



深圳控股有限公司  
SHENZHEN INVESTMENT LIMITED

Stock Code : 00604



2016

Environmental,  
Social and Governance Report




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## ABOUT THIS REPORT

This report is the second environmental, social and governance report of Shenzhen Investment Limited ("Shenzhen Investment", the "Group", "we" or "us"), which was prepared in accordance with the Environmental, Social and Governance Reporting Guide issued by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") while highlighting our own corporate and industry characteristics.

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

### Scope

This report summarises the efforts and achievements made by the Group in corporate social responsibility and sustainable development during the period from 1 January 2016 to 31 December 2016 in areas including "corporate governance", "care for staff", "community investment", "environmental protection", "quality management" and other aspects. The entities covered in this report include the headquarters of the Group and the major subsidiaries including Shum Yip Pengji Holdings Co., Ltd., Shum Yip Southern Land (Holdings) Co., Ltd., Shum Yip Terra (Holdings) Co., Ltd., Shum Yip Land Company Ltd., Shum Yip East China Property Development Co., Ltd., Shum Yip Taifu Logistics Group Holdings Co., Ltd., Shenzhen Nongke Group Limited. and Xin Wang Industry Development (Shenzhen) Ltd..

### Access to Report

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

### Contacts

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## MESSAGE FROM THE CHAIRMAN

2016 is the year in which the Group brought out its plans under the 13th Five-Year Plan, and also the year of reformation, innovation and breakthrough. The Group has adhered to the development philosophy emphasising on harmony and win-win benefits. We have attached great importance to the environmental and social impacts of our products and services while maximising the corporate benefits and shareholders' interests, aiming to create shared value with our stakeholders.

A quality and steady growth serves as the footstone of sustainable development of an enterprise. Despite the frequent changes of the real estate market, we realised a turnover of over HK\$21.3 billion with a year-on-year increase of approximately 15.9%, total profit of over HK\$3.47 billion with a year-on-year increase of approximately 12.4% and profit attributable to shareholders of HK\$3.17 billion with a year-on-year increase of approximately 10.5% during the year, by braving the challenges with our precise foresight and adequate efforts. Standing on the new starting point, we will endeavor to reward our shareholders and investors for their trust with continuous and outstanding performance.





Meanwhile, we strive to improve our corporate governance by constantly reinforcing the management functions at various levels within the Group, enhancing the transparency of financial reporting, improving information disclosure, implementing legal and internal control and strengthening the operating efficiency and capability. We try our best to propel combination of architecture and environment conservation, and balance between urban development and ecology. We increase technology innovation and promote low-carbon office operation and low-carbon production comprehensively, to maximise sustainable utilisation of resources. Besides, the Group also plays an active role in community development, accelerates integration and establishment of platforms combining wisdom parks, residential properties, business management and health care for elderly, and remodelling the business model of “real estate + service”, targeting to offer additional value-added services for customers and deliver more value for communities. Also, we engage in diversified community activities to contribute to the society, such as poverty alleviation, emergency relief and support as well as voluntary services. We uphold the human resources concept of “morality headed

and making good use of talents”, a systematic plan aiming to enhance the capability of staff throughout their occupational life. Great efforts are made to train up quality internal teams and cultivate our corporate culture of “Sunshine and Honesty, Innovation and Excellence, Diligence and Commitment, Harmony and Sharing”, aiming to provide our staff a harmonious working environment and a wide occupation platform with potential development.

2017 is the 20th anniversary of our listing on the Stock Exchange. We are taking up new missions while entering a new chapter of development. As always, we will continue to fulfill the environmental, social and governance responsibility, give full play to the synergic effects with all the stakeholders, promote the re-shaping of the value of urban space to bring better life for urban residents.

*LU Hua*  
Chairman



## ABOUT SHENZHEN INVESTMENT

Shenzhen Investment has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 1997 (stock code: 00604.HK), and is the largest listed real estate company under Shenzhen State-owned Assets Supervision and Administration Commission.

Focusing on Shenzhen and stretching out to other core cities in China, our principal activities consist of property development, property investment and property management, dedicated to growing into a first class of real estate developer and property operator.

Currently, the Group has a land reserve with an aggregate planned Gross Floor Area ("GFA") of nearly 8,000,000 sq.m. in a number of cities in China. Among which, the quality land reserve with an aggregate planned GFA of approximately 2,700,000 sq.m. is located in Shenzhen. The Company is committed to further optimise the structure of land reserve with assets and operations further concentrated in first-tier cities like Shenzhen and major second-tier cities.

The Company weighs "development, sales and held-for-investment" equally and continues to improve the commercial operation and service quality of the properties held for investment. Benefitting from resources integration, it makes proactive efforts in building three major platforms, namely operation of wisdom parks, business management and operation and residential property service, aiming to become a leader in shaping urban space. Property development projects are mainly residential properties, industrial properties and commercial complex. The Group's professional property management team manages various types of properties including government offices, office buildings, residential estates, villas and science and technology parks which mainly located in the Pearl River and Yangtze River deltas as well as the central region. Our property investment portfolio includes commercial, residential and industrial buildings and car parks, which are located mainly in Shenzhen. In addition, we are also engaged in hotel operation, manufacture of certain LCD and processing of metal sheet materials.

Please refer to our 2016 Annual Report for further information about our business and financial position at:

[http://www.shenzheninvestment.com/s/investor\\_report.php](http://www.shenzheninvestment.com/s/investor_report.php)



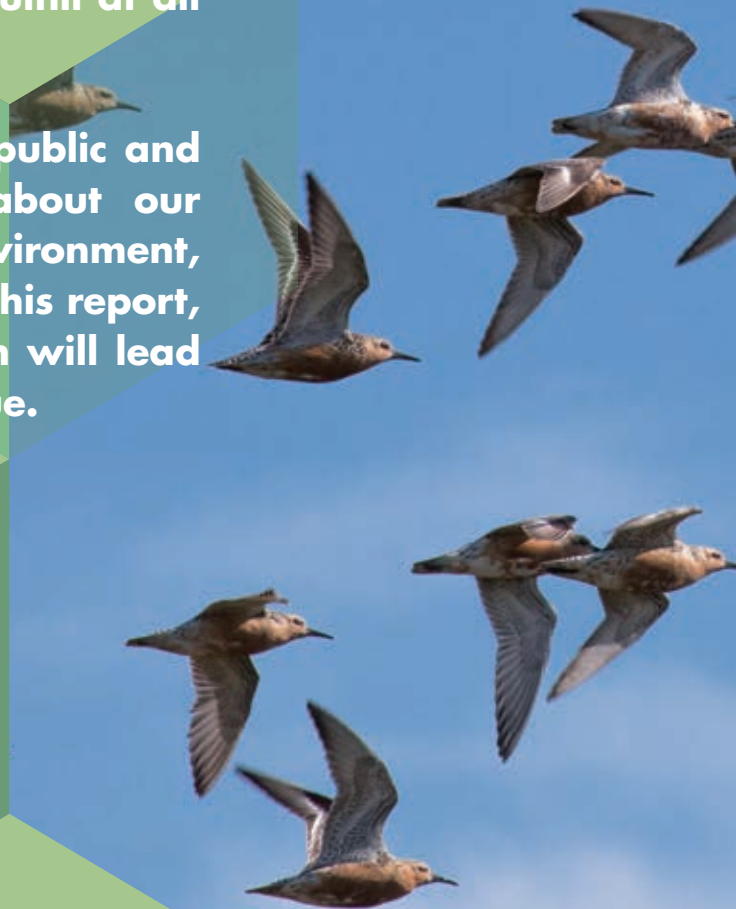


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# OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE PHILOSOPHY

Based in Shenzhen and spreading into other major cities of China, we make good use of the advantages in systems and resources in both Shenzhen and Hong Kong. While obtaining win-win benefits with shareholders and business partners, we actively promote a sound and sustainable corporate development, with a view to better fulfilling our responsibilities towards all stakeholders, the responsibilities we dedicated to fulfill at all times.

It is our wish to share with the public and our stakeholders information about our performance with respect to environment, society and governance through this report, and obtain more feedback which will lead us to create greater common value.









## 1.1 STRUCTURE OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group highly values the importance of environmental, social and governance practices, and actively takes up the corporate citizen responsibility. In order to integrate our corporate social responsibility management system and implement various environmental, social and governance measures after taking into consideration of the corporate social responsibility roles at various positions and functions, we have made progress in structure and policy innovation this year.

Structure-wise, we established an Environmental, Social and Governance Working Committee ("ESG Working Committee") on 29 August 2016, which is comprised of the management of the Group and heads of different functional departments. The ESG Working Committee is responsible for leading and monitoring the overall environmental, social and governance work, as well as submitting to the Board of relevant planning and management system. Meanwhile, the ESG Working Committee has also defined the supporting roles of its affiliated working group, and has established a working system covering the headquarters and its subsidiaries. The ESG Working Committee has also engaged a third party to provide trainings on awareness and capability building aiming to integrate the corporate social responsibility into daily operation, so that management and reporting work are performing simultaneously.

Policy-wise, we have set up "Environmental Protection Guideline" and "Code of Conduct for Suppliers" and formulated the position and objective of the Group to guide our employees to work together towards same direction forward.

Our roles and responsibilities in the corporate social responsibility management system are as follows:



## 1.2 COMMUNICATION WITH STAKEHOLDERS

Shenzhen Investment attaches great importance to communication with stakeholders. The Group constantly improves the transparency of information disclosure, and strives to maintain good interactive relationship with stakeholders. We believe that listening to the views of various stakeholders will help us to assess the Group's environmental, social and governance performance more objectively and comprehensively. Therefore, we maintain communication with them through various channels in our daily course of business.

Stakeholders	Expectation and Requests	Methods of Communications and Feedback
<b>Government</b> 	<ul style="list-style-type: none"> <li>To comply with the laws</li> <li>Proper tax payment</li> <li>Asset appreciation</li> <li>To boost local economic development and employment</li> </ul>	<ul style="list-style-type: none"> <li>To comply with the laws</li> <li>Proactive tax payment</li> <li>Good management structure</li> <li>Response to national policies</li> </ul>
<b>Shareholders/Investors</b> 	<ul style="list-style-type: none"> <li>Returns on investment</li> <li>Information disclosure and transparency</li> <li>Protection of interests and fair treatment of shareholders</li> <li>Lower operating risks</li> </ul>	<ul style="list-style-type: none"> <li>Higher operational efficiency</li> <li>Timely information disclosure on operation</li> <li>Mutual trust with investors</li> <li>Better governance</li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Career development and promotion</li> <li>Wages and welfare</li> <li>Equal opportunity</li> <li>Health and safety</li> <li>Democratic management</li> <li>Caring for people</li> </ul>	<ul style="list-style-type: none"> <li>Training and education</li> <li>Care for employees' well-being</li> <li>Open recruitment</li> <li>Protection of employees' interest</li> <li>Labour union for better communication</li> <li>Cultural and sport activities</li> </ul>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>Integrity and fulfillment of promises</li> <li>Safe and high-quality products</li> <li>Information transparency</li> <li>Attentive services</li> <li>Opinions and complaints handling</li> <li>Privacy protection</li> </ul>	<ul style="list-style-type: none"> <li>Lawful sales</li> <li>Product quality control</li> <li>Information publicly available</li> <li>Satisfaction survey</li> <li>Effective channels for complaints, opinions and feedback</li> <li>Confidentiality of customer information</li> </ul>
<b>Business Partners and Suppliers</b> 	<ul style="list-style-type: none"> <li>Integrity and fulfillment of promises</li> <li>Sharing of resources</li> <li>Mutual development</li> <li>Win-win cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Cooperation in good faith</li> <li>Responsible procurement with regular inspection</li> <li>To provide fair and just procurement guidance</li> <li>Management visits</li> </ul>
<b>Community and the Public</b> 	<ul style="list-style-type: none"> <li>To boost development of public services in communities</li> <li>Public welfare and charities</li> <li>Greening the environment</li> </ul>	<ul style="list-style-type: none"> <li>Social investments such as senior housing etc.</li> <li>Charitable activities</li> <li>Emission reduction, energy saving and other responsibility</li> <li>Green building design</li> </ul>

The stakeholders of the Group have a wide coverage, including government, shareholders and investors, employees, customers, suppliers, contractors, service advisors, business partners, community partners, the academy and the public, etc. We maintain communication with stakeholders through official and non-official platforms.





### 1.3 MATERIALITY ANALYSIS OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES

Shenzhen Investment is involved in a range of environmental, social and governance issues due to its size and coverage of business. This year, we reviewed the environmental, social and governance importance by means of online survey. More than 400 stakeholders participated in the stakeholder engagement plan, which is more than double of the previous year. According to the analysis, more than half of the respondents thought those 22 issues disclosed in last year remained significant to the Group. Therefore, the issues and the direction of disclosure in this report remain unchanged.

The Group communicated with our stakeholders through an independent third party institution to ensure that the results of communication remained neutral and accurate. The stakeholders are of the view that the Group shall put more efforts on green building development in order to fulfill corporate social responsibility and promote the long-term corporate sustainable development.

As there has been no significant change to the business of Shenzhen Investment, it is concluded that the analysis on the material environmental, social and governance issues of Shenzhen Investment basically remains unchanged this year after taking consideration of the results of stakeholder engagement.

22 issues derived from the materiality analysis are set out as follows:

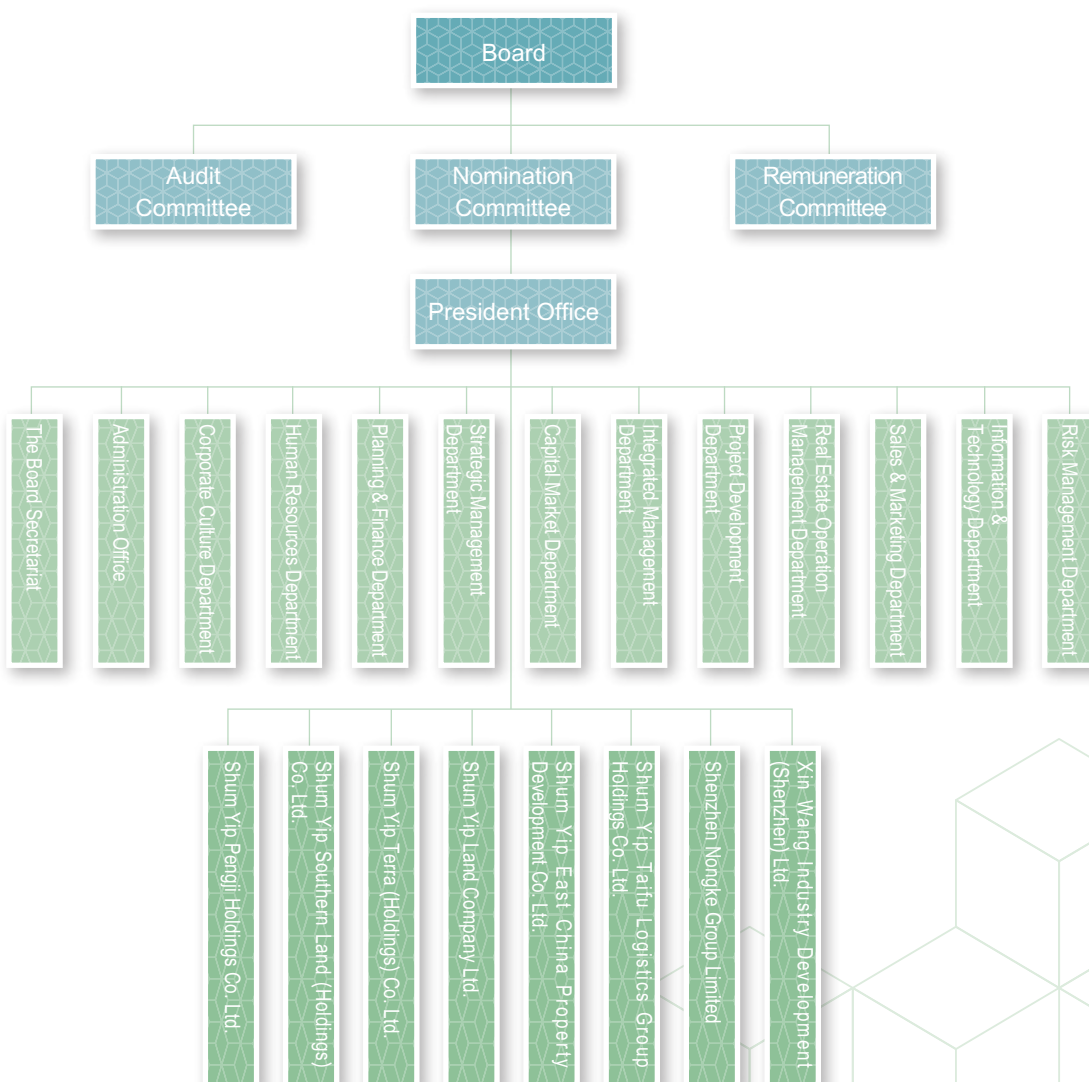
No.	Category	Issues selected based on materiality analysis
1	Environment 	Energy conservation
2		Water conservation
3		Use of raw materials
4		Waste management
5		Wastewater management
6		Investment on environmental protection initiatives
7		Environmental performance of business partners
8	Employment and labour practices 	Occupational health and safety
9		Training and education
10		Prohibition of child labour
11	Operating practices 	Anti-corruption
12		Selection of sustainable development suppliers
13		Product quality
14		Service quality
15		Intellectual property
16		Personal privacy
17		Compliance with contract terms
18	Community 	Community care
19		Integration of business to community development
20		Community development initiatives beyond business operations
21		Heritage and culture conservation
22		Support in community development

## 1.4 EFFECTIVE GOVERNANCE

Shenzhen Investment continues to optimise its internal operating systems and rules, with the aim of enhancing corporate governance and promoting sound and stable development.

### Corporate governance structure

With the sound governance structure, the Group has expressly defined the terms of reference for functions like decision-making, execution and supervision, and established effective division of responsibilities and balance system to ensure efficient governance. Under the leadership of the chairman, the board of directors (the "Board") is responsible for formulating general policies and strategies of the Group so as to supervise, evaluate and manage the operation and financial performance of the Company. Committees under the Board, including the audit committee, the nomination committee and the remuneration committee, are assigned with different authorities and powers and are required to make recommendations to the Board on its governance issues regularly. The Board through the President Office monitors the efficiency and performance of departments and subsidiaries. Clear corporate governance structure and the well-division of powers and responsibilities among decision-making structure are in place to ensure compliance and efficiency of the Company's operation.





## System construction and management of legal risks

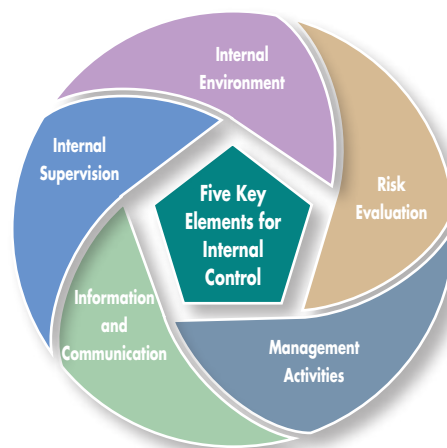
In addition to continuous implementation of respective systems and guidelines to ensure its operating activities are conducted legally, the Group has also constantly improved these systems based on the requirements for strategic transformation and its actual needs. This year, more efforts were made to emphasise integration and optimisation of the Group's legal affairs management system, with an aim of constructing a sound legal affairs management system gradually.

With respect to the systems and procedures which have been established and implemented, the Group has strengthened internal dissemination, training and supervision, ensuring that the relevant systems and procedures are implemented properly so as to achieve efficient governance.

## Internal control and risk management system

In accordance with the requirements of the Corporate Governance Code set out in the Rules Governing the Listing of Securities on the Stock Exchange, Shenzhen Investment has established a sound and effective risk management and internal control system which has improved from time to time since the Group reinforces internal management based on the needs of strategic development and management. Besides, the IT procedure and management is enhanced constantly to improve the efficiency of management and decision-making. In 2016, the Group amended, for the third time, the Management Rules on Engagement of Intermediates, focusing on improving the relevant engagement in terms of engagement ways and procedures, which enabled the Group to increase prevention and control of corruption risks. Meanwhile, the Group has conducted annual system assessment regularly, to determine whether the systems are sound and effective through an overall review and assessment in five major aspects, namely internal environment, risk evaluation, management activities, information and communication as well as internal supervision.

Considering the requirements of the audit works and the special features of the operating segments of the Group,



it has established an audit system management model covering different levels under unified management. In particular, the Group has set risk management departments in every company at the secondary level, being responsible for the internal control and audit works of the Company and its subsidiaries and making flexible arrangement of internal audit works according to the particular business features of relevant companies. The aforesaid second level of companies are under unified management by the risk management department of the Group. A number of special audits are conducted throughout the overall system from time to time. The Group's risk management department reports to the Audit Committee and the Board on the annual internal audit plan, audit results and progress of rectification measures, subject to guidance and supervision by the Audit Committee and the Board.

During the year, the Group carried out lots of special audits, including, among others, special audit on lease of resource assets, internal control audit and audit on economic responsibility during the term of office. In addition, it monitored certain material aspects such as major subsidiaries, businesses, identified internal control deficiencies and management weaknesses, and issued the rectification notice if necessary to demand such rectification by relevant entities within a prescribed time. Besides, it organised reviews proactively on such rectifications and strengthened the closed-loop management on audit rectification and supervision.

### Closed-loop management and accountability mechanism of audit rectification



### Information management

Application of information technology serves as an important element of improvement of the Company's capability of corporate governance. The Group's management has paid high attention to the development of information system as evidenced by reorganisation and new construction of certain information systems during the year, including the Group's integrated management information platform, real estate cost management system, planning & management system as well as corporate assets management system. The original information systems developed by the respective companies on a separate basis have been replaced with a system developed by the Group which is available for use on a centralised basis. Furthermore, the Group made steady progress in preparation of the information strategic planning under the 13th Five-Year Plan. In particular, it has held numerous seminars regarding "Internet + Business", which provides great supports for construction of business platforms of the Group.





Enterprise Information Platform

During the year, Enterprise Information Platform ("EIP"), the first procedure management platform being accessible by all staff members of the Group, has been put into official operation. EIP offers six kinds of communication channels, enabling communication between the staff at any time. The integration between PC end and mobile devices satisfies the Group's needs for mobile office. Optimisation of function and performance of systems has secured a more efficient and convenient business management. Through centralisation of business systems, the business operation and approval procedures of the respective companies are standardised, accuracy of business information is enhanced and investment cost for system construction is reduced respectively, which in turn strengthen the Group's management and efficiency.

The companies under the Group have established a centralised assets management information system and Wechat real estate marketing platform. Besides, project companies have also established the construction personal information management system and contract standardisation management system by benchmarking those outperformed enterprises, which brings them to a new stage of development in informatisation construction.



## 1.5 ANTI-CORRUPTION

For the establishment of anti-corruption systems, we continue to improve relevant internal policies and standards and anti-corruption code of conducts in order to reinforce standardisation construction. To balance and supervise powers and thereby to further regulate the exercise of powers which constitutes the core of anti-corruption. During the year, the Group issued the "Integrity Employment Interviews Implementation Measures" (廉潔從業談話實施辦法). Since the implementation of the Measures, a total of 102 interviews were organised by the Group during the year. Among which, 39 were accountability interviews, 51 were induction's integrity interviews, 11 were warning interviews and 1 was admonishment interview. Thus, the leaders have further increased their awareness of integrity employment and become more resistant to corruption.

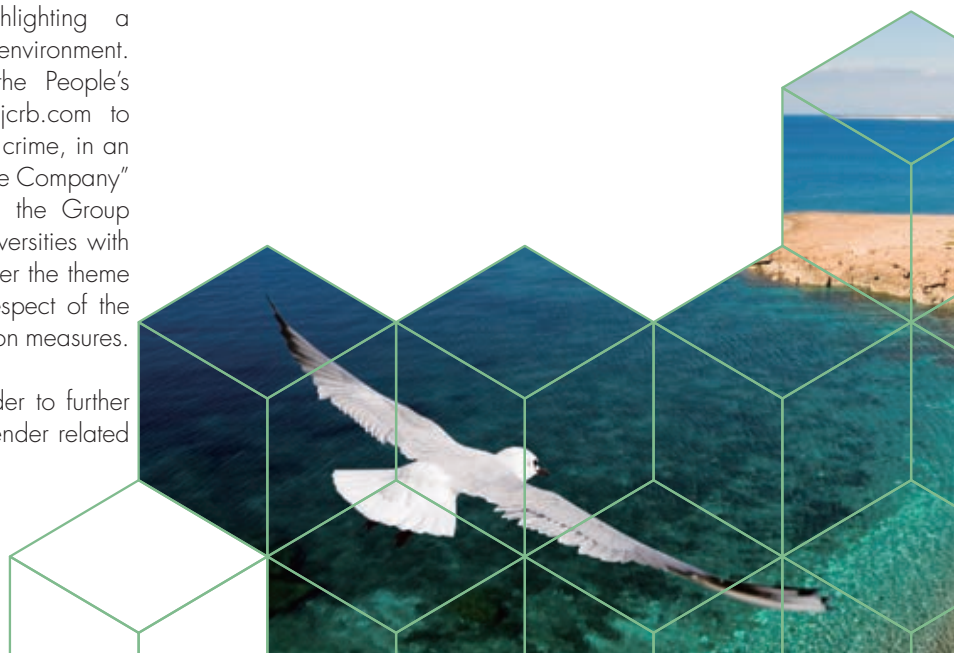
Meanwhile, the Group continues to strengthen supervision on decision-making procedures, integrate supervision resources and strengthen supervision, to ensure that anti-corruption supervision covers a full range of operations with no forbidden aspect or exception. To secure a corruption-free operation and stable foundation throughout the entire system, the management of the Group cooperate with the specific business departments of the subsidiaries to jointly review the decisions made by the subsidiaries. Throughout the year, an aggregate of 128 matters were reviewed which involving 631 issues. Decisions made incompliant with procedures had been rectified within prescribed time.

The Group plays actively in developing an innovated anti-corruption education model, highlighting a corruption-free and clean operating environment. In March 2016, the Group invited the People's Procuratorate of Shenzhen and [www.jcrb.com](http://www.jcrb.com) to make propaganda for prevention of duty crime, in an event named "Preventing Duty Crime in The Company" (預防職務犯罪走進企業). In September, the Group provided 62 new staff recruited from universities with pre-posting anti-corruption education, under the theme of "Make Anti-corruption a Habit", in respect of the current situation, type of risks and prevention measures.

With respect to project tendering, in order to further optimise procedures and regulations of tender related

activities and supervision, the Group established a special working team in August this year, and made amendment to the "Anti-corruption Measures on Prevention of Duty Crime in Construction Project Tendering", so as to ensure the consistency of systems and effectiveness of supervision. Besides, taking into account the mixed performance and unstandardised supervision of the respective subsidiaries within the Group in relation to their tendering procedures, the Group has particularly prepared the "Guidelines on Tendering Procedure" (招標工作流程指引) and "Guidelines on Tendering Supervision" (招標監督工作指南) by reference to the practices and operation features of those subsidiaries. The standardisation of tendering is improved while regulating tendering procedures and enhancing tendering efficiency, so as to help the Group reaching a balance among supervision, cost and efficiency and further promises that the Group conducts bidding and tendering in a scientific and compliant manner.

In order to further improve the supervision efficiency on tendering so as to achieve timely collection, analysis and monitoring of tender information, Shenzhen Investment has built a construction projects tendering information platform on top of the existing office administrative system. The Group requires the entities to complete information reporting quarterly by the responsible person. The Group may directly extract from the platform the information of projects for inspection randomly which differs from the traditional working practice with substantial improvement in cost saving and efficiency for monitoring. We have monitored a total of 142 projects during the year, saving a total of RMB370 million.







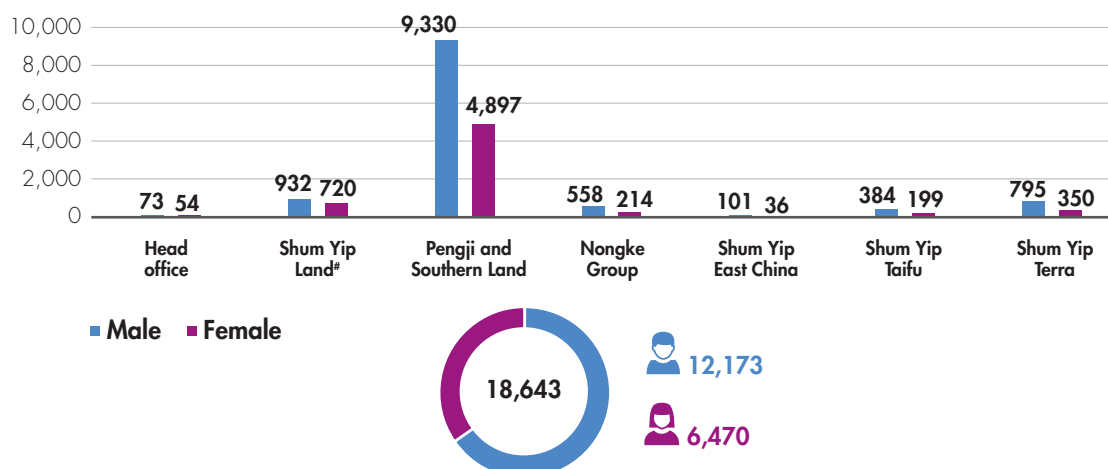
# CARE FOR STAFF

Our staff is the most precious resource and wealth for corporate sustainable development. The Group attaches great importance to secure the basic rights and interests of staff. In particular, employees are employed by the Group according to the specific requirements for any position by adherence to the principles of fairness and impartialness. No staff will be unfairly treated due to his/her gender, age, sickness or race, and child labour or forced labour is strictly forbidden. In addition, taking staff's development as the first priority, the Group continues to optimise its remuneration system, designs diversified occupational development channels, and establishes appropriate talent training system, making the best to offer an occupational development platform for every staff. In relation to welfare benefits, the Group provides staff with safe working environment and good working condition, comprehensive protection and care for their personal life, aiming to increase their sense of recognition and belongingness, so that the ability and potential of the staff can be released and sustained and thus propel common growth and development of staff and enterprises.

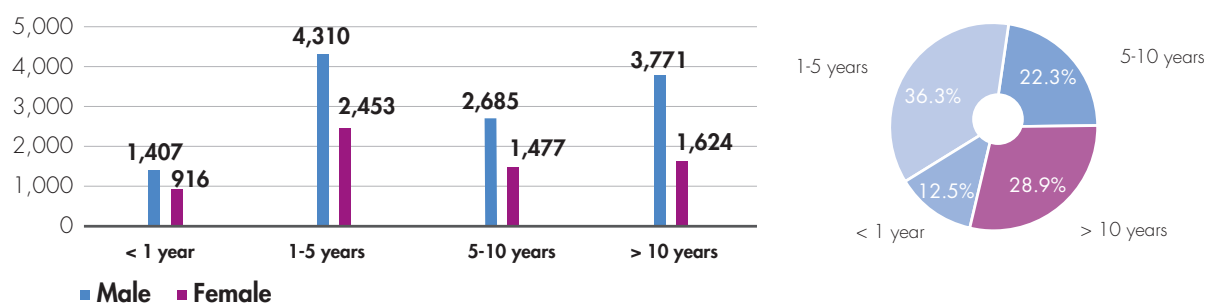


## 2.1 HUMAN RESOURCES PROFILE

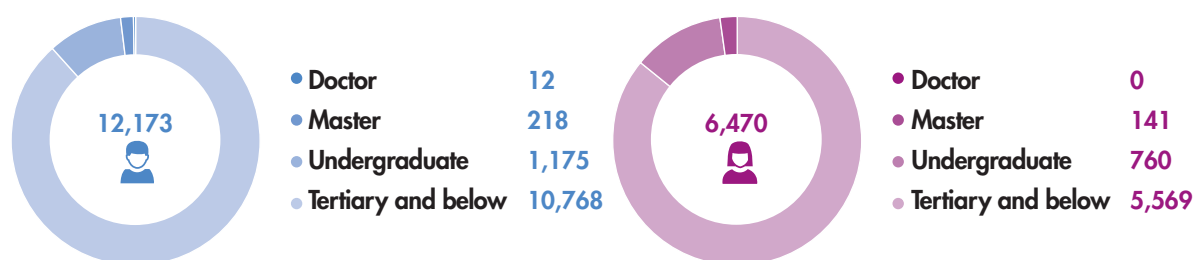
### Workforce composition



### Seniority

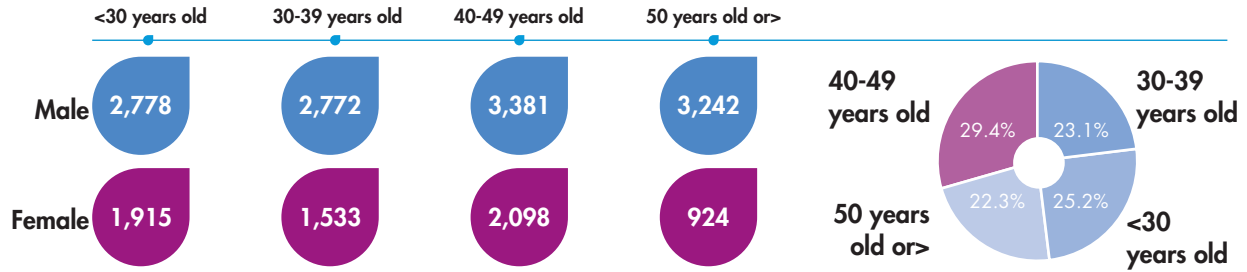


### Education level

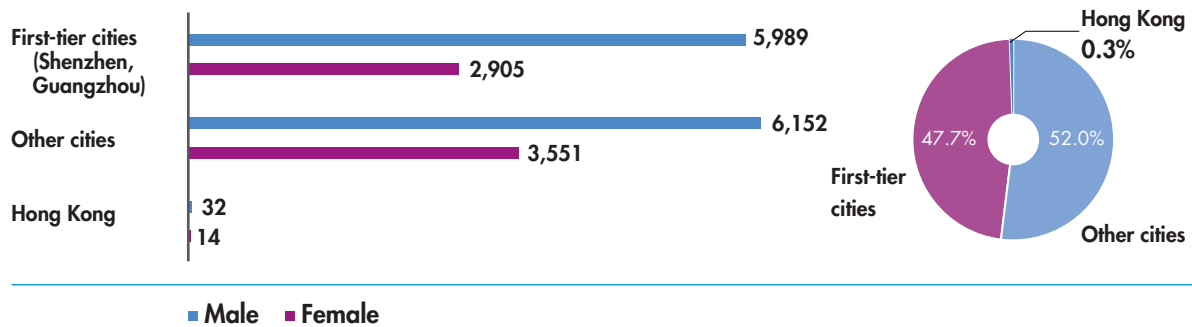


# including Xin Wang Industry Development (Shenzhen) Ltd.

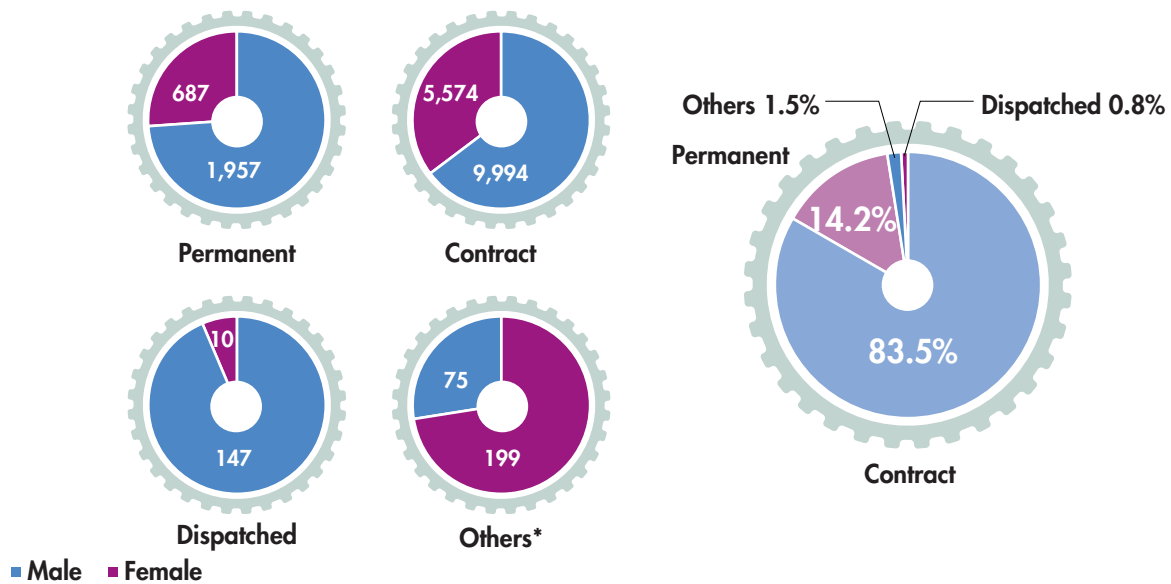
### Age



### Geographical location



### Type of employment



\* Others include those employed on project basis and those rehired under employment agreements instead of labour contracts since their ages exceeding the statutory retirement age.



## 2.2 HUMAN RESOURCES MANAGEMENT AND STAFF DEVELOPMENT

During the year, the Group focused on the cultivation of talent team, made innovation on incentive mechanism and put more efforts on human resource development according to its development needs. A series of human resource policies and systems were introduced, which cover position systems, remuneration, evaluation and personnel selection, with a view to enhancing the management and control of human resources.

### Diversified position system

The Group has established a diversified position system which set out diversified career paths for management, professional, technical, support and other personnel by reference to market standards. The "Instruction Manual for the Management and Control of Human Resources of the Group" (集團人力資源管控指導手冊) specifies the requirements for the promotion of professional personnel. It also requires the companies under the Group to establish a supporting talent growth channel and qualification ranking in accordance with the unified policies and guidance of the Group, so that employees could get higher positions as their abilities improves and employees at different levels could have clear development paths and rooms in respect of their business, function and technical hierarchy.

### Human resources development

The Group has implemented a human resources development plan to meet the requirements of its business development. The plan has standardised the structure and qualifications for the positions of various business segments and the core team at each level through the top-level system design, which optimised the talent structure of the Group and carried out the trainings of talents at relevant hierarchy, thus guaranteeing the human resources for the business development of the Group.

- Promoting senior management selection in companies under the Group

During the year, the Group formulated the plan for change of term of office in strict compliance with the "Provisions on the Election and Appointment of Senior Management of Companies under the Group" (所屬企業高級管理人員選拔任用辦法), which realised the selection and exchange of the senior management of companies under the Group and further optimised the leadership structure of companies under the Group.

- Selecting talents with high potentials

Since 2016, about 30 young key personnels with high potentials have been selected within the Group by recommendations at different levels every 3 years. These candidates will be trained by the Group as prospective key personnel of each hierarchy.

- Cultivating reserve talents

At the beginning of 2016, the Group organised written examinations for and inspections on qualified finance, auditing and other professional staff to select 6 reserve personnel, who were then sent to the School of Management of Xiamen University to receive professional trainings by the Group.

- Introducing Administrative Measures for Secondmentship

Starting from 2016, reserve talents, talents with high potentials, and other qualified personnel are all required to be seconded to places including Kashi of Xinjiang, Nyingchi of Tibet and Dongyuan of Guangdong for 3 to 6 months to receive on-job training.

- Promoting the exchange and introduction of talents

Communication among internal staff was strengthened. Various exchange and learning activities were organised for project staff. Staff's career paths have been expanded so as to further enhance their sense of recognition and belongingness.

### Making innovation on incentive mechanism

A reasonable and competitive market-oriented incentive system can fully mobilise the enthusiasm and creativity of employees, thereby enhancing the market adaptability of enterprises to achieve the simultaneous development of enterprises and employees. The Group has formulated the "Administrative Measures for Innovative Incentives and Assessment" (創新激勵與考核管理辦法), which provides institutional guarantee for its innovation and development.

- Co-investment mechanism of real estate projects: the Group has developed the "Administrative Measures for Co-investment Mechanism of the Group's Real Estate Projects" (集團地產項目跟投機制管理辦

法), which requires project staff to co-invest in the property projects, so as to make innovation on incentive mechanism and actual sharing of risks and benefits. This will effectively reduce the investment risk of new property development projects and encourage the management and employees to create a higher investment return.

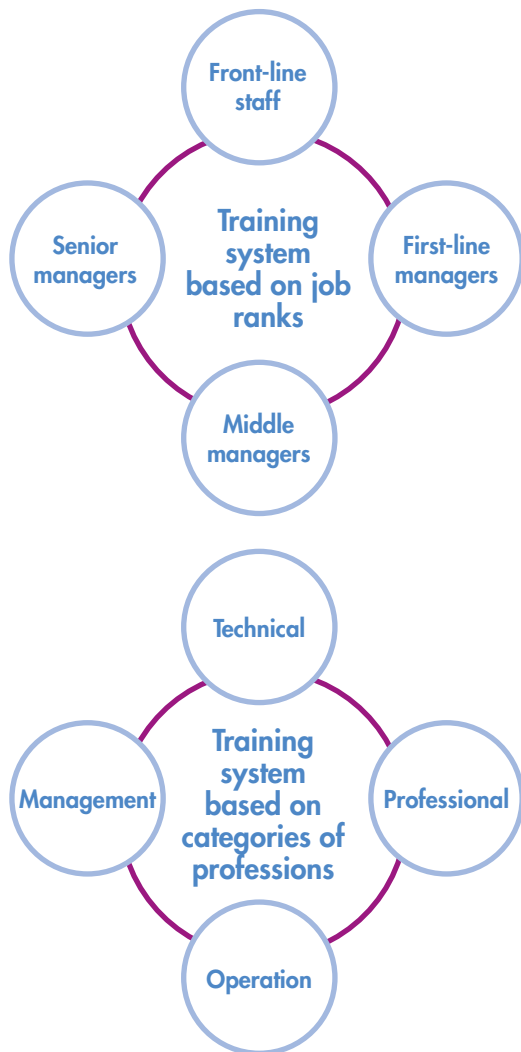
- Pilot system of excess profit sharing: taking companies under the Group as the pilots of innovative professional market operation incentive mechanism, the Company has established the linkage mechanism between employee bonus packages and the Company's performance.
- Deepening the incentive mechanism at different levels: the Group has established a remuneration

incentive system connecting to employee promotion path through making innovation on the incentive mechanism at different levels.

## Staff training

In 2016, by deploying the well-established platform of Shumyip Training Institute which aimed for better staff fostering and management, the Group carried out various multi-layered talent trainings in a systemic way, with a view to enhancing the work ability of talents and the management ability at different levels. During the year, the Group provided more than 1,600 internal and external training programmes with 16,647 participants attended. The senses of cultural recognition and belongingness of staff were constantly strengthened and their expertise and occupational ethics were also enhanced.

During the year, Shumyip Training Institute has held seminars on specific topics such as "work safety", "financial regulations" and "new staff training" for the Group.



New staff training in 2016

The participants of the “work safety” seminar came from 31 project companies of the Group and it was our first time to arrange participants to visit a construction site (Shum Yip UpperHills). The participants were trained on the usage of fire extinguishers, safety belts, safety helmets, first aid and others at the construction site, the lecturer checked the potential safety hazards and took it as an example to teach the participants on how to check the potential safety hazards in a construction site.



Training on work safety checks at a construction site

In addition to the unified trainings at the group level, companies under the Group also carried out various trainings according to the needs of their respective business development. In July 2016, Pengji and Southern Land Company organised a training on “financial and tax operation and the coping strategies in respect of taxation risks upon the comprehensive replacement of business tax with value-added tax” in the real estate industry and a total of 70 staff attended the training, which represented that the recognition of shared training from our staff was increasing.

At the same time, the Group constantly made innovation on the platform for talent cultivation and ways of training staff.

- As for new staff, their department heads will choose mentors for them to help them grow quickly and fit into companies.

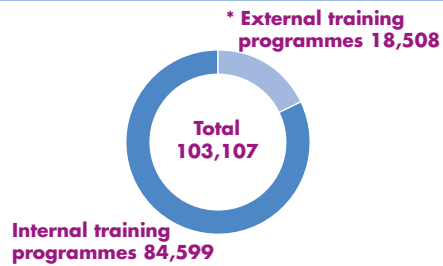
- The Group has cooperated with universities proactively to make full use of the advantages of market practice and expertise. In June 2016, the Group and Xiamen University jointly set up a postdoctoral innovation practice base to conduct deep cooperation on areas including talent cultivation, introduction of college graduates and their internship and postdoctoral education. The base will cultivate professional talents by way of project cooperation at its early stage.



- Shumyip Training Institute and the Communist Youth League Committee of Futian District signed a cooperation agreement to jointly establish Futian CBD Youth College, thereby sharing media resources, human resources and lecturer resources and training more comprehensive talents.



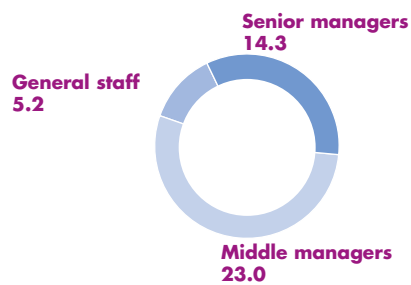
### Total staff training hours



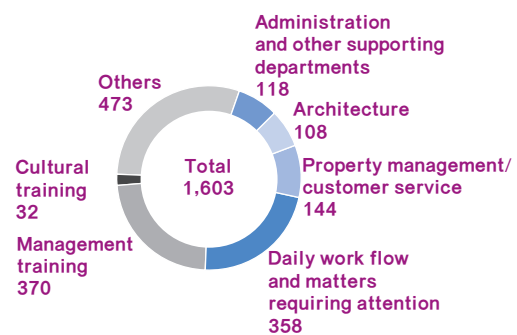
### Average hours of training received (by gender)



### Average hours of training received (by job rank)



### Number of business-related training programmes in 2016



### Total numbers of training programmes received by staff



\* The tuition is subsidised by the Company or attending external training sessions during working hours as allowed by the Company





### Campus recruitment

Campus recruitment is of great importance to the Group's talent introduction, cultivation and reserve, which will keep bringing new vigor and vitality to the Group. In 2016, we continued to carry out campus recruitment under the "Shen Drive" (深動力) scheme. The first recruitment activity started in Xiamen University on 26 September and ended in Sun Yat-Sen University on 3 November. The whole series of recruitment activities which lasted for over one month were held at 13 universities in 11 cities. Our well-attended seminars were very popular among students with a total of 4,868 students attending.

The "Shen Drive" (深動力) scheme, is the standardised icon of us in campus recruitment. Prospective employees were recruited under the scheme and were offered systematic and professional cultivation and management, thereby enriching the talent pool of the Group in different areas.



An interview of campus recruitment



Site visit of the projects of the Group by campus candidates

## 2.3 OCCUPATIONAL HEALTH AND SAFETY

The Group always takes work safety as its priority, firmly establishes the concept of safety development, pays close attention to the establishment of the safety responsibility system and its implementation, conducts in-depth potential risks identification and rectification work and constantly improves its mechanism and methods of work safety. Owing to these, the overall work safety situation of the Group maintained stable and controllable, which laid a safe foundation for the sustainable development of the Group. In 2016, the work safety related accident rate of the Group remained at a low level and the fatality rate and injury rate were both zero.

### Work safety management and control system

Work Safety Management Committee ("WSMC") established by each company under the Group is responsible for the establishment of a work safety responsibility system and control system and the formulation of a work safety and occupational health management system. Each year, the Group enters into a "Work Safety Commitment" with each of the companies under the Group specifying their respective goals and work safety responsibilities to ensure that work safety responsibility, investment, training, management and emergency rescue are all in place.

The Group conducted comprehensive inspections on the implementation of its work safety system and rectified the weaknesses and loopholes found in a timely manner by way of company self-examination under the supervision of the Group in strict compliance with the requirements of the "five must-dos" (五個是否做到).

## Five must-dos?

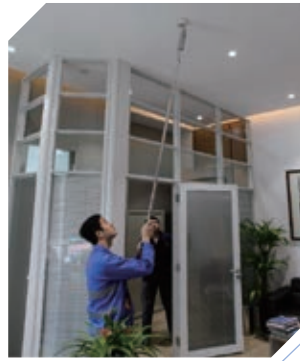
- 1** Is the work safety system well established with all aspects covered?
- 2** Is designated personnel being assigned to manage, take charge of and implement work safety?
- 3** Is the implementation of work safety in a timely manner?
- 4** Is the inspection of potential safety risks effectively carried out?
- 5** Is rectification of potential safety risks effectively carried out?

The management of the Group placed high emphasis on work safety and conducted over 20 visits to various companies under the Group, major projects and construction sites in order to supervise work safety on site during the year.



Work safety check in project companies

During the year, the Group carried out a grid-based check and rectification of hidden dangers to eliminate the hidden dangers and risk sources. Companies under the Group proactively participated in the "we all check hidden dangers" (安全隱患大家查) activity organised by the Group, thus arousing the enthusiasm of front-line staff to participate in safety management.



Safety check on the fire-fighting facilities in office



Work safety check at construction site

### Work safety meeting system

At present, the Group has established a comprehensive work safety meeting system. The Group held over 20 work safety meetings in the year, at which experience was summarised, situations were analysed and safety work was deployed by stages and tasks. A total of nearly 100 copies of work safety documents were issued to promote the implementation of safety work.



The Group held work safety meeting to carry out safety work

### Basic education on work safety

Work safety education and training is the foundation to improve the quality of all staff and achieve work safety. The Group, through safety education and trainings, provides the frontline with emergency handling knowledge to enhance their safety awareness, improve safety management operation, and improve staff's ability of emergency and disaster prevention, self-rescue and mutual-rescue. During the year, the WSMC held several training classes for professional work safety managers and a total of more than 140 staff attended.



Training for professional work safety managers

The Group also strengthened the pre-job safety education for frontline staff and designed training courses and contents according to the training needs of different positions and staff at various levels. For example, according to the actual characteristics of the real estate sector where the Group operates, the Group hired experts to carry out specialised trainings for construction manager, which focused on safety precautions in relation to deep foundation pit, formwork, lifting hoisting, installation and demolition works and construction electricity which are prone to accidents. The Group also designated the 22nd day of each month as the "Work Safety Education Day" at construction sites, aiming to improve the safety knowledge and safety skills of construction workers.



The Group hired experts to provide specialised trainings for construction workers



During the year, the Group organised a variety of Work Safety Month activities. Focusing on the theme of “Enhancing the concept of safety development and Improving the safety quality of all staff”, the Group conducted a series of thematic promotional activities, and arranged staff to watch all kinds of safety warning videos, with a view to enhancing their safety awareness.

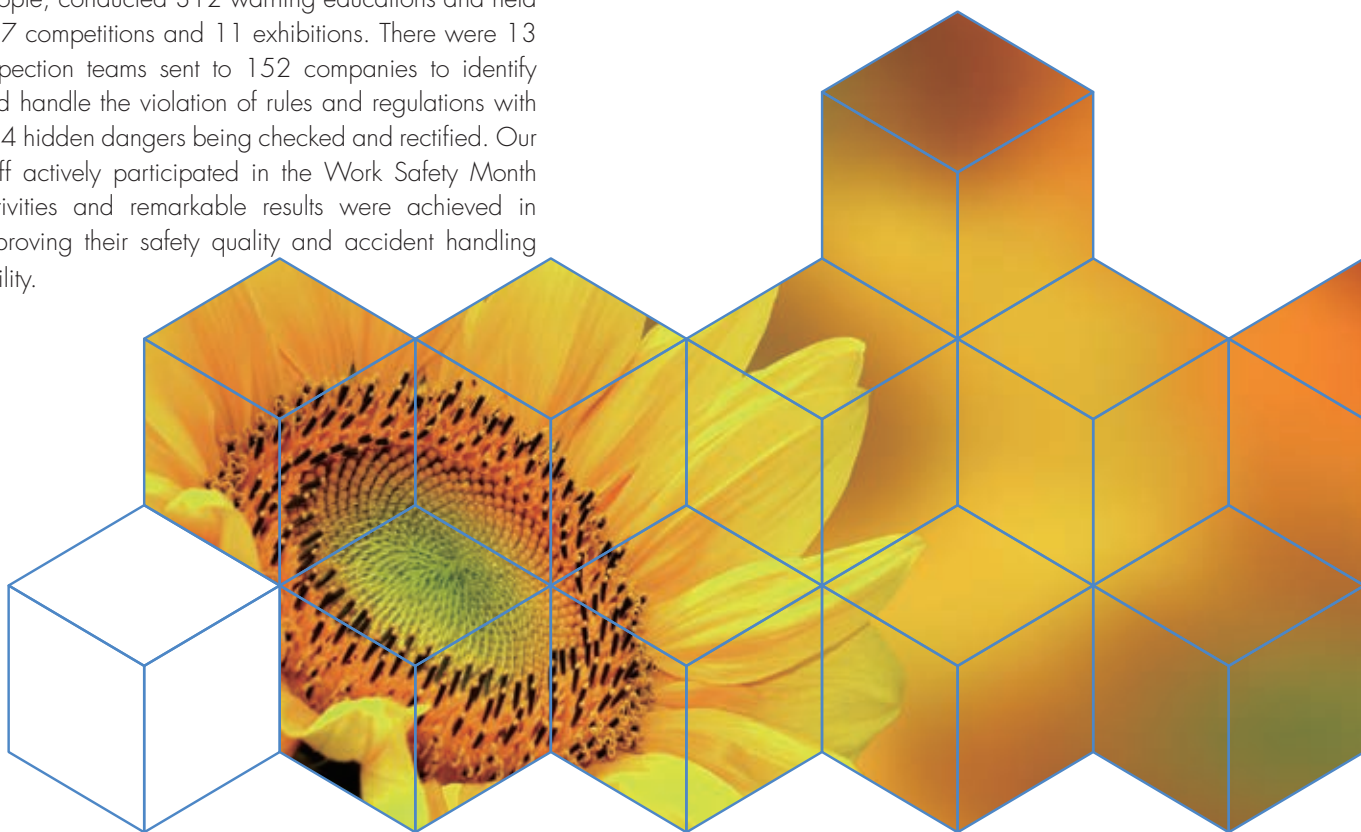


Educational videos on work safety alert were shown to the staff

During the Work Safety Month, the Group set up 193 special columns and editions, handed out 13,107 promotional materials, prepared 1,569 various display panels and posters, received consultations from 2,896 people, conducted 312 warning educations and held 157 competitions and 11 exhibitions. There were 13 inspection teams sent to 152 companies to identify and handle the violation of rules and regulations with 114 hidden dangers being checked and rectified. Our staff actively participated in the Work Safety Month activities and remarkable results were achieved in improving their safety quality and accident handling ability.



Kick-off meeting of the Work Safety Month





## Emergency response mechanism

In 2016, the Group fully implemented the 24-hour duty system for management. The management of the Group and the person-in-charge of the subsidiaries were on shift duty, to ensure immediate respond to emergencies. In addition, the Group made full use of the network information platform to create information exchange groups, making sure that information was transmitted in a timely and effective way.

During the year, the Group and companies under the Group carried out several large-scale fire drills including fire prevention exercise, flood prevention and discharge drill, emergency rescue plan for elevator traps and etc. in various business areas. These activities improved the emergency handling ability of our staff.



Nongke Company (農科公司) conducted a fire drill.



All staff of Taifu Jiazhifu Company (泰富家之福公司) participated in a fire drill.

In August 2016, Typhoon Nida made landfall on the Pearl River Delta. An emergency response was initiated immediately and notices were issued timely by the Group to provide guidance on wind resistance and flood prevention methods and measures. Companies under the Group responded and safety patrols were conducted and all real estate projects under construction were suspended. In addition, they conducted real-time monitoring and applied emergency measures on waterlogged places, dangerous slopes, outdoor billboards to be well prepared for any accident that may be happened. All staff of the Group worked together against Typhoon Nida successfully and the Group had no casualties and material economic losses resulted from the typhoon.



The management inspected the typhoon prevention works



Terra Company (泰然公司) carried out cleanup works after the typhoon

### Certificate of work safety standardisation

The input of the Group on work safety has been recognised by professional parties. Following the obtaining of third-class enterprise certificate of work safety standardisation by 5 entities under the Group last year, 8 management offices of 4 property companies under Pengji and Southern Land Company have started safety standardisation work this year, of which 6 property management offices including Shum Yip Garden had received the certification.



The certificate of work safety standardisation third-class enterprise of the Group

## 2.4 STAFF PROTECTION

### Compliance

Shenzhen Investment enters into labour contracts with their employees, makes contributions to social insurance and the Mandatory Provident Fund on time, respects and protects the basic rights and interests of its employees and resolutely resists the use of child labour or forced labour in strict compliance with the labour laws and regulations of the places where it operates. In 2016, we have not discovered any case on the employment of child labour, underage labour for works of hazardous nature or forced labour.

### Remuneration and benefits

During the year, in respect of the establishment of a remuneration system and performance appraisal system linked with promotion path, the Group improved its remuneration systems and the remuneration and benefit of bottom-level and front-line employees by reference to industry standards for out-performing enterprises.

The Group offers its employees with a series of healthcare programmes, such as labour insurance and annual health check etc. In addition, the Group also offers its employees and workers with other protective measures, such as improving the living conditions in dormitories and the working environment, thereby enhancing the satisfaction of the employees, and lets the employees feel the warmth and care from the Company as a big family.

In respect of the protection of rights and interests of female employees, we strictly abide by the laws and regulations regarding the protection of female employees and care for the physical and mental health of female employees and arrange special health checks for female employees during the annual health check. During the year, the Group organised activities such as health knowledge lectures and "The Beautiful Women's day" to ensure that female employees work and live healthily and happily.



Events on "The Beautiful Women's Day"

## Aid fund

The Group strives to provide comprehensive protection and caring for its employees. In order to help employees in a more precise and effective way, the Group amended the "Administrative Measures for Serious Diseases" (重大疾病基金管理办法) based on the "Tentative Administrative Measures for Aid Fund" (互助基金暂行管理办法) which has been put on trial for three years, thus ensuring that our funds are spent on employees whom need it the most. During the year, we visited a total of 60 employees in difficult living conditions and with illness and donated a total of RMB304,900. In the past three years, we helped a total of 154 employees in difficult living conditions and their family members and distributed consolation money of RMB938,000 in aggregate.



The management visited employees before the Spring Festival



### Cultural and sport activities

The Group always sees cultural activities as an important way to promote cultural integration and enhance team performance. The Group held various cultural and sport activities such as speech contests, singing contests, art shows, fun games and basketball games, with a view to enhance team cohesion and centripetal force. Our staff participated actively in different hobby groups such as Tai Chi, yoga, aerobics and balls games organised by the Group. They also participated in various cultural and sport activities in communities which enhanced external influence and internal cohesion, and created a harmonious working and living atmosphere.



Hiking event



Hobby groups participated in performance





During the year, the Group assigned a team to participate in the 3rd Enterprise Sports Day in Shenzhen in 2016. The Group's athletes competed with all their strength and achieved excellent results among nearly 100 teams, and were praised by the event organisers and other participating companies. The games not only promoted the communication among companies under the Group, but also help the employees establish a more profound friendship.



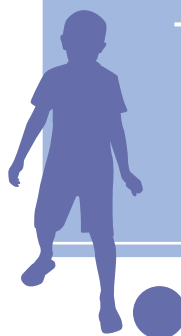
*"Shenzhen Investment not only has excellent performance in the real estate sector, but also has youthful employees who are in their prime. The games we won not only show how all members of the basketball team compete as one and strive to win, but also show how the young employees of Shenzhen Investment bloom vitality and burn passion."*

—Chen Guangkuan from the headquarters of the Group



*"As a new member of the football team, I can feel the positive energy and spirit of unity, hard work and never giving up from the first day of my training."*

—Yang Yong from Pengji and Southern Land

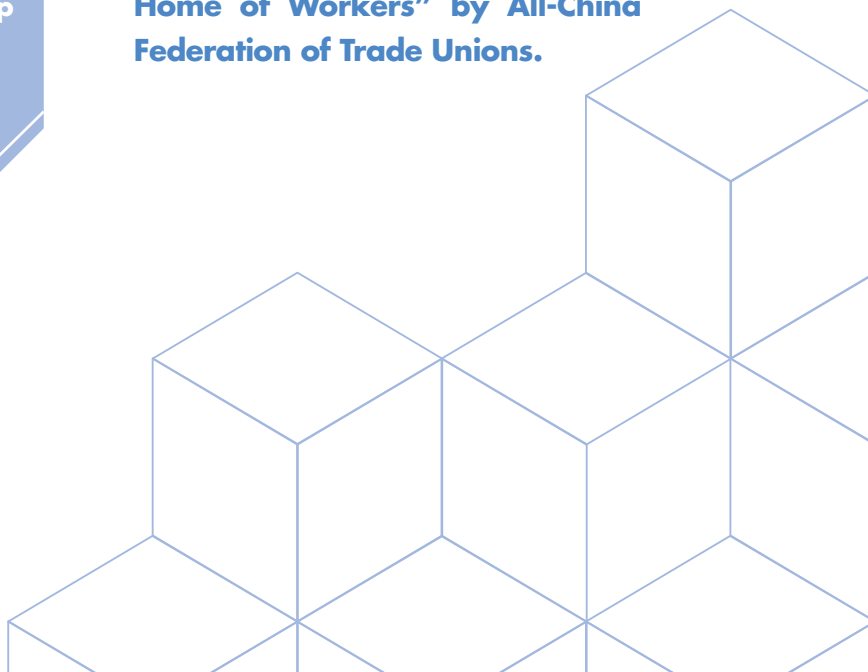


*"Shum Yip team put up a good fight in the Enterprise Cup. With sweat and no fear, good news is heard. It is a pity for not winning the champion, but we are glad for the friendship we won. A new chapter in basketball will be written, if we have the chance to come again."*

—Zhang Zhanlu from the headquarters of the Group



Owing to colorful cultural activities, substantial progress was made in promoting the integration of corporate cultures by the Group. Several companies under the Group were awarded with the honorary title of "National Model Home of Workers" by All-China Federation of Trade Unions.





03

# COMMUNITY INVESTMENT

Over the years, while facilitating its production and operation, Shenzhen Investment has also proactively engaged in community building. By participating in diversified community activities, Shenzhen Investment has contributed to building a harmonious society.

In addition to establishing the aid fund for our staff, we also focus on serving the community, helping the underprivileged, offering assistance in cases of emergencies and other public services. Besides, we encourage our employees to participate in charitable activities, in order to fulfil our corporate social responsibility together.

During the year, the Group had nearly 10,000 employees participated in community volunteer services, and over 10,000 hours of service in total.







### 3.1 COMMUNITY CHARITY ACTIVITIES

The Group, together with the property management companies under the Group, have organised a series of public welfare activities tailored for various communities, including community-based convenient service, disaster relief donation, voluntary labour, blood donation, charity sale and propaganda of environmental protection. All these activities showed the kind spirit of our staff and earned recognition and praise from owners and customers. We hope to communicate and exchange opinions with people from different sectors by participating in community activities, thereby to create a better and more harmonious community.

#### Participate in the community



Noble Residence, organised a volunteer patrol team to assist the security guards in safeguarding the community.



Shum Yip Huafu donated books to schools in the community so as to provide students with more reading opportunities.

#### Run for green

UpperHills – the 3rd Green Marathon, the Shenzhen Marathon cheering activity, was held on 10 December 2016, aiming to promote green life style and its concept to more people.



#### Youth-focused Room Card Program

In order to solve the housing problem for young people in the city, the Group and the Shenzhen Municipal Government launched the "Youth-focused Room Card Program", to help reducing the anxiety over housing of college graduates who came to Shenzhen, thus help to retain more talents for Shenzhen. In 2016, the Group launched a total of 3,000 serviced apartments and youth apartments. It is planned to launch 8,000 units in Shenzhen by the end of 2017, and strive to launch a total of 20,000 units in Shenzhen within three years.





Wansha Management Company organised the Spring Festival parade in Lianhuabei Community

In June 2016, Shum Yip Terra organised a large-scale fire and evacuation drill. Departments such as public security, fire service, health and others, together with more than 100 enterprises within the business park, totaling over 2,000 people, participated in the fire drill.



### Fire safety in community

Shum Yip Terra sets up its own emergency fire brigade in the community. Under the strong support of the district government, the emergency fire brigade is equipped with 3 fire trucks and relevant vehicle-mounted rescue tools. The emergency fire brigade comprises of 15 firemen, who are deployed into three shifts, on duty 24 hours a day. Since its inception, the emergency fire brigade has participated in fire fighting and rescue mission for over 70 times, thereby safeguarding the economic development of the Chegongmiao business park and the safety of life and property of the public and employees.





## 3.2 VOLUNTEER SERVICE

Shenzhen Investment calls for its employees to participate in different voluntary services. We have established our professional volunteer team. This year, the Group drew on its property management edges and expanded the working scope for volunteers and organised volunteers to deliver our care for communities.

On 4 December 2016, the 31st International Volunteer Day, the Group organised the “Community Volunteer Day” campaign, and nearly 300 volunteers responded to the Group’s call and came to the Group’s property management community – Qiaoxiang Village Community, Futian District, Shenzhen. A total of 10 services were provided in the campaign, including: residential property purchase-related consultation, home decoration, environmental travel, medical and health services, free sewing and barbering, balcony vegetable cultivation, flea market and etc. There were a total of 1,300 community residents participated in this campaign.

In 2016, we drew support from the power of new media and built a volunteer service platform, to achieve the systematisation, regularisation and informatisation of volunteer services in general. The platform had 1,322 registered volunteers, and launched 40 volunteer service activities, and recorded participants of 1,500 persons in aggregate throughout the year. Meanwhile, coupled with its internal development, the Group shared information about the volunteer activities and the views and experiences of volunteers, thereby promoting volunteer services



to each level within the Group. We actively cultivate and promote the culture of caring and volunteering within the Group, and plan to keep on growing and developing the volunteer service team, and to build this service platform into a volunteer service brand with considerable influence.

Apart from joining the volunteer team of the Group, our employees have also joined volunteer associations in their respective cities, and served as leaders of different volunteer teams and community volunteer associations. They have devoted their spare time to volunteer services, giving their contribution and caring to people who are in need.



Volunteer activities of caring the autistic children

### 3.3 CARING FOR THE UNDER-PRIVILEGED, CONTRIBUTING TO SOCIETY

Since 2005, the Group has put great efforts in helping the underprivileged, and offered assistance to poor villages in Dushan County of Guizhou, Fengman Village of Lianjiang and Gangkou Village of Jieshi, Lufeng. In 2016, we kept on helping the underprivileged and established a steering group for targeted poverty alleviation. In particular, we studied on a three-year poverty alleviation plan and adopted "one-on-one" caring mechanism to work out a poverty alleviation solution for each of the 219 targeted individuals (from 61 households) living under the poverty line in Songlin Village, Tianxin Town, Longchuan County, Heyuan, striving to carry out the poverty alleviation program fully.

**Employees stationed in villages:** The Group carefully selected cadres to station in villages, and organised them to participate in targeted poverty alleviation training courses. The cadres were required to visit the farmers frequently and stick together through thick and thin with the villagers; to provide ideas in industrial support, and to observe discipline and live in harmony with the households in poverty.



Visiting the impoverished farmers





The poverty alleviation team celebrated the festival with teachers and students of Songlin Primary School, and conducted in-depth exchanges with all teachers.

**Comprehensive research:** The task force paid field visits to villagers, listened to village cadres introducing the village, learned the details about the production and living conditions of the villagers, and learned from a wide range of sources information about the economic development status, agricultural planting structure, environmental resources, villagers working out of home, households in poverty and students at school in Songlin Village, Tianxin Town.

**Targeted poverty alleviation:** The poverty alleviation tasks have been assigned to specific personnel, with rounds of poverty alleviation efforts being put to help out poor individuals. The targeted poverty alleviation task force assigned to Songlin Village has paid each of the preliminarily selected 67 households (totaling 246 individuals) a visit. After a 7-day period of identification

and verification work, a total of 61 poor households in Songlin Village well identified, totaling 219 targeted individuals.

**Funds audit:** Strengthened the management of poverty alleviation funds and conducted strict audit over the use of funds, so as to maximise the effective use of poverty alleviation funds.

**Poverty alleviation mechanism:** Enhanced the hematopoietic function of poverty alleviation work, actively explored and studied on the industrial supporting measures to form a long-term poverty alleviation mechanism. Efforts were devoted to improving the self-development ability of poor households, and to pursue opportunities to drive the villagers out of poverty fundamentally.



The Group planned for 14 poverty alleviation projects to improve people's livelihood, including the consolidation works of the Songlin Village Road, the improvement of the cultural square, the construction of the villagers service center, the lighting project for village road in mountain area and the traffic facilities for village roads, and the total investment for a period of three years is expected to over RMB6 million. The Group strives to ensure every poverty alleviation project is put into effect and benefits every villager of Songlin Village.



The Group plans to complete the consolidation works of a country road of 10.80 km in three years. The consolidation works of the Songlin Village Road, Niulangqian to Niugulao section, with a total length of 2.16 km, is expected to solve traffic inconvenience faced by about 1,000 villagers of Songlin Village.



The Group organised the "caring help and offering comfort to households in poverty" campaign on the cultural square of Songlin Village. The management of the Group visited the villagers in poverty and brought rice, edible oil and consolation money to 61 poor households in Songlin Village, to hear about their living conditions and income level, and raise their confidence in poverty alleviation and maintain an optimistic attitude towards life.









# ENVIRONMENTAL PROTECTION

As environmental protection is a bounden duty to the society of an enterprise, the Group stringently abides by the relevant environmental protection and energy conservation laws and regulations. To promote the implementation of environmental protection in our decision-making, business management and corporate culture building process, and to enhance our performance in all aspects of environmental protection, the Group formulated the “Guidelines for Environmental Protection” according to the actual situation. The Environment, Social and Governance Working Committee is responsible for overall coordination and arrangement, and continuous monitoring and regular reviewing of our developed environmental protection policies as well as providing guidance for the business which involves environmental protection.

In recent years, Shenzhen Investment has persisted to apply its product philosophy of “Health, Quality, Culture” in the development and construction of its projects. By adopting measures of energy conservation and reduction of emission, the Group has realised its concepts of green construction, clean production and waste recycling thoroughly in the process of project development and operation, dedicating to become a construction resource conservation and environmentally-friendly enterprise.



## 4.1 GREEN BUILDING DESIGN

### Green building

Green and low carbon is the common language of mankind, and also the only route for a city to achieve quality and sustainable development. Over the years, Shenzhen Investment is committed to constructing, operating and developing in sustainable way for project development.

In June 2016, Shenzhen Investment had more than 10 staff from its subordinate enterprises participating in the green building sub-forum of the Fourth Shenzhen International Low Carbon City Forum. In the same month, the Group also arranged more than 30 people including the heads of relevant departments such as design and engineering as well as some leading members to visit the main building of Shenzhen Institute of Building Research. Also, the Group invited the experts from Shenzhen Institute of Building Research to hold a lecture themed “Present and Future of the Development of Green Buildings” in which the experts shared typical cases of green buildings, as well as elaborated on topics which the Group concerned for, including domestic and foreign green building awards, design requirements, impact of cost, application for construction and acceptance of work. The lecture has provided important guidance for the Group in adopting green measures for project design, construction and operation and in constructing buildings with green features.

The planning, design, construction and property management for each of the Group’s projects are based on the government’s environmental protection policies. We have set up a green building team for each enterprise and have engaged green building consultants to provide professional guidance, constructing and implementing a number of environmental-friendly and energy-saving green building projects.

Taking Shum Yip Zhongcheng Project as an example: during its construction process, we conscientiously implemented the “Regulations of Shenzhen Special Economic Zone on the Energy-saving for Buildings” and “Measures of Shenzhen Municipality on Promoting Green Building”, and strictly complied with green building standards in the process of project approval, planning permission, construction permits, acceptance of energy conservation and other aspects. By virtue of a number of environmental protection measures, No. 05-03 land Project gained “Shenzhen Green Building Design Certification – Gold” award from the Shenzhen Housing and Construction Bureau. By applying diffuse reflective material with a reflectivity less than 0.3 in the building with a structure of curtain wall, the influence of reflection glare from glass curtain walls to the surrounding environment is substantially reduced. The roof of the building is made by extruded polystyrene board, which is a kind of thermal insulation material with an energy saving rate higher than 50%. In addition to extensive application of environmental-friendly materials, the Group has also configured



environmental protection and energy conservation measures such as a rainwater collection system, a lighting energy-saving control system and roof greening facilities, so as to reduce power consumption and improve the usage rate of construction and domestic sewage, transforming from energy-saving building to green building.

Another example, Shum Yip East China Project has applied green construction materials in all its projects



Shum Yip UpperHills

under developing, such as: shale bricks for external walls, Low-e glass for doors and windows, broken bridge insulation profiles, planting roof in part of the commercial buildings' roofs, which can reduce heat reflection effectively and other achievements.

## Planning and design

In recent years, the Group has focused on the public nature of cities. We expect, by applying the most advanced concept of urban complex, either in urban space and transportation planning or in construction planning and materials, to combine the high-density urban complexes with high degree of common area and experience.

For instance, we have adopted a more open style design for the arcades in Shumyip Dongling, which are open to the public. Through combining business with the Lingnan style which is unique and more in line with the geographical characteristics, the original dimensions of streets and the marketplace culture of Huang Beiling Village have been retained to the greatest extent.

During the year, "Urban DreamWorks", a co-initiated project of the Group, held the 2016 Urban Innovation Conference successfully. "Wisdom of UpperHills", a program under Shum Yip UpperHills project of the Group, became one of the first five incubation projects of "Urban DreamWorks". Two lounge bridges connecting urban parks not only can shorten the distance, but also can link healthy life and leisure consumption closely.



Shenzhen Investment insists to build products with unique characteristics, which focus on the heritage of humanistic and lead the concept of future life, meeting all kinds of customer needs of livable products. During the reporting period, our projects have won a number of honor awards and have received high recognition from the community. In September 2016, with the perspective of "City-Building Integration", UpperHills has created a multi-function center which is highly integrated with the city. By virtue of its development concept of creating a new city by space, UpperHills won the award of "Top 10 Future Habitat • Creative Future of China – Gold" in the "Design Tour of Beijing International Design Week • Global Future Habitat Innovation Conference" in 2016. Shum Yip Dongling won the award of "Most Humanistic Value Complex of 2016", "Top 10 Shenzhen Most Attractive Residence Project" and other awards, and Huizhou Wanlin Lake won the award of "Ingenuity Garden of the Year". Huizhou Joy City won the award of "Most Humanistic House Type Apartment of 2016" by the press media, while Shunde Shum Yip City won the award of "Livable Ecological Real Estate- Gold" and other recognitions.

## 4.2 ENERGY CONSERVATION

The Group has promoted a variety of energy conservation and environmental protection technologies in all of its projects and property management projects proactively, and all of which have achieved good effect.

**Green lighting:** We have considered to use different types of lighting in different spaces. For instant, we have adopted batch control lighting in basements, car parks and other large space, and used infrared sensor delay self-extinguishing switch in the public walkway, staircase. In outdoor area, we have used waterproof lamps with anti-glare covers and other measures to avoid light pollution to the pedestrians and the surrounding area. For the old communities which are managed by our properties, we have upgraded the lamps to energy-saving lamps by batches, and lighting will be turned on and off reasonably as scheduled.

Suzhou Marriott Hotel has invested in upgrading LED lighting of the hotel lighting system by batches, and the system can timely adjust the turning on and off time of the outside lights according to seasonal changes, which won the certificate of Grade 2 of East China green gage issued by InterContinental Group.

Besides energy-saving lamps, we also have designed to maximise the introduction of natural light source, and to reduce energy consumption, to provide a comfortable and safe lighting environment with high-quality to the residents.

**Cooling and heating energy saving system:** Among our new developing projects, centralised cooling system and heat recovery system have been adopted, thereby reducing the cooling or heating energy consumption.



Since June 2016, we have been monitoring and managing the temperature of the air conditioning in the lobby of the north district apartment in UpperHills according to the ambient temperature. Approximately RMB10,000 will be saved each month for electricity cost and the total savings in 2016 was RMB50,000.

The subordinate hotel of Shum Yip Land will invest approximately RMB100,000 this year to replace the copper coil in heat exchange system, It is expected to save more than 300 tons gas each year.

**Application of solar energy:** Several projects of the Group have adopted photovoltaic system, which can save energy consumption through the split pressure solar hot water system. Since November 2016, the thermostatic swimming pool in the club which located at the north district apartment in UpperHills, has adopted solar thermostat system. It is expected to save around 9,600 cubic meters each year, and saving costs of approximately RMB50,000.

**Daily operations:** In order to fulfill the social responsibility of energy conservation and emission reduction effectively, and promote the values of ecological civilisation broadly, the Group has implemented some energy conservation management measures during the year, such as organising activity of energy conservation publicity week, posting energy conservation reminders, and summarising energy saving effect monthly, so as to integrate the concepts

of environment protection, energy conservation into the Company's daily operations and working details.

The paperless office measures of the Group are also constantly upgrading. The Company has adopted online approval process, and encouraged video conference to replace the avoidable travels, as well as used electronic terminal equipment for holding official meetings. Such measures have greatly reduced the consumption of paper, as well as saved time and improved the efficiency of operation.

## 4.3 WASTE RECYCLING AND REUSE

### Recycling and reuse of construction waste

For the construction of the project, the Group paid great attention to the recycling and reuse of construction waste. Among which, during the backfilling of pit for the BoFeng Building in Shum Yip Auto City, we have used spoil from excavation of foundation pit in Shum Yip Taifu Plaza project, locating at the Qingshuihe area of Sungang, which does not only save the cost of backfill engineering, but also makes full use of spoil resources. After removal of the support beam, the broken concrete blocks could be recycled by the concrete mixing plant. During 2016, the Group has recycled 1,251 tonnes of reinforcing steel, 4,564 kilogrammes of other metals, 5,652 kilogrammes of plastic, 9,222 kilogrammes of waste paper and 3,659 kilogrammes of glass in total.





### Recycling and reuse of domestic waste

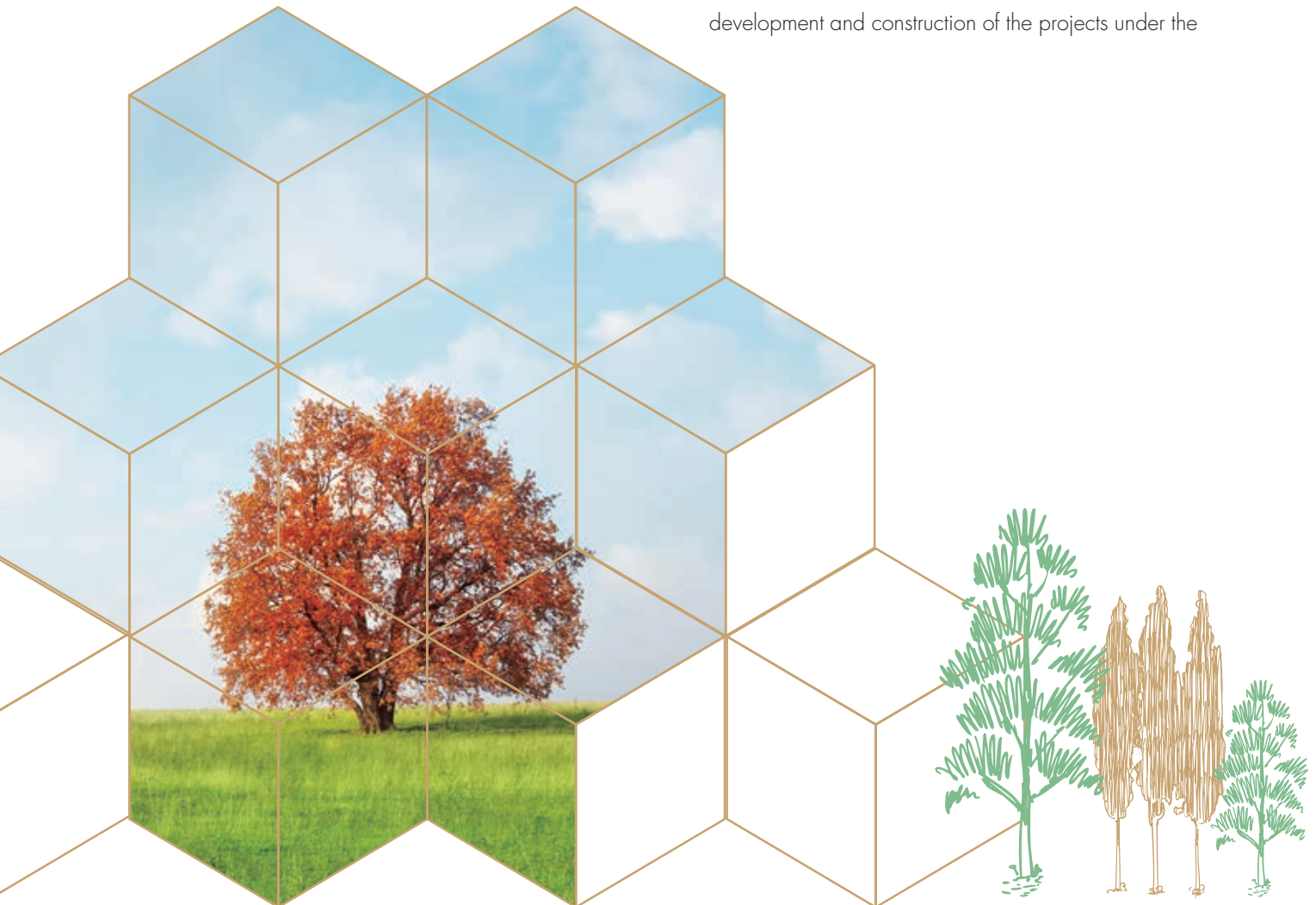
In the management and operation of the projects, Shenzhen Investment has conducted a lot of recycling and reuse work of the domestic waste. All projects under the Group comply with the concepts of healthy, energy saving and environmental protection, and are equipped with waste separation and recycling facilities and kitchen waste processing equipment. Suzhou Marriott Hotel has a specialised management system which can count the amount of recycling waste. During 2016, the hotel recycled about 1.72 tons of paper, about 0.82 tons of plastic and about 3.19 tons of glass in total.

In terms of property management, in order to promote environmental awareness to owners of the community, we have organised a variety of community activities

jointly with the competent departments of the community, such as publicity and education, experience activities and so on. In 2016, the Qiaoxiang Village community, which is managed by the Wanxia property management under Sum Yip Pengji and Southern Land, has held four large-scale environmental protection activities following the guidance of the Futian District Urban Management Bureau, with nearly 2,000 residents participated. The Group held 42 waste reduction and separation activities in the year, with nearly 12,000 residents participated. The Group has recycled 12 tons of paper, 3.5 tons of aluminum cans, 9 tons of plastic, 0.6 tons of used batteries, and 0.3 tons of waste medicine and tubes in total.

## 4.4 WATER RESOURCES MANAGEMENT

We strictly comply with the "Water-saving Design Standard for Civil Construction of the PRC" for development and construction of the projects under the



Group. By using water-saving equipment or rainwater and condensation recycle system, water resources can be recycled and reused effectively, thereby expenditure on water consumption can be saved. Projects of the Group adopt a sprinkler system to control the dust, which can save more than 60% of water compared with the original way of extensive watering. During construction stage, we use the rainwater in the foundation pit for maintaining and spraying the concretes, which can save a large amount of water during the projects' construction.

A rainwater and reclaimed water reuse system has been adopted in our projects. For the project of Guanlan Rose Garden, we invested approximately RMB1.9 million for three sets of non-negative pressure water supply equipment. Through the automatic operation and management, in addition to the remote monitoring by the equipment, 220,000 kWh of electricity and 219.34 tons of carbon dioxide will be saved per year, and over RMB300,000 will be saved each year for the property company. In addition, the project also debugged and installed of MBR biofilm reclaimed water treatment system and reuse system, which can recycle rainwater for the garage, road flushing and roof garden greening. Meanwhile, it can collect overflow water from outdoor pool of the community, as well as optimise miscellaneous drainage and septic tank effluent to become a water source. The capacity of reclaimed water treatment is approximately 80 cubic meters per day. It is expected to save 16,000 tons (by 200 days) of water per year, which is equivalent to RMB76,800 each year based on the Shenzhen commercial water price RMB4.8/ton.

The Group's property management strictly implement the "Energy Consumption of Water and Electricity Regulations", and urge all their departments to strengthen energy management of water and electricity. By reviewing the water and electricity distribution breakdown of each project, the Group detects potential problems and adjusts. According to the statistics, we have saved approximately RMB2 million from water and electricity in 2016 compared with the same period in 2015.

## 4.5 GREEN OPERATION

### Green construction

All project sites of Shenzhen Investment use commercial concrete, commercial mortar, and do not mix mortar on the sites, which can greatly reduce the dust emissions within the sites. During the construction of the earthworks, we actively respond to the call of the government, such as centralised transport of 550,000 cubic meters earthworks from the sites of Taifu Plaza and Bofeng Building to the Government's appointed spoil space, so that can prevent polluting the surrounding water and the air of the city. In order to avoid the pollution from the construction waste, all our projects have developed detailed requirements for the sludge transport vehicles in the construction process, such as making a strict requirement for procedures including cleaning the car wash pool, sludge transport vehicles, as well as driving into the municipal road.

In 2016, the projects of the Group have won the "Advanced Unit for Prevention and Control of Dust Pollution", "Safe and Civilised Demonstration Site" and other awards.



At the same time, the Group has used glass, aluminum alloy, gypsum products, timber and other recyclable materials after confirming such materials' safety and non-polluting to the environment. The Group has actively tried advanced green construction technology, and used aluminum mold construction process in its projects for the first time, which can save the timber and ensure quality of the construction perception.

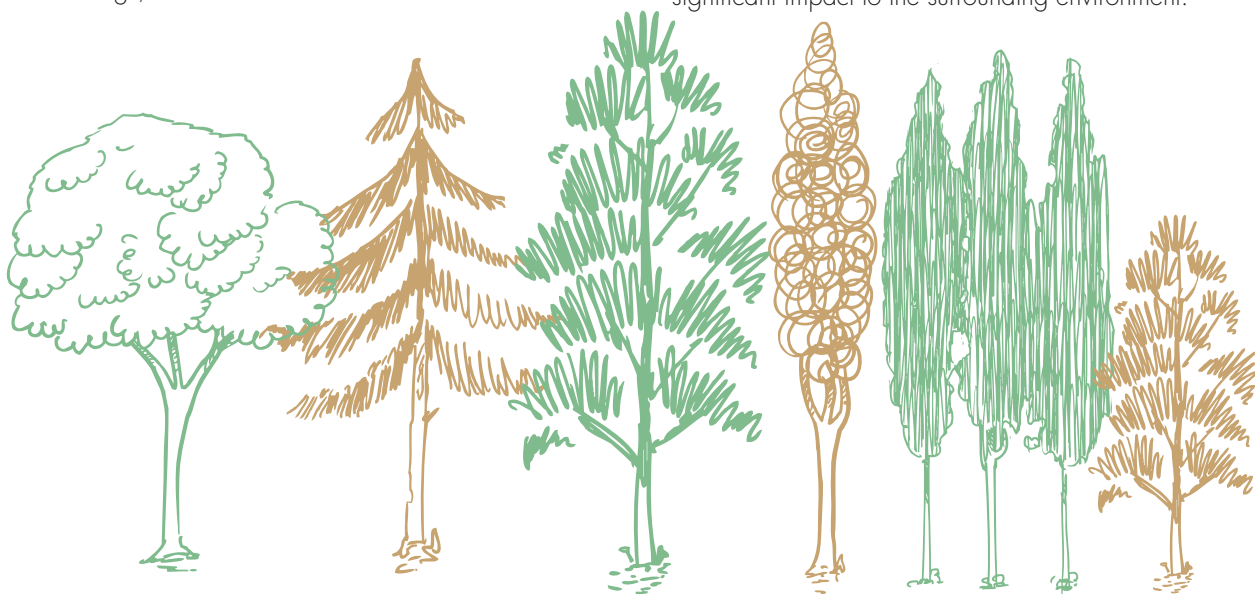
In recent years, the state has vigorously promoted the industrialisation of housing, and advocated the development of assembly buildings. The State Council has put forward "We strive to achieve the assembly buildings to accounts 30% of the new buildings within 10 years" in the "Opinions on Further Strengthening the Management of Urban Planning and Construction". The main features of the steel structure assembly buildings are quick construction progress, high construction ratio, good seismic performance, less wet operation on sites, less environmental pollution, as well as less dust and noise on sites, which are all the advantages of the assembly buildings. The main features of the PC assembly buildings are industrialised production, high precision, less common quality problems, water and energy saving, tidy sites and so on.

In order to adapt to the new development trend of the industry and make plan in advance, Shenzhen Investment organised a research in the assembly building, and visited a number of leading domestic assembly building enterprises, design institutes and residential industrialisation projects, as well as organised a total of more than 240 staff to attend a number of relevant forums and trainings about assembly buildings, on which we communicated with and learned

from experts of Tongji University, Tongji Design Institute, Shenzhen Construction and Construction Bureau and other departments, focusing on steel structure of the construction and key technologies of prefabricated concrete assembly buildings, and deeply analysing about the difficulties of implementation. Meanwhile, combining with the specific circumstances of the projects under Shenzhen Investment, we hired expert team to conduct the feasibility analysis, and planned to conduct pilot implementation in some projects in Shenzhen, which can lay a good foundation for implementation of assembly construction and promoting assembly construction.

### Efficient transformation

In 2016, the Group's commercial projects have invested RMB162,000, to conduct an exhausting emissions purification project for kitchens of the catering business. By adopting a prefixal two-level firewall purification system and applying cyclone separation technology and micro-magnetic filtration technology, the molecular particles, moisture and soot could be purified and separated. Further, it installed high-power GT-1500-type UV light purifier in the hood, to conduct photolysis and oxidation after twice filtered fumes, while re-installed automatic purifier control system, which could be set to automatically operate for 10 times per day, so as to facilitate on-site management, extend the service life of equipment and reduce energy waste. Through the above transformation, the hood, smoke pipe, exhaust mouth can be ensured to be clean and oil-free. In the meantime, smell removing rate can be up to 65%, the fumes can be quickly diluted into the surrounding after treatment, so it will not cause any significant impact to the surrounding environment.



## 4.6 ENVIRONMENTAL DATA SHEET

### Resources consumption and emission

Office	
Energy and Resource Consumption	
Gasoline for executive vehicle fleet (litres)	526,882
Electricity (kilowatt hours)	9,117,691
Domestic water consumption (cubic metres)	191,028
Paper (kilogrammes)	23,264
Resources Recycled	
Metals (kilogrammes)	50
Plastic (kilogrammes)	120
Wastepaper (kilogrammes)	4,530
Glass (kilogrammes)	0
Food waste (kilogrammes)	273,045
Electronic equipment (e.g. computers) (pieces)	150

Hotel	
Energy and Resource Consumption	
Gasoline for executive vehicle fleet (litres)	19,870
Electricity (kilowatt hours)	11,018,649
Domestic water consumption (cubic metres)	200,927
Paper (kilogrammes)	5,470
Resources Recycled	
Metals (kilogrammes)	3,852
Plastic (kilogrammes)	277
Wastepaper (kilogrammes)	775
Glass (kilogrammes)	676

Construction Site	
Energy and Resource Consumption	
Gasoline (litres)	604,972
Electricity (kilowatt hours)	11,584,418
Domestic water consumption (cubic metres)	9,341,790
Diesel oil (litres)	385,050
Natural gas (cubic metres)	160,500
Materials Recycled	
Construction waste (tonnes) (such as concrete residue and bricks)	9,840
Reinforcing steel (tonnes)	1,252
Materials Usage	
Concrete (tonnes)	1,163,630
Bricks (tonnes)	155,892
Reinforcing steel (tonnes)	266,462
Stones (tonnes)	9,252
Timber (tonnes)	25,621

CO <sub>2</sub> e	
Total CO <sub>2</sub> Emissions <sup>1</sup>	
Scope I (direct emission of CO <sub>2</sub> ) <sup>2</sup> (tonnes)	4,095.97
Scope II (indirect emission of CO <sub>2</sub> ) <sup>3</sup> (tonnes)	20,911.95

<sup>1</sup> Total emission of CO<sub>2</sub> was based on "Accounting Methods and Reporting Guideline for Greenhouse Gas Emissions of Enterprises of Industry and Other Sectors (Trail)" issued by National Development and Reform Commission (NDRC) in 2015 and "Calculation Spreadsheet of China Regional Grid Emission Factors" published by Department of Climate Change of NDRC.

<sup>2</sup> Direct emission from consumption of gasoline, diesel oil and natural gas.

<sup>3</sup> CO<sub>2</sub> emission indirectly emitted from use of energy (i.e. electricity).







05

# QUALITY MANAGEMENT

Shenzhen Investment always controls product and service quality at a high level. We believe that the quality scope of real estate products is not limited to the quality of construction projects. It is necessary to win the customer's long-term loyalty to the Company's brand by improving the quality in all aspects of project construction planning, design, construction, utilization, maintenance, service and others.



A close-up photograph of a hand holding a wooden mallet, poised to strike a wooden block. The block has the word "Quality" printed on it in a bold, black, sans-serif font. The background is blurred, showing a document with some text and a colorful geometric pattern at the top.

**Quality**

## 5.1 SUPPLY CHAIN MANAGEMENT

### Management and control of project tendering

Over the years, the Group has formulated the "Measures for Business Integrity and Risk Prevention and Control of Construction Project Tendering" (工程建設項目招標廉潔從業風險防控辦法) ("Prevention and Control Measures"), the "Administrative Measures for Engagement of Intermediaries" (選聘中介機構管理辦法) and other systems, ensuring more standardised system-wide tender behaviour, clearer powers and responsibilities and lower costs.

In 2016, on the basis of the joint special inspection results of the tendering project, the Group conducted visits to each project company which had more tendering and bidding matters in recent years, and carried out individual interviews with 26 personnel in charge of tendering and tendering sponsors of each enterprise, and convened meetings of research group and revised the Prevention and Control Measures. Taking such amendment as an opportunity, the Group integrated each enterprise's mature practices and operational characteristics and issued "Guidelines on Tendering Procedure" (招標工作流程指引) and "Guidelines on Tendering Supervision Work of the Group" (集團招標監督工作指南) to improve the standardisation level of system-wide tendering and achieve the balance of supervision, cost and efficiency.

In accordance with the provisions of the "Prevention and Control Measures", we selected personnel from "Supervisors Name List" constituted by professionals from the system-wide cost, design, engineering, law and others to set up a supervisory team to supervise the tender opening and bid evaluation of the level 1 project construction tendering and other key aspects to prevent potential risks in the future. During the year, we carried out tendering supervision over a total of 128 level 1 and level 2 projects of the companies under the Group in which 25 supervisory teams (a total of 48 personnel) were sent out to carry out on-site supervision over 25 level 1 projects. The project coverage rate was 100% and no violations happened.

### Supplier Management

Shenzhen Investment has always committed to uphold the high standards of business ethics and integrity management concept and also has encouraged the Group's suppliers to comply with the laws and regulations and maintain good operating standards and business ethics to bring a positive impact on the environment and society together. Therefore, we have also been enhancing the policy and mechanism of supply chain management, including "Administrative Measures on Tendering Procedures" (招標管理辦法), "the Rules on the Management of Bid Evaluation Expert List" (評標專家庫管理細則), "Guidelines on Small Purchasing Management Operations" (小額採購管理作業指引) and others, providing management procedures for engineering contractors, equipment suppliers, design and management consulting service providers to ensure compliance.

We have established the "Qualified Suppliers List" on the basis of the "Administrative Measures on Suppliers and Repositories" (供方及信息庫管理辦法) and standardised supplier inspection, evaluation, shortlisted supplier selection and others. We comprehensively assess, update and improve the suppliers list yearly and the unqualified units will be phased out from the suppliers list.

In the process of project construction, we are highly concerned about the internal management of the suppliers and pay close attention to their internal funding issues to avoid their arrears of wages, employment of child labour and unequal labour treatment and other issues.

In the process of post-delivery project management after we make feedback on the on-site irregularities to the relevant departments from time to time to facilitate the effective assessment of the relevant suppliers.

The Group has been paying more and more attention to the use of raw materials and materials and their impacts on the environment. According to the project requirements, the suppliers which do better in environmental and social aspects will be given priority so as to fulfill the responsibilities of corporate citizenship and create long-term value for stakeholders.

#### Number of suppliers in terms of geographical locations

Region	General contractor	Sub-contractor	Materials supplier	Service Provider
First-tier cities (Shenzhen and Guangzhou)	11	110	101	547
Non-first-tier cities	7	82	92	218
Hong Kong	0	0	0	16
Others	0	0	0	5

## 5.2 PRODUCT QUALITY

In order to improve the quality of project construction, the project companies of the Group applies the Quality and Safety Information System, collects hidden information and conducts data analysis. By means of information technology to assess the safety trends of the company's project to achieve, advanced warning and prevention for security risks.

We have appointed a third party professional assessment agency to quarterly conduct joint inspection on all Shenzhen Investment's projects, with focus on investigating common quality issues. Assessments of the construction quality and work safety at construction site, installation works, curtain wall works are conducted through exact survey, quality risks rating and others. All the common quality issues are investigated thoroughly to prevent quality issues and accidents.



Pengji and Southern Land carried out special inspection on the aged fire safety facilities, elevators and other facilities in its old residential areas, on the hazardous slope of Huizhou project, fire system and other issues. It rectified 300 hidden risks throughout the year and had them double checked to ensure that adequate rectification is in place.

Terra Company regularly carried out investigation and rectification on "three small" key units. More than 960 companies were inspected during the year, over 220 hidden risks were rectified, and the rectification rate was 95%.

Taifu Company focused on the fire safety rectification of professional market. It timely issued rectification notice on issues like aged fire facilities, incorrect wire-connecting, hidden security risks of walls and billboards, and took tough measures to ensure rectification are in place.

For the several occurrence of fire accidents caused by charging for electric vehicles in Shenzhen, Nongke Company carried out special inspection on the usage of electric vehicles in the leased property, completely eradicated the random connecting to wires when charging for electric vehicles and ensured the fire safety of leased property.

## 5.3 SERVICE QUALITY

### Protection for customer privacy

As Shenzhen Investment has a wide customer base and large amount of customer information, the protection for customer privacy is therefore one of the issues we care about the most. In the process of customer service, the print and electronic records of customer information are managed by the staff in designated positions, processed with dedicated computers (counter), under special management on a regular basis and many other measures to properly keep customer information and related documents. By delegating the responsibility to designated personnel and with strict control, we prevent leakage and selling customer information and effectively protect customer privacy. The Company continues to optimise and improve the CRM sales system to ensure that the customer information is updated in the system timely and effectively and strictly sets the corresponding permissions of each sales position to avoid the legal risks due to leakage of customer information.

### Intellectual property rights

The Information Management System requires the headquarters of the Group and companies under the Group to respect intellectual property rights and no pirated software is allowed, to avoid any safety issue or legal dispute due to copyright of software.



## Marketing services management

In order to continuously regulate and improve the marketing services and operational procedure, the Company, in accordance with the "Measures for the Management of Sales Staff" (銷售人員管理辦法), regulates the sales team's organisational structure and management model, builds a professional sales team, formulates important business technology package and toolbox, standardises contract documents and work guidelines for BT to VAT of marketing business, which effectively protect the quality of marketing services. Meanwhile, through the establishment of communication mechanism for sales team personnel, the Company increases the communication within the internal sales staff, improves the quality of sales staff's services and forms a unified image window for customers.



In the process of promotion and sales of the project, the Company strictly complies with the government's relevant provisions for truthful marketing. Five certificates, sales control form, sample of sale contracts, risk warning and other documents are publicly displayed on the sales sites to ensure the transparency of product information as well as the fairness and openness of sales to protect the interests of customers.

The Company continues to optimise the CRM sales system, and effectively improves the management level of refined marketing through optimising and standardising reports, normalising and regulating evaluation mechanism, integrating with other business systems, upgrading the BT to VAT and others. Meanwhile, the Company is actively promoting the mobile application, hoping to enhance the whole group's marketing management efficiency and service level.

## Customer marketing activities

We expand the communication and sales channels by flexibly applying new media, new channels and big data to realise realtime communication with customers and enhance customers' experience. We advocate healthy lifestyle and organise a variety of offline marketing activities, such as green health, social welfare, property owner appreciation meeting and so on. With good service attitude and professional level, we actively make feedback to customers.

In April 2016, Shenzhen Investment held its 2016 product conference with grand scale, depicting its band vision "Leader in Value Creation for City Spaces" and demonstrating this year's key projects on the sale of the Group. It also fully created the value for city spaces and implemented the corporate social responsibility through intensive cultivation to create specialty products.



UpperHills held a “shang shi xin shang, happy together at UpperHills” annual commercial promotion ceremony, with a unique design concept and commercial style to show the commercial charm of the project, inspired a number of businessmen and continued to bring to the public different consumption and life experience.



## Customer relationship management

We attach great importance to the management and maintenance of customer relationship. The Company has introduced “Administrative Measures for Marketing” (營銷管理辦法) and regulated the work procedure of customer relationship management and major risk management of companies under the Group to timely handle the customer complaints to maintain good customer relationships.

In 2016, the Group continued to strengthen its awareness of service in sales and property. There were complaints and liaison means at the sales offices, building lobbies, property management offices and online platforms to ensure that customers’ opinions and appeals are handled timely. The property companies also initiated a system which regularly reports their works to Owners Committee for the purpose of achieving interactive communication and further enhancing customers’ recognition and satisfaction towards the property.

During the year, we received 154 complaints related to building quality, 34 complaints related to sales and 35 other complaints, and the general complaints rate was 3% of sold units (after the delivery of possession). In the area of property management business, we received 340 complaints, accounting for 0.22% of the total number of households within the service coverage. After receiving the customer complaints, we actively collected and recorded, based on the laws and regulations and the contract agreement, strictly implemented the established system and procedure, communicated with customers in a professional and quality service attitude and properly handled customer complaints to maintain good relationships with customers. Meanwhile, we established and improved customer complaints information management account, registered and archived customer complaints by class, regularly completed the statistics and analysis work of customer complaints to provide an effective reference to improve the Company’s marketing services.

## Property services

A variety of high-quality property butler services was introduced into certain projects under the Group during the sales period. Since the sales matching period, it actively displayed its overall property management ability and its standardised work procedure, including providing guests with star-style hotel courtesy, daily management, cleaning and maintenance services of sample room and the site safety and environmental management during the opening. All these measures not only strengthen the guests’ recognition on the conditions of houses and auxiliary facilities and gain guests’ recognition towards property services in the future life, but also create a good foundation for the future butler service.

The property management companies under the Group actively advocated to improve the quality of property services as the main line of work, such as Pengji and Southern Land prepared the “Standard Manual for Property Service Center”, and unified the service standards and operating practices of each property management unit. They strived to enhance the service quality and service standards of property management, improve the service concept to provide services with good quality for the recognition of the majority of the owners.

We actively changed the property management model, promoted the format innovation, management innovation and service innovation, applied new ideas and new technologies, introduced the “Internet +” concept, strengthened the informatised management of property and the platform construction of community O2O and others, strived to the customer-centric concept, and fully tapped the deep-seated needs of customers to achieve continuous value-added property services and better service for the owners.

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# **APPENDIX – ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTENT INDEX**



# APPENDIX – ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTENT INDEX

“Environmental, Social and Governance Reporting Guide”		This Report
Levels	General disclosures and key performance indicators	Section/Statement
<b>A. Environment</b>		
<b>A1: Emissions</b>	General disclosure	Environmental Protection – Waste Recycling Environmental Protection – Green Building Design
	KPI A1.1 The types of emissions and respective emissions data	Environmental Protection – Environmental Data Sheet
	KPI A1.2 Greenhouse gas emissions in total and intensity	Environmental Protection – Environmental Data Sheet
	KPI A1.3 Total hazardous waste produced and intensity	Environmental Protection – Environmental Data Sheet
	KPI A1.4 Total non-hazardous waste produced and intensity	Environmental Protection – Environmental Data Sheet
	KPI A1.5 Description of measures to mitigate emissions and results achieved	Environmental Protection – Energy Conservation Environmental Protection – Green Building Design
	KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Environmental Protection – Waste Recycling
<b>A2: Use of Resources</b>	General disclosure	Environmental Protection – Energy Conservation Environmental Protection – Water Resources Management
	KPI A2.1 Energy consumption in total and intensity	Environmental Protection – Environmental Data Sheet
	KPI A2.2 Water consumption in total and intensity	Environmental Protection – Environmental Data Sheet
	KPI A2.3 Description of energy use efficiency initiatives and results achieved	Environmental Protection – Energy Conservation Environmental Protection – Green Building Design
	KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Environmental Protection – Water Resources Management
	KPI A2.5 Total packaging material used for finished products and with reference to per unit produced	This issue is not applicable to Shenzhen Investment.
<b>A3: The Environment and Natural Resources</b>	General disclosure	Environmental Protection – Green Building Design Environmental Protection – Green Operation
	KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Environmental Protection – Green Building Design Environmental Protection – Green Operation
<b>B. Social</b>		
<b>B1: Employment</b>	General disclosure	Care for staff – Human Resources Profile
	KPI B1.1 Total workforce by gender, employment type, age group and geographical region	Care for staff – Human Resources Profile
	KPI B1.2 Employee turnover rate by gender, age group and geographical region	We plan to disclose relevant information in the future report
<b>B2: Health and Safety</b>	General disclosure	Care for staff – Occupational Health and Safety
	KPI B2.1 Number and rate of work-related fatalities	Care for staff – Occupational Health and Safety
	KPI B2.2 Lost days due to work injury	Care for staff – Occupational Health and Safety
	KPI B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored	Care for staff – Occupational Health and Safety



“Environmental, Social and Governance Reporting Guide”		This Report
Levels	General disclosures and key performance indicators	Section/Statement
<b>B3: Development and Training</b>	General disclosure	Care for staff – Human Resources Management and Staff Development
	KPI B3.1 The percentage of employees trained by gender and employee category	Care for staff – Human Resources Management and Staff Development
	KPI B3.2 The average training hours completed per employee by gender and employee category	Care for staff – Human Resources Management and Staff Development
<b>B4: Labour Standards</b>	General disclosure	Care for staff – Staff Protection
	KPI B4.1 Description of measures to review employment practices to avoid child and forced labour	Care for staff – Staff Protection
	KPI B4.2 Description of steps taken to eliminate such practices when discovered	Care for staff – Staff Protection
<b>B5: Supply Chain Management</b>	General disclosure	Quality Management – Supply Chain Management
	KPI B5.1 Number of suppliers by geographical region	Quality Management – Supply Chain Management
	KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Quality Management – Supply Chain Management
<b>B6: Product Responsibility</b>	General disclosure	Quality Management – Product Quality Quality Management – Service Quality
	KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	We plan to disclose relevant information in the future report
	KPI B6.2 Number of products and service related complaints received and how they are dealt with	Quality Management – Service Quality
	KPI B6.3 Description of practices relating to observing and protecting intellectual property rights	Quality Management – Service Quality
	KPI B6.4 Description of quality assurance process and recall procedures	Quality Management – Product Quality Quality Management – Service Quality
	KPI B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored	Quality Management – Service Quality
<b>B7: Anticorruption</b>	General disclosure	Our Environmental, Social and Governance Philosophy
	KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Our Environmental, Social and Governance Philosophy – Anti-corruption
	KPI B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Our Environmental, Social and Governance Philosophy – Anti-corruption
<b>B8: Community Investment</b>	General Disclosure	Community Investment
	KPI B8.1 Focus areas of contribution	Community Investment
	KPI B8.2 Resources contributed to the focus area	Community Investment

