of extreme weather events (such as floods, hurricanes and droughts), together with long-term climate trends (such as sea-level rise and temperature variability), may expose the Group to physical risks including business disruptions, supply-chain interruptions and increased operating costs. On the other hand, policy and regulatory changes driven by global decarbonisation goals, the expansion of carbon pricing mechanisms and market preferences shifting towards low-carbon products present transition risks, including higher compliance costs, asset revaluation pressure and changes in competitive dynamics.

Having said that, climate change generates transition opportunities. As the market of carbon emission trading matures and demand for green low-carbon solutions grows, companies can leverage innovative technologies and operational models to improve resource efficiency, open new markets and capture growth momentum from the low-carbon economic transition.

To systematically address these risks and opportunities, SIUD has conducted a comprehensive assessment of climate-related risks and opportunities and their actual and potential impacts on business operations, strategic development and financial performance in accordance with IFRS S2 issued by the ISSB and aligned with the Stock Exchange’s ESG Code requirements. Through this process, we aim to strengthen our risk management mechanisms, enhance the scientific and forward-looking nature of decision-making, and provide a solid basis for resource allocation to continuously drive sustainable value creation.

1. *Climate-related impacts*

SIUD assesses and analyses climate impacts on the economy, environment and society across all business activity stages and identifies affected stakeholders, then develops targeted mitigation measures or actions.

| Business activity | Material impacts on economy, environment and society | Affected stakeholders | Specific measures or actions |
|---|--|--|---|
| R&D & design stage | By means of green building design and application of low-carbon technologies, reduce whole-life-cycle carbon emissions and resource consumption of projects and support urban sustainable development | <p>Government & regulators: projects comply with increasingly stringent green building standards and carbon emission regulations, supporting national dual-carbon goals</p> <p>Customers: receive healthier, more energy-efficient and environmentally friendly spaces, improving living and usage value</p> | During the R&D and design phase, BIM technology is adopted to optimize energy efficiency, alongside the selection of green building materials and the integration of renewable energy systems, such as solar photovoltaics and ground source heat pumps, thereby enhancing the climate resilience and energy performance of projects at the source. |
| Construction & manufacturing stage | By promoting modular construction and green construction management, effectively reduce on-site carbon emissions, waste and noise pollution, and advance the construction industry's low-carbon transition | <p>Partners: supply chain adopts eco-friendly materials and low-carbon practices, improving overall supply-chain sustainability performance</p> <p>Communities & public: reduce air, noise and dust pollution during construction, improving local living conditions and public health</p> | Prefabricated construction technologies are promoted to reduce on-site energy consumption, construction processes are optimized to minimize resource waste and on-site pollution, and enhanced management of dust, noise, and energy consumption at construction sites ensures compliance with green building standards and improves environmental performance. |

| Business activity | Material impacts on economy, environment and society | Affected stakeholders | Specific measures or actions |
|----------------------|---|--|---|
| User operation stage | By creating high-efficiency buildings and green operational spaces, reduce the long-term energy consumption and carbon emissions of residential and commercial properties | <p>Customers: benefit from more energy-efficient, comfortable and healthy living and working environments, lowering long-term energy costs and environmental burdens</p> <p>Government & regulators: projects meet national green building standards and urban sustainability objectives, supporting dual-carbon goals and energy-saving and emission-reduction policies</p> | Property management units are encouraged to adopt intelligent energy management systems, and energy-efficient equipment deploys in certain commercial projects to enhance operational energy efficiency. At the same time, through green community initiatives and the design of energy-saving facilities, users are guided to participate in low-carbon lifestyle practices. |

2. *Climate-related risks and opportunities*

SIUD classifies climate risks into physical risks and transition risks and identifies opportunities arising from climate change. Based on industry characteristics and its own operations, SIUD conducts analysis and evaluation of potential business impacts, potential financial impacts and response plans for climate risks and opportunities. The specific contents are shown below. For analysis of likelihood and severity for each risk type, see the “Risk and Opportunity Management” subsection.

Scenario selection:

| Definitions of short, medium and long term | | Connection to strategic decisions |
|--|-----------|--|
| Short term | 2025~2030 | <p>To ensure scenario analysis aligns with decision-making cycles, SIUD divides the assessment period into short, medium and long term to support phased strategic judgment and resource allocation:</p> <p>Short term (2025–2030): critical action period aligned with the national carbon-peak phase, when policy and regulatory requirements and the industry’s transition rhythm become clearer; Medium term (2030–2040): deepening transformation period, with market preferences shifting to low-carbon products and high-carbon assets facing risks; Long term (2040–2050): critical phase toward net-zero period, consistent with many countries’ commitments to reach net-zero around 2050; scenario analysis in this period focuses on deep decarbonisation across the full value chain.</p> |
| Medium term | 2030~2040 | |
| Long term | 2040~2050 | |

| Scenario sources | Physical risks | | Transition risks & opportunities | |
|--|--|---|--|--|
| | Scenario name | Scenario description | Scenario name | Scenario description |
| | SSP1-2.6: Sustainability pathway | Under a development trajectory committed to sustainability, the world gradually follows a socially and economically sustainable path. Global consumption is oriented toward low energy and resource intensity, while substantive growth remains modest. | NGFS Net Zero 2050 (Central banks and supervisors' climate scenarios – net-zero by 2050) | The Net Zero 2050 scenario limits global warming to 1.5°C through stringent climate policies and innovation and achieves net-zero CO2 emissions around 2050. This scenario assumes immediate implementation of ambitious climate policies. Carbon dioxide removal (CDR) technologies are used to accelerate decarbonisation but are limited and aligned with sustainably produced bioenergy. Net CO2 emissions reach zero around 2050, giving at least a 50% chance of limiting warming to 1.5°C by the end of the century, with limited early overshoot (< 0.2°C). |
| SSP5-8.5: Fossil-fuel-led development pathway | The global landscape is dominated by market liberalism, with extremely rapid economic growth that is highly dependent on fossil fuels. Technological progress primarily serves energy extraction and consumption, with energy security prioritized over climate security. Global cooperation is centred on trade, yet the willingness to pursue climate mitigation is extremely low, resulting in continued increases in greenhouse gas emissions. | NGFS Current Policies (Central banks and supervisors' climate scenarios – current policies) | The Current Policies scenario assumes only existing policies remain in place, resulting in higher physical risks. Under this scenario, emissions continue to rise until around 2080, leading to approximately 3°C warming and severe physical risks, including irreversible changes such as sea-level rise. | |

| | | |
|-----------------------------|---|---|
| Reason for selection | Given the differing nature of risks, SIUD selected internationally accepted and comparable scenario frameworks: IPCC Shared Socioeconomic Pathways (SSPs) for physical risks and NGFS scenarios for transition risks. This combination helps separately analyse physical risks driven by climate outcomes and transition risks driven by policy and market forces. | |
| | We also selected two contrasting pairs of scenarios (SSP1-2.6 & SSP5-8.5; NGFS Net Zero 2050 & NGFS Current Policies) to form clear upper and lower bounds in scenario analysis. The contrast helps more intuitively identify exposure points and sensitive links, thereby providing the Board with a basis for prioritisation and climate response strategy formulation. | |
| Coverage | Operational scope | Covers R&D, construction, and consumer usage stages, encompassing all of SIUD's business activities |
| | Reporting period | 2025 |
| | Applicable time horizon | 2025-2028 |

Climate-resilience analysis:

| Climate-related Risks | | Risk-level changes in climate resilience over time ² | | | | | |
|-----------------------|--------------------------|---|--------|--------|---|--------|--------|
| | | SSP1-2.6: Sustainability pathway | | | SSP5-8.5: Fossil-fuel-led development pathway | | |
| | | 2030 | 2040 | 2050 | 2030 | 2040 | 2050 |
| Physical Risks | Precipitation & flooding | Low | Lower | Medium | Low | Medium | Higher |
| | Heat stress | Medium | Medium | Higher | Medium | Higher | High |

| Climate-related Risks | | Climate-resilience analysis results | | | | | |
|-------------------------|--|-------------------------------------|--------|--------|---|--------|--------|
| | | NGFS Net zero 2050 | | | NGFS Nationally Determined Contributions (NDCs) | | |
| | | 2030 | 2040 | 2050 | 2030 | 2040 | 2050 |
| Transition Risks | Regulatory changes to existing products and services | Medium | Higher | High | Low | Medium | Higher |
| | Low-carbon technology and product transition | Lower | Medium | Higher | Low | Lower | Higher |
| | Raw-material price increases | Lower | Higher | High | Low | Lower | Higher |
| Opportunities | Consumer behaviour shift | Lower | Medium | Higher | Low | Medium | Higher |
| | Energy structure transition opportunities | Higher | Higher | High | Low | Higher | Higher |

² A higher risk level indicates that, within the assessed future time window, the risk's change relative to the current baseline is larger and more pronounced.

Material climate-related risks and opportunities analysis:

| Climate-related risks | | | Impact on business model and value chain | | Impact on strategic decisions | |
|-----------------------|-------------|-------------------------------------|---|---|--|---|
| Category | Risk type | Risk description | Business model | Value chain | Strategic decision adjustments | Transition plans |
| Physical risks | Acute risks | Precipitation & flooding | <p>Current:</p> <ul style="list-style-type: none"> Many of SIUD's residential and commercial projects are located in high-density coastal cities and are vulnerable to precipitation and flooding. During construction, projects face risks such as waterlogging in foundation pits, basement flooding and suspension of works; In the operational phase after delivery, some older communities or low-lying commercial properties may experience poor drainage and facility damage, increasing later maintenance costs and customer complaints. <p>Expected:</p> <ul style="list-style-type: none"> With increasing intensity and frequency of precipitation and flooding, building exterior waterproofing layers, roof drainage systems, basement flood protection and internal park roads will face more frequent hydraulic impacts, leading to more leakage, structural cracking, ground settlement and pavement damage, challenging long-term durability and asset value. | <p>Current:</p> <ul style="list-style-type: none"> Upstream supply chain: building materials and critical equipment suppliers may experience factory waterlogging, warehouse inundation and transport disruption during heavy precipitation and floods, causing delivery delays that affect construction schedules and milestone achievement; Logistics and on-site delivery: overland transport of heavy building materials and MEP equipment may be delayed or rerouted, increasing transport costs and the risk of on-site work suspension due to material shortages – this pressure is particularly acute for projects with tight schedules during peak rainy seasons. <p>Expected:</p> <ul style="list-style-type: none"> Supply-chain and logistics: as precipitation and flooding events become more frequent, material production bases, regional warehouses and port handling facilities located in low-lying areas may be repeatedly affected by floods. The frequency and duration of supply interruptions are expected to increase, raising overall supply-chain uncertainty. | <p>Facility layout & adaptation adjustments</p> <ul style="list-style-type: none"> Take regional temperature trends and precipitation/flood frequency into consideration in site selection and planning for new, alteration and expansion projects, and assess exposure and sensitivity under high-temperature and heavy-precipitation scenarios; For existing projects, comprehensively advance adaptive retrofits of roof waterproofing, building envelope, drainage and flood protection capability, floor and external road improvements, and protection of critical equipment locations to enhance overall resilience against prolonged heat stress and short-term flood events. <p>Value-chain resilience measures</p> <ul style="list-style-type: none"> In supply-chain management, establish climate-risk assessment mechanisms for key building-material and equipment suppliers; prioritise compliant manufacturers located in areas with sound drainage and higher elevation, and explore multi-source supply or regional buffer-warehouse models in procurement strategies to reduce logistics disruption risks caused by extreme weather. | <ol style="list-style-type: none"> For key offices and projects, phase-wise carry out assessments of environment adaptation and flood-drainage capacity, and develop retrofit plans such as roof waterproofing and thermal insulation reinforcement, drainage system optimisation, elevation and protection upgrades for critical equipment, and improvements to indoor environmental control capabilities. Establish business-continuity and emergency response plans covering heat stress and precipitation/flood scenarios, define response procedures and information-sharing mechanisms for different event levels, and validate protection of construction, sales and service functions through regular drills. |

| Climate-related risks | | | Impact on business model and value chain | | Impact on strategic decisions | |
|----------------------------|---------------|------------------|---|--|---|--|
| Category | Risk type | Risk description | Business model | Value chain | Strategic decision adjustments | Transition plans |
| Physical risks (cont'd) | Chronic risks | Heat stress | <p>Current:</p> <ul style="list-style-type: none"> Heat stress has an ongoing impact on labour productivity and health of frontline construction workers at active sites. High-temperature work can cause heatstroke and symptoms such as increased fatigue, reduced continuous working time and higher rates of occupational injuries; With prolonged high-temperature days and more frequent "hot and humid" conditions in summer, temporary on-site offices, sales offices and held commercial properties face significantly higher air-conditioning loads; cooling equipment operates intensively, increasing energy consumption and equipment wear. <p>Expected:</p> <ul style="list-style-type: none"> Long-term heat stress will accelerate ageing of building systems and equipment; outdoor or poorly ventilated facilities may present safety risks; During the asset-operation phase, HVAC systems, exterior wall insulation, roof waterproofing materials, plastic pipes and fittings, and rubber seals in commercial and residential properties will face more severe durability challenges. High temperatures accelerate material fatigue and performance degradation, which may shorten maintenance cycles and increase replacement frequency. | <p>Current:</p> <ul style="list-style-type: none"> Raw materials & suppliers: upstream building-material and equipment suppliers face difficulties cooling production facilities in high-temperature seasons, machinery overheating shutdowns and reduced frontline worker efficiency, causing production volatility and extended delivery cycles that indirectly affect SIUD construction schedules. <p>Expected:</p> <ul style="list-style-type: none"> Warehousing & logistics: extreme and prolonged high temperatures accelerate ageing risks for temperature-sensitive materials; in open-air storage or long-distance transport, deformation, embrittlement or performance degradation may occur, increasing material waste and on-site rework risks. | <p>Employee health</p> <ul style="list-style-type: none"> Integrate the impacts of heat stress and precipitation/flooding on employee health, safety and commuting conditions into the occupational health and safety management framework, and incorporate high-temperature and heavy-rain working conditions into job design and work-environment management. | <p>3) Assess climate risks for key suppliers and logistics nodes, identify upstream factories, warehouses and transport hubs with high exposure to heat, humidity and flood risks, and establish alternative suppliers and multi-route transport plans for critical raw materials.</p> |

| Climate-related risks | | | Impact on business model and value chain | | Impact on strategic decisions | |
|-----------------------|-----------------------------|---|--|--|---|--|
| Category | Risk type | Risk description | Business model | Value chain | Strategic decision adjustments | Transition plans |
| Transition risks | Policy and regulatory risks | Regulatory changes to existing products and services | <p>Current:</p> <ul style="list-style-type: none"> The national "dual-carbon" targets and green transition policies in the housing and construction sector are being strengthened; many localities have introduced mandatory green building standards and energy-saving design codes that require new projects to improve energy-efficiency levels and increase the share of renewable energy use; Key cities such as Shanghai and Suzhou have successively implemented mechanisms linking land-sale conditions to green-building ratings and giving preferential presale approval to high-star green buildings. <p>Expected:</p> <ul style="list-style-type: none"> With deeper implementation of the "Carbon Peak Action Plan for Urban and Rural Construction", new buildings will likely face stricter carbon-intensity limits and whole-life-cycle carbon accounting requirements. | <p>Current:</p> <ul style="list-style-type: none"> Raw materials and supplier segment: as the national carbon market progressively expands to include the building-materials industry, upstream suppliers' carbon allowance costs and green-power procurement expenses are gradually being reflected in material pricing; Project design segment: many local housing and construction authorities are linking green-building certification with presale permits, requiring firms to complete energy-saving simulations, renewable-energy configurations and initial carbon-footprint assessments of major materials at the design stage. <p>Expected:</p> <ul style="list-style-type: none"> Raw materials and supplier segment: a "low-carbon access" mechanism will likely be established, incorporating suppliers' carbon-related indicators into tender evaluation systems; non-compliant suppliers may be excluded; Raw materials and component supply segment: for key materials, suppliers will be required to provide independent third-party verification reports that conform to the "Standard for Carbon Footprint Accounting of Construction Products"; integration of material carbon data modules into the BIM platform will be explored to enable project-level traceability and optimisation of embedded carbon. | <p>Disclosure and data governance</p> <ul style="list-style-type: none"> At the Group level, align with domestic and international climate disclosure and compliance requirements, map disclosure data needs and management requirements, and build a climate and carbon data governance system. <p>Financial planning and decision-making</p> <ul style="list-style-type: none"> Incorporate climate transition risk analysis into medium- and long-term business planning and capital expenditure (CAPEX) decisions; use scenario analysis and stress testing to assess profitability, asset-impairment risk and cash-flow positions under different scenarios. | <ol style="list-style-type: none"> Develop a roadmap for climate and sustainability information disclosure, progressively implement quantitative climate-transition risk assessment, product carbon footprints and value-chain emissions data. In response to increasingly stringent domestic and international green-building and carbon regulations, implement material carbon-footprint accounting at the design stage, energy-consumption monitoring during construction, and dynamic aggregation of operational public-facility energy data. Establish a climate-risk management system based on key regulations, low-carbon technologies and commodity exposures; evaluate changes in compliance costs, raw-material costs and gross margins under different scenarios. Embed climate-scenario analysis results into annual budgets and medium- to long-term CAPEX plans. |

| Climate-related risks | | | Impact on business model and value chain | | Impact on strategic decisions | |
|------------------------------|------------------|--|---|---|---|--|
| Category | Risk type | Risk description | Business model | Value chain | Strategic decision adjustments | Transition plans |
| Transition risks (cont'd) | Technology risks | Low-carbon technology and product transition | <p>Current:</p> <ul style="list-style-type: none"> The automotive industry is accelerating its transition to low-carbon technologies; OEMs must continue to increase related R&D and capital investment, weakening traditional combustion-engine profit models; New-energy vehicle product cycles iterate faster than traditional internal-combustion vehicles, placing pressure on OEMs to shorten development cycles while increasing upfront investment. <p>Expected:</p> <ul style="list-style-type: none"> If OEMs' investment pacing, technology pathways and alignment with market demand are mismatched (for example, over-betting on or underinvesting in a particular technology), products may fail to meet market needs. | <p>Current:</p> <ul style="list-style-type: none"> Raw materials and component supply segment: the value-chain focus is shifting from traditional components (engines, transmissions) to battery packs, electric drive systems and electronic-electrical architectures. Upstream suppliers must synchronously upgrade technologies and expand capacity. <p>Expected:</p> <ul style="list-style-type: none"> Across the value chain: the accelerated evolution of low-carbon technologies requires continual investment in new processes, equipment and digital systems; supply-system restructuring will bring integration costs and management complexity. | <p>Products and technologies</p> <ul style="list-style-type: none"> Systematically plan low-carbon construction technology pathways guided by "less material, lower consumption, higher efficiency." In new projects, progressively promote high-strength rebar, high-performance concrete, energy-efficient windows and integrated façade-insulation systems to reduce material use and carbon emissions per unit floor area. <p>Supply-chain resilience</p> <ul style="list-style-type: none"> Prioritise medium- to long-term partnerships with suppliers that have low-carbon technical capabilities and transparent compliance data. | <p>4) Develop low-carbon product and technology roadmaps that define sales-mix and profitability targets across phases for internal combustion, hybrid, pure-electric and hydrogen vehicle platforms; set periodic review and dynamic adjustment mechanisms for platforms if technology, regulation or cost trajectories deviate from expectations.</p> <p>5) For high-carbon sensitive materials such as steel, aluminium extrusions, cement, precast components and insulation materials, establish a "green supplier evaluation system" that includes carbon-intensity, recycled-material usage rate, energy-management certifications, carbon-data transparency and technological upgrade capacity in tender evaluation criteria; apply tiered management and dynamic adjustments.</p> <p>6) Cooperate with upstream building-materials firms and specialised recycling organisations to explore classified demolition-waste collection and reuse mechanisms in urban renewal projects, increasing on-site reuse rates of waste concrete, bricks, metal and other materials.</p> |
| | Market risks | Raw-material price increases | <p>Current:</p> <ul style="list-style-type: none"> In construction, demand for green upgrades of key materials continues to rise. High-carbon materials — steel, aluminium extrusions, copper cable, cement and insulation — face production cutbacks, tighter energy-efficiency access requirements and internalised carbon costs, increasing price volatility. <p>Expected:</p> <ul style="list-style-type: none"> As the national carbon market expands to building materials, high-carbon materials may be constrained by carbon pricing and policy; low-carbon critical inputs could face supply — demand imbalances, so raw-material prices may remain volatile at a high level. | <p>Current:</p> <ul style="list-style-type: none"> Raw materials and supplier segment: upstream building-materials firms are accelerating process upgrades, fuel substitution and carbon-capture applications to meet stricter dual-control energy and carbon requirements. Capital expenditures and green-power procurement costs are increasingly reflected in product pricing and passed downstream through procurement. <p>Expected:</p> <ul style="list-style-type: none"> Raw materials and supplier segment: if production permits tighten due to local carbon quotas or renewable-energy supply bottlenecks, critical material supply may be temporarily constrained or remain at high price levels. Asset operation and end-of-life segment: if classification, recycling and reuse systems for demolition waste are not established, continued reliance on virgin materials for urban renewal and new development will increase life-cycle resource consumption and carbon-emission pressure. | | |

| Climate-related opportunities | | Impact on business model and value chain | | Impact on strategic decisions | |
|-------------------------------|--|---|---|---|---|
| Category | Opportunity description | Business model | Value chain | Strategic decision adjustments | Transition plans |
| Opportunity | Consumer behaviour shift | <p>Current:</p> <ul style="list-style-type: none"> Against the backdrop of advancing "dual-carbon" goals and broader green living awareness, homebuyers in the Yangtze River Delta — especially in core cities such as Shanghai, Suzhou and Hangzhou — are increasingly concerned about the sustainability of residential products. <p>Expected:</p> <ul style="list-style-type: none"> As public environmental awareness grows and building-sector carbon disclosure mechanisms are gradually established, consumers will demand not only physical quality and functionality of housing but also transparent, verifiable "building carbon footprints" and "whole-life-cycle environmental impact" information from developers. | <p>Current:</p> <ul style="list-style-type: none"> Analysis shows this opportunity has not yet materially affected the value chain. <p>Expected:</p> <ul style="list-style-type: none"> User operation stage: as homebuyers and tenants place higher demands on environmental performance of living spaces, developers will be pushed to provide verifiable energy-savings data, indoor-air-quality reports and community carbon-reduction transparency after handover, shifting property management and asset operations from "passive service" to "active disclosure". | <ul style="list-style-type: none"> Leverage rising homebuyers' preference for healthy, low-carbon and energy-efficient living to systematically increase application of green-building technologies and sustainable space-design standards across product lines and project positioning. In brand promotion and customer communication, integrate low-carbon construction capability, green-construction practice and supply-chain environmental responsibility into core brand messaging to build an ESG value system that is verifiable, perceptible and participatory. | <ol style="list-style-type: none"> Implement differentiated green product lines and locally adapted value communication for different customer segments and project positioning to strengthen low-carbon and health advantages in typical living scenarios. Launch value-added services centered at energy-efficient operations and resource recycling to convert buyers' environmental concerns into long-term community engagement and sustained value returns. |
| | Energy structure transition opportunities | <p>Current:</p> <ul style="list-style-type: none"> Companies currently primarily rely on grid electricity purchases and have not widely adopted green-power direct procurement or decentralised energy investments; however, some new projects have begun exploring PV applications and emphasise "green power usage ratio" in LEED or WELL certified projects. <p>Expected:</p> <ul style="list-style-type: none"> By increasing the share of green power in operations and improving energy efficiency, the Company can reduce structural dependence on fossil fuels in the medium to long term, buffering operational results from energy-price and carbon-cost volatility. | <p>Current:</p> <ul style="list-style-type: none"> Raw materials and supplier segment: upstream material suppliers are progressively increasing renewable-energy use; some firms reduce product carbon footprints through PV, wind or green-power transactions, laying foundations for a low-carbon supply chain. User operation stage: in residential and office projects, electrification of public-area lighting, lifts and pumps is common; some new projects provide EV charging facilities. <p>Expected:</p> <ul style="list-style-type: none"> Across the value chain: drive energy-model transformation across the whole life cycle from design — construction — operation. | <ul style="list-style-type: none"> Centrally plan PV deployment, green-power procurement and use of renewable certificates at Group level to gradually raise clean-energy share of total energy consumption. Use the Group's influence to encourage key material and component suppliers to increase clean-energy usage, improving upstream energy structure. | <ol style="list-style-type: none"> Based on existing PV projects, phase-wise assess rooftop, carport and façade resources of held properties and new projects to appropriately expand distributed PV capacity. Move from single-project pilots toward Group-level management of green power procurement and certificates, with phased green-power usage targets. For high-energy-consumption materials and key components, establish an information-collection mechanism on suppliers' energy mix and production electricity carbon intensity, and include "clean-power usage ratio" in strategic supplier evaluation. Continue to develop "zero-carbon charging station" demonstration sites and gradually promote them to new residential communities, held parking facilities and partner commercial spaces to increase customer accessibility to and awareness of clean power for recharging. |

Financial impact analysis of climate-related risks and opportunities:

SIUD focuses on the major identified climate risks and opportunities, mapping their current financial impacts during operations and, in combination with the Group’s overall strategic plans and business layout, further assessing potential financial impacts in the short, medium and long term. Based on this assessment, SIUD will continue to explore paths for technology and ecology synergy to deepen systematic climate responses.

| Climate-related risks | | | Current financial impacts | Expected financial impacts ³ |
|-----------------------|---|--|--|---|
| Physical risks | Acute physical risks | Precipitation & flooding | <ul style="list-style-type: none"> Payment of high-temperature allowances, adjusted working hours and increased medical protections: employee compensation increases by RMB22,800. Increased investment in employee health interventions, occupational-disease prevention and insurance leads to a RMB124,400 rise in administrative expenses. Increases in payroll, benefits and insurance result in an increase of RMB1,796,900 in cash outflows from operating activities. | <ul style="list-style-type: none"> Non-operating expense volatility increases Cash outflows for investing activities increase in the short term |
| | Chronic physical risks | Heat stress | | <ul style="list-style-type: none"> Administrative expenses increase Employee compensation payable increases |
| Transition risks | Policy and regulatory risks | Regulatory changes to existing products and services | | <ul style="list-style-type: none"> Operating revenue declines Risk of impairment of intangible assets rises |
| | Technology risk | Low-carbon technology and product transition | | <ul style="list-style-type: none"> R&D expenditures increase Cash outflows for investing activities increase |
| | Market risk | Raw-material price increases | | <ul style="list-style-type: none"> Inventory volatility rises Operating costs increase |
| Opportunity | Consumer behaviour shift | / | | <ul style="list-style-type: none"> Investment returns increase |
| | Energy structure transition opportunities | / | | <ul style="list-style-type: none"> Deferred tax assets increase Income tax expenses decrease |

³ The Company has conducted a qualitative analysis of the risks and opportunities associated with climate change in terms of their anticipated financial impact. Given the long-term nature and uncertainty of climate risks, it has not yet been possible to reliably quantify the financial impact these risks may have over a specific future period. We will disclose quantitative data once the relevant information becomes available. The Company has prepared the following content in response to the relevant requirements, using information obtained without undue effort and methods commensurate with our current capabilities. We are committed to achieving more comprehensive disclosure in the foreseeable future to ensure the richness and transparency of our disclosures.

4.5.3 Risk and Opportunity Management

SIUD's subsidiaries have established emergency plans such as the "Contingency Plan for Snowy and Icy Weather in Winter", "Special Contingency Plan for Rain, Snow, Ice and Sleet Disasters", "Special Contingency Plan for Flood and Typhoon Control", and "Collaborative Quick Response Plan for Park Hotels under Snowy and Icy Weather in Winter". Climate-change risk factors are appropriately considered in the Group's overall risk-management processes. Through a comprehensive risk-management mechanism, we closely monitor climate-risk trends and systematically carry out identification, assessment and response to climate-related risks. Overall, climate-change risk is not yet ranked as a material risk across SIUD's enterprise risk exposure.

1. Assessment Process

SIUD has established a relatively complete and standardised process for identifying and assessing climate-change risks and opportunities. During the Reporting Period, we conducted climate-change scenario analysis based on IPCC and NGFS scenarios (for more details, see the "Strategy" section under the "Addressing Climate Change" subsection), evaluated our asset locations, business scope, domestic and overseas markets and industry technology trends, and identified and screened the 2 major physical risks, 3 major transition risks and 2 major opportunities described above.

Under specified scenarios, using external third-party vendor databases and internal baseline data research, we evaluated the likelihood and magnitude of climate-change risks and opportunities, and produced a quantitative ranking of climate risks and opportunities through quantitative data analysis.

2. Monitoring Process

The SIUD ESG Working Group will regularly review the above assessment process based on dimensions such as risk applicability, forecasting accuracy and risk-management effectiveness, assess overall climate-risk management performance against annual climate targets, and propose adjustments to the assessment process. Through the Audit Committee, the Board reviews the ESG Working Group's proposed adjustments, and periodically monitors and approves the system governing the climate-change assessment process. During the Reporting Period, this assessment process was established and refined, and climate-change risk assessment analyses were conducted in accordance with the process.

4.5.4 Metrics and Targets

To actively respond to the dual-carbon initiative, the Group has set carbon-emission targets and further expanded coverage of greenhouse-gas accounting, including collection and statistical scope for Scope-3 data, and is committed to continuously strengthening the Company's data-management capabilities. In addition, we will continue to track climate-related indicators such as carbon emissions, energy use and green-building floor area.

Climate-related targets:

| | |
|------|--|
| 2030 | Achieve carbon peak for total CO2 emissions (Scopes 1 and 2) within the operational boundary |
| 2050 | Achieve carbon neutrality for total CO2 emissions (Scopes 1 and 2) within the operational boundary |

Climate-related metrics:

| Metrics | 2025 | Unit |
|---|-----------|----------------------|
| Amount of property insurance purchased (coverage includes direct property losses caused by extreme weather disasters triggered by climate change) | 85 | RMB10,000 |
| Total Scopes 1 and 2 Carbon Dioxide Emissions | 32,357.66 | tCO2e |
| Scope 1 Carbon Dioxide Emissions | 4,038.30 | tCO2e |
| Scope 2 Carbon Dioxide Emissions | 28,319.36 | tCO2e |
| Scope 3 Carbon Dioxide Emissions | 217.85 | tCO2e |
| Total Energy Consumption | 69,372.60 | MWh |
| Area of Green Buildings | 379 | 10,000 square metres |

Indicators and related statements

- Internal carbon pricing: As the Group's implementation of carbon management strategies remains in a gradual advancement stage, we have not yet established or implemented an internal carbon pricing mechanism as of the end of the Reporting Period. At present, we primarily incorporate carbon cost-related factors into operational management and decision-making through non-price indicators such as energy efficiency and emission reduction performance. In the future, we will continue to assess the applicability and feasibility of internal carbon pricing tools based on regulatory requirements and business development circumstances.
- Climate-related factors and remuneration policies: Given that the climate-related performance management mechanism remains in its early stages, the Group has not yet directly incorporated climate-related performance indicators into the remuneration determination mechanisms (including fixed remuneration and incentive arrangements) for the Board of Directors and senior management as of the end of the Reporting Period. We plan to integrate relevant performance indicators into assessment targets starting in 2026.

4.6 Biodiversity Conservation

Biodiversity is the lifeblood and foundation of Earth's community of life. The Group places importance on integrating ecological conservation principles across the full project lifecycle — from investment, development, design and construction through to operation. We actively safeguard biodiversity, protect existing trees and ecosystems, and avoid undertaking commercial activities unrelated to ecological conservation in important ecological reserves and their surrounding areas, striving to ensure habitat integrity and the effective conservation of biodiversity.

The Group has established the following principles for conserving biodiversity:

- **Selection of Plant Species:** When selecting plant species, their adaptability to the local environment and their impact on the ecosystem should be considered. For example, exotic species should be avoided to prevent disruption to the local ecosystem.
- **Soil Protection:** Regular soil tests should be conducted to assess nutrient content and contamination levels. If soil quality is found to be declining, improvement measures, such as adding organic fertilizers or changing planting patterns, should be implemented.
- **Use of Pesticides:** Pesticide use should be minimised, especially those harmful to the environment and human health. Pesticides must be applied properly, avoiding use during windy or rainy conditions to prevent contamination of surrounding areas or water bodies.
- **Protection of Water Bodies:** Water quality should be regularly monitored, and immediate action should be taken to clean up any contamination. The use of pesticides and fertilizers near water bodies should be avoided to prevent pollution.

According to the "Aqueduct Water Risk Atlas" published by the World Resources Institute, there is no problem with the water source of the Group's main operating locations.

Case

Protecting Climate and Biological Diversity

The Group fulfilled its responsibilities as a state-owned enterprise at the initial stage when the functions and positioning of Chongming Ecological Island had just been determined. With the support of the relevant Shanghai departments and Chongming County, the Group established the Leading Group for the Development of Dongtan and upgraded the Dongtan subsidiary to be our direct subsidiary in order to strengthen the development of Chongming Dongtan.



Dongtan Development Zone

5. A PEOPLE-ORIENTED APPROACH FOR WIN-WIN COOPERATION

| Material Issues | Corresponding SDGs |
|--|--|
| <ul style="list-style-type: none"> Protection of employee rights Staff development and training Occupational health and safety Supply chain management |  |

Upholding our “people-oriented, integrity-first” philosophy, the Group is committed to fostering a fair and respectful workplace that fully protects the legitimate interests of our employees. We actively cultivate a diverse, inclusive and caring culture, and provide broad development opportunities to support each employee’s personal growth and career advancement in a dynamic and supportive environment.

5.1 Diversity and Inclusiveness for Mutual Success

With zero tolerance for discrimination or any conduct that infringes upon employee rights, we have established various internal systems and documents, including the Staff Manual, to ensure full respect for and protection of employee rights while enhancing overall employee satisfaction. Meanwhile, we continue to invest in talent acquisition and have developed a multi-faceted development framework, prioritising professionals from diverse backgrounds to build an inclusive workforce.

Protection of Employee Rights

The Group complies with and adheres to relevant PRC laws and regulations, including the Labour Law of the People’s Republic of China (《中華人民共和國勞動法》), the Labour Contract Law (《勞動合同法》), the Law on the Protection of Rights and Interests of Women (《婦女權益保護法》), the Law on the Protection of Minors (《未成年人保護法》) and the Provisions on the Prohibition of Using Child Labour (《禁止使用童工規定》). We also align with the United Nations Guiding Principles for Business and Human Rights (UNGPR), as well as international human rights standards established by organisations such as the International Labour Organisation (ILO), the Organisation for Economic Co-operation and Development (OECD), and the United Nations Global Compact (UNGC). We uphold equality in employment practices and firmly oppose all forms of discrimination, ensuring that employees are not subject to unfair treatment in recruitment, compensation or promotion on the basis of gender, age, race, religion, marital and parental status or any other protected characteristic.

The Group respects and protects the legitimate interests of our employees and has established a robust employee rights protection mechanism to ensure that our business operations, value creation and brand development are firmly grounded in respect for human rights. We are committed to prohibiting any conduct that violates human rights, including the use of child labour, forced labour, workplace harassment and discrimination, and remain steadfast in upholding human rights protection.

Highlights

During the Reporting Period, the Group **did not violate** any laws and regulations that have a significant impact on the Group relating to employment.

Employee Compensation and Benefits

The Group is committed to establishing a competitive compensation and benefits system that closely aligns the value of each role, individual performance and long-term development, thereby fostering talent development.

Compensation System: We have established a compensation system that links employee remuneration to performance and actual contributions, supported by a rational pay allocation and assessment framework, as well as a long-term incentive mechanism to effectively motivate employees. The Group's Administrative and Human Resources Centre conducts annual performance evaluations and continuously optimises the alignment between compensation and job roles to ensure fairness and competitiveness.

Benefits System: In accordance with relevant laws and regulations and taking into account employee needs, we have established a comprehensive benefits system. This includes basic statutory benefits such as social insurance and pension contributions, statutory holidays, marriage leave, compassionate leave and annual leave. We have also defined various allowance standards and benefit payment procedures in the Standards and Implementation Rules on Staff Benefits to ensure transparency and fairness in benefits administration. In addition, we have introduced the Management Measures for Externally Posted Staff (Revised) and the Relevant Regulations on Staff Allowances for Remote Projects in Shanghai to safeguard the well-being and living conditions of externally posted employees, further enhancing our employee benefits support framework.

| Statutory Benefits | Basic Benefits | Supplementary Benefits |
|---|---|---|
| <p>In accordance with national or local regulations, all employees are provided with:</p> <ul style="list-style-type: none"> • Statutory holiday leave • Social insurance, including basic old-age insurance, medical insurance, unemployment insurance and work-related injury insurance • Housing provident fund • Other statutory staff benefits | <p>All employees are entitled to:</p> <ul style="list-style-type: none"> • Leave beyond statutory holidays, including annual leave, sick leave, casual leave, maternity leave and paternity leave • Festive gifts for traditional festivals • Other basic benefits as per the requirements | <p>Employees meeting special criteria are entitled to:</p> <ul style="list-style-type: none"> • Staff dormitory • Housing subsidies • Reimbursement of training and exam fees and subsidies for professional certifications • Other special benefits as per the requirements • Supplementary medical insurance |

Staff Communications and Care

The Group places a high value on employees' freedom of association and right to collective bargaining, while safeguarding their rights to information, participation, expression and supervision. By encouraging employees to engage in the Company's development, we fully leverage their roles in democratic management, participation and oversight. At the same time, we continuously enhance our democratic communication system, providing platforms such as the Company intranet and other channels for employees to share their opinions with senior management. We strive to improve the workplace by actively listening to and acting on employee feedback and suggestions.

We regularly organise a variety of employee care activities to enhance overall well-being, including but not limited to staff birthday celebrations, staff activity days, Women's Day events, staff sports games and staff development programs. Through these diverse initiatives, we aim to support employees in achieving a healthy work-life balance.

Case

Regular Staff Birthday Celebrations

Group birthday celebrations were held quarterly for staff, with over 30 participants each time, including headquarters staff celebrating their birthdays that month and other interested personnel. The celebrations featured staff self-introductions, interactive games, birthday cake sharing, group photos and messages. Company leaders also delivered speeches, expressing appreciation and best wishes for the staff. Additionally, the labour union prepared birthday cards for staff celebrating their birthdays, further demonstrating care for them.



Staff birthday celebration

Case

Headquarters Staff Activity Day

On 27 November, the Group's headquarters organised the Headquarters Staff Activity Day, which attracted nearly 100 employees. The activities combined fun interactions with team collaboration to overcome challenges, fostering inter-departmental communication in a relaxed and enjoyable atmosphere. This not only strengthened trust among colleagues but also enhanced team cohesion and employees' sense of belonging to the corporate.



Staff Activity Day

Talent Acquisition and Retention

The Group is committed to developing diverse talent development channels. Through the Administrative Measures for the Job Ranking System of SIUD, we have established an open and transparent promotion framework, using staff responsibilities, performance and capabilities as the evaluation criteria to ensure that each employee's contributions and talents are fairly recognised.

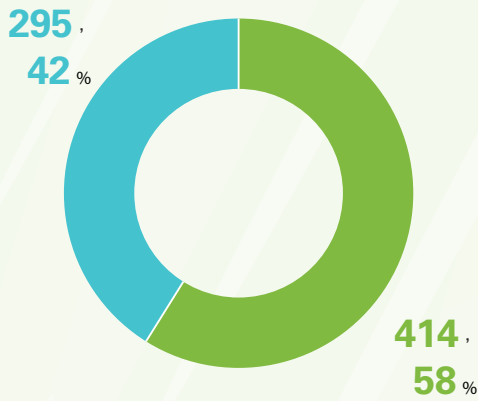
- **Internal Development Channel:** To identify potential internal talents and connect the right job with the right person, the Group has established a robust internal cultivation and promotion mechanism. This enables the advancement and utilisation of employees who demonstrate ambition, continuous learning and self-development, fostering effective talent mobility and optimised deployment. In addition, cross-departmental and cross-functional transfer channels are in place to systematically nurture versatile employees with both professional expertise and cross-functional capabilities.
- **External Talent Acquisition Channel:** We develop talent acquisition strategies and actively collaborate with colleges and universities to host on-campus career fairs, while also leveraging online recruitment channels to attract outstanding talent and inject fresh energy into organisational development.

Diversity and Inclusion

We are committed to eliminating discrimination in employment and the workplace, and to building a fair, just and inclusive environment where all employees are treated equally. Respecting diversity and differences, we place strong emphasis on the employment rights of persons with disabilities and proactively create suitable job opportunities to help them fully realise their potential. We also encourage our suppliers and partners to comply with fair employment laws and regulations, promoting diversity and inclusion throughout our supply chain. By establishing clear policies and standardised procedures, we ensure fairness and transparency in key areas such as recruitment, evaluation and promotion, eliminating biases and providing all employees and job candidates with equal access to opportunities.

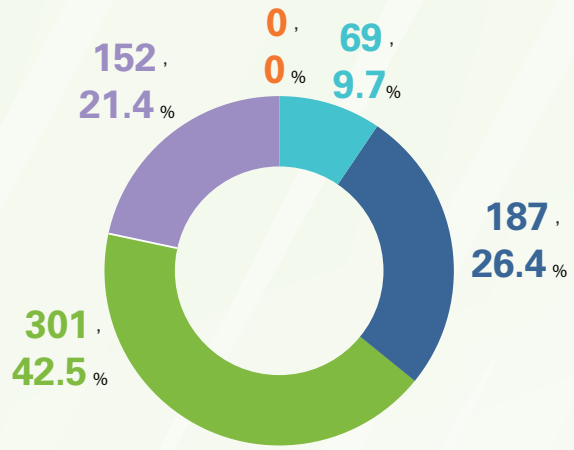
As at the end of the Reporting Period, the Group had 709 employees and the number and percentage⁴ of our employees by gender, age group, employment type and geographical region were as follows:

Number and percentage of employees by gender



Male Female

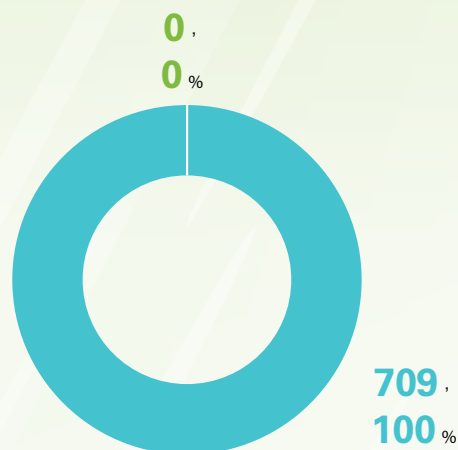
Number and percentage of employees by age group



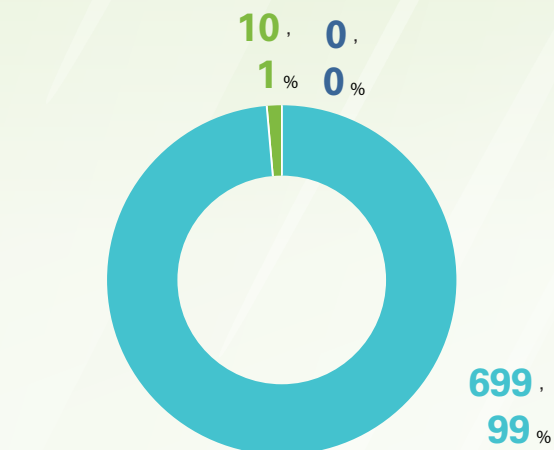
18-30 31-40 41-50
 51-60 61 and above

⁴ The formula for calculating the percentage of employees of each category: Number of employees in the category as at the end of the Reporting Period/Total number of employees as at the end of the Reporting Period x 100.

Number and percentage of employees by employment type



Number and percentage of employees by geographical region



▲ Full-time ▲ Part-time ▲ Mainland China ▲ Hong Kong, Macau, Taiwan ▲ Overseas

5.2 Nurturing Talents to Drive Development

Adhering to the principle of win-win cooperation and mutual growth, the Group continues to develop a multi-tiered training system. We have established the Training Management System and Annual Training Plan, and review them regularly to ensure that annual training programs align with the Group’s development strategies and employees’ personal development needs. Meanwhile, we have implemented a top-down training governance structure designed to nurture a talent pool in a planned, systematic and efficient manner, thereby enhancing the overall operational, management and productivity levels of the Group.

We encourage all employees to actively participate in training activities to support their personal growth and develop alongside the Company. During the Reporting Period, we conducted training programs on a variety of topics, including political competence, party spirit building, front-end innovation, professional knowledge and management skills, helping employees broaden their horizons, address skill gaps and develop their talents to strengthen our overall talent pool. Notably, programmes such as the SIIC Senior Management Course, Young Talent Class, Post-90s Talent Reserve Training Course, and Finance and Accounting Professional Development Course — covering Group leadership, reserve cadres, outstanding young professionals, and specialists — attracted a total of 20 participants, effectively supporting the development of key talent groups.

| Programme Title | Programme Overview | Programme(s) Included |
|--|---|--------------------------------------|
| SIUD Ballet Training Camp | Induction training for new employees | Induction Training for New Employees |
| SIUD Management Trainee Programme | Job rotation, mentorship and high-potential programmes for management trainees are designed to accelerate the development of future talent equipped with strategic thinking and strong execution capabilities | Management Trainee Programme |

| Programme Title | Programme Overview | Programme(s) Included |
|-------------------------------|---|---|
| SIUD Talent Programme | Targeted skills training for key roles to strengthen professional expertise and support career development | City Wisdom Forum, line-specific professional training |
| SIUD Leaders Programme | Management skills enhancement course for employees at and above mid-level cadre, combining theoretical knowledge with practical application | SIIC Senior Management Course, SIIC Young Talent Class, Post-90s Talent Reserve Training Course |

In 2025, 94 employees from the Group’s headquarters received training and the number of all trainees reached 1,519 with total training hours amounting to 1,030 hours. The training penetration rate was 100%.

5.3 Safety and Health First

With “prevention-oriented, with integrated prevention and control” as our safety management objective, the Group places the health and safety of employees and customers as the top priority in our business operations. The Group has established the Safety Management Committee (“**Safety Management Committee**”) as the highest accountable body for its occupational health and safety initiatives, fully responsible for production safety. The Group’s President, as the leader of the Safety Management Committee, leads the Safety Management Committee in consolidating the Group’s safety defence. In the event of extreme weather, we prioritise employee safety by implementing protection and risk prevention measures in accordance with established safety procedures, thereby enhancing risk control and emergency response preparedness. During the Reporting Period, the Group, our subsidiaries and functional departments have all signed the Production Safety Responsibility Statement and Undertakings, while staff members have signed the Safety Code Undertakings, ensuring that production safety duties are implemented at every position and by each employee.

| Personnel Composition | Position Category | Safety Management Responsibilities |
|---|---|---|
| Supervisor of Safety Management Committee | President | <ul style="list-style-type: none"> Establish an organisation-wide safety accountability system and enhance production safety standardisation Coordinate the preparation of annual production safety plans Coordinate the formulation of safety rules and systems and contingency plans |
| Assistant Supervisors of Safety Management Committee | Vice President of Occupational Safety and Health and the relevant Vice Presidents | <ul style="list-style-type: none"> Set goals and tasks that are related to its duties to synchronise production safety initiatives with the other business operations Organise and monitor the investigation and handling of production safety incidents and occupational diseases and hazards Develop production safety training programmes and coordinate their delivery |

| Personnel Composition | Position Category | Safety Management Responsibilities |
|---|--|--|
| Members of Safety Management Committee | Persons-in-charge of the Administrative Office, Project Management Department, Finance and Accounting Department and Technical Management Department, etc. | <ul style="list-style-type: none"> Establish an organisation-wide system of role-based accountability with clear performance evaluation criteria. Regularly monitor and review daily controls, target achievements and the investigation and treatment of potential hazards Conduct risk identification and implement tiered risk control measures, while coordinating the remediation of potential hazards Make recommendations on occupational health and safety assessment |

Performance Highlights

During the Reporting Period

- The Group signed the Production Safety Responsibility Statement and Undertakings with all our subsidiaries and functional departments, with a 100% employee sign-off rate on the Safety Code Undertakings.
- The Safety Management Committee held a total of 4 production safety meetings to communicate production safety requirements to all responsible units and review their implementation.

Safety System Development

The Group strictly adheres to laws and regulations relating to occupational health and safety, including the Production Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), the Fire Prevention Law of the People's Republic of China (《中華人民共和國消防法》), the Law of the People's Republic of China on Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》), the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), the Regulations on Work-related Injury Insurance (《工傷保險條例》), the Measures for Ascertainment of Work-related Injuries (《工傷認定辦法》), Regulations of Shanghai Municipality on Environmental Protection (《上海市環境保護條例》), Regulations of Shanghai Municipality on Inspection and Testing (《上海市檢驗檢測條例》) and Regulations of Shanghai Municipality on Prevention and Control of Occupational Diseases (《上海市職業病防治條例》). The Group has established the Occupational Health and Safety Management System and published a series of standardised production safety procedural documents to provide comprehensive guidance and support for production safety. These measures aim to successfully prevent, control and eliminate the risks associated with occupational diseases, safeguarding the health and safety of employees. During the Reporting Period, the Group did not violate any laws or regulations relating to health and safety that have a significant impact on the Group.

The Group adopts a “three-pronged” safety management strategy, namely strengthening risk prevention and investigation and treatment of potential hazards, stepping up on publicity and education and enhancing contingency rescue capabilities, to control and eliminate the risks relating to occupational health and safety. In the meantime, we have established a comprehensive safety management assessment mechanism, along with an internal reporting and reward system for accidents and potential hazards. We also conduct regular safety performance evaluations. Through a combination of assessment, evaluation and reward-and-punishment incentives, we encourage units and officers at all levels to actively fulfil their responsibilities, conduct self-inspections and implement corrective actions, with a view to strengthening overall safety performance.



During the Reporting Period, we strengthened supervision of high-risk areas, including temporary facilities and densely populated premises. Through safety supervision and inspections using the “Four Don’ts and Two Directs” approach, a combination of visible inspections and unannounced visits, and by engaging third-party professional institutions, we enhanced our safety oversight. As a result, the Group’s safety risk control, as well as the identification and management of potential hazards, has been further improved.

Consolidating Safety Management

The Group continues to invest in a range health and safety management measures across various operating premises. Through a multi-pronged approach, we strive to achieve our annual target of “zero accident” in production safety.

| Annual Production Safety Targets | |
|---|----------|
| <ul style="list-style-type: none"> Zero serious injuries or higher in production safety and fire accidents; zero fire incidents with severe consequences or production safety incidents of a vile nature or resulting in serious harm or significant social impact | Achieved |
| <ul style="list-style-type: none"> 100% training pass rate for main and shared persons-in-charge of party and government, as well as other production safety and fire prevention management staff; 100% of specialised operators working with valid licenses | Achieved |
| <ul style="list-style-type: none"> Potential hazard identification coverage, reporting and rectification rates all reach 100%; timely rectification of major accidents and potential hazards reaches 100% | Achieved |

- *Project construction*

The Group prioritises site safety and security and has developed and rigorously implemented the Civilised Management Standards and Guidelines for Work Sites to ensure the orderly implementation of occupational health and safety management throughout the project construction process. We also adhere strictly to the “three simultaneous”⁵ principle of occupational health to minimise potential occupational diseases and hazards associated with new construction, alterations, expansions and technical renovation, as well as construction projects involving technical introductions.
- *Commercial Operation*

The commercial operation business of the Group involves hotels and commercial and retail premises, each with different occupational safety risks. To minimise occupational health and safety risks, the Group implements the Safety Management Standards for Properties Leased by the Group and the Daily Safety Management Manual for Business Properties during operations to better identify, assess and manage material risk sources across different operating premises, enhancing risk prevention, monitoring and response precision.
- *Office Premises*

The Group has formulated the Safety Management Requirements for Office Premises to offer a safe and comfortable workplace for employees through standardising safety management and requirements in office premises. The Group also provides various health and safety training for employees, including production safety and fire safety knowledge training, road safety training, fire prevention and firefighting skills training, virtual reality fire scene experiences, and fire evacuation and rescue drills, to enhance employees’ safety awareness.

In 2025, the Group, in collaboration with local communities, public safety authorities, fire services and relevant units, established the Gumei Public Safety Experience Centre and Gumei Mini Fire Station, with the aim of strengthening grassroots safety governance and enhancing the Group’s safety management system. Using these facilities as practical hubs, we have integrated our safety initiatives into the broader urban governance framework, extending safety education to communities, businesses and project sites. This approach fosters a multi-scenario, culturally immersive, collaborative and efficient public safety ecosystem, further reinforcing the safety resilience of both the city and the Group.

⁵ The “three simultaneous” principle of occupational health means that the occupational disease prevention facilities of a construction project must be designed, constructed and put into production and use simultaneously with the main project.

Case

Gumei Public Safety Experience Centre — A Model for Safety Co-Governance Innovation

Located in the core area of Urban Cradle in Shanghai, the Gumei Public Safety Experience Centre and Gumei Mini Fire Station integrate key functions such as safety education, fire prevention outreach and emergency response assessment, achieving multi-functional use within a single facility. It has become a comprehensive platform, serving as a safety training base for the Group, a demonstration site for integrated public safety initiatives in Minhang and a community-based mini fire station platform.



The Centre simulates real risk scenarios, such as fires and earthquakes, using VR technology. It features multiple interactive modules, including a simulated fire extinguishing area, a fire safety signage knowledge wall and a fire extinguisher practice platform, which combine modern exhibition displays with hands-on training to allow participants to “see, touch and learn” safety knowledge. This approach goes beyond traditional theoretical models to create a new, immersive and zero-distance learning experience. During the Reporting Period, the Group organised several visits for staff, merchant and tenant representatives to the Experience Centre as part of thematic campaigns such as Safe Production Month and Fire Safety Outreach Month. Through guided instruction and scenario-based simulations, we instil the philosophy that “Everyone Focuses on Safety and Knows How to Respond in Cases of Emergencies”.



Safety Awareness Enhancement

Adhering to the principle of “practice for real scenarios”, the Group has established a regular safety training system and developed annual production safety training programs to fully enhance employees’ safety awareness and emergency response capabilities.

During the Reporting Period, the Group organised a total of 80 emergency drills, including fire evacuation, flood control and typhoon response, with over 1,300 participants in total. These drills achieved full coverage of key scenarios and normalised emergency response practices, effectively testing and strengthening coordinated operations and rapid response capabilities in emergency situations.

A strong production safety culture and employee safety awareness are central to enhancing the effectiveness of our safety management. The Group strictly enforces a licensing system for safety management personnel, requiring them to hold valid certifications. All chief officers and safety management personnel must complete specialised training and pass the relevant examinations before assuming their duties. During the Reporting Period, we collaborated with professional institutions to organise licensing training for safety personnel, with a total of 114 managerial staff participating, thereby strengthening management accountability and expertise in safety. Meanwhile, we conducted a thematic practical training programme titled “Safety Starts with Me, SIUD in Action”, attracting 120 employees and enhancing their practical skills through scenario-based simulations. We also delivered thematic training sessions, including “Understanding Key System Elements” and “Legal Interpretation through Case Studies”, covering 174 employees in safety management and related roles. During the Fire Safety Outreach Month, we organised a knowledge competition titled “Everyone Knows Safety and Fire Prevention”, attracting over 80 participants and further embedding a strong safety culture among employees.

Performance Highlights

During the Reporting Period:

- A total of 83 safety education and training sessions were conducted for a total of 3,635 participants
- The average safety training time per employee was 6 hours

During the Reporting Period:

- The number of lost workdays due to work-related injuries was 554
- There were zero work-related fatalities over the past three years (including the reporting year)

5.4 Green Supply on a Mutual Stance

Suppliers are key partners of the Group. They primarily include construction design vendors, project contractors, suppliers of construction materials and equipment, project supervision service providers and property operation consultants, all of whom provide materials, products or services to the Group. We have established a supply chain management system covering the entire process, from supplier admission and engagement to review, performance assessment and exit. In addition, we have developed the Group’s Project Supplier Administrative Measures, which outline specific requirements related to quality, environmental performance, health and safety, employment, business ethics and regulatory compliance. We prioritise partners who demonstrate excellence in environmental protection, social responsibility and ethical business practices.

Supply Chain Management Structure

We enforce specific supplier ESG management duties through the Cost and Contracts Department and Project Management Department at both the Group headquarters and intercity company levels.

| Management Departments | Management Responsibilities |
|--|--|
| <p>Cost and Contracts Department of the Group Project Management Department of the Group</p> | <ul style="list-style-type: none"> • Prepare, revise and explain the supplier management system of the Group • Organise and conduct supplier contract fulfilment assessments, publish annual reports assessing and analysing the contract fulfilment of major suppliers, and inspect the use of qualified suppliers based on assessment results • Conduct regular and specific business inspections to assist, supervise and guide regional companies in managing qualified suppliers |
| <p>Cost and Contracts Department in Intercity Companies Project Department in Intercity Companies</p> | <ul style="list-style-type: none"> • Prepare, revise and explain the supplier management system of the intercity company • Conduct the supplier admission process, including information collection, pre-qualification, site inspections and assessments • Organise and consolidate supplier contract fulfilment assessments from project companies and report to the Group • Manage and maintain the list of qualified suppliers for their project companies |

Supply Chain Management Mechanism



We have developed a series of internal standards, including the Tender and Procurement Management System, the Qualified Project Supplier Administrative Measures, and the Design Provider Database Management System. We have also implemented measures such as sub-database management, supplier classification, strict admission procedures, dynamic assessment, tiered management and information control. Refined management of the entire supply chain is applied to ensure the quality of cooperation and to support project construction and the sustainable development of the Group.

- Supplier Database Partitioning Mechanism: We have established a potential supplier database, a qualified supplier database and an unqualified supplier database, each of which is managed separately but allows for mutual movement through process control.

- **Supplier Classification Optimisation:** A main supplier category labelling system has been introduced based on the contract type of the cost system to create different professional supplier databases, such as the database for project construction, materials and equipment, and consultation service.
- **Supplier Admission Mechanism:** Supplier information is gathered extensively through various channels. An initial review is conducted to ensure suppliers meet our project requirements. Suppliers that satisfy our requirements are admitted to the potential supplier database, and then to the qualified supplier database after further inspection.
- **Integrated Supplier Assessment Mechanism:** An integrated assessment mechanism that includes an annual assessment, performance assessment and maintenance assessment has been set up. Suppliers are rated in multiple aspects, such as product quality, construction period and service progress. The assessment results are publicly available.
- **Tiered Supplier Management:** Suppliers with high ratings are given priority in tenders or bids, while substandard suppliers are filtered out.
- **Supplier Information Management System:** Supplier management tasks are standardised by creating an information management system with the MingYuan Procurement System.

6. INTEGRITY COMPLIANCE FOR STABLE DEVELOPMENT

Upholding our integrity-oriented and compliance-centric core principle, we persist in compliant operation in accordance with laws and regulations, continuously improving our robust, honest and clean industry framework, and actively encouraging innovation. In our operations, we strictly comply with the laws and regulations of the places where we operate and work with market participants to help build a fair, impartial and healthy business environment.

| Material Issues | Corresponding SDGs |
|--|--|
| <ul style="list-style-type: none"> • Compliant operation • Business ethics • Protection of intellectual property rights |   |

6.1 Compliance for Robust Operation

The Group regards compliant operation as the fundamental guarantee for sustainable development. We are committed to establishing a comprehensive compliance management system and, by improving institutional frameworks, strengthening regulatory adherence and process controls, we aim to effectively identify and manage compliance risks across business segments. Key coverage areas include anti-corruption, anti-bribery, data security, data privacy protection, and fair competition, thereby fortifying our compliance defenses.

In corporate governance, the Company strictly complies with the relevant provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, and has adopted the Board Diversity Policy and the Workforce Diversity Policy. During the board nomination and appointment process, we systematically assess candidates' diverse attributes in terms of gender, age, educational background, professional skills, industry experience, race and ethnicity, and cultural background to ensure the board's composition has broad representation and strategic perspective, thereby enhancing overall governance and decision-making quality.

Professional Background of the Board

| Strategy/ Business Focus | Mr. Huang Haiping | Mr. Li Zhonghui | Ms. Zhou Yadong | Mr. Doo Wai-Hoi, William | Dr. Fan Ren Da | Mr. Li Ka Fai, David | Dr. Chan Ho Wah, Terence |
|---------------------------------|----------------------|--------------------|--------------------|--------------------------------|-------------------|-------------------------|--------------------------------|
| Finance & Banking | | ✓ | ✓ | | | ✓ | |
| Legal/Regulatory | ✓ | | | | | | |
| Business Management & Others | | | | ✓ | ✓ | | ✓ |

The Audit Committee, Remuneration Committee, Nomination Committee and Investment Appraisal Committee operate under the Board, each with distinct responsibilities. These specialised committees effectively assist the Board in performing its duties and overseeing the Group's business operations and address matters and practices related to sustainable development from time to time.

Regarding system development, the Group has reinforced the foundation for corporate risk and compliance management and ensured the transparency and standardisation of governance processes by updating the constitutional documents, the Terms of Reference of the Audit Committee, the Terms of Reference of the Remuneration Committee and the Terms of Reference of the Nomination Committee of the Company in accordance with the Corporate Governance Code under Appendix C1 to the Listing Rules, and by publishing the Rules of Procedure of the Board of Directors, the Whistleblowing Policy, the Anti-Corruption Policy, the Directors' Nomination Policy, the Directors' Remuneration Policy and the Shareholders' Communication Policy of the Company.

In information disclosure, we adhere to the principles of truthfulness and reliability, promptly and accurately disclosing operating information to shareholders and investors, advancing the improvement of our compliance management system, and strengthening compliance management of a listed company. We publish interim and annual results reports regularly each year to maintain open investor communication channels, and continuously update financial information and analyses on the Company website, issuing notices and announcements in a timely manner to keep investors informed about the Company's development.

6.2 Anti-corruption, Integrity, Self-discipline and Probity

The Group upholds the core values of operating with integrity and maintaining ethical discipline, and adopts a zero-tolerance stance toward bribery, corruption, and fraud. We continuously optimize oversight mechanisms and internal control policies, maintain open complaint and whistle-blowing channels, strictly implement whistleblower confidentiality and protection measures, and deeply integrate anti-corruption management into daily operations and governance structures, promoting it as a normalized and institutionalized key management practice. During the Reporting Period, we conducted work requiring sales management staff at major on-sale projects in Shanghai to sign integrity commitment letters, carried out targeted supervisory inspections across marketing, outsourced services, and overseas business dimensions, and organized special self-inspections on prevention of conflicts of interest for middle and senior managers as well as special checks on cadres' shareholding situations.

Business Ethics Management System

The Group strictly adheres to various laws and regulations, including the Supervision Law of the People's Republic of China (《中華人民共和國監察法》), the Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》), the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), the Criminal Law of the People's Republic of China (《中華人民共和國刑法》) and the Prevention of Bribery Ordinance (《防止賄賂條例》). We have formulated our internal policies on the prevention of bribery, extortion, fraud and money laundering, including the Probity Management System of Shanghai Industrial Urban Development Group Limited, the Negative List for Managerial Staff and Key Personnel of the Group at Mid-level or Above, the Working Rules for the Party Probity Culture and Anti-Corruption Coordination Unit and the Measures for the Internal Transfer of Leads related to Disciplinary, Regulatory and Legal Offences to drive supervisory consistency and standardise the internal supervision system of the Company. Clear boundaries for probity operations have been established to eliminate all forms of corruption through a strict and binding system.

Reporting and Accountability

The Group's Staff Manual clearly stipulates that all employees must uphold lawful, honest, and professional conduct, strictly perform compliance obligations including anti-corruption, anti-bribery, anti-monopoly, fair competition, and anti-money laundering, and it clearly states the whistleblower protection policy and multiple reporting channels. The Group encourages employees, suppliers, customers and other stakeholders to report any suspected violations of business ethics or personnel through various channels — email, hotline, SMS, WeChat platform or face-to-face communication — to the Commission for Discipline Inspection.

After receiving a report, the Group will promptly form a special team to conduct a preliminary assessment; reports found to have merit will be investigated thoroughly, and responsible persons will be disciplined according to the investigation results, with serious cases referred to judicial authorities in accordance with the law. The Commission for Discipline Inspection also regularly conducts compliance reviews to continuously monitor the implementation of integrity and professional conduct requirements. The Group solemnly guarantees strict confidentiality of whistleblowers' identities and related information, and will ensure they are protected from any form of retaliation or unfair treatment, fully safeguarding their legal rights.

Cultivating a Probity Culture

Focusing on internal advocacy, the Group regularly conducts special activities and training on business ethics. During the Reporting Period, the Group organised 1 training on anti-corruption and business ethics, strengthened anti-commercial bribery and anti-corruption education and integrity culture building for directors and senior management, employees and suppliers. We have established business-ethics performance assessment indicators; if disciplinary or illegal conduct occurs, corresponding points will be deducted in the annual performance appraisal according to procedure, thereby urging employees to strengthen their awareness of an integrity culture. SIUD continued to conduct integrity and compliance conversations with representatives of the functional departments and subsidiaries of the Group. Such conversations were conducted by the secretariat of the Commission for Discipline Inspection and colleagues who were in charge of disciplinary inspection with the main persons-in-charge of the functional departments and subsidiaries of the Group and personnel holding crucial and sensitive positions.

Case

Anti-corruption Education Base Training

On 24 June 2025, we organized more than 30 people including company leadership team members, middle managers, and subordinate branch secretaries to visit the Baoshan District Anti-corruption Education Base and to participate in on-site special integrity education training.

Highlights

The Group **did not violate** any laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering. It **has** also **not been involved** in any cases related to corrupt practices.

6.3 Protecting Intellectual Property Rights to Drive Innovation

Protecting intellectual property rights is essential for safeguarding innovation. The Group strictly adheres to relevant laws and regulations, including the Patent Law of the People's Republic of China (《中華人民共和國專利法》), the Trademark Law of the People's Republic of China (《中華人民共和國商標法》) and the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》). We continue to nurture staff awareness of intellectual property rights protection and compliance to prevent any corporate infringement while safeguarding our own legitimate interests. We commit not to infringe any third-party intellectual property rights or trade secrets.

The Group strives to strengthen the management of intellectual property rights, including patents, copyrights and trademarks. We have set up the Legal Affairs Management System of Shanghai Industrial Urban Development Group Limited, which clearly defines the management responsibilities of the Legal Department regarding intellectual property rights and material operating activities. Various departments collaborate in protecting our intellectual property rights, with the Marketing Planning Department overseeing the entire trademark registration process. We ensure our copyrights and usage rights are clearly outlined in contracts related to the Group's construction design patents and trademark registrations, thereby providing effective protection for the Group's innovation and research outcomes while preventing any infringements.

7. SHOULDERING SOCIAL RESPONSIBILITY FOR COMMON PROSPERITY

The Group actively fulfils its social responsibilities and gives back to society through meaningful actions by participating in public welfare and rural revitalisation initiatives. Through supporting rural development and urban community services, and by encouraging employees to participate in public welfare, we continuously work to improve people’s well-being.

| Material Issues | Corresponding SDGs |
|---|--|
| <ul style="list-style-type: none"> Supporting rural revitalisation Public welfare |  |

7.1 Rural Revitalisation for Mutual Benefits

SIUD continuously and thoroughly implements the spirit of the 20th National Congress of the CPC and the key strategies of east-west collaboration and targeted poverty alleviation as announced by General Secretary Xi Jinping. Carrying out the deployment set by the Party Committee of SIIC, SIUD remains committed to its original mission, strengthens accountability and safeguards, and upholds the concept of “complementary strengths, resource sharing and mutual progress under Party leadership”. Focusing on the synergy between Party-building cooperation and rural revitalization, with emphasis on organizational co-construction, shared resources, and joint promotion of development, SIUD continues to explore new avenues for Party-building cooperation to empower and build momentum for rural revitalization, thereby fostering a multi-party mutually beneficial development pattern.

- Industry: We invest in rural industries to drive economic development and increase farmers’ income.
- Talents: We are committed to financially supporting Hope Primary Schools and encouraging youth participation in education.
- Culture: We support the cultivation of rural culture, enhance its soft power, and promote civilisation in rural areas.
- Ecology: We are dedicated to improving the ecological environment and promoting green development and ecological protection in rural areas.
- Organisation: We participate in the creation of rural organisations, strengthening governance systems and enhancing governance capabilities.

Case

2025 “Wanyuan Spark” Summer Village Teacher Training Activity

In August 2025, 13 village teachers from Anhui, Henan and Sichuan gathered in Shanghai to participate in the “Wanyuan Spark” summer village teacher training activity. The activity was jointly initiated by Wanyuan Real Estate under SIUD’s Business Unit 3, the Minjin (China Association for Promoting Democracy) Minhang District Committee, and Wanyuan City Xiehe Bilingual School. This training carefully designed thematic lectures, school visits, immersive teaching interactions, and revolutionary-themed education, providing a platform for teachers to learn advanced educational concepts and effectively helping to improve their professional teaching abilities.

The activity has been held for 10 sessions to date, inviting more than 120 teachers in aggregate from over 50 schools across Anhui, Guizhou, Sichuan, Yunnan and other regions to participate in the “Wanyuan Spark” summer public welfare training activities.



Group photo of participants at the concluding seminar

7.2 Charity Work for Social Betterment

SIUD regards participation in social welfare as an important component of its core values. As a city-industry integrated developer in cities and metropolises, the Company consistently fulfils its public welfare commitments, integrating the spirit of public service into business practices to promote sustainable urban development and improve residents’ lives. The Company demonstrates responsibility and commitment in areas such as environmental protection, youth development, poverty alleviation, educational grants, charitable donations, and rural revitalisation.

The Company’s public welfare activities follow a rigorous decision-making process to ensure professionalism and effectiveness. The Party-Mass Office is responsible for project planning and application; the Finance and Accounting Department is responsible for fund disbursement, ensuring each donation is transparent and efficiently used for public welfare purposes.

In 2025, the Group continued to actively participate in public welfare and charitable activities, with cumulative donations totaling RMB400,000.

Looking ahead, in line with Charity SIUD's vision of "giving back to society and passing on love", we will continue to proactively fulfil our social responsibility as a state-owned enterprise. We aim to foster a culture of "Charity by Everyone in Every Profession", planting the seed of love in more individuals and furthering the development of the generous Charity SIUD brand.



Case

2025 "Arts with Children" Series of Activities

On 20 January 2025, as one of the key subsidiary brands under the "Best Volunteer Service Organizations" among the four "100" National Lei Feng Voluntary Service Models in Xuhui District, Qian Zhi Yuan Company, a subsidiary of SIUD, together with the Social Work Department of the Xuhui District Committee, Xuhui Cultural and Tourism Bureau, and Xujiahui Academy, jointly organized the event "Together We Are, Welcoming the Future — 2025 Arts with Children and 'See Xuhui' Cultural & Art Tour". Nearly twenty families experienced the cultural charm and new urban developments of Xuhui. The participating families not only gained a deep appreciation of Xuhui's rich cultural heritage but also experienced the inclusiveness and warmth of Shanghai through parent-child interactions and urban exploration activities.



Arts with Children and "See Xuhui" Cultural & Art Tour

8. APPENDIX

ESG Key Performance Indicators

| Scope | ESG Metrics | Unit | 2025 | 2024 |
|------------------------|---|---|-----------|-----------|
| A Environmental | | | | |
| A1 Emissions | A1.1 Types of Emissions and Respective Emissions Data | | | |
| | Nitrogen oxides (NO _x) | kg | 953.77 | 1,046.56 |
| | Sulphur dioxide (SO ₂) | kg | 2.43 | 3.09 |
| | Particulate matter (PM) | kg | 64.15 | 64.15 |
| | A1.2 Direct (Scope 1) and Energy Indirect (Scope 2) Greenhouse Gas Emissions and Intensity | | | |
| | Total carbon dioxide emissions (Scope 1, 2) | tCO ₂ e | 32,357.66 | 34,896.45 |
| | Carbon dioxide emissions (Scope 1) | tCO ₂ e | 4,038.30 | 4,366.64 |
| | Carbon dioxide emissions (Scope 2) | tCO ₂ e | 28,319.36 | 30,529.81 |
| | Carbon dioxide emissions (Scope 3) ⁶ | tCO ₂ e | 217.85 | 262.91 |
| | Carbon dioxide offset by owned trees | tCO ₂ e | -9.22 | -33.95 |
| | Total emission intensity (Scope 1, 2) | tCO ₂ e/income in HK\$10,000 | 0.009 | 0.028 |
| | Emission intensity (Scope 1) | tCO ₂ e/income in HK\$10,000 | 0.0011 | 0.0035 |
| | Emission intensity (Scope 2) | tCO ₂ e/income in HK\$10,000 | 0.008 | 0.025 |
| | A1.3 Total Hazardous Waste Produced and Intensity | | | |
| | Hazardous waste produced | tonne | 4.81 | 4.96 |
| | Hazardous waste recycled | tonne | 4.79 | 4.95 |
| | Intensity of hazardous waste emitted | tonne/income in HK\$10,000 | 0.000001 | 0.000004 |
| | A1.4 Total Non-Hazardous Waste Produced and Intensity | | | |
| | Non-hazardous waste produced | tonne | 1,463.06 | 1,622.34 |
| | Intensity of non-hazardous waste produced | tonne/income in HK\$10,000 | 0.0004 | 0.0013 |

⁶ Carbon dioxide emissions (Scope 3) include Category 6: Business Travel and Category 7: Employee Commuting. Carbon emission coefficients were derived from greenhouse gas assessment tools provided by travel service providers and the China Greenhouse Gas Emission Coefficient Library for Product Life Cycle (2022), respectively.

| Scope | ESG Metrics | Unit | 2025 | 2024 |
|-----------------------------|--|--------------------------|-------------------|----------------------------|
| A2 Use of Resources | A2.1 Direct and/or Indirect Energy Consumption by Type in Total and Intensity | | | |
| | Total energy consumption | MWh | 69,372.60 | 78,611.84 ⁷ |
| | Energy consumption intensity | MWh/income in HK\$10,000 | 0.019 | 0.063 |
| | Direct Energy | | | |
| | Total direct energy consumption | MWh | 15,997.74 | 21,568.65 |
| | Diesel | litre | 0 | 4,629.97 |
| | Gasoline | litre | 76,974.48 | 85,222.69 |
| | Ethanol fuel | litre | 3,069.00 | 2,995.00 |
| | Natural gas | m ³ | 1,414,130.00 | 1,918,433.00 |
| | Liquefied natural gas | m ³ | 209.00 | / |
| | Renewable energy consumption | kWh | 415,307.00 | 380,379.22 |
| | Indirect Energy | | | |
| | Total indirect energy consumption | MWh | 53,374.86 | 57,043.19 ⁷ |
| | Total energy consumption | kWh | 53,364,862.33 | 56,808,879.25 ⁷ |
| | Purchased heat | GJ | 36 | 844 |
| | A2.2 Water Consumption in Total and Intensity | | | |
| | Total water consumption | tonne | 393,067.36 | 331,397.88 ⁷ |
| Water consumption intensity | m ³ /income in HK\$10,000 | 0.11 | 0.27 ⁷ | |

⁷ To reflect the actual circumstances, the value has been adjusted retrospectively in 2025.

| Scope | ESG Metrics | Unit | 2025 | 2024 |
|-----------------------|---|------------|------|------|
| B. Social | | | | |
| B1 Employment | B1.1 Total Workforce by Gender, Employment Type, Age Group and Geographical Region | | | |
| | Total workforce | individual | 709 | 745 |
| | By Gender | | | |
| | Male employees | individual | 414 | 430 |
| | Female employees | individual | 295 | 315 |
| | By Employment Type | | | |
| | Full-time employees | individual | 709 | 745 |
| | Part-time employees | individual | 0 | 0 |
| | By Age Group | | | |
| | Employees aged 18–30 | individual | 69 | 66 |
| | Employees aged 31–40 | individual | 187 | 344 |
| | Employees aged 41–50 | individual | 301 | 177 |
| | Employees aged 51–60 | individual | 152 | 158 |
| | Employees aged 61 and above | individual | 0 | 0 |
| | By Geographical Region (workplace) | | | |
| | Mainland China employees | individual | 699 | 735 |
| | Hong Kong, Macau and Taiwan employees | individual | 10 | 10 |
| | Overseas employees | individual | 0 | 0 |
| | By Employee Category | | | |
| | Senior management | individual | 6 | 12 |
| Middle management | individual | 83 | 84 | |
| Basic level employees | individual | 620 | 649 | |

| Scope | ESG Metrics | Unit | 2025 | 2024 |
|-------|---|------|------|------|
| | B1.2 Employee Turnover Rate by Gender, Age Group and Geographical Region² | | | |
| | Employee turnover | % | 5.08 | 2.95 |
| | By Gender | | | |
| | Male employee turnover | % | 7 | 3.95 |
| | Female employee turnover | % | 2.37 | 1.59 |
| | By Age Group | | | |
| | Employee turnover for those aged 18–30 | % | 2.90 | 0 |
| | Employee turnover for those aged 31–40 | % | 4.28 | 2.33 |
| | Employee turnover for those aged 41–50 | % | 7.97 | 7.91 |
| | Employee turnover for those aged 51–60 | % | 1.32 | 0 |
| | Employee turnover for those aged 61 and above | % | 0 | 0 |
| | By Geographical Region | | | |
| | Turnover of Mainland China employees | % | 5.08 | 2.86 |
| | Turnover of Hong Kong, Macau and Taiwan employees | % | 0 | 10 |
| | Turnover of overseas employees | % | 0 | 0 |

| Scope | ESG Metrics | Unit | 2025 | | 2024 |
|------------------------------------|--|------------|------|-------|------|
| B2 Health and Safety | B2.1 Number and Rate of Work-related Fatalities Occurred in Each of the Past Three Years (including 2025) | | | | |
| | | | 2025 | 2024 | 2023 |
| | Number of work-related fatalities | individual | 0 | 0 | 0 |
| | Rate of work-related fatalities | % | 0 | 0 | 0 |
| | B2.2 Lost Days due to Work Injury | | | | |
| | Work injury | count | 21 | 24 | |
| Total lost days due to work injury | day | 554 | 413 | | |
| B3 Development and Training | B3.1 Percentage of Employees Trained by Gender and Employee Category | | | | |
| | Total employees trained | individual | 709 | 530 | |
| | By Gender | | | | |
| | Percentage of male employees trained | % | 100 | 71.16 | |
| | Percentage of female employees trained | % | 100 | 71.11 | |
| | By Employee Category | | | | |
| | Percentage of basic level employees trained | % | 100 | 91.67 | |
| | Percentage of middle management trained | % | 100 | 95.24 | |
| | Percentage of senior management trained | % | 100 | 67.64 | |

| Scope | ESG Metrics | Unit | 2025 | 2024 |
|-----------------------------------|---|------|-------|--------------------|
| | B3.2 Average Training Hours Completed by Employees by Gender and Employee Category | | | |
| | Total average training hours completed by all employees | hour | 7.7 | 7.52 |
| | By Gender | | | |
| | Average training hours completed by male employees | hour | 8.72 | 7.83 |
| | Average training hours completed by female employees | hour | 6.23 | 7.11 |
| | By Employee Category | | | |
| | Average training hours completed by basic level employees | hour | 6.66 | 6.33 ⁷ |
| | Average training hours completed by middle management | hour | 13 | 12.57 |
| | Average training hours completed by senior management | hour | 40 | 36.67 ⁷ |
| B5 Supply Chain Management | B5.1 Number of Suppliers by Geographical Region | | | |
| | Total number of suppliers | unit | 2,247 | 3,080 |
| | By Geographical Region | | | |
| | Shanghai | unit | 1,298 | 1,580 |
| | Xi'an | unit | 287 | 530 |
| | Shenyang | unit | 252 | 526 |
| | Beijing | unit | 21 | 55 |
| | Tianjin | unit | 176 | 140 |
| | Chongqing | unit | 7 | 7 |
| | Other regions in China | unit | 206 | 242 |
| Other countries | unit | 0 | 0 | |

| Scope | ESG Metrics | Unit | 2025 | 2024 |
|----------------------------------|---|------------|-------|-------|
| B6 Product Responsibility | B6.2 Number of Products and Service Related Complaints Received | | | |
| | Total complaints received | count | 184 | 213 |
| | Customer satisfaction rate | % | 99.26 | 98.66 |
| B7 Anti-corruption | 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 | | | |
| | Brought or concluded legal cases regarding corrupt practices | case | 0 | 0 |
| | B7.3 Description of Anti-corruption Training Provided to Directors and Staff | | | |
| | Total anti-corruption training hours received by directors and staff | hour | 1,071 | 2,338 |
| B8 Community Investment | B8.2 Resources Contributed (e.g. money or time) to the Focus Area | | | |
| | Total contribution to charity and community services | RMB10,000 | 40 | 51.55 |
| | Number of volunteers | individual | 150 | 300 |

CONTENT INDEX OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE

| Mandatory Disclosure Requirements | Description | Reference or Explanation |
|-----------------------------------|--|-----------------------------|
| Governance Structure | <p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses. | ESG Governance and Approach |
| Reporting Principles | <p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p> | About This Report |
| Reporting Boundary | <p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p> | About This Report |

| A. Environmental | | | |
|--|------|--|---|
| Subject Areas, Aspects, General Disclosures and KPIs | | Description | Reference or Explanation |
| Aspect A1: Emissions | | | |
| General Disclosure | | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste | Green and Low-Carbon Development for Harmonious Coexistence |
| Key Performance Indicators | A1.1 | The types of emissions and respective emissions data | Green and Low-Carbon Development for Harmonious Coexistence |
| | A1.2 | Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) | Green and Low-Carbon Development for Harmonious Coexistence |
| | A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) | Green and Low-Carbon Development for Harmonious Coexistence |
| | A1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) | Green and Low-Carbon Development for Harmonious Coexistence |
| | A1.5 | Description of emission target(s) set and steps taken to achieve them | Green and Low-Carbon Development for Harmonious Coexistence |
| | 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 | Green and Low-Carbon Development for Harmonious Coexistence |

| A. Environmental | | | |
|---|------|---|--|
| Subject Areas, Aspects, General Disclosures and KPIs | | Description | Reference or Explanation |
| Aspect A2: Use of Resources | | | |
| General Disclosure | | Policies on the efficient use of resources, including energy, water and other raw materials | Green and Low-Carbon Development for Harmonious Coexistence |
| Key Performance Indicators | 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) | Green and Low-Carbon Development for Harmonious Coexistence |
| | A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility) | Green and Low-Carbon Development for Harmonious Coexistence |
| | A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them | Green and Low-Carbon Development for Harmonious Coexistence |
| | 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 | Green and Low-Carbon Development for Harmonious Coexistence |
| | A2.5 | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced | The business nature of the Group does not involve any consumption of packaging materials |
| Aspect A3: The Environment and Natural Resources | | | |
| General Disclosure | | Policies on minimising the issuer's significant impacts on the environment and natural resources | Green and Low-Carbon Development for Harmonious Coexistence |
| Key Performance Indicator | A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them | Green and Low-Carbon Development for Harmonious Coexistence |

A. Environmental

| Subject Areas, Aspects, General Disclosures and KPIs | Description | Reference or Explanation |
|--|--|---|
| Aspect A4: Climate Change | | |
| General Disclosure | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer | Green and Low-Carbon Development for Harmonious Coexistence |
| Key Performance Indicator | A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them | Green and Low-Carbon Development for Harmonious Coexistence |

B. Social

| General Disclosure/Key Performance Indicators | Description | Reference or Explanation |
|---|--|--|
| Aspect B1: Employment | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare | A People-Oriented Approach for Win-Win Cooperation |
| Key Performance Indicators | B1.1 Total workforce by gender, employment type, age group and geographical region B1.2 Employee turnover rate by gender, age group and geographical region | A People-Oriented Approach for Win-Win Cooperation A People-Oriented Approach for Win-Win Cooperation |

| B. Social | | | |
|---|------|--|--|
| General Disclosure/Key Performance Indicators | | Description | Reference or Explanation |
| Aspect B2: Health and Safety | | | |
| General Disclosure | | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards | A People-Oriented Approach for Win-Win Cooperation |
| Key Performance Indicators | B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the Year | A People-Oriented Approach for Win-Win Cooperation |
| | B2.2 | Lost days due to work injury | A People-Oriented Approach for Win-Win Cooperation |
| | B2.3 | Description of occupational health and safety measures adopted, and how they are implemented and monitored | A People-Oriented Approach for Win-Win Cooperation |
| Aspect B3: Development and Training | | | |
| General Disclosure | | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities | A People-Oriented Approach for Win-Win Cooperation |
| Key Performance Indicators | B3.1 | The percentage of employees trained by gender and employee category (e.g. senior management, middle management) | A People-Oriented Approach for Win-Win Cooperation |
| | B3.2 | The average training hours completed per employee by gender and employee category | A People-Oriented Approach for Win-Win Cooperation |

B. Social

| General Disclosure/Key Performance Indicators | Description | Reference or Explanation |
|---|---|--|
| Aspect B4: Labour Standards | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour | A People-Oriented Approach for Win-Win Cooperation |
| Key Performance Indicators | B4.1 Description of measures to review employment practices to avoid child and forced labour | A People-Oriented Approach for Win-Win Cooperation |
| | B4.2 Description of steps taken to eliminate such practices when discovered | No violation was identified by the Group during the Reporting Period |
| Aspect B5: Supply Chain Management | | |
| General Disclosure | Policies on managing environmental and social risks of the supply chain | Integrity Compliance for Stable Development |
| Key Performance Indicators | B5.1 Number of suppliers by geographical region | Integrity Compliance for Stable Development |
| | 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 | Integrity Compliance for Stable Development |
| | B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored | Integrity Compliance for Stable Development |
| | B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored | Integrity Compliance for Stable Development |

| B. Social | | |
|---|--|--|
| General Disclosure/Key Performance Indicators | Description | Reference or Explanation |
| Aspect B6: Product Responsibility | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress | The nature of the Group's business does not involve product or service labelling |
| Key Performance Indicators | B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons | High Quality Service Drives Business Growth |
| | B6.2 Number of products and service related complaints received and how they are dealt with | High Quality Service Drives Business Growth |
| | B6.3 Description of practices relating to observing and protecting intellectual property rights | Integrity Compliance for Stable Development |
| | B6.4 Description of quality assurance process and recall procedures | The business nature of the Group does not involve any product recall procedures |
| | B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored | High Quality Service Drives Business Growth |

B. Social

| General Disclosure/Key Performance Indicators | Description | Reference or Explanation |
|---|--|---|
| Aspect B7: Anti-corruption | | |
| General Disclosure | Information on: (a) the policies; (b) and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering | Integrity Compliance for Stable Development |
| Key Performance Indicators | 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 B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored B7.3 Description of anti-corruption training provided to directors and staff | Integrity Compliance for Stable Development Integrity Compliance for Stable Development Integrity Compliance for Stable Development |
| Aspect B8: Community Investment | | |
| General Disclosure | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests | Shouldering Social Responsibility for Common Prosperity |
| Key Performance Indicators | B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport) B8.2 Resources contributed (e.g. money or time) to the focus area | Shouldering Social Responsibility for Common Prosperity Shouldering Social Responsibility for Common Prosperity |

| B. Social | | | |
|---|-----------------|--|---|
| General Disclosure/Key Performance Indicators | | Description | Reference or Explanation |
| Part D: Climate-related Disclosures | | | |
| Climate-related Disclosures | Governance | Governance | Addressing Climate Change – Governance |
| | Strategy | Climate-related Risks and Opportunities | Addressing Climate Change – Strategy |
| | | Business Model and Value Chain | Addressing Climate Change – Strategy |
| | | Strategy and Decision-making | Addressing Climate Change – Strategy |
| | | Financial Position, Financial Performance and Cash Flows | Addressing Climate Change – Strategy |
| | | Climate Resilience | Addressing Climate Change – Strategy |
| | Risk Management | Risk Management | Addressing Climate Change – Risk and Opportunity Management |

B. Social

| B. Social | | |
|---|--|--|
| General Disclosure/Key Performance Indicators | Description | Reference or Explanation |
| Metrics and Targets | Greenhouse Gas Emission | Addressing Climate Change – Metrics and Targets |
| | Climate-related Transition Risks | Addressing Climate Change – Strategy |
| | Climate-related Physical Risks | Addressing Climate Change – Strategy |
| | Climate-related Opportunities | Addressing Climate Change – Strategy |
| | Capital Deployment | Addressing Climate Change – Metrics and Targets |
| | Internal Carbon Prices | N/A |
| | Remuneration | Plan to include relevant performance indicators into 2026 assessment targets |
| | Industry-based Metrics | Addressing Climate Change – Metrics and Targets |
| | Climate-related Targets | Addressing Climate Change – Metrics and Targets |
| | Applicability of Cross-industry Metrics and Industry-based Metrics | Addressing Climate Change – Metrics and Targets |



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