



瑞安房地產
SHUI ON LAND



PIONEER IN SUSTAINABLE URBAN COMMUNITIES

Community

Clean

Corporate Governance

Culture

Care

SHUI ON LAND LIMITED

Incorporated in the Cayman Islands with limited liability

STOCK CODE 272

SUSTAINABLE DEVELOPMENT REPORT 2021



TABLE OF CONTENTS

2	Chairman's Message	16	Our Performance in 2021
4	Approach to Sustainable Development	16	SD Rating Achievements
6	On Becoming a Pioneer in Sustainable Urban Communities	16	2021 – At a Glance
7	SD Alignment	17	Clean
9	About Shui On Land	25	Community
9	Our Profile and Market Presence	32	Culture
11	Our Corporate Philosophy and Culture	37	Care
12	About this Report	44	Corporate Governance
13	Our Stakeholders	50	Appendix
15	Material ESG Topics	50	List of Operations
15	Endorsement and Approval	51	TCFD Report
15	Contact and Feedback	58	Recognition and Awards
		58	Memberships and affiliations
		59	Performance Summary
		64	Content Index



CHAIRMAN'S MESSAGE



2021 marked two very important milestones for our business. We celebrated the successes of the past fifty years and the 50th anniversary of our parent Shui On Group, which has established an excellent reputation and track record in China. At the same time, Shanghai Xintiandi, the landmark project of Shui On Land (the "Company") celebrated its 20th year of opening. We are proud of our longstanding history and proven ability to contribute to the development of the real estate market in China. We believe our successes and track record over the years are in part due to sustainable development being part of our DNA, and to our continued commitment to caring for the environment, to preserving and rejuvenating cultural heritage, and to building and sustaining vibrant communities that support healthy living and developing environmentally certified buildings.

2021 also marked several successes in our journey towards becoming a pioneer of sustainable premium urban communities. We are pleased to report that more initiatives have been rolled out in 2021 under our 10-year 5C Sustainable Development Strategy that was introduced in 2020. In March 2021, the Company became the first real estate developer in Mainland China to adopt the Science Based Targets initiative (SBTi) and commit to a business pledge of taking ambitious climate actions. We also successfully issued our inaugural Sustainability-Linked Bond (SLB) due June 2026 with an aggregate principal amount of USD400 million, again being the first China-based developer to do so. Indeed, our SLB has been awarded the Best SLB in Hong Kong in 2021 by Asset Magazine. This marked another milestone in the Company's journey in green and sustainable finance. During the first half of this year, international recognition for our efforts came in the form of a 2021 ULI Asia Pacific Award for Excellence for Wuhan Tiandi Site A and a 2021 ULI Global Award for Excellence for THE HUB in Shanghai. We have also begun sourcing renewable electricity for our assets in Wuhan.

These and other initiatives highlight that sustainability is already well integrated into our business strategies and operations, fully shaping all aspects of how the Company develops and operates its properties. Our 5C Sustainable Development Strategy specifically outlines the ways by which we intend to achieve many goals by 2030. Under five pillars of Community, Clean, Culture, Care and Corporate Governance, it commits us to employ sustainability criteria more systematically, to spur innovation across our businesses and provide transparency and accountability to external audiences. We aim to reduce carbon emissions and improve the well-being of our customers and employees by creating vibrant and authentic communities, giving them the choices they need to live healthy, culturally rich and environmentally sustainable lifestyles. While this will be a long-term journey and a continuous learning process, we are proud to be taking these necessary and important steps forward.

The Shui On Group, of which we are an important part, has come a long way in 50 years. Remaining competitive and forward-thinking in such a dynamic environment will require everyone at Shui On Land to continue to have the courage to explore new opportunities, to experiment, and to move boldly and steadily forwards. I am confident that our team is up for this challenge.



VINCENT H. S. LO
Chairman

Everyone connected to our company can be proud of its achievements and we look forward to many more years as a successful business that is doing all it can to contribute positively to its stakeholders. Above all else, we will continue working diligently to provide benefits to society in China and long-term value to our shareholders, customers, business partners and employees.

I wish to thank each and every member of our staff for their unyielding commitment, exemplary team spirit and collaboration exhibited throughout 2021. I express particular thanks to my fellow Board members, our business partners and our investors for their steadfast support.

A handwritten signature in black ink, appearing to read 'Vincent H. S. Lo'.

VINCENT H. S. LO
Chairman
Hong Kong, 31 May 2022

APPROACH TO SUSTAINABLE DEVELOPMENT

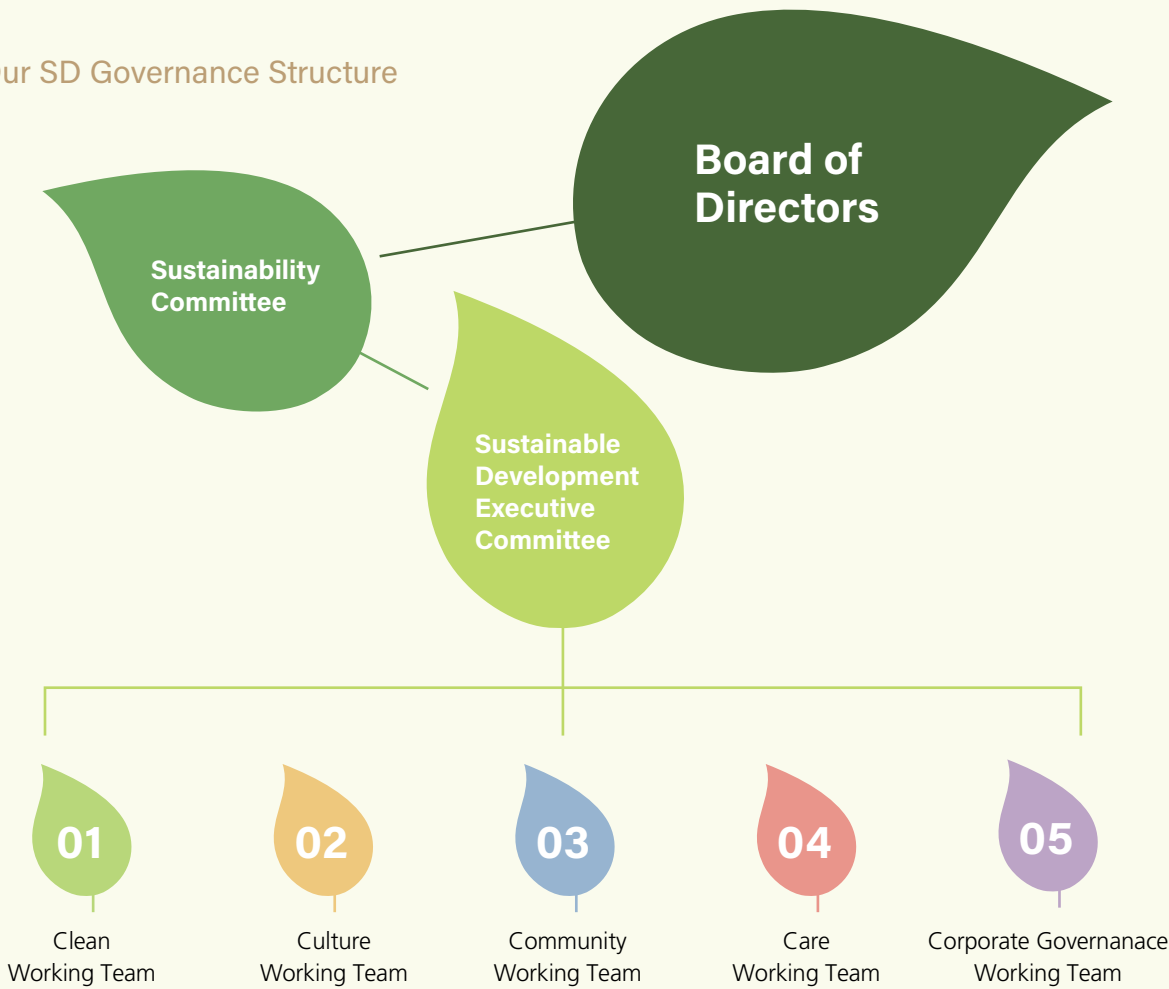
Since the inception of Shui On Land, we have aimed to be a sustainable development (SD) leader in the real estate and asset management industry in Mainland China. Our business model has balanced financial profitability with sustainability, social and environmental impact, as well as our contribution to local and regional economies. Indeed, SD is an important cornerstone of the Company's business and is reflected in our corporate vision to be a pioneer of sustainable premium urban communities.

Our approach to SD effectively encompasses all aspects of responsible environmental, social, and governance (ESG) management. We employ a human-centric, sustainable attitude to crafting master-planned communities, and we recognise our role as an urban property developer to help fulfil local, national, and international carbon neutrality and net-zero commitments.

A Statement from the Board

We believe strong governance supports a culture of ethical behaviour while minimising business risk, and we have a comprehensive corporate governance framework, internal controls, and systems for risk management to ensure that we operate our business with integrity. Our approach to managing and overseeing sustainability-related issues is not separate from our business plan nor how our teams embed sustainability 'tasks' into regular operations.

Our SD Governance Structure



The Board has the overall and collective responsibility for ensuring effective risk management and internal control mechanism, and for reviewing its effectiveness to safeguard our assets and our shareholders' interests. The Board continuously evaluates the current and potential risks faced by our business, including those related to ESG matters, and reviews our strategies, metrics and targets as well as internal controls, and necessary improvement measures to manage and mitigate such risks. Two board meetings were held in 2021 in which SD issues were discussed.

The planning and execution of our 5C sustainability strategy (5C Strategy) begins with the board of directors (the Board) of Shui On Land Limited (SOL), and we have formed a board-level sustainability committee (the Committee) consisting of selected Board members to provide direct support to SOL Board to ensure alignment between our 5C Strategy and overall business operations.

The Committee directly monitors and guides our overall sustainability performance. The Committee held one meeting in 2021 during which it reviewed the 10-year targets of the 5C Strategy, suggested 2021 strategic focus and key performance indexes, reviewed the 2020 Sustainable Development Report; and discussed the issuance of Sustainability-Linked Bonds.

The responsibility for specific proposals and the implementation of specific goals at the operational level is delegated to five cross-departmental working teams ("5C Teams"), who report to the SD Executive Committee. This committee meets regularly to deliberate SD issues and to make relevant decisions on behalf of board-level sustainability committee, who makes further decisions as necessary.

Each 5C Team holds responsibility for meeting the KPIs of their respective goals, meets every month to drive implementation, and solves problems as they arise. KPIs are cascaded to relevant companies and departments for execution. Each team reports its progress and status to the Committee regularly and provides consolidated reports for review by the Audit and Risk Committee for submission to the SOL Board.

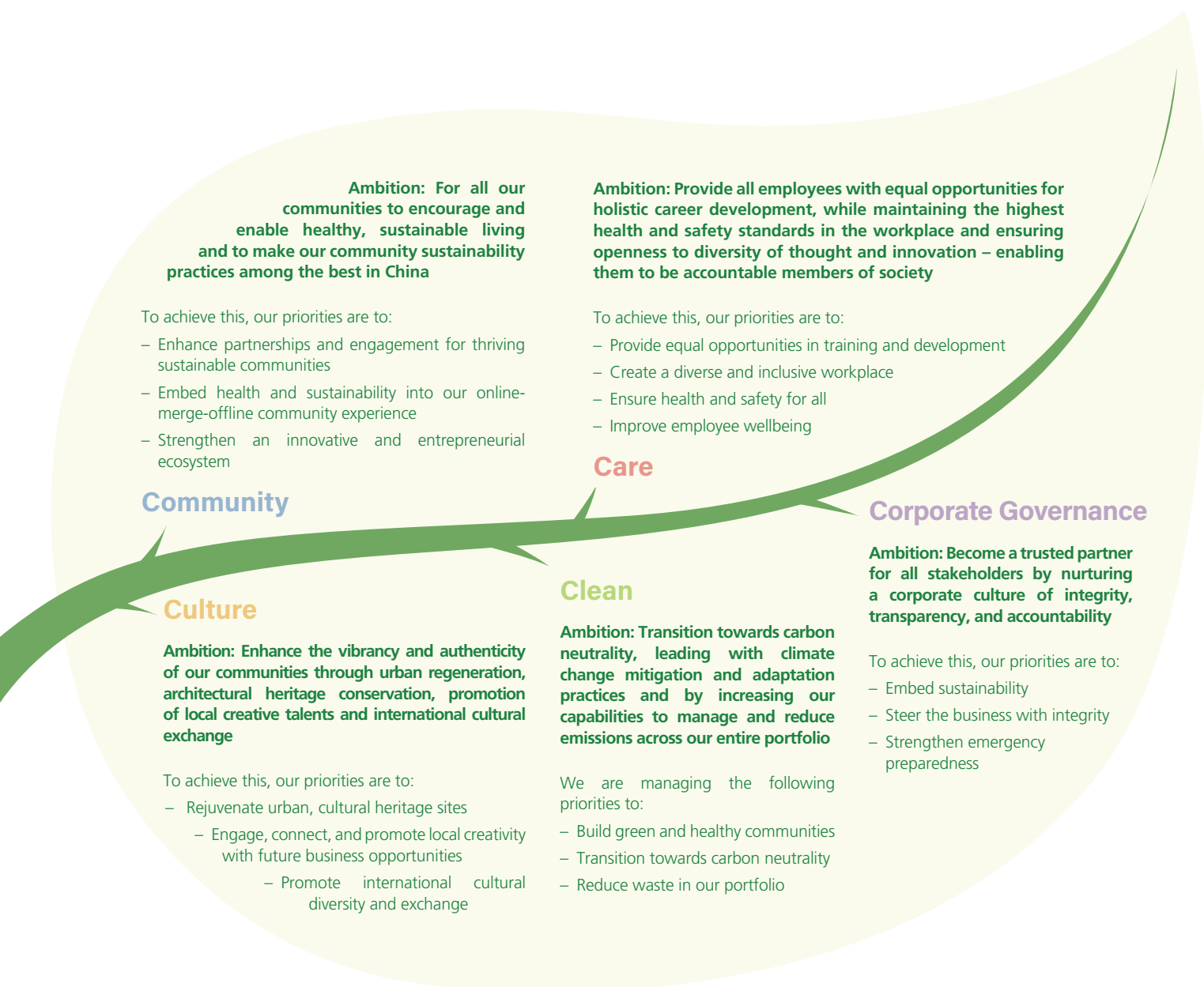
This sustainability governance structure demonstrates the importance we place in aligning senior leadership and decision-making with sustainability initiatives. Beyond oversight for the implementation of the strategy across the businesses, it helps strengthen goal setting and reporting processes. Indeed, we consider sustainability leadership at our Board and executive levels to be critical to integrating sustainability management and performance into our culture, operations, and business relationships.

Learn more about how we are embedding sustainability in the [Corporate Governance](#) section of this Report.



On Becoming a Pioneer in Sustainable Urban Communities

To advance our work in this area, we formulated and launched a 10-year 5C Sustainable Development Strategy (5C Strategy) in 2021—pointing the way for the Company's sustainable future. The 5C Strategy is built around the 5Cs that bind our corporate vision and operational practices: Clean, Community, Culture, Care and Corporate Governance.



We review the 5C Strategy on a regular basis based on our progress, industry best practices and imminent global trends such as climate resilience to ensure our Strategy is up-to-date that brings greatest positive impacts. Additional information about the Strategy's roll-out and implementation, including our SD governance structure, can be viewed on [pages 4-8 in our 2020 SD Report](#) as well as on the [SD page](#) of the Company website.

SD Alignment

Our 5C strategy can contribute partially to the UN SDGs with some of our SD goals and KPIs aligning with the targets and indicators. These also help us measure our progress in addressing key ESG issues.



Clean



3.9

Helping to reduce the number of illnesses from hazardous chemicals and air, water and soil pollution and contamination – by providing quality air in our developments via constant monitoring and purification.



6.4

Upgrading our facilities to increase water-use efficiency..



9.4

Upgrading our facilities to increase resource-use efficiency to reduce our CO2 emissions.



12.5

Innovating our waste and recycling practices to substantially reduce waste generation through prevention, reduction, recycling, and reuse.



13

Strengthening our portfolio and company's resilience and adaptive capacity to climate-related hazards and natural disasters – by preparing for emergencies and decreasing our carbon emissions.



17.17

Participating in and supporting public-private and civil society partnerships concerning sustainable building practices.

Community



11.6 / 11.7

Paying special attention to air quality and waste management throughout our developments to help reduce the adverse environmental impact of cities.

Providing universal access to safe, inclusive and accessible, green and public spaces within and around our developments.



12.2 / 12.8

Striving to achieve sustainable management and efficient use of natural resources concerning our building and procurement practices.

Sharing with our community and value chain relevant information and awareness for sustainable development and lifestyles.

Culture



11 SUSTAINABLE CITIES AND COMMUNITIES

11.4

Strengthening efforts to protect and safeguard cultural and natural heritage by conserving and rejuvenating cultural and historic sites.



17 PARTNERSHIPS FOR THE GOALS

17.17

Participating in and supporting public-private and civil society partnerships concerning cultural heritage.

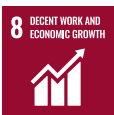
Care



5 GENDER EQUALITY

5.5

Actively opening pathways for more representation of women in managerial positions within our organisation.



8 DECENT WORK AND ECONOMIC GROWTH

8.8

Adhering to all local regulations on labour rights and promoting a safe and secure working environment for all workers.



16 PEACE, JUSTICE AND STRONG INSTITUTIONS

16.b

Promoting and enforcing non-discriminatory policies to ensure that no one on our staff has felt discriminated against or harassed.

Corporate Governance



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

12.6

Adopting sustainable practices and integrating sustainability information into our reporting cycle.



16 PEACE, JUSTICE AND STRONG INSTITUTIONS

16.5

Enhancing our corporate governance practices and policies to reduce corruption and bribery in all their forms.

ABOUT SHUI ON LAND

2021 Economic Value Generated and Distributed



9.4¹: Landbank
(GFA, million m²)



921: Total employee benefits expenses
(RMB million)



17,555: Direct economic value generated
revenue (RMB million)

For more information about our revenue stream, and overall economic value generated and distributed, see our [2021 Annual Report](#).

Our Profile and Market Presence

In 2021, we remained active in land acquisition and achieved significant results. In February, we successfully acquired a mixed-use Grade-A landmark property in Nanjing with Grosvenor on a 50/50 basis. In June, we formed a joint venture with Shanghai Yongye Enterprise (Group) Co., Ltd. on a 50/50 basis for carrying out the property development in Huangpu District, Shanghai, further expanding its footprint in the world-renowned Shanghai Xintiandi area. In December, we jointly acquired a piece of land in the centre of Wuhan city with Wuhan Urban Construction Group to create a large-scale mixed-use community.

Headquartered in Shanghai, Shui On Land² (Stock Code: 272) is a commercially focused real estate developer, owner, and asset manager in China. We have a proven record of accomplishment in developing large scale, mixed-use, sustainable communities, and are the flagship property development company of the Shui On Group.³

As of 31 December 2021, the Company has 13 projects in various stages of development, with a land bank of 9.4 million square metres (m²). We are also one of the largest private commercial property owners and managers in Shanghai, with a total portfolio of 1.72 million m². of office and retail premises, including our flagship Shanghai Xintiandi, which is currently under our management.

¹ 7.0 million m² of leasable and saleable area, and 2.4 million m² for clubhouses, car parking spaces and other facilities.

² References to "SOL", "us", "our" or "we" refer to Shui On Land, Limited (the "Company") and its subsidiaries and the businesses carried on by such subsidiaries, except where the context makes it clear otherwise. References to "the Group" refer to Shui On Land, Limited as well as the other companies of Shui On Group.

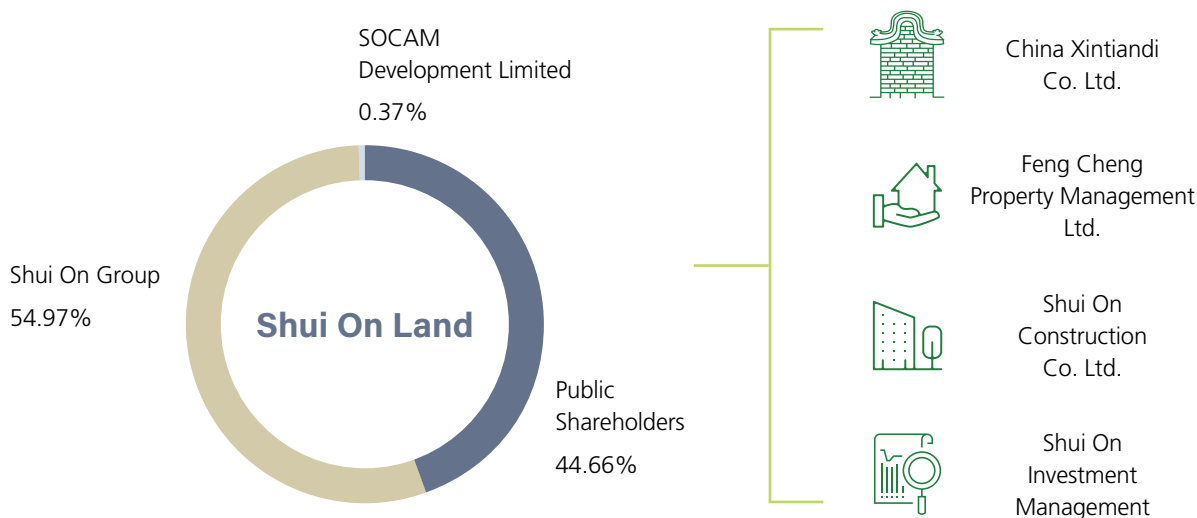
³ The Shui On Group was founded in 1971 and is headquartered in Hong Kong. It is principally engaged in property development, construction and construction materials with interests in Hong Kong and the Chinese Mainland.

ABOUT SHUI ON LAND

The map below shows the cities where the 13 properties within our entire portfolio (including the Demerger Assets) are located as of 31 December 2021.



Shui On Group, public shareholders and SOCAM Development together own 100% of Shui On Land. We wholly own the four businesses of Shui On Xintiandi Co. Ltd., Feng Cheng Property Management Ltd., Shui On Construction Co. Ltd., and Shui On Investment Management.



The Company was the largest Chinese real estate enterprise to be listed on the Hong Kong Stock Exchange (HKEX) in 2006. We are also a constituent stock of the Hang Seng Composite Index, HSCI Composite Industry Index – Properties and Construction, Hang Seng Composite MidCap Indices as well as the Hang Seng Stock Connect HK Index.

Our “Asset Light Strategy” enables us to greatly enhance our financial strength, diversify our capital base and invest in new opportunities, which greatly facilitates our strategic transformation. Since the inception of our company, SOL has been committed to caring for the environment, preserving and rejuvenating cultural heritage, and building and sustaining vibrant communities.

Our Corporate Philosophy and Culture

We aspire to world-class standards in management, planning, execution, and corporate governance in all our operations. This is achieved by our collective efforts in acting according to our corporate mission, our vision, core values and tying in our philosophy of ‘cooperating with the government to promote prosperity, growing together with the community’.



ABOUT THIS REPORT

We are delighted to present our eighth Sustainable Development Report ('the Report') on our ESG performance. It covers the reporting period of 1 January to 31 December 2021 of Shui On Land Limited and our four subsidiaries: China Xintiandi Co. Ltd., Shanghai Feng Cheng Property Management Limited, Shui On Construction Co. Ltd. and Shui On Investment Management Limited.

This Report was developed referencing local and globally recognised reporting frameworks. It has been prepared in accordance with "comply or explain" provisions and reports on all materially relevant recommended disclosures outlined in the Environmental, Social and Governance (ESG) Reporting Guide issued by Hong Kong Exchanges and Clearing Limited (HKEX). It references select disclosures, or parts of their content, from the Global Reporting Initiative (GRI) Standards 2016, covering the core operations and activities of the Company. It also references the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB) for industry-specific impacts of real estate owners, developers and investment trusts as well as asset management and custody activities.

To ensure a comprehensive understanding of our SD journey, a summary of our 2021 ESG performance is disclosed in the [Performance Summary](#) section of this Report. Information of the standards, methodologies, assumptions and/or calculation references, are stated wherever appropriate. As far as reasonably practicable, consistent methodologies have been adopted when calculating these KPIs and any changes that affect a meaningful comparison have been stated.

A content index is available in the [Appendix](#) section to help readers easily locate relevant information within the Report, as well as other from locations in which we discuss ESG-related performance. It is recommended to read this Report in conjunction with the [2021 Annual Report](#), the Sustainable Development Chapter contained therein, as well as the Corporate Governance and the Sustainable Development sections of the [Shui On Land website](#).



Our Stakeholders

At Shui On Land, we are committed to regularly engaging with our stakeholders regarding SD issues. Beyond for ESG reporting purposes, we promote two-way communication and respond to stakeholders' expectations and requirements through direct action and strategic integration, and work with all our stakeholder groups to drive our sustainable business development.

There are six key stakeholder groups that we have identified to either have a significant impact on or are significantly impacted by our performance.

Our Key Stakeholders	The Value of Our Relationship
Government and regulatory authorities	<p>National policies on environment and land acquisition, for example, hugely affect the way we operate and run our current and future business.</p> <p>Maintaining good cooperation with local and national level governmental entities enables us to successfully operate our business and also allows us to grow the impact of our SD initiatives via collaboration and support from local government entities.</p>
Shareholders	<p>Good SD performance helps attract shareholders who collectively seek to create long-term value.</p> <p>We listen to the concerns of our shareholders as part of our fiduciary duty and to ensure alignment in our common interests of nurturing a future-proof, resilient business.</p>
Tenants and Customers	<p>Tenants helps us provide sustainable and ethical products and services to customers. To have tenants and customers engage in SD can help enhance loyalty, service premium and brand image.</p> <p>As our purpose is to serve our customers, we listen carefully to their concerns and respond to their evolving preferences.</p>
Investment partners	<p>Investors are increasingly evaluating our SD performance and impacts.</p> <p>As an asset manager, we have many investment and cooperation partners who co-owner of the assets we manage. It is important to listen to their concerns and to align with them.</p>
Suppliers and Contractors	<p>Our environmental and social impacts start from the products and services we procure. Engaging our suppliers and contractors on our 5C Strategy is necessary to create shared value for greater impact.</p> <p>As we procure materials and products, working closely with our suppliers and engaging with them on SD objectives enable us to grow the impact of our SD initiatives.</p>
Staff	<p>Staff are the core of our business and the key players in the implementation of the 5C Strategy.</p> <p>We must listen to their concerns, needs and ideas so that we can hire and retain the best talent and achieve our SD ambitions.</p>
Society and the public	<p>A licence to operate in the community and maintain a positive public image enable us to succeed in our SD ambitions.</p> <p>We need to listen to the public and address their concerns and requests so that we may achieve our corporate vision and mission.</p>

ABOUT THIS REPORT

As part of the 5C Strategy development process in 2020, and in addition to our regular engagement activities, we sought to gain a clear understanding of what our material ESG topics are, and learn from best practices and trends in the industry.

In 2021, we again engaged with a variety of stakeholder groups, namely employees, investors, and suppliers to learn their opinions of various material ESG topics and to ensure that their insights and expectations are accounted for. The engagement exercise comprised seven interviews with four internal and three external stakeholders that helped us understand their impression of the newly launched 5C Strategy and its related initiatives as well as on opportunities for SOL to increase investor attractiveness or reduce risk in the future.

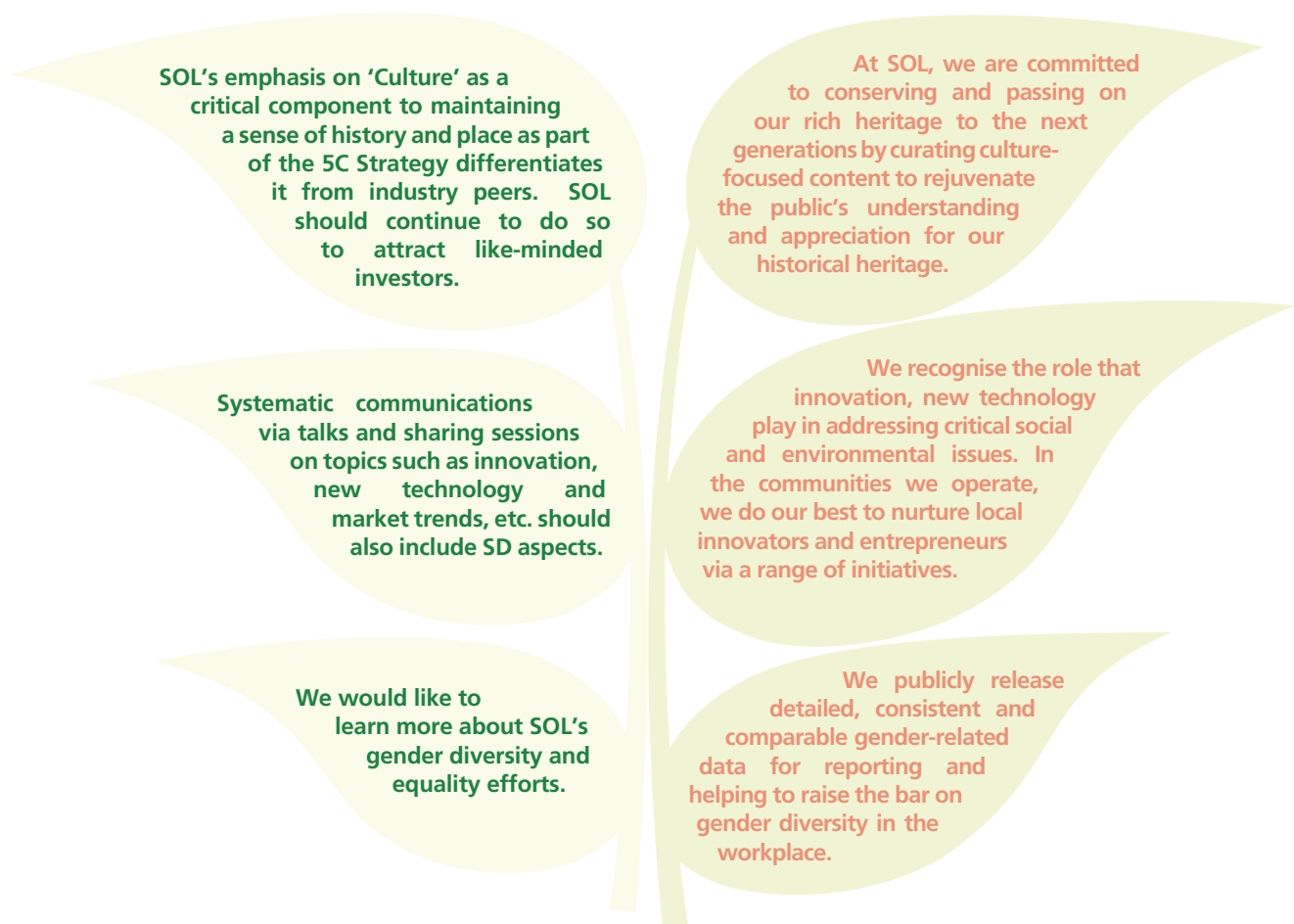
The responsibility of more formal stakeholder engagement on SD issues sits with the Sustainability Committee. In addition, various departments receive regular feedback directly from stakeholders and relevant matters are raised to the Sustainability Committee and then the SD Executive Committee, 5C Working and Communications teams. The Sustainability Committee informs the Board, on an as-needed basis.

The insights from stakeholders have helped us to understand and develop the high-level commitments and strategic objectives that are included in the 5C Strategy. Notable topics and concerns raised during this engagement have been shared below.

Key topics and concerns raised and our responses:

From our stakeholders:

SOL's response:

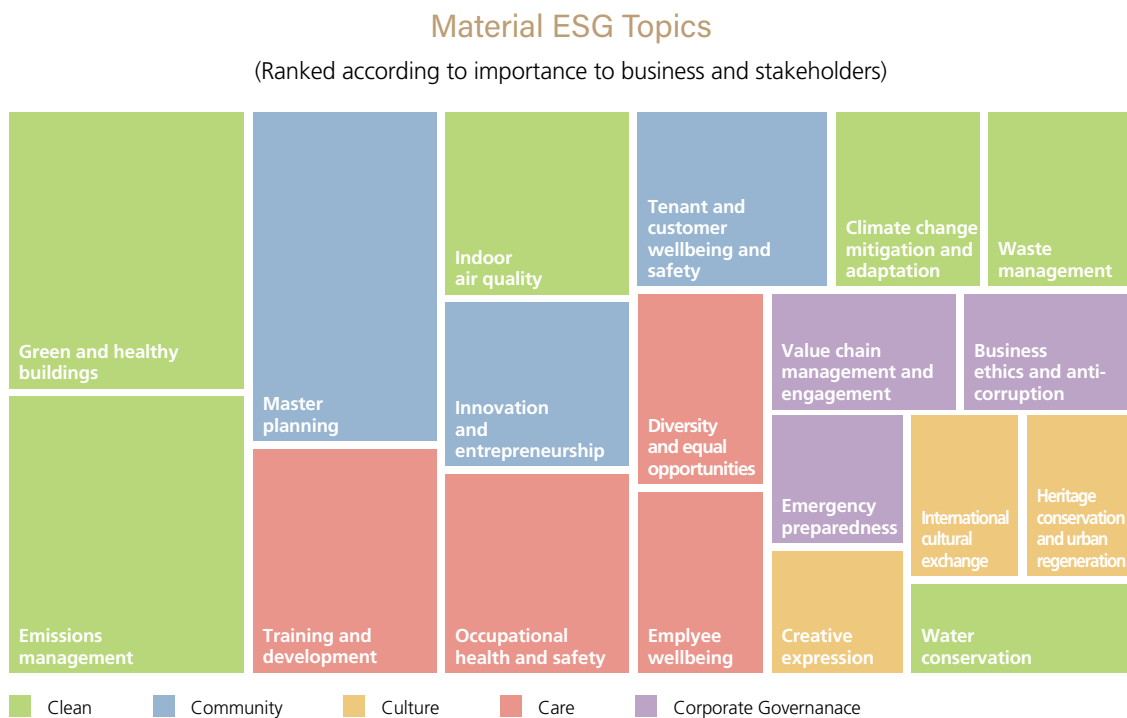


The contents of this Report draw upon the insights gained from our many stakeholder engagements in 2021. The feedback we have received from our key stakeholder groups have informed several aspects of this Report and are consistent with the material ESG topics which we have identified in the following section.

Material ESG Topics

In 2020, members of our SD Executive Committee conducted an in-depth review of the material ESG-related topics most important to Shui On Land. Comprehensive details of this assessment were included on pages [17 and 18 of the 2020 SD Report](#).

The results of the materiality assessment yielded the following set of material ESG topics:



As shown in the diagram above – the larger the box indicates a higher ranking – the top three topics found of greatest importance to our business and stakeholders are ‘green and healthy buildings’, ‘emissions management’, and ‘master planning’.

Scope and Boundaries

The content and performance metrics of this Report pertain to developments within our operational control. The list of developments can be found in the Appendix: [List of Operations](#) section.

We recognise that our material ESG topics may impact our business and our stakeholders differently. We have mapped how each material ESG topic links to the 5C Strategy core components and indicated their respective area of influence – whether internal or external or both. Details of this can be found on [page 19 of our 2020 SD Report](#).

Endorsement and Approval

This Report was endorsed by the SD Committee and approved by the Board in May 2022.

Contact and Feedback

Your feedback is valuable to our continuous improvement. Please share any comments or suggestions regarding our ESG performance and this Report to: sustainabledevelopment@shui-on.com.cn

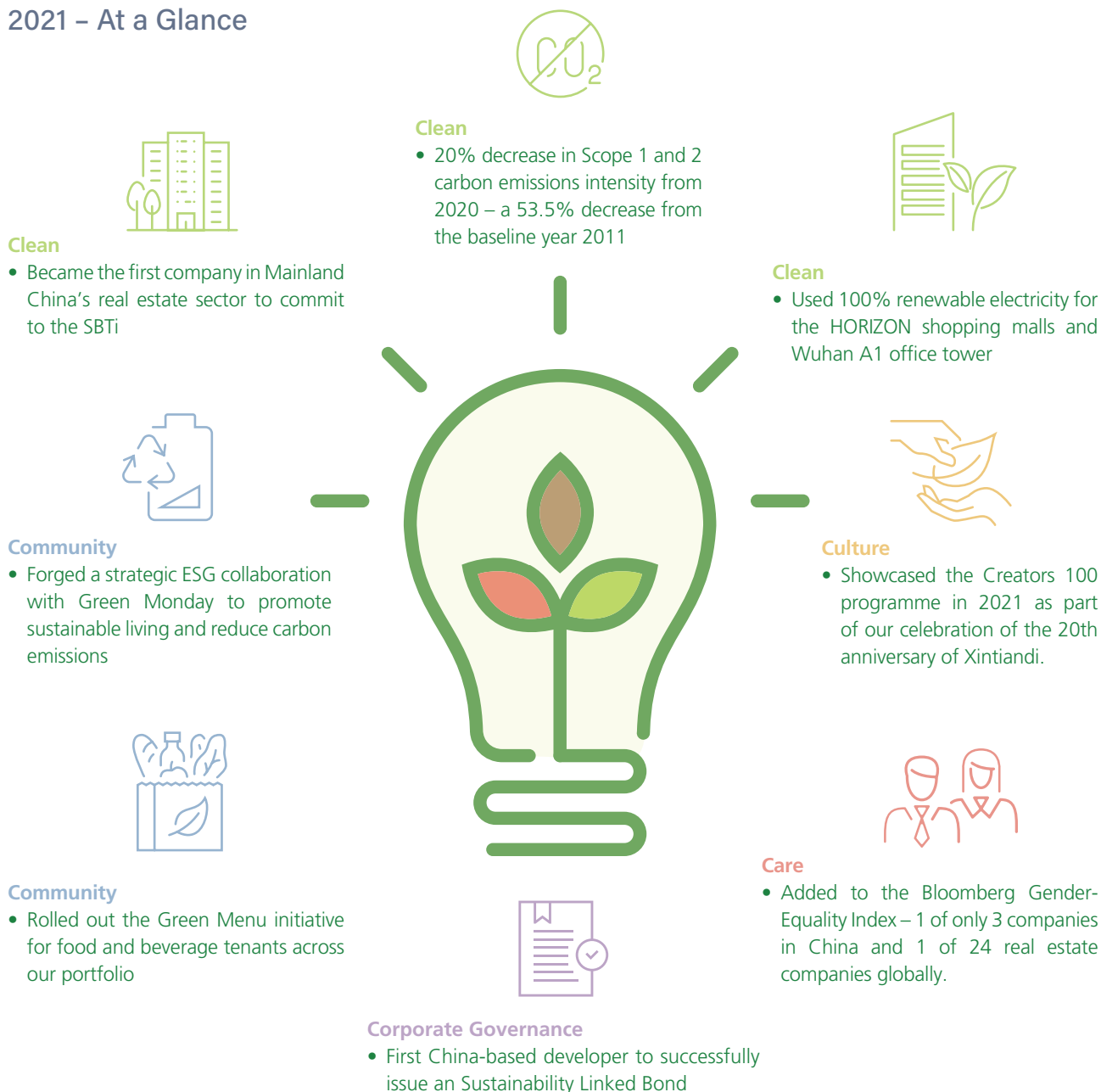
OUR PERFORMANCE IN 2021

SD Rating Achievements

We disclosed relevant data and management approach in accordance with the requirements of major local and global SD-related benchmarks and indices. In 2021, we are very pleased to gain remarkable results in the following benchmarks and indices.

AA-	HKQAA Sustainability Rating
A	MSCI ESG Rating
5 stars	GRESB (SCOV only)
B-	CDP (Climate Change)
Listed	Bloomberg Gender Equality Index

2021 – At a Glance



Clean

2021 Highlights

20%

decrease in Scope 1 and 2 carbon emissions intensity from 2020 – a 53.5% decrease from the baseline year 2011

1,239 tonnes

of waste diverted from landfill and sent to recycling

14%

decrease in water intensity from 2020

10%

increase in energy intensity from 2020

We have a long and unique history of pursuing environmental sustainability. Our master-planned mixed-use, pedestrian-friendly, heritage infused Shanghai Xintiandi development conceived back in 1996, was and still is a pioneer in sustainable community development. Since then, we have held onto a commitment to developing green and healthy buildings with pioneering levels of energy efficiency and indoor air quality while reducing our waste and water, while also mitigating climate-related impacts and investing in climate-resilience planning as best we can.

In 2020, with the onset of COVID-19 and in response to several natural disasters, much of our regular environmental impact has reduced. We spent fewer days on worksites, used fewer materials, and created less waste—and while several of our projects have been delayed, we resumed regular operations in 2021.

As set out in the 5C Strategy, our 2030 ambitions and priorities guide our approach to clean environmental management, details of which are available on the [Clean page](#) of our company website.

Progress in 2021 for 'Clean' was overseen by the SD Executive Committee and the 'Clean' Team. Cross-departmental collaboration with the Business Development and Project teams, as well as representatives from the Leasing, Operations, Feng Cheng Property Management, Project Management and the Development Planning and Design departments took place to help us work towards four key targets by 2030:

2030 targets



Transition towards carbon neutrality across our operations and developments



Develop and adopt a company climate change policy to mitigate and adapt to potential risks



Increase the proportion of total electricity consumption from renewable sources to 15%*



Be known for our human-centric building designs that meet or exceed international sustainability and health standards

- 100% new buildings achieve dual health and sustainability certifications

* This includes the electricity purchased from government certified renewable sources.

OUR PERFORMANCE IN 2021

Our 2021 Action Plan focused on two signature initiatives centred around:

- Pursuing dual sustainability and health certifications (WELL and LEED) for our controlled operating commercial assets
 - o This also included pursuing LEED-ND certification for all our master plan communities
- Signing up for the Science-based Targets and making efforts in committing to set emissions reduction targets in line with limiting global warming to well below 2°C. Further pursue efforts to sign onto the Business Ambition for 1.5°C campaign in the future.

Beyond our signature initiatives, the Clean Team worked on:



- Committed to setting Science-based Targets – signed up in March
- Establishing a centralised operation energy consumption monitoring system and data upload platform – The first phase of installation was completed in December
- Conducting a climate change risk assessment – Completed
- Completing baseline certification standards for all new projects including JV projects – Achieved in June
- Conducting baseline research on our usage of energy, waste, and water as well as establishing a system to monitor usage and collect data – Completed
- Establishing a construction policy for reducing, reusing and disposing of wasted materials on site – A new Construction Waste Policy was announced in December

Transition towards carbon neutrality

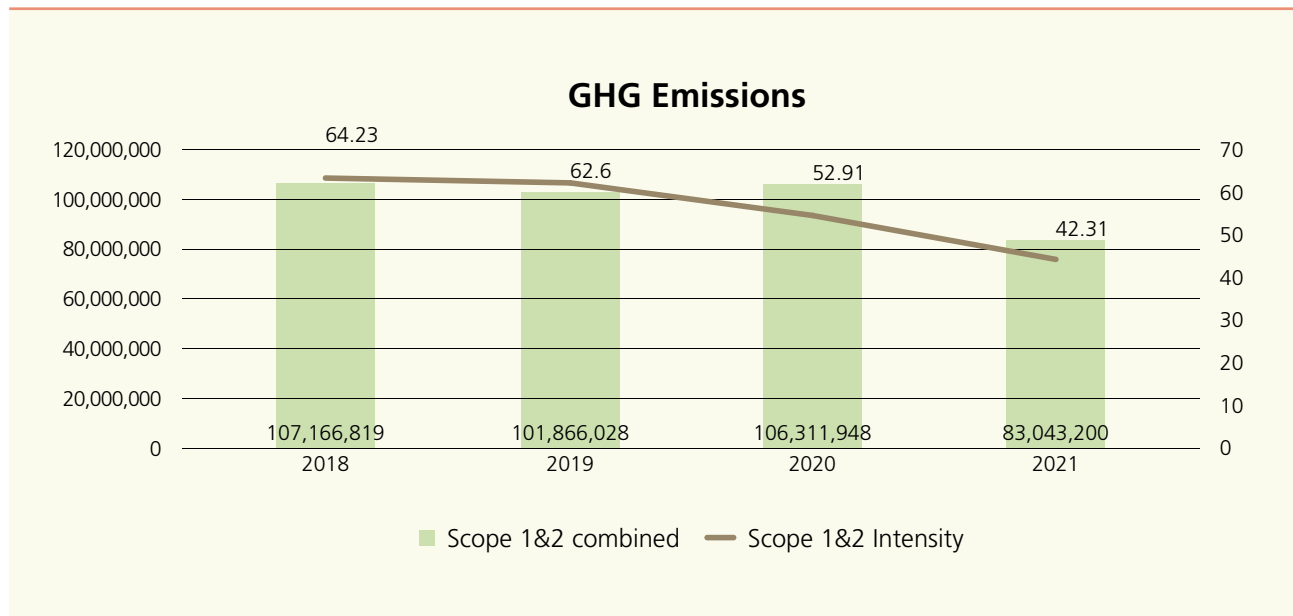
Reducing our carbon emissions is among our top priorities and we have adopted effective building technologies and introduced energy-efficiency measures to reduce our carbon emissions. For years our property management team has utilised energy consumption monitoring systems that embed energy conservation and emission reduction efforts into daily operations. We recognise our capacity to enhance the energy efficiency of our assets and are proactively developing efficiency strategies that can generate value for our business while reducing our carbon emissions intensity over time.

In 2021, we were delighted that Xintiandi in Huangpu District was selected by the Shanghai government as a NEAR Net Zero Carbon Emission Demonstration Zone (近零碳排放实践区). As part of this designation, we are responsible for devising low carbon development implementation plan for the site in efforts to promote the concept of low carbon construction and development.



Emissions management

We have been tracking our carbon emissions intensity since 2011 and have achieved an 53.5% reduction since then. In 2021, our Mainland operations' GHG emission intensity decreased by 20% from 2020 levels.



Climate change mitigation and adaptation

Beyond managing our own emissions, we actively support local government agencies and industry associations that promote climate mitigation. Learn more on Supporting Shanghai's Carbon Neutrality Goals below.

We recognise the need to increase our usage of renewable energy. In 2021, we successfully sourced 100% renewable electricity for our Horizon shopping malls in Wuhan Tiandi. Horizon accounts for approximately 10% of our electricity usage, and its conversion to 100% renewable energy will translate into savings of approximately 10,000 tonnes of GHG emissions each year.

In 2021, we made great strides in 2021 by becoming the first real estate developer in China to commit to the Science-Based Targets initiative.⁴ Guiding us to work in line with our commitments and ambitions is our newly drafted Climate Change Policy, which will be implemented companywide in 2022.

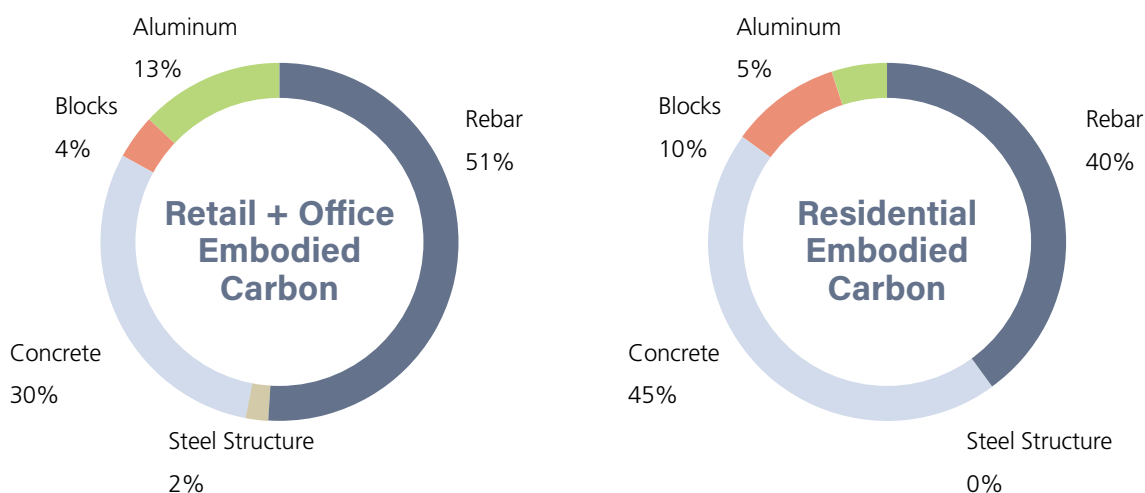
This is just one example of our effort to transition toward carbon neutrality. We made great strides in 2021 by becoming the first real estate developer in China to commit to the Science-Based Targets initiative.⁵ We are setting targets in line with the goals of the Paris Agreement to limit global warming, making our best effort to limit warming to 1.5°C. We have also drafted a Climate Change Policy which will be implemented companywide in 2022.

Further details about our approach to climate-related risk management can be found in the [Incorporating ESG-related risks into enterprise risk management](#) section.

⁴ The Science Based Targets initiative (SBTi) is a joint initiative by CDP, the UN Global Compact, the World Resources Institute and WWF intended to increase corporate ambition on climate action by mobilising companies to set GHG emission reduction targets consistent with the level of decarbonisation required by science to limit warming to less than 1.5°C / 2°C compared to preindustrial temperatures.

OUR PERFORMANCE IN 2021

In addition to Scope 1 and 2 emissions, we understand the materials we use for construction contribute to Scope 3 emissions. To this end, we have been conducting statistical research on building materials and embodied carbon in past projects, to gain an in-depth understanding of embodied carbon of our materials. This has been an ongoing endeavour with the Shanghai Academy of Construction Sciences since 2017. The findings of which will enable our ability to set an embodied carbon target and reduce embodied carbon within our operations.



Supporting Shanghai's Carbon Neutrality Goals

The construction industry plays a crucial role in enabling China dual carbon goals of peak carbon by 2030 and carbon neutrality by 2060. To represent Shanghai's desire to help meet these goals, in 2021, the Huajian Group, the Shanghai Green Building Association and Shanghai Jiao Tong University took the lead in initiating the establishment of the Research Centre for Carbon Neutral Innovation which aims to build a high-end think tank and cross-sector cooperation platform for low-carbon development in Shanghai. Leveraging partnerships and insight from members like SOL, which is the only property developer taking part in this initiative, the Centre also seeks to provide intellectual and technical support for Shanghai to build a low-carbon centre of global influence.

The work of the Centre focuses on:



Participating in the formulation of China's dual carbon goals–Which involves forming a new dual carbon standard by adapting the whole life cycle of buildings from design to operation and maintenance, post-evaluation to demolition and reuse, and integrating the relevant requirements for energy conservation and emission reduction.



Enhancing science and technology for smarter innovation – This involves fully leveraging the important contribution of energy conservation in buildings for carbon emission reduction, improving the thermal insulation efficiency of buildings, promoting ultra-low energy consumption buildings, and strengthening construction operation management. It also entails promoting the use of renewable energy and promoting the electrification and low-carbon development of building energy.



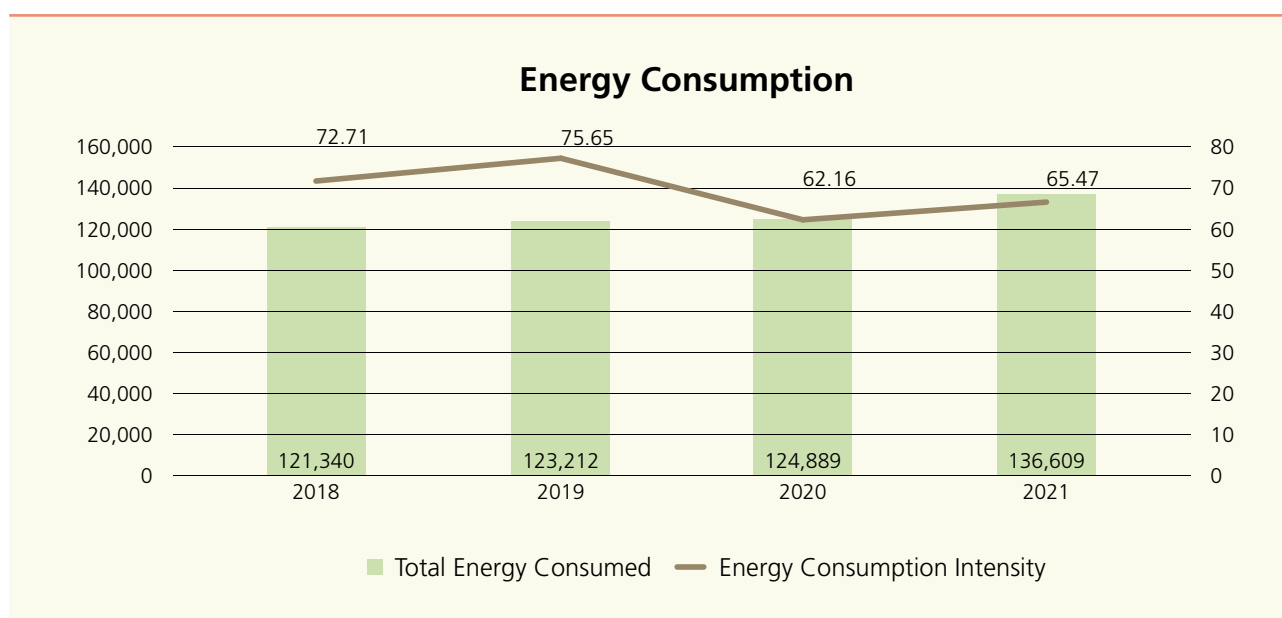
Creating the best dual carbon habitat – This involves addressing the transformation required of living and production patterns to reduce carbon emissions, as well as promoting green construction, reducing energy consumption in construction, and improving the life expectancy of developments. It also entails advocating for low-carbon lifestyles and other ways of creating a green and low-carbon living environment.

Build green and healthy communities

Our green design techniques utilise innovative sustainable technology and cost-effective health and comfort aspects which are inviting to our customers and tenants. Wherever possible, we use eco-friendly materials, monitor indoor air quality, minimise construction noise, and keep construction induced erosion and sedimentation to a minimum. By combining these elements with our focus on cultural heritage and community, we build engaging spaces that uplift modern life.

We minimise our energy use by leveraging energy-efficient systems across our portfolio. From indoor sunshades that lower power requirements and reduce the need for air conditioning to recovering exhaust air to preheat air in winter and to cool fresh air in summer – our focus is on building and maintaining buildings that are safe, healthy, and fun for people to live, work, play and enjoy.

In 2021 we consumed 136,609 MWh of energy, a 9% increase from 2020. Our overall energy intensity increased to 65.47 MWh/1000m², a 5% change from 2020. The increase is mainly due to a rebound in post-pandemic activity and usage.



Creating a sustainable future for smart buildings

In 2021, Shui On Xintiandi initiated a partnership with Honeywell to set up an integrated energy management platform for Shui On Xintiandi's development projects over the next five years. In phase one of the programme, Shui On Xintiandi targets to implement energy efficiency upgrades at the public areas of up to 19 development projects and will continue to roll out energy renovation measures and capacity upgrades at more sites in the future.

Leveraging key metrics and data, Honeywell's integrated energy management platform can identify vulnerabilities in energy management, which will help us achieve our 5-10% energy reduction target. As a pilot initiative, at two sites Honeywell will take a two-pronged approach to address carbon emission by capitalising on operational measures and technological solutions aiming to reduce energy consumption. Honeywell expects to achieve an energy reduction target of more than 15% across the buildings.

Through this partnership, we expect to reduce carbon emissions per unit area in our portfolio by 25% by 2024 (compared to 2019 levels).

OUR PERFORMANCE IN 2021



Indoor air quality

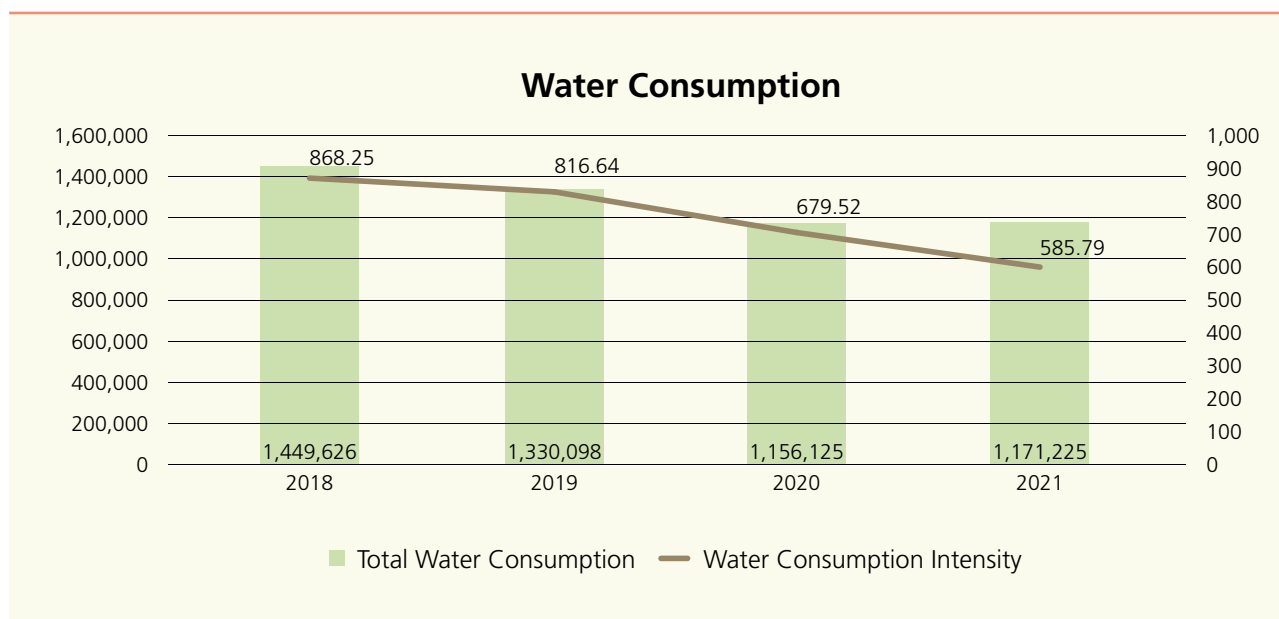
In 2015, we started monitoring air quality in our buildings to identify problem areas and implement solutions to improve air quality. We have installed three [air quality sensors](#) in the offices of Shui On Plaza and CA5 and we intend to install sensors in all our offices by the end of 2022. We also monitor for TVOC and other pollutants, and we are committed to maintaining and improving air quality both in and near all our operations. We also conduct indoor air quality tests before handing over each new residential unit to customers.



Water conservation

Water efficiency is one of the most important elements of sustainable development. As a developer in China, with several water-stressed cities, we have an extra responsibility to design for water efficiency and operate our buildings as efficiently and sustainably as possible. We have installed low flow fittings in our managed buildings, and we design new projects to achieve water efficiency rates even beyond building regulations. We install online water meters and piping equipment as well as energy and water consumption monitoring systems throughout our developments.

In 2021, we consumed 1,171,225m³ of water and our overall water intensity decreased by 14% to 585.79 m³/1000 m².



Reduce waste in our portfolio

We seek to reduce, reuse, and recycle our waste whenever feasible, aiming to minimise our contribution to landfills. Our waste is always handled according to applicable national and provincial laws and regulations, and we aim to exceed legal requirements as best we can. This includes meeting or exceeding the regulations of Shanghai Municipality on Municipal solid waste management, the Wuhan Municipality municipal solid waste sorting management method, the regulations of Chongqing Municipality on municipal solid waste management, and the Foshan Municipality municipal solid waste sorting management method. We separate waste at the source and send paper, plastic, tin, and other recyclable products to recycling. As per Shanghai governmental regulations, we provide divided rubbish bins in all our Shanghai office spaces. Across our portfolio, we raise awareness of waste management best practices and provide signage and waste and recycling bins to educate the public about the importance of waste collection and recycling.

In 2021, we generated 73,137 tonnes of wet, dry, and construction waste. We saw an increase of 4% for construction waste compared to 2020 (which was an abnormally low year) and diverted 1,239 tonnes of recyclable materials from landfills. We also kick-started a pilot waste management data collection and tracking system at Shui On Xintiandi where we are improving the collection of data for the:

- total amount of waste created;
- amount of each type of waste, per square metre; and
- year-on-year comparison of these data for the past year, plus such data by region, and by month, with a filtering function for different comparisons.

We will also increase the entering of F&B area data and computation to monthly intervals and will use the information to calculate averages by project and per region. It is through these efforts that we aim to gain a better understanding of how much waste our projects create and devise long-term plans to mitigate the impacts.

In coming years, in addition to responding to climate change and energy efficiency, we will work more closely with our tenants and local community groups to address efficient water use and waste disposal. In doing so, we expect to improve performance and meet or exceed international building standards throughout the lifecycle of all our buildings.



Spotlight: Bringing the Nanjing IFC into our portfolio

Built in 2008, the Nanjing IFC building is an iconic 109,196 square metre commercial and office complex consisting of an office tower, a shopping mall, and an underground parking garage. Nanjing IFC became part of Shui On Land's portfolio in 2021 and is operated by CXTD.

Enhancing upon the original design by HOK, one of the world's most respected architecture firms, we are planning a transformational uplift of the complex with the principles of reduce, reuse and recycle. We will not only keep the wall and structure of the office to reduce waste but also retain Shui On Workx's brand ethos of empowering organizations and individuals for the realization of shared values anytime, anywhere, and provide its occupants with science-informed, human-centric workspace solutions. Aiming to become a landmark in Nanjing's central business district and one of the most trendsetting high-end office buildings in the city, the reinvented project will be branded as Corporate Avenue Xinjiekou. The commercial area will be elevated and repositioned as "a lifestyle hub for next-generation" that will mirror the core elements of Xintiandi. The project will be reshaped around a diverse mix of business models that emphasize both creativity and quality and re-emerge as a brand-new cultural and social destination in Nanjing.

Because of its geographic location in Nanjing, which sees hot summers and cold winters, we hired an external specialist to conduct an energy audit of the complex to determine the most appropriate energy considerations for renovation and future use. Thus far, energy-saving measures already taken throughout the renovation include:

- To reduce energy consumption from lighting:
 - a. Replacing lighting fixtures with LED bulbs
 - b. Adjusting office corridor and underground garage lighting based on time of day and usage
- To reduce energy consumption while running the air conditioning:
 - a. Intermittently turning on the boiler based on outdoor air and water supply temperatures
 - b. Maintaining the cooling tower and water ring heat pump
- To reduce water usage, we reuse condensed water in the air conditioning system

Using pioneering technology, energy consumption data will be connected to an energy consumption management platform at our headquarters, so that we have real-time details of the complex's energy needs and usage. Data for waste and water are also being collected and will also be connected to the unified platform in the future.

We also anticipate further environmental impact reductions as well as social benefits from the renovation as the project has applied for WELL Health and Safety Rating and LEED Operations and Maintenance Gold certifications.



Community

2021 Highlights

Over RMB 13 million

donated to local charities

545

new Mainland China suppliers

Over 3,000

volunteer hours contributed,
an increase of 41% from 2020

94.7%

overall residential customer satisfaction rate

At Shui On Land, it is our ambition to create and shape communities that thrive today and for years to come.

We want all our built communities to engage and inspire healthy sustainable living. To achieve this, in every development that we design, build, and manage, we aim to incorporate sustainable design elements that enhance liveability and stimulate highly connected and accessible communities.

We are also motivated to become an industry leader in master planning and in driving innovation and entrepreneurship ecosystems throughout China. We achieve this by addressing the needs of our communities and embedding health and sustainability considerations into every aspect of our service offering. At the same time, we strive for industry best practices in tenant and customer safety and well-being and to fully

engage everyone in our value chain on our SD journey. We make this a reality by continually seeking out ways to enhance partnerships and engagement across our value chain so that our entire industry can be elevated together.

As set out in the 5C Strategy, our 2030 ambitions and priorities guide our approach to community building, details of which are available on the [Community page](#) of our company website.

Progress in 2021 for 'Community' was overseen by the SD Committee and the 'Community' Team (which comprises staff from several departments). Cross-departmental collaboration with the Development Planning and Design, Community Innovation, Operations, Leasing, Marketing departments also took place to help us work towards our four key targets by 2030:

2030 targets



100% of the indoor air quality in the common areas of our buildings to meet or exceed the IAQ mainland Chinese standard



Design and curate programmes for inclusive, human scale public spaces that improve the vibrancy and liveability of our communities



100% adoption of green pledge by all tenants to enable a healthy and sustainable community. Contents of the pledge to include the elimination of single use plastics as well as the reduction of water and electricity consumption



Promote and/ or incubate over 100 start-ups or local creative businesses within our community

OUR PERFORMANCE IN 2021

Our 2021 Action Plan focused on our signature initiative of encouraging and enabling consumers to make healthy and sustainable choices and to take on a “green Monday-plant based diet” initiative by engaging all F&B tenants to provide a vegetarian “Green” menu. Learn more about our progress in the spotlight on Promoting a Sustainable Lifestyle With Green Monday on page 28. The theme for the programme is slated to shift every two years, transitioning from food in 2021-2022 to supporting the underprivileged and promoting gender diversity.

Beyond our signature initiative, the Community Team worked on:



- Establishing an R&D/innovation lab for community design, urban regeneration, and future operations
- Creating a Sustainability Supplier and Procurement Policy
- Launching a Green Pledge programme – including a green menu programme and signing F&B tenants to a green pledge
- Researching opportunities to develop and sponsor an online/offline network for the innovation and entrepreneurship community to gather and connect
- Building community infrastructure, strengthening an innovative and entrepreneurial ecosystem

Embed health and sustainability into the community experience

Our live-work-play-learn community development concepts have been specially designed to help bring whole communities together—to build bonds and create happy, healthy shared experiences. Our high-quality building services, diligent after-sales service, and emphasis on health and safety have built a sense of trust and community across our portfolio. Outside our doors we aim to embed health and sustainability into the community experience by developing healthy buildings, ensuring tenant and customer wellbeing and safety, and giving back via volunteering and charitable contributions to our community.

We do all this by coordinating a range of activities, held annually or on an ongoing basis. In 2021 this included:

- Organising 16 sports and fitness activities at seven projects, reaching 6.7 million people
- Hosting 29 activities that promoted sustainable fashion at five projects, engaging about 3.3 million people
- Hosting 20 healthy diet-related activities, which involved 1.4 million customers at six projects
- Organising 19 recycling and upcycling activities at six projects involving 3 million people
- SOL volunteers taking part in 17 activities to offer care for special groups including at-risk youth, working mothers, and more, benefiting 790,000 people



Master planning

At Shui On Land, we are committed to leading the industry in master planning and our approach to this is to keep human-centric design at the core of every decision we make. The Company's focus on the development of large-scale, mixed-use city-core integrated property projects is guided by our ambition to create great communities that are designed to address urban challenges and offer inclusive spaces that bring people together.

In 2021, guided by targets from the 5C Strategy, we focused our master planning efforts on attaining LEED and WELL certifications for all large master-planned projects. At year-end 90.39% of ongoing projects totalling 2,316,222 square metres successfully met this target, including new large master-planned projects such as the Wuhan Shipyard.



Green Building Pre-Certifications

DEVELOPMENT	PRE- CERTIFICATION AWARDED	DATE AWARDED	SQUARE METERAGE
Hongshou Corporate Avenue – East Tower	LEED-Core and Shell Gold	February	34,121
Hongshou Corporate Avenue – West Tower	LEED-Core and Shell Gold	February	13,696
Shanghai Panlong Tiandi	LEED-Neighborhood Development Gold	July	257,000
Wuhan A1, Office	WELL -Core and Shell Gold	November	192,978
Tai Ping Qiao 123, Office	WELL-Core and Shell Gold	May	38,000
Tai Ping Qiao 124, Office	WELL-Core and Shell Gold	May	120,555
Tai Ping Qiao 132, Office	WELL-Core and Shell Gold	May	30,099



Green Building Certifications

DEVELOPMENT	CERTIFICATION AWARDED	DATE AWARDED	SQUARE METERAGE
KIC	WELL Health-Safety Rating	January	526,530
Hongqiao HUB	WELL Health-Safety Rating	July	390,000
Tai Ping Qiao 118	China Green Building Label Two star	April	110,200
Panlong Tiandi, lot 06-02	China Green Building Label One Star	April	149,500
Panlong Tiandi, lot 11A-04	China Green Building Label One Star	May	35,800
Panlong Tiandi, lot 11B-04, 11B-05	China Green Building Label One Star	May	65,300
Tai Ping Qiao 132, Office	China Green Building Label Two star	May	42,600
Ruihong Xincheng Lot 7	China Green Building Label Two star	May	230,898
Ruihong Xincheng Lot 167A	China Green Building Label Two star	May	120,100
Wuhan Tiandi B10	China Green Building Label One Star	December	174,449
Ruihong Xincheng Lot 10 Retail	LEED-Core and Shell Gold	June	161,557
Ruihong Xincheng Lot 10 Tower A	LEED-Core and Shell Gold	June	68,683
Ruihong Xincheng Lot 10 Tower B	LEED-Core and Shell Gold	June	62,035



Tenant and customer wellbeing and safety

Understanding and responding to our customers' needs and consistently improving the customer experience is the foundation of our customer-service oriented culture. At the top of our property list is ensuring the wellbeing and safety of anyone who comes into one of our developments or enjoys our services. We do our best to anticipate and respond to the needs of our clients and provide products and services that are healthy, more comfortable, and environmentally friendly as best we can.

When it comes to the security and protection of customer information, our Personal Information Security Management System is in place to ensure personal information protection. In 2021, as part of our regular employee training on information security, all SOL employees completed the company's information security online learning module. We also conducted quarterly phishing email tests and required those who failed to avoid phishing emails to re-attend the information security training.

Promoting A Sustainable Lifestyle With Green Monday

In April we were delighted to launch a strategic collaboration with Green Monday – a pioneer in Asia's plant-based movement. In phases, we will work together to bring a series of green initiatives designed to incentivise external stakeholders to change their eating habits for a healthier, more sustainable lifestyle, empowered by Green Monday's plant-based food ingredients. As part of our 5C Strategy, this collaboration demonstrates the actions we are taking to enhance partnerships and engagement for thriving sustainable communities and underscores our commitment to reducing our carbon emissions and overall environmental impact.

Over time, SOL will increasingly offer plant-based food options to its staff and internal stakeholders via catering, enhanced plant-based menus in its integrated communities, sustainability training and activities for staff. SOL will also commit to a company-wide pledge of offering plant-based options at its staff cafeterias and events. Thereafter, Green Monday and SOL will work with industry experts and professionals on ESG tracking and reporting to quantify the impact of these initiatives using internationally recognized science-based standards.

Additionally, SOL has joined the "Green Monday ESG Coalition", which aims to unify businesses for a sustainable future. The mission of the Coalition is to empower corporations with solutions that can make "Net Zero" happen. By joining the Coalition, SOL and Green Monday will devise an actionable roadmap, with a specified approach, framework, empowerment and measurement tools.



The strategic collaboration with Green Monday showcases our desire to increase engagement with our value chain and to work better together for greater impact. It will also set out the path for future projects with other vendors and social enterprises.



Volunteering

Shui On supports local community groups through charitable donations and employee volunteering with a focus on supporting underprivileged local community groups and migrant children across China.

Due to ongoing pandemic restrictions on group activities throughout 2021, our employee volunteering initiatives remained limited in comparison to past years. In 2021, our employees dedicated a combined total of 3,099 volunteer hours across numerous events on a range of topics including:

- Advocating for more recycling of pre-loved clothing and raising awareness about the textile recycling process
- Developing healthy living habits and lifestyles
- Electricity saving and energy conservation
- Encouraging participation in household gardening and creating green living and office environments
- Environmental protection and sustainability

A signature activity was the launch of the Pay it Forward hiking challenge by our Seagull Club and in collaboration with the Shanghai Lianquan Public Welfare Foundation.

Another highlight in 2021 was when more than 100 volunteers (including Shui On employees and Shui On Community Partner employees) offered a 'Knowledge Education' learning experience for migrant children of Shanghai city builders through Play Social – a local non-profit that offers real-life experiential learning for children who are curious about the world. Volunteers participated by teaching children on a range of topics, including:

- Historical building preservation and inheritance—seven Shui On employees participated as volunteer teachers to talk about urban renewal through the preservation and inheritance of Xintiandi's buildings.
- Science—Nearly 10 volunteers (including Shui On Community partner 3M staff and Shui On staff) participated to help migrant children in Shanghai learn more about science.
- Escape room planning—six volunteers (three from founding team of KIC tenant XCAPE and three from Shui On) participated as volunteer teachers, helping children from KIC and Ruihong communities understand how escape rooms work, revealing design secrets, and talking about the new profession of escape room planning.
- Urban planning—eight volunteers (including senior executives and employees of Shui On tenant AECOM and Shui On employees) volunteered to talk about sustainable urban renewal and urban planning.

OUR PERFORMANCE IN 2021

Enhance partnerships and engagement

Every year we partner with over 4,000 suppliers including construction contractors, professional consultants, and other service providers. Our suppliers primarily comprise providers of security, cleaning, planting, and special equipment maintenance services as well as construction and maintenance suppliers who provided renovation and asset enhancement initiative services on our properties. These suppliers are a vital component of our supply chain and enable our ability to develop quality developments and provide services for our customers.

We have implemented stringent supplier selection and evaluation criteria that encompass a range of social, environmental, and quality screening parameters. In 2008, we developed a Health, Safety and Environment Handbook which outlines our social and environmental standards and requirements and is used as evaluation criteria when we select suppliers. It covers topics such as construction safety management, construction site environmental protection, temporary facilities, worker welfare, etc.



In 2013, we established a comprehensive supplier evaluation system to help our suppliers increase their capacity to meet our sustainability standards. We require our suppliers and vendors to comply with our Code of Conduct and Business Ethics by including a standard clause on all relevant service agreements/contracts requiring, to the extent applicable, suppliers/vendors be familiar with and to abide by the Code or other similar relevant clauses which are relevant to their work with us. Failure to do so will result in a breach of contract. To ensure our suppliers will also have the best ethics practices, the Supplier Code will be made an appendix to construction related supplier contracts. As most of our suppliers are China-based, the impact is mainly limited to within Mainland China. We evaluate the performance of our project contractors and suppliers every quarter and all of them passed our performance evaluation. To our knowledge, no negative social impacts were found in our supply chain in 2021.

We select and evaluate new suppliers through on-site office and plant inspections. We also evaluate new suppliers quarterly to ensure their performance. We register new suppliers with relevant performance evaluations in our supplier database. The Project Management and Cost Management Teams are responsible for reviewing the database and conducting inspections as and when needed.

We maintain strong relationships with our suppliers and partners so that they are motivated to operate in a manner that is consistent with our values and sustainability standards.

In 2021 we promoted low carbon living and environmental responsibility by rolling out a Green Pledge across its portfolio which included encouraging retail tenants to reduce food packaging and food waste and supporting them to include plant-based and healthy food options. Over 350 F&B tenants adopted green menus during Restaurant Week and over 960 green dishes were introduced to customers. Also in 2021, we:

- Created a Sustainability Supplier and Procurement Policy which includes Type I environmental labelling as an annexe in bidding and contract documents. 100% of contractors and indoor material suppliers have been made aware of this new policy and its changes to our approach to procurement.
- Engaged our tenants and customers about low carbon living by rolling out a plant-based food initiative across our portfolio. Learn more in the spotlight on Promoting a Sustainable Lifestyle With Green Monday on page 28.

Strengthen an innovative and entrepreneurial ecosystem

We recognise the role that innovation plays in addressing critical social and environmental issues. We seek to strengthen the innovation and entrepreneurial ecosystem among the communities in which we operate by nurturing local innovators and entrepreneurs via a range of support platforms. We aim to effectively become a comprehensive one-stop solution for start-ups and entrepreneurs with work-live-learn-play concerns and have been working towards this in 2021 by:

- Co-creating a sustainable fashion incubation and acceleration ecosystem with Shanghai Fashion Week and CEIBS – The collaboration has brought together five major consumer-goods groups in the global fashion industry, 15+ Top Chinese designers brands (80% founded by women), major tech companies (such as Tencent, China Unicom, and Microsoft Xiaoice) and more than 10 digital creative start-ups (NEXT GENERATION, Xmov, etc.) A highlight in 2021 was hosting a closed-door Forum on “fashion innovation under the rise of young Chinese consumers”, where several enterprise representatives were invited to share their insights on youth cultural trends, omnichannel business innovation, consumption investment and future consumption experience enabled by science and technology.
- Supporting start-ups and innovative brands through Foodie Social – In XINTIANDI STYLE I-FOODIE SOCIAL, we supported the first store of the new brand called NOKO, collaborated with the online show “Chef’s glory” to open a popup kitchen as well as with Tsutaya Bookstore to launch the first popup “Eat Well”. At XINTIANDI SUN-FOODIE SOCIAL, we supported organic product brand Zhen Taste and seasonal fruit brand Dongxi Fruit to launch their flagship stores.
- Supporting Chinese designer brands to enter the WWF Green Challenge by Design Social – Together with Design Social we jointly launched the “Green Challenge” sustainable fashion award in collaboration with CNTAC and WWF. Nine Chinese designers were invited to design sustainable clothing and create digital collections made available on the Alibaba ant chain. The project included nine pieces of sustainable fashion and digital art and 54,000 NFT pieces and was viewed by over 1 million people online. Proceeds from the challenge were donated to WWF for the protection of endangered migratory birds.
- Establishing the LOW-CARBON WORKSPACE ALLIANCE – To promote the sustainable development of workspaces, reduce the carbon emissions generated by workspaces, and create a comfortable office environment. 10+ enterprises in related fields have already joined as core members.

In addition, our InnoSpace offered innovation support services to 135+ start-ups. We also saw Urban Lab and 36 Kr join hands to offer services for more than 100 start-ups to pitch to investors through roadshows. We were also delighted to collaborate with TETRA ELC, the first photovoltaic cleaning robot enterprise (in terms of the market share).



Culture



At Shui On Land, we believe that sustaining, expressing, and nurturing our local culture, while also sharing the beauty of Chinese culture with the world, creates a sense of common community identity and brings us closer to one another. This has inspired us to embed the concept and value of culture into our business model, as we see culture and sustainable development as being connected and self-reinforcing.

Cultural conservation also provides important social and economic benefits to a community by enhancing the quality of life and increasing the overall wellbeing of both individuals and communities. This has driven our approach to find win-win solutions for historic preservation and commercial development. We also seek out small scale replicable urban regeneration and place creation projects and support public, private partnerships

that link culture and SD together, as well as other partnerships that promote cultural heritage and development. A key component of our efforts includes celebrating Chinese created services, which is reflected in our support of local artists, entrepreneurs, and innovators who bring forward Chinese products and partnerships to the community.

As set out in the 5C Strategy, our 2030 ambitions and priorities guide our approach to culture, details of which are available on the [Culture page](#) of our company website.

Progress in 2021 for 'Culture' was overseen by the SD Committee and the 'Culture' Team. Cross-departmental collaboration with the Clean and Community teams also took place to help us work towards our three key targets by 2030:

2030 targets



Be a pioneer in preservation and adaptive reuse of historical buildings and its urban fabric



Enhance the vibrancy of the communities that we develop through the programming of cultural content and the design and management of city streetscapes

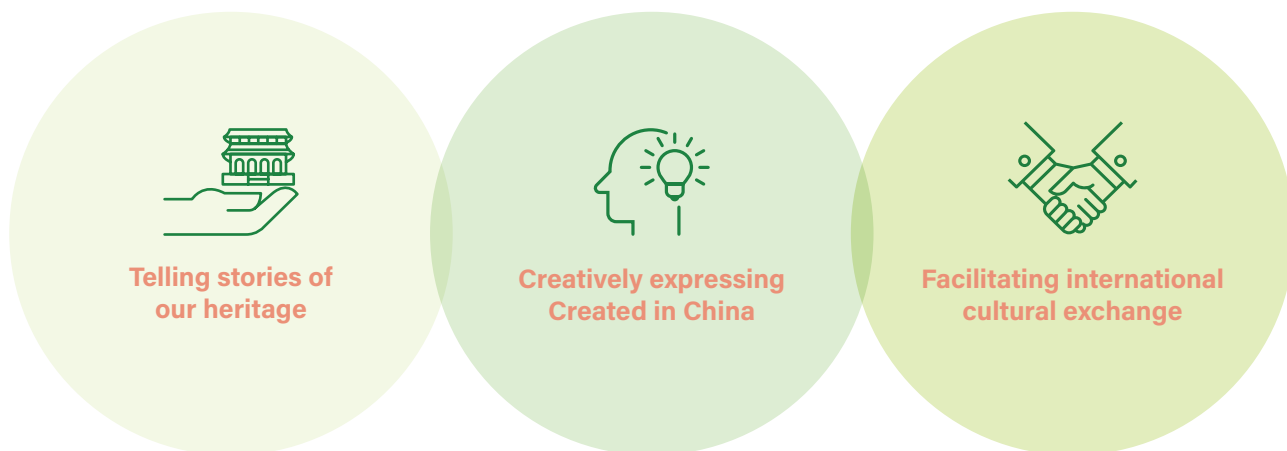


Promote and celebrate local creative talent

Our 2021 Action Plan focused on three signature initiatives centred around:

- Becoming a thought leader in the urban planning and real estate sector on urban regeneration through preservation and adaptive reuse of historic buildings and districts. This year's goal was to document and showcase one past or current urban regeneration project and to collaborate with a university on thought leadership. We kicked this off in 2021 through the co-creation of a special course with Tongji University on Urban Regeneration. We also started collaborating with three influential partners on cultural development and rejuvenating local Chinese culture.
- Enhancing global cultural exchange in China by developing and operating signature IP events across our portfolio. A highlight of these efforts in 2021 was hosting not only Shanghai Fashion Week and the Xintiandi Design Festival, but also Xintiandi Festival, Tiandi Restaurant Week, World Music Festival and Lumieres Shanghai festivals. Learn more in the spotlight on Bringing the World of Art and Culture to Shanghai on page 34 to page 36.
- Celebrating 'Created in China' and featuring the 'Creators 100' programme which promotes and spotlights local creators. We showcased the Creators 100 programme in 2021 as part of our celebration of the 20th anniversary of Xintiandi.

Beyond our signature initiatives, the Culture Team worked on:



- Increasing partnerships – working with at least three partners each year to ensure alignment on the cultural heritage rejuvenation – Achieved
- Creating a culture heritage rejuvenation guideline/policy and content to be considered during positioning and master planning – In progress
- Pioneering a framework – Establishing a culture strategy with clear definitions of culture focus areas – Achieved
- Setting targets, measuring, and tracking – Conducting a community survey to establish baseline data for culture impact metrics and indicators – In progress
- Setting up a fund to provide employees with the opportunity to participate in “cultural learning trips” (within China) – In progress
- Enhancing global cultural exchange in China through developing and operating signature IP events across our portfolio – Achieved

Tell stories of our heritage

SOL actively seeks out cultural landmark buildings and communities when planning projects so that we may preserve and rejuvenate our unique architectural heritage. In each endeavour, we do our best to conserve the integrity of our heritage and the legacy of our ancestors. Beyond structural conservation, it is our perspective that every facade, floor, roof, and space that make up our buildings, as well as all the spaces in between, can act as canvases for creative and respectful recognition of those who came before us.

We also believe that infusing ethnographic elements and communal culture features into green and public spaces as well as historical aspects of buildings helps preserve our rich heritage. Our creative and design teams work together to curate culture-focused content (such as festivals, exhibitions, artwork, etc.) for our many existing communities to rejuvenate the public’s understanding and appreciation for our historical heritage.

To enhance public awareness of our culture-focused efforts, we offer facilities (such as exhibition venues, theatres, libraries/bookstores, learning centres, cinemas, sports centres) within our neighbourhoods and communities to benefit local artists and community groups and so that their work can reach a broader audience.

In 2021, a memorandum of understanding was signed between Shui On Management and the the College of Architecture and Urban Planning of Tongji University for the development of a special course on the topics of “Urban Renewal and High-Quality Sustainable Development”. The course aims to inspire new talent in the field of urban renewal and urban sustainable development. The collaboration also seeks to carry out a series of exploratory new talent training measures to help upskill Shanghai’s urban renewal and high-quality sustainable development network.

We have also joined hands with three partners – each partnership is specially designed to nurture and promote traditional Chinese handicrafts and artistic design in unique ways. For example, through Rong-Handmade in Hangzhou Design Library, the PINWU Design Studio is researching Chinese traditional handicrafts and materials, creating contemporary design language and works and even creating outdoor public furniture for Panlong Tiandi. The concept of design was inspired by the history of Panlong that combines traditional concepts and modern design.

Also at Panlong Tiandi, we have partnered up with the Yuz Museum to open the second Yuz Museum at Panlong Art Center in the fourth quarter of 2022. We have also made space in Panlong Tiandi for The Pottery Workshop to hold ceramic art education.

Facilitate international cultural exchange

At Shui On Land, we value the diversity of thought, ideas, and practices and we are committed to nurturing international cultural exchange activities and events so that we can see and hear diverse perspectives on a range of topics from around the world.

We achieve this by fostering partnerships with local and international cultural organisations as well as by hosting international cultural and urban regeneration events with other local and international cultural groups, such as the larger-than-life Lumieres Shanghai and Shanghai Fashion week.

Bringing the World of Art and Culture to Shanghai

For over a decade, we have been celebrating the beauty and creativity of artists from around the world through our famous festivals and themed week-long events.

In 2021 this included:

Creative Shanghai 2021

In collaboration with Bloomberg Businessweek, Xintiandi organized the first Creative Shanghai in 2021 where more than 400 professional designers and influencers came together to discuss concepts on sustainable cities, cultural heritage, and creativity. Over 4.5 million viewers watched the event online.

Speakers including officials from the Shanghai Commission of Economy and Informatization, economist Zhu Jiaming, Jin keyu, SXTD Vice Chairman Stephanie Lo, CEO Allan Zhang, artist Cao Fei (one of China's most prominent contemporary artists), as well as award-winning Architect Ma Yansong and publishers from Modern Media and Bloomberg businessweek.



Shanghai Fashion Week at Xintiandi

Shanghai Fashion Week has become now the most influential fashion week in Asia and the biggest event on China's fashion calendar, partly thanks to our more than 10-year strategic partnership with Shanghai Fashion Week.

From online to offline, designers have not stopped innovating, and have seized new opportunities from challenges brought about by the epidemic. This year's fashion weeks highlighted their attempts to re-examine the dimension of creativity from new perspectives and showcased a new focus on sustainability, female empowerment, intangible cultural heritage, cultural collision, and digital fashion.

Xintiandi Design Festival

Through our strategic partnership with Design Shanghai, the Xintiandi Design Festival is Asia's premier design event featuring various international and Chinese designers who create interactive art installations and encouraging in-depth discussion around the intersectionality of community, public spaces, and creativity. For 2021, eight curators including the Chief content officer of Elle Decoration and the Chief editor of IDEAT brought the audience 20 designer pieces in Shanghai Xintiandi, seeking to return to the beauty and essentials of daily life, carrying the key themes of innovation, regeneration and sustainability.



Xintiandi Restaurant Week

Since 2016, Xintiandi Restaurant Week has been offering unique dining experiences and has become well-known in the gastronomy and foodie community. Over the years we have also been promoting the incorporation of sustainable living elements into the menus.

In 2021, we partnered up with over 30 sustainable and community brands including Green Monday, Mars, Ant Forest, Oatly, Xiaoyuzhou to applaud sustainable living and hosted more than 60 offline events as well as several online green challenges.

World Music Festival

Bringing music from all over the world together, the World Music Festival is the largest world music festival in China. It was jointly produced by Xintiandi and World Music Asia, hosting together more than 200 music groups.

Despite pandemic-related travel regulations, we invited 27 bands and musicians and staged 68 concerts across seven SOL projects across the nation while meeting related regulations. To celebrate China's diverse music and give modern interpretation of traditional Chinese music, we gathered artists such as Yunggiema, top minority female singers from Menba minority, famous Chinese song-writer Li Quan, Chinese idol group AKB48 Team SH and famous Pingtan artist Lu Jinhua to share their recent music discoveries and exploration.



OUR PERFORMANCE IN 2021

Lumières Shanghai

Curated by Xintiandi in collaboration with global strategic light festival partners, Lumières Shanghai has become one of the most influential light festivals in China since its debut in 2015.

Every year, we illuminate Shanghai with extraordinary light art experiences in our four projects. Since 2015, more than 120 pieces of artwork and performances by artists from around the world were brought up to our audience, free of charge. We achieve this through strategic partnerships with Lyon light festival (Fête des Lumières), Amsterdam light festival (Light Art Collection), West Bund Art & Design, world-class artist group teamLab.

In 2021, 10 installations were featured. A highlight was our collaboration with Japanese artist Ryotaro Muramatsu (the founder of Japanese famous artist group Naked) to showcase his work, Dandelion. The immersive light art piece invites the audience to send their prayers across a network in real time through digital spores. Other highlights included the Bauhaus Chess Set from Australian artist group Amigo & Amigo and impressive spaceship installations from young Chinese artist Feng Bin.



Creatively expressing Created in China

China is world-famous for the diversity of the products it makes and the local culture is becoming increasingly proud of the label 'Created in China.' At Shui On Land, we celebrate the creative expression of Chinese culture and we focus our contributions toward the arts, music, dance, food, fashion, festivals, and education-based activities. This is demonstrated through the many opportunities we create by inviting local artists, designers, and artisans to showcase their works within our developments as well as through online opportunities. We also promote local creators by hiring them for projects and/or organising events to showcase their work.

We are currently evolving our digital strategy and improving options available for O2O (Online to Offline) communities. We are also actively developing a new retail strategy that revolves around social omnichannel experiences.

As part of our 5C Strategy, we have been engaging, connecting, and promoting creative classes and future business opportunities through our signature CREATORS 100 programme, which promotes and provides economic opportunities for local creators. We were delighted to launch the CREATORS 100 programme in 2021 to showcase Chinese creative talent. With the core values of inheriting culture, pioneering sustainability, and co-creating our future city, the programme aims to evolve into a diverse, creative hub that supports creators for years to come. In total 100 creators came together on various projects throughout the year.

It is a creative platform where we offer open possibilities from across our company and to our partners to artists, celebrating their talent through collaborations, art and culture campaigns, community events, innovation programmes, and AEI programmes etc. The creators consist of an array of entrepreneurs, community influencers, architects, artists, musicians, designers, tenants, and editors with great creative content. We are proud of the potential to build this creative network through our community across the nation (creators are recommended from all projects) not only to creatively express our 'created in China' core value but also serve as a content incubator for our long-term position as a content driven company.

Care

2021 Highlights

Gender split

– 53 male/47 female

43.41

average hours of employee development training

99.8%

female and 99.7% of male employees attended training sessions

100%

increase in governance body gender diversity

Shui On Land's vision to be a pioneer of sustainable premium urban communities starts with a great team. Providing a diverse and inclusive workplace is one of the priorities in our 5C Strategy as we recognise that the future of our business depends on the engagement and dedication of our colleagues to create stakeholder value. This also reflects our focus on sustainability and our goal to help shape a positive future for the real estate sector.

We make this possible by offering a great place to work, treating every employee fairly, and providing equal opportunities for holistic career development. To become an employer of choice, we have prioritised offering our staff a safe and healthy working environment and fostering a collaborative working culture, where everyone can be motivated to develop their skillsets and deliver the best results. We do this because we believe it is imperative to consistently attract, develop, and

retain employees effectively—not only to drive performance and innovation—but more importantly, to nurture a caring, talented, healthy, and engaged team.

As set out in the 5C Strategy, our 2030 ambitions and priorities guide our approach to care, details of which are available on the [Care page](#) of our company website.

Progress in 2021 for 'Care' was overseen by the SD Committee and the 'Care' Team (which comprises staff from several departments). Cross-departmental collaboration with the Corporate HR department; the Head of Construction and Property Management; the SOL Culture and the Talent Development Committees; as well as the Legal and Internal Audit, and Product Development and Administration Departments to help us work towards three key targets by 2030:

2030 targets



Develop a holistic training programme and individual career development plan for all employees of every level across all business units

- Average training hours per employee per year: 40



Encourage all employees to be socially responsible

- Average volunteer service hours per employee per year: 8



Provide a safe, healthy, and inclusive office environment for all staff

- Maintain zero workplace fatalities for all employees and contracted partners in the supply chain
- Achieve gender equality and diversity across the company and gender remuneration ratio 1:1 between female and male

OUR PERFORMANCE IN 2021

Our 2021 Action Plan focused on two signature initiatives centred around:

- Developing SOL's Talent Development programme and enhancing our employer branding for talent attraction and retention.
- Targeting to be included in the Bloomberg Gender-Equality Index (GEI) as an industry leader in promoting gender equality – which we are delighted to have achieved.

Beyond our signature initiatives, the Care Team worked on:

- Creating inclusive common interest groups – By developing employee resource groups and voluntary employee-led groups of individuals with common interests, backgrounds, or demographic factors
- Enhancing company policies to ensure a safe workplace is provided to all employees with prevention of inappropriate behaviours, harassment, or misconduct
- Contributing to social fund for disabled people at 1.5% of total annual employee remuneration
- Striving toward zero fatalities across the supply chain – By developing clear policies and pathways of communication to report near-misses and implementing enhancements to prevent potential injuries and damages
- Ensuring zero direct or full-time workforce fatalities among SOL and SXTD staff



- Nurturing a knowledge seeking culture – By developing holistic training programmes for every level of employee across all business units
- Fostering the “spirit of innovation” through a series of monthly “webinars” or creative talks around urban development, the future of work (engage guest speakers), etc.
- Providing additional health protection to all our employees – By upgrading insurance coverage to critical illnesses
- Caring our employees and their family – By providing employees with voluntary insurance options and a hamper for those who welcome a newborn
- Promoting work-life balance – By launching the iFamily Programme

Provide equal opportunities in training and development

Over the years, we have seen that engaged employees are happier both at work and in their personal lives. High employee engagement has led to reduced employee turnover, improved productivity, and better business outcomes. We also actively hire and support people from diverse backgrounds so that we can assimilate more perspectives, approach problems differently, and develop the most innovative communities for our customers.

To keep our team engaged throughout 2021, we:

- Built-up internal communication via Shui On+ to deliver updated company news and new initiatives effectively and efficiently to all employees
- Completed the design, development and release of Learning Map with Leadership and Professional Development which provides continuous and sustainable learning resources focusing on two dimensions of development for Leadership and Professional staff
- Fostered the “spirit of innovation” through a series of monthly webinars and creative talks about urban development, the future of work, and more
- Hosted 10 sessions of “Lunch with Management” for casual talks on career advancement, business strategies, market trends, etc.
- Hosted the first session of the “Reading Club” with more than 60 employees to encourage a culture of continuous reading and learning
- Hosted the first Shui On Knowledge contest with more than 200 employees competing
- Launched the 2021 Career Week that focused on engagement
- Promoted the concept of “I own my learning”, where every employee can identify the internal learning resources they may need at different stages of their career development
- Worked on developing a holistic training programme for every level of employee across all business units



Training and development

Our Talent Development Committee works with our HR team to curate talent development goals at the organisational level which encourages employees to grow with us. We facilitate this—and increase the motivation, engagement, and continuous development of our employees – via our training and development initiatives. This helps us employ and retain the best possible professionals with the right competencies for each position.

To consistently nurture an engaging workplace, we encourage employees to continually upgrade their professional skillsets through a range of training, practical workshops, and mentorship programmes. In 2021 our team focused on developing the SOL Talent Development programme and enhancing our employer branding for talent attraction and retention. Overseen by HR and implemented by all people managers, on annual basis, all employees will receive a performance and development review that includes goal setting and performance appraisal. 100% of our staff took part in an annual performance review with their direct line manager, which was in turn reviewed by the HR team for evaluation and career progression planning.

OUR PERFORMANCE IN 2021

Training and development programmes held in 2021 included:

PROGRAMME	DESCRIPTION	NUMBER OF ATTENDEES
New Employee Orientation (NEO)	<ul style="list-style-type: none"> • A 180-day onboarding journey • Online learning of the company's vision, mission, value, code of conduct, real estate knowledge • In person workshop on the company's latest functions, developments, IT systems, etc. 	191
Personal Effectiveness Series (PES)	<ul style="list-style-type: none"> • Two weeks of mix-mode training that aims to develop four fundamental skills, namely self-awareness, communication, task management and workplace skill. 	377
New Manager Transitions Program (NMT)	<ul style="list-style-type: none"> • A three-month learning programme on problem solving for new managers, including three modules on <ul style="list-style-type: none"> o managing tasks o managing team o cross-team collaboration 	39
Advanced Leadership Development (ALD)	<ul style="list-style-type: none"> • A three-month programme for mid-level management to learn macro-thinking and empowerment. 	17
Asset Management Camp (AMC) – Basic Level	<ul style="list-style-type: none"> • A three-week Basic Level AMC programme provides non-commercial related staff an understanding of the knowledge and tools required for asset management. 	96
Asset Management Camp (AMC) – Intermediate Level	<ul style="list-style-type: none"> • A one-week Intermediate Level AMC programme aims for commercial related staff with a structured modules of Real Estate Investment Analysis, Collaboration between Development and Commercial Team, Operation Management. 	74
Shui On Knowledge (SOK)	<ul style="list-style-type: none"> • A four-session course on knowledge, skills, best practices across our business, enabling employees to work more effectively and efficiently. The four modules are Resilient Leadership, Story of Xintiandi, Space Creator, Development of Panglong Tiandi. 	149

Create a diverse and inclusive workplace

Shui On Land is committed to creating a diverse and inclusive working environment for all employees. We have created a working environment where diversity is considered a strength and we will never tolerate any discrimination or harassment related to race, religion, gender, or disability.

To assure steady progress in this area, we promote equal opportunities in all aspects of employment. We believe that this equal-opportunity approach places people in positions that best suit their abilities. As such, we recruit, retain, and develop the best people for the job based solely on their abilities to bring solutions-oriented voices to our team.

We also recognise the importance of gender diversity, and our gender diversity approach begins with our Board. Under the leadership of our Board, we will continue to take steps to promote and enhance gender diversity at all levels of our Company. In 2021, 70% of our board were male and over 50. In January we brought on an additional female board member who is under 50, bringing more gender balance to the board.

International Recognition for our Reporting on Gender Diversity

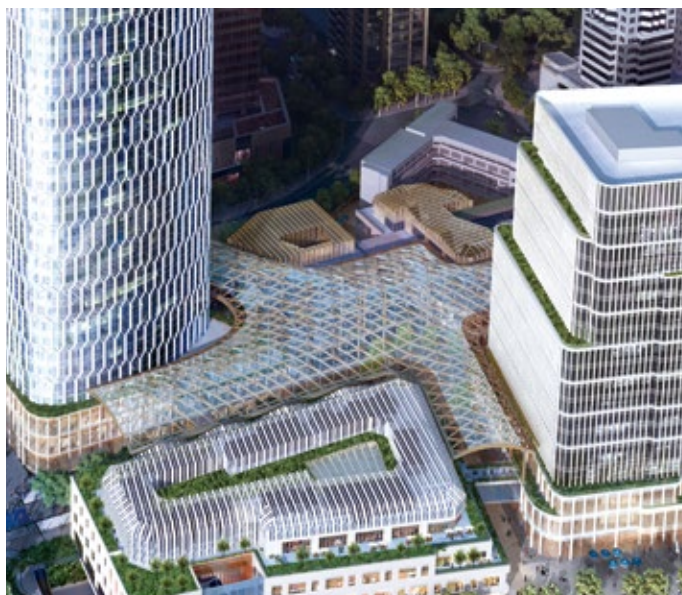
The Bloomberg Gender-Equality Index (GEI) is a modified market capitalization-weighted index that aims to track the performance of public companies committed to transparency in gender-data reporting. It helps bring transparency to gender-related practices and policies at publicly-listed companies around the world, increasing the breadth and depth of ESG data available to investors. By publicly releasing detailed, consistent and comparable gender-related data, the companies included in the GEI are setting a new standard for data reporting and helping to raise the bar on gender diversity in the workplace.

Acceptance into the GEI highlights a company's focus on female empowerment and showcases its commitment to gender equality in the workplace. It also provides the investment community with the transparency they seek in quantifying the 'S' in ESG.

Shui On Land was delighted to be one of 414 companies across 45 countries and regions to be included in the 2022 GEI.

The index measures gender equality across five pillars, including female leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, anti-sexual harassment policies and a pro-woman brand.

Ensure health and safety for all



Shui On Land is focused on providing our employees with a safe and healthy working environment by providing an injury-free workplace. Health, safety, and wellbeing have been embedded in our core values and continuous improvement of our safety performance is embedded in our daily working habits.

We do our utmost to ensure that all our employees and subcontractors return home safely at the end of each day. We achieve this by requiring employees to adhere to our safety plans and procedures, details of which were disclosed on pages 48 and 49 of our [2020 SD Report](#). In 2021, we worked on enhancing company policies to make sure our workplace is safe and to prevent inappropriate behaviours, harassment or misconduct. We revised the Employee Handbook, which was approved by the EXCOM in December and implementation and employee acknowledgement began in early 2022.

In addition to our well established EHS management system, which handles occupational health and safety risk-related tasks, the Company does its utmost to prevent accidents at construction sites by adhering to construction machinery and equipment and site safety production management systems. All our workers are covered by these externally audited occupational health and safety management systems, details of which were disclosed on pages 48 and 49 of our [2020 SD Report](#).

Our Target Zero initiative promotes a companywide culture where employees embrace a zero injuries mentality and live by the ethos that 'safety never takes a day off'. The objectives of this initiative focus on eliminating accidents, improving staff safety awareness and skills to eliminate unsafe behaviour, and reducing and preventing loss due to accidents by eliminating hazards in the workplace.

Our consistently low accident rate is a testament to the hard work and dedication of our teams and the high standards we deliver across all our projects. There were 27 recordable work-related injuries throughout the reporting period, an increase of 108% from 2020. We recognise that there is always room for improvement with it comes to health and safety. We will continue to promote safe behaviour and implement our safety procedures so that we may maintain our goal of zero incidents. In 2021, we achieved our target of zero direct or full-time workforce fatalities among SOL and SXTD employees.

In pursuit of this, in 2021 we worked on developing clear policies and pathways of communication to report near-misses and on implementing enhancements to prevent potential injuries and damage. We launched a health and safety learning course with three online modules covering three working environments; construction sites, commercial properties and office spaces. 99.3% of employees completed the course which we plan to conduct annually.

Improve employee wellbeing

At SOL, employee wellbeing is all about leading a balanced life and being physically, mentally, and socially healthy. Our 3,186-strong team of caring, dedicated, and creative employees has helped us create the business we run today. Their dedication has come from our effective approach to helping our employees strike a healthy balance between their professional and personal lives, creating a flexible workplace that serves the requirements of both the company and the individual.

We offer a range of workplace benefits to help our team maintain a high level of work-life harmony. Also, we conduct an annual market review on pay, benefits, insurance, etc., to ensure that we provide competitive compensation and benefits to our team. Details of our benefits plan, which includes support for special occasions are outlined on pages 49 and 50 of our [2020 SD Report](#).

We also host various communication channels for employees to voice out their questions, concerns, suggestions, new ideas etc as and when needed. A dedicated complaint and suggestions email address is one of the key communication channels used where employees are encouraged to raise their questions or concerns anytime and individual follow-up is guaranteed within three working days.

During the reporting period, we organised several attractive employee recreation activities to promote wellness in the office. This included encouraging the creation of several voluntary, employee-led employee resource groups for staff with common interests and backgrounds.

We also:

- launched the Pay It Forward 50th anniversary campaign with 17 charitable and celebrative events.
- encouraged employees to make low-carbon commitments
- established the Shui On Charity Woods
- Held book clubs, yoga classes, and team building trips



Corporate Governance



We endeavour to become a trusted partner for all stakeholders by nurturing a corporate culture of integrity, transparency, and accountability. To ensure that we continually abide by the highest standards of corporate governance and business ethics, we have integrated them into daily operations to ensure our compliance and beyond.

As set out in the 5C Strategy, our 2030 ambitions and priorities guide our approach to corporate governance, details of which are available on the [Corporate Governance page](#) of our company website. Learn more about our overall corporate

governance practices on the Shui On Land [website](#) and from our [2021 Annual Corporate Governance Report](#).

Progress in 2021 for 'Corporate Governance' was overseen by various Board Committees according to their terms of reference. The 'Corporate Governance' Team is responsible for the Implementation and reports periodically to the SD Committee. Cross-departmental collaboration with the Clean, Care, Finance and Legal teams also took place to help us work towards our three key targets by 2030:

2030 targets



Achieve a minimum of 50% of bond and loan facilities from sustainable financing



Maintain 100% implementation of the employee Code of Conduct and Business Ethics across all business units



Adhere to global best practices for corporate governance and ESG reporting



Throughout 2021 the Corporate Governance Team worked on:



- Setting up a Board level ESG committee, and determining the Board committee scope and terms of reference
- Researching ways to enhance disclosure of the nomination and selection processes for the highest governance body and its committees, revising the terms of reference of the Board Nomination Committee
- Incorporating climate change risks into risk management systems and protocols
- Defining board diversity and inclusion ambitions covering expertise, gender, etc.
- Updating our Corporate Governance policies (such as business ethics, whistleblowing, and anti-corruption)

Embed sustainability

As a company of over 3,000 staff overseeing the management of over 9.4 million square metres of managed space, we see having a robust approach to corporate governance which takes SD into account as the only way to become a pioneer in sustainable urban communities.

From improving data collection to enhancing our ESG disclosures, we are committed to improving our approach to managing ESG-related topics and our senior management team as well as the 5C Working Teams hold the responsibility of rallying the organisation to understand how to implement the many sustainability-related initiatives reflected in the 5C Strategy. Our approach to managing and overseeing ESG-related issues has been embedded into our business plan and how our teams manage ESG 'tasks' during regular operations. This includes ensuring that our corporate governance practices are sustainable and incorporating ESG-related risks into our enterprise risk management systems.



Making our corporate governance more sustainable

We consider sustainability leadership at our Board and executive levels to be critical to integrating sustainability management and performance into our culture, operations, and business relationships. To properly implement the 5C Strategy, our efforts in 2021 focused on enhancing our overall approach to corporate governance and expanding the scope and capacity of our SD governance.

OUR PERFORMANCE IN 2021

This included:

- Setting up a Board level Sustainability Committee in April and adjusting our corporate sustainability governance system. The newly established Sustainability Committee provides overall coordination and oversight of the 5C Strategy and reports directly to the Board of Directors. The Committee consists of four members (all directors of the Board) and working group and 5C team heads are all invited to join meetings as and when needed.
 - o Appointing a Chairman of the Sustainability Committee
- Renaming our existing Sustainability Committee to the Sustainable Development Executive Committee (SDEC), which is responsible for day-to-day implementation and management of SD related matters, and reports to the Sustainability Committee. The SDEC is required to report to, communicate with and obtain timely approval from the Board's Sustainable Development Committee on key issues related to the development and implementation of the 5C Strategy, including, but not limited to, the Company's annual sustainability goals, our 5-year plan and 10-year strategy, financing and target setting related to SD, and the annual and independent reports on SD disclosed at the company level.
- Revising the terms of reference of the Board Nomination Committee which was approved by the Board in December.

The planning and execution of the 5C Strategy starts with our Board, and the newly formed Board-level Sustainability Committee provides direct support to our Board to ensure alignment between our 5C Strategy and overall business operations. This sustainability governance structure demonstrates the importance we place in aligning senior leadership and decision-making on sustainability initiatives.

To improve the diversity of our Board in years to come, the Board Diversity Policy was updated and the update was effective from January 2022. Paragraphs on gender, skills and experiences, and diversity of employees were strengthened.

Recognising that targets of future SD topics will be highly relevant to asset management and related commercial property development, the establishment of a systematic data system, as well as efficient and timely reporting will be key focus areas for the coming year. We have already enhanced disclosures of our [2021 Annual Corporate Governance Report](#) to include details on the nomination and selection of the highest governance body (which aligns with GRI Disclosure 2-10), the chair of the highest governance body (which aligns with GRI Disclosure 2-11), and on the delegation of responsibility for managing impacts (which aligns with GRI Disclosure 2-13).



Incorporating ESG-related risks into enterprise risk management

We believe strong governance supports a culture of ethical behaviour while minimising business risk. Our Board has the overall and collective responsibility for ensuring effective risk management and internal controls, and for reviewing its effectiveness to safeguard our assets and our shareholders' interests. This has become increasingly important as the ever-evolving landscape of ESG-related risks continues to have a significant impact on our business operations. We have incorporated these risks into our corporate enterprise risk management (ERM) framework to better identify the full spectrum of ESG risks as they arise.

In 2021, in consideration of increasing concerns from stakeholders about our performance on climate risk identification, control, and mitigation, we engaged an external consultant to conduct a climate change risk assessment according to international guidelines. The findings of which are addressed in the Appendix: [TCFD Report](#) section of this Report.

Linking financing with SD performance by establishing an SLB framework

The sustainable finance market has seen strong growth since the introduction of the International Capital Market Association (ICMA) Green Bond Principles. The emergence of Sustainability-linked Bonds (SLB) within the suite of sustainable finance products provides borrowers with a unique opportunity to align sustainability strategies, KPIs and targets at the corporate level with financing objectives.

Seeing the value in linking financing with SD performance, it seemed like a natural next step in our SD journey for us to issue an SLB specifically tied to meeting carbon emissions intensity reduction of 25% by 2024 in our investment property portfolio. We also established an SLB framework per the ICMA Sustainability-linked Bond Principles. An important objective for establishing an SLB framework was to provide fixed income investors with an opportunity to be part of our SD journey. Investing in sustainable finance instruments like SLBs provide borrowers with more flexibility around the use of proceeds versus traditional green, social, and sustainable bonds while also ensuring that borrowers remain committed to achieving sustainability goals that contribute to the transition towards a net-zero world.

Thus far, the issuance has been well-received by the investment community, with peak book above US\$1.5bn, representing a 3.75x oversubscription rate in June 2021. ESG demand was robust from quality real money investors which accounted for 34% of the final allocation. The transaction is also the second US dollar SLB offering from a Chinese corporation, and we are the first Chinese corporation with operations solely in Mainland China to issue SLBs.

Having an SLB product allows us to essentially leverage a bespoke financing opportunity to achieve our SD goals, and at the same time closely assess and report on our SD performance for the benefit of bondholders. We will report performance and progress with regards to the SPT within our Annual Report or a separate green bond or SLB report. Should we fail to achieve our SPT, we have pledged to purchase green electricity certificates or carbon credit/offset certificates in an aggregate amount equal to 0.25% of the outstanding aggregate principal amount of the SLB.

This was not the first time SOL has made its mark in the green finance market—in 2019, SOL issued its first green bond under the Shui On Land Green Finance Framework, with an issuance size of US\$300 million and maturing in 2023. All of the proceeds were used to finance the acquisition of Corporate Avenue 5 in Taipingqiao, the renovation of Shui On Plaza in Shanghai, and the renovation of Shui On Land headquarters. Subsequently, we re-opened the green bond due to expire in 2023 for an additional US\$200 million taking our outstanding green bond size to a total of US\$500 million.



OUR PERFORMANCE IN 2021

Strengthen emergency preparedness

Under the leadership of our Emergency Preparedness team, all our projects adhere to stringent preventive and control measures and standardised services, to provide a safe environment for our staff, residents, tenants, and customers.

To improve upon this approach, we are developing a standardised set of procedures to react to public health or natural disaster situations in the future. In 2021, we reviewed our present risk management system and risk inventory requirement and asked respective risk owners to identify SD issues, climate-related risks and COVID-19 related risks. The risk management report and risk inventories were presented and approved by the ARC and the Board in November and we will work on addressing the results throughout 2022.

In coming years we aim to:

- Focus and strengthen our identification and evaluation of 'principal' risks;
- Align our risk management framework with COSO (Committee of Sponsoring Organisations of the Treadway Commission) principles;
- Equip every business unit with emergency management plans; and
- Continue to strengthen cybersecurity to protect us against attacks and loss of data.

Steer the business with integrity

By acting with integrity, we have earned the trust of our customers, business partners and other stakeholders. We have achieved this by abiding by applicable laws, regulations⁶ as well as our own comprehensive corporate governance framework, internal controls, and systems for risk management – all of which provide the right foundation for a corporate culture of ethical conduct by our employees specific to their roles.

Our Ethics Committee is responsible for handling all matters regarding our conduct and business ethics, and formulating anti-corruption training and management. Our [Code of Conduct and Business Ethics](#) sets forth the standards by which we, as an organisation and as individuals, should act. It gives an ethical and legal framework for our day-to-day activities and offers guidance for dealing with challenging situations. In 2021, we reviewed and improved the content of the Code of Conduct and Business Ethics and the Employee Handbook to ensure that it continues to reflect the Spirit of Shui On. We also reviewed the provisions in the Code of Conduct and Business Ethics on the investigation/internal decision process on ethical matters and reviewed business processes to see if improvements were required for ethical purposes. The amendments to the Code of Conduct and Business Ethics were approved by the Executive Committee in December 2021 and went into effect on 1 January 2022.

Every year, we request all our employees to complete a declaration of understanding and adherence to the Code of Conduct and Business Ethics. New staff must attend an introduction to ethics in their orientation and must join an ethics training session conducted by a member of the Ethics Committee or from senior management upon completion of their probation. In addition, every year, the Ethics Committee requires a targeted group of employees to complete an online "Behaviour and Business Ethics" training⁷ which provides specific training on identifying corruption and reporting non-compliance to the Code. In 2021, 99.8% of the targeted group attended the training, up from 93% in 2020.

The Code of Conduct and Business Ethics, Irregularity Reporting Policy and supporting documentation as well as awareness materials have been communicated to all employees.

⁶ See the [Content Index](#) which outlines relevant laws and regulations in more detail, per topic.

⁷ All Shui On Land/China Xintiandi employees who joined on or before December 31 of the previous year (excluding Fengcheng, Shui On Construction, and Ruihong Kindergarten).

In addition, mandatory annual Code of Conduct and Business Ethics training is presented to all employees, and all employees who complete the online training sign an annual declaration that they understand and agree to adhere to the Code of Conduct and Business Ethics. Ethics training covering key business functions such as procurement, sales, marketing, leasing, etc. as well as internal control and risk management (on COSO and the ERM framework) were provided in 2021.

We have also incorporated into our standard contracts details of our anti-corruption policies and procedures with all business partners.



Raising Concerns on Ethical Practices

All SOL employees are expected to understand and abide by our Code of Conduct and Business Ethics and to report any violations using the channels available for this purpose. Our long-established Irregularities Reporting System (or whistleblowing system) is available for employees and business partners to report concerns confidentially, via telephone or email. We also encourage employees to report compliance concerns through internal channels (e.g., direct line managers, Human Resources, the Legal department). SOL does not tolerate any form of retaliation against employees who report concerns in good faith.

Any allegations made through the whistleblowing system are received by all members of the Ethics Committee. For allegations on senior management, the complainant can use another designated email address which can only be read by the chairman of the Audit and Risk Committee. Allegations received through any other means are forwarded to the chairman of the Ethics Committee. The chairman then may discuss with the Internal Audit team to distinguish the nature of the allegation, whether it is ethics related or a management issue. For ethics-related allegations, the chairman of the Ethics Committee will invite a representative from the Internal Audit team to investigate and they may call, as necessary, on the Company's resources (e.g., Human Resources, the Legal department, Finance and Accounting, Projects, and/or Operations teams) to investigate the matter further. Upon receipt of the investigation, our Ethics Committee determines or recommends to the EXCOM (or above) any required remedial action, including disciplinary measures. The report will also be shared with the Audit and Risk Committee.



Measures to prevent forced and child labour

Our Human Resources, Legal and Internal Audit teams are vigilant in ensuring operations comply with all labour laws and regulations through established processes and control checkpoints. Given our internal processes and the labour laws of China, the potential of forced or child labour in our operations is extremely low. That said, we continue to check applicants personal IDs from different channels to prevent hiring someone underage and register the information of all employees on the provincial government website to minimise the possibility of any child labour.

We also make a point of ensuring that all applicants understand the job descriptions and requirements of their position before joining the company. Contracts signed with all employees include job position, work location, labour remuneration, and we verify with the employees that the registration date to the labour contract is reasonable, legal, comprehensive, and clear.

Our Supplier Code has also required our business partners to ensure there is no forced or child labour in their operations.

APPENDIX

List of Operations

The following are the most recently launched projects and projects with new phases and buildings:

Land and Properties underdevelopment Projects

PROJECT	LOCATION	TOTAL SQUARE METRES
Shanghai Taipingqiao Community Xintiandi Style II (AEI) CPIC Xintaindi Commerical Center	Shanghai	19,000 276,000
Shanghai RHXC Ruihong Tiandi Lot 167B	Shanghai	119,000
Shanghai Hong Shou Fang	Shanghai	62,000
Shanghai Panlong Tiandi	Shanghai	44,000
Foshan Lot A	Foshan	254,000

Completed Projects

PROJECT	LOCATION	TOTAL SQUARE METRES
Shanghai Taipingqiao Community Shanghai Xintaindi, Xintaindi Style II, Xintiandi Plaza, Shui On Plaza 5 Corporate Avenue, Hubindao	Shanghai	121,000 79,000
The Hub	Shanghai	263,000
Ruihong Tiandi Community Hall of the Moon, Hall of the Stars, The Palette 3 Hall of the Sun, Ruihong Corporate Avenue	Shanghai	111,000 330,000
Shanghai KIC	Shanghai	253,000
INNO KIC	Shanghai	45,000
Nanjing IFC	Nanjing	100,000
Wuhan Tiandi Community	Wuhan	398,000
Foshan Lingnan Tiandi Community	Foshan	159,000
Chongqing Tiandi Community	Chongqing	131,000

TCFD Report

Motivated by the TCFD Recommendations, we have begun to identify, assess, and manage identified risks and opportunities to support the resilience of our business, assets, communities, customers, and people. We recognise that climate change can have significant implications for real estate investments and we have taken a science-based, pragmatic approach to climate resilience by seeking to mitigate the physical risks of extreme weather, rising temperatures, heavy rainfall etc. as best we can.

Governance

As outlined in the [Corporate Governance](#) section of this Report, the planning and execution of the 5C Strategy – and the associated climate-related risks and opportunities – starts with our Board, and the newly formed Board-level Sustainability Committee provides direct support to the Board to ensure alignment between our 5C Strategy and overall business operations. This sustainability governance structure demonstrates the importance we place in aligning senior leadership and decision-making on sustainability initiatives, especially when it comes to climate resilience.

Sustainability Governance and Oversight

 The Board of Directors	Our highest governance body – has overall responsibility for our sustainable development efforts.
 Audit and Risk Committee	Provides unbiased insight on sustainability-related topics and reviews consolidated reports of the other committees before submission to the Board.
 The Board Sustainability Committee	Consisting of selected company directors and heads of corporate-level departments – meets regularly to discuss and make decisions on sustainability goals. The Committee directly monitors and guides our overall sustainability performance. The responsibility for specific proposals and the implementation of specific goals at the operational level is delegated to five cross-departmental C Working Teams.
 SD Executive Committee	This committee meets regularly to deliberate SD issues and to make relevant decisions on behalf of board-level sustainability committee, who makes further decisions as necessary.
 5C Working Teams	Each team holds the KPIs of the goals, meets every month to drive implementation, and solves problems as they arise. KPIs are cascaded to relevant companies and departments for execution. Each team reports its progress and status to the Sustainable Development Committee regularly and provides consolidated reports for review by the Audit and Risk Committee for submission to the Board of Directors.

APPENDIX

Our Board continuously evaluates current and potential risks faced by our business, including those related to ESG matters, and reviews our strategies, metrics and targets as well as internal controls, and necessary improvement measures to manage and mitigate such risks.

We have put robust governance structures in place that ensure emerging and evolving ESG issues are well captured by the Board, the Committee, the SDEC, and the ERM team to support ongoing ERM and sustainability risk management approaches to overcome ESG-related risk challenges – from risk identification and assessment to communication and reporting and risk governance.

When needed, ESG issues are elevated to the Board's agenda and under its leadership, we have effectively incorporated sustainability consideration into our long-term business strategy and daily actions. To ensure that our internal specialists are capable of risk identification, management, and control, we provide them with internal and external training courses hosted by qualified experts or by other means.

Risk Management

Considering increasing concerns from stakeholders about our performance on climate risk identification, control, and mitigation, we have conducted a climate change risk assessment across our portfolio according to identify critical risks to our business and to better understand the readiness and effectiveness of our current risk management mechanism. This first climate risk identification and analysis was based on the Net Zero 2050 and Current Policies scenarios, corresponding to the scenario framework in the Network for Greening Financial Services.

Aligned with the recommendations of TCFD, and best practices for climate risk analysis, we identified a range of potential climate risks and opportunities for our business and their potential financial impacts. We have identified the physical and transition risks which are most material to our business under the Current Policies and Net Zero 2050 scenarios, as well as potential climate-related opportunities for both our asset management and property development operations. We have also identified our responses to these risks and opportunities. Going forward, we will continue to refine our climate risk and scenario analysis, and to implement and enhance our response actions.



Physical Risks

Risk – Under a Current Policies Scenario	Potential Financial or Operational Impacts
Heatwaves and rising temperatures: More frequent and longer heatwaves, and higher overall temperatures	<ul style="list-style-type: none"> o Increased health and safety risks for workers, tenants, and customers o Increased cooling requirements and cooling costs o Increased health and safety risks for construction workers when working outdoors
Extreme weather events: Increased frequency and severity of extreme weather events such as strong typhoons and rainfall	<ul style="list-style-type: none"> o Increased needs for business continuity plan for ensuring worker, tenant, and customer safety o Increased capital expenditure for preventive measures o Reduced revenue due to disruption of operations o Reduced asset value due to damage to assets and equipment o Reputational damage due to delayed project completion and disruption to supply chain

In response to these findings, actions that the Group is already or may be considering to take include:

- Capturing the performance of each asset and investigating the most efficient ways to reduce the costs of building maintenance and life cycle
- Maintaining long term collaborative relationships with research institutions to pursue the latest green technology trends
- Integrating 'green tenancy' concepts into tenant engagement and management strategy by developing an enhanced green lease with additional focus on energy efficiency and smart equipment. This will help reduce tenant power consumption and increase greater visibility to energy use during the lease
- Reducing embodied carbon on building materials especially for all new builds, which may involve exploring 3D printing technology, or use of renewable and carbon sequestering materials such as wood, as alternatives to traditional building materials like concrete and steel
- Reviewing our climate risk assessment processes for land acquisition, planning, and building design and incorporating designs that adapt to rising temperatures in development projects, such as shading pavilions and installation of energy saving hanging fans with high air volume and low wind speed
- Collaborating with government authorities as an urban solution provider to enhance community resilience

Transition Risks

Risk – Under a Net Zero 2050 Scenario	Potential Financial or Operational Impacts
Carbon pricing and carbon tax: Higher costs of fuels and energy, and construction materials such as cement or steel	<ul style="list-style-type: none"> o Increased electricity cost o Increased operational cost due to carbon tax or carbon pricing o Increased input cost of carbon intensive construction materials such as cement and steel
Building codes and standards: Tighter mandatory green building codes or standards	<ul style="list-style-type: none"> o Tighter building specifications on environmental aspects for asset under management and property development as well as for new properties o Increased capital expenditure for retrofitting works for managed assets o Reduced asset value due to failure to comply with relevant building codes and standards

In response to these findings, actions that the Group is already or may be considering to take include:

- o Committing to relevant requirements such as the new national standard of building energy efficiency and renewable energy use, which will go into effect in April 2022. It would also involve imposing energy saving measures, procuring energy efficient equipment, and conducting building energy audits to ensure compliance
- o Increasing the use of pre-fabricated building materials to reduce carbon emissions during construction and transportation
- o Investing in PropTech in construction – such as emerging technology which deploys battery powered energy storage systems to replace diesel generators to cut emissions at construction sites
- o Exploring recognised additional building standards that would showcase our commitment to climate change preparedness

The ever-evolving landscape of climate-related risks continues to have a significant impact on our business operations, and we have incorporated these risks into our corporate enterprise risk management (ERM) framework to better identify the full spectrum of ESG risks. As climate change presents various risks and opportunities for our business, we are committed to mitigating climate-related impacts and invest in climate-resilience planning.

Strategy

In our view, the short term is up to three years aligned with our company's financial planning, the medium term is up to six years aligned with [our self-imposed science-based targets], and the long term extends from 2021 to 2030, supporting the long-term nature of our business and the climate action plans of Hong Kong and Mainland China.

The transition from a carbon-based economy to a carbon-lite economy will present a substantial number of opportunities for companies like SOL. Only a small portion of the built environment is currently prepared for such a transition, and we believe that we are in an excellent position to make the most of the opportunities that climate change may present us in coming years.








Opportunity	Potential Financial or Operational Impacts
Consumer preference: More client/consumer preference for climate-resilient and green buildings	<ul style="list-style-type: none">o Increased willingness to pay for green and climate resilient buildingso Enhanced reputation for climate resilient assets and good climate related governance and risk management
Green finance: Greater incentives to fund R&D or investments in low carbon operations	<ul style="list-style-type: none">o Increased interest from investors and financierso Lower cost of capital from green financeo Higher adoption of green technology due to improved commercial viability




In response to these findings, actions that the Group is already or may be considering to take include:

- o Promoting smart apps and technology to consumers for low carbon living, such as smart light switches and sensors
- o Enhancing disclosures of climate related risks and reporting against internationally recognised standards to increase transparency for investors

Metrics and Targets

By 2030, we aim to transition towards carbon neutrality and to be near carbon neutral across our operations and developments through the following activities:

Time Horizon	Targets	Progress
2021	o Set science-based targets	
	o Conduct climate change risk assessment	
	o Begin study of embodied carbon in construction materials	
2022	o While recognising issues with 'additionality' and accounting assurance, assess opportunities for emissions reductions, including: <ul style="list-style-type: none"> - options for process redesign - conversion and retrofitting of equipment - fuel switching - changes in behaviour; and/or - offsets (to align with GRI 305-5) 	
	o Begin tracking scope 3 emissions and communicate with supply chain partners	
	o Collect emissions data and provide complete disclosure of emissions following both the GHG Protocol Corporate Standard and Corporate Value Chain Standards	
	o Develop and submit science-based targets by 2022, following SBTi Criteria and Recommendations	

Progress key:  Not started  On plan  Achieved

Since the inception of our 5C Strategy, we have already reduced our Scope 1 and 2 carbon emissions intensity by 20%. In addition to our current efforts, we will explore the opportunity to invest in new technologies and partner with our business partners to realise our ambition of transitioning towards carbon neutrality.

Our Scope 1 and 2 emissions in 2021 are detailed in the table and additional information is shared the in the Appendix: Environmental Performance of this Report.

	Unit	2021
Scope 1		
GHG emissions from stationary combustion	kgCO ₂ , equivalent	6,658,150
Scope 2		
GHG emissions from purchased electricity		76,385,050
Scope 1 & Scope 2 combined		83,043,200
Scope 1 & Scope 2 per square metre of floor area	kgCO ₂ , equivalent/ m ²	42.31

In addition, we have also signed up for the Science-based Targets to accelerate the decarbonisation of our portfolio to extend our efforts in scope 3 reduction targets along our upstream and downstream value chain. More concrete reduction targets will be announced in due course.

Recognition and Awards

In 2021, we earned numerous sustainable development-related certifications and awards. Most significantly, we were delighted to be recognised for our efforts relating to:

Sustainable development

InnoESG.org: ESG Care Prize

Shanghai Daily: Excellence Award for Sustainability

Bloomberg Businessweek/Chinese Edition:

- ESG Leading Enterprise Award
- Good Business Award – Sustainable City Pioneer Award

Hong Kong Management Association:

- Certificate of Excellence in ESG Reporting
- Citation for Design

Responsible Investing

The Asset magazine:
Best Sustainability-linked Bond for Hong Kong

Providing a healthy workplace for our employees and our leadership in green and healthy buildings

Urban Land Institute (ULI):
Asia Pacific Awards for Excellence – Wuhan Tiandi Site A and the Hub

RICS Awards China 2021:
Winner of Urban Regeneration of the Year – Xintiandi Style I

CRIC: 2021 Top 10 Excellent Practitioners of Urban Renewal

Memberships and affiliations

Name of Organisation	Nature of Membership
Chamber of International Commerce Shanghai(CICS)	Vice Chairman
Shanghai Foreign Investment Association(SFIA)	Corporate member
Municipal Modern Service Industry Federation	Corporate member
Municipal Real Estate Industry Association	Corporate member
Shanghai Green Building Council	Vice Chairman
ULI Urban Land Institute	Corporate member

Performance Summary

Relevant figures from past years are disclosed as they were collected or made available. Unless otherwise indicated, data covers Feng Cheng, Shui On Construction, and Shui On Land.

Environmental performance

Relevant Disclosure	Description	Unit	2018	2019	2020	2021
Emissions						
Emissions from vehicles						
HKEX A1.1	NOx	kg	–	–	289.63 ⁸	282.42
	SOx		1.81	1.42	0.95	0.93
Emissions of ozone-depleting substances						
GRI 305-6	CH4 (methane)	kg	–	–	116,047	173,986
	Fire extinguishers		–	–	15,773	3,258
	Refrigerant – R134a/kg		–	–	24,190 ⁹	3,985
	Refrigerant – R410a/Kg		–	–	5,658	193
Greenhouse gas emissions						
HKEX 1.2	Scope 1	kgCO ₂ , equivalent				
	GHG emissions from stationary combustion		9,243,145	10,482,469	15,983,770	6,658,150
	Scope 2					
	GHG emissions from purchased electricity		97,923,674	91,483,559	90,328,178	76,385,050
	Scope 1 & Scope 2 combined	107,166,819	101,966,028	106,311,948	83,043,200	
	Scope 1 & Scope 2 per square metre of floor area	kgCO ₂ , equivalent/ m ²	64.23	62.6	52.91	42.31 ¹⁰
Energy						
Energy consumption and intensity						
HKEX A2.1	Diesel	MWh	122	112	536	393
	Gasoline		887	733	1,849	1,803
	Electricity purchased from the grid		93,814	104,196	106,156	115,828
	Natural gas		26,576	18,171	16,349	18,585
	Total energy consumption		121,340	123,212	124,889	136,609
	Intensity of energy consumption	MWh/1000m ²	72.71	75.65	62.16	65.47
Energy consumption within the organization						
GRI 302-1	Natural gas	Litre	–	–	1,548,873	1,760,772
	Diesel		–	–	12,442	9,118
	Gasoline		–	–	50,505	49,251
	Electricity	Kwh	–	–	106,155,740	115,827,802
Energy Intensity						
GRI 302-3	Taipingqiao Project	MWh/1000m ²	–	–	98.31 ¹¹	102.8
	Rui Hong Project		–	–	71.82	78.49
	Shanghai KIC		–	–	56.22	61.33
	Hongqiao Project		–	–	53.61	58.78
	Wuhan Project		–	–	41.17	44.41
	Chongqing Project		–	–	50.82	55.15
	Foshan Project		–	–	87.14	95.14
	Nanjing IFC		–	–	–	38.12

8. Estimated figure

9. 2020 Refrigerant data has been restated as a result of improve calculation methodology in 2021.

10. The carbon emission factor for electricity used in 2021 decreased from previous years.

APPENDIX

Relevant Disclosure	Description	Unit	2018	2019	2020	2021
Water						
Water consumption and intensity						
HKEX A2.2	Total water consumption	m ³	1,449,626	1,330,098	1,156,125	1,171,225
	Water consumption intensity	m ³ /1000m ²	868.25	816.64	679.52	585.79
	Sewage discharge	m ³	1,303,165	1,197,088	1,040,512	1,054,102
Waste						
Hazardous waste						
HKEX A1.3	Hazardous waste produced	tonnes	–	–	– ¹²	3,699
	Discharge density of hazardous waste	tonne/1,000m ²	–	–	–	2.04
Non-hazardous waste						
HKEX A1.4	Total discharge of construction waste	tonnes	37,776	39,125	29,711	30,931
	Dry garbage		–	–	41,764	22,272
	Wet garbage		–	–	21,933	19,934
	Total discharge of household garbage		68,853	80,144	63,697	43,449
	Total discharge of non-hazardous waste		106,629	119,270	93,407	74,376
	Recycled materials		–	–	3,764	1,239
	Discharge density of non-hazardous waste	Tonne/1,000m ²	16.17	17.18	13.42	40.1 ¹³

Social performance

Relevant Disclosure	Description	Unit	2018	2019	2020	2021
HKEX B1.1	Workforce – General employment					
	Employment by gender					
	Male	# employees	1,647	1,705	1,662	1,683
	Female		1,467	1,532	1,479	1,503
	Total		3,114	3,237	3,141	3,186
	Employment by contract type					
	Permanent contract	# employees	–	–	876	1,051
	Temporary contract		–	–	2,265	2,135
	Employment by employment type					
	Full time	# employees	–	–	3,141	3,186
	Part-time ¹⁴		–	–	–	–
	Employment by age group					
	Under 30 years	# employees	673	629	570	521
	30 – 50 years		2,069	2,251	2,206	2,301
	50 year and above		372	357	365	364
	Employment by geographical region					
	Hong Kong	# employees	–	7	8	9
	Mainland China		–	3,230	3,133	3,177
	Employment by employee category					
	Senior Management	# employees	–	126	122	41
	Middle Management		–	271	289	96
	Staff		–	2,676	2,550	3,049
Operational staff	–		164	180	– ¹⁵	

11. Project specific data from 2020 has been restated using updated calculations.

12. Data for hazardous waste was not collected in previous years.

13. Only for commercial office projects in 2021 whereas 2020 included managed properties as well.

14. In general SOL does not hire on a part-time basis. We do offer part-time internships, of which 11 positions were held in 2021.

15. 'Specialists' that were previously tabulated as operational staff are now tabulated as general staff.

Relevant Disclosure	Description	Unit	2018	2019	2020	2021
Workforce – Turnover						
HKEX B1.2	Employee turnover rate by gender					
	Male	%	31%	23%	21%	23%
	Female		25%	20%	17%	20%
	Employee turnover rate by age group					
	Under 30 years	%	35%	27%	24%	44% ¹⁶
	30 – 50 years		26%	21%	17%	17%
	50 year and above		25%	17%	26%	15%
	Employee turnover rate by geographical region					
	Hong Kong	%	–	–	13%	22%
	Mainland China		28%	22%	19%	21%
Workforce – OHS						
Number and rate of workplace fatalities						
HKEX B2.1	Workplace fatalities	# employees	1	0	1	0
	Rate	%	0.03%	0%	0.03%	0%
Lost days due to work injury						
HKEX B2.2	Lost days due to work injury	# days	305	493	483	2,801 ¹⁷
Work-related injuries						
GRI 403-9	Fatalities as a result of work-related injury	#	–	–	1	–
		%	–	–	–	–
	High-consequence work-related injuries (excluding fatalities)	#	–	–	0	0
		%	–	–	0	0
	Recordable work-related injuries	#	–	–	13	27
		%	–	–	–	1.65%
Workforce – Training						
HKEX B3.1	Employees trained by gender					
	Male	%	87.90%	91.40%	94.50%	99.70%
	Female		75.90%	81.30%	88.80%	99.80%
	Employees trained by employee category					
	Senior Management	%	74.30%	78.70%	95.90%	73.47%
	Middle Management		82.30%	90.10%	96.90%	96.88%
	Staff		84.40%	86.50%	90.50%	100%
	Operational staff		–	–	100%	–
HKEX B3.2	Average training hours completed by gender					
	Male	Hours	18	20.6	26.7	47.31
	Female		13.4	12.9	16.4	39.52
	Average training hours completed by employee category					
	Senior Management	Hours	12	12.1	16.9	7.5
	Middle Management		14.4	18.2	23.9	16.3
	Staff		15.3	16.8	21.8	19.6
	Operational staff		–	–	22.2	–

16. Fengcheng saw a higher proportion of new projects in 2021 and turnover was high during the initial establishment of the new projects team. Additionally, a number of SOCM projects were completed in 2021, and several of the project staff involved are relatively young. The turnover each year is mainly determined by the number of projects completed in that year, so some years' experience higher rates than others.

17. Data for 'lost days' in 2021 includes Feng Cheng, Shui On Construction, and Shui On Land whereas data from previous years only included Feng Cheng.

APPENDIX

Relevant Disclosure	Description	Unit	2018	2019	2020	2021
Workforce – Diversity						
GRI 405-1	Diversity of governance body					
	By Age group					
	< 30 years old	%	–	–	0%	0%
	30-50 years old		–	–	11.10%	22.22%
	> 50 years old		–	–	88.90%	77.78%
	By Gender					
	Male	%	–	–	88.90%	77.78%
Female	–		–	11.10%	22.22%	
SASB FN-AC-330a.1	Gender representation for: ¹⁸					
	Executive management	%	–	–	37%	44%
	Non-executive management		–	–	40%	52%
	Professionals		–	–	50%	47%
	All other employees		–	–	19%	–
Workforce – Employee benefits						
GRI 401-3	Parental Leave – employees that took parental leave					
	Male	# employees	–	–	26	34
	Female		–	–	75	65
	Total		–	–	101	99
	Employees that returned to work after parental leave ended that were still employed 12 months after their return to work					
	Male	# employees	–	–	26	25
	Female		–	–	75	46
	Total		–	–	101	71
	Retention rates of employees that took parental leave					
	Male	%	–	–	100%	96%
	Female		–	–	100%	61%
	Total		–	–	100%	79% ¹⁹
Supply Chain – Suppliers						
Suppliers by geographical region						
HKEX B5.1	From Hong Kong	#	–	–	52	52
	From elsewhere		–	64	67	67
	From China		3,901	4,299	4,627	5,172
	Increase in Chinese Mainland suppliers		55	398	297	545
	Increase in Chinese Mainland contractors		36	172	248	0
Proportion of spending on local suppliers						
GRI 204-1	Products and services purchased locally	%	–	–	100%	100%
Community Engagement						
Resources contributed (e.g., money or time) to the focus area.						
HKEX B8.2	Total charitable donations by employees	RMB	94,071	23,800	66,228	— ²⁰
	Total charitable donations by company		3,090,000	3,750,000	13,353,671	13,310,000
	Total charitable donations (in cash)		3,184,071	3,773,800	13,419,899	13,310,000
	Total hours of employee volunteering contributed	Hours	460	360	2,192	3,099

18. Only the percentage of gender is provided as racial/ethnic make-up of the company is predominantly Han Chinese.

19. We saw an increase of parents opting not to return to work mainly due to poor market recovery and COVID-19-related personal reasons.

20. Employee donations did not take place in 2021 due to COVID-19.

Relevant Disclosure	Description	Unit	2018	2019	2020	2021
Customer Engagement						
Service-related complaints received and customer satisfaction						
HKEX B6.2	Total services related complaints received	#	317	352	285	1,082
	Compliant handling rate	%	100%	100%	100%	100%
	Overall customer satisfaction of the properties	# out of 100	91.7	94.1	94.7	94.7
	Residential customer satisfaction		90.8	94.8	95.1	95.3
	Office building customer satisfaction		95.7	94.7	93.8	94.6
	Shopping mall customer satisfaction		91.1	92.8	95.2	94.2

Governance performance

Relevant Disclosure	Description	Unit	2018	2019	2020	2021
Anti-corruption						
Communication and training about anti-corruption policies and procedures						
GRI 205-2	Communicated about organization's anti-corruption policies and procedures	%	–	–	100%	100%
	Trained on Organization's anti-corruption policies and procedures		–	–	100%	100%
Business Ethics						
SASB FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	RMB	–	–	0	0
Concluded legal cases regarding corrupt practices						
HKEX B7.1	Concluded legal cases regarding corrupt practices brought against the company	# of cases	0	0	0	0
	Concluded legal cases regarding corrupt practices brought against any company employees		0	0	0	0

Content Index

This index references information related to disclosures from the Global Reporting Initiative (GRI) Sustainability Reporting Standards of 2016 (unless indicated otherwise) as well as the Hong Kong Stock Exchange (HKEX) ESG Guide. The reported information may meet in part or in full the requirements of each GRI disclosure listed.

GRI Standards	HKEX ESG Guide	Disclosure	Reporting Location	Section cross reference, additional information or explanation
GRI 102: General Disclosures				
Organizational Profile				
102-1	–	Name of the organization	<ul style="list-style-type: none">– About Shui On Land– About Shui On Land – Our Profile and Market Presence	
102-2		Activities, brands, products, and services		
102-3		Location of headquarters		
102-4		Location of operations		
102-5		Ownership and legal form		
102-6		Markets served		
102-7		Scale of the organization	<ul style="list-style-type: none">– About Shui On Land – Our Profile and Market Presence– Care	–
102-8	KPI B1.1	Information on employees and other workers	<ul style="list-style-type: none">– Care– Performance Summary – Social data	–
102-9	KPI B5.1 KPI B5.2	Supply chain	<ul style="list-style-type: none">– Stakeholder engagement– Community – Enhance partnerships and engagement– Performance summary – Social Data	–
102-10	–	Significant changes to the organization and its supply chain	<ul style="list-style-type: none">– Content Index	There were no significant changes to the organisation's size, structure, ownership, or supply chain in 2021.
102-13	–	Membership of associations	<ul style="list-style-type: none">– Memberships and Affiliations	–
Strategy				
102-14	–	Statement from senior decision-maker	<ul style="list-style-type: none">– Chairman's Message	–
102-15		Key impacts, risks, and opportunities	<ul style="list-style-type: none">– Corporate Governance – Embed sustainability – Incorporating ESG-related risks into enterprise risk management	–
Ethics and Integrity				
102-16	–	Values, principles, standards, and norms of behavior	<ul style="list-style-type: none">– About Shui On Land – Our Corporate Philosophy and Culture	–
102-17		Mechanisms for advice and concerns about ethics	<ul style="list-style-type: none">– Corporate Governance – Steer the business with integrity – Raising Concerns on Ethical Practices	–

GRI Standards	HKEX ESG Guide	Disclosure	Reporting Location	Section cross reference, additional information or explanation
Governance				
102-18	–	Governance structure	– Approach to Sustainable Development – Becoming a Pioneer in Sustainable Urban Communities – Corporate Governance	–
102-20		Executive-level responsibility for economic, environmental, and social topics		
102-26		Role of highest governance body in setting purpose, values, and strategy		
102-29	GD A4	Identifying and managing economic, environmental, and social impacts		
102-31	–	Review of economic, environmental, and social topics		
102-32		Highest governance body's role in sustainability reporting		
Stakeholder Engagement				
102-40	–	List of stakeholder groups	– About this Report – Our Stakeholders	–
102-41		Collective bargaining agreements	– Content Index	Not reported – All of SOL's employees are in Mainland China or in Hong Kong where there is no statutory recognition of collective bargaining agreements.
102-42		Identifying and selecting stakeholders	– About this Report – Our Stakeholders	–
102-43		Approach to stakeholder engagement		
102-44		Key topics and concerns raised		
Reporting Practice				
102-45	–	Entities included in the consolidated financial statements	– Content Index	SOL 2021 Annual Report, page xx
102-46		Defining report content and topic Boundaries	– About this Report – Material ESG Topics – Scope and Boundaries	Our subsidiary Shui On Investment Management Limited was not included in previous reports. Otherwise, there is no significant change in the reporting boundary of this Report from that of our 2019 SD Report.
102-47		List of material topics	– About this Report – Material ESG Topics	–
102-48		Restatements of information	– Content Index	–
102-49		Changes in reporting	– Content Index	There are no significant changes from previous reporting periods in the list of material topics and topic Boundaries.
102-50		Reporting period	– About this Report	–
102-51		Date of most recent report		
102-52		Reporting cycle		
102-53		Contact point for questions regarding the report	– About this Report – Contact and Feedback	–
102-54		Claims of reporting in accordance with the GRI Standards	– About this Report	–
102-55		GRI content index	– Content Index	–
102-56		External assurance	– Content Index	Since 2011, we have engaged a third-party – TÜV Rheinland – to verify the greenhouse gas emissions of our properties.

APPENDIX

GRI Standards	HKEX ESG Guide	Disclosure	Reporting Location	Section cross reference, additional information or explanation
MATERIAL TOPICS – GRI 200 SERIES (ECONOMIC TOPICS)				
GRI 201: Economic Performance				
103-2 (c-i) ²¹	General Disclosure (GD) B8	Discussion of management approach and related policies	– Clean – Transition towards carbon neutrality	–
201-1	KPI B8.2	Direct economic value generated and distributed	– Operating responsibly in challenging times – Community – Community – Volunteering	–
201-2	KPI A4.1	Financial implications and other risks and opportunities due to climate change	– Clean – Climate change mitigation and adaptation	–
201-3	–	Defined benefit plan obligations and other retirement plans	– Care – Improve Employee Wellbeing	–
GRI 203: Indirect Economic Impacts				
103-2 (c-i)	GD KPI B8	Discussion of management approach and related policies	– Community	–
203-2	KPI B8.1	Significant indirect economic impacts	– Performance summary – Social Data	–
GRI 204: Procurement Practices, GRI 308: Supplier Environmental Assessment, GRI 414: Supplier Social Assessment and HKEX Aspect B5 Supply Chain Management				
103-1, 103-2 (c-i)	GD B5 KPI B5.3	Discussion of management approach and related policies (Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored)	– Community – Enhance partnerships and engagement – Performance summary – Social Data	–
–	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	– About this Report – Stakeholder engagement – Community – Enhance partnerships and engagement	–
204-1	–	Proportion of spending on local suppliers	– Performance summary – Social Data	
308-1		New suppliers that were screened using environmental criteria	– Community – Enhance partnerships and engagement	
414-1		New suppliers that were screened using social criteria		
414-2		Negative social impacts in the supply chain and actions taken		

21. Unless otherwise indicated, GRI 103-3 is omitted for each material topic as at this time, SOL does not have any mechanisms for monitoring the effectiveness of the management approach.

GRI Standards	HKEX ESG Guide	Disclosure	Reporting Location	Section cross reference, additional information or explanation
GRI 205: Anti-corruption				
103-1 and 103-2 (c-i)	GD B7	Discussion of management approach and related policies	<ul style="list-style-type: none"> – Corporate Governance – Steer the business with integrity – Corporate Governance – Embed sustainability – Making our corporate governance more sustainable 	–
205-2	–	Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none"> – Corporate Governance – Steer the business with integrity – Performance summary – Social Data 	–
205-3	KPI B7.1	Confirmed incidents of corruption and actions taken (Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees and the outcomes of the cases)	<ul style="list-style-type: none"> – Performance summary – Social Data 	There were no confirmed incidents of corruption or violations of our Code of Conduct in 2021, and neither the Company nor its employees were involved in any legal cases regarding corrupt practices.
–	KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	<ul style="list-style-type: none"> – Corporate Governance – Steer the business with integrity – Raising Concerns on Ethical Practices 	Four cases of fraud were received, investigated, and concluded by the Group this year.
MATERIAL TOPICS – GRI 300 SERIES (ENVIRONMENTAL TOPICS) and HKEX ENVIRONMENTAL SUBJECT AREA				
GRI 301: Materials				
103-2 (c-i)	GD A2 GD A3	Discussion of management approach and related policies	<ul style="list-style-type: none"> – Clean – Build green and healthy communities 	–
301-1	KPI A2.5	Materials used by weight or volume (Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.)	<ul style="list-style-type: none"> – Content Index 	Not applicable. The Group mainly provides real estate development and operation services which do not involve packaging materials used for manufactured goods.

APPENDIX

GRI Standards	HKEX ESG Guide	Disclosure	Reporting Location	Section cross reference, additional information or explanation
GRI 302: Energy				
103-1, 103-2 (c-i)	GD A2 GD A3	Discussion of management approach and related policies		During the reporting period, we have complied with all applicable environmental laws and regulations related to energy management, such as; Mainland China: – Environmental Protection Law of the People's Republic of China – Energy Conservation Law of the People's Republic of China
302-1	KPI A2.1	Energy consumption within the organization	– Clean – Building green and healthy communities – Performance Summary – Environmental performance	–
302-4	KPI A2.3	Reduction of energy consumption (Description of energy use efficiency initiatives and results achieved.)	– Clean – Transition towards carbon neutrality	–
302-3	KPI A2.1	Energy intensity	– Clean – Building green and healthy communities – Performance Summary – Environmental performance	–
GRI 303: Water and effluents (2018)				
103-1, 103-2 (c-i)	GD A2 GD A3	Discussion of management approach and related policies	– Clean – Building green and healthy communities – Clean – Water conservation	During the reporting period, we have complied with all applicable environmental laws and regulations related to water discharge, such as; Mainland China: – Soil Pollution Prevention and Control Law of the People's Republic of China – Water Pollution Prevention and Control Law of the People's Republic of China – Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes – Water Law of the People's Republic of China – Water and Soil Conservation Law of the People's Republic of China Hong Kong: – Water Pollution Control Ordinance (Cap.358)
303-1 (a and c)	KPI A3.1	Interactions with water as a shared resource (Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.)	– Clean – Building green and healthy communities	–
303-3	KPI A2.4	Water withdrawal (Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.)	– Clean – Water conservation	The water consumed by our Group in Mainland China and Hong Kong comes from municipal water supplies. There were no issues related to sourcing water that was fit for purpose in 2021.
303-5	KPI A2.2	Water consumption (in total and intensity (e.g. per unit of production volume, per facility).)	– Clean – Building green and healthy communities – Water conservation – Performance Summary – Environmental performance	–

GRI Standards	HKEX ESG Guide	Disclosure	Reporting Location	Section cross reference, additional information or explanation
GRI 305: Emissions				
103-1, 103-2 (c-i) 307-1	GD A1 GD A3	Discussion of management approach and related policies	<ul style="list-style-type: none">– Clean– Clean – Emission management– Content Index	During the reporting period, we have complied with all applicable environmental laws and regulations related to emissions, such as; Mainland China: <ul style="list-style-type: none">– Energy Conservation Law of the People's Republic of China– Atmospheric Pollution Prevention and Control Law of the People's Republic of China Hong Kong: <ul style="list-style-type: none">– Air Pollution Control Ordinance (Cap.311)– Ozone Layer Protection Ordinance (Cap.403)– Motor Vehicle Idling (Fixed Penalty) Ordinance (Cap. 611)
305 -1	KPI A1.1 KPI A1.2 KPI A1.5	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none">– Clean – Emission management– Performance Summary– Environmental performance	–
305 -2		Other Indirect (Scope 2) GHG emissions		
305 -4		GHG emission intensities		
305 -5		Reduction of GHG emissions		
305-7		Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		
GRI 306: Waste (2020)				
103-1, 103-2 (c-i)	GD A1 GD A3	Discussion of management approach and related policies	<ul style="list-style-type: none">– Clean– Clean – Reduce waste in our portfolio– Content Index	During the reporting period, we have complied with all applicable environmental laws and regulations related to waste management, such as; Mainland China: <ul style="list-style-type: none">– Law of the People's Republic of China on Evaluation of Environmental Effects– Environmental Protection Law of the People's Republic of China– Environmental Protection Tax Law of the People's Republic of China– Soil Pollution Prevention and Control Law of the People's Republic of China– Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes– Water and Soil Conservation Law of the People's Republic of China Hong Kong: <ul style="list-style-type: none">– Waste Disposal Ordinance (Cap.354)
306-2 (a)	KPI A3.1	Management of significant waste-related impacts (Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.)	<ul style="list-style-type: none">– Clean – Building green and healthy communities– Community – Enhance partnerships and engagement	–
306-3 (a)	KPI A1.3 KPI A1.4	Waste generated (Total hazardous and non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).)	<ul style="list-style-type: none">– Performance Summary– Environmental performance– Content Index	Not applicable. The Group does not produce large amount of hazardous waste during operation. Small amounts of hazardous waste (e.g., toner cartridges) are disposed of by a qualified institution and relevant figures will be disclosed in 2021.
–	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	<ul style="list-style-type: none">– Clean – Reduce waste in our portfolio	–

APPENDIX

GRI Standards	HKEX ESG Guide	Disclosure	Reporting Location	Section cross reference, additional information or explanation
MATERIAL TOPICS – GRI 400 SERIES (SOCIAL TOPICS) and HKEX SOCIAL SUBJECT AREA				
GRI 401: Employment				
103-2 (c-i) 419-1	GD B1	Discussion of management approach and related policies	<ul style="list-style-type: none"> Care Content Index 	<p>During the reporting period, we have complied with all applicable labour laws related to compensation and dismissal, recruitment, and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare, such as;</p> <p>Mainland China:</p> <ul style="list-style-type: none"> Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Employment Promotion Law of the People's Republic of China Social Insurance Law of the People's Republic of China Trade Union Law of the People's Republic of China Labor Dispute Mediation and Arbitration Law of the People's Republic of China Law of the People's Republic of China on the Protection of Women's Rights and Interests <p>Hong Kong:</p> <ul style="list-style-type: none"> Employment Ordinance (Cap. 57)
401-1(b)	KPI B1.2	New employee hires and employment turnover	<ul style="list-style-type: none"> Performance Summary – Social data 	–
401-2	–	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<ul style="list-style-type: none"> Care – Improve Employee Wellbeing 	–
401-3	–	Parental leave	<ul style="list-style-type: none"> Care – Improve Employee Wellbeing Performance Summary – Social data 	–

GRI Standards	HKEX ESG Guide	Disclosure	Reporting Location	Section cross reference, additional information or explanation
GRI 403: Occupational Health & Safety (2018)				
103-1, 103-2 (c-i) 403-1 419-1	GD B2 KPI B2.3	Discussion of management approach and related policies (Description of occupational health and safety measures adopted, and how they are implemented and monitored.)	<ul style="list-style-type: none"> Care – Ensure health and safety for all Performance Summary – Social data 	–
403-9 403-10	KPI B2.1	Work-related injuries and Work-related ill health (Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities)	<ul style="list-style-type: none"> Care – Ensure health and safety for all Performance Summary – Social data 	–
–	KPI B2.2	Lost days due to work injury	<ul style="list-style-type: none"> Performance Summary – Social data 	–
403-8	–	Workers covered by an occupational health and safety management system	<ul style="list-style-type: none"> Care – Ensure health and safety for all 	
GRI 404: Training and Education and HKEX Aspect B3 Development and Training				
103-1, 103-2 (c-i) 404-2 (a)	GD B3	Discussion of management approach and related policies (Programs for upgrading employee skills and transition assistance programs)	<ul style="list-style-type: none"> Care – Provide equal opportunities in training and development 	–
–	KPI B3.1	The percentage of employees trained by gender and employee category	<ul style="list-style-type: none"> Performance Summary – Social data 	–
404-1	KPI B3.2	Average hours of training per year per employee	<ul style="list-style-type: none"> Performance Summary – Social data 	–
GRI 405: Diversity and Equal Opportunity				
103-2 (c-i) 419-1	GD B1	Discussion of management approach and related policies	<ul style="list-style-type: none"> Care Care – Create a diverse and inclusive workplace 	–
405-1 (b)	KPI B1.1	Diversity of governance bodies and employees (total number of employees by age group)	<ul style="list-style-type: none"> Care – Create a diverse and inclusive workplace Performance Summary – Social data 	–
GRI 408: Child Labor and GRI 409: Forced or Compulsory Labor and HKEX Aspect B4: Labour Standards				
103-1, 103-2 (c-i) 419-1	GD B4	Discussion of management approach and related policies	<ul style="list-style-type: none"> Corporate governance – Steer the business with integrity – Measures to prevent forced and child labour 	When it comes to our labour practices, we strictly prohibit any child or forced labour and comply with all applicable local laws and regulations such as the Chinese Labour Law, the Law on the Protection of Women's Rights and Interests, the Law on the Protection of Minors, Regulations on the Prohibition of Child Labour, and the Notice on the Prohibition of Child Labour.
408-1 (c) 409-1(b)	KPI B4.1 KPI B4.2	Operations and suppliers at significant risk for incidents of child labor (Description of measures to review employment practices to avoid child and forced labour.)		–

APPENDIX

GRI Standards	HKEX ESG Guide	Disclosure	Reporting Location	Section cross reference, additional information or explanation
GRI 416: Customer Health and Safety and GRI 418: Customer Privacy and HKEX Aspect B6 Product Responsibility				
103-1, 103-2 (c-i) 416-2	GD B6 KPI B6.5	Discussion of management approach and related policies (Incidents of non-compliance concerning the health and safety impacts of products and services)	<ul style="list-style-type: none"> Community – Embed health and sustainability into the community experience – Tenant and customer wellbeing and safety Content Index 	<p>While not a material topic, during the reporting period, we have complied with all applicable laws and regulations relating to intellectual property rights and advertising trademarks, such as;</p> <ul style="list-style-type: none"> Advertising Law of the People's Republic of China Provisions on the Release of Real Estate Advertisements Real Estate Sales Management Measures General Principles of the Civil Law of the People's Republic of China Public Security Administration Punishments Law of the People's Republic of China Law of the People's Republic of China on the Protection of Consumer Rights and Interests Trademark Law of the People's Republic of China Patent Law of the People's Republic of China
–	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	– Content Index	Not an applicable material topic. The Group mainly provides real estate development and operation services, not involving product recalls.
418-1	KPI B6.2	Substantiated complaints concerning breaches of customer privacy and losses of customer data (Number of products and service related complaints received and how they are dealt with.)	– Performance summary – Social Data	–
–	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	– Content Index	Not an applicable material topic
–	KPI B6.4	Description of quality assurance process and recall procedures.	– Content Index	Not an applicable material topic





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