



深圳控股有限公司
SHENZHEN INVESTMENT LIMITED

Stock Code: 00604

2020

Environmental, Social
And Governance Report



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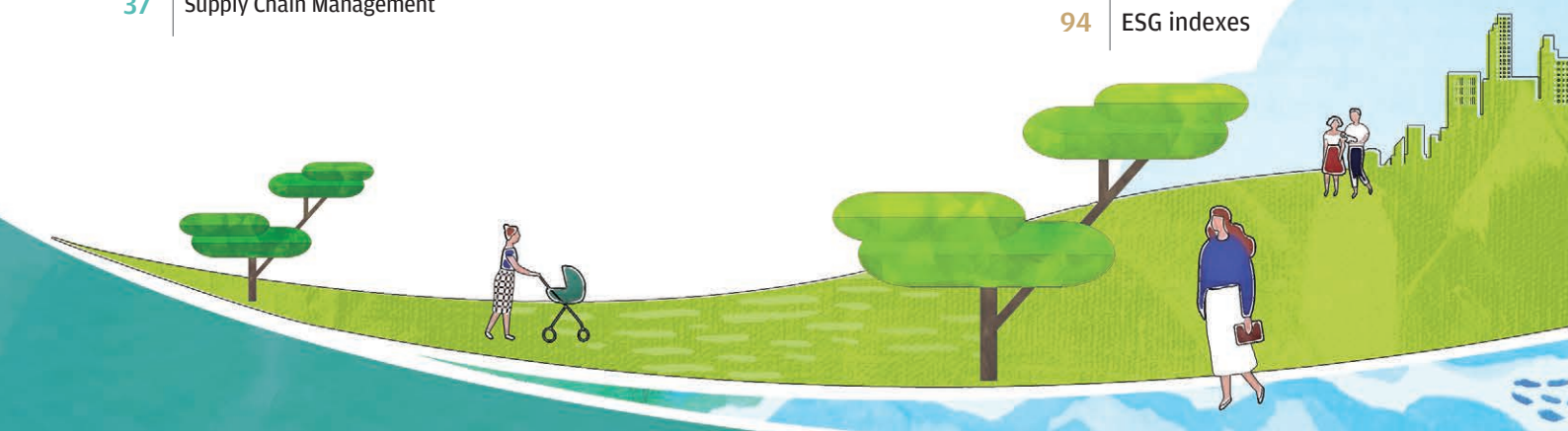
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About this Report

This report is the sixth environmental, social and governance report issued by Shenzhen Investment Limited (hereinafter referred to as “Shenzhen Investment” or the “Group” or “we” or “us”), which was prepared in accordance with the “Environmental, Social and Governance (ESG) 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 AND BOUNDARY

This report summarizes the efforts and achievements made by the Group in corporate social responsibility and sustainable development during the period from 1 January 2020 to 31 December 2020 in areas including “sustainable development strategy”, “quality perseverance”, “environmental protection”, “supporting employees”, “contributing to community” and other aspects. The entities covered in this report include the headquarters of the Group and the major subsidiaries.

TERM DESCRIPTION

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

Name of subsidiaries

Shum Yip Pengji Holdings Co., Ltd.
Shum Yip Southern Land (Holdings) Co., Ltd.
Shum Yip Terra (Holdings) Co., Ltd.
Shum Yip Land Company Limited
Shum Yip East China Property Development Co., Ltd.
Shum Yip Taifu Logistic Group Holding Co., Ltd.
Shenzhen Nongke Holdings Company Limited
Shum Yip (Shenzhen) Property Management Limited
Shum Yip Intelligent Park Operation (Shenzhen) Co., Ltd.
Shum Yip Commercial Management Co., Ltd.

Short name

Shum Yip Pengji
Shum Yip Southern
Shum Yip Terra
Shum Yip Land
Shum Yip East China
Shum Yip Taifu
Shenzhen Nongke
Shum Yip Property
Shum Yip Intelligent Park
Shum Yip Commercial Management

DATA SOURCES

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

ACCESS AND FEEDBACK TO THIS REPORT

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

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

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Corporate profile

Shenzhen Investment (stock code: 00604.HK) has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 1997, and is the largest listed real estate company under State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipal. Core business of the Group includes property development, property investment and urban operation service. By intensifying its development in Shenzhen, focusing on the Greater Bay Area and planning for its development in other core cities in China, the Company is committed to be a first-class real estate developer and real estate operator.

The Company currently has a land reserve with a planned total gross floor area close to 4.36 million square meters in various cities of China, of which the quality land reserve with a planned total gross floor area of approximately 2.26 million square meters is located in the Greater Bay Area. The Company is committed to optimizing its land reserves structure, and concentrating its assets and business in the Greater Bay Area as well as key first - and second-tier cities.

Shenzhen Investment has, on the aspect of property development, been committed to offering our customers with high quality property products of various segment markets including residential building, industrial building and complex. Shenzhen Investment has initiated the mixed-ownership reform on its three major operation platforms, namely operation of intelligent park, commercial management and residential property service, seeking to further deepen transformation to exert its industry cluster capability, promote industry leading capability and optimize income and profitmaking structure. It has all along been the Company's core strategic goal to promote the long term sustainable development of its business, with an aim to bring a stable return and create value appreciation for its shareholders.

Milestones

The history of Shenzhen Investment can be traced back to the year of 1992. With development for over 20 years, it has become one of the leading enterprises in the real estate industry in China.

- ⋘ At the beginning of its establishment, Shenzhen Investment focused on development of middle-high end real estate market in Southern China.
- ⋘ In 1997, the Group was listed successfully on the Main Board of the Stock Exchange of Hong Kong.
- ⋘ Since 2000, the Group continued to expand its business scale and extended its services to various sectors, including real estate, energy and infrastructure, transportation, logistics and information construction through acquisitions and other means, and began to raise its competitiveness in its real estate business.
- ⋘ Since 2006, Shenzhen Investment stepped into mature stage, adjusted its strategic development direction, further highlighted its positioning as a professional real estate company, continued to integrate internal superior resources, stripped non-core business to focus on real estate development and operation, and strengthened its brand influence.





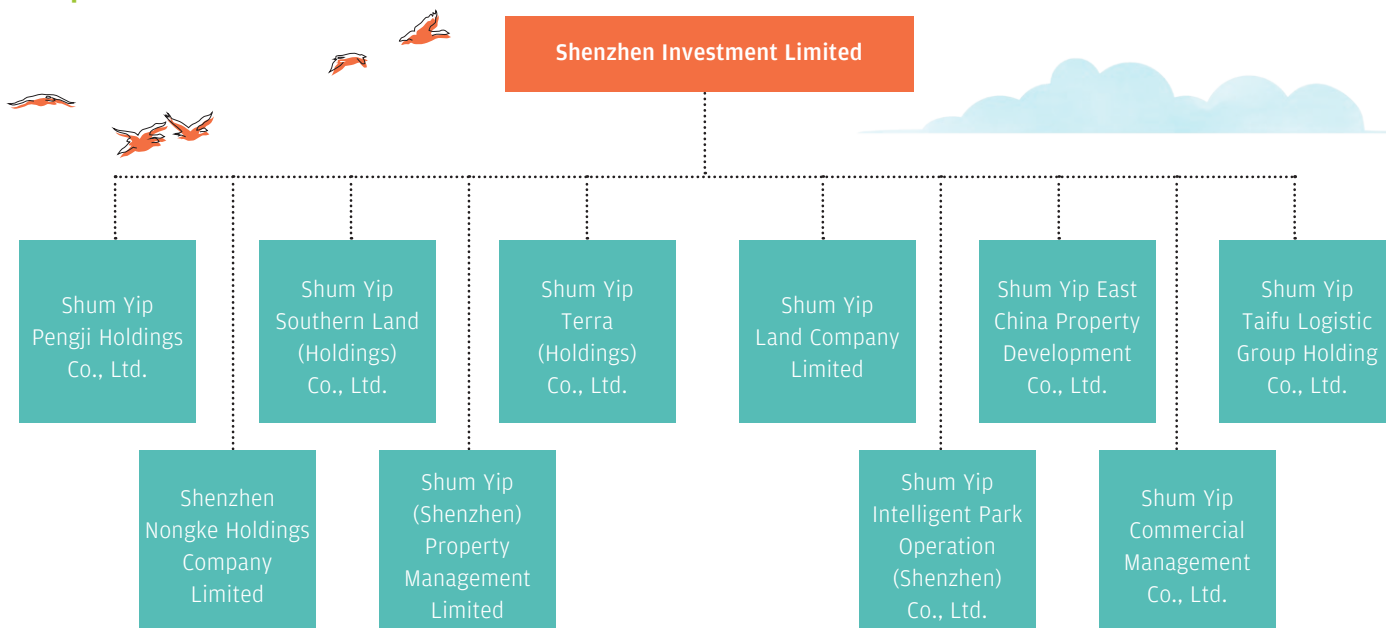
Operating performance

Annual revenue HK\$18.803 billion	Other income and profit HK\$2.134 billion	Core profit HK\$4.553 billion
Total finance cost 3.7 %	New land reserve area 0.63 million square meters	Land reserve in the Greater Bay Area 2.26 million square meters

Principal businesses

Land Bank <p>Shenzhen Investment focuses on quality land resources in the Greater Bay Area and key first-tier and second-tier cities.</p> <p>[Data] As of 31 December 2020, Shenzhen Investment had land reserves with an aggregate planned GFA of approximately 4.36 million square meters, of which the Group has rights and interests in approximately 3.78 million square meters, and a capacity building area of 3.29 million square meters.</p>	Urban renewal <p>With the strength of its state-owned controlling shareholder, Shenzhen Investment plans to hasten its progress in redevelopment planning applications, resettlement and land use issues, to drive more projects to construction phase.</p> <p>[Data] We have eight Urban renewal projects in Shenzhen, and obtained the qualification of general coordinator for certain zone reforming projects covering an aggregate area of 10 square kilometers.</p>
Property Development <p>Shenzhen Investment has over 30-year experience in property development, and has been committed to providing customers with premises of high-quality and multi-usage.</p> <p>[Data] During the year, the Group had a new construction area of approximately 748,000 square meters and a completed area of approximately 768,000 square meters.</p>	Project Leasing and Operations <p>Shenzhen Investment adheres to the dual focuses on property sales and operation of investment properties, continues to increase the ratio of high-quality commercial and office premises in its investment property portfolio, and optimizes its investment property portfolio and the management therein to improve rent pricing system and enhance operation and service standards.</p> <p>[Data] Shenzhen Investment has investment properties with a total area of approximately 1.29 million square meters, of which approximately 1.06 million square meters are located in Shenzhen, with annual rental income of approximately HK\$1.22 billion.</p>
Urban Integrated Operation Service <p>Shenzhen Investment has undergone mixed-ownership reforms in an orderly manner by carrying out urban integrated operation service through the establishment of wisdom park operational platform, property management platform and commercial management operation platform.</p> <p>[Data] Our annual property management income is approximately HK\$2.2 billion, the properties managed by the property management companies cover a total area of approximately 43 million square meters, and the wisdom park operational companies manage approximately 3 million square meters of properties in industrial parks.</p>	Long-term Rental Apartments <p>Shenzhen Investment has launched long-term rental apartment brands, striving to provide more options for people with different residential needs.</p> <p>[Data] Total GFA is approximately 370,000 square meters.</p>

Corporate structure

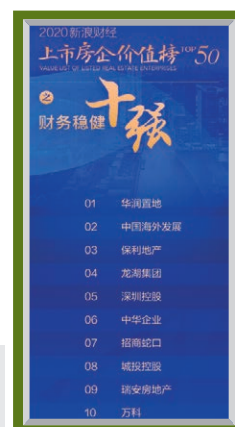


Responsibilities and awards

Our sustainable development work was recognized in the market and society by awards and ratings.



The 3rd China Excellence IR "Best Investor Relations Case Award"



5th among the Top 10 in respect of Financial Stability by Sina Finance



The 4th China Excellence IR "Best ESG Award"

MSCI Rated **A** in the ESG Ratings in 2020, being the highest level among domestic real estate companies

Ranked **47th** among Real Estate Listed Companies in China with **Integrated Capability** 2020

31st in the "Top 50 Listed Housing Enterprise Value List 2020" by Sina Finance

5th among the Top 10 in respect of Financial Stability by Sina Finance 2020

Message from the Chairman

The year 2020 is the 40th anniversary of the establishment of Shenzhen Special Economic Zone. Taking the Two Areas of the Guangdong-Hong Kong-Macao Greater Bay Area and the Pilot Demonstration Zone of Socialism with Chinese Characteristics as Driver, surging impetus has been injected into the development of Shenzhen. In 2020, the outbreak of the COVID-19 globally intensified the downside risk of the world economy, with significantly increased unstable and uncertain factors. We are facing major changes unseen in a century, which come with risks and opportunities.

Facing the new era, Shenzhen Investment always pursues its mission of “building living vision to achieve undertakings in Shenzhen”, insists on operation with integrity, constantly improves its own sustainable development management system, and integrates social responsibility into all aspects of its operation and management, with an aim to walk steadily over great distances, become a leader in value creation for urban space with social needs and public recognition, and contribute to the development of Shenzhen Special Economic Zone.

Joint construction of the Greater Bay Area to boost urban development

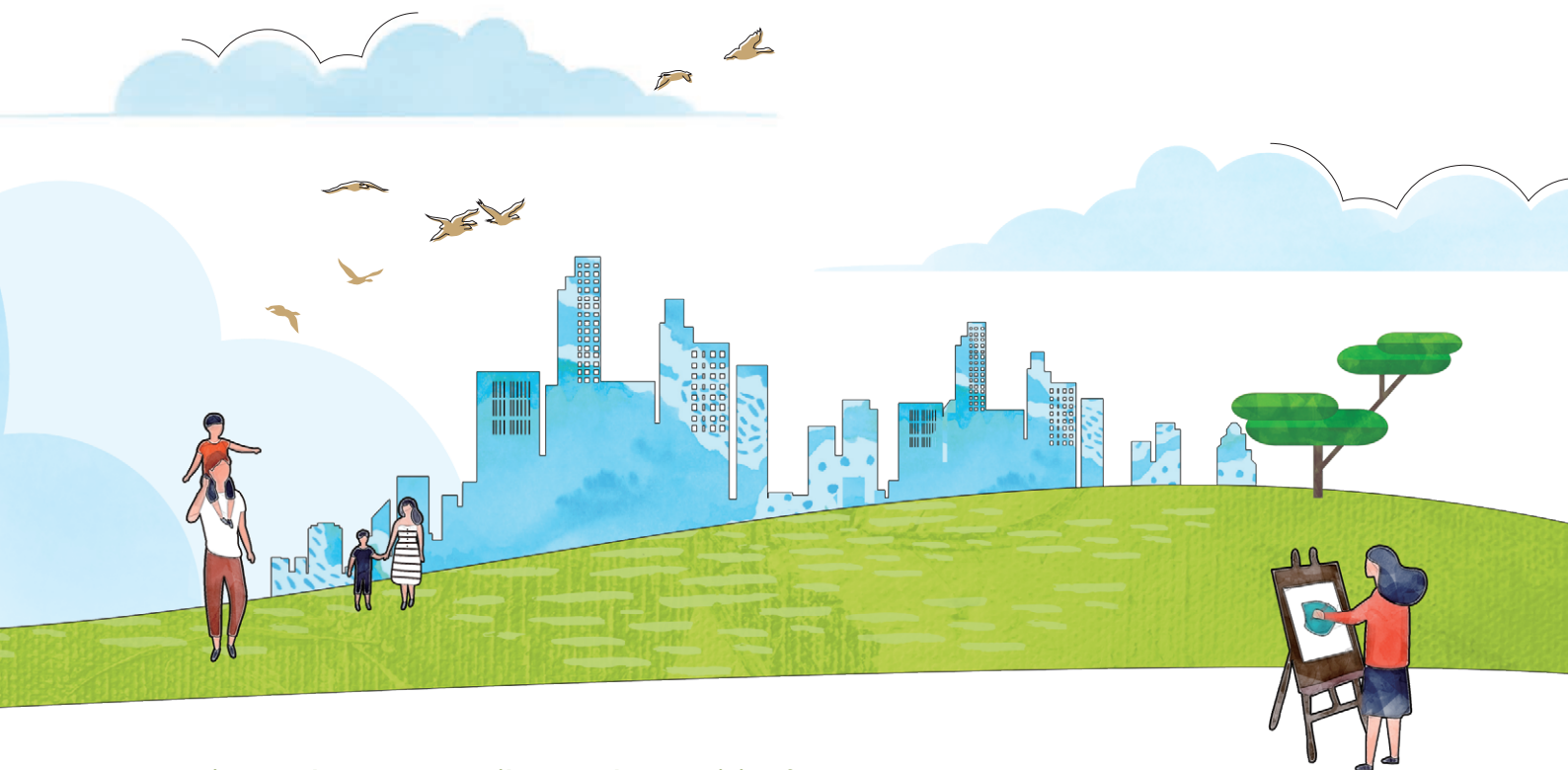
We adhere to the policy of “houses are not for speculation, but for living”, actively participate in the construction of affordable housing, and further promote the development of the long-term rental apartments, so as to reduce the housing costs of residents and retain talents for the development of the Greater Bay Area; actively participate in old city redevelopment and reconstruction, give full play to the value of urban space, allow the city to grow three-dimensionally, sunnily and elegantly, and reshape the development of the Greater Bay Area; build intelligent park and inject strength into the development of the Greater Bay Area based on the construction of eight platforms, including property services, park facilities and information interaction, and with such technological means as big data and IoT.

Quality perseverance for a better life

Good products can prove themselves. We provide products with strict craftsmanship, strengthen the control of all aspects and effectively ensure product quality and product safety, so that our customers can live at ease and feel relieved. We value customer experience, continue to provide cost-effective and diversified services to our customers, protect their rights including privacy and right to know, strive to solve customer concerns, meet their various needs and help them achieve a better life. We emphasize common development with our partners, and create a mutually beneficial and win-win ecosystem through sunshine procurement and industry cooperation.

Environmental protection to improve lucid water and lush mountains

We integrate the green and low-carbon concept into the entire process of product design, construction and operation, and strive to reduce pollutant emissions and greenhouse gas emissions during our operations, so as to reduce their impact on the ecological environment. We actively promote the concept of green procurement, green packaging and green transportation to convey the values of sustainable development to stakeholders. In 2020, we continuously advanced the certification work for national-level and international-level green construction and healthy building projects; the recycle and treatment rate of polluted solid wastes from projects under construction reached 100%, and the damaged ecological environment during the construction was repaired and restored in a timely manner.



Supporting employees to contribute to the promising future

We insist on equal and transparent employment, resolutely safeguard the basic rights and interests of our employees, and provide them with a competitive remuneration and benefits system. We organize various trainings for employees at different growth stages and with different position requirements in respect of “high potential”, “leadership” and “reserve team” to accumulate energy for their development, and the average training hours reached 30.81 hours; And, we establish an integrated safety production management system, carry out safety production trainings to protect our employees for safety production, and no major safety production accidents occurred throughout the year. We strive to create a growth platform with broad development prospects and full of sunshine and care for our employees.

Combating COVID-19 to promote resumption of work and production

In order to prevent and control the pandemic and resume work and production, we actively responded to the government’s call, spared no effort to prevent and control the pandemic and took practical actions to help win the battle against the pandemic, demonstrating the responsibility of a state-owned enterprise. While implementing policies precisely to advance our own resumption of work in an orderly manner, we helped enterprises to resume work and production through decision implementation and strict prevention and control. During the pandemic period, we actively implemented the “16 Benefits for Shenzhen Enterprises (深圳惠企16條)”, exempted rents of RMB239 million for qualified tenants, which benefited nearly 4,000 individual industrial and commercial households.

Contributing to community for a harmonious home

We allocate advantageous resources to focus on the most impoverished area, formulate multiple poverty alleviation models such as employment-based poverty alleviation, consumption-based poverty alleviation and rural revitalization, and take various measures to promote underprivileged villagers out of poverty and become rich. During the ten years of aiding-Xinjiang, we have solved employment problems for more than 8,000 people and activated the endogenous motivation of impoverished villages to get rid of poverty and become better off. We value community integration and organize a series of public welfare activities such as “warm spring activity” to actively create a harmonious community atmosphere. In 2020, the Group had 2,749 employees participated in volunteer services for a total of 9,849 hours.

We will further intensify our development to achieve common growth. Standing at a new starting point in history, we will continue to fulfill our responsibilities to all stakeholders, promote the in-depth development of social responsibilities, continue to improve our environmental, social and governance performance, and contribute to building a livable, workable and conformable society.

Dr. LU Hua
Chairman

Milestones 2020

Steady progress in project operation and substantial growth in main businesses

The Group recorded stable growth in sales during the year, and realized contracted sales of approximately RMB14.5 billion. The Group added 66 park and property management projects and 6 projects under new “property management urban” model.

Focus on the Greater Bay Area and second-tier cities with new breakthrough made in project expansion

The Group focuses on the Greater Bay Area, and intensifies its development in Shenzhen by proactively seeking for project resources and also opportunities to invest in quality projects in the major first-tier and second-tier cities. During the year, it actively expanded quality resources and successively won quality land parcels in Chengdu and Guangzhou, creating favorable conditions for its continuous development in key cities.

Enhancement of the value of listed company and injection of fresh blood

Shum Yip Group, the ultimate holding company, made a new round of asset injection into Shenzhen Investment. The Group acquired 52.848% equity interest of Shum Yip Jinzhi Logistic Development Co., Ltd. from Shum Yip Group to obtain urban renewal resources in Shenzhen.

Comprehensive transformation and upgrading to become an innovation-builder of the city and industry

Based on the national “Dual-Areas Driven”, domestic and international dual circulation layout and the “14th Five-Year Plan” blueprint, the Group will make comprehensive transformation and upgrading. Positioned as an “innovation-builder of the city and industry”, it will endeavor to transform into a technology-based industry group focusing on the development of urban complex and investment in technology industry, so as to assist the development of the innovative industry in the Greater Bay Area.

Shouldering the responsibility as a state-owned enterprise to weather the hardship together

This year is the tenth year that Shenzhen Investment has aided Xinjiang. In the past ten years, the Group has successfully completed the construction tasks of three aiding-Xinjiang projects, namely Shenzhen Aiding-Xinjiang Forward Command Base (深圳援疆前指基地), Kashi Shum Yip Radisson Hotel (喀什深業麗笙酒店) and Kashi Shenzhen City (喀什深圳城). During the pandemic, the Group actively implemented the “16 Benefits for Shenzhen Enterprises (深圳惠企 16 條)”, exempted rents of RMB239 million for qualified tenants involving property area of more than 0.94 million square meters, which benefited nearly 4,000 private enterprises and individual industrial and commercial households.





Walk steadily over great distances

- ✺ In the assessment of ESG materiality issues, stakeholders identified 5 highly important issues
- ✺ No concluded criminal cases of corruption, bribery, extortion, fraud and money laundering
- ✺ Completed pre-assessment and review of 30 major business projects, which provided an effective basis for the management to make decisions



Environmental protection

- ✺ Shum Yip Chuangzhi Building has passed the prefabricated building review by Shenzhen Building and Construction Bureau (深圳市住房和建設局)
- ✺ Each of its property operation companies achieved remarkable results in waste classification with praises and recognitions by local governments and communities, and was granted pioneer demonstration pennant
- ✺ Vigorously promoted the use of clean energy and renewable energy, installed solar photovoltaic system and replaced traditional lamps with environmentally friendly LED lamps, realizing an energy-saving rate of over 69.8% in lighting electricity



Supporting employees

- ✺ Relief fund from RMB5,000 to RMB20,000 was paid by the Mutual Fund for Serious Diseases to employees in difficulty during the year
- ✺ 48 secondary and tertiary enterprises under Shenzhen Investment have successfully obtained safety production standardization certification as of the end of 2020
- ✺ 347 safety drills were carried out, and more than 18,000 employees of the Group participated in the drills



Quality perseverance

- ✺ No major safety production accidents occurred during the year
- ✺ Introduced third-party professional institutions to carry out quarterly security inspection and assessment for first-line projects and comprehensively improve the level of safety management of first-line projects
- ✺ No complaints caused by violation of consumer data and privacy protection regulations during the year
- ✺ Took the intelligent park operation service management platform as the core competitiveness, tapped into the field of large complex that covers a variety of business forms and property city management, and comprehensively implemented the whole industry chain service
- ✺ Released such procurement information as bidding, competitive negotiation, single source and direct procurement on the municipal sunshine procurement service platform for state-owned enterprises with amount more than RMB13.7 billion, and further realized full coverage of sunshine transactions and full transparency of transaction information



Contributing to community

- ✺ Proactively took its social responsibility as a state-owned enterprise, exempted rent for the enterprises within the industrial parks and commercial tenants in the shopping malls for 2-3 months, and exempted rents of RMB239 million for qualified tenants, which benefited nearly 4,000 private enterprises and individual industrial and commercial households
- ✺ Completed consumption-based poverty alleviation procurement of nearly RMB8.35 million during the year
- ✺ A total of 2,749 people participated in volunteer services during the year, and the total service hours reached 9,849 hours

Special Theme: Combating COVID-19

Facing the unexpected outbreak of the Coronavirus Disease 2019 (COVID-19) in the Spring Festival of 2020, Shenzhen Investment actively responded to the government's call and established a leading group for pandemic prevention and control in a timely manner. With the goal of giving due consideration and importance to both pandemic prevention and control and resumption of work and production, it made unified plan and layout to develop a special plan for pandemic prevention and control, so as to safeguard the health of our employees, property owners (tenants) and contractor's personnel, build a safety barrier and take practical actions to help win the battle against the pandemic. Throughout the pandemic prevention and control over the year, none of the Group's employees was confirmed or suspected to be infected with the disease, none was affected in terms of works due to the shortage of pandemic prevention supplies, and no project was suspended due to poor pandemic prevention.



The Group reduced a rental of

RMB239 million



Benefiting more than

4,000 enterprises and private businesses



Covering a property area of approximately

940,000 square meters



▲ Personnel led by leaders of the Company were providing guidance at the pandemic prevention site

Leaders of the Group at all levels hastened to the front line of pandemic prevention to guide the pandemic prevention and control on site. In addition, offices of the Group were also functioned as the pandemic prevention and control office with all members available 24 hours a day. The Group coordinated group-wide pandemic prevention, anti-pandemic and emergency response works, and has successively formulated and released the Guidelines for Pandemic Prevention and Control 《疫情防控工作指引》, the Special Emergency Plan for Pandemic Outbreak at the Headquarters of the Group 《集團本部疫情事件專項應急預案》 and various pandemic prevention work plans, in order to put the pandemic prevention and control mechanism in place from the aspects of organizational structure, personnel allocation and institutional system.

In the face of the raging pandemic, Shenzhen Investment proactively reached out by donating funds and supplies to fulfill its responsibility as a state-owned enterprise.

∴ The Group exempted rents of RMB239 million for qualified tenants involving property area of more than 940,000 square meters, which benefited nearly 4,000 private enterprises and individual industrial and commercial households.

∴ During the pandemic, nearly 10,000 masks and other pandemic prevention supplies were deployed from Shenzhen to Hong Kong to ensure the safety of our employees.



▲ Banners sent from beneficiary enterprises to the Group

∴ Shum Yip Terra donated RMB200,000 to Wuhan City through the Social Development Bureau of Wuhan East Lake High-tech Development Zone at the first time to purchase urgently needed medical supplies to help Wuhan win the battle against pandemic prevention and control.

∴ Terra Real Estate Wuhan Branch of Shum Yip Intelligent Park provided heart-warming services to community owners, such as distributing more than 50,000 masks for free, and collecting loving vegetables to personally distribute them to the elderly and disabled families for free for their immediate relief.



▲ Protected the safety of the community and distributed masks and living supplies for free

Case Study:

Shenzhen Pengji Property Management Service Co., Ltd. Organized Anti-pandemic Volunteers to Shenzhen to Provide Support

On 11 February, at the call of Shenzhen Housing and Development Bureau, Pengji Property summoned and organized a supporting team composed of 15 volunteers, which was sent to Shenzhen to provide support for the temporary construction of “Xiaotangshan (小湯山)” Hospital. The efficient supporting action was good interpretation of the Company’s enterprise responsibilities, and contributes to the anti-pandemic efforts at the same time.

Pengji Property organized a volunteer supporting team to Shenzhen to provide support for “Xiaotangshan (小湯山)” Hospital



Case Study:

On Duty to Protect the Safety of our Property Owners

At Qiaoxiang Village Community, being the first line of defense for pandemic prevention and control, its management company, Wansha Real Estate (萬廈居業) under the Group, has taken the initiative to take responsibilities and measures, and explored an “ACT” (party construction leading + professional security + multiple parties’ participation) model for comprehensive and integrated prevention and control in the community during the practice. The “three-person community group” mobilized volunteers, building managers, property staff and other parties to participate in establishing “two nets” for joint and group prevention and control to safeguard the health and safety of community residents.

On 8 September, Qiaoxiang Community was awarded the honorary title of “National Advanced Collective Against Covid-19 (全國抗擊新冠肺炎疫情先進集體)” by the state, being the only collective in Shenzhen winning this honor. Behind such national honorable title is a group of Shum Yip property staff devoting in obscurity who have been sticking to the front line of pandemic prevention and control and will never slack off.

On 21 October, at the COVID-19 Prevention and Control Commendation Conference held in Guangdong Province, Wansha Real Estate was awarded the “Advanced Collective Against Covid-19 in Guangdong (廣東省抗擊新冠肺炎疫情先進集體)”, being the only property enterprise in Shenzhen winning this honor.



▲ Qiaoxiang Community was awarded the honorary title of “National Advanced Collective Against Covid-19” by the state

I. Maintain Healthy Operations

During the outbreak of the pandemic, Shenzhen Investment reinforced its confident and implemented policies precisely. While focusing on the pandemic prevention and control, it promoted its own work resumption in an orderly manner to ensure its healthy operations and uninterrupted customer services.

Protect employees' health

⚡ **Timely statistics on the demand for pandemic prevention supplies:** sufficient pandemic prevention supplies including masks, gloves, protective clothing and alcohol to ensure normal and orderly progress of the prevention and control work.

⚡ **Develop disinfection plans according to circumstances:** disinfection frequency was determined based on the risk of infection for office areas, residential areas, shopping malls and parks, and special disinfection was carried out in key areas. Offices were equipped with such medical protective equipment as disinfectant, hand sanitizer and alcohol spray.

⚡ **Adjust plans for serving meals by canteen:** change the way of meals from dining in the canteen to delivering to cells. After dining in the canteen was permitted, serving meals in three shifts were adopted, thus ensuring one table for one person and reducing personnel contact.

⚡ **Establish employee route record:** including departure-home-returning - return to work dynamics, route schedules, physical conditions, etc.; employees returned from high-risk areas were quarantined and observed for 14 days, during which meals were delivered to employees to ensure their normal life. In addition, anti-pandemic supplies packages such as masks and hand sanitizer were provided to employees to ensure their safe and orderly work resumption.

⚡ **Digital office:** leveraging digital information technology, we established enterprise WeChat group and various work groups and convened online video conferences to reduce personnel gathering.



▲ Sufficient pandemic prevention supplies were provided



▲ Special disinfection was carried out in common areas



▲ Plans for serving meals by canteen of the Company were adjusted

Strengthen pandemic prevention propaganda

⚡ **Multi-level propaganda content:** employees were provided trainings in respect of the Information and Prevention of the COVID-19 (《新型冠状病毒肺炎科普及防護知識》), Educational Video of Safety for Resumption of Production and Work after the Spring Festival in 2020 (《2020 年春節後復產復工「安全第一課」警示教育片》), Safety Training for Resumption of Production of the Enterprise after the Holiday (《企業節後復產安全培訓》) and other pandemic prevention materials, so as to enhance the awareness and capability of pandemic prevention of employees.

⚡ **Diversified forms of propaganda:** various means were used, including WeChat, Weibo, wall charts, brochures, posting and releasing the latest development of pandemic prevention and control work, virus-related introductions and protection information in canteens, living areas, office areas and other places to facilitate employees to learn pandemic prevention knowledge at different times and places at any time.



▲ Meals were delivered to employees who were subject to quarantine

II. Help to Resume Work and Production

The pandemic has had a major impact on the normal operation of enterprises. While maintaining stable operation itself, Shenzhen Investment also helped enterprises to resume work and production through decision implementation and strict prevention and control to ensure social stability.

Set up special team for decision implementation

We set up a work resumption inspection team to verify the preparations for work resumption of the approved subsidiaries, personally persuade those enterprises not approved to resume work not to do so, and report to the community and street office. At the same time, we conveyed superior policies for pandemic prevention and control as well as resumption of work and production to subsidiaries, and made every effort possible to help them to solve the problems in the pandemic prevention and control and resumption of work.

Strictly control prevention and control measures for safety

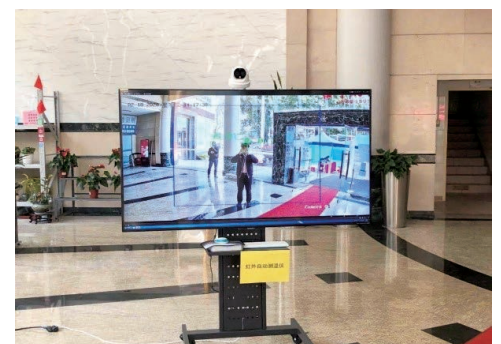
- ❖ **Strictly control propaganda:** online and offline science popularization and propaganda to eliminate nervousness of the owners and guide the owners to scientifically prevent and control the pandemic.
- ❖ **Strictly control entry and exit:** strictly control the entry into and exit out of the park all-around and 24 hours a day, close some accesses in the park, complete the registration of people and vehicles and measure the temperature of the people at entrance and exit.
- ❖ **Strictly control cleanliness:** daily disinfection was carried out, increase the frequency of disinfection for key sites and high-frequency contact locations of the park, and set up special recycling and treatment points for discarded masks and medical items in the park to prevent the spread of bacteria and prevent secondary pollution.



▲ Adopted registration and body temperature measurement approaches at entrance and exit of the park

Implement intelligent prevention and control for efficiency improvement

- ❖ **Make full use of intelligent prevention and control facilities:** by non-contact automatic temperature measurement doors and infrared automatic temperature detectors to quickly measure the temperature of people at entrance and exit.
- ❖ **Make use of intelligent park management platform:** real-time monitoring of the temperature, humidity and equipment operating status in key equipment rooms of the park to ensure normal operation of the equipment.
- ❖ **Make use of AI machine vision:** real-time monitoring of the park 24 hours a day and automatic alarm for illegal intrusion in restricted areas to control visitors into the park effectively.
- ❖ **Make use of environmental monitoring system:** real-time environmental monitoring of enclosed spaces, including the indoor areas of the building, fire apparatus access road and the underground car-parking spaces to ensure environmental safety in the park.



▲ Body temperature check by infrared automatic temperature detector

01



Operate with Integrity and
Walk Steadily over Great
Distances



Shenzhen has been given a new mission in the new era of deepening the reform comprehensively, its strategic position has been further upgraded and its strength and development potential have further enhanced. Adhering to its mission of “building living vision to achieve undertakings in Shenzhen”, Shenzhen Investment implements the national and regional development strategies in a proactively manner and seizes the “dual-driven” development opportunities. While obtaining win-win benefits with enterprises, shareholders and business partners, we actively promote a sound and sustainable development of the Group and fulfill corporate social responsibility.

Issues, SDGs, and ESG Indicators responded to in this section

ESG issues we concern	SDGs issues we respond to	HKEx ESG Indicators we respond to
Compliance governance and responsibility management Compliance operation Strengthening risk control Anti-corruption and anti-unfair competition Intellectual property protection	 	B7.1/B7.2



Operate with Integrity and Walk Steadily over Great Distances

1.1 SUSTAINABLE DEVELOPMENT MANAGEMENT

Shenzhen Investment has a clear overall objective in assuming its social responsibility, that is to uphold the principles of integrity, faith and lawful operation, to put in intensified efforts to resource conservation and environmental protection, to ensure work safety, to safeguard the legitimate interests of our staff and to engage in public welfare undertakings while seeking to achieve the Group's economic targets under the "13th Five-Year", thereby undertaking greater obligations to society.

1.1.1 ESG Philosophy

Adhering to the corporate values of "Sunshine and Honesty, Innovation and Excellence, Diligence and Commitment, Harmony and Sharing", Shenzhen Investment keeps in mind the corporate mission of "building living vision to achieve undertakings in Shenzhen", integrates social responsibility into its business operation, and continues to promote its social responsibility work from the perspective of stakeholders, such as shareholders, employees, customers, partners and communities, including improving the corporate governance structure, ensuring product quality and safety, improving the talent selection system, upholding green technological innovation and energy conservation and emission reduction, participating in targeted poverty alleviation and charity activities, so as to demonstrate the responsibility of a state-owned enterprise with the spirit of being prudent and pragmatic, and strive to realize its corporate vision of becoming a "leader in value creation for urban space".

1.1.2 ESG Strategy

Shenzhen Investment has always been keeping corporate social responsibility in mind and sticking to the concept of "Health, Quality and Culture". On one hand, it encourages the development of green construction and healthy building. On the other hand, it advocates cleaner production by employing new energy-saving and emission-reduction technology to maximize its utilization. Through the above efforts, it is committed to creating and establishing an ecological and livable construction environment, so as to achieve a win-win situation for both environmental quality and green ecology. Meanwhile, it actively explores a "smart +" industry model to implement the smart city planning under the 14th Five-Year Plan. It also builds an intelligent park that guides the trend of new technology and leads a new lifestyle, thus realizing its vision of building a sound and sustainable community.

We will take the initiative to assume its social responsibility by integrating sustainable development into the full processes of production and operation with plan and schedule and promoting the implementation of plans in collaboration with each enterprise and department, which mainly includes the following three aspects:

∴ Enhancing the awareness of ESG

The Group will correctly grasp the core meaning of ESG, get a profound understanding of the significance of undertaking ESG, attach great importance to ESG related works and strengthen ESG training and universal education for the entire staff, striving to develop the corporate value and enterprise culture of undertaking sustainable development.

∴ Gradually improving ESG management system

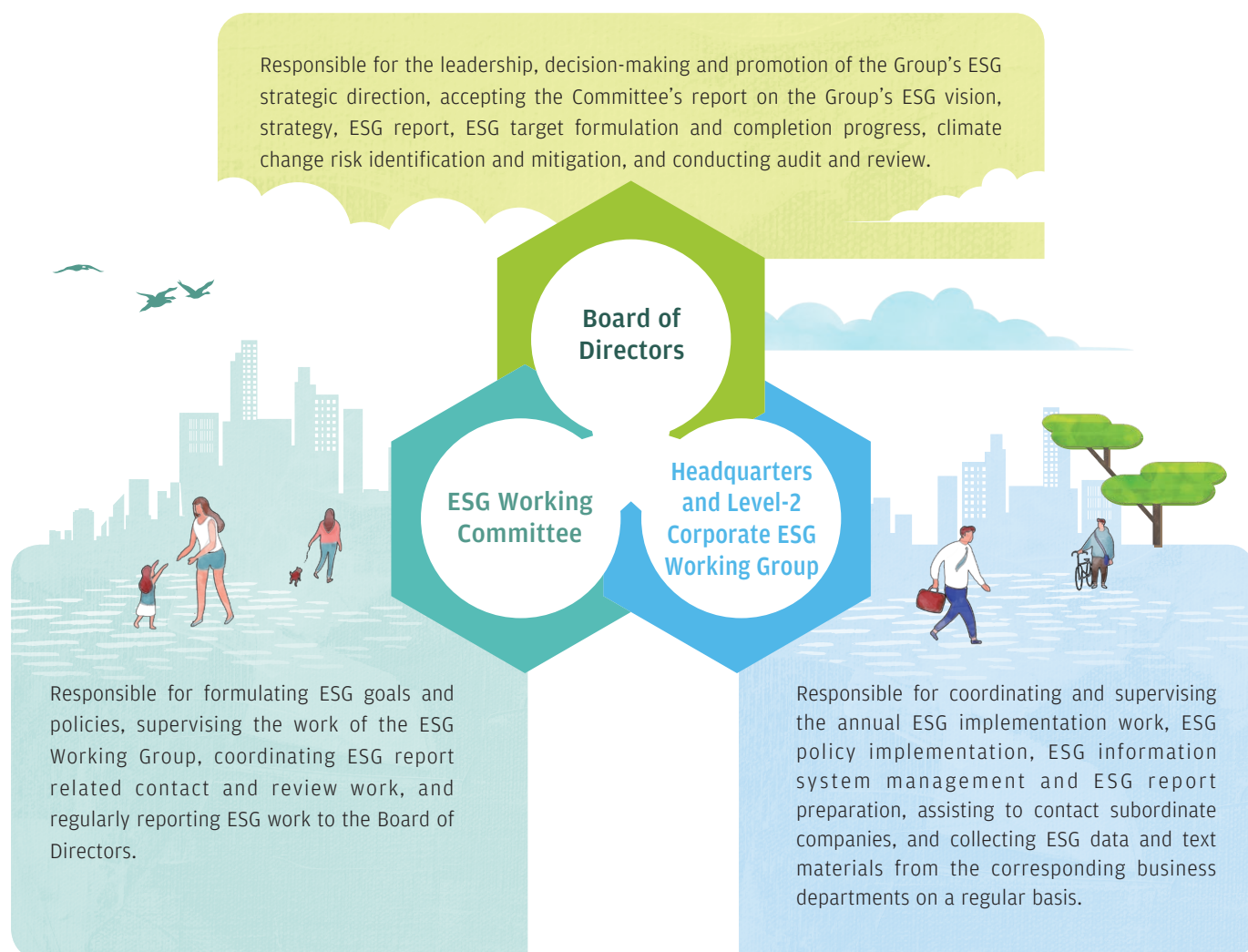
The Group will determine the key works of its various business segments and division of responsibilities for various functions from the main aspects covered by social responsibility including laws, economy, morality, charity and etc. In addition, the Group will continue to optimize its operating systems for internal work to achieve key breakthrough and effective coordination of works; it will also continue to improve internal appraisal mechanism to boost its management level.

∴ Exploring ways to establish ESG reporting system

The Group will issue ESG report on a regular basis through various media channels in an effective way to publish the status, plan and measures for the Group to fulfill ESG, thereby initiatively accepting social supervision and timely learning about and responding to advices and recommendations from all parties, dedicating to optimize the performance of ESG uninterruptedly.

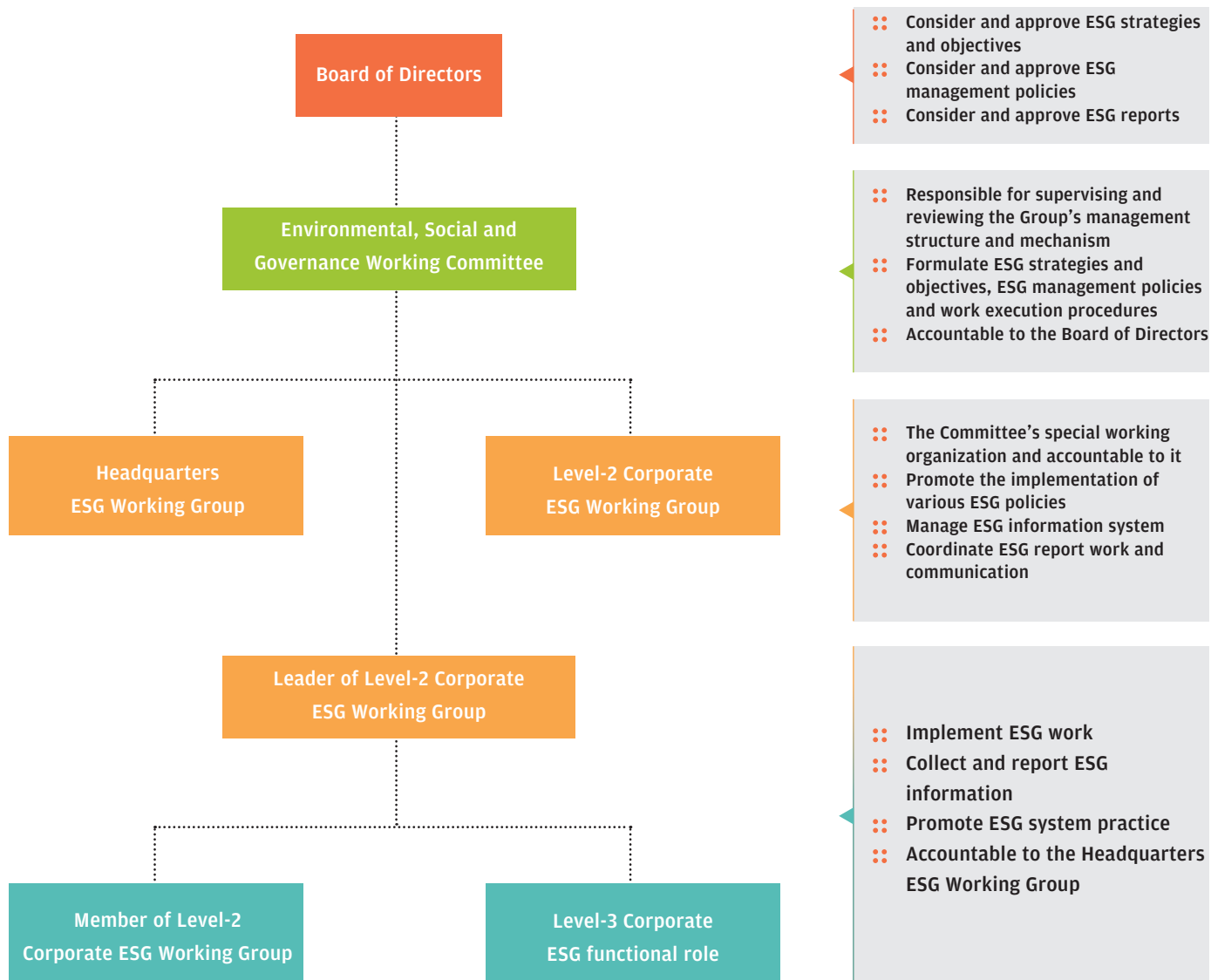
1.1.3 ESG Management System

In order to effectively promote social responsibility work and improve the quality of report preparation, Shenzhen Investment has established an ESG Working Committee and an ESG Working Group, forming a three-in-one ESG management system of the Board of Directors, the ESG Working Committee and the ESG Working Group.



In the future, we will continue to improve the Group's ESG management system and further specify the division and responsibilities, so as to lay a solid foundation for the implementation of ESG work.

Environmental, Social and Governance Structure of Shenzhen Investment



深圳控股 ESG 数据... (215)

会议主题：深圳控股 ESG IT 系统 (EY CapES) 线上答疑 (社会类数据)

会议时间：2021/4/16 10:00-11:00

点击链接加入会议，或添加至会议列表：
<https://meeting.tencent.com/join/AGSISfay6Vf>

会议 ID：825 497 596
 会议密码：123456

手机一键拨号入会
 +8675536550003,82549759
 或 (中国大陆)
 +86230018898,2,82549759
 或 (中国香港)
 +85230018898 (中国香港)

根据您的位置拨号

时间	任务
2021年4月9日 9点	系统正式上线时间
2021年4月9日 - 4月12日	系统体验时间
2021年4月13日	数据正式上线时间
2021年4月13日 上午10点	线上集中培训
2021年4月15、16日 上午10点	线上答疑 (15日 环境类数据 16日 社会类数据)
2021年4月28日	完成所有 ESG 数据审核、填报及发布工作
2021年5月12日	完成所有 ESG 数据审核、填报及发布工作

线上培训与答疑时间

时间	任务
4月13日 10:00-11:00	深圳控股 ESG IT 系统 (EY CapES) 线上答疑 (环境类数据)
4月15日 10:00-11:00	深圳控股 ESG IT 系统 (EY CapES) 线上答疑 (环境类数据)
4月16日 10:00-11:00	深圳控股 ESG IT 系统 (EY CapES) 线上答疑 (社会类数据)

会议 ID：896 467 935
 会议密码：123456

会议 ID：761 349 473
 会议密码：123456

会议 ID：825 497 596
 会议密码：123456

Due to the pandemic, the Group organized more than 200 employees, including the members of Headquarters ESG Working Group and Level-2 Corporate ESG Working Group as well as ESG functional role, to complete online trainings during the year

1.2 COMMUNICATION WITH STAKEHOLDERS

Shenzhen Investment is well aware of the importance of stakeholders to its development and continues to pay attention to the expectations and requests of stakeholders. It is committed to building diversified and efficient communication mechanisms and close relationships with the stakeholders, and protects their rights to know and to participate through communication and cooperation in more channels and ways, so as to achieve harmony and win-win.

Stakeholders	Expectation and Requests	Response Measures	Measures Taken in 2020
Governments and Regulators	<ul style="list-style-type: none"> Law-abiding compliance operations Appreciation in assets value To support local development 	<ul style="list-style-type: none"> Daily report and communication Forum and exchange activities To respond on national policies actively 	<ul style="list-style-type: none"> Carried out integrity letter inquiries and 45 interviews Accepted 23 petitions and reports, dealt with 14 matters and clues and filed 3 cases
Shareholders and Investors	<ul style="list-style-type: none"> To acquire returns on investment Information disclosure and transparency To protect the interests and fair treatment of shareholders To lower operating risks 	<ul style="list-style-type: none"> To establish sound and scientific decision-making and supervision mechanism To strengthen risk management and control To achieve open and transparent information disclosure To organize and participate in activities for different types of shareholders 	<ul style="list-style-type: none"> Met with more than 100 investors Convened a general meeting Paid dividends Dispatched 2 shareholders' circulars Published 40 announcements and 12 Monthly Statements of Movements in Securities
Customers	<ul style="list-style-type: none"> To safeguard the quality and safe of products Quality customer services Privacy protection Opinions and complaints handling 	<ul style="list-style-type: none"> Product quality control To provide quality services Satisfaction survey To protect customer privacy 	<ul style="list-style-type: none"> Full life cycle control of project quality Conducted customer satisfaction surveys regularly Strictly implemented customer information management and formulated corresponding rewards and penalties system Provided intelligent services to customers to meet their diverse needs and enhance customer experience
Employees	<ul style="list-style-type: none"> To protect basic rights and interests Career development and equal promotion opportunity Health and safety Democratic management Caring for people 	<ul style="list-style-type: none"> Staff representative congress To carry out various trainings actively To improve talent promotion and remuneration mechanism To strengthen occupational health and safety management To provide diversified employee benefits 	<ul style="list-style-type: none"> Carried out key projects such as training for reserve talents and high potential talents, new employee training and middle and senior management coaching leadership The total training hours of the Group's employees was approximately 630,000 hours, covering all of the employees

Operate with Integrity and Walk Steadily over Great Distances

Stakeholders	Expectation and Requests	Response Measures	Measures Taken in 2020
Business Partners and Suppliers	<ul style="list-style-type: none"> Integrity and fulfillment of obligations Resource sharing Win-win development 	<ul style="list-style-type: none"> To perform contract in accordance with the law Open tender To eliminate commercial bribery To participate in industry exchange activities 	<ul style="list-style-type: none"> Released bidding information on the sunshine procurement service platform of municipal state-owned enterprises to achieve full coverage of sunshine transactions and full disclosure of transaction information Reached cooperation intention with leading enterprises in the industry and multiple governments
Community and the Public	<ul style="list-style-type: none"> To boost development of public services in communities Public welfare and charities 	<ul style="list-style-type: none"> To carry out various public welfare activities To strengthen industry-based poverty alleviation To support the rural revitalization strategy To encourage employees to participate in volunteer service 	<ul style="list-style-type: none"> Widely mobilized grass-roots trade union organizations and trade union members to participate in consumption-based poverty alleviation Held many healthy and interesting community activities in the commercial, industrial and residential area of the Group
Environment	<ul style="list-style-type: none"> Effective use of resources To reduce emissions Protection of biodiversity Response to climate change 	<ul style="list-style-type: none"> Development of green buildings Energy management, water resources management and waste management To strengthen environmental information disclosure 	<ul style="list-style-type: none"> Intelligent transformation of the park equipment to fully improve the energy efficiency of the park and significantly reduce the energy consumption of the park Formulated and implemented waste classification management regulations, and incorporated the requirements for household waste classification into daily assessment

1.3 ESG MATERIAL ISSUES

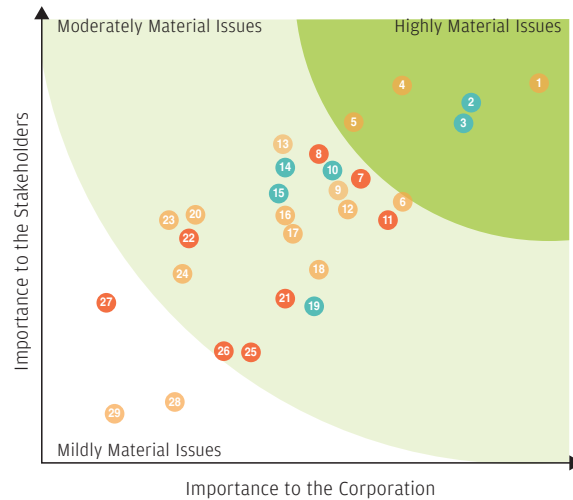


By effective communication with stakeholders, Shenzhen Investment has got a full understanding of demands from and expectations of the Company's management and all stakeholders in respect of the disclosure and management of ESG-related information. We have identified various material sustainable development issues based on the results of the communication and disclosed them accordingly in the report, so as to effectively enhance the pertinence and responsiveness of the report, and continuously improve the Company's sustainable development management.

In 2020, we conducted departmental interviews and online surveys for a wide range of stakeholders, and updated the materiality assessment matrix based on the survey results, covering a total of 843 stakeholders. According to the survey results, the Company prioritized 29 issues on the two bases of "importance to the corporation" and "importance to the stakeholders", and selected 5 highly material issues.

Stakeholders' questionnaire

Materiality Matrix of ESG Issues of Shenzhen Investment in 2020



ESG Issues List of Shenzhen Investment in 2020

Materiality	Rank	Issues
Highly Material Issues	1	Employee Safety and Health
	2	Anti-corruption and Anti-unfair Competition
	3	Compliance Operation
	4	Product Quality Assurance
	5	Employee Training and Development
Moderately Material Issues	6	Employees Compensation and Rights and Interests Protection
	7	Waste Management
	8	Biodiversity Protection
	9	Compliance Employment
	10	Strengthening Risk Control
	11	Pollutant Discharge Management
	12	Customer Privacy Protection and Information Security
	13	Customer Opinions and Satisfaction
	14	Response to Public Policy
	15	Compliance Governance and Responsibility Management
	16	Intellectual Property Protection
	17	Employee Diversity and Equal Opportunity
	18	Attraction and Retention of Talent
	19	Operating Performance and Investor Rights and Interests
	20	Responsible Procurement
	21	Energy Usage
	22	Green Building
	23	Responsible Marketing
	24	Industrial Research and Development, Innovation and Development
	25	Water Resources Usage
	26	Material Usage
Mildly Material Issues	27	Response to Climate Change
	28	Social Welfare Participation
	29	Promoting Community Communion

1.4 SOUND OPERATION

Adhering to its operation philosophy of “Stability and Prudence, Performance Orientation” and integrity philosophy of “Honest and Upright Behaviors, Fair and Just Acts”, Shenzhen Investment integrates environmental, social and governance into its business operation, adheres to legitimate business operation and contributes to the sustainable development of the society while creating value for shareholders.

1.4.1 Transparent Operation

Shenzhen Investment strictly abides by the requirements of such laws and regulations as the Rules Governing the Listing of Securities on the Stock Exchange, the Companies Ordinance and the Securities and Futures Ordinance, continues to improve the compliance governance structure and enhance its corporate governance level, so as to maintain a high-quality Board of Directors, excellent risk management and internal control as well as high transparency and accountability to shareholders. Both the Board of Directors and the management adhere to good corporate governance principles in order to achieve stable management and enhance shareholder value. We also continue to improve information disclosure management, strengthen and improve internal governance to standardize operations of the Group.

Continue to improve information disclosure

In 2020, Shenzhen Investment strictly complied with the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange, further standardized its corporate governance and constantly reviewed the positions at the Board and each of the Board committees, so as to maintain good business operations, protect all shareholders and continue to create value for them.

Shenzhen Investment attaches great importance to the compliance and transparency of ESG information disclosure. We disclose ESG related policies and data on the website of the Group and in this report. We proactively disclose sustainability indexes, including MSCI-ESG ratings to actively respond to the requirements and expectations of investors for ESG information disclosure.

Since the beginning of the year, the COVID-19 has attracted the attention of people nationwide. We fought the pandemic together to overcome the difficulties. While maintaining our own stable operations, we were committed to the safety of employees, the resumption of work and production of enterprises and social stability. At the same time, Shenzhen Investment implemented the policy of close communication with the market to issue a voluntary announcement on the Stock Exchange to disclose the impact of the pandemic on the Company's business operations, and inform the shareholders and potential investors of the Company of its operations in a timely manner, being the first real estate company that issued the impact of the pandemic in China.

Key Performance

In September 2020, MSCI raised the ESG rating of Shenzhen Investment from BBB to A, enabling it to become the first and only A rating company among Chinese property enterprises, which is also the highest MSCI-ESG rating.



- ▲ The Group published an announcement to disclose the impact of the pandemic on the Company's business operations



Protect the rights and interests of investors

The Board of Directors of Shenzhen Investment has established shareholder communication channels to promote effective communication between the Group and shareholders. Due to the pandemic, the Group's investor relations department expanded new channels, released interim and annual results online to actively share its financial position and business information with shareholders and investors, and carried out performance roadshow after the release. In addition, we proactively introduced the latest business development of the Company to investors through online meetings, telephones, WeChat, etc. and give feedback to the management and the Board of Directors.

Key Performance

In 2020, Shenzhen Investment participated in 28 investor meetings, held more than 100 communications with investors and organized 4 non-deal roadshows.



1.4.2 Risk Management and Control

Sound risk control and risk management system

Shenzhen Investment has established a sound and effective risk management and internal control system, explored and improved the operation mechanism of the “six-in-one” general supervising system, and improved its supporting system. We adopt an integrated “bottom-up” and “top-down” risk review process, requiring the heads of functional departments and business units to participate in identifying operational risks and incorporate risk identification into various business and decision-making processes. At the same time, we carry out procedural compliance review and substantive risk assessment review before major issues are submitted to the meeting for decision-making and approval.

Key Performance

In 2020, Shenzhen Investment completed the prior assessment and review of 30 major business projects, including 19 land auction risk reviews, 6 capital operation risk reviews and 2 general project biddings, and presented 69 risks and management recommendations, providing an effective basis for management decision-making.



Operate with Integrity and Walk Steadily over Great Distances

Internal audit, internal control and risk control integration mechanism

- Strengthen front-end supervision of business matters, such as major investments and major asset changes, improve the level of risk prevention and control, strictly control costs and expenses, improve the efficiency of capital use, and reduce project investment risks.
- Build a bid evaluation expert pool for engineering projects with full professional categories and a wide range of coverage, establish method of drawing lots for bid evaluation experts and a comprehensive evaluation system, and improve the quality of expert evaluation.
- Promote the Company and its subsidiaries to carry out internal control evaluation, carry out special review of economic benefits for key project companies, implement rectifications for problems found in the review, and improve the core competitiveness of operating businesses and other risk strategies and response measures to better prevent and control risks.
- Strengthen supervision of capital use, management and control, focus on analysis of the Company's ability for cash creation, cash solvency, capital operation, etc., strengthen standardization of capital use, prevent operating risks and improve the efficiency of the Company's capital management and control.



▲ The auditors were carrying out spot check over the financial vouchers of enterprises in other places

Legal risk management and control

Shenzhen Investment establishes and improves its legal affairs management system, implements a system combining corporate decisions with legal risk prevention and control, organizes special meetings for legal construction, emphasizes management requirements for contract signing and performance, and strengthens overall management of case tracking, coordination and post-evaluation, so as to realize the legal risk management and control function.

Environmental, social and governance risk management and control

Shenzhen Investment attaches great importance to environmental, social and governance risk, and incorporates relevant ESG risks into the risk management system such as bribery and corruption, business ethics, product quality and safety, occupational health and safety, and climate change have been included in the regular risk assessment process, so as to identify and evaluate new risks and major changes derived from internal or external factors as early as possible, and take actions in a timely manner. Among them, we have conducted a preliminary risk assessment on climate change, and have identified such risks as extreme weather may have impact on the lives, health and safety of ourselves and our customers, and lead to increased costs of daily operation and maintenance of properties.

1.4.3 ANTI-CORRUPTION

Shenzhen Investment has strictly complied with the laws and regulations of the states and the places where the companies operate, such as "Tendering and Bidding Law of the People's Republic of China" 《中華人民共和國招標投標法》 and "Anti-money Laundering Law of the People's Republic of China" 《中華人民共和國反洗錢法》, etc., formulated internal management measures such as the "Anti-corruption Measures on Prevention of Malfeasance" 《廉潔從業風險防控辦法》 and the "Probity Audits Measures" 《廉政審查辦法》 and encouraged the employees to sign the "Undertaking of Business Integrity" 《廉潔從業承諾書》 to strengthen process supervision and implement strict requirements on the units at all levels of the Company to continuously optimize anti-corruption governance in the course of production, operation and management, and thereby further improving the business integrity and risk prevention and control system by adopting a "zero tolerance" approach towards malpractice.

Key Performance

In 2020, Shenzhen Investment has concluded 0 criminal case relating to corruption, bribery, extortion, fraud and money laundering.



Whistleblowing mechanism

Shenzhen Investment strictly follows the “Petitioning System (信訪工作制度)” where the principles of hierarchical management and division of responsibility is adopted to improve channels of complaining and whistleblowing, and ensure that there are appropriate channels of whistleblowing, procedures for hearing the matters and the issues be resolved promptly and properly according to law. To encourage the employees to internally report any malpractice or misconduct in a responsible and effective way without worrying about retaliation or harm, we have amended the Whistleblowing Policy of Shenzhen Investment (《深圳控股舉報政策》) on clarifying the channels and manners of whistleblowing, the procedures of investigation, etc., thereby comprehensively ensuring the basic interests of the whistleblower and making the whistleblowing procedures transparent.

Whistleblowing procedures

In case that an employee reasonably suspects any occurrence of misconduct, he/she may report upwards through his/her department head, the Risk Management Department or the management of the Group. The employee may report in person or in written form. In order to safeguard the whistleblower’s information and ensure the confidentiality of written whistleblowing files, a sealed envelope shall be used.



▲ Whistleblowing Policy of Shenzhen Investment (《深圳控股舉報政策》)

Key Performance

In 2020, the discipline inspection and supervision office received totally 23 petition letters and whistle-blowing, among which, 14 cases with problems and clues were handled.

Case Study:

Avoid “subleasing” and implement rent waive activities

During the pandemic, we have rapidly organized and carried out special action on the supervision over rent waive of our properties, upon receipt of the notice on rent waive issued by the government. On 10 February 2020, an announcement in relation to waiving rent for 2 months to combat with the pandemic was published at our official website and official WeChat account, and all companies under the Group and their subsidiaries simultaneously published the information of rent waive in different ways. In order to make sure that the favorable policy was truly enjoyed by each of our tenants, we have prioritized supervision by setting up a special whistleblowing hotline and whistleblowing mailbox, while properly handling 14 complaints, among which, no rental income was found to be hold back through “subleasing”.



▲ Leaders of the Group were supervising the implementation of the rent waive policies for our properties

Anti-corruption education

In 2020, Shenzhen Investment weeded through the old to create the new in terms of anti-corruption publicity and education. In order to cultivate an anti-corruption culture, Shenzhen Investment has conducted anti-corruption education on leaders and employees at all levels through various ways and means.

Highlights of anti-corruption education of Shenzhen Investment in 2020

Giving lecture on anti-corruption by the “top leader” under the leadership of the senior management



▲ Professional training for discipline inspection cadres

- ❖ The chairman of the Group, conducted a thematic course on anti-corruption themed “strictly adhering to political discipline and practicing the ‘two maintainings’”.
- ❖ An aggregate of over 600 staff, including the chief and deputy personnel of all the departments (divisions) of the Group as well as the leaders, the middle management and personnel in key positions of the companies under the Group and their subsidiaries have attended on-site and video conferences.

Keeping alert by studying negative examples to lay “a solid foundation for anti-corruption”



▲ Watching the educational video of alert

- ❖ The Group organized intra-group management and personnel in key positions to watch themed films on the establishment of anti-corruption systems.
- ❖ More than 40 discipline inspection cadres were organized to watch the educational video of alert, Jinjian 《近鉴》, together.
- ❖ Employees subjecting to punishment were disclosed at the OA system of the Group to encourage other employees to learn lessons from the cases, aiming to give full play to the educational effect of such negative examples, thus keeping alert to corruption practically.

Promoting the establishment of anti-corruption systems through study to strengthen the foundation of business integrity



▲ Anti-corruption Lecture

- ❖ Shenzhen Investment organized the management to attend the practical business training for discipline inspection cadres through the online live-broadcasting platform, so as to comprehensively boost the political caliber and professional ability of discipline inspection cadres;
- ❖ Shenzhen Investment conducted pre-employment integrity education on 150 new employees with the theme of “keeping honest from your joining in the Company to achieve sustainable career development (廉洁起航行稳致远)”;
- ❖ Shenzhen Investment complied, printed and distributed its internal publication, the Discipline Inspection and Supervision (《纪检监察》), and solicited subscription of the publication to distribute to its employees for study;
- ❖ Shenzhen Investment simultaneously conducted online and offline “Integrity-related Riddle Quiz (廉政谜语竞猜)” campaign riding the “Micro-platform (微平台)” and its WeChat account, which had attracted over a thousand people.

1.4.4 PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

Shenzhen Investment is committed to strengthening the management of intellectual property rights. Specifically, it complies with the laws and regulations such as the Patent Law of the People’s Republic of China (《中華人民共和國專利法》), the Trademark Law of the People’s Republic of China (《中華人民共和國商標法》), the Copyright Law of the People’s Republic of China (《中華人民共和國著作權法》), the Regulations on the Protection of Computer Software (《計算機軟件保護條例》) and the Anti-unfair Competition Law of the People’s Republic of China (《中華人民共和國反不正當競爭法》), and formulates and implements intellectual property rights protection system and other internal systems. Through these efforts, Shenzhen Investment has given full respect to the intellectual property rights of its partners, while protecting its own legal rights and interests in an active manner. We have stepped up our efforts in the protection of intellectual property rights by improving the management of trademark registration, software copyright registration and patent application. Also, we have safeguarded our own legal rights and interests by proactively implementing such measures as trademark monitoring and rights protection through litigation.

Key Performance

- ❖ In 2020, the intelligent platform of the subsidiaries of the Group (the business unit) successfully obtained 34 certificates on copyright registration of computer software authorized by the National Copyright Administration;
- ❖ The “Property Management City (物管城市)” invented and transformed 12 “mini-type machineries used for sanitation and cleaning (環衛清潔小型機械)”, as well as gaining 6 utility model patents and 1 design patent;
- ❖ Shum Yip Property promoted the development of and application for utility model patents on the internet of things between devices and facilities, among which, 4 patent applications have been accepted by the China National Intellectual Property Administration.



▲ Show of mini-type machineries used for sanitation and cleaning (環衛清潔小型機械)

02



Advance Further for Solid Development and Uphold the Quality



We uphold the brand concept of “building living vision”. In order to satisfy the people’s demands for a good life, we maintain the high-level quality of our products and services and meet customers’ pursuit of high-quality lives in all respects. Advancing further development in the Greater Bay Area, we have created our real estate business with remarkable characteristics, implementing the strategy of “high-quality products and services”.

Issues, SDGs, and ESG Indicators responded to in this section		
ESG issues we concern	SDGs issues we respond to	HKEx ESG Indicators we respond to
Product quality assurance Customer privacy protection and information security Customers opinions and satisfaction	<div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES</div> <div>17 PARTNERSHIPS FOR THE GOALS</div>	B5.2/B5.3/B5.4/B6.2/B6.4/B6.5



Advance Further for Solid Development and Uphold the Quality

2.1 PRODUCT QUALITY

In the stage to advance construction of “dual areas” of Shenzhen, Shenzhen Investment continues to take full advantage of its demonstration and leading role in the intelligent architectural construction. By adopting new management approach and making management breakthrough, it is committed to providing customers with high-quality ancillary products. It conducts quality management and control throughout the lifecycle of the project and improves the quality level of each links to provide customers with unique products.

2.1.1 Product Quality Assurance

Featuring rigorous spirit of craftsmanship, Shenzhen Investment continues to pursue the advancement of products and the improvement of quality. Pursuing the provision of more diversified experiences to different customers through a number of multiple series of product lines, we demonstrate our upholding of craftsmanship and the pursuit of quality through our strength. We deliver our commitment on quality through our wholehearted services and provide customers with more improved products.



▲ On-site quality inspection on projects

We continue to enhance the product design quality and improve project quality on a systematic basis and take full consideration of customers’ demands in the design stage of a project. We strictly comply with the “Construction Law of the People’s Republic of China” (《中華人民共和國建築法》), the “Regulation on Quality Control of Construction Projects” (《建設工程質量管理條例》) and the “Provisions on Supervision and Management of Quality of Construction Projects” (《建設工程質量監督管理規定》) and other laws and regulations. We set up a Quality Management Leading Group separately and employed third-party professional organisations to conduct 100% comprehensive quality inspection and evaluation on the developed projects. We formulated the progress and quality assessment indicators of the construction projects and intensified the training of employees on quality safety. Taking the construction project as an assessment unit, we will conduct scoring according to the quality test results with reference to the self-inspection reports submitted by various real estate holding enterprises together with the circuit inspection for the projects of the Group.

2.1.2 Product Safety Assurance

Shenzhen Investment has always put work safety before everything else. It upholds the concept of safety development, strictly fulfills the enterprises’ entity responsibility of work safety, and deepens the prevention and control of risks and the inspection and rectification of potential dangers. We continue to make more efforts to develop technologies in work safety, advance the transformation of work safety from the system, standard and information orientation to the digital and intelligent orientation, and gradually realize the digital transformation of work safety and the upgrading of work safety from offline to offline and online combination.

Elimination of Potential Accident Dangers



▲ Ensuring equipment safety to eliminate hidden risk of accidents

Focusing on the requirements of the “Shenzhen Special Rectification Plans on Work Safety in Key Areas” (《深圳市安全生產重點領域專項整治方案》) and the activity of the “Long Walk of Work Safety (安全生產萬里行)”, Shenzhen Investment clarifies the entity responsibilities of work safety and continues to further conduct the special rectification action of work safety in key areas and key venues and on dangerous operation, such as prevention of electrical fires, construction, special equipment safety, finite space operation, operation at high altitude, and potential structure dangers of old housings. We implement in all respects the work mechanism “to uphold the red line and conduct inspection, priority and elimination (一線三排)” to strengthen the investigation and treatment of potential dangers, thus preventing risks and potential dangers from happening.

Safety Risk Control

We carried out the establishment of dual prevention mechanism in strict accordance with the “General Rules on Establishment of Dual Prevention Mechanism for Enterprises in Shenzhen” (《深圳市企業雙重預防機制建設通則》), i.e. the management and control of risks by levels and the inspection and treatment of potential dangers. Through these measures, we cut off the spread chain of risks from source to end and build up “two defensive lines”, i.e. first identification and control of risks and then inspection and treatment of potential dangers. We have formulated targeted management and control measures against risk sources with different risk levels, specified management levels and responsible units, and created lists of risk management and control by levels. We also made four-color charts and notification cards of risk distribution and formulated lists for treatment of potential dangers, conducting implementation in five aspects, namely responsibility, measures, funds, time limit, and plans. For major industries and sectors within the Group’s business scope that suffer many accidents or are easy to suffer accidents, we intensify safety prevention measures to ensure no occurrence of safety responsibility accidents that cause casualties.

Key Performance

In 2020, there was no work safety accident involving liability occurred in Shenzhen Investment, thus achieving the goal of “zero casualties and zero loss of property (員工零傷亡，財產零損失)”.



Case Study: Project Safety Management Assessment

In 2020, Shenzhen Investment formulated the “Management Approach for Safety Inspection and Assessment of Construction Projects” (《建設工程項目安全檢查評價管理辦法》) and the “Management Approach for Safety Inspection and Assessment of Operation, Service and Property Management Projects” (《運營服務及物業管理項目安全檢查評價管理辦法》). It engaged the third-party professional institutions to conduct quarterly safety inspection and assessment of the front-line projects, aiming at comprehensive inspection and treatment of on-site potential dangers, identification of weak links in safety management, and comprehensive improvement of the safety management level of the front-line projects.

On-site safety inspection on projects under construction ▶



Case Study: Special Supervision and Inspection of Taifu Kechuang Square (泰富科創廣場) in Work Safety Month

On 2 June 2020, special supervision and inspection was conducted by Taifu Kechuang Square project under Shenzhen Investment in work safety month. The experts of the safety research institute conducted careful inspection of many aspects of Taifu Kechuang Square project, such as work safety standardization, “dual” prevention mechanism, fire safety, electrical safety, operation safety, equipment and facility safety, protection against occupational hazards, and relevant work safety assurance, and gave high assessment to the intelligent information system used in the construction, the management of fire equipment, and the pandemic response work.

2.2 CUSTOMER SERVICES

Shenzhen Investment has always served its customers with sincere attitude, aiming at providing customers with diversified services and high-quality experience and ensuring responsible marketing. It attaches importance to the communication with customers and the opinions from them and actively responds to customers' complaints so as to improve customers' experiences with high-quality services.

2.2.1 Service Quality Assurance

In order to provide better services to customers, we have strictly complied with the "Law of the People's Republic of China on Product Quality" (《中華人民共和國產品質量法》), "Law of the People's Republic of China on the Protection of Consumer Rights and Interests" (《中華人民共和國消費者權益保護法》), "Advertisement Law of the People's Republic of China" (《中華人民共和國廣告法》) and "Trademark Law of the People's Republic of China" (《中華人民共和國商標法》), etc. and formulated "Marketing Management Measures" (《營銷管理辦法》) and the "Standard Manual of Property Service Center" (《物業服務中心標準手冊》) and other standards and systems to assure our service quality.



▲ Banner sent by our property owners in recognition of our property management service



▲ Professional property management team

Property companies under Shenzhen Investment have implemented ISO 9000 quality management system and ISO 14000 environmental management system and built up an improved customer service system, which includes customer service organization management, customer service relationship management, customer information management, customer service quality management, satisfaction

management and complaint receiving management. Each property management office has established the front desk of customer services to handle consultancy, payment, complaint and other various issues. The Company has established the "Communication Control Procedures with Customers" (《與顧客溝通控制程序》) and the "Customer Satisfaction Control Procedures" (《顧客滿意控制程序》), specifying the mechanism to treat customers' complaints and providing channels for customers to make complaints. Meanwhile, it has formulated the "Control Procedures of Community Culture" (《社區文化控制程序》), which requires the management office to provide customers in the community with abundant community cultural activities, enhance communication with customers and strengthen the development of spiritual civilization.

2.2.2 Protection of Customer Rights and Interests

Shenzhen Investment has strictly complied with the "Law of the People's Republic of China on the Protection of Consumer Rights and Interests" (《中華人民共和國消費者權益保護法》), "The Cyber Security Law of the People's Republic of China" (《中華人民共和國網絡安全法》) and other laws and regulations. All of customer information will be recorded in the sales management system. Each kind of marketing employees will be granted different enquiry and management authorities according to the needs of their positions in the form of "authority control and data isolation". The management approach of special employee, special position and special computer system has been adopted to actually protect the safety of customer information.

We pay great attention to the health and safety of customers. During the pandemic period, Shenzhen Investment formulated a series of systems to respond to the pandemic, ensuring a safe visiting experience for customers coming to our display center. Our marketing team provided services and guidelines to customers throughout the visiting process and carried out 1 vs 1 special service. Comprehensive disinfection was conducted at every link to ensure that each customer can visit our housing with a carefree, safe and comfortable mood.

Key Performance

In 2020, we did not incur any complaint arising from violation of regulations for protecting consumer information and privacy (including complaints issued by the third parties or the regulatory organizations).



2.2.3 Responsible Marketing Management

We have strictly complied with requirements of the “Advertisement Law of the People’s Republic of China” (《中華人民共和國廣告法》), “Law of the People’s Republic of China on Urban Real Estate Administration” (《中華人民共和國城市房地產管理法》) and other laws and regulations. In addition, we have formulated relevant procedures and legal documents to ensure standard process, open information and real publicity. We carried our public disclosure of legal risks and other information at sales venues to ensure public and transparent information of the Company and the products and complete and true marketing information, effectively protecting customers’ legal rights and interests. We have stipulated that the marketing employees must adhere to the basis marketing line when conducting on-site sales or distributing advertisements, disclose the project and price information in a transparent way, and insist on avoidance of any false and fraud action or blurred marketing to entice consumers to consume.

We regularly provide our employees from marketing position with marketing training courses to improve the quality of our sales employees. We request the sales employees to lay emphasis on customer privacy protection and warn customers for potential risks to avoid marketing risks in the process of sales, actually protecting customers’ rights and interests. During the process of sales, we insist on display of sand table and show flat at real scale, regularly inspect material risk notice and transparent notification, clarify the red line of sales management business, and adhere to responsible marketing.

The Company proactively improves its after-sales service system, establishes an after-sales service team with dedicated full-time personnel and labor division and coordination, and forms an effective mechanism of reporting problems by owners - verifying and conveying problems by project company - solving problems by maintenance unit - verifying and return visit by project company, so as to continuously improve the efficiency and quality of after-sales maintenance service; establishes a normalized maintenance service system for holidays in response to the owners’ needs for after-sales maintenance services and emergency problems during holidays; and carries out satisfaction survey activity to improve service quality in an all-around manner.

Case Study: Launch “Shum Yip Haofang (深業好房)” App

On April 30, “Shum Yip Haofang” app, an “online sales office” was officially launched. Through shares in the circle of friends, media resources, and the publicity of collaborative enterprise, online referral and registration activity for all people to be brokers was promoted. Dual festival campaign covering ten properties and providing abundant benefits was held at the National Day and the Mid-Autumn Day. In the campaign, all of the online projects conducted customer interaction through diverse promotion activities, in order to meet the customers’ demand for home purchase. During the period of November 11, live stream sales of apartments were conducted for the first time through the app. In 2020, there were 37,345 customers visiting the “Shum Yip Haofang” app on an accumulative basis, among which, 17,744 customers left telephone numbers, 665 customers conducted appointments and 1,118 customer conducted consultancies.

Through such diversified forms of interaction as selling houses online and through live stream, we provided customers with channels convenient to visit our properties and professional services, and enhanced customers’ home-purchasing experience.



▲ “Shum Yip Haofang” app

2.2.4 Response to Customers' Complaints

Shenzhen Investment pays attention to customers' assessment and feedback of its products and services. It makes all-around efforts to provide good services, expecting to attain customers' sincere recognition. We have set up smooth access to receive complaints and established special whistleblowing telephone and email, etc. Based on this, we can make appropriate treatment of complaints and whistleblowing matters, actively address customers' concerns, and find out the weakness of our business. Meanwhile, we actively carried out customer satisfaction survey, listened to customers' concerns, and better responded to customers' claims. During the pandemic period, in order to obtain tenants' profile and understand tenants' claim as soon as possible, the marketing center of the Group conducted a wide range of tenant questionnaire survey during mid-April to May 2020.

Key Performance

In 2020, during the pandemic period, we sent out over 1,400 questionnaires in total and received 1,013 effective questionnaires, including 416 for office, 401 for business, and 196 for leasing apartments, with general collection rate of 72.3%.

Case Study: Special Complaint Management Mechanism of Shum Yip Intelligent Park

Terra Property under Shum Yip Intelligent Park has established complaint management mechanism in accordance with eight-point principles: thinking in other's position, law-based, rapid response, appropriate refuse, responsibility, recording, thoroughness, and timely conclusion. Based on actual business, Terra Property has formulated the "Customer Complaint Management Measures" (《客戶投訴管理辦法》). It disclosed its complaint telephone number at each project site and set up customer complaint receiving section at Shen Hui Tong APP. It is requested that the customer service employees must upload all complaints to CRM system on the same day and the person in charge of the project must take lead in treatment of complaints and conduct analysis, treatment and feedback against complaints.

Case Study: Big Data Service Platform of "Sina Yuqing Tong (新浪輿情通)"

In 2020, we monitored the public opinions on our major projects on sale such as Shum Yip Zhongcheng and Parkview Bay via Sina Yuqing Tong. We reviewed 47,240 information at any time throughout the whole year. We have double checked over one thousand information that was considered sensitive by the system on an accumulative basis, and timely addressed more than one hundred sensitive information sources, thus forestalling negative opinions with large influence.

Accordingly, we have established an efficient communication bridge with customers, understood and responded to their demands in real time, so as to better provide professional and quality services to them.



▲ Big data service platform of "Sina Yuqing Tong (新浪輿情通)"

2.2.5 Intelligent Empowering Services

Shenzhen Investment continues to make further development of information and intelligent operation, and actively embraces “internet +” to create an intelligent ecological cycle. Focusing on the initial purpose to vigorously improve the park service efficiency and provide deeper and wider park services, it aims at providing customers with intelligent services, meeting customers’ diversified demands, and improving customers’ experience.

Based on the construction of eight platforms including property services, park support, administrative services, marketing services, human resource services, financial services, business services and information communication, the Group continues to explore the abundant resources of industrial customers in the park by taking full advantage of digital space, micro community, activity management and other approaches. In addition, taking the management platform of the intelligent park operating services as its core competitiveness, the Group has entered into both the multiple model large-scale complex and urban management of properties. The Group has comprehensively implemented the whole industrial chain services and leveraged its professional operating advantage to lead to the industrial revolution through the unique intelligent operating service model.

For intelligent operating management, we have established an intelligent information platform of park services and a big data analysis platform of demand information, realized visual concentration management, convenient linkage control, efficient comprehensive management, shared digital management, and intelligent management of park business, created and improved an O2O intelligent park service platform to improve the refined operating and management level of the park.



▲ IoT big data platform of Shum Yip Intelligent Park

Major Intelligent Operating Project

Shum Yip Intelligent Park

- ❖ It has entered into both multiple model large-scale complex and urban management of properties, and implemented three level management of “group, region and project”.
- ❖ It continues to explore the abundant resources of industrial customers in the park by taking full advantage of digital space, micro community, activity management and other approaches and comprehensively implements the whole industrial chain services.

Shum Yip Property

- ❖ It has completed intelligent platform layout, and realized regular and normal operation of the intelligent core platform, “Shen Xiang Hui (深享匯)” (Shendaojia (深到家) and Yewehui (業委匯) APPs).
- ❖ Meanwhile, it has completed the customized development of “Shum Yip Urban Housekeeper (深業城市管家)” APP to lay foundation for intelligent, information and refine management of urban operating services.

Terra Building

- ❖ The established management platform of intelligent park operating services has applied big data platform, IoT platform, property management platform, and asset management platform.
- ❖ It has realized the connection and real-time monitoring of data in the park, which can effectively reduce the energy consumption of the park and improve the various services of the park, including treatment of property worksheets, equipment management, access management, safety management, and park services, and enhance all-around intelligent level of park operation.

Case Study:

“Property Management City (物管城市)” of Shum Yip Property

“Property Management City” project is the application of the refine urban management concept by Shum Yip Property. In the management services of “Property Management City” project, Shum Yip Property has managed urban area by employing property management concept, and enhanced the quality and efficiency of management service work, provided more subtle “concierge-like” integrated service, improved the technology level of urban management, and displayed the new landscape of urban management by adopting modern technologies and information approach. Meanwhile, Shum Yip Property has introduced creative “five new” refine services of property management: new model, new method, new equipment, new system, and new platform. Based on services, it aims at enhancing the belonging sense of residents in the service region and advances the transformation of urban management from “management” to “governance” and “service”. Through combined approaches of “professional services + intelligent platform + administrative power”, Shum Yip Property has implemented comprehensive “management + service + operation” of urban public space, public resources and public projects. It has concluded various experiences through pilot projects, such as a “governance model of urban villages to construct, manage and share together”, creating a number of health quality examples of communities and urban villages such as Xintian Community (新田社區) and Tianmian Village (田面村).

Special Theme: The Intelligent Park Helps the Group Explore a New Development Model

Innovation is the internal power to drive the industrial upgrading. With deep integration of big data, internet of things and artificial intelligence, an intelligent park has become an important trend of modern development of industrial parks. Taking active response to the modern information technology, Shenzhen Investment has further improved its strategic measures of intelligent park operation in the “14th Five-Year” plans. Leveraging the operating management of technological industrial park as the core business of Shum Yip Intelligent Park, Shenzhen Investment has made comprehensive deployment of “intelligent park” by using internet, mobile internet, internet of things and other advanced technologies, making continuous efforts to improve new development model and assist the Guangdong-Hong Kong-Macao Greater Bay Area to realize intelligent transformation.

Safety Management

The intelligent park manages the traffic of people and vehicles with information and digital technology. “Clairvoyance (千里眼)” remote video monitoring has been built up to realize the integration, share and connection of video and image information resources across regions. Timely dual way video snapshot of people at the entrance or exit and sending of videos of visiting clients have been realized, together with intelligent access control system, to protect the safety of the park and buildings. The environmental condition of the equipment room has been under real-time monitoring to ensure real-time alarm of dangerous conditions when abnormal water or fire accidents occur. The emergency firefighting system has been conducted operation and maintenance in accordance with procedures with mobile approaches to help customers conduct site monitoring of every place of each park nationwide at the headquarters, facilitating on-site direction of material accidents. In the same time, it can also assist police, firefighting, transportation and other departments to implement management in a targeted way.



▲ Shum Yip's intelligent garage

Intelligent Property

With the adoption of internet of things, cloud computing and other technologies, a management platform for operation and maintenance of intelligent facilities has been developed to conduct automatic monitoring and control of electromechanical equipment in buildings at any time. Based on this, it can realize linkage application with other systems such as safety protection, firefighting, and water supply and drainage system through building IBMS integrated system to reduce building cost of energy consumption and increase energy-saving and environmental efficiency.



▲ An integrated project of intelligent safety protection



▲ The intelligent core platform of “Shen Xiang Hui (深享匯)”

“Shen Hui Tong (深慧通)”

In April 2020, “Shen Hui Tong” APP was officially launched. Based on users’ needs and the positioning of parks, we have researched and developed parking payment, property repair, meeting room reservation, online shopping, activity registration, park introduction and other various functions. Thanks to the breaking of information barrier between park managers and users through the APP, we can precisely understand users’ needs, effectively address customers’ problems, and enhance the interaction between the Group and customers, thus strengthening the stickiness of customers. There are 3,168 existing members in “Shen Hui Tong” APP. In 2020, through the APP, 7 online activities were held, 1,367 payments were made, 2,807 patrolling tasks were completed, and 1,700 property orders were handled.



▲ “Shen Hui Tong” APP

2.3 SUPPLY CHAIN MANAGEMENT

Shenzhen Investment is committed to building a more harmonious and responsible business eco-system, continues to enhance clean collaboration with suppliers, advances improvement of capability in fulfilling responsibility of supply chain, creates a positive development environment among collaborative partners, and realize mutual benefits and win-win situation.

2.3.1 Improvement of Supply Chain Development

We have strictly complied with the “Law of the People’s Republic of China on Tenders and Bids” (《中華人民共和國招標投標法》), the “Administrative Measures of the State-owned Assets Supervision and Administration Commission of the People’s Government of Shenzhen Municipal for Engagement of Intermediaries” (《深圳市人民政府國有資產監督管理委員會選聘中介機構管理辦法》) and related laws and regulations, and implemented the “Code of Conduct for Suppliers of Shenzhen Investment” (《深圳控股供應商行為準則》), “Management Measures for Bid Evaluation Expert Pool for Major Bidding Projects (Tentative)” (《重要招採項目評標專家庫管理辦法(暫行)》), “Anti-corruption Measures on Prevention of Malfeasance in Construction Project Tendering” (《工程建設項目招標廉潔從業風險防控辦法》) and other management systems. In order to further regulate conduct of engagement of intermediaries, optimize supervision and protection measures, and adhere to the principle of considering appropriate balance between quality and price as well as integrity and efficiency, we amended the “Administrative Measures for Engagement of Intermediaries” (《選聘中介機構管理辦法》), which provides more details to determine the application procedures of transparent procurement platform and the standard process of various tenders and bids to enhance management and avoid legal risks.

Transparent Procurement

In order to further implement the supervision requirements of the government, we issue bids, competitive negotiation, single sources, direct procurement and other procurement information on a transparent procurement service platform according to relevant systems, further achieving full coverage of transparent transactions and complete public disclosure of transaction information.

- ❖ In order to forestall and preclude all kinds of corruption in construction projects and achieve dual targets of “quality project” and “integrity project”, Shenzhen Investment requires suppliers sign Integrity Contract while signing a contract with suppliers to mutually comply with and accept supervision.
- ❖ In strict compliance with the requirements of the “Notice on Implementing Unified Issuance of Procurement Information within Municipal State-owned Enterprises of Shenzhen” (《關於在深圳市屬國企實行採購信息統一發佈的通知》) issued by the State-owned Assets Supervision and Administration Commission of Shenzhen Municipality, Shenzhen Investment simultaneously issues procurement announcement, result notification and information change announcement in the transparent procurement service platform of municipal state-owned enterprises.

Transparent Procurement Service Platform ▶



Key Performance

In 2020, the Group published the procurement information, including bidding, competitive negotiation, single source, direct procurement, etc. of approximately 2,000 projects on the sunshine procurement service platform of municipal state-owned enterprises, involving an amount of over RMB13.7 billion, which further realized the full coverage of transparent transactions and the full disclosure of transaction information.

Advance Further for Solid Development and Uphold the Quality

Anti-Unfair Competition

We have always upheld the value point of “transparency and honesty”, and took a firm attitude to preclude unfair competition. On the condition of compliance with the laws, regulations and policies, we actively explore to establish strategic cooperation relations of mutual benefits with the governments, enterprises, media and other partners, continue to push forward responsible procurement, and preclude commercial corruption and unfair competition.

Informationalization Management

Prevention and control work in respect of integrity risk are conducted in the major areas, key processes and important positions of the Company, which supervises the whole process of procurement and bidding of major projects of the Company and its subsidiaries, controls the standard operation of the bid evaluation process, promotes the extensive application of the sunshine procurement platform to the Company, and realizes the full coverage of transparent transactions, the full disclosure of information online and the entire chain of big data supervision. Besides, it focuses on studies exploring digital audit. Through the “double penetration” of business and financial data, the Company explores digital audit model characterized by overall analysis, problem identification, diversified inspection and systematic research.

2.3.2 Establishment of Responsibility Supply Chain

Establishing a Responsibility Supply Chain

Case Study:

Advance Refine Procurement Procedures and Reduce Legal Risks

With reference to requirements of the “Guiding Opinions of the State-owned Assets Supervision and Administration Commission of Shenzhen Municipality on Further Strengthening the Comprehensive Supervision of the Procurement of Municipal Enterprises (for Trial Implementation)” (《深圳市國資委關於進一步加強市屬企業採購綜合監管的指導意見(試行)》) issued in September 2020 and other latest documents, Shenzhen Investment amended the “Administrative Measures for Engagement of Intermediaries” (《選聘中介機構管理辦法》), complimenting and improving relevant contents such as classification of intermediaries engaged by the Company, approval of demands and approaches of engagement. A total of 36 updates were made in this amendment, providing more detail to determine the application procedures of transparent procurement platform and the standard process of tenders and bids in various circumstances to enhance management and avoid legal risks. We are now asking for opinions from each function department of the Company and the amendments will be implemented after deliberation and approval at the meeting.

Shenzhen Investment has always been committed to upholding the concept of high-standard business ethics and integrity management. In order to encourage the suppliers of Shenzhen Investment Group to comply with various laws and regulations, maintain good operating standards and business ethics, and bring positive impacts on the environment and society together, we have formulated the “Code of Conduct of Suppliers” (《供應商行為準則》), which provides for the suppliers’ code of ethics, environmental protection, remuneration and working hours protection, anti-child labor and forced labor, health and safety protection, anti-discrimination and intellectual property protection. We also require suppliers to comply with all applicable local laws, regulations and requirements in operating their businesses, and encourage suppliers to exert same influence on their supply chains to jointly assume their social responsibilities.

Protecting Stakeholders’ Interest

We require suppliers to improve their product quality, social responsibility awareness, and level of operation and management. For construction suppliers, we require them to obtain corresponding system certifications in terms of management and environmental protection. Contractors are prohibited from defaulting on salaries of migrant workers. In the event of default, such supplier shall be removed from the Company’s list of suppliers. We continue to strengthen the protection of labor rights, maximize the level of production safety in the construction process and protect the rights and interests of stakeholders.

We will examine the employment status of our partners, suppliers and subcontractors, and require suppliers to protect the basic rights and interests of their employees pursuant to the terms of cooperation agreements and supplier registration and assessment, etc., to eliminate child labor, forced labor and discrimination, and to ensure equal employment, hence improving the human rights status of our partners, suppliers, contractors and other stakeholders.

2.3.3 Promoting Industrial Development

Shenzhen Investment actively cooperates and establishes strategic partnerships with various enterprises to realize complementary advantages of key resources, concentrate on strengthening core capabilities and new markets and be well positioned for market expansion and new opportunities.

A strategic cooperation was entered into with Longhua District in respect of future urban pilot zone, pursuant to which, the parties will jointly establish an industry benchmark for the “industrial interconnection” of the future digital park.

Terra Property

Nongke Company

Shum Yip Property

It intends to establish Shum Yip Jinnong (深業錦農), a modern urban garden, jointly with the Management Committee of Shenzhen-Shantou Special Cooperation Zone, to be served as a new engine for the economic development of the entire district, a new benchmark for urban and rural development and a new business card of modern urban garden.

It has established Shenzhen Bougainvillea Research Center (深圳市簕杜鹃研究中心), the first innovative platform of Shenzhen focusing on the research of bougainvillea, the city flower of Shenzhen, jointly with Shenzhen Garden Research Center (深圳市園林研究中心) to help Shenzhen establish it as an internationally-known flower city.

A strategic cooperation agreement was entered into with Pingshan District, Shenzhen, pursuant to which, it will participate in the pilot scheme of market-oriented and professional reform of the management and operation of Pingshan Subdistrict and Longtian Subdistrict.

It won the bid for the pilot project of urban butler service of Jihua Subdistrict, Longgang District, which opens the chapter of implementing “urban butler” management model.

03



Inaccessible Mountains and Valleys and Environmental Protection



Environmental protection is an inescapable social responsibility of an enterprise. Shenzhen Investment actively fulfills its environmental responsibility, adheres to the product concept of “health, quality and culture” in the process of project development and construction, and implements the concept of green building, clean production and waste recycling in the whole process of project development and operation. Shenzhen Investment actively adopts various energy-saving, emission-reduction and green construction technologies, increases investment in scientific and technological research and development, and commits itself to building a resource-saving and environment-friendly enterprise.

Issues, SDGs, and ESG Indicators responded to in this section

ESG issues we concern	SDGs issues we respond to	HKEx ESG Indicators we respond to
Waste management, biodiversity protection, pollutant discharge management, energy usage, green building, water resources usage, material usage, and response to climate change	     	A1.1/A1.2/A1.3/A1.4/A1.5/A1.6/A2.1/A2.2/A2.3/A2.4/A2.5/A3.1

Inaccessible Mountains and Valleys and Environmental Protection

3.1 Green Management

Shenzhen Investment strictly abides by the Law of the People's Republic of China on Environmental Protection (《中華人民共和國環境保護法》) and other national laws and regulations on environmental protection, energy conservation and emission reduction, and continuously improves its internal energy conservation, emission reduction and environmental management systems such as the Guidelines on Environmental Protection of Shenzhen Investment (《深圳控股環境保護指引》). It has established the Group's early warning and emergency response mechanisms for climate disasters and environmental accidents, etc. In addition, the Group's environmental management work is comprehensively coordinated by the Environmental, Social and Governance Working Committee, which continuously monitors and regularly reviews the environmental protection policies formulated, and provides guidance on business behaviors related to environmental protection.

3.2 Green Design



Shenzhen Investment focuses on promoting green building business, integrates the green design concept of “reducing environmental pollution, cutting down energy consumption, and enhancing the recyclability of building materials” into its products. It considers environmental attributes from the perspective of buildings’ full life cycle, saves resources to the maximum extent, guarantees the due functions, service life, quality and other requirements of products while meeting the requirements of environmental goals, and provides people with healthy, comfortable, intelligent and efficient space and buildings that live in harmony with nature.

▶ The linked landscape corridor connecting Lianhuashan with Bijiashan constructed by the UpperHills to create a green, environmentally-friendly and energy-saving space with multiple functions

3.2.1 Green building concept

Developing green buildings is an urgent need to transform the growth mode of construction industry, and the only way to achieve energy-saving and emission-reduction goals, and to realize an environment-friendly and energy-saving society. We actively embrace green buildings, strictly follow the GB50378-2019 Evaluation Standard for Green Buildings (《綠色建築評價標準 GB50378-2019》) and other national and industry standards, compile green building-related standards and systems and promote their use within the Group. We strictly implement environmental management throughout the life cycle (from design, to construction and operation) of buildings, and achieve the goals of saving energy and materials and protecting environment, on the premise of ensuring quality, safety and other basic requirements.

3.2.2 Green building technologies

Shenzhen Investment attaches great importance to the research, development and innovation of green technologies, and continuously cultivates innovative talents. In addition, we vigorously carry out external cooperation, through signing long-term strategic cooperation agreements with large building research institutes, qualified green building technology companies, etc., conduct in-depth research on industrialized construction systems, green buildings, smart operation and maintenance, ecological environment, renewable energy, and waste treatment, etc., and actively explore effective ways to transform green technological achievements. We have launched a large number of high-quality green buildings, to promote the sustainable development of human settlements, life and the environment with innovative ideas and achievements.

Case Study:

The Creation of Energy-saving Building Design in Terra Licheng

In response to the call on vigorously developing energy saving and emission reduction and the implementation of the concept of green environmental protection, Terra Company has taken energy saving design and measures in Terra Licheng project, including: design to optimize architectural layout and plane and vertical layout, energy saving design in air conditioning system, energy saving design in lighting system, automatic start and stop control of elevators, energy saving in water supply system, intelligent system design, architectural energy consumption, design to measure cold and hot quantity, etc., thus integrating the concept of energy saving and emission reduction into architectural design and promoting urban development of green environmental protection.



▲ Layout of the Terra Licheng project

Case Study:

Shum Yip Taifu Created a Sponge City (海綿城市) in Kechuang Building (科創大廈)

In response to the Group's development strategy to vigorously develop green building and promote application of energy saving and environmental protection facilities, Taifu Company created a Sponge City project in Kechuang Building in comprehensive compliance with the national two-star green building standard. It integrated green environmental protection ecosystem into architectural design, including roof greening, concave green field, rain garden, rain collection and reuse system, landscape design, etc. Meanwhile, it adopted a new approach of prefabricated construction, which can shorten construction period, decrease labor costs and risks, and reduce pollution and resource waste, thus giving effect to the green environmental protection concept of architectural design.



▲ Layout of the Sponge City in Kechuang Building

Inaccessible Mountains and Valleys and Environmental Protection

3.2.3 Green building certification

Shenzhen Investment continuously builds green buildings and communities, with the number and area of green building certification projects increasing year by year.



Shum Yip UpperHills - Theater

LEED-CS Platinum Pre-certification of USA



Shum Yip Qianhai Office Project

LEED-CS Platinum Pre-certification of USA



Shum Yip UpperHills - Tower One

LEED-CS Gold Pre-certification of USA



Shum Yip Qianhai Parkview Bay (Eco-Tech Port)

LEED-CS Gold Pre-certification of USA, National Two-Star Project of Green Building



Shum Yip Zhongcheng Project

Shenzhen Green Building Design Certification-Gold Level



Huangbeiling Old Village Reconstruction (黄贝岭旧村改造) Project

Certificate of Two-star Green Building Design Label



3.3 Green Construction

Shenzhen Investment supports and advocates green construction, vigorously promotes the implementation of green construction technologies and strengthens the identification and management of environmental risks. We adopt various energy-saving and water-saving measures and so on to improve the recycling rate of resources. We make every effort to reduce the impact of under-construction projects on surrounding environment and residents, to organically combine energy saving and environmental protection with benefit improvement, and to create green projects.

3.3.1 Environmental governance

Shenzhen Investment strictly abides by the Law of the People's Republic of China on Environmental Protection (《中華人民共和國環境保護法》), Law of the People's Republic of China on Appraising of Environment Impacts (《中華人民共和國環境影響評價法》), Measures for the Management of Municipal Solid Waste (《城市生活垃圾管理辦法》), the Policy on Hazardous Waste Pollution Control Technologies (《危險廢物污染防治技術政策》), the Regulations of Guangdong Province on Environmental Management of Construction Projects (《廣東省建設項目環境管理條例》), the Regulations of Shenzhen Special Economic Zone on Environmental Protection (《深圳經濟特區環境保護條例》), the Regulations of Shenzhen Special Economic Zone on Environmental Protection of Construction Project (《深圳經濟特區建設項目環境保護條例》), the Regulation of Shenzhen Special Economic Zone on Noise Pollution Prevention and Control (《深圳經濟特區環境噪聲污染防治條例》), and other laws and regulations related to environmental management. According to its own actual conditions, the Group has formulated specific environmental protection measures and safeguard measures, stipulating environmental protection reward and punishment measures, clarifying the environmental protection responsibilities and goals of the project employer and the contractor. The Group requires strictly implementing environmental regulations during the construction period and carrying out civilized construction in accordance with the law, to minimize the impact of construction on surrounding environment.

Biodiversity protection

Shenzhen Investment strictly abides by the Outline of Nature Protection of the People's Republic of China (《中華人民共和國自然保護綱要》), other laws and regulations as well as national policies on the protection of biological diversity, and has formulated the Guidelines on Environmental Protection of Shenzhen Investment (《深圳控股環境保護指引》). We analyze and evaluate the negative impacts on the surrounding ecosystems, animal and plant diversity, etc., and protect natural habitats and biodiversity from the source. We analyze the impact of project development on climate change and biodiversity in multiple dimensions, and include the consideration of animal and plant habitats and ecological red lines in the due diligence report, so as to ensure that the preliminary exploration of the project conforms to the principle of sustainable development.

Green development

During project construction, we pay attention to water and soil conservation and ecological governance, and choose local plants and original tree species as green plants as much as possible to better protect biodiversity and the ecological environment. In addition, we actively adopt low-impact development technologies such as green roofs and vertical greening in building design and construction. We have provided habitats for urban birds, insects and other organisms, established a habitat network, restored urban vegetation, increased carbon sinks and improved urban ecological benefits.

3.3.2 Green construction technologies

In strict accordance with regulations such as the Evaluation Standard for Green Construction of Building GB/T50640 (《建築工程綠色施工評價標準 GB/T50640》), Evaluation Standard for Green Building GB50378-2019 (《綠色建築評價標準 GB50378-2019》), etc., Shenzhen Investment has continuously improved its own green construction management system. It clearly requires each project company to organize and establish a green construction management committee, set goals and plans, compile construction schemes, link the results of project inspections with the performance of project leader, establish a green construction guarantee system, and comprehensively implement green construction technologies.

At the same time, green construction measures and scientific management are adopted at the technical level, to reduce the negative impact on the environment and save resources, on the premise of ensuring project quality and safety as well as other basic requirements.

Inaccessible Mountains and Valleys and Environmental Protection

“Five savings and one environmental protection”

We have adopted BIM system and precise and detailed design to achieve precise construction, reduce material loss, and enhance construction quality and efficiency.

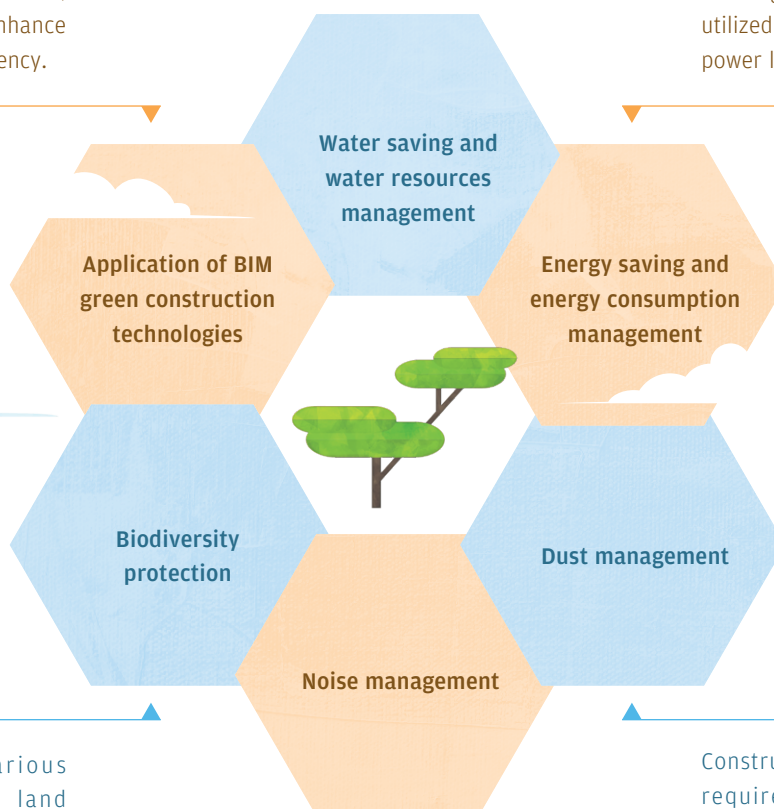
Harvest roof rainwater for green land and street flushing and try every effort to lead road rainwater to green land and water permeable bricks to make the rainwater sink into ground for water conservation purpose;

Make the best of municipal water supply pressure to adopt non-negative pressure water supply equipment.

Intensify energy saving and consumption reduction management of energy-consuming facilities by prioritizing the procurement of energy saving and environmentally-friendly products in an effort to reduce expenditure in working costs upon procurement;

Improve technical parameters of facilities to enhance their operating efficiency;

LED lights are comprehensively utilized instead of the original high-power lamps during construction.



Strictly comply with various laws and regulations on land development including the Law of the People's Republic of China on Land Management (《中華人民共和國土地管理法》) and firmly adhere to the bottom line when formulating relevant plans for green land development, brownfield development and biodiversity. During the process of development, the land resources can be sustainably utilized for the purpose of biodiversity protection.

While being contractually bound to implement relevant requirements, the related construction parties shall strictly comply with relevant laws and regulations including the Regulation of Shenzhen Special Economic Zone on Noise Pollution Prevention and Control (《深圳經濟特區環境噪聲污染防治條例》), to make a reasonable arrangement of operation hours, thus reducing noise pollution during nighttime.

Construction parties are strongly required to adopt dust control measures and conduct real time monitoring of environmental data (including particle concentration) on computer and mobile phone terminals.

Key performance

All Shenzhen Investment projects under construction meet the following standards:

- ❖ 100% recycling and treatment of polluted solid waste
- ❖ 100% strict control of noise emission
- ❖ 100% up-to-standard discharge of acid and alkali wastewater from construction upon retreatment
- ❖ 100% eradicating the leak of radioactive substances
- ❖ 100% timely restoration and rehabilitation of ecological environment that is damaged during construction
- ❖ 100% discharge of wastewater meeting grade II discharge standards from living areas in the construction site



Pengnan Company (鵬南公司) was awarded the title of “Green Site of Building Construction of Changsha” for adoption of new technologies of prefabricated construction (accounting for 51%) and climbing-frame engineering of intelligent site in Shum Yip Heron Mansion project in Changsha.

3.3.3 Prefabricated construction

Shenzhen Investment actively responds to national policies and industry trends, continuously carries out research on prefabricated buildings, and promotes the implementation of prefabricated buildings. In 2020, Shum Yip Chuangzhi Building completed the prefabricated building review by Shenzhen Housing and Construction Bureau. At the same time, we have also formulated plans for inspections, exchanges, training and learning in the field of prefabricated buildings, and we encourage affiliated companies to adopt prefabricated buildings to ensure the steady progress of the “green transformation”.

3.3.4 Make the best use of everything

Shenzhen Investment attaches great importance to the use of recyclable resources, and strictly abides by the requirements of “Shenzhen State-owned Enterprises Devote to Construction Waste Disposal to Help the Construction of a Waste-free City” (《深圳市屬國企全力攻堅建築廢棄物處置領域助力「無廢城市」建設》). We have formulated a construction waste recycling system, and we encourage the recycling of waste materials in construction projects and communities, and the reuse of all recyclable materials from demolished temporary buildings or urban renewal projects.

Material saving measures

- ❖ Use BIM (Building Information Modeling) three-dimensional technology for collision inspection, optimize engineering design, and save supports and hangers by using joint supports and hangers in construction.
- ❖ Calculate the planned consumption of main project materials, and record relevant actual consumption: conduct regular inventory-taking of on-site materials, count up engineering materials of different types based on buildings and floors, and calculate the actual consumption and loss, once a month.
- ❖ Green and environmentally-friendly materials should be used for construction: Green and environmentally-friendly materials are preferred for construction, and corresponding inspection reports should be provided.
- ❖ Optimize the wire material blanking plan: the steel bars will be modeled before blanking to minimize residual material; the short steel bars on site are used as non-structural steel components, such as horse stools, drainage ditch covers, embedded parts, etc.; the steel bars are reasonably blanked for the full use of raw materials; it is specified in the labor service contract that appropriate rewards are given for saving materials; the formwork should be carefully blanked according to the plan and the formwork diagram, processed and prepared in a concentrated manner, and recycled.

3.4 Green Operation

Shenzhen Investment continuously upholds the development concept of green property operations, and strictly abides by the Law of the People's Republic of China on Appraising of Environment Impacts (《中華人民共和國環境影響評價法》), Measures for the Management of Municipal Solid Waste (《城市生活垃圾管理辦法》), the Policy on Hazardous Waste Pollution Control Technologies (《危險廢物污染防治技術政策》), and other relevant laws and regulations. In accordance with the requirements of ISO14001, Shenzhen Investment continuously improves its own environmental management system, comprehensively promotes the scientific management of water and electricity consumption, and includes this goal in the Group's key work for green property management. At the same time, we continuously summarize the experience of green development, improve the energy management system, improve the level of energy conservation and environmental protection, and create a comfortable, healthy and green living and office environment for the owners.

3.4.1 Emissions management

Shenzhen Investment attaches great importance to low carbon and emission reduction, abides by national regulations, and responds to national initiatives. While meeting the requirements of the Thirteenth Five-Year Plan for Controlling Greenhouse Gas Emissions (《「十三五」控制溫室氣體排放工作方案》), it pays close attention to the national practice trend of carbon peak in 2030 and carbon neutral in 2060, aiming to effectively control the carbon emissions generated during its own operations and realize low-carbon operations.

In addition, the Group implements the Atmospheric Pollution Prevention and Control Law (《大氣污染防治法》), the Water Pollution Prevention and Control Law (《水污染防治法》) and other national laws and regulations, and implements internal systems such as the Environmental Factors Operation Control Procedures (《環境因素運行控制程序》). The Group clarifies emission treatment process and strengthens the transformation of emission equipment to ensure that the emissions reach the emission standards and to strictly eliminate unauthorized emission. For example, we manage the discharge of rainwater and domestic sewage in accordance with the principle of rain and sewage diversion. For discharge of wastewater, we must obtain the Drainage Permit (《排水許可證》) issued by the competent government department. At the same time, we entrust a professional company to clean up and dredge the septic tank in time, and require the processing company to issue an invoice of processing point designated by the government when making payment.

3.4.2 Waste management

Shenzhen Investment strictly abides by the Law of the People's Republic of China on Prevention and Control of Solid Waste Pollution (《固體廢棄物污染環境防治法》), National Hazardous Waste Inventory (《國家危險廢棄物名錄》), Administrative Measures for Classification and Reduction of Domestic Waste in Shenzhen (《深圳市生活垃圾分類和減量管理辦法》) and other regulatory documents, and carries out harmless treatment of, reduces and reuses solid wastes through the formulation of internal systems on the refined management of waste classification.

Domestic waste classification

Shenzhen Investment has specially established a leading group for waste classification work responsible for the organization, coordination and implementation of waste classification work, formulated and implemented waste classification management regulations, and incorporated domestic waste classification requirements into daily assessments to ensure the Group effectively fulfills the management responsibility of domestic waste classification and placement in respect of each project.

In order to solve the problem of garbage collection, transportation and treatment, improve citizens' awareness of garbage classification, and realize the recycling and reuse of resources, the project management offices of the Group have taken targeted measures based on the actual situation:

- ∴ Establish a management account, set up garbage classification hardware facilities, increase publicity, and set up on-site supervisors, etc..
- ∴ Carry out activities such as “hand in hand” home-school linkage, rewarded Q&A on community garbage classification, and “garbage classification supervisor”.
- ∴ Distribute various types of garbage classification brochures, release guidelines and proposals.
- ∴ At the same time, use the community information bar, banners, WeChat groups, etc. for publicity to enhance residents' awareness of environmental protection and understanding of waste classification work, and help communities to carry out waste classification work smoothly.



▲ Guidelines for community garbage classification and publicity of related knowledge

Case Study:

Remarkable results have been achieved in waste classification, which has been repeatedly praised

Within the scope of Shenzhen Investment's management, the classification of domestic waste was carried out in an orderly manner and achieved good results. The "centralized classified placement + fixed-time and fixed-point classification" model of Shenzhen No. 1 Meilin Village has been reported by the media many times; No. 1 Meilin Village, Meishan Garden, Qiaoxiang Village, Shengshi Pengcheng, and Guotai Haoyuan were awarded the "Excellent Community for Waste Classification in Futian District".



▲ Promotional photos of garbage classification in No. 1 Meilin Village

Construction waste management

Separate collection and centralized storage of construction waste:

set up a pool (about 20 square meters) at the construction site for recycling of block garbage, concrete garbage and other garbage, and set up two steel bar waste pools at the construction site. The waste pool and the garbage pool carry out clean-up and outbound transportation every week. During the construction phase of the main structure, the on-site garbage mainly comes from concrete slag, which can be collected and stacked for backfilling of construction-use temporary road; the garbage during the renovation phase is mainly masonry fragments, mortar residual materials, excess renovation materials, etc., among which the masonry fragments can be used for backfilling of basement roof, etc.

Classified storage of toxic and hazardous wastes: classify the various toxic and hazardous wastes (paints, thinner bottles, waterproof coatings, etc.) on site, set up a special storage area of 3×3m in the warehouse, and form image data.



▲ Separate collection of construction waste for project under construction

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3.4.3 Energy saving and consumption reduction

To actively respond to the national call for energy saving and emission reduction, Shenzhen Investment has formulated the Measures for the Management of Energy Saving and Consumption Reduction (《節能降耗管理辦法》), clarifying the responsibilities of energy saving management, stipulating energy saving project establishment and approval procedures, daily water and electricity management and control measures, foreign-related water and electricity saving measures. The Group pays attention to energy consumption data in various production and operation, and regularly monitors the energy costs incurred by the power and fuel consumption of the projects held and operated by each subsidiary company. In addition, the Group strengthens energy consumption control measures, advocates the concept of green environmental protection, vigorously promotes the use of clean energy and renewable energy in daily operations, and carries out efficient energy management from the source.

Energy-saving measures

Promote the use of clean energy and renewable energy



▲ Solar photovoltaic system

- ❖ Photovoltaic lighting renovation: install solar photovoltaic systems and replace traditional lamps with environmentally friendly LED lamps. Under the condition of meeting the same illuminance, the power of the lamps will be greatly reduced and solar energy will be used for power supply, so as to achieve the purpose of energy saving and lighting with energy saving rate of over 69.8%.

Promote the use of energy-saving and high-efficiency equipment and facilities



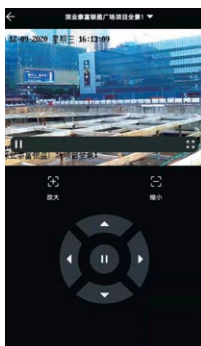
▲ Conducting energy-saving renovation on central air conditioning system

- ❖ Central air-conditioning energy-saving renovation project: The main projects to renovate the central air-conditioning include: central air-conditioning host additives, online cleaning of condenser, water pump frequency conversion system, and central air-conditioning grid-connected transformation, etc. The central air conditioning has achieved a total energy-saving rate of more than 10% after energysaving transformation.

Use smart management tools



▲ Intelligent data collection and monitoring was adopted for early warning at the project site of Taifu Company



▲ Panoramic camera was used for intelligent management in Taifu Yinying Square (泰富銀盈廣場)



▲ Intelligent site AI identification system was adopted in Shum Yip Dongling Business Building to monitor employees' wearing of safety helmet

- ❖ We made full use of the Internet of Things, big data, artificial intelligence, cloud computing and other technologies to gradually carry out intelligent transformation of equipment, updated the video monitoring system, fire alarm system, patrol system, access control system, and parking system, etc., which has fully improved the energy efficiency and greatly reduced the energy consumption.

- ❖ Perform dynamic monitoring of the water supply network, make accurate analysis of water use data, find leaks in time and reduce losses.



Case Study:

The intelligent park has made every effort to achieve energy saving and consumption reduction through the promotion of intelligent transformation

- ❖ The Baguang International Bio-Valley area uses solar and wind power generation monitoring equipment, installs air energy water heaters in the temporary construction area of Baguang Phase III, and promotes the use of electric sightseeing vehicles in the park.
- ❖ Dynamic monitoring of the water supply network in the park, accurate analysis of water use data, timely detection of water leaks, and reduction of losses. As of November 2020, public water consumption has decreased by 17,235m³ compared with the same period last year, and public electricity consumption has decreased by 75,986KWh compared with the same period last year.
- ❖ Continuously updated some of the old elevators in the park, updated some of the old elevators in the projects under management, and gradually updated the drag control with higher energy consumption to advanced variable voltage and frequency conversion speed control, reducing machine energy consumption while ensuring the safety and reliability of elevator operation.

Case Study:

Shum Yip Property vigorously promotes energy saving and consumption reduction mode

- ❖ **Pengxing Garden Project Phase II:** In June 2020, the project implemented an energy-saving renovation project for the underground garage lighting system, using a new dual-bright radar sensor integrated lamp, which has a power of only 3W in standby and turns on the maximum power of 18W when there are cars and people passing by. The energy saving rate of the new lighting system is expected to be 65%. In addition, Shum Yip Property has carried out energy-saving renovation projects for underground garages in Dongsheng Times, Guangzhou Jincuiwan, Zilinshan Garden, and Shunde Shum Yip City, which are expected to save 660,000 kWh of electricity each year.
- ❖ **Business Space-Time Project:** In 2020, the project updated and transformed water pump equipment. Before the transformation, the monthly electricity consumption was 8,390 kWh. After the transformation, it is estimated that the monthly power consumption is 1,114 kWh, which effectively saves 7,276 kWh of electricity, and the power saving rate is 86.73%. In 2020, the accumulated electricity saved is about 87,312 kWh.
- ❖ **The project of Shum Yip Coast:** The project implemented energy-saving renovation for public lighting system in the underground garage with the power consumption being cut down by 158,200 kWh every year.
- ❖ **Bagualing Third Zone and No. 1 Meilin Village Project:** In 2020, the construction of 30 charging piles was completed, increasing the endurance of the car, so as to achieve the purpose of protecting the atmosphere, green travel, energy saving and environmental protection.

3.4.4 Water resources management

In terms of property operations, Shenzhen Investment also pays attention to water resources management, requiring each property service center to be responsible for the repair, maintenance and management of water supply and drainage systems, and implement regular inspections of water equipment. If damage to water equipment is found, resulting in water leakage, overflow, etc., timely maintenance must be ensured and emergency response efficiency must be improved. In addition, we regularly inspect and dredge public drainage facilities and customers' indoor drainage facilities, remind customers to check or cooperate with inspections, and correct customer misuse of sewage pipes and rainwater pipes, so as to control water waste at the source.

As at the end of 2020, most of the projects under the jurisdiction of the Group's Shenzhen area have completed rainwater and sewage pipeline diversion and transformation, achieved separate discharge of rainwater and sewage and waste water reduction, reduced sewage treatment energy consumption, and strengthened water resources recycling.

Case Study: Installation of rainwater recovery equipment in Shum Yip Dongling Garden Project

The Shum Yip Dongling Garden Project adhered to the principle of water conservation, and designed and installed professional rainwater recovery equipment, which was treated into reclaimed water and used for greening. Rainwater is recycled through green roofs and roads, and recycled to the backwater tank through processes such as infiltration, virus-killing and sedimentation. The backwater tank has a capacity of 180 cubic meters and a water tank capacity of 100 cubic meters. Water used for greening and cleaning the ground is about 20 cubic meters per day and about 600 cubic meters per month, achieving excellent performance of water-saving and greening.



▲ Rainwater recovery equipment

3.4.5 Green lease

In order to better develop and utilize high-performance buildings, Shenzhen Investment actively explores the leasing model for green commercial real estate, plans to include sustainable development guidelines in lease contracts, encourages landlords and tenants to sign green lease treaties, and recommends that all new tenants sign environmental commitments. At the same time, it is planned to establish a dedicated environmental inspection team, which will clarify the responsibility system and link it to performance, and require inspectors to supervise the environmental performance of tenants. We hope that, through the establishment of systematic green leases, buildings will be more efficient and users' health and well-being will be improved. Even buildings that are currently underperforming can be transformed into greener, cleaner and more efficient spaces, while the dual effects of carbon emission reduction and environmental protection can be achieved.

3.5 Green Advocacy

3.5.1 Green office

Shenzhen Investment pays attention to energy and water saving, waste treatment, garbage classification and other environmental protection management in the office area, implements the Paperless Office Management Regulations 《無紙化辦公管理規定》, Administrative Measures on Official Vehicles 《公務車輛管理辦法》, Guidelines on Environmental Protection of Shenzhen Investment 《深圳控股環境保護指引》 and other regulations. The Group continuously enriches and improves green office measures, encourages employees to actively practice conservation behaviors, and is committed to creating an energy-saving and environmentally-friendly office environment.

Green office measures

- 1. Establish awareness of water-saving and energy saving:** Use induction faucets in places with high water frequency, and strengthen daily management and maintenance of water equipment; try not to use lighting fixtures some places in the case of sufficient natural light, and if it is really necessary to turn on the lights, make sure that the lights are turned off when people go out; reduce standby time of office equipment; set the air conditioning temperature at the office according to the season and temperature changes; cherish resources, eliminate waste, develop good water and energy usage habits, and enhance water-saving and energy saving awareness.
- 2. Paperless office:** Use Enterprise Information Portal (EIP) for office process approval to realize paperless office, and promote remote video conference. The Group conducted more than 400 online meetings and video conferences, completed 132,000 online approval (OA) processes, and sent and received about 930,000 emails in 2020.
- 3. Scrap processing of office supplies:** Office supplies should be collected and used as needed, and the printing paper should be printed on both sides as much as possible. “Repair the old and make use of waste” is advocated to save resources and reduce waste to the largest extent.
- 4. Garbage classification:** The Company is equipped with classified garbage bins, and follows the principle of full participation, gradual progress, and high attention, classified throwing and disposition of daily household garbage. Continuously strengthen the publicity of garbage classification, actively do a good job in garbage classification and encourage all employees to be practitioners and examples of “garbage classification”.
- 5. “Empty plate” campaign:** The Group actively carries out the “Civilized Dining Table, Empty Plate Campaign”, and promoting the “Empty Plate Campaign” through traditional or online media such as posters, check-in on official accounts, and rewards, so that more people understand the importance of saving food.



▲ Guidelines for garbage classification set by the Company



▲ “Civilized Dining Table, Empty Plate” campaign

Case Study: Reusing waste paper to help green and low-carbon

In 2020, Shenzhen Investment adhered to the concept of “circular economy” and handed over approximately 88 kilograms of waste paper to a qualified third-party recycling company for processing. The recovered waste paper was transported to paper mills in Southeast Asia, where it was recycled into products such as recycled toilet paper and hand towels and supplied to Hong Kong customers. Through the recycling and reuse of waste paper, it shows that companies can reduce carbon emissions, improve environmental benefits, and reduce their impact on the environment.

3.5.2 Green culture propaganda

We actively carry out environmental protection and ecological civilization publicity and education activities. By establishing ecological civilization protection models, innovating publicity methods, conducting lectures and training, visits, technical exchanges, and on-site experiences, we promote green and low-carbon culture and guide employees to actively participate in green life creation action.

In addition, Shenzhen Investment's headquarters and companies at all levels adapt to local conditions and vigorously promote the publicity of ecological civilization and environmental protection knowledge, and pass the concept of greening and environmental protection to customers and consumers.

Case Study:

Baguang International Biological Valley Project practices green propaganda and ecological civilization construction

- ❖ Conduct propaganda through the WeChat public platform and set up publicity boards in eye-catching places in the park's public spaces, etc., to popularize knowledge of ecological civilization for visitors and conduct publicity and education of green ecological concepts. Set up introduction signs for animals and plants in the Silver Leaf Tree Wetland Garden, so that visitors can understand the knowledge of animals and plants, and consciously establish the awareness of protecting animals and plants.
- ❖ Organize various ecological protection activities such as "Respect Nature and Protect the Ocean", help young people to form the habit of protecting the ecological environment from an early age through graffiti and knowledge contests, and help participants establish environmental protection awareness.
- ❖ Organize special training sessions on animal and plant knowledge and invite experts from the Guangdong Academy of Forestry and Shenzhen Wildlife Conservation Center to give lectures to employees, which has comprehensively improved their professional ability to protect animals and plants.
- ❖ Regularly organize Shenzhen enterprises and employees to clean up wetland garden and beach garbage, and jointly maintain the wetland garden environment.



▲ "Respect Nature and Protect the Ocean" ecological protection activity

Case Study:

The “Earth Hour” initiative is launched in March every year

“Earth Hour” is an initiative of the World Wide Fund for Nature (WWF) in response to global climate change. Turn off the lights for one hour to express the support of the Company for climate change action! “Green management” is the management concept of Times Technology Building Property Management Center. The property management center will take active actions in energy and water saving, waste classification, reduction treatment, environmental greening and pollution prevention, etc. A series of theme activities will also be held to advocate the creation of a green and environmentally friendly building by a wide range of businesses.



▲ Nongke Property “Earth Hour” event

3.5.3 Green procurement

In order to promote green environmental protection from the source, Shenzhen Investment and its subsidiaries have actively established corresponding green procurement standards. The Group regards green certification as an important consideration in supplier selection, increases the procurement of environmentally friendly materials, and supports the development of green industries. Regarding tendering items, we require that the designed energy-consuming products should have green energy-saving certification, or comply with China’s environmental labeling product certification (Ten Ring Certification). For drinking water delivery and distribution equipment, water treatment materials in contact with drinking water, and chemical treatment agents for drinking water, there should be approval documents for drinking water hygiene and safety products. In addition, we will also inspect suppliers’ environmental management system certification (ISO 14001) and encourage suppliers to obtain relevant certification systems.

3.6 Response to Climate Change

Shenzhen Investment pays continuous attention to policies related to climate change, is committed to effectively managing and responding to climate change risks throughout the operation process, and proactively adopts a number of measures to mitigate climate change. In addition, we try to formulate strategies to adapt to climate change and promote urban green development and harmonious coexistence.

3.6.1 Adapt to and mitigate climate change

Mitigate climate change

- ⋮ Strengthen the research and practice of green buildings to improve the energy efficiency of buildings.
- ⋮ Strengthen energy management during building construction process and reduce carbon emissions during construction process.
- ⋮ Consider climate change factors in the procurement process and encourage the use of low-carbon environmentally friendly materials.
- ⋮ Encourage employees, suppliers, owners, tenants and other customers to reduce carbon emissions in their daily business activities.
- ⋮ Increase the use of renewable energy, such as installing solar photovoltaic systems on the roof and facade to increase the use of solar energy.

Adapt to climate change

- ⋮ Assess the risks and opportunities brought about by climate change, and deepen the understanding of the impact of climate change on business operations and related financial risks and opportunities.
- ⋮ Continue to improve project design to prevent or reduce the damage that climate change may cause to new projects.
- ⋮ Formulate appropriate work procedures and measures to prevent or reduce the possible damage to the company's existing properties caused by climate change.

3.6.2 Dealing with extreme weather

Shenzhen Investment has actively formulated extreme weather management plans to cope with more frequent extreme weather events caused by climate change. In recent years, it has successively issued the Meteorological Disaster Emergency Response Plan (《氣象災害應急處置預案》), Typhoon Emergency Response Plan (《颱風應急處置預案》), Emergency Response Plan for Thunder and Storms (《雷電、暴雨應急處置預案》), Emergency Response Plan for Heavy Fog, Haze, High Temperature and Cold Weather (《大霧、灰霾、高溫、寒冷天氣應急處置預案》), and Emergency Response Plan for Collapse, Landslide and Debris Flow (《崩塌、滑坡、泥石流應急處置預案》), etc. We continue to improve the extreme weather emergency management system, strengthen the risk warning mechanism, and improve the efficiency of emergency plan implementation. We notify the owners before the arrival of extreme weather by posting notices, making phone calls, WeChat, SMS, etc., and remind them to make indoor and outdoor defenses to ensure personnel and property safety.

Responding to extreme weather

We pay close attention to changes in the weather. During periods of severe weather such as typhoon rainy season and high temperature, we issue warning information at four levels such as red, orange, yellow, and blue according to the degree of weather hazards, and require our affiliated companies to take countermeasures and watch on duty.

Case Study:

Huizhou Branch launched an emergency plan for flood control and drainage

On 9 June 2020, Longmen County, Huizhou City, Guangdong Province, recorded the country's largest rainfall of 883.9 mm, and the Peninsula Emerald Phase II near the Baisha River was in danger. The project reported the flood situation in time, and the Huizhou Branch, under the instructions of the headquarters, went all out to fight floods and rescue, and immediately launched the flood control and drainage emergency instructions.

In order to prevent the underground garage from being flooded, the project assistant comprehensively inspected the basement vehicle transfer. They informed the vehicle owners one by one to transfer the vehicles to the road through the phone or door-to-door. At the same time, in order to avoid leakage in the equipment room of the basement, the power supply department had to suspend the power supply. In order to rule out the elevator trapping caused by the power outage, the project assistant and the orderer, together with elevator maintenance personnel, checked each unit and found that elevator traps occurred in three units, which were dealt with in time. In addition, in order to ensure the flood control safety of Baishahe Reservoir, Huizhou Branch urgently purchased 4 high-power pumps with a drainage pipe of several hundred meters, seconded more than 200 flood control sandbags, and actively cooperated with the local government in flood discharge work of the reservoir. The emergency measures for the flood incident were effective and timely, and no property loss was caused to the owners of the community, which was praised by the owners.



▲ Active anti-flooding and drainage by employees

04



Firmly Rooted
in Everyone's
Heart and
Benefit
Employees



Employees are the most important wealth and the driving force for enterprise development. Shenzhen Investment strengthens the construction of the talent team, and actively creates a career platform for employees and their dreams, to realize common growth with employees.

Issues, SDGs, and ESG Indicators responded to in this section

ESG issues we concern	SDGs issues we respond to	HKEx ESG Indicators we respond to
Employee safety and health Employee training and development Employee remuneration and rights and interests protection Compliant employment Employees diversity and equal opportunity Attraction and retention of talent	<div><div>3 GOOD HEALTH AND WELL-BEING</div><div>4 QUALITY EDUCATION</div><div>5 GENDER EQUALITY</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>10 REDUCED INEQUALITIES</div></div>	B1.1/B1.2/B2.1/B2.2/B2.3/B3.1/B3.2/B4.1/B4.2



Firmly Rooted in Everyone's Heart and Benefit Employees

4.1 Employment and Management



Shenzhen Investment actively recruits talents, insists on constantly improving the talent management and market remuneration and benefits system, and builds a talent team with a sense of mission and creativity.

◀ “Shen Drive (深動力)” campus recruitment

4.1.1 Compliance employment

In accordance with the Labor Contract Law of the People's Republic of China 《中華人民共和國勞動合同法》, the Hong Kong Employment Regulations (香港《僱傭條例》) and other relevant laws and regulations, Shenzhen Investment has established and improved the Administrative Measures for the Selection and Appointment of the Management 《管理人員選拔任用管理辦法》 internally to gradually improve the Group's human resources system and management system, fully protecting the legitimate rights and interests of employees in such aspects as recruitment, promotion, resignation, working hours, remuneration and benefits, etc.

In addition, in the face of severe employment situation, job creation is currently the biggest social responsibility of enterprises. We continue to attract talents through campus recruitment and social recruitment, hold high the banner of “stabilizing employment and promoting employment”, and actively respond to the call of the country.

Total workforce by gender, employment type, age and geographical region

Total
20,452

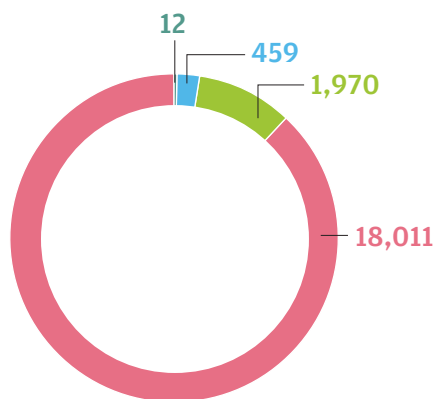


Male (Number of persons)
13,132



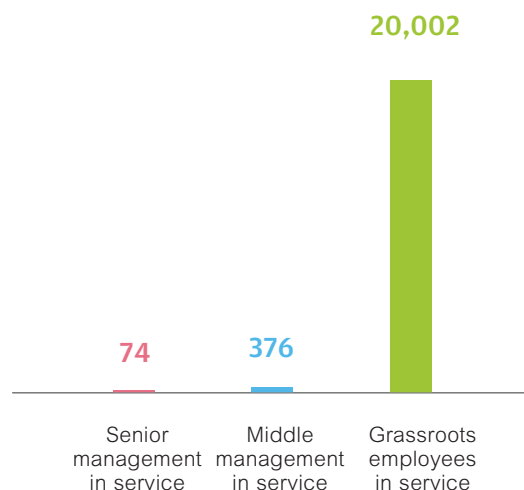
Female (Number of persons)
7,320

By education level



● Doctor
● Master
● Undergraduate
● Tertiary or below

By rank



4.1.2 Diversity communion

Shenzhen Investment attaches great importance to protecting the basic rights and interests of employees, and always adheres to the principles of fairness and justice, and does not treat employees differently due to differences in gender, age, disease, race, ethnicity, etc. The Group has welcomed every outstanding talent in an open manner. It opposes any form of discrimination, and at the same time resolutely puts an end to the use of child labor and forced labor. During the recruitment and employment period, we adhere to the principle of treating all employees equally, provide equal employment and development opportunities for every employee, while realizing the diversity of the workforce and continuously improving the inclusiveness of the workplace.



▲ Team building activities organized by the Company

We ensure that the Board members in office have a large amount of knowledge and rich experience in different fields such as real estate development, corporate management, administrative management, financial management, and law, etc. We also review annually whether the structure, number and diversity of the board of directors are in line with the Group's development strategy and contribute to the success of business and we will provide advices to the board of directors. We strictly implement the Board Diversity Policy 《董事會成員多元化政策》 and constantly seek to improve the effectiveness of the board

Key Performance

As at the end of 2020, Shenzhen Investment had 40 disabled employees and 697 minority employees



of directors to achieve sustainable and balanced development. We insist appointing talent to the board of directors by ability, and will consider a number of considerable criteria for candidates, including but not limited to gender, age, cultural and educational background, race, professional experience, skills, knowledge, length of service and the legitimate rights and interests of shareholders of the Group. Regarding the composition of the board of directors, please refer to the 2020 Annual Report of Shenzhen Investment (深圳控股有限公司 2020 年年報).

4.2 Protection of Rights and Interests

Shenzhen Investment actively builds a harmonious labor relationship, has formulated a complete remuneration and welfare system, and keeps abreast of the dynamics and needs of employees in a timely manner to enhance their sense of happiness and sense of achievement. We abide by the Universal Declaration of Human Rights and other international standards, strive to create a corporate culture that respects human rights, safeguard women's rights, and protect the rights and interests of disadvantaged groups such as the disabled. In the face of human rights-related incidents, we will promptly formulate targeted solutions to prevent the risk of human rights violations, protect employee privacy, resolutely support human rights, and create a safe and healthy company environment.

4.2.1 Remuneration and welfare

We have formulated the Employee Remuneration Management System 《員工薪酬管理制度》, Management System for Performance Appraisal of Staff 《員工績效考核管理制度》, and Equity Incentive Plan 《股權激勵計劃》 in terms of talent echelon construction, market-based recruitment, remuneration and performance appraisal. We adhere to the ability and performance-oriented staff development and appraisal model, and follow the basic principles of "one premise, two fairness, and three matching", to establish and improve the remuneration system.

In terms of remuneration and welfare, we have formulated a comprehensive welfare system in accordance with relevant laws and regulations, insisting on equal pay for male and female employees for equal work, and paying salaries on time. We resolutely implement basic benefits such as five social insurances and one housing fund and statutory holidays, provide labor security for employees at all levels, pay overtime according to prescribed standards, implement job protection measures, and issue high temperature subsidies according to prescribed standards.

Firmly Rooted in Everyone's Heart and Benefit Employees

4.2.2 Human rights protection

We abide by the International Labor Standards and other internationally recognized human rights norms, and incorporate human rights issues into internal policies such as human resource management and democratic management. We strive to create a corporate culture of mutual respect for human rights, safeguard women's rights, and protect the rights of disadvantaged groups such as the disabled. In the face of human rights-related incidents, we will promptly formulate targeted solutions to prevent human rights violations from occurring.

In addition, we also treat our partners, customers, third-party construction workers and other stakeholders in a fair and just principle. Faced with challenges and dilemmas related to human rights, the Group will formulate targeted solutions in a timely manner to prevent the risk of human rights violations, firmly support human rights, and create a safe and healthy working environment.

Case Study:

Protection of employee privacy

Shenzhen Investment attaches great importance to the protection of employees' personal information and privacy, and has formulated the Detailed Rules for the Safety Management of Information System of Shum Yip Group (《深業集團信息系統安全管理細則》) and the Information Construction Management System (《信息化建設管理制度》) to strengthen the management of the Group's network, information and users, and conduct work in a standardized and orderly manner. The Group stipulates that each business system administrator shall not allow external personnel to enter the business system to view and disclose Group information without the consent of the Group leader. If it is indeed necessary for investigation by the superior unit, it can be provided to the relevant departments (personnel) after the approval of the Group leader. At the same time, relevant departments (personnel) shall be required to keep Group information confidential. We hope to reasonably control information security risks through standardized procedures and effectively prevent improper disclosure of employee information.

4.2.3 Democratic communication



▲ Staff representative congress

Shenzhen Investment attaches great importance to democratic communication, safeguards the rights and interests of employees, and encourages employees to participate in corporate governance. We explain the establishment of multiple communication channels between company management and employees through labor unions and staff representative congress and other organizations, and listen to employees' requirements and suggestions. As of 2020, the Group has supervised and guided re-election of 19 grassroots labor unions and established 16 new grassroots labor unions, realizing a 100% unionization rate of enterprises with more than 100 employees in Shenzhen. Employees can regularly view Group news and follow up on the latest developments of the Group through the OA intranet system, WeChat public account, and internal magazines. In addition, we have set up internal reporting channels so that employees can report existing problems in a timely manner and provide an effective path for the Group's management to understand the situation at the grassroots level.

4.3 Training and Development

Shenzhen Investment is committed to providing employees with a good development platform, to support their career growth, and achieve the common growth of employees and the Group.

4.3.1 Training system

Shenzhen Investment attaches great importance to the training of employees. Based on the Group's strategic development needs, we focus on the goal of helping the Group's talent development echelon construction, and continue to strengthen talent training and employee training, and carry out talent development, professional topics, etc. to adapt to the development needs of the new situation. We carry out classified and diversified trainings to enhance strategic thinking and professional technical skills, and enhance job performance. Training is used as one of the means of talent echelon construction to provide powerful talent guarantee for the development of the Group.

In 2020, we continued to promote the training for high-potential talent and legal talent. In the first half of 2020, despite the impact of the epidemic, the training is suspended but the learning continues. We proactively explored online learning model, and successively integrated the online education resources from partner institutions including Peking University, Tsinghua University, People's University, Zhejiang University, University of Hong Kong, etc., and selected more than 20 high-quality online lectures. We further explored training resources, made use of the China Europe International Business School's public learning sharing platform and launched a one-month free open course - learning course of business management master module for high-potential students, students' completion rate of which reached 100%, winning a good reputation.

We have gradually and orderly promoted the annual plan of the Shum Yip Training Institute, and carried out key projects such as training reserve talents, high-potential talents, new employee training, and coaching leadership for middle and senior managers, to continuously improve on-post performing capability of employees.

Key Training Projects

High potential and tap potential

In cooperation with the Peking University HSBC Business School, the 50 high-potential employees of the Group have been “charged” to further stimulate their development potential through learning. They published 50 learning reports based on combining what they have learned and thought with work practice.



▲ Training for talent with great potential

Leadership and coaching skills

In cooperation with Zhejiang University, we organized more than 30 middle and senior staff of the Group to participate in the TTT famous teacher training in November 2020, aiming to enhance the teaching leadership of the Group's middle and senior management staff, the Group's knowledge assets extraction rate, and the internal force of the Group talent training through a series of courses study.



▲ Training class for TTT famous teacher team

Reserve team and enhance capability

The Group organized its 12 selected intra-system reserve staff to study in the advanced training class of new practical real estate and the advanced training class of financial investment and capital operation at the Shenzhen International Graduate School of Tsinghua University. Through the one-and-a-half-year management knowledge learning, we have enhanced the executive power, decision-making power, reform and innovation power and other management competencies of reserve management talents.



▲ Reserve staff training

Deep power and fresh blood

In September 2020, the annual new employee training added the community learning model of “online courses + homework check-in” and explored the growth model of “work + study” dual development through the use of non-off-production online fragmented time. The new employee training is based on the theme of “We are members of Shum Yip, and create a happy city together”. Through a series of training courses, new employees can understand the Group's corporate culture and operating procedures as soon as possible, know well about the workplace channel and the adjustment of the entry mentality, and fully perceive, identify with, integrate into and grow together with the Group.



▲ New employee orientation

Prevent risks and practice internal capacity

We offered themed training courses for legal talent team. 5 courses, namely labor law, labor contract law, contract law, intellectual property law, and legal practice of engineering bidding, were offered successively. Through the themed legal trainings, the legal staff's legal risk prevention and control ability have been strengthened, which has played a positive role in the Company's prevention and resolution of legal risks.



▲ Legal training

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4.3.2 Promotion channel



▲ The “Xuhang (蓄航)” implemented by Shum Yip Property

Shenzhen Investment adheres to the talent concept of “morality-oriented, valuing talents” to smooth the career development path of employees. We have provided good development opportunities for employees at different levels, and established a multi-channel position system covering management sequence, professional sequence, and auxiliary sequence, etc. We implement multi-position rotation mechanism, and build talent echelon construction, to gradually realize the younger and professional management team. We provide employees with a comprehensive talent training mechanism, implement a promotion system based on performance evaluation, and provide employees with a broad career development platform and growth space through talent selection, internal competition, internal job rotation and other talent flow methods to maximize the potential and value of employees.

4.4 Safety and Health

Shenzhen Investment adheres to the concept of “people-oriented, life first”, and attaches importance to the occupational safety and health of employees. We have established a complete occupational health and safety system, to provide employees with a safe and healthy working environment.

4.4.1 Safety production management system

Shenzhen Investment strictly abides by the Safety Production Law of the People's Republic of China (《中華人民共和國安全生產法》), Occupational Disease Prevention Law of the People's Republic of China (《中華人民共和國職業病防治法》), Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), Environmental Impact Assessment Law of the People's Republic of China (《中華人民共和國環境影響評價法》), and other relevant laws and regulations. We have formulated the Administrative Measures for Work Safety (《安全生產管理辦法》), Reward and Punishment System for Safety Production Assessment (《安全生產考核獎懲制度》), Measures for the Administration of Safety Production Risk Notification (《安全生產風險告知管理辦法》), 2020 Safety Production Responsibility Letter (《2020 年安全生產責任書》), and other internal system files, realizing the scientific, standardized and institutionalized management of safety production and ensuring that safety production management has rules to follow. In order to further improve the comprehensive and systematic occupational health and safety system, we have compiled the Emergency Plan for Production Safety Accidents (《生產安全事故應急預案》), established a dual prevention mechanism, and carried out safety education and training and emergency drills, which have enhanced employees' safety awareness and ensured their safety.

Safety Management Framework

Shenzhen Investment attaches great importance to production safety and has established a production safety committee:

- ∴ The position of director of the safety committee is jointly held by the chairman and the general manager. The person in charge of safety serves as the executive deputy director of the safety committee, and other persons in charge serve as deputy directors of the safety committee. Clear stipulations have been formulated regarding the safety production management responsibilities of the Group's work positions. The main persons in charge at all levels have signed the commitment letter of the main responsibility for production safety, and released it publicly. They actively accept the supervision of employees and the community.
- ∴ The safety committee regularly reviews and evaluates the Group's health and safety policy implementation, safety work development and other occupational safety performance, and uses this as a basis to deploy future safety work and update related policies and systems.
- ∴ We also require senior management to shoulder safety management responsibilities and we link their remuneration with safety performance.



▲ The ceremony for signing work safety responsibility agreement



At the same time, the Group actively communicates and cooperates with local government departments, and strives to build a complete firefighting team to ensure rapid response and efficient rescue, ensure the safety of personnel and minimize property losses in the event of an accident. We vigorously promote the construction of safety production standardization, and strictly follow the eight elements of standardization to standardize operation management and process documentation.

▲ Certificate for the Work Safety Standardization

Key Performance

As at the end of 2020, 48 secondary and tertiary enterprises under Shenzhen Investment have successfully obtained Certificate for the Work Safety Standardization.

4.4.2 Effectively strengthen safety training

Safety training is the most powerful guarantee for safe production. Shenzhen Investment actively promotes the normalized and holistic training, and continuously improves the safety awareness and self-protection capabilities of employees, especially grassroots employees. We continue to strengthen the safety education and training for employees, using a combination of online and offline methods. We have carried out a variety of education and training, safety publicity, emergency and actual combat drills, etc., established the concept of safety development, strengthened safety awareness, enhanced the safety management under normalized conditions of pandemic prevention and control, and made every effort to ensure the continued stability of the Group's safety production situation.



▲ Field safety inspection

Carry out diverse safety training

In order to steadily and deeply advance the special rectification plan for safety production and consolidate the "one post with two responsibilities" safety production responsibilities, Shenzhen Investment has carried out a number of training sessions focusing on the Group's safety production manager, safety director, safety production management personnel, and all employees. We invited external experts for training, and organized inspection of knowledges and other online trainings on safety management staff through the Xuexi Qiang'an (學習強安) app, in order to improve the safety awareness and basic safety skills of our employees. Meanwhile, we organized to watch warning education videos and participate in online and offline safety experience, etc., to strengthen the awareness of the safety red bottom line, and enhance the Group's safety management capabilities.



▲ The employees watching safety educational video of alert

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Strengthen relevant-party security training

Shenzhen Investment conducts safety training for relevant cooperation units, actively promotes the normalization of training, and enhances the safety awareness of primary-level construction operating personnel. We have established a three-level education and training system for enterprises, departments and posts, focusing on supervising the familiarity of grassroots leaders and front-line employees with safety knowledge. We design training courses and content according to the training needs of different positions and different levels of personnel, with focus on training effectiveness.



▲ Automated external defibrillator (AED) purchased by the Group



▲ Employee training on emergency knowledge and the use of AED

Safety drills and safety publicity

In 2020, we carried out special emergency drills, fire escape and evacuation drills, and professional practice drills for key locations and dangerous operations. All employees of the Group actively participated in drills, which greatly enhanced accident prevention, self-rescue and mutual rescue of all employees. We closely combined the themes of "Safety Production Month", "Fire Safety Promotion Month" and "Safety Production Law Promotion Week" to carry out various safety promotion activities to effectively enhance the basic safety skills and safety awareness of our employees.



▲ Safety emergency drill 2020



▲ Firefighting drill

Key Performance

In 2020, Shenzhen Investment carried out a total of 347 safety drills, and more than 18,000 employees of the Group participated in the drills.

In 2020, Shenzhen Investment carried out a total of 176 safety publicity activities, posted more than 1,750 posters and slogans of various kinds, and distributed more than 14,000 copies of various publicity leaflets and readers.

4.4.3 Implementation of improving security by science and technology

The Group implements the concept of innovative development, attaches great importance to improving security by science and technology, vigorously increases investment in scientific and technological research and development of safety production, actively explores the establishment of a safe and intelligent supervisory platform for the Shum Yip system and improves the safety production management system, so as to realize digitalization and intelligence of the safety management.

Case Study:

Install Fluxgate Sensor in Smart UpperHills(智慧上城)

In response to the Group's call to vigorously develop scientific and technological innovation and improve security by science and technology, Smart UpperHills used 5GNB-IoT (narrow band internet of things) technology to install 5GNB-IoT fluxgate sensors on each equipment room door to realize visual monitoring of equipment room door status. In case of abnormal equipment room door, the intelligent operation and management sub-platform will automatically report alarm information and handle it in a timely manner, so as to carry out closed-loop warning, realize intelligent inspection, solve the blind spot of fire safety management, enhance the safety management capability of UpperHills and help to improve security by science and technology.



▲ In April 2020, the apartment of UpperHills (North) was awarded the "Safety and Civilization Pioneer Community (安全文明标兵小区)" in 2019 by Shenzhen Municipal People's Government

Firmly Rooted in Everyone's Heart and Benefit Employees

4.5 Care and Support

Shenzhen Investment is people-oriented, attaches great importance to humanistic care for employees, and actively carries out employee assistance activities and various cultural and sports activities to enhance employees' sense of identity, belonging and loyalty to the Group, and create a happy and harmonious working atmosphere.

4.5.1 Employee assistance



Shenzhen Investment issued the Measures for the Administration of Critical Illness Mutual Aid Funds (《重大疾病互助基金管理辦法》), which mainly provide financial assistance and spiritual condolences to employees of Shum Yip system and their families suffering from critical illness. We send care and warmth of the organization to retired cadres and employees who have difficulties in life and are suffering from serious illnesses. In addition, we carried out the social management of retirees, collected and aggregated the information of 401 retirees, and completed the construction of the management data system for retired personnel as scheduled.

▲ During the Spring Festival, the leaders of the Group visited and expressed their condolences to retired employees and cadres

Key Performance

In 2020, the Critical Illness Mutual Aid Fund of Shenzhen Investment provided relief funds ranging from RMB5,000 to RMB20,000 for employees in need.



4.5.2 Work-life balance



▲ Fitness interest group



▲ Yoga interest group



▲ Employee badminton games



▲ Basketball game joined by employees

To strengthen employees' sense of belonging to the Group, Shenzhen Investment actively carried out a variety of employee care activities, such as Women's Day, May 1st Labor Day, Mid-Autumn Festival, other festival-themed activities, as well as annual meetings and other cultural and sports activities to provide employees with sincere care, and care about the work-life balance of employees.

In 2020, in response to the suggestions and expectations of our employees, we successively organized and carried out various amateur recreational and sports group activities, including Tai Chi, yoga, aerobics, basketball, badminton, ping pong and tennis on the premise of doing a good job in pandemic prevention, and added jazz dance interest group. Participating in various group activities has become an amateur life habit of the majority of employees, and at the same time has created a sunny and healthy cultural atmosphere for the Group. In addition, we continue to encourage subsidiaries to refer to the sports plan launched by Shum Yip East China, encourage employees to actively participate in running, various sports interest groups and other activities through commendation and rewards, and incorporate sports plans into the business performance target responsibility of each department to encourage employees to exercise actively.

05



Profound Benevolence and Contribution to Community



With gratitude to the community, Shenzhen Investment adheres to the concept of common development, actively devotes itself to community support and social welfare, responds to national policies, fulfills corporate social responsibilities, and contributes to the construction of a harmonious society.

Issues, SDGs, and ESG Indicators responded to in this section

ESG issues we concern	SDGs issues we respond to	HKEx ESG Indicators we respond to
<p>Response to public policy</p> <p>Promoting community communion</p> <p>Social welfare participation</p>	<div><div><div>1</div><div>NO POVERTY</div><div></div></div><div><div>2</div><div>ZERO HUNGER</div><div></div></div><div><div>4</div><div>QUALITY EDUCATION</div><div></div></div><div><div>10</div><div>REDUCED INEQUALITIES</div><div></div></div><div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div><div></div></div></div>	<p>B8.1/B8.2</p>



Profound Benevolence and Contribution to Community

5.1 Targeted Poverty Alleviation

2020 is a year of decisive victory in poverty alleviation. The Group actively responded to the national consumption-based poverty alleviation deployment and rural revitalization strategy by innovating the “training + employment” poverty alleviation model that teaches people to fish, and successfully completed various goals and tasks for poverty alleviation, covering 59 poverty-stricken households with 236 people, and contributing to the country’s successful poverty alleviation in an all-around way.

5.1.1 Employment-based poverty alleviation

For targeted poverty alleviation projects, we adhere to the combination of dispatched and localized management, and adopt methods such as “mentoring program” to deepen technical support and create a team of talents that cannot be taken away. Through education and poverty alleviation, we have cultivated and exported hundreds of key talents, so that they have the ability to find employment and conduct entrepreneurship, and block the intergenerational transmission of poverty. We instilled Shenzhen concept, Shenzhen model and Shenzhen spirit into the assisted area, to truly realize its self-reliance by “supporting the will and wisdom”.

Assisting Songlin Village out of poverty



In 2020, in order to help Songlin Village to get rid of poverty, we used poverty alleviation funds to help cultivate and develop spirulina chook farming (螺旋藻蛋雞養殖) high-tech agricultural industry in Songlin Village according to local conditions. In order to give full play to the role of the mechanism of helping and benefitting the poor, we adopted the “company + base + poor households” model and guided poor households to benefit from the production of spirulina nutritious eggs through labor collaboration, breeding production, product sales, etc., so as to boost the development of local industry and drive poor households to achieve stable poverty alleviation.

◀ “Company + base + poor households” model adopted to drive the construction and development of local industries



Key Performance

In July 2020, Shenzhen Investment’s targeted assistance for the spirulina chook farming (螺旋藻蛋雞養殖) high-tech agricultural industry project in Songlin Village was successfully completed and officially put into operation, providing 21 jobs for poor households in the village and increasing the collective income of local villages in Heyuan by RMB800,000.

◀ Songlin Village Poverty Alleviation – the spirulina chook farming high-tech agricultural industry project

5.1.2 Consumption-based poverty alleviation



▲ Spirulina eggs, the poverty alleviation product



▲ Certificate of Honor for the Consumption-based Poverty Alleviation Care Action in Shenzhen

Key Performance

In 2020, Shenzhen Investment completed consumption-based poverty alleviation procurement of nearly RMB8.35 million.



In 2020, in response to national and local deployments and requirements for consumption-based poverty alleviation, the Group Federation of Trade Unions gave full play to the advantages of trade union organizations and extensively mobilized grassroots trade unions and trade union members to participate in consumption-based poverty alleviation through the publication of advocacy documents. The majority of the expenses of the members' holiday condolences that the trade unions at all levels of the Group should be used to purchase poverty alleviation products. At the same time, we also encouraged the canteens of all enterprises to purchase products from Shenzhen's targeted assistance areas, actively explore sales channels, mobilize their enterprises to sign long-term cooperation agreements, establish stable production and sales matching mechanism and solidly promote efficient and long-term poverty alleviation work.

Profound Benevolence and Contribution to Community

5.1.3 Rural revitalization



▲ The Group donated multimedia teaching equipment and school uniforms to Songlin Primary School

Shenzhen Investment adheres to the concept of “poverty alleviation relies on supporting the will and wisdom”, focuses on eradicating the roots of poverty through development and education, and carries out “spiritual poverty alleviation” from an ideological and cognitive perspective. The poverty-stricken villages in the three assisted provinces have completed the repair of primary schools in the villages and equipped them with modern teaching facilities to ensure that school-age students receive education in an all-round way, and fundamentally block the intergenerational transmission of poverty. We first donated RMB300,000 to participate in the establishment of the Shenzhen State-owned Assets and State-owned Enterprise Scholarship Fund (深圳市屬國資國企助學基金), which provides scholarship for impoverished students at the secondary vocational and higher education levels and education subsidies for new impoverished students in the village, with none of them dropping out of school due to poverty. Under the care of superior government and the five-year support of the Group, two children from impoverished families were admitted to undergraduate colleges, breaking the record of no undergraduate enrollment in Songlin Village for several years.

❖ In 2020, we provided party-mass activity centers and villagers' cultural squares for the poverty-stricken villages we helped. A total of 6.19 kilometers of hard-bottomed roads was built. Cement roads were built in natural villages, and a drinking water project was built in Fengman Village, Lianjiang. We also built drinking towers to solve the drinking water problem of villagers.



▲ Party-mass service center of Songlin Village before assisted



▲ Party-mass service center of Songlin Village after assisted

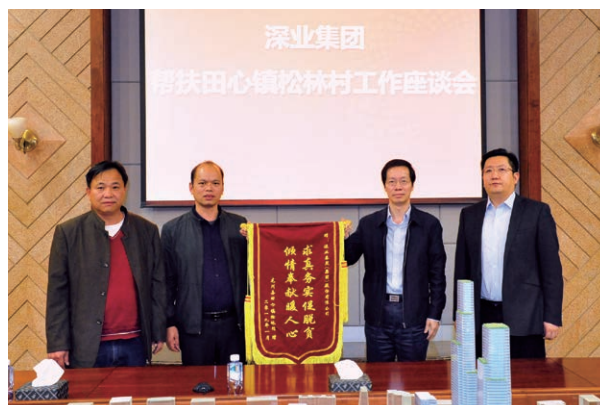


▲ Culture square of Songlin Village villagers before assisted



▲ Culture square of Songlin Village villagers after assisted

❖ We sent light and hope to Longchuan Songlin Village. We installed 80 solar street lights on the main road, completely solving the local traffic problem of "no way to walk during the day and dare not walk at night", and fundamentally changing the poor infrastructure in poor villages, and greatly enhancing the sense of gain, happiness and security of assisted villagers. Songlin Village was awarded as "Hygienic Village of Guangdong Province" with its well-established existing infrastructure ranking at the top of the villages in Tianxin Town.



▲ Flag of thanks giving by Songlin Village, Longchuan

5.2 Co-construction of the Bay Area

Shenzhen Investment has rich reserves of industrial resources, a solid industrial foundation and rich experience in project operation in the Greater Bay Area. Based on the high-consumption population base and huge attractiveness of the Guangdong-Hong Kong-Macao Greater Bay Area, we accelerated the expansion of urban integrated operation business, smart business, technology industry and other businesses around the main real estate business in accordance with its status as an innovative builder of industry and city, and create a good atmosphere for the real economy, the integration of industry and academia, and technological innovation through good supporting service facilities, helping the Bay Area develop by leaps and bounds.

5.2.1 Housing security

Shenzhen Investment actively participates in the construction of affordable housing projects, cooperates with the government to enhance construction efforts, improves product quality, and effectively solves residents' needs for affordable housing. We reshape urban quality human settlements with ingenuity, and continue to create high-quality residential products and service models for the society. We are committed to helping people with housing difficulties or low-income groups solve their housing problems, and accordingly provide a variety of affordable housing, including talent apartments, relocation housing, public rental housing.

Case Study:

Shenzhen Investment Long-term Rental Apartment Product Line



▲ Youth apartment layout



▲ Apartment friendship activity

Shenzhen Investment actively responds to Shenzhen's call to "attract and retain talents", and jointly initiate a series of long-term rental apartment projects such as the "Youth Housing Card Program" with relevant departments of the district and municipal governments, specifically to solve the residency issues of fresh graduates working in Shenzhen within the transition period. Through the overall design and transformation of old houses, we provide qualified young talents with rents lower than the average market price to solve the housing problem of young talents and achieve the dual effect of renovating the environment of the old village. In addition, the apartment provides facilities such as a gym, a public kitchen, a restaurant, a tea room, a book bar, a self-service laundry room, etc., and regular networking activities are held to let tenants in a foreign land feel the warmth of home.

The long-term rental apartment product line has effectively improved the living quality of young people and provided new ideas for the coexistence of multiple urban spaces derived from the process of urbanization.

5.2.2 Urban renewal

The urban renewal project is an important resource for Shenzhen Investment to deeply cultivate Shenzhen. Many subsidiaries of the Group have been established, to vigorously develop urban renewal and transformation. Faced with the Guangdong-Hong Kong-Macao Greater Bay Area's higher requirements for improving urban functions, enhancing spatial quality, preserving architectural texture, continuing historical context, reshaping urban vitality and protecting the ecological environment for the transformation of the "Three Olds", we have helped urban transformation to a new level with our strong fund strength, resource allocation capabilities, product research and development capabilities, and high historical and cultural aesthetics.

Expand urban renewal projects

We have 8 urban renewal projects in Shenzhen, which are located in Chegongmiao, Shangbu, Bagualing in Futian District, Sungang, Qingshuihe in Luohu District, and other areas. There are potential projects which will be included in the Shenzhen Urban Renewal Plan. In addition, we have worked with our parent company, Shum Yip Group, to communicate with the Futian District Government of Shenzhen and successfully obtained the main qualifications for the overall planning of the renovation of Bagualing and Chegongmiao areas at a square-kilometer scale. We actively seek breakthroughs in all aspects of urban renewal planning, demolition, and land use procedures, and accelerate the progress of the project into the construction phase.

Fulfilling the commitment of green development

We are committed to transforming the harsh living environment of urban brownfields, old industrial areas, and urban villages, focusing on urban ecological restoration. At the same time, we fulfill our commitment to green space development, strictly abide by relevant laws and regulations, and carry out reasonable development on the premise of effectively protecting the ecological environment and the habitat of animals and plants around the green space:

- ❖ The protection requirements of historical sites and cultural relics within the scope of the urban renewal project shall be subject to relevant regulations and the opinions of the cultural relics authority.
- ❖ The protection requirements of old trees within the scope of urban renewal projects shall be subject to Regulations of Shenzhen Special Economic Zone on Greening 《深圳經濟特區綠化條例》 and opinions of the competent forestry authorities.

Key Performance

As at the end of 2020, Shenzhen Investment's urban renewal project reached about 4.09 million square meters.

5.3 Volunteer Charity

Shenzhen Investment always supports and encourages employees to actively participate in all kinds of voluntary service work, and is committed to contributing to the cause of voluntary service and becoming a disseminator of love and positive energy. All subsidiaries of the Group have established community volunteer service bases to expand service forms and promote the normalization of voluntary services.

Among them, Shum Yip Nongke Co., Ltd. has carried out agricultural work volunteer activities for 4 times to improve the quality of agricultural park construction and assist agricultural production. Shum Yip Land has sent a team of volunteers to participate in flood relief work in Chaohu area to contribute to the protection of people's lives and property.



▲ Volunteer blood donation activity



▲ Volunteer service event conducted by Shum Yip Taifu Group

Key Performance

In 2020, Shenzhen Investment has a total of 2,749 person-times participating in volunteer services, with a total service hours of 9,849 hours.

Profound Benevolence and Contribution to Community

Case Study: Shum Yip Land participated in flood relief activities

In late July 2020, heavy rains continued for days in the Chaohu area, Anhui, and the water level of Chaohu Lake hit a record high. The 800-mile dike in Chaohu was in emergency. On 22 July, the flood control commando team and more than 20 volunteers of Chaohu Hot Spring Hotel of Shum Yip Land Company Ltd. rushed to the most dangerous section of the Chaohu embankment-Xibakou, and fought side by side with the soldiers of forces. At the same time, Chaohu Hot Spring Hotel also went to the frontline of disaster relief three times to pay condolences, and delivered delicious meals to the local people who stood by the levee for 11 consecutive days, practicing the positive spirit of “overcoming the difficulties together and assuming the responsibility of state-owned enterprise”.



▲ Employee volunteers actively participate in flood fighting and rescue

Case Study: “City Appearance and Environment Day” Volunteer Service Event of Shum Yip Property

Employees of Shum Yip Property participated in the volunteer service event of “City Appearance and Environment Day” every Friday afternoon. In 2020, they carried out 21 volunteer service events in Tianmian Village, Huafu Sub-district, Shenzhen.

Since the launch of the “City Appearance and Environment Day” volunteer service event, it has received unanimous praise from residents in the neighborhoods and communities. The environmental protection concept of “no garbage on land” is deeply rooted in the hearts of the people. Tianmian Village’s environmental sanitation index ranks in the forefront of the district and has become a benchmarking demonstration community for environmental sanitation.



▲ The “City Appearance and Environment Day” volunteer service event

5.4 Community Communion

Shenzhen Investment is committed to creating an communion community atmosphere, actively understands the needs of community residents, and provides instructions to residents in need. The Group’s subsidiaries, represented by Shum Yip Property and Shum Yip Terra, organized various cultural and artistic activities to enrich the lives of the people. Among them, Shum Yip Property has set up different cultural activity teams for residents of different age groups in the community, continuously improved the cultural activities facilities of the community to meet the needs of residents and carry out cultural activities in the community. In addition, it closely cooperated with relevant government departments such as community neighborhood committees and street offices to initiate the establishment of community mass organizations such as the first community rehabilitation station in the country, community Red Cross, community women’s working committee, etc., carry out a variety of community cultural and sports activities, and create a neighborhood festival to vigorously promote harmonious neighbor relations.

Case Study:

The 22-year Relay of Love by the “Lei Feng Squad (雷鋒班)” of Wansha Lianhua North Village

In 1997, the Lianhua North Village Administrative Office of Wansha Residence of the Group established a community rehabilitation station for the disabled with Shenzhen Disabled Persons Federation, and in 1998, the Administrative Office set up the “Lei Feng Squad”, since then they have been on the front line of serving the owners and actively carried out various charity activities in the community. With more than 380 members over the past 22 years, the “Lei Feng Squad” has always been dedicated to their duties and served in obscurity in their ordinary positions. They protect the health and safety of the residents and become the brightest scenery of the community.

According to incomplete statistics, since its establishment in 1998, the “Lei Feng Squad” has received thousands of commendatory letters, been reported by the media more than 200 times and assisted the public security organs in arresting a total of 161 criminals. Since 2000 up to date, it has been awarded “Advanced Unit of Mass Prevention and Governance (群防群治先進單位)” for 19 consecutive years and the Advanced Group of Shenzhen Volunteers for the Disabled, and has been awarded “Advanced Volunteer Organization” by Volunteer Association of Futian District and other honors, including “Futian Good Citizenship (福田好公民)” and “Top Ten Volunteer Team (十佳義工團隊)”.



▲ “Lei Feng Squad (雷鋒班)” of Lianhua North Village



▲ “Lei Feng Squad” offering help to community residents

Case Study:

Shum Yip Property Pengguan Huizhou “Books to Home” Event

On 2 March 2020, at an important moment of epidemic prevention and control, in order to prevent children from being exposed to the risk of getting the virus due to picking up books at school, the Huizhou Branch of Shum Yip Property Pengguan Co., Ltd. joined hands with Huizhou No. 11 Primary School Jinbang Branch to launch volunteer service event of “delivering books to home”. On the day of the event, employee representatives of the Company and school teachers first sorted out and packaged more than a thousand books according to grades. Subsequently, the heavy books were carried onto tricycles, cars and other means of transportation in two-person teams and transported to the students in Wanlin Lake and Jinbangshan communities.



▲ “Books to Home” Warm Spring Event

06



Outlook for 2021

2021 is the first year for the implementation of the “14th Five-Year Plan” and the beginning of the new journey of building a modern socialist country in an all-round way. Shenzhen Investment adheres to the corporate mission of “Building living vision to achieve undertakings in Shenzhen”. We will continue to integrate the new development concepts of innovation, coordination, greenness, openness and sharing throughout the entire process and various fields of corporate development, and serve as a pioneer in the construction of Guangdong-Hong Kong-Macao Greater Bay Area !



Operate steadily and Build up Strength for Development

We adhere to the business philosophy of “stable, pragmatic and performance-oriented”. Based on the establishment of a standardized corporate governance structure, we adhere to the law-abiding, compliant, clean and upright code of conduct. At the same time, we will continue to promote operational innovation, strengthen communication with investors, and not only achieve value creation, but also know how to share value.

Create Lean Quality with Ingenuity

We will continue to improve the quality of products and services, and drive all levels of suppliers to jointly improve quality and practice social responsibilities. We are committed to providing customers with more diversified and intelligent products, exploring new industry models, maintaining industry leadership, and working with partners to move forward.

Green Civilization and Ecological Harmony

We will resolutely respond to the country’s call for “all-round defense for blue sky, clear water and pure land”, continue to enhance the environmental management and supervision mechanism, advocate green culture, improve green office, and create green communities. We will continue to implement the sustainable development strategy in depth, improve the overall coordination mechanism in the field of ecological civilization, build an ecological civilization system, promote a comprehensive green transformation of economic and social development, and achieve modernization in which man and nature live in harmony.

People-oriented and Hand in Hand for Win-win

We will uphold the talent concept of “morality-oriented and valuing talents”, provide employees with a safe, equal and harmonious working environment, and attach importance to the protection of employees’ rights and interests. We will continuously improve the Company’s incentive mechanism at all levels, and develop more diverse employee exchange activities to promote the common development and growth of employees and the Group.

Community Communion for Better Future

We will actively fulfill our social responsibilities and support the development of communities. In the future, we will continue to increase investment in charity, targeted poverty alleviation, etc., support the integration of industrial resources, hold more publicity activities, encourage more employees to participate in voluntary service activities, and build a beautiful community.



Summary of Sustainability Development

Appendix 1: List of Policies and Laws

ESG Indicator	Laws and regulations complied with	Internal policy
A. Environment	<p>Law of the People's Republic of China on Environmental Protection (《中華人民共和國環境保護法》)</p> <p>Law of the People's Republic of China on Appraising of Environment Impacts (《中華人民共和國環境影響評價法》)</p> <p>Atmospheric Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國大氣污染防治法》)</p> <p>Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》)</p> <p>Regulations on the Implementation of the Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法實施細則》)</p> <p>Ocean Environmental Protection Law of the People's Republic of China (《中華人民共和國海洋環境保護法》)</p> <p>Administrative Regulations of the People's Republic of China on the Prevention of Pollution and Damage of Marine Environment by Terrigenous Pollutant (《中華人民共和國防治陸源污染物污染損害海洋環境管理條例》)</p> <p>Law of the People's Republic of China on Prevention and Control of Solid Waste Pollution (《中華人民共和國固體廢物污染環境防治法》)</p> <p>Outline of Nature Protection of the People's Republic of China (《中華人民共和國自然保護綱要》)</p> <p>Land Administration Law of the People's Republic of China (《中華人民共和國土地管理法》)</p> <p>National Hazardous Waste Inventory (《國家危險廢物名錄》)</p> <p>Evaluation Standard for Green Construction of Building (《建築工程綠色施工評價標準》)</p> <p>Emission Standard of Environment Noise for Boundary of Construction Site (《建築施工場界環境噪聲排放標準》)</p> <p>Measures for the Management of Municipal Solid Waste (《城市生活垃圾管理辦法》)</p> <p>Policy on Hazardous Waste Pollution Control Technologies (《危險廢物污染防治技術政策》)</p> <p>Regulations of Guangdong Province on Environmental Management of Construction Projects (《廣東省建設項目環境管理條例》)</p> <p>Regulations of Shenzhen Special Economic Zone on Environmental Protection (《深圳經濟特區環境保護條例》)</p> <p>Regulations of Shenzhen Special Economic Zone on Environmental Protection of Construction Project (《深圳經濟特區建設項目環境保護條例》)</p> <p>Regulation of Shenzhen Special Economic Zone on Noise Pollution Prevention and Control (《深圳經濟特區環境噪聲污染防治條例》)</p> <p>Shenzhen State-owned Enterprises Devote to Construction Waste Disposal to Help the Construction of a Waste-free City (《深圳市屬國企全力攻堅建築廢棄物處置領域助力「無廢城市」建設》)</p> <p>Drainage Permit (《排水許可證》)</p> <p>Administrative Measures for Classification and Reduction of Domestic Waste in Shenzhen (《深圳市生活垃圾分類和減量管理辦法》)</p> <p>Thirteenth Five-Year Plan for Controlling Greenhouse Gas Emissions (《「十三五」控制溫室氣體排放工作方案》)</p>	<p>Guidelines on Environmental Protection of Shenzhen Investment (《深圳控股環境保護指引》)</p> <p>Environmental Factors Operation Control Procedures of Shenzhen Investment (《深圳控股環境因素運行控制程式》)</p> <p>Administrative Measures for Energy Saving and Consumption Reduction (《節能降耗管理辦法》)</p> <p>Paperless Office Management Regulations (《無紙化辦公管理規定》)</p> <p>Administrative Measures on Official Vehicles (《公務車輛管理辦法》)</p> <p>Meteorological Disaster Emergency Response Plan (《氣象災害應急處置預案》)</p> <p>Typhoon Emergency Response Plan (《颱風應急處置預案》)</p> <p>Emergency Response Plan for Thunder and Storms (《雷電、暴雨應急處置預案》)</p> <p>Response Plan for Heavy Fog, Haze, High Temperature and Cold Weather (《大霧、灰霾、高溫、寒冷天氣應急處置預案》)</p> <p>Emergency Response Plan for Collapse, Landslide and Debris Flow (《崩塌、滑坡、泥石流應急處置預案》)</p>

ESG Indicator	Laws and regulations complied with	Internal policy
B1. Employment	<p>Labour Law of the People's Republic of China 《中華人民共和國勞動法》</p> <p>Labor Contract Law of the People's Republic of China 《中華人民共和國勞動合同法》</p> <p>Law of the People's Republic of China on Employment Promotion 《中華人民共和國就業促進法》</p> <p>Social Insurance Law of the People's Republic of China 《中華人民共和國社會保險法》</p> <p>Provisions of the People's Republic of China on the Prohibition of Child Labor 《中華人民共和國禁止使用童工規定》</p> <p>Law of the People's Republic of China on the Protection of Minors 《中華人民共和國未成年人保護法》</p> <p>Regulations on Minimum Wage 《最低工資規定》</p> <p>Hong Kong Employment Regulation (香港《僱傭條例》)</p>	<p>Work Guidelines for Staff Recruitment 《員工招聘工作指引》</p> <p>Administrative Measures for the Selection and Appointment of the Management of the Shum Yip Group Limited 《深業集團有限公司管理人員選拔任用管理辦法》</p> <p>Manual for the Management and Control of Human Resources 《人力資源管控手冊》</p> <p>Employee Remuneration Management System 《員工薪酬管理制度》</p> <p>Management System for Performance Appraisal of Staff 《員工績效考核管理制度》</p> <p>Equity Incentive Plan 《股權激勵計劃》</p> <p>Administrative Measures for Campus Recruitment of the Shum Yip Group 《深業集團校園招聘管理辦法》</p> <p>Tentative Administrative Measures for the Selection and Appointment of the Senior Management of the Shum Yip Group Subsidiaries 《深業集團所屬企業高級管理人員選拔任用管理暫行辦法》</p> <p>Remuneration Management System of the Headquarters of the Shum Yip Group 《深業集團總部薪酬管理制度》</p> <p>Tentative Administrative Measures for Remuneration and Performance of the Senior Management of the Shum Yip Group Subsidiaries 《深業集團所屬企業高級管理人員薪酬與績效管理暫行辦法》</p> <p>Administrative Measures for Special Contribution Award of the Shum Yip Group 《深業集團特殊貢獻獎勵管理辦法》</p> <p>Administrative Measures for Incentive and Appraisal of Innovative Work of the Shum Yip Group 《深業集團創新工作激勵與考核管理辦法》</p> <p>Administrative Measures for Attendances of the Staff from the Headquarters of the Shum Yip Group 《深業集團總部員工考勤管理辦法》</p> <p>Staff Leave policy from the Headquarters of the Shum Yip Group 《深業集團總部員工請休假制度》</p> <p>'Shen Drive' Measures for Development and Management of Talents of the Shum Yip Group 《深業集團「深動力」人才發展與管理辦法》</p> <p>Management Measures for New Talent of the Shum Yip Group 《深業集團新員工優才管理辦法》</p> <p>Management Measures for Intern of the Shum Yip Group 《深業集團實習生管理辦法》</p> <p>Administrative Measures for Mutual Aid Funds for Critical Diseases 《重大疾病互助基金管理辦法》</p>
B2. Health and Safety	<p>Labour Law of the People's Republic of China 《中華人民共和國勞動法》</p> <p>Fire Prevention Law of the People's Republic of China 《中華人民共和國消防法》</p> <p>Work Safety Law of the People's Republic of China 《中華人民共和國安全生產法》</p> <p>Prevention and Control of Occupational Diseases Law of the People's Republic of China 《中華人民共和國職業病防治法》</p> <p>Regulation on Work-related Injury Insurance of the People's Republic of China 《中華人民共和國工傷保險條例》</p> <p>Law of the People's Republic of China on Emergency Response 《中華人民共和國突發事件應對法》</p> <p>Provisions on the Supervision and Administration of Occupational Health in the Workplace 《工作場所職業衛生監督管理規定》</p> <p>Regulations on the Reporting, Investigation and Handling of Production Safety Accidents 《生產安全事故報告和調查處理條例》</p> <p>Regulations on the Safety Administration of Hazardous Chemicals 《危險化學品安全管理條例》</p> <p>Interim Regulations for the Accident Investigation and Handling of Potential Safety Hazards in Workplace 《安全生產事故隱患排查治理暫行規定》</p> <p>Occupational Disease Classification and Catalog 《職業病分類與目錄》</p> <p>Shenzhen Special Rectification Plan for Work Safety 《深圳市安全生產領域專項整治方案》</p> <p>General Rules for the Construction of Dual Prevention Mechanism for Shenzhen Enterprises 《深圳市企業雙重預防機制建設通則》</p>	<p>Safety Production Management Measures 《安全生產管理辦法》</p> <p>2020 Safety Production Responsibility Letter 《2020 年安全生產責任書》</p> <p>Production Safety Accident Emergency Plan of the Headquarters of Shum Yip Group Limited 《深業集團有限公司本部生產安全事故應急預案》</p> <p>Production Safety Accident Emergency Plan of the Shum Yip Group Limited 《深業集團有限公司生產安全事故應急預案》</p> <p>Administrative Measures for Work Safety Risk Disclosure 《安全生產風險告知管理辦法》</p> <p>Expert Reserve Management Measures for Work Safety 《安全生產專家庫管理辦法》</p> <p>Production Safety Accident Emergency Plan of the Headquarters 《本部生產安全事故應急預案》</p> <p>Administrative Measures for Work Safety Assessment, Rewards and Penalties of the Headquarters 《本部安全生產考核獎懲管理辦法》</p> <p>Administrative Measures for Work Safety Assessment, Rewards and Penalties of the Subordinate Enterprises 《直屬企業安全生產考核獎懲管理辦法》</p>

Summary of Sustainability Development

ESG Indicator	Laws and regulations complied with	Internal policy
B3. Development and Training	N/A	<p>Measures for Management of the Shum Yip Group's Trainings (《深業集團培訓工作管理辦法》)</p> <p>Interim Administrative Measures for Job System and Ranks of the Shum Yip Group (《深業集團職位體系及職級管理暫行辦法》)</p> <p>'Shen Drive' Measures for Development and Management of Talents of the Shum Yip Group (《深業集團「深動力」人才發展與管理辦法》)</p> <p>Shum Yip Group's High Potential Talent Management Measures (Trial) (《深業集團高潛質人才管理辦法(試行)》)</p> <p>Administrative Measures for New Employee Mentor Training of the Shum Yip Group (《深業集團新員工導師培養管理辦法》)</p> <p>Rules for Assessment New Employee Mentor Training Period of the Shum Yip Group (《深業集團新員工導師培養期考核細則》)</p> <p>Management Measures for New Talent of the Shum Yip Group (《深業集團新員工優才管理辦法》)</p> <p>Management Measures for Fresh Graduates Job Rotation of the Shum Yip Group (《深業集團應屆生輪崗管理辦法》)</p>
B4. Labour Standards	<p>Labour Law of the People's Republic of China (《中華人民共和國勞動法》)</p> <p>Provisions on the Prohibition of the Use of Child Labour (《禁止使用童工規定》)</p> <p>Law of the People's Republic of China on the Protection of Minors (《中華人民共和國未成年人保護法》)</p> <p>International Labor Standards (《國際勞工標準》)</p>	<p>Work Guidelines for Staff Recruitment (《員工招聘工作指引》)</p> <p>Manual for the Management and Control of Human Resources (《人力資源管控手冊》)</p> <p>Board Diversity Policy (《董事會成員多元化政策》)</p>
B5. Supply Chain Management	<p>Tendering and Bidding Law of the People's Republic of China (《中華人民共和國招投標法》)</p> <p>Administrative Measures for the Selection and Appointment of Intermediary Organizations by the State-owned Assets Supervision and Administration Commission of the Shenzhen Municipal People's Government (《深圳市人民政府國有資產監督管理委員會選聘中介機構管理辦法》)</p> <p>Guiding Opinions of the State-owned Assets Supervision and Administration Commission of Shenzhen Municipality on Further Strengthening the Comprehensive Supervision of the Procurement of Municipal Enterprises (for Trial Implementation) (《深圳市國資委關於進一步加強市屬企業採購綜合監管的指導意見(試行)》)</p> <p>Notice on Implementing Unified Issuance of Procurement Information within Municipal State-owned Enterprises of Shenzhen (《關於在深圳市屬國企實行採購信息統一發佈的通知》)</p>	<p>Code of Conduct for Suppliers of Shenzhen Investment (《深圳控股供應商行為準則》)</p> <p>Implementation Measures for Contracts Management of Shenzhen Investment (《深圳控股合同管理實施辦法》)</p> <p>Procurement Control Procedures (《採購控制程序》)</p> <p>Administrative Measures for Engagement of Intermediaries (《選聘中介機構管理辦法》)</p> <p>Management Measures for Bid Evaluation Expert Pool for Major Bidding Projects (Interim) (《重要招採項目評標專家庫管理辦法(暫行)》)</p> <p>Anti-corruption Measures on Prevention of Malfeasance in Construction Project Tendering (《工程建設項目招標廉潔從業風險防控辦法》)</p> <p>Integrity Contract (《廉政合同》)</p> <p>Tentative Rules for Inspection and Assessment of Integrity Contracts (《廉政合同檢查考核暫行細則》)</p> <p>Tentative Administrative Measures for Counter Signing of Integrity Contracts (《廉政合同雙簽管理暫行辦法》)</p>

ESG Indicator	Laws and regulations complied with	Internal policy
B6. Product Responsibility	<p>Trademark Law of the People's Republic of China (《中華人民共和國商標法》)</p> <p>Advertisement Law of the People's Republic of China (《中華人民共和國廣告法》)</p> <p>Patent Law of the People's Republic of China (《中華人民共和國專利法》)</p> <p>Copyright Law of the People's Republic of China (《中華人民共和國著作權法》)</p> <p>Construction Law of the People's Republic of China (《中華人民共和國建築法》)</p> <p>Fire Prevention Law of the People's Republic of China (《中華人民共和國消防法》)</p> <p>Law of the People's Republic of China on Product Quality (《中華人民共和國產品質量法》)</p> <p>Law of the People's Republic of China on the Protection of Consumer Rights and Interest (《中華人民共和國消費者權益保護法》)</p> <p>Network Security Law of the People's Republic of China (《中華人民共和國網絡安全法》)</p> <p>Law of the People's Republic of China on Urban Real Estate Management (《中華人民共和國城市房地產管理法》)</p> <p>Opinions of the General Office of the State Council on Promoting Healthy Growth of Construction Industry (《國務院辦公廳關於促進建築業持續健康發展的意見》)</p> <p>Guiding Opinions of the General Office of the State Council on Vigorously Developing Prefabricated Buildings (《國務院辦公廳關於大力發展裝配式建築的指導意見》)</p> <p>Notice of the State Council on Promoting the Sustained and Sound Development of the Real Estate Market (《國務院關於促進房地產市場持續健康發展的通知》)</p> <p>Opinions on Promoting the Modernization of Housing Industry and Improving Housing Quality (《關於推進住宅產業現代化提高住宅質量的若干意見》)</p> <p>National Guidelines for Design of 1 - and 2-Star Eco - friendly Building (《國家綠色建築設計一、二星級設計指引》)</p> <p>Management Measures for 1 - and 2-Star Eco-friendly Building Identification Logo (For Trial Implementation) (《一二星級綠色建築評價標識管理辦法(試行)》)</p> <p>Detailed Rules for Implementation of Eco-friendly Building Identification Logo (Revised for Trial Implementation) (《綠色建築評價標識實施細則(試行修訂)》)</p> <p>GB/T50640 Evaluation Standard for Green Construction of Building (《建築工程綠色施工評價標準 GB/T50640》)</p> <p>GB50378-2019 Evaluation Standard for Green Building (《綠色建築評價標準 GB50378-2019》)</p> <p>GB50368-2005 Residential Building Code (《住宅建築規範 GB50368-2005》)</p> <p>Regulations on Quality Management of Construction Projects (《建設工程質量管理條例》)</p> <p>Regulations on Supervision and Administration of Construction Projects (《建設工程質量監督管理規定》)</p> <p>Measures for Regulating the Sales of Commercial Houses (《商品房銷售管理辦法》)</p> <p>Computer Software Protection Regulations (《計算機軟件保護條例》)</p>	<p>Marketing Management Measures (《營銷管理辦法》)</p> <p>Customer Complaint Management Measures (《客戶投訴管理辦法》)</p> <p>Information Construction and Administration System (《信息化建設管理制度》)</p> <p>Rules of Shum Yip Group on Information System Security Management (《深業集團信息系統安全管理細則》)</p> <p>Measures for the Confidentiality of Inside Information and Registration of People with Inside Information (《內幕信息保密及知情人登記管理辦法》)</p> <p>Standard Manual of Property Service Center (《物業服務中心標準手冊》)</p> <p>Control Procedure of Communication with Customers (《與顧客溝通控制程序》)</p> <p>Customer Satisfaction Control Procedure (《顧客滿意控制程序》)</p> <p>Community Culture Control Procedure (《社區文化控制程序》)</p>
B7. Anticorruption	<p>Company Law of the People's Republic of China (《中華人民共和國公司法》)</p> <p>Securities Law of the People's Republic of China (《中華人民共和國證券法》)</p> <p>Anti-money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》)</p> <p>Anti-monopoly Law of the People's Republic of China (《中華人民共和國反壟斷法》)</p> <p>Anti-unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》)</p> <p>Interim Provisions on Banning Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》)</p> <p>Tendering and Bidding Law of the People's Republic of China (《中華人民共和國招投標法》)</p> <p>Appendix 14 "Corporate Governance Code" to the Rules Governing the Listing of Securities on the Stock Exchange (聯交所證券上市規則附錄十四《企業管治守則》)</p> <p>Guiding Opinions of the State-owned Assets Supervision and Administration Commission of Shenzhen Municipality on Further Strengthening the Comprehensive Supervision of the Procurement of Municipal Enterprises (for Trial Implementation) (《深圳市國資委關於進一步加強市屬企業採購綜合監管的指導意見(試行)》)</p>	<p>Whistleblowing Policy of Shenzhen Investment (《深圳控股舉報政策》)</p> <p>Anti-corruption Measures on Prevention of Malfeasance in Construction Project Tendering (《工程建設項目招標廉潔從業風險防控辦法》)</p> <p>Implementation Management Measures for Bid Evaluation Expert Pool for Major Bidding Project (《重要招採項目評標專家庫實施管理辦法》)</p> <p>Tentative Rules for Inspection and Assessment of Integrity Contracts (《廉政合同檢查考核暫行細則》)</p> <p>Tentative Administrative Measures for Counter Signing of Integrity Contracts (《廉政合同雙簽管理暫行辦法》)</p> <p>Integrity Review Measures (《廉政審查辦法》)</p> <p>Incorruptible Practice Commitment (《廉潔從業承諾書》)</p> <p>Articles of Association (《公司章程》)</p>
B8. Community Investment	Regulations of Shenzhen Special Economic Zone on Greening (《深圳經濟特區綠化條例》)	N/A

Summary of Sustainability Development

Appendix 2: Key Performance Indicator List

Environmental Data				
ESG Indicator	Unit	2020 data	2019 data	2018 data
A1. Emissions				
A1.2 Greenhouse gas emissions in total and intensity				
Scope I: CO ₂ emissions	Tonnes	3,799.027	5,281.37	3,797.83
Scope II: CO ₂ emissions	Tonnes	62,843.72	39,683.17	19,485.42
Total CO ₂ emissions	Tonnes	66,642.75	44,964.54	23,283.24
Emission intensity	Tonnes/HK\$ million	3.54	3.01	1.40
A1.3 Total hazardous waste produced				
Fluorescent tubes or energy-saving lamps with mercury	Tubes	13,640	9,415	13,368
Printer cartridge used	Units	3,241	3,574	3,574
Abandoned electrical and electronic equipment	Pieces	926	380	380
Total hazardous waste	Kilogrammes	10,466.40	7,913	3,912
Hazardous waste intensity	Kilogrammes/HK\$ million	0.56	0.53	0.24
A1.4 Total non-hazardous waste produced				
Wastepaper	Kilogrammes	1,479,350.00	50,731.00	42,446.00
Construction waste	Tonnes	200,895.20	229,357.00	32,113.00
Food waste produced	Kilogrammes	798,323.30	514,158.00	463,843.00
Total non-hazardous waste	Tonnes	203,172.90	229,921.89	32,619.29
Non-hazardous waste intensity	Tonnes/HK\$ million	10.81	15.41	1.96
A1.5 Total hazardous waste recycled				
Electronic equipment recycled	Pieces	246	207	260
A1.6 Total non-hazardous waste recycled				
Metals recycled	Kilogrammes	2,718.53	840.00	58,183.00
Plastic recycled	Kilogrammes	724.62	3,069.00	3,511.00
Wastepaper recycled	Kilogrammes	6,183.19	27,936.00	10,121.00
Glass recycled	Kilogrammes	403.20	5,604.00	4,565.00
Reinforcing steel recycled	Tonnes	6,856.73	1,218.00	3,689.00
Earth recycled	Cubic metres	669,285.24	40,120.00	129,061.00

Environmental Data

ESG Indicator	Unit	2020 data	2019 data	2018 data
A2. Use of Resources				
Concrete	Cubic metres	928,591.26	258,332.00	318,019.00
Bricks	Cubic metres	104,200.14	45,709.00	57,999.00
Reinforcing steel	Tonnes	128,294.92	29,774.00	107,441.00
Stones	Tonnes	128,228.26	61,853.00	9,554.00
Timber	Tonnes	33,799.19	4,145.00	5,161.00
A2.1 Energy consumption by type in total and intensity				
Total energy consumption	Megawatt hours	73,470.52	69,869.01	53,298.66
Energy consumption intensity	Megawatt hours/HK\$ million	3.91	4.68	3.20
Gasoline	Litres	362,680.11	543,791.00	413,640.00
Diesel oil	Litres	113,794.55	451,227.00	221,960.00
Liquefied petroleum gas	Litres	162,975.71	74,599.00	82,037.00
Natural gas	Cubic metres	1,121,261.41	1,224,310.00	941,626.00
Total power consumption	Kilowatt hours	73,453,528.85	47,428,200.00	36,967,208.00
A2.2 Water consumption in total and intensity				
Total water consumption	Cubic metres	3,824,491.09	1,684,064.99	1,292,552.00
Water consumption intensity per HK\$ million	Cubic metres/HK\$ million	203.40	112.88	77.66

Notes:

1. Scope of statistics:

- a) The scope of statistics of 2020 includes the office areas of the Group's headquarters, the office and operation areas of the headquarters of its subsidiaries and their project companies.
- b) As the Group adopted a new ESG data online collection platform in 2020 with improved functions, increased number of indicators and expanded scope of statistics, coupled with the business development of the Group and the increase in the office and operation places of its operating subsidiaries, the scope of data collection of 2020 is further expanded compared with that of 2019. Therefore, the data for 2020, such as greenhouse gas emissions, waste generation, energy consumption, water consumption and other environmental data, increase compared with 2019.

2. Reference for calculation:

- a) The disclosed values of greenhouse gas emissions include the consumption of gasoline, diesel, liquefied petroleum gas, natural gas and purchased electricity. Scope 1 emission factors are calculated with reference to the "Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions by Public Construction Operators (Enterprises) (Trial)" issued by the General Office of the National Development and Reform Commission of China; and Scope 2 greenhouse gas emission factors of power grid in Mainland China and The Special Administrative Region of Hong Kong, the PRC are calculated with reference to the "Reporting Guidance on Environmental KPIs" of the Stock Exchange of Hong Kong.
- b) The energy consumption values include the consumption of gasoline, diesel, liquefied petroleum gas, natural gas and purchased electricity, the relevant factors of which are calculated with reference to GB2589-2008T General Principles for Calculation of the Comprehensive Energy Consumption of China.

Summary of Sustainability Development

Social Data

ESG Indicator	Unit	2020 data	2019 data
B1 Employment			
B1.1	Total workforce by gender, employment type, age group and geographical region.		
Total number of employees	Person	20,452	21,164
By gender			
Male employees	Person	13,132	13,542
Female employees	Person	7,320	7,622
By job class			
Senior management	Person	74	71
Men in senior management	Person	63	/
Proportion of men in senior management	Percentage	85.14	/
Women in senior management	Person	11	/
Proportion of women in senior management	Percentage	14.86	/
Middle management	Person	376	338
Men in middle management	Person	285	/
Proportion of men in middle management	Percentage	75.80	/
Women in middle management	Person	91	/
Proportion of women in middle management	Percentage	24.20	/
Grassroots employees in service	Person	20,002	20,755
By education level			
Doctor's degree	Person	12	12
Master degree	Person	459	438
Undergraduate	Person	1,970	2,270
Associate college and below	Person	18,011	18,444
By age			
29 years old and below	Person	3,227	4,710
30-49 years old	Person	10,187	10,827
50 years old and above	Person	7,038	5,627

Social Data

ESG Indicator	Unit	2020 data	2019 data
By geographical location			
Mainland China	Person	20,409	21,164
Hong Kong, Macau and Taiwan	Person	42	40
Overseas	Person	1	0
By type of employment			
Full-time	Person	20,450	21,164
Part-time	Person	2	0
By other type			
Disabled employees	Person	40	/
Minority employees	Person	697	/
B1.2	Employee turnover rate by gender, age group and geographical region.		
Staff turnover rate	Percentage	28.75%	33.55%
By gender			
Male employee turnover	Percentage	28.95%	33.16%
Female employee turnover	Percentage	28.39%	34.25%
By age			
29 years old and below	Percentage	49.27%	40.79%
30-49 years old	Percentage	21.86%	26.41%
50 years old or above	Percentage	29.31%	40.47%
By geographical location			
Mainland China	Percentage	28.81%	33.94%
Hong Kong, Macau and Taiwan	Percentage	2.38%	7.50%
Overseas	Percentage	0	0

Summary of Sustainability Development

Social Data

ESG Indicator		Unit	2020 data	2019 data
B2 Health and Safety				
B2.1	Number and rate of work-related fatalities			
	Number of work-related fatalities	Person	0	0
	Rate of work-related fatalities	Percentage	0	0
	Number of accidents involving serious injuries and fatalities among construction contractors	Case	1	/
B2.2	Loss of work injury			
	Total lost days due to work injuries	Day	0	1,189.5
	Number of injured employees	Person	0	/
	Rate of injured employees	Percentage	0	/
	Coverage of employee medical examination	Percentage	100	/
	Number of safety drills	Case	347	/
	Lost working time due to work injuries	Hour	0	/
	Injury rate per million working hours	Percentage	0	/

Social Data

ESG Indicator		Unit	2020 data	2019 data
B3 Development and Training				
B3.1	Number of employees trained			
	Total number of persons attending training	person-time	69,108	105,302
	By gender			
	Total number of male employees	person-time	43,763	61,652
	Total number of female employees	person-time	25,355	43,650
	By type of employment			
	Total number of senior management	person-time	436	239
	Total number of middle management	person-time	2,332	2,393
	Total number of grassroots employees	person-time	66,339	102,670
B3.2	Employee training hours			
	Total training hours	hour	630,216.39	161,076.25
	Average training hours	hour	30.81	/
	By gender			
	Training hours of male employees	hour	397,753.83	91,031.05
	Average training hours of male employees	hour	30.29	/
	Training hours of female employees	hour	232,734.56	70,045.20
	Average training hours of female employees	hour	31.80	/
	By type of employment			
	Total training hours of senior management	hour	3,169.10	3,197.50
	Average training hours of senior management	hour	42.83	/
	Total training hours of middle management	hour	13,238.20	12,463.20
	Average training hours of middle management	hour	35.21	/
	Total training hours of grassroots employees	hour	613,607.59	145,415.55
	Average training hours of grassroots employees	hour	30.68	/

Summary of Sustainability Development

Social Data

ESG Indicator	Unit	2020 data	2019 data
B5 Supply Chain			
B5.1	Number of suppliers by geographical region		
	Professional services suppliers		
Number of suppliers in Guangdong Province	Supplier	1,176	1,259
Number of suppliers in Mainland China (Other than Guangdong Province)	Supplier	375	118
Number of suppliers in Hong Kong, Macau and Taiwan	Supplier	20	19
Number of suppliers in overseas	Supplier	5	0
	Engineering suppliers		
Number of suppliers in Guangdong Province	Supplier	601	1,068
Number of suppliers in Mainland China (Other than Guangdong Province)	Supplier	522	446
Number of suppliers in Hong Kong, Macau and Taiwan	Supplier	0	1
Number of suppliers in overseas	Supplier	4	0
B6 Product Responsibility			
	Number of complaints		
Project/building quality issues before delivery	case	36	260
Project/building quality issues after delivery	case	0	42
Property issues	case	4	91
Marketing services issues	case	32	74
		0	53

Social Data

ESG Indicator		Unit	2020 data	2019 data
B7 Anti-corruption				
B7.1	Corruption case			
	Corruption lawsuits filed or concluded	Case	0	0
B7.3	Anti-corruption training			
	Number of employees receiving trainings related to anti-corruption policies	Person	950	/
	Number of board members and senior management members receiving trainings related to anti-corruption policies	Person	15	/
B8 Community Investment				
B8.2	Resources contributed to the focus area			
	Total investment in targeted poverty alleviation	RMB	4,920,691.6	5,485,875.00
	Total investment in charitable activities/donations	RMB	8,352,645.7	385,407.00
	Total number of employees to participate in volunteering activities	person-time	2,749	2,465.00
	Total hours of employees to participate in volunteering activities	hour	9,849	13,732.50

Summary of Sustainability Development

Appendix 3: ESG indexes

Environmental, social and governance areas and general disclosures and key performance indicators (KPI)

Section

Environment

A1: Emissions	General disclosure		Inaccessible Mountains and Valleys and Environmental Protection
A1.1	The types of emissions and respective emissions data		Not applicable as gas emissions are of little significance for the Group's operation
A1.2	Greenhouse gas emissions in total and intensity		Inaccessible Mountains and Valleys and Environmental Protection, Key Performance Indicator List
A1.3	Total hazardous waste produced and intensity		Key Performance Indicator List
A1.4	Total non-hazardous waste produced and intensity		Key Performance Indicator List
A1.5	Description of measures to mitigate emissions and results achieved		Inaccessible Mountains and Valleys and Environmental Protection
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved		Inaccessible Mountains and Valleys and Environmental Protection
A2: Use of Resources	General disclosure		Inaccessible Mountains and Valleys and Environmental Protection
	A2.1	Energy consumption by type in total and intensity	Inaccessible Mountains and Valleys and Environmental Protection, Key Performance Indicator List
	A2.2	Water consumption in total and intensity	Key Performance Indicator List
	A2.3	Description of energy use efficiency initiatives and results achieved	Inaccessible Mountains and Valleys and Environmental Protection
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Inaccessible Mountains and Valleys and Environmental Protection
	A2.5	Total packaging material used for finished products and with reference to per unit produced	Not applicable as no packaging materials are used for the finished products of the Group
A3: The Environment and Natural Resources	General disclosure		Inaccessible Mountains and Valleys and Environmental Protection
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Inaccessible Mountains and Valleys and Environmental Protection

Environmental, social and governance areas and general disclosures and key performance indicators (KPI)

Section

Community

B1: Employment	General disclosure		Firmly Rooted in Everyone's Heart and Benefit Employees
	B1.1	Total workforce by gender, employment type, age group and geographical region	Firmly Rooted in Everyone's Heart and Benefit Employees, Key Performance Indicator List
	B1.2	Employee turnover rate by gender, age group and geographical region	Key Performance Indicator List
B2: Health and Safety	General disclosure		Firmly Rooted in Everyone's Heart and Benefit Employees, Special Theme: Combating COVID-19
	B2.1	Number and rate of work-related fatalities	Key Performance Indicator List
	B2.2	Lost days due to work-related injuries	Key Performance Indicator List
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Firmly Rooted in Everyone's Heart and Benefit Employees, Special Theme: Combating COVID-19
B3: Development and Training	General disclosure		Firmly Rooted in Everyone's Heart and Benefit Employees
	B3.1	The percentage of employees trained by gender and employee category	Key Performance Indicator List
	B3.2	The average training hours completed per employee by gender and employee category	Key Performance Indicator List
B4: Labour Standards	General disclosure		Firmly Rooted in Everyone's Heart and Benefit Employees
	B4.1	Description of measures to review employment practices to avoid child and forced labour	Firmly Rooted in Everyone's Heart and Benefit Employees
	B4.2	Description of steps taken to eliminate such practices when discovered	Firmly Rooted in Everyone's Heart and Benefit Employees

Summary of Sustainability Development

Environmental, social and governance areas and general disclosures and key performance indicators (KPI)

Section

Community

B5: Supply Chain Management	General disclosure		Advance Further for Solid Development and Uphold the Quality
	B5.1	Number of suppliers by geographical region	Key Performance Indicator List
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Advance Further for Solid Development and Uphold the Quality
B6: Product Responsibility	General disclosure		Advance Further for Solid Development and Uphold the Quality
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable as there was no product and service recalls that had a significant impact on the Group's operations during the reporting period
	B6.2	Number of products and service related complaints received and how they are dealt with	Key Performance Indicator List
	B6.3	Description of practices relating to observing and protecting intellectual property rights	Advance Further for Solid Development and Uphold the Quality
	B6.4	Description of quality assurance process and recall procedures	Advance Further for Solid Development and Uphold the Quality
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Advance Further for Solid Development and Uphold the Quality
B7: Anti-corruption	General disclosure		Operate with Integrity and Walk Steadily over Great Distances
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period	Operate with Integrity and Walk Steadily over Great Distances, Key Performance Indicator List
	B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored	Operate with Integrity and Walk Steadily over Great Distances
B8: Community Investment	General disclosure		Profound Benevolence and Contribution to Community
	B8.1	Contribution to the focus area	Profound Benevolence and Contribution to Community
	B8.2	Resources contributed to the focus area	Profound Benevolence and Contribution to Community, Key Performance Indicator List



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