



深圳控股有限公司
SHENZHEN INVESTMENT LIMITED

Stock Code: 00604

2022

Environmental, Social
And Governance Report



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About this Report

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

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

SCOPE AND BOUNDARY

This report summarizes the efforts and achievements made by the Group in corporate social responsibility and sustainable development during the period from 1 January 2022 to 31 December 2022 in areas including “sustainable development strategy”, “operate with integrity”, “build craftsmanship quality”, “focus on environment sustainability”, “forge ahead with concerted efforts”, “give back to the community” and other aspects. The entities covered in this report include the headquarters and each subsidiary of Shenzhen Investment.

TERM DESCRIPTION

To facilitate presentation, “Shenzhen Investment”, the “Group”, “we” or “us” mentioned in this report all refer to “Shenzhen Investment and its subsidiaries” as a whole. Pengji Company and Southern Company are collectively referred to as “Pengnan Company”. During the reporting period, “Shum Yip Property Group Limited” was officially renamed as “Shum Yip Property Operations Group Co., Ltd.”.

Name of subsidiaries

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

Short name

Pengji Company
Southern Company
Terra Company
Land Company
East China Company
Taifu Company
Nongke Company
Shum Yip Operations
Commercial Management Company

SOURCE OF INFORMATION

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

ACCESS AND FEEDBACK TO THIS REPORT

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

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

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Corporate profile

Shenzhen Investment Limited has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 1997 (stock code: 00604.HK), and is 63.19% controlled by Shum Yip Group, a large conglomerate under the State-owned Assets Supervision and Administration Commission of Shenzhen Municipal. The Group has four business segments, namely, property, park, operation and innovation. Positioned as an “Innovative Constructor of Industrial Cities, Wealthy Livelihood Operator”, the Group focuses on property development, property investment and comprehensive urban operation services, and expands into innovative businesses such as high-tech agriculture and high-end manufacturing, endeavoring to transform and upgrade into a technology-based industry group focusing on the development of urban complex and investment in technology industry.







As of 31 December 2022, the Group had a land reserve with gross floor area of approximately 6.60 million square meters in various cities of China, of which the quality land reserve with gross floor area of approximately 4.28 million square meters is located in the Greater Bay Area. With a focus on integrating land resources and business, the company optimizes land structure and presence, deepens the Shenzhen market, prioritizes the Guangdong-Hong Kong-Macau Greater Bay Area, and gradually expands into key first - and second-tier cities and the Yangtze River Delta region.

After years of market expansion, Shenzhen Investment has now formed a multi-faceted development model that integrates residential, complex, industrial and commercial properties. The company shoulders the mission of “**building living vision to achieve undertakings in Shenzhen**” to promote the long-term stable development of business, with an aim to bring stable returns to and create value appreciation for its shareholders.

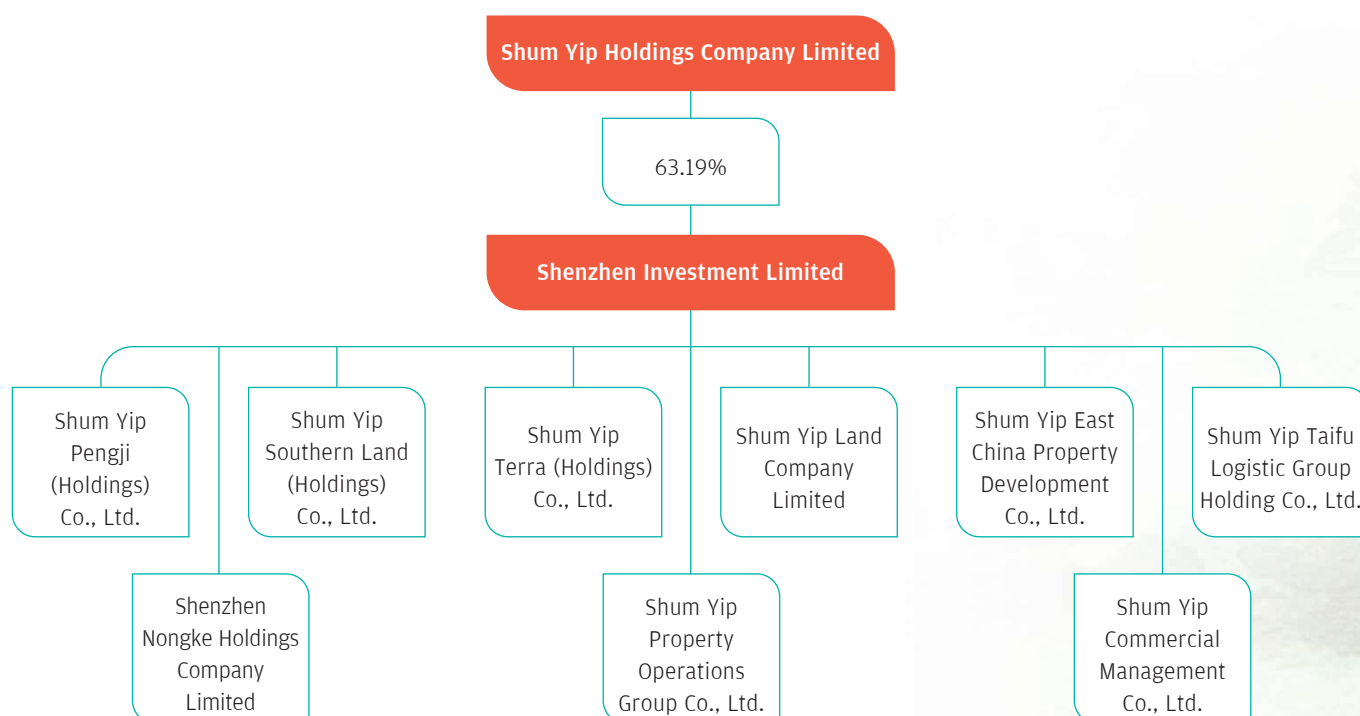
Please refer to the 2022 Annual Report of Shenzhen Investment for further information about the Group’s business and financial position at: http://www.shenzheninvestment.com/investor_21.html.

About Us

Principal business

Land Bank	Urban Renewal
Shenzhen Investment focuses on quality land resources in the Greater Bay Area and key first-tier and second-tier cities.	With the strength of its state-owned controlling shareholder, Shenzhen Investment plans to hasten its progress in redevelopment planning applications, resettlement and land use issues, to drive more projects to construction phase.
 As of 31 December 2022, Shenzhen Investment had a land reserve with gross floor area of approximately 6.60 million square meters.	 In 2022, Shenzhen Investment had 5 new projects, expanding land reserve by approximately 0.74 million square meters, amounting to more than RMB20 billion.
Property Development	Project Leasing and Operations
Shenzhen Investment has over 30-year experience in property development, and has been committed to providing customers with premises of high-quality and multi-usage.	Shenzhen Investment adheres to the dual focuses on property sales and operation of investment properties, continues to increase the ratio of high-quality commercial and office premises in its investment property portfolio, and optimizes its investment property portfolio and the management therein to improve rent pricing system and enhance operation and service standards.
 During the reporting period, the Group had a new construction area of approximately 2.77 million square meters. The completed area was approximately 1.13 million square meters.	 Shenzhen Investment has investment properties with a total area of approximately 1.79 million square meters, with annual rental income of approximately HK\$1.2 billion.
Urban Integrated Operation Service	Contracted Sales
Shenzhen Investment's urban integrated operation service company conducted its business around the positioning of "full format, full service, and full customer".	Shenzhen Investment actively promoted contracted sales and maintained positive sales growth against the backdrop of market downturn, outperforming the level of the peer market.
 As of the end of 2022, the business covered 47 cities across China, with 67.3% of the project area in the Greater Bay Area; area under management was 68.23 million square meters, and the area of non-residential sector accounted for 62.4%.	 In 2022, the contracted sales area was approximately 0.82 million square meters, and the contracted sales amount was approximately RMB19.2 billion, representing a year-on-year increase of 0.6%.

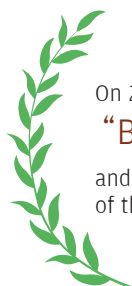
Corporate structure



Responsibilities and awards (2022)



Shenzhen Investment made its debut on the Fortune China **500** list in 2022 at No. **438** with HK\$**32.05** billion in revenue



On 22 December, Shenzhen Investment won the “Best ESG Award” and the “Best IR Program” of the 6th China IR Annual Awards



Honors and Awards

- 🍃 “Most Valuable Real Estate and Property Company” by Zhitongcaijing
- 🍃 “Greater Bay Area Outstanding Business Award” of China Financial Market Awards
- 🍃 Selected as one of the “Best Practices for Investor Relations under Capital Competition” in the “2021 White Paper on Investor Relations for Listed Companies in China”
- 🍃 “2022 Human Resources Management Excellence Award - Outstanding Employer” by 51job.com
- 🍃 UpperHills was named as one of the top five excellent complexes in Shenzhen
- 🍃 UpperHills received the “Golden Mall” award
- 🍃 UpperHills won the “Commercial Management Company Excellence Award” and “Marketing Planning Excellence Award” of Mall China Golden Mall Awards in 2022



▲ Commercial Management Company Excellence Award

- 🍃 “Shum Yip Zhongcheng” commercial project won the “Community Commercial Experience Model Project of the Year” of the Golden Tripod Awards for China commercial real estate
- 🍃 Mandarin Oriental Hotel Shenzhen was awarded the Forbes Travel Guide Five-Star Award
- 🍃 Shum Yip Taifu International Home Plaza was included in the 2022 home consumer reputation list

About Us

- Awards of Shum Yip Operations:
 - No. 20 among China Top 100 Property Management Companies
 - No. 11 among “China Outstanding State-Owned Property Management Companies”
 - “China Leading Enterprise in Smart City Service”
 - “China Outstanding Red-Hot Property Service Enterprise” of “China Top 100 Property Management Companies”
 - “2022 China Specialized Property Service Power - Outstanding Residential Property Management Company”
 - China Top 50 Property Management Companies by Overall Strength
 - China Top 10 State-Owned Property Management Companies by Overall Strength
 - Top 30 Property Management Brand Enterprises in South China
 - China Top 100 Property Management Enterprises by Brand Value
 - China Leading Enterprise in Administrative and Office Property Management
 - TOP 10 Urban Service Enterprises in Guangdong-Hong Kong-Macau Greater Bay Area
 - Top 100 Property Management Enterprises in Guangdong-Hong Kong-Macau Greater Bay Area
 - Guangdong Comprehensive Property Management Enterprise
 - Outstanding Contribution Unit for the Central Aid Hong Kong Emergency Hospital and the Central Aid Hong Kong Lok Ma Chau Shelter Facility Project Department (CSCEC Hong Kong Emergency Hospital Project Department)
 - The eighth batch of demonstration sites for learning from Lei Feng activities in Guangdong Province
 - Shenzhen May Day Labor Medal 2022
 - Shenzhen Youth Civilisation Unit



- Qualifications
 - Certificate of Disinfection Services (National Level)
 - Certificate of Vector Control Services (Municipal Level)
 - Certificate of Termite Control Services (Municipal Level)



Shum Yip Nongke was awarded as the Guangdong Science and Technology Expert Workstation

Message from the Chairman

In view of the complicated industry environment and the severe international situation, Shenzhen Investment has adhered to its mission of “building living vision to achieve undertakings in Shenzhen”, seized the development opportunities arising from the integration of Shenzhen and Hong Kong and the construction of the Greater Bay Area, further practiced the concept of sustainability, implemented the “Double Carbon” initiative, and continuously improved the sustainable development control framework to fulfil its social responsibility. Eight Environmental, Social and Governance (ESG) Reports have been published so far this year. In 2022, we were awarded the “Best ESG Award” and “Best IR Program” of Excellence IR for the second consecutive year. The Group’s ESG practices are proved to be highly effective and demonstrate our corporate commitment.

Operate with integrity and resilience

Based on the strategic plan of the 14th Five-Year Plan, Shenzhen Investment insists on compliance operation and continuously improves corporate governance to move forward the company with integrity and under the guidance of the core values of “Sunshine and Honesty, Innovation and Excellence, Diligence and Commitment, Harmony and Sharing”, and drive the sustainable development of the company. We insist on integrating sustainability into our daily operation and management, and strive to achieve synergistic development with consumers, the industry chain, employees, the environment and society.

Build craftsmanship quality

Shenzhen Investment remains true to its original aspiration with a focus on quality to promote high-quality development. We always adhere to the vision of being an “Innovative Constructor of Industrial Cities, Wealthy Livelihood Operator”, strictly control the quality of engineering products and services, stick to the pursuit of craftsmanship and quality, standardize services, identify the real needs of customers, secure service quality, improve the risk control mechanism, continue to promote the construction of a responsible supply chain, and dedicate ourselves to creating a high-quality living environment and promoting healthy development.

Focus on environmental sustainability

Shenzhen Investment always insists on the concept of green and low carbon. Focusing on green management, green building and green operation, it continuously explores the low carbon and green development of the whole life cycle of buildings, and improves the environmental management system to create a green operation environment and comprehensively enhance the company’s ability to cope with sustainable development and climate change. In 2022, we continuously promoted the certification of green buildings and had 6 new projects with green building certifications. With a view to leading a green lifestyle through green housing, we actively explored the protection of biodiversity, and solid wastes were 100% recycled.



Message from the Chairman

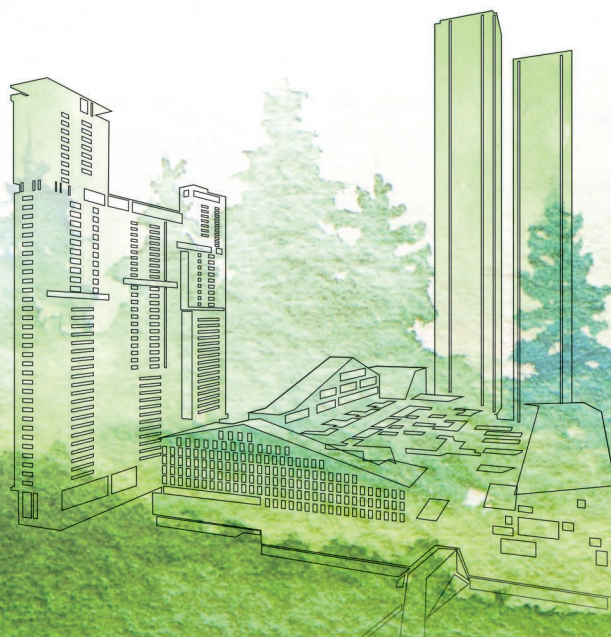
Forge ahead with concerted efforts

We adhere to the “people-oriented” development approach and value employee development by actively protecting the legitimate rights and interests of employees, striving to create an equal and inclusive working environment and providing competitive remuneration package and humanistic care to employees, in order to improve corporate cohesiveness for development and align employees with corporate growth. In 2022, the company followed the working principle of “safety first, prevention focus and comprehensive management” and endeavored to strengthen the concept of safety production, promote the digitization and intelligentization of safety management and protect occupational health and safety, and achieved the Group’s safety and health objectives.

Give back to the community

In active response to the call of the country to fulfil our corporate social responsibility, we promote social welfare, focus on the rural revitalization strategy, and contribute to common prosperity by helping villagers become rich through targeted assistance and agriculture-tourism integration; and create a pleasant living environment by stimulating urban vitality through urban renewal and subsidized housing development. Further, we insist on party building to lead grassroots governance to build a bridge for two-way feedback and promote community communion; and leverage our own influence to promote social welfare and build a harmonious society. In 2022, the Group had 1,247 employees participated in volunteer services, contributing 8,532 hours of service.

Seek development with concerted efforts and open a new chapter based on accumulated strength. We insist on the keynote of seeking progress in a stable manner and steadily promote our businesses, striving to create a new highlight and a new situation in the industry. Looking ahead, we will continue to implement the concept of sustainable development, enhance environmental, social and governance level, focus on the construction of “two areas”, seize the significant development opportunities arising from the integration of Shenzhen and Hong Kong, actively fulfill social responsibilities and create a harmonious society with our stakeholders.

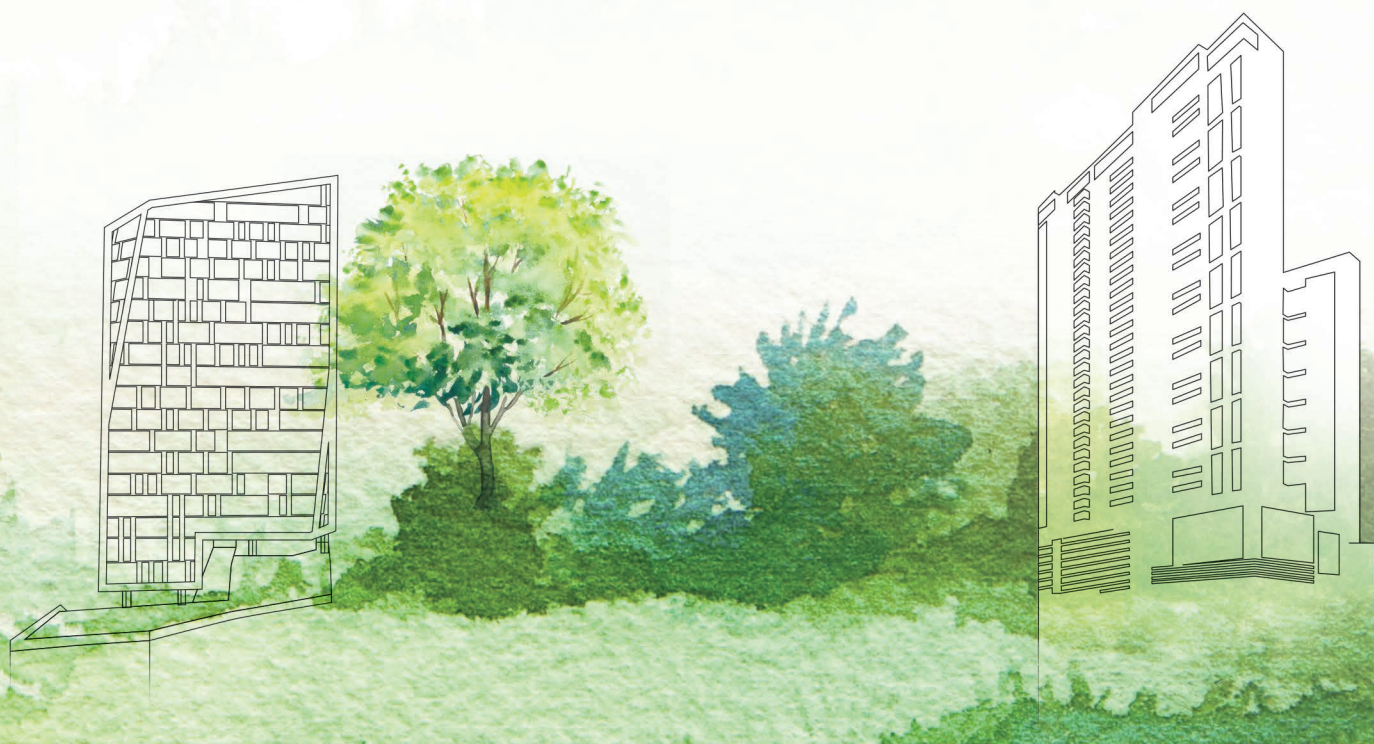


Statements of the Board of Directors

The Group attaches great importance to environmental, social and governance management, and we continue to improve our corporate governance system under the disclosure requirements of the ESG Reporting Guide issued by the Stock Exchange.

The board of directors of Shenzhen Investment takes ultimate responsibility for environmental, social and governance matters. Our responsibilities are developing the Group's environmental, social and governance strategy and monitoring the implementation of the strategy; establishing the bank of environmental, social and governance key issues through communication with stakeholders and identification of internal risks while combining with policies and current news; setting environmental, social and governance goals and regularly reviewing the achievement of such goals; and including key environmental, social and governance risks into risk management system and developing risk response measures.

The board of directors will continue to strengthen its engagement in the environmental, social and governance matters, and constantly update and improve management and goal attainment to play its leading role in overseeing the Group's ESG matters and fulfilling the commitment to sustainable development.



Milestones 2022

Deepening development in high-tier cities with new breakthroughs made in project expansion

Insisting on deepening the development in high-tier cities, the Group actively participated in the open land market and won the bid for five projects worth RMB21.595 billion, adding 737,700 square meters to its land reserve, which creates favorable conditions for the Group's long-term sustainable development.

Developing green buildings and launching smart operations

The Group actively participates in the construction of sponge cities by applying green building design and layout, and introducing intelligent operation systems, with 98% standardized design.

Assuming social responsibility to become a role model in the industry

The Group adheres to high standards of corporate social responsibility, regularly discloses information, maintains close two-way communication with the capital market and continuously improves the transparency of its operations. The company was awarded the "Best ESG Award" and "Best IR Program" on 22 December 2022.

Developing high-tech agriculture to support rural revitalization

In 2022, Nongke Group applied for 13 patents and 11 patents were granted, including two utility model patents and two appearance patents for the "Shen Xiao Tian" intelligent equipment. The "Nongke Yihao" ecological rice was awarded "Outstanding Product" at the China High-Tech Fair. The sales of "Nong Wo Feng" brand products in supermarkets achieved RMB250 million. Under the strategic guidance of "high-tech agriculture + special interest agritourism", the Group is committed to building a model project for rural revitalization by assisting the development of urban micro-farming and modern agriculture industry integration projects with high technology.

Annual Performance Highlights

Operating Performance

- ✔ Total assets (HK\$163.478 billion)
- ✔ Total equity (HK\$49.557 billion)
- ✔ Revenue (HK\$31.540 billion)
- ✔ Total profit for the year (HK\$2.455 billion)
- ✔ Income tax expenses for the year (HK\$4.912 billion)
- ✔ Contracted sales (RMB19.209 billion)
- ✔ Rental income (HK\$1.195 billion)
- ✔ Newly acquired land area (737,690 square meters)

Environmental Performance

- ✔ Two-star green rating report for G77 Shum Yip Longwan Mansion project
- ✔ Up to 35%-40% greenery coverage for development projects
- ✔ 100% solid waste recycle
- ✔ 100% noise control
- ✔ 100% up-to-standard discharge of acid and alkali wastewater from construction upon retreatment
- ✔ 100% elimination of radioactive leaks
- ✔ 100% timely restoration and rehabilitation of ecological environment damaged during the construction process
- ✔ 100% wastewater from construction site living area being discharged meeting grade II standards
- ✔ Total greenhouse gas emissions of 43,736.74 tCO₂eq
- ✔ Total energy consumption of 91,115.66 megawatt hours
- ✔ Total electricity consumption of 67,087,000.73 kilowatt hours
- ✔ Total water consumption of 2,805,269.17 tonnes

Social Performance

Employee

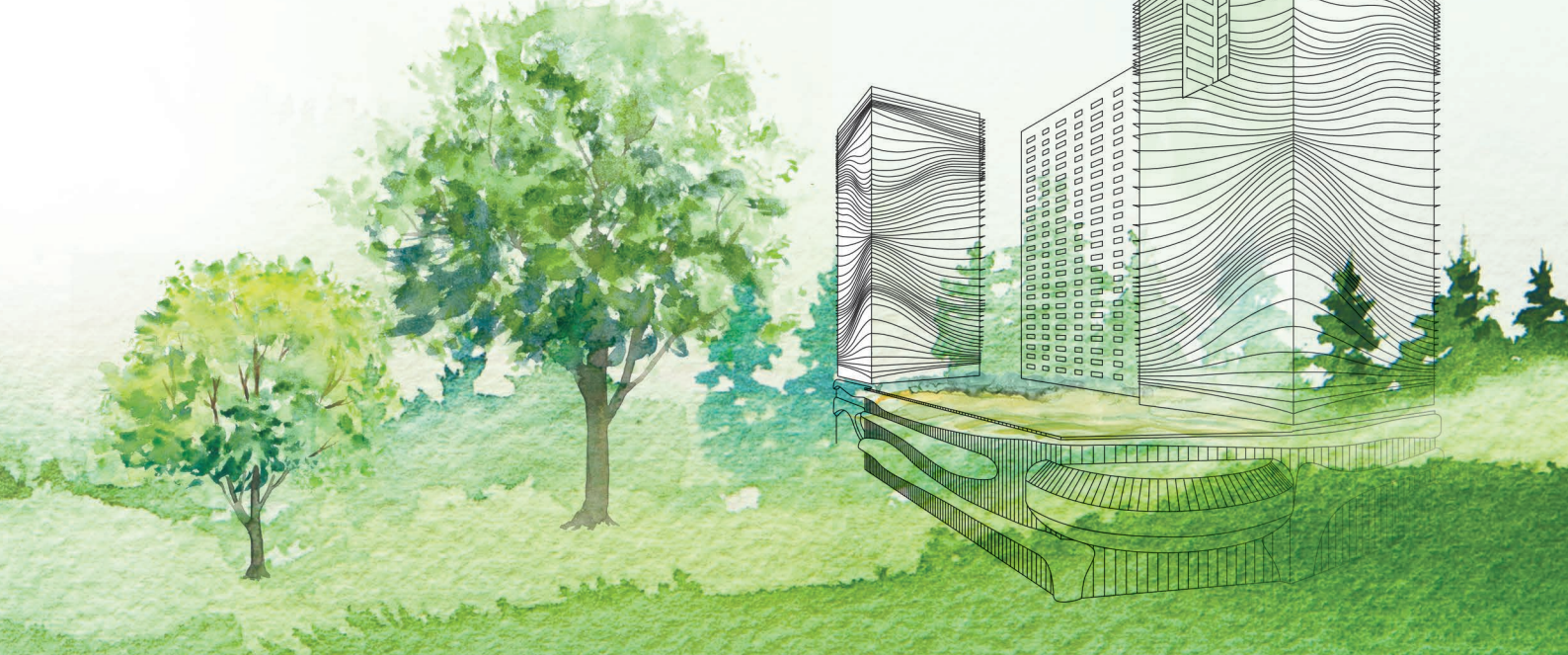
- ✔ Attracted nearly 30 industry elites to join
- ✔ In 2022, trainings concerning party building, talent development and business-related subjects were provided, covering 100% employees
- ✔ In 2022, the Group organized three compliance training sessions on a group basis
- ✔ More than 3,000 copies of the “Integrity and Self-Discipline Commitment” (《廉潔自律承諾書》) and “Compliance Commitment” (《合規承諾書》) were signed by the party leaders and cadres within the system, and 100% employees signed the Incorruptible Practice Commitment (廉潔從業承諾書)

Supplier

- ✔ Supplier Quality Assessment has been incorporated into environmental factors.
- ✔ Number of suppliers: 2,926

The public

- ✔ The non-profit summer camp, “Happy Kids Alliance” (幸福童盟), has served over 2,000 children in the community
- ✔ A total of 1,247 employees participated in volunteer services, providing 8,532 hours of service. The Shum Yip Group and its subsidiaries had 174 employees registered as new volunteers and launched 245 volunteer services in total
- ✔ Contracts with 33 project outlets and 1 comprehensive service center for the disabled for the elderly care services, covering 10 administrative regions in Shenzhen other than the Shenzhen-Shantou Cooperation Zone
- ✔ The Group provides consumption-based support of RMB5 million every year
- ✔ In 2022, approximately HK\$2,711,000 was donated for charity or other purposes



Special Theme: “High-Tech Agriculture” + “Special Interest Agritourism”, a New Model of Rural Revitalization

In response to the government’s request for urban micro-farming development, in January 2022, Shenzhen Investment incorporated agriculture into its principal business and Nongke Company, a subsidiary of Shenzhen Investment, has developed the “high-tech agriculture + specialty agritourism” strategy to establish a “232” industrial system, aiming to develop the agriculture industry integration projects as a new model of rural revitalization.

The research and marketing are combined to support the rural revitalization

In 2022, we entered into a strategic cooperation framework agreement with the People’s Government of Shaoguan City. Based on the advantages of high-tech agriculture of the Group, we plan to promote the Southeast Gate Project of Danxiashan (丹霞山東南門項目), Xinfeng Fengnong Project (新豐豐農項目) and Lechang Taro Industrial Park Project (樂昌香芋產業園項目) to build a national demonstration zone for the integration of agriculture and tourism in Shaoguan. Based on high-tech facility agriculture, we will bring themes to the planting industry to drive rural tourism and create a “Shaoguan model” for rural revitalization.



▲ Aerial view of Xinfeng • Four Seasons Garden Project (新豐•四季田園項目)

The Jinnong Project (錦農項目) in the Shenzhen-Shantou Cooperation Zone has been successfully launched. Currently, the conceptual planning of the project has been completed with annual rice planting area of 110 mu. The project was successfully displayed at the 2022 Garden City Harvest Festival (田園都市豐收節) of the Shenzhen-Shantou Special Cooperation Zone.



▲ Nongke exhibition area of the “Harvest Festival”



In terms of production and operation of the park, Xinfeng Modern Functional Agriculture Industrial Park (新豐現代功能農業產業園) has commenced production of fruits and vegetables, with a transfer of 3,900 mu of land, a planting area of 3,000 mu and annual rice output of over 1.3 million jin. Dapeng • Four Seasons Farm (大鵬•四季農場) was put into trial operation in November, integrating three characteristic industries of agriculture, education and tourism, and completed the annual planting area of 150 mu. Activities such as agricultural science education, fresh fruit picking and team expansion are open to the public.

Fruitful results have been achieved in agricultural research and development, “Nongke No. 1 (農科一號)” ecological rice won the excellent product award at the Hi-Tech Fair. Intelligent equipment products were put on the market, and “Shenxiaotian (深小田)” series products such as “Indoor Terrace (室內梯田)” and “Pachira Macrocarpa (發財樹)” were launched, which have been granted 2 utility model patents and 2 appearance patents. In terms of the cultivation and promotion of agricultural products, the Company creates a high-end brand namely “Nongwofeng (農沃豐)” which has 200 types of products and achieved a total sales revenue of RMB250 million in shopping malls and supermarkets.

Our food and environment testing service qualification has been improved. Liantang Laboratory, a testing company, has been used and obtained the provincial qualification. It has successfully passed the CMA, CATL and CNAS qualification certifications with contract value exceeding RMB10 million.

On 15 November, at the 24th China Hi-Tech Fair, Nongke Company showed its previous qualification and honor certificates, “Nongwofeng” high-end agricultural product, food safety testing devices, Shenxiaotian indoor terrace planting devices, and Shenxiaotian pachira macrocarpa household planting device. “Nongke No. 1 Ecological Rice” and Shenxiaotian pachira macrocarpa household planting device won the “Excellent Product Award (優秀產品獎)”.



▲ “Shenxiaotian” intelligent device



▲ Excellent Product Award of the 24th China Hi-Tech Fair

Special Theme: “High-Tech Agriculture” + “Special Interest Agritourism”, a New Model of Rural Revitalization

Strategic guidance for developing urban micro-farming

With the emergence of concepts such as “urban micro-garden” and “urban micro-farming”, catering to the demand of urban residents for “green” products and making full use of its technology, brand and resource advantage, Nongke Company focused on the construction and operation of parks and urban rooftop farms, providing planning and design, management and farming services and education on agricultural knowledge. We made reasonable planning to transform idle urban land into farming bases for the purpose of creating stylish “Happy Garden” (開心菜園子) as tourism and entertainment attractions, and enhanced agricultural production by using intelligent equipment.



▲ Huabao Yihao rooftop farm project

In addition, in compliance with the “Implementation Opinions on Further Strengthening Labor Education in Schools and Universities” (《關於進一步加強大中小學勞動教育的實施意見》) issued by the Shenzhen Education Bureau, we developed campus rooftop farms depending on local conditions and customized science education programmes, realizing the innovative combination and application of urban micro-farming and education, and meeting the needs of labour education in primary and secondary schools.



▲ Science education research activity

Technology support promotes the integration of industry and city

Nongke Company Flower Industry Base Project in Central China is a comprehensive flower industry base integrating R&D, production, trading, show and so on. We weave the concept of sustainable development into the project, adjust measures to suit local conditions and change waste into treasure. We create the flower industry on original landfill by modern, ecological and scientific technology, and comprehensively use modern low-impact development (LID) technology, energy recycling system and waste processing technology to reduce the energy and carbon consumption in the base. In addition, we promote the ecological restoration of site, improve the quality of surrounding environment, implement the ecological sustainable development and provide many job opportunities, making the base as a landscape with social attributes.

Nongke Company attaches great importance to the R&D of agricultural technologies and the cultivation and development of agricultural products. During the reporting period, it obtained 15 patents and applied for 11 new patents. In 2022, we selected 46 new and premium varieties of bougainvillea, marking a new level of high-tech agricultural research and development. The expert team has been expanded with 10 external academicians and experts, providing effective intellectual support for high-tech agricultural research and development. The long-term cooperation with the team led by Zhu Jiankang, an academician of Southern University of Science and Technology, in the field of biological gene editing and breeding has been determined. Meanwhile, it has also cooperated with Peking University and Chinese Academy of Agricultural Sciences to break through the “bottleneck” of provenance problem.



▲ Flower industry base in central China



▲ Opening Ceremony of the Bougainvillea Research Center

01

Governance Responsibility, Sincere Operation

The Group has positioned 2022 as the “year of management improvement”, and adhered to a general keynote of “improving management for prudent growth”. Shenzhen Investment continued to deepen its awareness of responsibilities, integrated the sustainable development into its daily operation and management and emphasized compliance operation. Therefore, we have established an overall risk management system to create a fair, honest and clean corporate culture and promote its healthy, long-term and steady development with good enterprise governance. Besides, we keep active two-way communication and cooperation with internal and external stakeholders to learn their concerns of sustainable development, and work with them to jointly promote the sustainable development of economy, environment and society.

ESG issues we concern

- Anti-corruption and anti-unfair competition
- Responsible supply chain management
- Operating performance and investor rights and interests
- Communication with stakeholders
- Risk management and internal control
- Corporate governance and compliance operation
- Intellectual property protection

SDGs issues we respond to



HKEx ESG indicators we respond to

- B6: Product responsibility
- B7: Anti-corruption





Governance Responsibility, Sincere Operation

Goal setting and progress review

Goal	Progress
To standardize the enterprise operation and improve the management efficiency, the Group shall make a system to revise, prepare and optimize the work plan to further improve the management system and plan to revise and prepare 86 systems in this year.	During the year, the Group completed the revision and preparation of 93 systems, including 59 prepared ones and 35 revised ones, far exceeding the plan at the beginning of the year.
The Group proposes a three-year overall plan and goal for the construction of the compliance management system, i.e. “one year for foundation, two years for certification and three years for system compliance”, to realize the standardization, normalization and systematization of compliance construction under the guidance of ISO37301.	The Group preliminary made an initial plan for the headquarter and its two affiliated enterprises for ISO37301 standard implementation certification and kick off the selection of the standard consulting institution.
Hold special training on integrity for personnel in key fields and key positions, discipline inspection and supervision cadres and new employees from campus.	In 2022, 100% of new employees, employees in key fields and positions, and discipline inspection cadres completed their integrity trainings.

1.1 ESG Management System

Shenzhen Investment continues to strengthen the awareness of responsibilities, build an effective ESG management system and integrate sustainable development into daily operation and management to constantly promote and optimize the enterprise’s management level in environment, social and governance.

1.1.1 ESG philosophy

To realize the vision of becoming an “Innovative Constructor of Industrial Cities, Wealthy Livelihood Operator”, with the mission of “Building Living Vision to Achieve Undertakings in Shenzhen”, Shenzhen Investment adheres to the values of “Sunshine and Honesty, Innovation and Excellence Diligence and Commitment, Harmony and Sharing”. Based on the objectives of the “14th Five-Year” Plan, Shenzhen Investment incorporates ESG concept into its daily operation management, and insists on the collaborative development with consumers, industrial chain, employees, environment and society.

1.1.2 ESG strategy

In combination with the overall development direction and ideal of the Group's strategy, and based on the practical situation of the business development and daily operation, we incorporate ESG issues into the Group's strategic goals, conduct systematic and efficient sustainable development work and promote ESG issues. We will continue to take the initiative to assume our social responsibilities and implement the concept of sustainable development in the course of project development and operation and strive to achieve balanced development in terms of economic, environmental and social benefits in the following three aspects:

Enhancing the awareness of ESG:

The Group will correctly grasp the core meaning of ESG, get a profound understanding of the significance of undertaking ESG and attach great importance to ESG related works. Besides, the Group will strengthen employees' awareness of ESG philosophy through ESG training and promotion education, striving to develop the corporate value and enterprise culture of undertaking sustainable development.

Improving ESG management system:

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

Establishing ESG reporting system:

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

Governance Responsibility, Sincere Operation

1.1.3 ESG management structure

Shenzhen Investment attaches great importance to sustainable development. During developing its business, it has built an ESG governance structure involving the whole process ranging from decision-making, communication to implementation. We have established a three-in-one ESG management structure which comprises the Board of Directors, the ESG Working Committee and the ESG Working Group. In the future, we will continuously improve this system and further clarify the division of labor and responsibilities, to lay a solid foundation for implementation of ESG work.

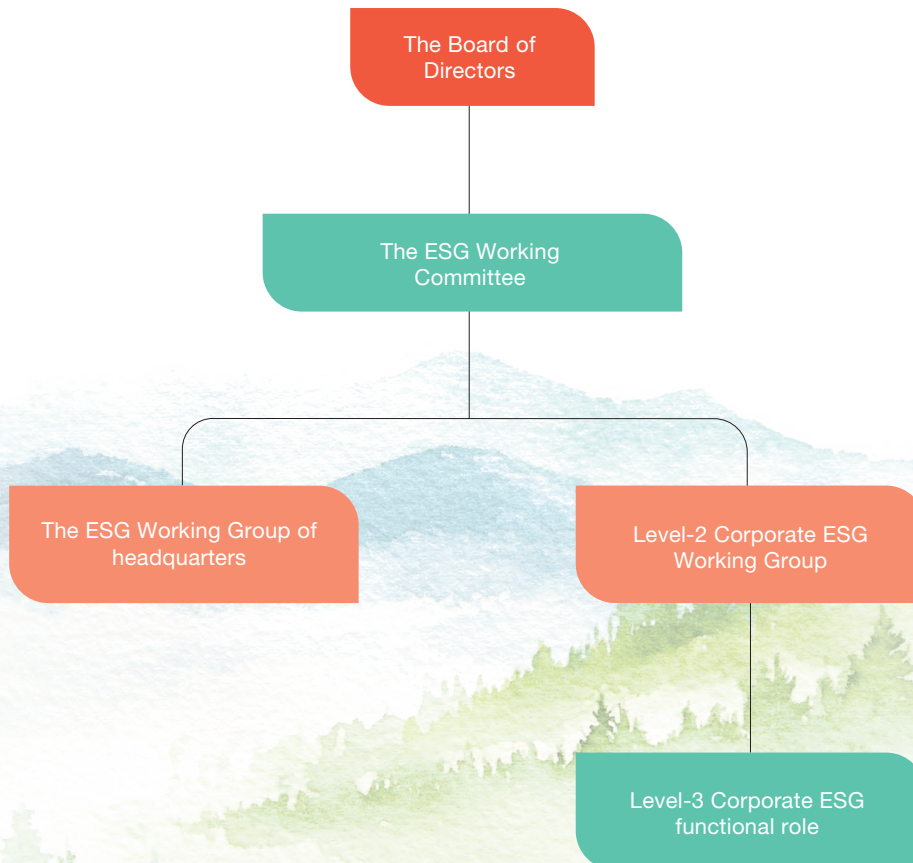
Responsible for the leadership, decision-making and promotion of the Group's ESG strategic direction, hearing, reviewing and discussing the ESG Working Committee's report on the Group's ESG vision, strategy, ESG report, ESG goal setting and completion progress, climate change risk identification and mitigation.

Responsible for formulating ESG goals and policies, supervising the work of the ESG Working Group, coordinating ESG report related contact and review work, and regularly reporting ESG work to the Board of Directors.















































































Responsible for coordinating and supervising the annual ESG implementation work, ESG policy implementation, ESG information system management and ESG report preparation, assisting to contact subordinate companies, and collecting ESG data and text materials from the corresponding business departments on a regular basis.

Environmental, Social and Governance Structure of Shenzhen Investment



1.2 Communication and Engagement with Stakeholders

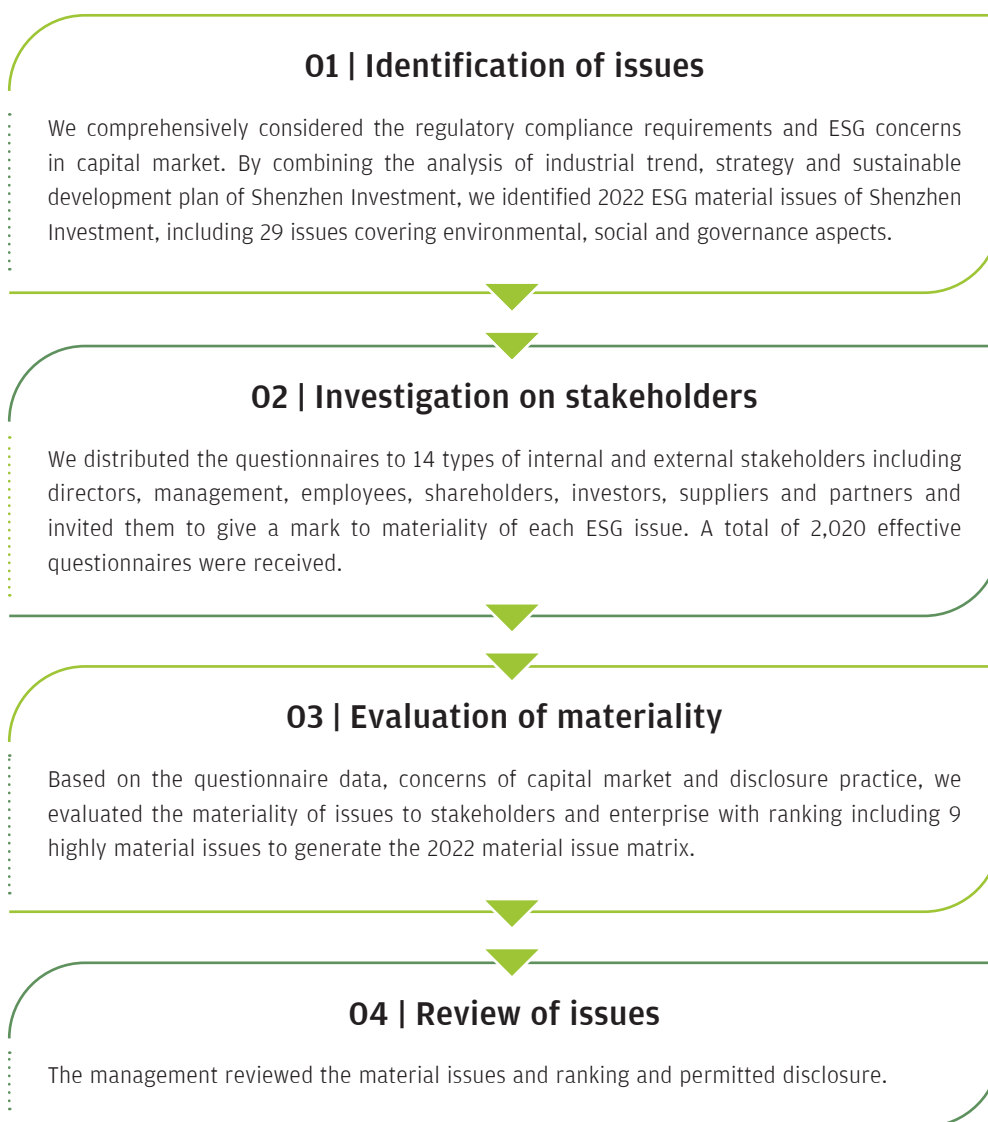
Shenzhen Investment has always kept positive communication and cooperation with internal and external stakeholders, provided many communication channels for these stakeholders, and worked with them to jointly promote the sustainable development of economy, environment and society. We attach importance to their opinions and suggestions, collect and evaluate their feedback on a regular basis, and adjust the strategy and actions of the Group's ESG work based on the feedback.

Stakeholders	Expectation and Requests	Response Measures	Measures Taken in 2022
Governments and Regulators	<ul style="list-style-type: none">  Law-abiding compliance operations  Appreciation in assets value  To support local development 	<ul style="list-style-type: none">  Daily report and communication  Forum and exchange activities  To respond on national policies actively 	<ul style="list-style-type: none">  Organized anti-corruption training  Improved the construction of "Property City" system  Promoted the rural revitalization
Shareholders and Investors	<ul style="list-style-type: none">  To acquire returns on investment  Information disclosure and transparency  To protect the interests and fair treatment of shareholders  To lower operating risks 	<ul style="list-style-type: none">  To establish sound and scientific decision-making and supervision mechanism  To strengthen risk management and control  To achieve open and transparent information disclosure  To organize and participate in activities for different types of shareholders 	<ul style="list-style-type: none">  Held 2 performance conferences  Organized or participated in investor meetings, performance roadshows and survey activities  Checked the Group and its affiliated enterprises  Communicated with investors for more than 200 times
Customers	<ul style="list-style-type: none">  To safeguard the quality and safety of products  Quality customer services  Privacy protection  Opinions and complaints handling 	<ul style="list-style-type: none">  Product quality control  To provide high-quality services  Satisfaction survey  To protect customer privacy 	<ul style="list-style-type: none">  Full life cycle control of project quality  Conducted customer satisfaction surveys regularly  Strictly implemented customer information management  Provided intelligent services to customers to meet their diverse needs
Employees	<ul style="list-style-type: none">  To protect basic rights and interests  Career development and equal promotion opportunity  Health and safety  Democratic management  Caring for people 	<ul style="list-style-type: none">  Staff representative congress  To carry out various trainings actively  To improve talent promotion and remuneration mechanism  To strengthen occupational health and safety management  To provide diversified employee benefits 	<ul style="list-style-type: none">  Optimized the human resource management system  Broadened the promotion channels  Offered multi-dimensional training for employees  The total training hours of the Group's employees were approximately 426,849.70 hours, covering all of the employees  Held employee safety knowledge contest
Business Partners and Suppliers	<ul style="list-style-type: none">  Integrity and fulfillment of obligations  Resource sharing  Win-win development 	<ul style="list-style-type: none">  To perform contract in accordance with the law  Open tender  To eliminate commercial bribery  To participate in industry exchange activities 	<ul style="list-style-type: none">  Released bidding information on the transparent procurement service platform of municipal state-owned enterprises to achieve full coverage of transparent transactions and full disclosure of transaction information  Reached cooperation intention with leading enterprises in the industry and multiple governments
Community and the Public	<ul style="list-style-type: none">  To boost development of public services in communities  Public welfare and charities 	<ul style="list-style-type: none">  To carry out various public welfare activities  To strengthen industry-based poverty alleviation  To support the rural revitalization strategy  To encourage employees to participate in volunteer service 	<ul style="list-style-type: none">  Assisted Houzhai Town, Nan'ao County  Built Danxia National Agriculture and Tourism Integration Demonstration Zone  Held many healthy and interesting community activities in the commercial, industrial and residential area of the Group
Environment	<ul style="list-style-type: none">  Effective use of resources  Reduction of emissions  Protection of biodiversity  Response to climate change 	<ul style="list-style-type: none">  Development of green buildings  Energy management, water resources management and waste management  To strengthen environmental information disclosure 	<ul style="list-style-type: none">  New buildings in Shenzhen were not lower than one-star standards of the green building  Firmly adhered to the bottom line when formulating relevant plans for green land development  Implemented emission reduction measures and promoted emission reduction technologies

1.3 ESG Material Issues

To get a full understanding of demands from and expectations of the Group's management and all stakeholders in respect of the disclosure and management of ESG information and identify various material sustainable development issues, we have distributed the questionnaires to our internal and external stakeholders, such as directors, management, employees, shareholders, investors, consumers, suppliers and partners. After investigating the material issues, we have known their key sustainable development issues, guiding management and disclosure of sustainable development affairs of the Group.

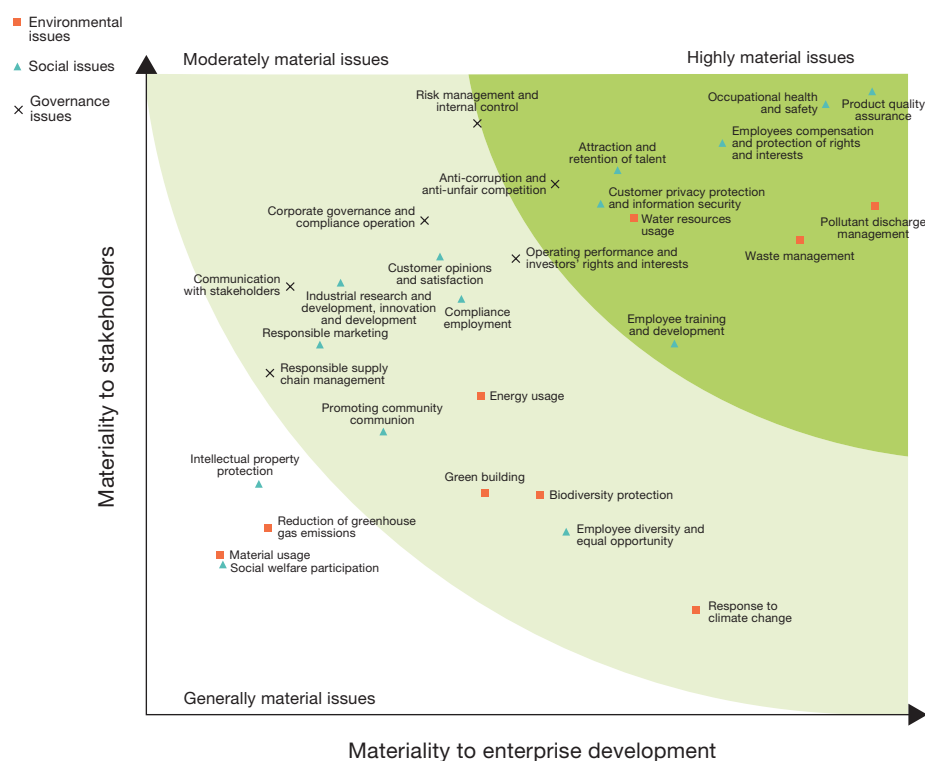
Process of identification and evaluation of material issues in 2022



Rank and matrix of material issues of sustainable development of Shenzhen Investment

Materiality	Rank	Category	Issues
Highly Material Issues	1	Social issues	Product Quality Assurance
	2	Social issues	Occupational Health and Safety
	3	Environmental issues	Pollutant Discharge Management
	4	Social issues	Employees Compensation and Rights and Interests Protection
	5	Environmental issues	Waste Management
	6	Social issues	Attraction and Retention of Talent
	7	Environmental issues	Water Resources Usage
	8	Social issues	Customer Privacy Protection and Information Security
	9	Governance issues	Anti-corruption and Anti-unfair Competition
Moderately Material Issues	10	Governance issues	Risk Management and Internal Control
	11	Social issues	Employee Training and Development
	12	Governance issues	Operating Performance and Investor Rights and Interests
	13	Governance issues	Corporate Governance and Compliance Operation
	14	Social issues	Customer Opinions and Satisfaction
	15	Social issues	Compliance Employment

Materiality	Rank	Category	Issues	
Highly Material Issues	16	Environmental issues	Energy Usage	
	17	Social issues	Industrial Research and Development, Innovation and Development	
	18	Environmental issues	Response to Climate Change	
	19	Environmental issues	Biodiversity Protection	
	20	Governance issues	Communication with Stakeholders	
	21	Social issues	Employee Diversity and Equal Opportunity	
	22	Social issues	Responsible Marketing	
	23	Environmental issues	Green Building	
	24	Social issues	Promoting Community Communion	
	25	Governance issues	Responsible Supply Chain Management	
	Generally Material Issues	26	Social issues	Intellectual Property Protection
		27	Environmental issues	Reduction of Greenhouse Gas Emissions
		28	Environmental issues	Material Usage
		29	Social issues	Social Welfare Participation



Governance Responsibility, Sincere Operation

1.4 Sustainable Operation Management

Shenzhen Investment attaches importance to compliance operation and promotes the healthy, long-term and steady development of the Company with good corporate governance. We have established a comprehensive risk management system and create a fair, honest and incorruptible corporate culture. Moreover, we constantly enhance the protection of intellectual property, focus on the demands of stakeholders and protect their interests to build a good corporate image.

1.4.1 Compliance operation

Shenzhen Investment strictly abides by the Stock Exchange requirements, laws and regulations such as the 'Listing Rules (《上市規則》)', the 'Companies Ordinance' (《公司條例》), the 'Securities and Futures Ordinance' (《證券及期貨條例》) and the 'Articles of Association' (《公司章程》). Shenzhen Investment continues to enhance its corporate governance level, strengthens information disclosure management, protects the investors' rights and interests and strictly implements the internal supervision. We promote the compliance operation by the method of "unification & separation integration, process embedment and work advancing". Furthermore, we strengthen the compliance assurance and compliance promotion training to ensure that our business development meets the compliance requirements and achieve the steady development of the enterprise.

Improve the compliance management level

We have proposed the three-year overall plan and goal for construction of compliance management system, i.e. "one year for foundation, two years for certification and three years for system compliance". We are under the guidance of ISO37301 standard implementation certification to realize the standardization, normalization and systematization of the Group's compliance construction. To fully mobilize and protect the enthusiasm, initiative and creativity of operation and management personnel, we have prepared the disclaimer list and applicable conditions, released "compliance dividend" and prepared the 'Compliance Risk List' (《合規風險一覽表》), the 'Department Performance Compliance Manual' (《部門履職合規手冊》), and the 'Post Performance Compliance Manual' (《崗位履職合規手冊》) to allocate the compliance risks to specific departments. We have established a Compliance Committee and organized a compliance team in which the chairman of the board is the leader, the deputy chairman is the deputy leader and principals of relevant functional departments are members. In addition, we have established a tiered and classified compliance system, comprehensively identified the compliance risks, established a coordination mechanism among compliance management, integrity risks, risk management, internal control and legal affairs, and incorporated the compliance management into the annual comprehensive assessment of the departments. Furthermore, we have enhanced the compliance assurance, and held diverse compliance promotion and training to improve employee's awareness of compliance in an all-round way.

Continue to improve information disclosure

Shenzhen Investment is always concerned about the impact of our business activities on environment and society. We disclose ESG-related policies and data on the Group's website and in this report, proactively practice ESG disclosure, and actively respond to sustainability indices such as the MSCI-ESG Rating, in response to investors' ESG disclosure requirements and expectations.

Protect the rights and interests of investors

Shenzhen Investment has made the 'Shareholder Communication Policy' (《股東通訊政策》), and has established smooth diverse communication channels for shareholders to ensure that they are fully informed of the Group's strategies, operations and development. In 2022, we served investors through various means such as general meeting, online results press release, web conference, telephone, WeChat and website, etc. We disclosed financial conditions and business information to the capital market and investors in a timely, proactive and detailed manner. For our significant shareholders, we have provided monthly updates and communication on the Group's business development and provided feedback to the management and the Board of Directors.

Key Performance

In 2022, Shenzhen Investment held 2 performance conferences, organized or participated in 19 investor exchange meetings, performance roadshows and survey activities and communicated with investors for more than 200 times.

1.4.2 Risk management

Risk control and risk management system

Shenzhen Investment attaches great importance to risk prevention and control. We established a three-level risk management structure and sets up comprehensive risk management procedures, adopting “bottom-up” approach together with a “top-down” comprehensive risk review process, to improve and strengthen risk identification, monitoring and prevention. In 2022, the Group strengthened its risk management and carried out special debt audit and economic responsibility audit.

Supervision of the Board of Directors

Audit Committee acting on behalf of the Board of Directors

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

Risk management, reporting and communication

Risk management department

- Responsible for construction and operation of comprehensive risk management system; guide and urge other departments and affiliated enterprises to develop the comprehensive risk management work.
- Risk management: regularly assess the system risks, and review the risks of major business in advance.
- Internal control: check, evaluate and optimize the execution of internal control system to avoid the execution risks.
- Internal audit: audit at many levels, and implement the rectification of audit problems to avoid the operation risks.
- Discuss the effect of risk management structure at least once a year.

Daily risk management and monitoring

Functional departments, risk management departments of affiliated enterprises and individuals

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

Key Performance

In 2022, Shenzhen Investment comprehensively checked debt scale and debt risk prevention and control in the Group and its 191 affiliated enterprises and proposed suggestions in ten categories on prevention and control of debt risks.

Governance Responsibility, Sincere Operation

Internal audit, internal control and risk control integration mechanism

- ✦ To integrate the supervision resources, such as discipline inspection and supervision, supervisory committee, finance, internal audit, internal control and risk control, and establish a joint supervision committee to strengthen supervision force and enhance the overall effectiveness of supervision;

- ✦ In view of the significant risks faced by the Group and the potential or already caused losses and impacts, the Group works together with relevant business departments and affiliated enterprises to carefully analyze the causes and sort out the countermeasures taken, and closely track the changes in response to the significant risks;

- ✦ To identify risks through the five elements of the risk assessment model COSO and develop relevant countermeasures;

- ✦ To systematically review and evaluate the relevant systems of the Group's internal control system, supplement the implementation details of internal control evaluation and internal control audit, and ensure that the relevant systems cover the grassroots enterprises;

- ✦ To organize and carry out the mid-term evaluation and process supervision of investment projects of affiliated enterprises and explore the new project management mode to improve the investment management level and risk control level of enterprise and ensure the safety and hedging of the Group's assets.

Environmental, social and governance risk management

Environmental, social and governance (ESG) risk is one of the key risk categories that Shenzhen Investment's comprehensive risk management system focuses on. Material ESG risk issues identified, such as bribery and corruption, business ethics, product quality and safety, occupational health and safety, climate change, etc., have been incorporated into the internal regular risk assessment and monitoring process.

1.4.3 Integrity construction

Shenzhen Investment strictly abides by the 'Criminal Law of the People's Republic of China' (《中華人民共和國刑法》), the 'Criminal Procedure Law of the People's Republic of China' (《中華人民共和國刑事訴訟法》), and the 'Law of the People's Republic of China on Penalties for Administration of Public Security' (《中華人民共和國治安管理處罰法》), and is against all forms of corruption, including extortion, bribery and acceptance. Guided by promoting the organic integration of compliance management and integrity control, we have established a three-year plan (2022-2024) for construction of compliance management system, launched "1+3+N" system, and actively promoted the construction of anti-corruption system. By reference of above laws, we have formulated the 'Code of Business Ethics' (《商業道德準則》), the 'Probity Audits Measures' (《廉政審查辦法》), the 'Interim Measures for the Management of Internal Audit' (《內部審計工作管理暫行辦法》). In 2022, we formulated seven management systems, such as the 'Measures to Prevent Staff Conflicts of Interests' (《防止工作人員利益衝突的辦法》), the 'Implementation Measures for the Enhancement of Promoting Rectification by Cases' (《加強以案促改工作實施辦法》), the 'Measures for the Prevention and Control of Integrity Risks of Off-site Projects' (《異地項目廉潔風險防控辦法》) and the 'Measures for the Prevention and Control of Integrity Risks in Overseas Investment' (《境外投資廉潔風險防控辦法》) to further strengthen the integrity construction of the Company. The Company shall carry out internal audit at least at the interval of three years to evaluate and review above anti-corruption policies, business ethical standards and business behaviors within the whole scope of operation of the Company. The Board of Directors supervises the business ethics and anti-corruption. The Risk Management Department is responsible for the implementation and management, and regularly reporting to the Audit Committee to effectively prevent and control commercial bribery and corruption in the operation of the Group and its affiliated enterprises.

To create a good atmosphere of honesty and integrity, in 2022, Shenzhen Investment signed more than 3,000 copies of the 'Commitment on Integrity and Self-discipline' (《廉潔自律承諾書》) and the 'Commitment on Compliance' (《合規承諾書》) with leaders and cadres. 100% of senior management signed above two commitments. It strengthens the supervision and management of the compliance performance, job avoidance and interest conflict of cadres and employees, improves their awareness of discipline, responsibility and awe, and builds the first firewall against corruption. In addition, it checked 5 items, including the prevention and control of integrity risks in overseas investment and the compliance of bidding and procurement to prevent integrity risks and guard the healthy and stable development of the enterprise.

Whistle-blowing mechanism

Shenzhen Investment attaches great importance to internal and external supervision and whistle-blowing, effectively controls corruption and fraud and creates an honest and normative working environment. We strictly follows the ‘Procedures for Handling Whistle-blowing’ (《信訪舉報辦理規程》), the ‘Rules for the Handling of Whistleblowers and Accusation by Disciplinary Inspection and Supervision Agencies’ (《紀檢監察機關處理檢舉控告工作規則》), etc. In addition, we issued ‘Shenzhen Investment Whistle-blowing Policy’ (《深圳控股舉報政策》) and the ‘Measures for the Management of Whistleblower Cases’ (《問題線索管理辦法》) in line with relevant laws and regulations to further standardize the procedures for the registration, research and judgment, reporting and transfer of whistle-blowing, laying a foundation for the improvement of supervision. Shenzhen Investment provides a number of whistle-blowing channels such as the official website, hotline, e-mail and mailbox, and encourages whistle-blowing in real names. We firmly protect the safety and privacy of whistleblowers from infringement, and keep their names, workplaces, home addresses and other relevant information strictly confidential. We will strictly investigate the responsibility of the person responsible for keeping confidentiality in accordance with the relevant provisions. Besides, the investigated company and the person being reported against shall not retaliate against the whistleblower. Once found, we will deal with it seriously in accordance with the laws, and effectively avoid retaliation in any form. In addition, the Group and its affiliated enterprises built “1+6” mass appeal service hall and station to collect various appeals from many channels.

Key Performance

In 2022, the supervision and inspection department of Shenzhen Investment accepted a total of 32 whistle-blowing letters, handled 30 whistle-blowing cases.

In 2022, the number of corruption lawsuit concluded by Shenzhen Investment was zero. No corruption, bribery, extortion, fraud, money laundering and other unlawful acts were identified with Shenzhen Investment.

Integrity education and training

To further strengthen the construction of integrity culture in the new era and promote the value of integrity, Shenzhen Investment actively builds an anti-corruption culture and conducts integrity promotion and training for all employees (including part-time employees) and contractors through various means and channels, such as holding a knowledge contest on integrity construction, visiting the integrity education base, watching the integrity warning education video, and collecting and selecting integrity cultural works, to create a clean corporate culture.

In addition, we customize integrity promotion courses for new employees, take an oath on integrity and sign the Incorruptible Practice Commitment (廉潔從業承諾書) to help them fasten the “first button”.



Governance Responsibility, Sincere Operation

Control of compliance risks of business partners

We have taken measures to control the compliance risks of customers, suppliers, outsourcers, dealers and other business partners. The measures include the publicity of compliance policies, compliance agreements, compliance training for business partners, third-party investigation reports, and compliance audits for business partners. We have formulated the 'Measures for the Compliance Management of Business Partner' (《商業夥伴合規管理辦法》) which has detailed regulations on management requirements of business partners, basic compliance requirements of business cooperation, product evaluation and samples, discounts and publicity, environmental protection, employment, doubts, reports and questions. Besides, we enhance the compliance promotion for business partners and send the 'Compliance Proposal to Business Partners' (《致商業夥伴的合規倡議書》) to business partners. After reading the proposal, the business partners fed back the 'Letter of Commitment of Business Partners' (《商業夥伴承諾函》) to the Group and signed the 'Commitment of Business Partners' (《商業夥伴承諾書》).

Key Performance

In 2022, Shenzhen Investment headquarters totally held 4 times of anti-corruption training, with more than 800 attendances. The proportion of directors in the Board of Directors was 100%.

Shenzhen Investment held special training for discipline inspectors with more than 700 attendances over the year. The training improves the political quality and performance ability of discipline inspectors.

Case Study: Integrity construction knowledge contest

In 2022, we held the integrity construction knowledge contest online and offline. More than 1,500 employees from 12 affiliated enterprises joined in the contest. The contest drives the integrity culture into grass-roots units and masses, and really realizes study driven by contest and integrity driven by study.



▲ Integrity construction knowledge contest

Case Study: Collection and evaluation of integrity culture works

In 2022, we collected and evaluated integrity culture works to promote the integrity culture to reach the grass-roots units and the masses. In the activity, we totally collected more than 220 pieces of literature, calligraphy and painting, and photography works which profoundly revealed the integrity and vigorous spirit of our employees.



▲ Exhibition of integrity culture works

1.4.4 Intellectual property protection

Shenzhen Investment strictly complies with the ‘Patent Law of the People’s Republic of China’ (《中華人民共和國專利法》), the ‘Trademark Law of the People’s Republic of China’ (《中華人民共和國商標法》), the ‘Copyright Law of the People’s Republic of China’ (《中華人民共和國著作權法》), the ‘Civil Code of the People’s Republic of China’ (《中華人民共和國民法典》), the ‘Computer Software Protection Ordinance of the People’s Republic of China’ (《中華人民共和國計算器軟件保護條例》) and other laws and regulations. Based on above laws and regulations, Shenzhen Investment has formulated internal intellectual property protection systems, including the ‘Measures for the Administration of Intellectual Property’ (《知識產權工作管理辦法》) in accordance with above laws. By improving the management of patent right, trademark trade number, copyright, new plant species right, trade secret and other intellectual property rights protected by national laws and regulations, Shenzhen Investment strengthens its protection for intellectual property, provides guarantee for technology R&D and business operation in form of establishment of intellectual property monitoring mechanism and legal litigation to protect its legal rights and interests. In 2022, we enhanced the management of intellectual property of the Group, understood the registration of intellectual property, and strengthened the follow-up management of patent application so as to continuously enhance the protection of intellectual property.

Key Performance

In 2022, Shenzhen Investment applied 17 patents and was granted with 18 patents in total.

Case Study:

Shum Yip Operations registers “Shenxiang” (深享) series brand trademark

In 2022, Shum Yip Operations applied to China National Intellectual Property Administration for registration of “Shenxiang” (深享) series product trademarks, including six product lines namely Shenxiangju (深享居), Shenxiangcheng (深享城), Shenxiangye (深享業), Shenxiangshang (深享商), Shenxiangyuan (深享園) and Shenxiangji (深享技). Up to now, a total of 27 trademark categories have passed the review of the China National Intellectual Property Administration.



02

Customer Responsibility, High Quality

With the enterprise vision “Building living vision”, Shenzhen Investment strictly controls the quality of products and services. It knows the core needs of customers, continues to promote the construction of the responsible supply chain, and devotes to creating a high-quality living environment.

ESG issues we concern

Product quality assurance
Customers opinions and satisfaction
Responsible marketing
Responsible supply chain management

SDGs issues we respond to



HKEx ESG Indicators we respond to

B5: Supply chain management
B6: Product responsibility





Customer Responsibility, High Quality

Goal setting and progress review

Goal	Progress
Enhance the professional and organizational capabilities of production management comprehensively, improve the supply chain management system and build a supply chain ecosystem to make the Company to reach the industry benchmark level in the next three years.	The improvement of the supply chain management system has been rolled out across the Group and has been progressed steadily.
All general construction contractors working on projects in first-tier cities receive “three certifications”, i.e., certifications of the environmental management system, quality management system and occupational health management system.	All general construction contractors working on projects in the first-tier cities have received the “three certifications”.

2.1 Adherence to Product Quality

Shenzhen Investment controls the quality throughout the whole life cycle of the project, improves the project quality level and ensures the product safety. In addition, it continues to research and develop new products, upgrade products and services, and adhere to the pursuit of originality and quality.

2.1.1 Product quality assurance

Quality control

The Group strictly complies with the “Construction Law of the People’s Republic of China” (《中華人民共和國建築法》), the “Regulations on Quality Management of Construction Projects” (《建設工程質量管理條例》) and the “Provisions on Supervision and Management of Quality of Construction Projects” (《建設工程質量監督管理規定》) and implements the requirements for project quality safety. Each project company has eight detailed engineering technical standards and nine project quality management rules for masonry, plastering, waterproofing, curtain wall, stone, wood finishing, water supply and drainage, electrical installation, etc. for complete guidance for constructors during the whole construction process.

Shenzhen Investment has sound quality management procedure and has set up an independent quality management group for dynamic management of many key stages and important indicators involving material acceptance, quality inspection, construction quality, and construction site. To strengthen the quality management, the Group has an internal project progress and quality assessment mechanism. The quality assessment results are directly linked to the performance of engineering department. All project companies have comprehensive quality management procedure, record the whole construction process, persist in the principle of “inspection of all batches” for the raw materials on site, continuously inspect the quality problems and immediately rectify. In addition, we employ a third party to inspect and assess the quality in whole life cycle of the project regularly for double guarantee of project quality. We require subcontractors to establish a quality management system which shall specify clear division of responsibilities and management procedures, report the system to the Project Department for approval, and accept the supervision and management of the Project Department during the implementation of this system. The quality inspector of subcontractor must conduct self-inspection and acceptance, and report to the Project Department for acceptance thereafter in strict accordance with relevant standards, specifications and quality goals of project company, and accept the quality management and supervision by the Group.

For more scientific management of the whole process of the project, we actively develop the project quality monitoring platform, improve the monitoring indicators to realize data management of the project progress and assessment and promote the intelligent process of product quality and safety management.

Case Study:

Apply digital building software to realize project mobile management

“Yunhaiwan” (雲海灣) Project of “Pengnan Company” affiliated to Shenzhen Investment used “Heli” (河狸) digital building software in July 2022. The platform modules include many quality management items, such as project billboard, procedure acceptance, measurement, material acceptance, daily inspection, safety acceptance, sample management, leakage prevention, pile foundation acceptance and special inspection, for mobile management of quality, safety and progress on project site. “Pengnan Company” completed acceptance of 965 pile foundations in earthwork and pile foundation construction stage, acceptance of 126 batches of procedures in the basement and main body construction stage, acceptance of 59 batches of materials, and 16 times of daily inspection on this management platform.



▲ Quality management platform interface

Quality training

To strengthen the quality awareness of all employees, the Group and its affiliated enterprises offer various quality trainings every year. Besides, all project companies, contractors and subcontractors hold meetings regularly for the discussion and determination of monthly project plans, carry out quality management in accordance with contracts, and identify and rectify the quality problems existed in project development and construction in a timely manner.

Case Study: Hold the regular quality meetings with suppliers to improve their quality awareness

During the reporting period, Shum Yip Yunqifu (深業雲棲府) Project regularly held various quality training for subcontractors, including regular quality meetings and special template meetings. It summarized and analyzed the quality problems in current week and warned the subcontractors which had no such problem. Besides, it held quality training on special precautions, including several quality elements such as template foundation parameters, system selection and support frame design, and fully explained the construction process and technical methods of formwork frame with a view to comprehensively improving the quality awareness of the management personnel of subcontractors.



▲ Subcontractor quality meeting

2.1.2 Product safety assurance

Shenzhen Investment attaches great importance to the product safety and constantly deepens the safety and quality supervision in the whole life cycle of buildings. For those projects under construction, we hold regular meetings with the contractors to report the progress, quality, safety and other work, and coordinate other parties for field construction, site layout, and safe and civilized construction. In addition, the Group has also organized persons to check the potential safety hazards of structure of the existing buildings, comprehensively find out the potential safety hazards, establish the ledger of safety rectification, urge the responsible person to maintain, repair and reinforce the houses, and establish archives to ensure the safety of the houses. During the reporting period, the Group improved the safety of old property, and used advanced equipment such as elevator operation monitoring system, electrical fire monitoring and early warning system, and electric scooter entry monitoring and alarm device to improve the property safety. It was highly recognized by Shenzhen State-owned Assets Supervision and Administration Commission, and was selected as the Key Demonstration Project For Improving Safety Of Old Property.



▲ House structure safety inspection

Customer Responsibility, High Quality

Product safety assurance measures

Establish a long-term safety management mechanism: formulate the ‘Management Measures for the Safety of Existing House Structures’ (《既有房屋結構安全管理辦法》), confirm the safety management responsibilities of the person responsible for house safety, developer, operator, property management company, user, and other parties, clarify the working processes and requirements of house safety appraisal, safety inspection, and potential hazard control, and guide the affiliated enterprises in house safety management

Conduct structural safety inspection and rectification: organize the “100-day realization” (百日攻堅) action for house safety, and comprehensively check 1,484 buildings, including self-owned property, operated property and managed property; for 6 self-owned properties with potential structural safety hazards, take dynamic monitoring measures to achieve automatic data acquisition and intelligent early warning, and improve the efficiency of safety and intelligent control

Make safety management task lists: confirm safety responsibilities by many methods, make the safety task lists for entrance guards, security guards, cleaners and other positions, and develop the understandable promotion products to solve many problems of grass-root personnel, such as unclear task and unfamiliar business

Enhance the control of typical risks: for typical risk scenarios in property, such as electric scooter entry, charging yard and station management, electric wiring aging, and exterior wall surface falling off, research and try out the complete safety production equipment to solve the problem of difficulties in control of typical risks

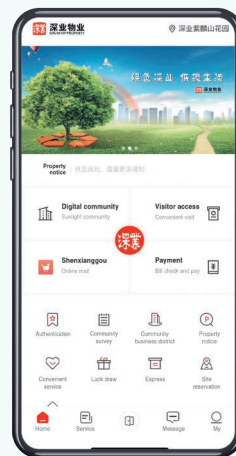
2.1.3 Product innovation and development

With the core values of “Innovation and Excellence”, the Group, guided by customer needs, continues to update the existing products and services, and keeps moving forward to realize the enterprise vision of “Innovative Constructor of Industrial Cities”.

Case Study:

Upgrade smart property management information platform to optimize the service quality

To further implement the digital transformation strategy of the Group and build a more humanized service platform for customers, Shum Yip Operations launched a “Shendaojia” (深到家) mobile service platform to realize the digital community life for residents at home. By mobile internet, we provide community customers with a community service platform integrating efficient property services, high-quality life services and harmonious neighborhood. Customers may view the community announcement, property bill, online repair application, phone-controlled door, site reservation, visitor access, satisfaction survey, event organization and other services in APP. This platform closes the relationship between the property management center and customers as well as between customers and customers, creates a smart and comfortable community, and makes life more simple and convenient.



▲ “Shendaojia” client service platform

Case Study:

Insight into consumer needs to create urban elite living space

Shenzhen Investment continuously explores the unique people-oriented projects integrating urban complex, block business, public welfare and business, and has gradually formed a diverse commercial brand matrix. On the premise of insight into consumer need iteration and market trend change, Shum Yip Zhongcheng Business Street Project of Shum Yip Commercial Management takes “urban elite living space” as main theme, and is committed to building a complex business space integrating social intercourse, parent-child interaction, leisure and relaxation. Furthermore, it has various high-end formats and holds interesting community activities to provide high-quality living and luxury leisure experience for business people, urban family members and young consumers. The project has been widely recognized and won the Golden Tripod Award (金鼎獎) for commercial real estate in China at Business Network Conference in 2022.



▲ Golden Tripod Award (金鼎獎) | for Shum Yip Zhongcheng Project

2.2 Protection of Customer Rights and Interests

Shenzhen Investment is committed to meeting the customer needs for high-quality life. We continuously update and increase the categories of our products and services to meet the diversified needs of the market. In marketing, we truly explain the product quality for responsible marketing. In addition, we respect customers’ opinions, make the communication channels smooth, and actively handle customer needs to improve customer satisfaction and build a good brand image.

2.2.1 Service quality assurance

The Group strictly complies with the ‘Law of the People’s Republic of China on Product Quality’ (《中華人民共和國產品質量法》), the ‘Law of the People’s Republic of China on the Protection of Consumer Rights and Interests’ (《中華人民共和國消費者權益保護法》), the ‘Advertisement Law of the People’s Republic of China’ (《中華人民共和國廣告法》) and the ‘Trademark Law of the People’s Republic of China’ (《中華人民共和國商標法》), etc. It further sorts out and establishes the customer standard system, membership standard system proposal blueprint and customer coordination platform construction scheme in form of joint creation of workshop. In addition, its affiliated companies have formulated a series of internal marketing standards and systems, such as the ‘Measures for Marketing Management’ (《營銷管理辦法》), and the ‘Standard Manual of Property Service Center’ (《物業服務中心標準手冊》) to standardize its service standards. These standards and systems lay a solid foundation for improving customer service level and customer resource management.

Key Performance

By the end of the reporting period, the Group had no complaint arising from violations of consumer data and privacy protection regulations.

Case Study:

Hold system seminar to improve service level

In December 2022, the Group held a co-creation seminar on “customer and member standard system” projects. Through assessment and analysis of the current operation and management of the Group’s customers, share of industry trends and leading practices, and cooperation with the marketing center to set up co-creation workshops, the participating business experts and backbones discussed and co-created the Group’s customer operation and management business in respect of scene identification and demand insight, exploration of service opportunity and orientation, concept of customer service and design of member rights and interests. Finally, the pilot action plan for the operation of the member standard system was promoted at the meeting, and the business backbones discussed the standard system and reached a preliminary consensus, which laid a solid foundation for the effective operation of the system and helped to improve the customer service level of the Group.

To keep customer information confidential, Shenzhen Investment strictly follows the ‘Personal Information Protection Law of the People’s Republic of China’ (《中華人民共和國個人信息保護法》), the ‘Law of the People’s Republic of China on the Protection of Consumer Rights and Interest’ (《中華人民共和國消費者權益保護法》), and the ‘Network Security Law of the People’s Republic of China’ (《中華人民共和國網絡安全法》), to practically protect the customer privacy and information security. In the building sales system of the Group, the Group sets higher permission for access to customer information, and disable the permission for persons not in sales field to view customer information. Relevant customer information is only available to the sales persons and competent leaders. Its affiliated companies have formulated the ‘Measures for Sales Management’ (《銷售管理辦法》) to define the requirements for management of customer information and to ensure proper keeping of customer information.



▲ A number of subsidiaries received the ISO27001 Information Security Management System Certificate

Key Performance

By the end of the reporting period, the Group had no major network information security events.

Shenzhen Investment also strictly guards the network information security. In 2022, the basic platforms and application systems of the Group operated stably. Shum Yip Cloud Platform (深業雲平台) passed the 2022 network security level protection evaluation (level 3). In 2022, it totally intercepted more than 400,000 attacks, blocked 135 malicious IPs, scanned vulnerability for 6,402 times, conducted 430 times of penetration tests and found and patched 19,839 vulnerabilities. A number of subsidiaries of Shenzhen Investment have also passed ISO27001 information security management system certification, and 4 pilot service platforms have obtained utility model patent certificates.

2.2.2 Customer satisfaction maintenance

To get customers’ opinions on our service, all affiliated enterprises actively invite the third party to conduct customer satisfaction surveys on commercial projects, property services and other businesses. The scientific and comprehensive customer service indicators truly show the customer service of the Group from many aspects. For the problems to be improved, we also make improvement measures and plans and implement them in time.

Key Performance

In 2022, each of our level-2 companies had an average rating of 92.04 in terms of customer satisfaction surveys.

Case Study:

Shum Yip Commercial Management conducts third-party satisfaction survey for customers' opinions on UpperHills

To better understand the level of satisfaction of tenants, consumers and owners (office buildings) with the services of UpperHills, identify the deficiencies existed in the services of the shopping center and further improve the quality of services, UpperHills invited a professional third party to conduct a satisfaction survey in the aspects of customer service, safety and order maintenance, cleaning and greening service, repair and maintenance service and tenant services to have a comprehensive understanding of the opinions of such tenants, consumers and owners on its property management and service quality, and the results thereof would provide a basis for the improvement of products and services. The survey covers 208 tenants, 427 consumers and 86 office clients and the average level of satisfaction of each of tenants, consumers and office clients was 89.5, 90.9 and 88.7 respectively, an acceptable performance. Some improvements have also been made by UpperHills on its services based on the result of the survey.

2.2.3 Responsible marketing management

Shenzhen Investment has strictly complied with requirements of the 'Advertisement Law of the People's Republic of China' (《中華人民共和國廣告法》), the 'Law of the People's Republic of China on Urban Real Estate Administration' (《中華人民共和國城市房地產管理法》) and other laws and regulations. Its affiliated companies have formulated the 'Sales Management System and Regulations' (《銷售管理制度及條例》) and many other internal management systems and a series of marketing management measures. They disclose the legal risks on sales site, and show the sand table and model room at true proportion. The Group requires the marketing staff to keep their bottom line of marketing, avoid false marketing in any form, ensure standardized process, open information and true publicity, and protect the legitimate rights and interests of customers. We add the 'House-purchase Risk Tips' (《購房風險提示》) into the house sales contract to show the project risks for the purpose of protecting the right of customers to know, effectively preventing transaction risks, and avoiding contradictions, disputes and litigation that may arise from the lack of information disclosure.

To improve the awareness of responsible marketing, the Group regularly holds relevant responsible marketing training on explanation of marketing standards. The Group requires sales person to follow the Group's commitments on products and services in product marketing. The sales person shall not exaggerate to mislead the customers and shall not make commitments beyond the scope of his/her functions. The affiliated companies actively offer marketing training to explain the key marketing elements to employees, and require employees to fully ensure that customers are aware of relevant risks and sign the risk documents. The signing process shall be recorded in the form of audio and video recordings.

To improve customers' purchase experience, since we launched the "Shum Yip Haofang (深業好房)" app in 2020, we have been providing customers with diverse services such as online sales, live sales, on this platform, which brings many convenience to customers.



▲ "Shum Yip Haofang" app

Key Performance

During the reporting period, there were total 1,010,564 visits on the “Shum Yip Haofang” app, with 125,779 registered customers and 76,763 new customers providing their telephone numbers in 2022. Shum Yip marketing customer pool was formed to improve the customer acquisition efficiency.

2.2.4 Respond to customer complaints

We cherish customers’ opinions. Therefore, we establish a smooth communication mechanism and set up many communication channels to actively listen to and deal with customers’ opinions and complaints about our service. In addition, we set up a complete closed-loop mechanism for complaint handling so as to deal with customers’ demands in a timely and effective manner and improve our service quality. Under the guidance of the Group, all affiliated enterprises have also formulated a series of customer relationship handling systems and customer complaint acceptance processes to continuously standardize customer service management.

Case Study:

Establish a closed-loop complaint management model to effectively respond to customer complaints

To improve its service, Shum Yip Operations set up a closed-loop complaint management mode. The complaint handling organization structure is composed of the complaint reception department, handling department, operation management department of affiliated company and operation management department of the Group. It is required to register and transmit the complaint information within 30 minutes, and reply the handling plan to the customer within 1-2 working days. During handling, we should actively communicate with customers, actively inform the progress, collect feedback, make improvements in time and finally close the complaint. The complaint process shall be recorded, analyzed and summarized by the responsible department to optimize customer service management. This model has clear requirements for time limit and procedures of complaint handling and can guide the orderly development of customer service.

2.2.5 Smart empowerment service

Shenzhen Investment continues to deepen its construction of digitalization and intelligence. It focuses on six core businesses including real estate, park, operation, happiness, capital and digitalization and expands the application of “digital+” smart services to form eight sectors with intelligent operation as its core competitiveness, including park operation, property service, government service, marketing service, human resource service, financial service, business service and information interaction.

Based on smart construction, we accelerate the construction of smart service system and platform, and explore customer service scenarios and advanced technology applications to continuously improve our service in refinement and intelligence.

Case Study:

Launch “Shenxiang” (深享) series service products to upgrade our service system in an all-round way

With a mission of “serve the city with specialty and create value with wisdom”, Shum Yip Operations constantly improves its service system, empowers services with wisdom, launches “Shenxiang” (深享) series service products, and explores the establishment of people-oriented service system.

- “Shenxiangju” (深享居): realize “Party A’s entrustment of supervision + community workstation guidance+ Shum Yip Operations professional service+ participation of all parties”, and provide services for residents with the idea of “humanized content, exclusive standards, transparent operation, scientific means and warm process”;
- “Shenxiangye” (深享業): provide services for customers in management mode of “supervision by institution, property and owner + Shum Yip Operations professional service + smart management” and with the idea of “contracted service supervision, customized service content, information-based service means and characterized service standards”;
- “Shenxiangshang” (深享商): create a pleasant business space for owners and users with the ideal of “menu-oriented service content, professional service operation, collaborative service process and information-based service means”;
- “Shenxiangyuan” (深享園): based on “4 core” basic property management and “4 enjoy” living supporting services, provide a customized service solution integrating industrial analysis, park consultation and park investment promotion, and realize the smart park management by means of internet, Internet of Things, big data, cloud computing, AI algorithm, etc.;
- “Shenxiangcheng” (深享城): provide services for government in management mode of “Party guidance + government regulation + professional service + smart management” with Shum Yip Operations characteristics, to realize “integrated management, standardized service, information-based supervision and mechanized operation”;
- “Shenxiangji” (深享技): provide professional services for customers in five service sectors, i.e. elevator maintenance, building technology, landscaping, environmental technology and catering services, with the development strategy of “professional service, market operation, brand management and smart management” and in the operation mode of “overall support + dynamic monitoring of customers + professional service + smart operation”;
- “Shenxianghui” (深享匯): build a “Shenxianghui” smart property management platform integrating quality control, professional service and community operation by mobile internet, cloud computing, IoT and big data technologies, launch many professional smart platforms, and interconnect the “customer needs, employee service activities, property facilities and property service equipment”, to realize “standardized, process-based, information-based and visual” services, so as to fully empower the “Shenxiang” service product system;
- Business + hotel management module: based on business operation management, have the business capability of the whole chain, including early planning, investment promotion, market promotion, property and project management, business consulting services and hotel management.



▲ “Shenxianghui” platform

Case Study:

Use “City Steward” (城市管家) to start a new urban service management mode

In October 2022, Longhua Street Urban Appearance and Environment Improvement and City Steward Project of Shum Yip Operations was formally launched to help Longhua Street to start a new urban service management mode, marking a new breakthrough of the Group’s reform of urban governance. “City Steward” (城市管家) is a new exploration of Longhua Street in 2022 in modern management of a city. The street adopts “professional service + smart platform + administrative assistance” mode, and invites the bid for selecting professional enterprises for overall management of seven items, including garbage transportation and cleaning, management and maintenance of landscape. The advantages of professional service enterprises efficiently drive the transformation and upgrading of sanitation towards modernization, vigorously improve sanitation infrastructure, and innovate the environmental sanitation renovation and urban village governance. Besides, the advantages enhance the governance and punishment of “six disordered phenomena in city”, and effectively realize scientific, refined and intelligent urban management to improve the environment of city.



▲ Launch of Longhua Street “City Steward” Project



▲ “City Steward” service platform

2.3 Responsible Supply Chain Management

Shenzhen Investment attaches great importance to the supply chain management, follows the laws and regulations, and is committed to building a responsible supply chain. We establish sound systems for information-based management and set the supply chain risk prevention mechanism which forms efficient supply chain management chain. To drive the common development of Shenzhen Investment and stakeholders, we actively cooperate to promote the sound development of the industry.

2.3.1 Improvement of supply chain construction

The Group has strictly complied with the ‘Law of the People’s Republic of China on Tenders and Bids’ (《中華人民共和國招標投標法》), the ‘Administrative Measures of the State-owned Assets Supervision and Administration Commission of the People’s Government of Shenzhen Municipal for Engagement of Intermediaries’ (《深圳市人民政府國有資產監督管理委員會選聘中介機構管理辦法》) and other related laws and regulations, and has formulated the ‘Code of Conduct for Suppliers of Shenzhen Investment’ (《深圳控股供應商行為準則》), the ‘Management Measures for Bid Evaluation Expert Pool for Major Bidding Projects (Tentative)’ (《重要招採購項目評標專家庫管理辦法(暫行)》), the ‘Administrative Measures for Engagement of Intermediaries’ (《選聘中介機構管理辦法》) and other internal management systems. During the reporting period, the Group continuously improved the supply chain management system, and formulated and implemented the ‘Measures to Prevent Staff Conflicts of Interests’ (《防止工作人員利益衝突的辦法》), the ‘Guidelines for the Supervision of Tendering and Procurement’ (《招標採購監督工作指引》). The Group also confirmed the risks, defined the responsibilities of persons in bidding, evaluating and awarding, confirmed the key points of risk and supervision, standardized working process, and enhanced the personnel management to drive the construction of responsible supply chain.

Supplier ESG risk management

The Group formulates the ‘Code of Conduct of Suppliers’ (《供應商行為準則》) which requires all suppliers and contractors to comply with the Code and implement local laws and regulations. We also set out clear requirements for suppliers in the areas of ethics, environmental protection, employee compensation and working hours protection, anti-child labor and forced labor, health and safety protection, anti-discrimination and protection of intellectual property.

To know the true operation situation of bidders, we invite the third party organization to conduct on-site audits of all bidders during the procurement tender process. The audit includes quality certificates (ISO 9001, ISO 14001, ISO 45001, CCC certificate, etc.), financial status, production equipment, patent certificates, compliance, environmental protection and safety, quality control system, supplier management, production process management, finished product inspection, research and development, degree of information technology, contract technical standards and other aspects. We control the risks of supply chain at the source.

Transparent procurement

In accordance with the ‘Notice of Shenzhen State-owned Assets Supervision and Administration Commission on Implementing Unified Issuance of Procurement Information within Municipal State-owned Enterprises of Shenzhen’ (《深圳市國資委關於深圳市屬國企實行採購信息統一發佈的通知》) and other related regulations, Shenzhen Investment has fully utilized the Shenzhen transparent procurement platform and publish procurement information on the platform to ensure open and transparent trading information. When we sign a contract with a supplier, we must also sign the ‘Integrity Contracts’ (《廉政合同》) to specify our requirements for integrity and achieve the dual goal of “quality project” and “clean project”.

For establishing a more efficient supply chain management mechanism, the Group has set up a tender management organization and established a tender leadership team and a tender supervision team respectively. The tender leadership team has a tender management office which comprehensively controls the tender. In the tender supervision team, the Chairman of the Supervisory Committee of the Group is the head, and the Director and the employees of the Supervisory Committee Office are the deputy head and members respectively. The Group complies with the ‘Tender Procurement Management Regulations’ (《招標採購管理辦法》), the ‘Guidelines for the Supervision of Tendering and Procurement’ (《招標採購監督工作指引》), the ‘Guidelines for the Compliance Management of Business Partners’ (《商業夥伴合規管理指引》) and the ‘Management Measures for Bid Evaluation Expert Pool for Major Bidding Projects (Tentative)’ (《重要招採項目評標專家庫管理辦法(暫行)》) to supervise bid procurement and handle whistle-blowing for the purpose of preventing integrity risks.

Key Performance

In 2022, we published more than 5,000 procurement projects on the transparent procurement platform, and effectively procured in an open and transparent manner.

Anti-unfair competition

Shenzhen Investment is committed to practicing the core value of “sunlight and honesty” and eliminating all unscrupulous competition. The Group has a fair and open management mechanism. During selecting and cooperating with a partner, we check its qualification strictly, continuously monitor its performance, and adhere to responsible procurement to prohibit corruption and unfair competition in all forms.

Informationalization management

For procurement and bidding of major projects of the Group and its affiliated enterprises, we supervise the whole process and actively use the transparent procurement platform to improve quality and increase efficiency of supply chain informationalization management. In addition, the Group conducts the digital audit for supply chain, achieves “double penetration” of business and financial information through a series of steps such as overall analysis, suspicion detection, decentralized inspection and systematic research, and establishes a scientific supply chain informationalization management system.

2.3.2 Promoting industrial development

Shenzhen Investment actively cooperates with other enterprises to establish and deepen their strategic partnerships. Shenzhen Investment realizes the complementary advantages of key resources and strengthens core competencies, so as to develop new opportunities. We focus on city services and solutions for pain points and hot spots of property city. In addition, we promote refined governance of city and establish a complete “Property City” standard system.

Case Study:

Improve the standard system to drive the “property city” operation to a new level

Since participation in preparation of the first national property management city standard ‘Property Management City Operation Standard’ (《物業管理城市運營規範》) (T/CUCO 3-2021) in 2021, Shum Yip Operations has continuously improved the construction of the “property city” system. During the reporting period, it completed the preparation of the ‘Property City Enterprise Standard System’ (《物業城市企業標準體系》), including 242 standard documents (94 service standard system documents, 90 basic guarantee standard system documents and 58 post standard system documents). The system passed the review of external experts in July 2022. The standard system is closely related to the operating experience, product scale, organizational structure and management system of the project under management. Shum Yip Operations establishes a complete “property city” enterprise standard system by organizing a professional “property city” management and research team and establishing the service quality management system and service project basic guarantee system to provide the standardized references for the industry and property enterprises and to drive the property management service into a new stage.

03

Environmental Responsibility, Environmental Protection

Shenzhen Investment has always adhered to the concept of low-carbon, green and sustainable development. It continues to explore low-carbon and green development in the whole life cycle of buildings, ranging from site selection, design, production, construction, operation to transformation. It actively responds to the challenges of sustainable development and climate change, responds to the national call of “achieving carbon peaking in 2030 and achieving carbon neutrality in 2060”, and promotes its employees, customers and stakeholders to enhance their awareness of green environmental protection to jointly promote the green and sustainable development of society and fulfill their social responsibilities.

ESG issues we concern

Response to climate change
Reduction of greenhouse gas emissions
Material usage
Green building
Energy usage
Waste management
Pollutant discharge management
Water resources usage
Biodiversity protection

SDGs issues we respond to



HKEx ESG Indicators we respond to

A1: Emissions
A2: Use of resources
A3: Environment and natural resources
A4: Climate change
B5: Supply chain management



Environmental Responsibility, Environmental Protection

3.1 Green Management

Shenzhen Investment actively explores the concept of green environmental protection, gradually improves its environmental management system, and proposes comprehensive environmental management requirements in energy management, water resources management and waste management. It positively responds to the climate change, takes the initiative to identify and analyze the physical risks and transition risks related to climate change, and makes the climate risk management measures and countermeasures to improve our ability to respond to climate change in an all-round way.

3.1.1 Management system

To improve the environment performance, Shenzhen Investment strictly complies with the laws and regulations such as the “Law of the People’s Republic of China on Environmental Protection” (《中華人民共和國環境保護法》), the “Environmental Factors Identification and Assessment Management Procedures” (《環境因素識別與評價管理程序》) and the “Waste and Chemical Management Procedures” (《廢棄物及化學品管理程序》) during construction and operation, and has formulated and improved internal systems such as the “Guidelines on Environmental Protection of Shenzhen Investment” (《深圳控股環境保護指引》). Shenzhen Investment proposes overall environmental protection requirements in aspects of energy management, water resources management, waste management, green buildings and green procurement. We set up an Environmental, Social and Governance Working Committee for the Group which is responsible for coordination of environment management, continuous supervision and regular discussion of its environmental protection policy. We drive the working group to implement. Many members of the Group have passed ISO 14001 environmental management system certification to ensure the long-term operation of environmental management system and mechanism of the Group.

3.1.2 Response to climate change



To grasp the opportunities and respond to the challenges in climate change, Shenzhen Investment follows the suggestions of Task Force on Climate-related Financial Disclosure (TCFD), identifies and analyzes the climate change risks and discloses governance, strategy, risk management, indicators and goals with a view to effectively managing the climate risks and reducing their influence on our business and finance.

Governance:

Shenzhen Investment is committed to improving its climate risk management capability. The three-in-one ESG management system comprising the Board of Directors, the ESG Working Committee and the ESG Working Group realizes the scientific assessment and decision of climate risks and opportunities. The Board of Directors is responsible for the leadership, decision-making and promotion of the Group’s ESG strategic direction, including many issues such as response to climate change. The Board of Directors authorizes ESG Working Committee to supervise ESG management and to receive the Committee’s report on ESG strategy, ESG goal setting and progress, climate change risk identification and mitigation, and auditing and reviewing. In addition, it formulates many ESG management systems, such as the ‘Policy of Shenzhen Investment on Response to Climate Change’ (《深圳控股應對氣候變化政策》).

ESG Working Committee is responsible for leading the analysis of climate change risks, identifying the physical risks and transition risks in operation of the industry and enterprise, confirming the climate change risk list, coordinating all functional departments and affiliated companies to jointly promote the work related to climate change issues and regularly reporting to the Board of Directors.

Strategy:

We analyze the climate change risks, identify the physical risks and transition risks in operation of the industry and enterprise, and confirm the climate change risk list, including 2 physical risks and 4 transition risks.







Major types of risk	Risk description	
Physical risk		
Extreme weather	<ul style="list-style-type: none">– Extreme hot– Extreme precipitation– Extreme cold	<ul style="list-style-type: none">– Typhoon– Flood– Drought
Environmental change	<ul style="list-style-type: none">– Rising temperature– Desertification	<ul style="list-style-type: none">– Sea-level rise– Water resource scarcity and supply instability
Transition risk		
Impact of policies and regulations	<ul style="list-style-type: none">– Green building objectives and standards– Waste management standards– Environmental information disclosure	<ul style="list-style-type: none">– Energy structure and energy use– Carbon pricing
Technology risk	<ul style="list-style-type: none">– Green building technology	<ul style="list-style-type: none">– -Energy technology
Market risk	<ul style="list-style-type: none">– Shift in customer preferences	<ul style="list-style-type: none">– Raw material cost and supply
Other stakeholders	<ul style="list-style-type: none">– Supply chain (upstream and downstream)– Local community	<ul style="list-style-type: none">– Investors

Risk management:

After identifying the physical risks and transition risks in operation of the industry and enterprise and confirming the climate change risk list, we take corresponding response and mitigation measures for corresponding risks in different categories, and continuously enhance our climatic resilience and improve our ability to respond to influence of natural disasters at present and in the future. In addition, we continuously offer training and promote climate change knowledge to our internal and external stakeholders to increase their knowledge about climate change.

Major types of risk	Risk response and mitigation measures	
Physical risk		
Extreme weather	<ul style="list-style-type: none">🔥 Employee safety: Purchase relevant insurance, arrange construction period reasonably, reduce the risk of employees working in extreme weather, and prevent work-related accidents.🔥 Architectural design: It is required to fully consider the impact of typhoon on buildings in architectural design, for example, strengthening structural measures, selecting durable materials and strengthening connecting components to resist the damage of typhoon to buildings.🔥 Emergency plan: Formulate and implement the emergency plans for rainy season and flood season, and organize emergency plan drills for rainy season and flood season in due time to improve flood response ability, and carefully organize and implement the drills.🔥 Rectification of hidden dangers: Know the shortcomings of safety production in extreme weather and flood seasons, and quickly organize and carry out special safety inspection, and identify and eliminate potential safety hazards in rainy seasons and flood seasons.	
Environmental change	<ul style="list-style-type: none">🔥 Material selection: Improve knowledge of new materials and broaden the selection scope of materials.🔥 Geological exploration: Expand the scope of geological exploration with greater efforts, enhance project operation capabilities, conduct in-depth analysis during land acquisition and avoid the effects of desertification.🔥 Building maintenance: Maintain building facilities carefully with a focus on the maintenance of heating, cooling, ventilation and air conditioning facilities and equipment to ensure that customer needs are met.🔥 Water-saving measures: Take water-saving measures and implement upgraded water-saving and wastewater reuse projects.	

Environmental Responsibility, Environmental Protection

Major types of risk	Risk response and mitigation measures
Transition risk	
Impact of policies and regulations	<ul style="list-style-type: none">  Green promotion: Comply with related climate change policies and improve corporate reputation by promoting the Group's position as a low-carbon enterprise and improve the Group's green reputation.  Green building: Through the analysis of the surrounding environment and climate conditions of the project, formulate green building design strategies, and implement refined design optimization plans in order to create healthy and environmentally friendly residential buildings starting from design.  Green construction: Strictly follow the green construction requirements, formulate a construction site environmental protection plan and provide a self-assessment report on the environmental protection result; try to use reusable materials.  Policy tracking: Track policies in real estate-related industries from time to time and conduct research and analysis on relevant policies involving this risk in a timely manner. Communicate with the engineering, cost, design and other departments in preparing investment forecasts and investment analysis reports.  Energy-saving renovation: Study the relevant regulations and policies in relation to green building, evaluate project energy consumption and carry out energy-saving renovation work based on the evaluation results, and compare and select the most economical energy-saving and carbon-reducing design.
Technology risk	<ul style="list-style-type: none">  Improving efficiency: Establish an operation efficiency strategy, improve the production efficiency of the Group through technological transformation, improvement of management measures, etc., continue to track the development of new energy technology.  Reducing value chain carbon emissions: Reconstruct the Group value chain and reduce the carbon intensity of the Group's operations by redesigning the supply chain or distribution network.  Green building technology: Continue to track the development of green building technology, allocate relevant professional and technical personnel depending on the application of green building technology, and maximize the use of established green building technology and low-energy consumption equipment in the process of design.
Market risk	<ul style="list-style-type: none">  Image promotions: Abide by the climate change policy, promote the Group's low-carbon image, improve its green reputation and social reputation, and leverage its front-line advantages to carry out greening and environmental protection publicity work in communities to enhance its image in environmental protection.  Operation management: Identify the demand and level of acceptance of green buildings from operation level, evaluate the impact of green building products on the cost of operation in multiple aspects, make scientific forecasts on the price increase of labors, materials and machines from market level and make alerts.  Customer expectations: Take corresponding measures based on the needs of property owners and customers to meet customer expectations; consider customer preferences.
Other stakeholders	<ul style="list-style-type: none">  Compliance disclosure: Ensure the legality and compliance of cost information disclosure.  Policy tracking: Continuously track green and low-carbon policies, conduct research and analysis on new policies and adjust business development methods in a timely manner based on investment expansion risks and new demands.  Green supply chain: Establish a supplier pool for centralized procurement and a strategic procurement platform.  Risk control: Pay attention to risks caused by climate change, ensure that risks are controllable and avoid the negative impacts of such risks on corporate image.

Case Study:

Shum Yip Commercial Management co-organized 2022 Shenzhen “C-position Youth Talk”

On 23 April 2022, Shum Yip Commercial Management co-organized 2022 Shenzhen “C-position Youth Talk”. Participants shared their stories of brave response to climate change, and their knowledge, thinking, practice and action plan for climate change in the form of keynote speeches and round-table dialogues. This activity totally attracted 5,200 participants online and offline, bringing more people to join sustainable development.



▲ 2022 Shenzhen “C-position Youth Talk”

Indicators and goals:

Shenzhen Investment has set clear goals of carbon emissions, energy usage, water resources and waste usage as well as the goal of green building. In 2022, we continuously followed, reported and managed sustainable development performance of core businesses of the Group. In the future, we will further improve our indicator system and contribute to the realization of goals of carbon peaking and carbon neutrality.

Type	Goal	Progress
Carbon emissions/ energy consumption	Reduce carbon emissions intensity per unit of revenue by 15% by 2030 compared to 2022. Continuously reduce all energy consumption and progressively carry out energy efficiency improvements in respect of operational projects to maximise energy efficiency.	Active efforts have been made in energy saving and emission reduction for operational projects, and the management of energy saving and emission reduction have been normalized in daily operations, which promoted the innovation and practice of energy saving equipment and technology.
Water resource	Continuously strengthen water conservation management efforts, gradually carry out water-saving renovation in respect of operational projects to improve water efficiency.	In 2022, each affiliated enterprise installed water-saving devices, water-saving taps and water meters at public areas and rest rooms to monitor the use of water, reduce unnecessary wastage of water, and improve the awareness of each affiliated enterprise to “start with myself to treasure, cherish and save water”.
Waste	Increase waste separation rate and comprehensive utilization rate and standardize the management of hazardous waste collection and disposal.	In 2022, No.1 Meilin Village (梅林一村), Jinxiu Jiangnan (錦繡江南) and Meishan Garden (梅山苑), all being our projects under management, were awarded as “Green Unit of Domestic Waste Classification in 2022” (《2022 年生活垃圾分類綠色單位》), the “Excellent Community of Garbage Classification in Futian District” (《福田區垃圾分類優秀小區》) and the “Monthly Star of Domestic Waste Classification” (《生活垃圾分類月度之星》), etc.
Green building	From 2023, 100% of new projects of the Group reach the national green building standard and are encourage to obtain higher-grade certification (e.g., national two-star green building, national three-star green building, LEED certification and WELL certification). At the same time, we actively implement green transformation and have all commercial projects held for operation reach one-star level according to the Evaluation Standard for Green Retrofitting of Existing Buildings.	In 2022, the Group continued to promote the green building certification work, with increasing projects of each type obtaining green building certifications. During the year, the Group had 6 new projects with green building certifications, covering an area of approximately 562,600 square meters.

Environmental Responsibility, Environmental Protection

3.2 Green Building

Shenzhen Investment always advocated the design of products conforming to green building standards, incorporates the green design concept of “reducing environmental pollution, reducing energy consumption and enhancing the recyclability of construction materials” into its products and services, and actively promotes the research and development and application of green building system, so as to reduce the negative impact on the environment and to promote the construction of an environmentally friendly and resource efficient society.

3.2.1 Green building concept

Shenzhen Investment actively practices the green building concept, creates comfortable, efficient, healthy and environmentally friendly buildings from the source of design, integrates the green design concept of “reducing environmental pollution, reducing energy consumption and enhancing the recyclability of construction materials” into its products, vigorously promotes the use of various energy-saving, water-saving, material-saving and environmentally friendly green building materials, technologies and equipment, and ensures the due functions, service life, quality and other requirements of products while meeting the requirements of environmental objectives, so as to provide healthy and comfortable using space for the market and buildings that are harmonious coexistence with nature. We commit that from 2023, 100% of all new projects of the Group will meet the national green building standards and are encouraged to obtain higher level certification (e.g. national green building two-star, threestar, LEED certification, WELL certification). At the same time, we will actively implement green transformation, and for the commercial projects held and operated by us, they will reach one-star evaluation standards for existing building transformation.

3.2.2 Green building technologies

Shenzhen Investment integrates considerations such as energy conservation, health and climate change adaptability into architectural design to reduce greenhouse gas emissions, improve the health and well-being of building users, and continuously improve the buildings' ability to cope with extreme rainstorm weather and flood disasters.

Energy saving design

In order to further reduce the building energy consumption and make rational and effective use of energy, we strive to maximize the potential of natural ventilation and reduce the use of air conditioners through reasonable planning of building orientation; the energy-saving mode of heating (cooling) system adopts fans with high energy efficiency, split air conditioners and multi-split air conditioners; the external walls with high thermal insulation performance are used to reduce thermal radiation, and the indoor heat loss is reduced through good air tightness. Meanwhile, Low-E insulating glass is adopted for the energy-saving doors and windows; the roof solar energy system is designed reasonably according to the architectural shape.

Healthy design

In the respect of healthy building design, we form an all-round healthy concept and comprehensively adopt a variety of healthy building technologies to reduce indoor noise by using laminated insulating glass for external windows and sound insulation coating for floor slabs; we adopt green building materials to reduce pollution emission during construction; we set up fitness space and fitness slow walkways to improve residents' physical quality; we set up water quality online monitoring system to ensure the safety of drinking water; we set indoor air quality monitoring system for PM10, PM2.5 and CO₂ concentration to improve indoor air quality and provide healthy environment, facilities and services for users.

Design for adaptation to climate change

In order to improve the ability of buildings to cope with climate change risks, we have incorporated the “Sponge City” construction concept into more projects, using low-impact development design such as roof greening, concave green area, permeable pavement, rainwater collection and reuse of low-impact development design to reduce the peak flow of flooding, thus improving the ability of buildings to cope with extreme rainstorm weather and flood disasters.

Case Study:

Shum Yip Taifu Square (深業泰富廣場) stereoscopic sponge city complex

Shum Yip Taifu Square (深業泰富廣場) project integrated the design concept of sponge city in its planning and design stage, and continued to deepen such concept during its construction, initiating a new exploration and practice of sustainable development of business + sponge city. Through the application of sponge facilities in the three scenes of sponge garden in the air, ecological square on the ground and rainwater recycling system, sustainable recycling of rainwater was realized, so as to comprehensively build a self-recycling ecosystem of the complex.

- 🍃 **Sponge garden:** The roof garden of the project may retain 64.6% of rainwater, and improve air quality by absorbing airborne harmful substances through ecological roof technology. The ecological permeable looping path allows rainwater to penetrate quickly and provides a dry and comfortable walking experience during the rainy season.
- 🍃 **Ecological square:** The square uses the water permeable auxiliary facilities to achieve an ultra-high permeable rate of 2.9mm/s, together with the function of rainwater regulation and storage. The multi-place arrangement of patch green space combined with the site topography plays the role of regulation, storage and purification. Porous rain pipes are installed to transport rainwater to the underground storage facilities to reduce surface runoff pollution and achieve the best effect of rain and flood control.
- 🍃 **Rainwater recycling system:** The rainwater recycling system located at the end of drainage system of the project collects, diverts and purifies all the rainwater available in the site, and then reuses it for greening irrigation, landscape water body and cleaning. The system may effectively cope with rainstorm climate, and reduce the burden of urban drainage facilities.
- 🍃 **Multiple benefits:** Through a systematic sponge design, the project may collect approximately 20,000 tonnes of rainwater annually, extend the life of the building and reduce subsequent maintenance costs. Rainwater diversion may reduce approximately 30% to 90% of rainstorm runoff, and reduce the possibility of urban flood disaster. Roof garden creates a unique microclimate that reduces the urban heat island effect. Based on the philosophy of harmonious coexistence between human and natural, the project creates an ecologically sustainable urban commercial complex.



▲ Sponge city sustainable development application of Shum Yip Taifu Square (深業泰富廣場) project

Case Study:

Longhua Yiyue Mansion (龍華頤樾府) Phase II project is designed according to three-star green building standards

Shum Yip Land fully designs Longhua Yiyue Mansion (龍華頤樾府) Phase II project in accordance with three-star standard under Green Building Evaluation Standard (《綠色建築評價標準》) GB50378-2019, integrating green environmental protection ecosystem into architectural design and continuously assisting green and low-carbon development of the city.



▲ Longhua Yiyue Mansion (龍華頤樾府) project

The project uses green building materials, including concrete, paint, bricks, etc., to reduce pollution emissions during construction. Through green performance-based technology, energy saving analysis, day lighting analysis, sunshine analysis, ventilation analysis and final green building evaluation are carried out. The adoption of split air conditioners and multi-split air conditioners with level 1 energy efficiency improves the energy efficiency by 16% than that required by General Specification for Building Energy Conservation and Renewable Energy Utilization (《建築節能與可再生能源利用通用規範》) GB55015-2021. Renewable energy is used and 1.5 kW photovoltaic power generation system is installed on the rooftop. The standardized design of the project is up to 95%, which saves resources and reduces the negative impact on the environment to the maximum extent, and truly realizes harmonious coexistence between architecture and nature.

3.2.3 Green building certification

In 2022, Shenzhen Investment made further efforts to promote green building certification, with a continuously increasing number of certified projects. By the end of 2022, Shenzhen Investment had completed 23 green building certification projects with a total certified area of about 2,697,000 square meters. In 2022, 6 new green building certification projects were added, covering an area of about 562,600 square meters.

Certified Project	Name of Certificate
Shum Yip Qianhai Office (深業前海辦公)	LEED Platinum
Taizhou Cloud Mansion (泰州雲棲苑)	One-star green building design
Huizhou Cloud Mansion (惠州雲棲府)	One-star green building design
Shanglinyuan (上林苑)	Two-star green building design
Songhu Yuncheng (松湖雲城)	Two-star green building design
Nanjing Longwan Mansion (南京龍灣上府) project	Two-star green building design

3.3 Green Construction

Shenzhen Investment runs the concept and practice of environmental protection throughout the whole process of projects including site selection, design, construction, etc., saves energy and resources, reduces environmental pollution, constantly explores and promotes biodiversity protection practice, continuously enhances capabilities with scientific and technological strength, and leads green life with green human settlements.

3.3.1 Greenfield development

We strictly comply with various laws and regulations on land development including the ‘Law of the People’s Republic of China on Land Management’ 《中華人民共和國土地管理法》 and firmly adhere to the bottom line when formulating relevant plans for greenfield development, and devote ourselves to the transformation of urban brownfield. The construction and operation of the projects will not damage the local ecological environment and will not emit excessive pollution sources; the projects will set up refuse transfer stations, public toilets and bus terminals to enrich the environment of the supporting infrastructure in the area. We promise: to avoid developing projects in national nature reserves during the development process, and try to avoid developing farmland and greenfield. If it is unavoidable, we only develop green certified properties on greenfield developments, obtain approval from relevant departments before using land, and devote ourselves to ecological protection and restoration during the development process.

Case Study:

Old industrial zone reconstruction project

The UpperHills (深業上城) project of the Company is an urban industrial plant reconstruction project. Based on the principles of energy conservation, environmental protection and the need for adapting to local conditions, the industrial land with high energy consumption and high pollution is transformed into a high-end ecological urban complex including various business types such as industrial research and development, commerce, hotel and apartment, while retaining the industrial elements:

🍃 **Urban green belt:** The landscape design of the project cleverly combines the location of the plot with the concept of “connection + flowers (連接+花枝)” to stitch up the natural interface of the city which is divided by the surrounding main roads, link to the surrounding natural landscape, and improve the urban roaming and walking system.

🍃 **Architectural form:** The overall planning and layout of the project forms an enclosing trend, restoring the rolling texture of the surrounding Lianhuashan and Bijiashan, and arranging the natural ecological elements at a three-dimensional level, allowing the area to organically integrate with the surrounding natural environment.

🍃 **Sustainable resources:** Through the introduction of sustainable resources and resource recovery system, the project explores a feasible path of green, ecological and energy saving, and demonstrates the full use of ecological resources to realize energy saving by commercial complexes. Some areas have obtained LEED Gold pre-certification in the design stage.

According to the relevant energy conservation and environmental protection policies of the state and Shenzhen, together with the unique ecological landscape, the UpperHills (深業上城) project realizes the ecological transformation of the brownfield, reflecting the philosophy of sustainable development.



▲ Old industrial zone reconstruction project - UpperHills

3.3.2 Biodiversity conservation

We attach importance to biodiversity conservation within our business scope and surrounding environment, constantly explore and promote biodiversity conservation practices, and utilize land resources in a sustainable manner during the development process. We actively carry out various publicity and science popularization activities to provide a broader platform for the public who are willing to participate in biodiversity conservation activities. We participate in the research on pollutant treatment and recovery to reduce pollutant emission and effectively protect the ecological environment and animal and plant habitats around the project.

Case Study:

Agricultural Science Company created flower and corn fields for citizens

In 2022, relying on the existing industrial innovation and layout and fully exploring the functional values of agriculture such as production, leisure, science popularization, sightseeing and ecological culture, Agricultural Science Company developed a urban farmland in the core area of the city. As the demonstration site of urban micro agriculture, this urban farmland of approximately 3,000 square meters has planted sunflower sea, colorful rape flower field and crop corn field successively. It provided an urban space for citizens to “return to agriculture” while popularizing ecological civilization knowledge to citizens, carrying out publicity and education on green ecological concept, and contributing to the protection of urban biodiversity.



▲ Flower and corn fields for citizens

3.3.3 Green construction

Shenzhen Investment strictly abides by the regulations of 'GB/T50640-2010 Green Construction Evaluation Standard for Building Engineering' (《建築工程綠色施工評價標準 GB/T50640-2010》), comprehensively considers the environment and the needs of surrounding communities during the construction process. Meanwhile, focusing on energy-saving, water-saving, material-saving, land-saving and indoor environment requirements, Shenzhen Investment requires the construction units to formulate the environmental protection plan on the construction site and provide the self-assessment report of environmental protection results to create a clean, tidy, comfortable and safe construction environment.

Energy saving and emission reduction

- Energy-efficient measures: We design ventilation and air conditioning systems on a reasonable basis, and select energy-efficient electrical equipment, lighting and lifts.
- Use of new energy machinery: We continue to promote the use of electric and natural gas-powered excavators, bulldozers, road rollers, loaders, and other construction machinery and loading machinery to satisfy the national emission standards for diesel engines used in non-road mobile machinery at the current stage.

Save resources

- Application of BIM technology: The application of Building Information Model (BIM) technology in the planning and design of buildings, and construction will enable rational planning of construction sites, reduce the occupation of land resources, optimize construction sites and improve the quality of building construction.
- Rational utilization of water resources: We make full use of non-traditional resources such as rainwater and recycled water, set up a reasonable rainwater collection and utilization system, collect rainwater around the purification sites for greening and irrigation, and continue to enhance the application of technologies such as water reuse to improve the utilization of water resources.
- Building materials selection: We insist on using recyclable and reusable building materials to decrease construction costs while reducing environmental pollution.

Waste management

- Improvement of management system: Clarify the responsibilities of all parties, clean and collect waste regularly.
- Classification collection of waste: Classification collection of waste into two categories: recyclable and non-recyclable.
- Hazardous waste disposal: Collect used batteries, waste paint and other hazardous wastes separately and hand them over to qualified units for disposal.

Pollution and noise reduction

- Noise management: While being contractually bound to implement relevant requirements, the related construction parties shall strictly comply with relevant laws and regulations including the 'Regulations of Shenzhen Special Economic Zone on Noise Pollution Prevention and Control' (《深圳經濟特區環境噪聲污染防治條例》), to make a reasonable arrangement of operation hours, thus reducing noise pollution during nighttime.
- Dust management: Construction parties are strongly required to prevent and control dust pollution and conduct real-time monitoring of environmental data (including particle concentration).
- Biodiversity protection: The construction and operation of the projects will not damage the local ecological environment and will not emit excessive pollution sources.

Environmental Responsibility, Environmental Protection

Key Performance

Shenzhen Investment projects under construction meet the following standards:

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

3.3.4 Prefabricated construction

Shenzhen Investment actively responds to the national call to develop prefabricated buildings under the “14th Five-Year Plan”, adheres to the concept of overall collaborative design, actively explores the prefabricated construction technology, gives priority to the selection of prefabricated components with high standardization degree and simple construction, and conducts comprehensive consideration of production, transportation, hoisting and quality control to form smooth “seamless construction”. Through continuous exploration and trial, this building mode not only improves the building quality, construction efficiency, building integration and building technology element, but also reduces labor cost, quality risks, safety risks and pollution loss, fully combining industrial design with green building energy saving and other new technologies and new means and giving full play to the advantages of overall design.

Case Study:

Prefabricated Construction in Yunhaiwan Garden (雲海灣花園) Project

According to the relevant regulations of the ‘Scoring Rules for Prefabricated Buildings in Shenzhen Qianhai Cooperation Zone’ (《深圳市前海合作區裝配式建築評分規則》), high-level and high-quality prefabricated buildings are built in a prefabricated construction mode in Yunhaiwan Garden (雲海灣花園) project of Pengnan Company (鵬南公司), which effectively reduces material waste and improves construction efficiency.

The project adopts aluminum mold construction technology, using all-concrete exterior wall, PC external wall panel, prefabricated internal partition wall batten and other materials. The construction quality and precision of concrete structure are improved by using self-elevating climbing frame construction technology and lifting concrete placing machine. Dry construction method is adopted for the kitchen ceiling and bathroom ceiling and more than 70% of the floor. The integrated design of architecture, structure, electromechanical system and decoration is applied, and electromechanical pipelines are reserved and embedded in the structure and walls in a one-time manner in the way of pipeline separation; At the same time, BIM design and information management design are adopted to further improve the performance of prefabricated buildings and obtain obvious economic and social benefits.



▲ Yunhaiwan project

3.3.5 Make the best use of everything

Shenzhen Investment adheres to the resource utilization of construction waste, improves the resource utilization efficiency, and establishes a sound management system for construction waste. We classify and treat the solid wastes generated during construction, demolition of old buildings and site cleaning, and try to recycle and reuse their reusable and recyclable materials, so as to realize the reduction, classification and resource utilization of construction waste at source.

Case Study:

Resource utilization of construction waste in Qianhai Parkview Bay (前海頤灣府)

During the project construction process, Qianhai Parkview Bay (前海頤灣府) of Shum Yip Land fully follows the principle of waste reduction and recycling, and minimizes the negative impact on the environment and realizes resource conservation through adoption of prefabricated buildings, re-crushing of damaged prefabricated products, and classification and recycling of construction waste, etc.

- 🍌 **Recycling of construction wastes:** Prefabricated buildings are adopted in the residential part of the project, which improves the quality and efficiency through industrialization, saves materials and shortens the construction period. The prefabricated products damaged during transportation and installation are collected and transported back to the prefabrication site and then crushed into raw materials for recycling.
- 🍌 **Construction waste disposal:** Designated construction waste dumping sites in the residential, office and commercial projects are set up, where construction wastes generated during construction are sorted and piled up by recyclable and non-recyclable categories and transported out in a uniform manner.



▲ Qianhai Parkview Bay project

3.4 Green Operation

In order to promote the construction of a resource-saving and environmentally friendly society, Shenzhen Investment integrates the green concept into its daily operation, comprehensively strengthens energy efficiency management, water resource management and waste management with reference to the 14th Five-Year plan and objectives for energy conservation and emission reduction formulated by the state, region and industry, and further reduces the harm caused by the operation process to the environment and climate change. Meanwhile, we strictly implement the green management regulations of leasing process and work with partners to create a green operating environment.

Environmental Responsibility, Environmental Protection

3.4.1 Emissions management

Shenzhen Investment strictly implements national laws and regulations such as the ‘Atmospheric Pollution Prevention and Control Law of the People’s Republic of China’ (《中華人民共和國大氣污染防治法》), strictly enforces internal systems such as the ‘Environmental Factors Operation Control Procedures’ (《環境因素運行控制程序》), ensures that the emissions meet the emission standards, strictly puts an end to illegal emission and other phenomena, and practices the concept of sustainable development. In the future, we will continue to implement emission reduction measures and promote emission reduction technologies to contribute to sustainable economic and social development.

Emission management indicators	Unit	Data for 2022
NOx	Kilogram	6,456.01
SOx	Kilogram	7.99
PM2.5	Kilogram	618.61

3.4.2 Waste management

Shenzhen Investment strictly abides by the ‘Law of the People’s Republic of China on Prevention and Control of Solid Waste Pollution’ (《中華人民共和國固體廢物污染環境防治法》), ‘National Hazardous Waste Inventory’ (《國家危險廢物名錄》) and other laws and regulations. We have formulated a series of internal systems for waste management to carry out non-hazardous, reducing, and resource disposal of solid waste.

Office waste disposal

We actively carry out waste separation publicity, promotes the knowledge of waste separation to employees, and popularizes it by posting slogans and other forms to build up employees’ awareness of garbage sorting, so as to put the work of waste separation collection and disposal into practice. For the hazardous wastes generated in the office process, such as computer accessories, waste batteries, waste ink cartridges, toner cartridges, etc., we strictly follow the relevant regulations of regions where the projects are located, cooperate with suppliers or qualified third-party organizations, and entrust them to carry out non-hazardous treatment or recycling, so as to reduce the impact of wastes on the environment.

Domestic garbage sorting

Shenzhen Investment actively responds to the “‘Ten Iron Rules’ for Promoting Garbage Classification Work in Shenzhen” (《深圳市推進垃圾分類工作“鐵十條”》) and the “Implementation Opinions on Further Exerting the Advantages of Grass-roots Governance to Classify Domestic Waste in a thorough, Careful and Practical Way” (《關於進一步發揮基層治理優勢做深做細做實生活垃圾分類工作的實施意見》), fully integrates the garbage classification work into each project, and promotes the formation of a new pattern to jointly construct, manage and share garbage classification. We establish domestic waste classification system in our self-owned operation projects to strengthen the participation of owners, tenants and residents and improve the garbage classification rate of the community. Through the establishment of management accounts, increased publicity efforts, the establishment of on-site supervisors, the establishment of publicity volunteer groups, etc., we help raise residents’ awareness of garbage sorting and solve the problem of collection, transportation and disposal of sorted garbage. In 2022, the projects under management including No.1 Meilin Village (梅林一村), Jinxiu Jiangnan (錦繡江南) and Meishan Garden (梅山苑) community won honorary titles such as the “Green Unit of Domestic Waste Classification in 2022” (《2022 年生活垃圾分類綠色單位》), the “Excellent Community of Garbage Classification in Futian District” (《福田區垃圾分類優秀小區》) and the “Monthly Star of Domestic Waste Classification” (《生活垃圾分類月度之星》).

Waste management indicators	Unit	Data for 2022
Total hazardous waste	Kilogrammes	11,904.86
Total non-hazardous waste	Tonne	63,083.44
Hazardous waste intensity	Kilogrammes/HK\$ million	0.38
Non-hazardous waste intensity	Tonne/HK\$ million	2.00

Case Study:

Intelligent Garbage Classification in Wanxia No.1 Meilin Village (萬廈梅林一村)

The No.1 Meilin Village (萬廈梅林一村) managed by Wanxia is equipped with intelligent garbage sorting devices. The installation of AI intelligent image and RFID wireless identification camera at each garbage drop-off points and the embedding of RFID chips in food waste collection buckets realize recording and monitoring the whole process of the classification of food waste at each point and get an access to the local intelligent supervision platform for the whole process of domestic waste classification to upload data in real time, so as to provide more scientific data support for carrying out garbage classification and deeply master the classification habits and participation rate of residents at each classification point.



▲ Domestic waste classification point in Wanxia No.1 Meilin Village (萬廈梅林一村)

At the same time, in order to reduce the impact of peculiar smell of food waste on surrounding residents and shorten the storage time of food waste in the community, the management office regularly collects and transports the food waste to the garbage transfer station for temporary storage, which is transported out of the village by a third-party company, with a clearing rate of 100%, so as to ensure a clean and tidy drop-off environment and make more residents happy to enter the classification area.

3.4.3 Water resources management

In the process of business operation, Shenzhen Investment also attaches importance to the management of water resources and strictly abides by the “Water Pollution Prevention and Control Law” (《水污染防治法》) and other national regulations. We post water saving tips at the hand washing places in the office operation areas at all levels to enhance the water saving awareness of employees and create a good atmosphere of water-saving units. We require the on-duty patrol personnel to conduct a comprehensive inspection of the Group’s water supply facilities every week to ensure the normal operation of pipelines, faucets, etc., and regularly carry out water-saving transformation work. We encourage the research on wastewater treatment and recycling to reduce wastewater discharge.

In 2022, each subordinate enterprise installed water-saving devices, water-saving taps and water meters in public areas and toilets to monitor water consumption, reduce unnecessary water waste, improve the consciousness of each subordinate enterprise to “cherish water, love water and save water from me”, and promote the establishment of water-saving units.

Water resource management indicators	Unit	Data for 2022
Water consumption	Cubic meter	2,805,269.17
Water consumption intensity	Cubic meter/HK\$ million	88.94

Case Study:

Installation of Water-saving Facilities for Public Water Consumption by the Commercial Management Company in UpperHills

In 2022, adhering to the principle of water conservation and strengthening water resource management, the Commercial Management Company installed a total of 261 induction faucets with water-saving function in public men's and women's toilets, mother and infant rooms and disabled toilets in UpperHills, which accounted for 17% of the total number. After water yield measurement, they met the water-saving standards and specifications. This initiative controls water waste at source and provides customers with a green and healthy consumption experience.



▲ Site picture of installation of water-saving devices

3.4.4 Energy conservation and emission reduction

Shenzhen Investment strictly abides by the laws and regulations on energy conservation and emission reduction, actively implements the energy conservation and emission reduction work of operation projects with the goal of building a resource-saving and environmentally friendly society, and carries out normal management on energy conservation and emission reduction in daily operation. In the future, we will continue to strengthen the publicity of energy conservation and emission reduction, promote the full implementation of cleaner production in the park, promote the innovation and practice of energy-saving equipment and technology, and strive to become an environmentally friendly enterprise.

Energy-saving renovation project

We carry out energy-saving renovation for the projects under management, covering energy-saving lighting renovation, old elevator renewal, air conditioning system renovation, etc. In 2022, several projects under the Group actively carried out lighting system renovation. For example, Shum Yip Center replaced 216 fluorescent lamps in public areas with LED lamps, which is expected to save 51,100 kilowatt hours of electricity per year.

Energy management system

We have strictly followed the requirements of ISO50001 energy management system, improved the energy management work of air conditioning, elevator, lighting, power distribution, water supply and drainage, boiler, fire protection system and office involved in the provision of property services, and successfully passed the audit of the certification institution.

Intelligent management platform

Leveraging on big data platform, IoT platform and property management platform of the management application system, we improve the property work order processing, equipment management, access management, security management and park services, realize the interconnection and interoperability of park data and real-time monitoring, improve the level of operation and management intelligence and reduce the energy consumption of the park.

New energy utilization

With the increasing number of new energy vehicles running on expressways, the demand for charging piles in expressway service areas is increasing year by year. We vigorously promote the "expressway + photovoltaic" development strategy, build and promote the photovoltaic application and development with integrated photovoltaic storage and charge by using side slopes, building roofs in service areas, idle land resources, passenger car parking areas and other sites, which is supplemented by energy storage, helping green travel while achieving the purpose of saving energy cost and reducing energy consumption.

Energy consumption indicators	Unit	Data for 2022
Total energy consumption	Kilowatt hours	91,115.66
Energy consumption intensity	Kilowatt hours/HK\$ million	2.89

Greenhouse gas emission indicators	Unit	Data for 2022
Scope 1 emissions	tCO ₂ eq	5,321.50
Scope 2 emissions	tCO ₂ eq	38,271.04
Total greenhouse gas emissions	tCO ₂ eq	43,592.54
Greenhouse gas emission intensity	tCO ₂ eq/HK\$ million	1.39

Case Study:

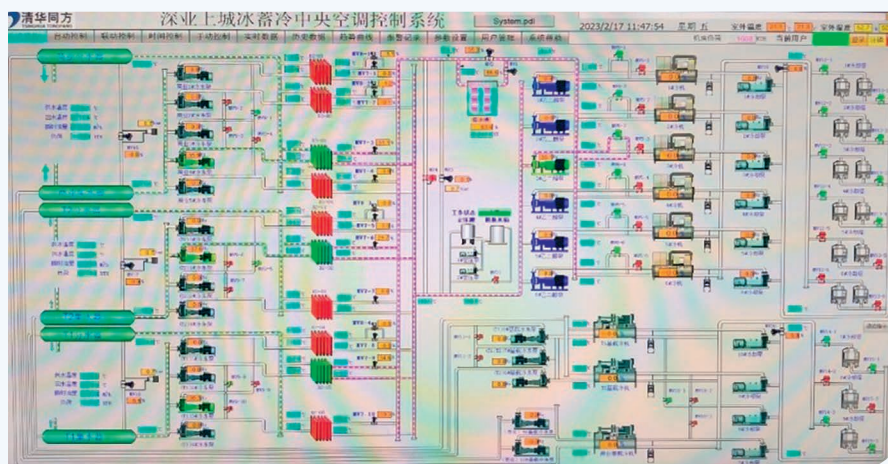
Energy Consumption Management Work of the Commercial Management Company in UpperHills

In order to promote energy conservation and consumption reduction of the projects under management, in 2022, the Commercial Management Company conducted in-depth investigation and analysis on the operation situation of UpperHills, carried out a series of energy consumption management work, including lamp grouping setting, air conditioning temperature setting, etc., and made great efforts to improve energy consumption management:

Lamp grouping setting: We divide the public area lighting into daytime and night modes; the control mode of the lighting of the fire passage is adjusted from the press plate switch to the human body sensor switch; for parking lots not put into use, only 20% of the lighting lamps shall be used to reduce lighting consumption.

Air conditioning temperature setting: We comprehensively adjust the air conditioning operation in vacant areas and public areas according to the floor structure and rental situation, close the unnecessary energy supply, and adjust the air conditioning to the appropriate temperature.

Through the above-mentioned technical and management measures, the power consumption of lighting and air conditioning in UpperHills has been greatly reduced by about 2.36 million kilowatt hours compared with 2021, with remarkable energy saving effect.



▲ Ice-storage central air conditioning control system of UpperHills

Environmental Responsibility, Environmental Protection

3.4.5 Green lease

Shenzhen Investment regards tenants as common partners in green development, actively explores green leasing models for commercial properties and includes green initiatives in lease commercial agreements to encourage landlords and tenants to enter into green leases and to promote environmental commitments among tenants. At the same time, we continue to promote the formation of an environmental inspection team, requiring inspectors to monitor tenants' environmental compliance, with the aim of enabling landlords and tenants to reverse the benefits of their investment in energy efficiency and encouraging cooperation between the two parties to promote sustainable leasing, operation and management of buildings.

At the same time, in order to improve the energy-saving operation effect of long-term rental apartments, the Company improves the energy-saving operation effect and realizes green win-win situation with tenants by adjusting the lighting control mode of public space of each apartment store, strictly controlling the air conditioning temperature in public areas, and timely turning off the unused treadmill and other facilities and equipment.

3.5 Green Initiative

Shenzhen Investment strives to be the propagator of green environmental protection concept, carries out green office action, actively advocates community residents to practice green low-carbon life, comprehensively implements green supply chain management, promotes employees, customers and stakeholders to enhance green environmental awareness, and jointly assists the green and sustainable development of the society.

3.5.1 Green workplace

Shenzhen Investment actively carries out green office action, devotes itself to creating a green workplace within the Company to create a harmonious atmosphere of environmental protection and conservation, advocates all employees to implement environmental protection behaviors such as energy conservation, water conservation and garbage classification, and promotes employees to form a sense of responsibility for low-carbon office and green life to become a practitioner and enabler of low-carbon office and contribute to energy conservation and consumption reduction of the Group.



Green electricity consumption	The power switch is covered with the slogan of “Save resources and save electricity”;
	Reduce the time of turning on the central air conditioner throughout the year, and set the central air conditioner to 26°C in summer;
	Adjust the power consumption time of the office, and properly turn off the office lighting during lunch break.
Green paper consumption	Save paper and implement double-sided printing for document;
	Use OA and property intelligence platform to gradually implement paperless office;
	Advocate repairing old and using waste, old for new.
Green water consumption	Post water saving tips at the hand washing places to enhance employees’ awareness of water conservation;
	Encourage employees to cherish drinking water resources and eliminate waste;
	Water-saving faucets are installed in office areas with a 100% installation rate.
Green travel	Call on employees to stop driving or drive less private cars, and advocate walking within 1 km, riding bicycles within 3 km and taking public transportation within 5 km;
	Encourage employees to use the stairs more often than the elevators.
Green dining	Hang posters on the walls of the staff dining area: “Cherish the food in your bowl, please take what you need”;
	Carry out the “Civilized Dining Table, Empty Plate Campaign” to become a promoter of the “Empty Plate Campaign”;
	The cafeteria is equipped with sorted garbage cans and garbage is sorted and disposed of.

Case Study:

Green Office Action by Shum Yip Operations

In 2022, Shum Yip Operations Company actively adopted green office measures to strive for energy conservation, emission reduction and environmental protection. It put up the sign of “turn off the lights when leaving” at the switch to encourage employees to turn off the lighting lamps after work; in places with continuous lighting for more than 2 hours, it adopted energy-saving lamps for lighting, avoided permanent lights, and turned off electrical equipment not in use in time; it reduced the time of turning on the central air conditioner throughout the year, and in summer, it set the central air conditioner at 26°C, through which it participated in the green action to contribute to environmental protection.



▲ Green power consumption sign

3.5.2 Green culture

Shenzhen Investment is committed to spreading the concept of ecological civilization, carrying forward the green culture of environmental protection, actively carrying out multi-form publicity and education activities, and promoting the concept of green environmental protection to be deeply rooted in the hearts of the people. In 2022, we carried out green low-carbon and garbage classification publicity activities in office buildings and residential communities by means of online publicity, electronic display screen publicity, etc., so as to create a strong green atmosphere, publicize and implement green low-carbon concept and garbage classification knowledge to employees and residents of the communities, and advocate green lifestyle.

Case Study:

“Green and Low Carbon, Energy Conservation First” Publicity Campaign



▲ National energy conservation publicity week of “Green and Low Carbon, Energy Conservation First”

In 2022, focusing on the theme of “Green and Low Carbon, Energy Conservation First” of the energy conservation publicity week, Shum Yip Operations carried out special training and knowledge lectures on energy conservation and carbon reduction, publicized and implemented the “carbon peaking and carbon neutrality” strategy and the Company’s energy management system documents, learned the knowledge and advanced experience of energy conservation and emission reduction, and promoted the employees to form the working and living habits of green, low carbon, energy conservation and consumption reduction. Through the energy conservation publicity week, the awareness of employees and residents on green, low-carbon, energy conservation and environmental protection has been improved, jointly assisting the green low-carbon development of Shenzhen.

Case Study:

Carrying out Garbage Classification Publicity Activities

In order to enhance the environmental awareness and low-carbon and energy-saving lifestyle of the residents in the community, in 2022, Shum Yip Operations actively organized and carried out the green cultural activity of “garbage classification and recycling”. The concept of “limited resources, unlimited regeneration” was actively publicized through game interaction and distribution of publicity materials on site, so as to guide everyone to transform the concept of resource conservation and recycling into conscious behavior.



▲ Site of garbage classification publicity activity

3.5.3 Green procurement

Shenzhen Investment strictly implements the strategic plan of “fully implementing green supply chain management”, promotes the construction of a resource-saving and environment-friendly society with green circulation and sustainable development, strictly enforces green supply chain management, and actively fulfills its environmental protection responsibilities. Under the premise of balancing economic and environmental benefits, we upgrade the procurement process and tender files, gradually form a green procurement system, and realize green, low-carbon and circular development. The green procurement process is as follows:

Formulation of green standard

Include environmental considerations in procurement policies, incorporate energy efficiency into procurement decisions, prioritize the use of green and healthy materials in the procurement process, and agree on the responsibility of contractors for environmental protection in tender documents or contracts.

Selection of green supplier

Add the green indicators in selecting the suppliers; add the review items such as “Shenzhen Blue” into the review of construction plan

Performance of green contract

Establish an inspection and dispute handling mechanism in performance of green procurement contract, and specify corresponding punishment articles in the procurement contract.

Disclosure of green procurement information

Define the scope and mode of disclosure of green procurement information, and disclose the supplier which violates the green procurement articles in the contract.

04

Employee Responsibility, Cohesive Development

Shenzhen Investment adheres to the “people-oriented” concept to fully protect the employees’ legal rights and benefits, emphasizes the employee development, and provides abundant welfare and care for employees. In addition, Shenzhen Investment continuously enhances corporate cohesion and employee sense of belonging, realizes common development of employees and enterprise, and lays the solid talent foundation for implementing the “14th Five-Year Plan” of the Group.

ESG issues we concern	SDGs issues we respond to	HKEx ESG indicators we respond to
Occupational health and safety Employee training and development Employee remuneration and protection of rights and interests Compliant employment Employees diversity and equal opportunity Attraction and retention of talent	    	B2: Health and safety B3: Development and training B4: Labor standards





Employee Responsibility, Cohesive Development

Goal setting and progress review

Goal	Progress
By 2025, the annual accident rate per million square metres of operating area is kept below 0.1 (including suppliers and contractors).	In 2022, no production safety accident occurred in enterprises within the system and areas under management, with “zero accidents” and “zero fatalities”.
There is no occurrence of occupational disease.	The Group actively organized medical check-ups and purchased mutual security scheme for its employees. In 2022, the Group did not notice any occupational disease.

4.1 Employment and Management

Shenzhen Investment adheres to compliant employment, abides by laws and regulations related to human resources, and is committed to creating an equal, inclusive and diversified workplace and protecting the legitimate rights and interests of all employees.

4.1.1 Equal employment

Shenzhen Investment strictly follows the ‘Labor Contract Law of the People’s Republic of China’, 《中華人民共和國勞動合同法》, the ‘Hong Kong Employment Ordinance’ (香港《僱傭條例》) and other relevant laws and regulations in places where the Company operates. It establishes a series of internal human resources management systems, including the ‘Management Measures for Campus Recruitment’ 《校園招聘管理辦法》, the ‘Administrative Measures for the Selection and Appointment of the Management’ 《管理人員選拔任用管理辦法》, and the ‘Measures for the Selection of Internal Talents’ 《內部人才選拔辦法》. All affiliated enterprises also formulate respective ‘Administrative Measures for Recruitment’ 《招聘管理辦法》 for guidance of human resources work.

During the reporting period, Shenzhen Investment continuously optimized human resources management system, revised and updated the ‘Management Measures for Campus Recruitment’ 《校園招聘管理辦法》 and the ‘Measures for the Selection of Internal Talents’ 《內部人才選拔辦法》, formulated the ‘Measures for the Selection and Transfer for Vacant Positions in the Group Headquarters’ 《集團總部空缺崗位選調辦法》 and formed a sound, scientific and efficient employee selection and appointment mechanism.



2022 Total employees
21,205 Persons

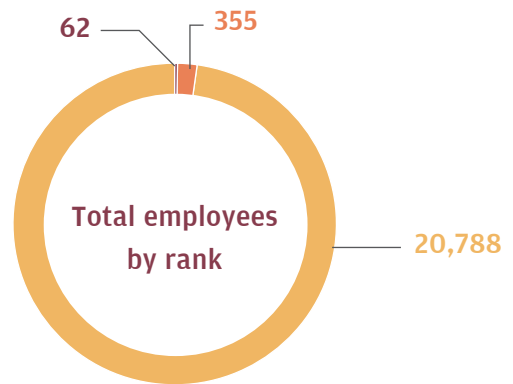
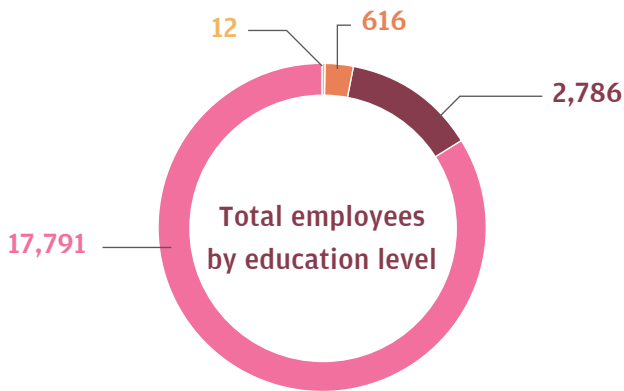
Total employees by gender



Male employees
13,161 Persons



Female employees
8,044 Persons

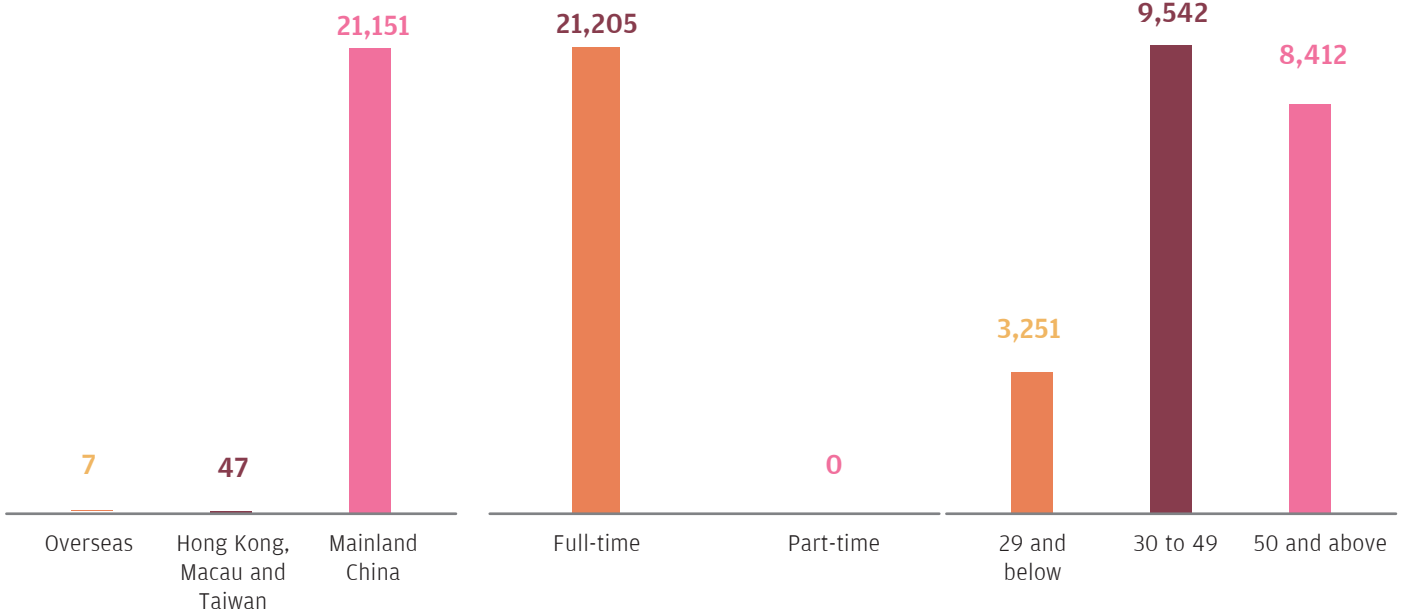


- Doctor
- Bachelor
- Senior management
- Middle management
- Master
- Tertiary or below
- Grassroots employees

Total employees by geographical region

Total employees by employment type

Total employees by age



Employee Responsibility, Cohesive Development

4.1.2 Diversity and inclusiveness

Under the principles of fairness, justice, openness and inclusiveness in employment, the Group treats every employee equally, regardless of gender, age, disease, ethnicity, etc. In addition, the Group prohibits discrimination in any form and builds an equal, diverse and inclusive workplace. The Group also organizes recruitment for special groups, such as veterans and people with disabilities, to further improve the diversity and inclusiveness of the Group.



Shenzhen Investment establishes its government system with merit-based diversity approach. We appoint board members in strict accordance with the 'Board Diversity Policy' (《董事會成員多元化政策》) to ensure that the board members have their own areas of expertise and also reviews the diversity performance of the Board annually to achieve balanced development. By the end of the reporting period, we had 5 executive directors and 3 independent non-executive directors, including 2 female directors.

The Group adheres to the market-oriented policy, and takes many measures to promote the construction of talent echelon and optimize the team structure. During the reporting period, the Group grasped the opportunity of talent recruitment in market, took the measures of "internal tap, external introduction, nearby supplementation, and long-term education" and made great efforts to build a talent echelon for innovative development of enterprise.

Internal tap	Continuously tap the talents and effectively promote experience exchange and business development
External introduction	Introduce talents from market. Recruit the rare management talents in market operation, commercial management and agriculture. Attract nearly 30 elites to join us
Nearby supplementation	Establish the clear employment orientation of emphasizing front-line, practical work, performance and recognition, vigorously select young cadres and comprehensively optimize the team structure
Long-term education	Actively establish a planning, reserve, cultivation and employment system for young cadres, take "Shen Drive" Campus Recruitment as a key measure for strengthening the development foundation and attract 9,000 graduates from well-known universities to campus recruitment

Key Performance

The Group employed 28 disabled employees.

4.2 Protection of Rights and Interests

Shenzhen Investment continuously improves remuneration package system, protects the rights and interests of employees, and actively communicates with employees to understand their real demands. The employee's sense of identity to the Group is gradually enhanced.

4.2.1 Remuneration package

Shenzhen Investment formulates the 'Employee Remuneration Management System' (《員工薪酬管理制度》), the 'Management System for Performance Appraisal of Staff' (《員工績效考核管理制度》), the 'Equity Incentive Plan' (《股權激勵計劃》) and other remuneration management systems, provides competitive remuneration package for employees and insists on equal pay for equal work. It provides five insurances and one housing fund, statutory holidays, and other basic benefits and daily benefits. In addition, it provides overtime payment and subsidies as required.

The Group establishes the performance management system of "current consideration, long-term benefits, strong excitation and forced constraint", sets up and continuously optimizes the performance appraisal and excitation mechanism. It revised the 'Management System for Performance Appraisal of Staff from the Headquarters' (《總部員工績效考核管理制度》) and the 'Occupational System and Rank Management Measures' (《職業體系及職級管理辦法》). The Group connects the appraisal result with bonuses and long-term incentives, and the executives' compensations with corporate performance, implements EP (economic profit) incentive stock purchase scheme and improves long-term incentive mechanism.

4.2.2 Human rights protection

Shenzhen Investment attaches great importance to the protection of human rights. It strictly abides by the 'International Labor Standards' (《國際勞工標準》), United Nations conventions and other internationally recognized human rights norms to effectively protect the legitimate rights and interests of all employees. Shenzhen Investment eliminates illegal actions such as child labor and forced labor through verification of identity cards. We treat all partners, customers and other stakeholders in accordance with this standard to avoid any infringement upon human rights.

To further implement human rights protection, the Group continuously improves the trade union system, expands the range of trade unions, normalizes trade union work, promotes trade unions at all levels to complete their goals and tasks, and ensures effective implementation of human rights protection.

Key Performance



During the reporting period, Shenzhen Investment and its affiliated enterprises organized 6 trade unions. The trade unions of the headquarters and many affiliated enterprises cover all of their employees.

Employee Responsibility, Cohesive Development

4.2.3 Democratic communication

Shenzhen Investment fully respects the employees' opinions and listens to their voices. We establish many channels for feedback of opinions, organize staff representative congress and conduct employee satisfaction and engagement surveys to improve employees' participation in corporate governance and encourage them to give suggestion for the development of the Group.

Internal whistle-blowing channel

The audit committee of the Group provides employees with several whistle-blowing channels, including but not limited to email, mailbox and telephone. The whistle-blower may select to provide personal information or not. The Group will keep its personal information confidential, and eliminate any retaliation. Based on the whistle-blowing content, the audit committee shall start the internal investigation, and decide whether to transfer to external audit and public institutions depending on actual needs. The chairman of the audit committee responds to the whistle-blower and deal with the whistle-blower items as soon as possible.

Staff representative congress

Based on the standard of "star-level trade union" released by Shenzhen Federation of Trade Union, the Group leads all affiliated enterprises to improve their trade unions in an all-round way. They continue to play the role of participation and strengthen the democratic management led by the staff representative congress. The Group supervises trade unions of 42 affiliated enterprises to exercise the functions and powers of the worker representative congress in accordance with the law and regulations, and requires that all major matters involving the vital interests of employees should be submitted to the worker representative congress for approval. In addition, the Group enhances the construction of employee director system and employee supervisor system to effectively ensure that employees can participate in democratic decision-making, democratic management and democratic supervision of enterprises. The Group formulates the 'Working System of the Staff Representative Congress' (《職工代表大會工作制度》) to guide the standardized operation of the staff representative congress. The Group holds a staff representative congress meeting annually to listen to and consider the major decisions of the Group pursuant to the 'Regulations on Corporate Democratic Management' (《企業民主管理規定》). The major decisions include establishing or revising the rules and regulations or plans for major issues in relation to labor remuneration, working hours, rest and holidays, labor safety and health, insurance benefits, employee training, labor disciplines, and labor quota management that directly involve the interests of labors. The Group protects the right of employees to know, participate, express and supervise. During the reporting period, the staff representative congress of the Group reviewed the employee directors and supervisors, collective contract, employee remuneration, trade union outlays, and May 1 labor award application.

Employee satisfaction and engagement surveys

The Group conducts satisfaction and engagement surveys for new employees from campus on a regular basis and incorporates the results into the assessment indicators of enterprises, and connects with the Group's performance and senior management's remuneration to improve their awareness of employee satisfaction and engagement.

4.3 Training and Development

Shenzhen Investment attaches great importance to talent cultivation and development, provides employees with diverse training systems, and establishes smooth promotion channels to help employees to realize self-value and provide inexhaustible power for the long-term development of enterprises.

4.3.1 Diverse training systems

The Group complies with the ‘Measures for Management of the Group’s Trainings’ (《集團培訓工作管理辦法》) and focuses on the implementation of the Group’s “14th Five-Year Plan” strategic plan. Based on annual training demand statistics and key talent development requirements in business position of the Group, the Group made its 2022 Training Plan. The training plan is themed with “management improvement year” and focuses on key points of functional adjustment after adjustment of organizational control. The Group adheres to the leadership of Party building, strengthens business capabilities, builds a talent echelon, follows the transformation requirements, improves the weakness of ability, and increases performance output. We take trade union as a firm basis, and actively organize the trade union cadres to receive online and offline training offered by the municipal federation with a view to comprehensively improving their performance ability and work level.

Management ability improvement training

Case Study:

Set up management ability improvement course to improve business skills

From 18 to 21 August 2022, the Group set up a management ability improvement course for real estate project leaders. 48 leaders of affiliated enterprises received the training. The training content includes process operation management, product capability improvement, group internal policy guidance, theme workshop discussion and internal experience exchange. It not only identifies the key factors of project management, but also realizes the goal of “learn first to improve performance”. The training provides powerful supports to opening their minds and broadening their horizons theoretically and practically, increasing their knowledge about and experience in project management and improving their business skills.



▲ Management ability improvement course for real estate project leaders

Professional skill training

Case Study:

Hold commercial real estate training to improve professional ability

In September 2022, the Group held commercial real estate training – commercial operation practice sand table. About 50 persons received the training, including leaders of Commercial Asset Management Department of the Group, leaders of commercial departments of affiliated enterprises, project leaders and business backbones. Many experts in this industry were invited to give lessons. The content covers the whole process of commercial project, including project acquisition, opening and operation adjustment, case analysis, etc. During training, participants were grouped to simulate practice on the sand table and discussed the acquisition of commercial plots, project positioning, planning and layout, operation management and profit analysis. Besides, they shared their experience. This novel sand table form improved their participation enthusiasm, professional quality and global awareness.



▲ Commercial operation practices sand table training

Employee Responsibility, Cohesive Development

Case Study:

Hold the special subject training to improve their official document writing ability

In October 2022, Shum Yip Commercial Management offered the training on official document writing. Almost 50 employees in the departments (offices) of its headquarters and its affiliated enterprises (projects) received this training. An expert in official document writing was invited to provide the training. The training had three themes “What is the official document? How to prepare an official document? Why to prepare an official document? ”. This expert had the experience in official document writing for more than ten years. He focused on the practical work and meticulously designed a diverse course for participants. He brought an official document writing course with strong pertinence, high practicability and much interests and fully mobilized the participants’ enthusiasm. As a result, the participants’ professional skills and official document writing ability got improved.



▲ Training on official document writing

Political ability improvement training

Case Study:

Hold the political ability improvement training for cultivation of Party spirit

From July to August 2022, the Group held Party spirit cultivation and political ability improvement training. About 100 persons participated in this training, including principal and deputy leaders of the Group’s departments and leadership members of the affiliated enterprises. The training content includes General Secretary Xi Jinping’s important discussions on political capacity, reform and development of state-owned enterprises and Party building and General Secretary Xi Jinping’s speech at the conference for the 25th anniversary of Hong Kong’s return to the motherland. The participants learned the ‘Regulations of the Party Committee (Party Leading Group) on the Implementation of the Main Body Responsibilities of Exercising Full and Strict Governance over the Party’ (《黨委(黨組)落實全面從嚴治黨主體責任規定》), the ‘Regulations of the Communist Party of China on Request for Instructions on Major Issues’ (《中國共產黨重大事項請示報告條例》) and the ‘Petitioning Work Regulations’ (《信訪工作條例》). In addition, they learned the spirit of the 13th Guangdong Provincial Party Congress, ideology and network security. This training improves their political judgment ability, perception ability and execution ability.



▲ Party spirit cultivation and political ability improvement training

Training for “Shen Drive” new employees

Case Study:

Hold “Shen Drive” training to help new employees integrate into us

In September 2022, the Group held 5-day 2022 “Shen Drive” new employee training of Shum Yip Group. Although the training is short, it has diverse content, including model story share, content share of headquarters departments, character recognition & workplace communication, innovative thinking & ability training, dream-seeking group building, dream-building team co-creation, and sharing of seniors. It effectively helps new employees to better know themselves, integrate into the enterprise and adapt to their posts.



▲ “Shen Drive” new employees training

Key Performance

- ✦ During the reporting period, Shenzhen Investment had 110,737 attendances in the training with an average of 20.13 training hours per person.

4.3.2 Talent promotion

Shenzhen Investment attaches importance to the career development of employees and has established a sound promotion channel. We establish a fair and impartial performance appraisal mechanism for employees to evaluate their performance and ability. The mechanism provides opportunity for fair promotion for employees and lays the solid talent foundation for the enterprise development.

Case Study:

Establish the internal selection and transfer management system to improve the employee selection and employment mechanism

In 2022, the Group formulated the ‘Measures for the Selection and Transfer for Vacant Positions in the Group Headquarters’ (《集團總部空缺崗位選調辦法》), vigorously cultivated and organized a young, knowledgeable and professional talent team in line with the Group’s strategic development and promoted the internal talent exchange and external talent introduction. The Group summarized the needs of vacant positions under the guidance of system and made an annual selection and transfer plan for the Group to promote personnel with excellent performance appraisal and cadre spirit. The Group promoted the exchange of cadres across enterprises, departments, levels and fields in a planned and step-by-step manner, which provides more possibilities for promotion, increases promotion channels, and helps the Group to vigorously cultivate and establish a young, knowledgeable and professional talent team in line with the Group’s strategic development.

Employee Responsibility, Cohesive Development

4.4 Safety and Health

Adhering to the working principle of “safety first, prevention focus and comprehensive management”, to achieve the Group’s safety and health objectives, Shenzhen Investment fully guarantees occupational health and safety of employees. Therefore, we build a safety production management system for the Group employees and contractors, use a safety production management information platform, and continuously enhance the construction of safety culture with a view to promoting the transformation of safety management to digitalization and intelligence and creating a healthy and safe working environment in an all-round way.

During the reporting period, Shenzhen Investment had no death caused by industrial accident.



Key Performance

- In 2022, Shenzhen Investment enterprises invested RMB92.74 million for safety, representing an increase by 21.69% than last year. They held 48 special subject meetings, implemented 250 documents at a higher level, prepared and revised 3 systems and 5 emergency plans, and printed and distributed 80 documents.

4.4.1 Safety production

The Group takes safety production as its key work. Therefore, we have sound safety production management system, establish and improve the safety management system and create a scientific and effective centralized management structure. In addition, we comprehensively implement the safety production responsibility system for all employees, actively assess the safety risks, eliminate safety hazards and optimize the emergency response mechanism to realize the comprehensive safety production control.

Safety management system

The Group strictly follows the ‘Work Safety Law of the People’s Republic of China’ (《中華人民共和國安全生產法》), and the ‘Prevention and Control of Occupational Diseases Law of the People’s Republic of China’ (《中華人民共和國職業病防治法》). Besides, the Group has formulated many internal system documents, such as the ‘Occupational Health and Safety Management Policies’ (《職業健康和安全管理政策》), the ‘Measures for the Management of Work Safety Responsibilities’ (《安全生產職責管理辦法》), the ‘Administrative Measures for Withdrawal and Use of Work Safety Expenses’ (《安全生產費用提取和使用管理辦法》) and the ‘Measures for the Management of Safety Education Training’ (《安全教育培訓管理辦法》). These internal system documents cover publicity and implementation of safety laws and regulations, safety production responsibilities, education and training, equipment and facilities management, safety risk control and safety hazard inspection and treatment. It has also established an occupational health and safety management system covering all staff and dispatched personnel. We regularly (at least once every three years) conduct compliance analysis of the system, and continue to update and improve the occupational health and safety management system, standardize the safety management, and guide the development of occupational health and safety assurance.



▲ Follow the work safety law and be the first responsible person

Shenzhen Investment has also included contractors and suppliers into the Group’s occupational health and safety management system. We formulates the ‘Safety Management Measures for Related Parties’ (《相關方安全管理辦法》), the ‘Management Measures for Safety Inspection and Evaluation of Operation Service and Property Management Projects’ (《運營服務及物業管理項目安全檢查評價管理辦法》), the ‘Management Measures for Safety Inspection and Evaluation of Construction Projects’ (《建設工程項目安全檢查評價管理辦法》) and the ‘Safety Production File (including Electronic File) Management System’ (《安全生產檔案(含電子檔案)管理制度》) which has the safety credit rating, safety production technology and safety assurance system of related parties. We regularly inspect and evaluate their implementation of the safety management measures, specify the safety production responsibility clause in the contract, and sign an independent safety management agreement with contractors and suppliers to define the safety responsibilities and obligations of both parties.

Safety management structure

To confirm the safety production responsibilities, Shenzhen Investment establishes a Group Safety Production Management Committee, and sets up a Safety Committee Office for the daily safety production management of the Group. The director of the Safety Production Management Committee is jointly served by chairman and general manager of the Group. Other leaders of the Group serve as its executive deputy director and deputy director. The leaders of the Group departments and the main leaders of the affiliated enterprises are the members of the Committee. In addition, all affiliated enterprises also establish the safety production management structure in accordance with the regulation of the Group. By establishing the safety management mechanism and confirming the personnel, the Group and its affiliated enterprises clarify the responsibilities of management organizations at different levels. Besides, they establish the “top-down” centralized safety management structure.

Safety performance assessment

In order to implement the safety production responsibility system, Shenzhen Investment formulates the ‘Measures for the Management of Safety Production Assessment, Reward and Punishment’ (《安全生產考核獎懲管理辦法》) and establishes the safety assessment mechanism for senior management and departments. The assessment indicators cover achievement of safety production responsibility goal, implementation of responsibility system, supervision & inspection and special activities. The mechanism stipulates that the remuneration of safety production managers at all levels, including senior executive of the Group, directly connects with safety performance. Besides, the Group establishes the reward and punishment mechanism based on the assessment results to encourage safety management personnel at all levels to actively improve safety performance and guarantee production safety. To further confirm the safety production responsibilities, we make the safety production responsibility “understanding cards” for many positions which indicates the safety responsibilities of corresponding position. We assign the safety responsibilities to all levels ranging from enterprise management, shifts to front-line staff, and covering all positions, such as administrative management, professional technology and work skills. Furthermore, the Group requires all employees to sign the ‘Production Safety Responsibility Statement’ (《安全生產責任書》) every year, so as to build a transparent, management-based and efficient safety production responsibility system.

Employee Responsibility, Cohesive Development

Safety inspection

Shenzhen Investment complies with the ‘Work Safety Law of the People’s Republic of China’ (《中華人民共和國安全生產法》) and the ‘Provisions on the Main Responsibilities for Production Safety of Shenzhen Business Operation Entities’ (《深圳市生產經營單位安全生產主體責任規定》), and formulates a series of systems, such as the ‘Measures for the Management of Safety Production Risks’ (《安全生產風險管理辦法》), the ‘Measures for the Management of Safety Production Inspection and Safety Hazard Handling’ (《安全生產檢查與隱患排查管理辦法》) and the ‘Measures for the Management of Production Safety Accidents’ (《生產安全事故管理辦法》). Shenzhen Investment actively assesses safety risks, investigates and handles safety hazards, continues to strengthen the taking of various safety measures, and focuses on preventing and avoiding the various accidents.



▲ The project manager is the front-line security person who takes “one position with double responsibilities” and ensures “the last 100m” of safety responsibilities.

As for the construction site, besides the supervision and inspection by Shenzhen State-owned Assets Supervision and Administration Commission, Shenzhen Investment entrusts the third party professional organization to inspect and assess the safety of all projects under construction in a regular basis, comprehensively handle the safety hazards and precisely locate the weak management. Therefore, we formulate the ‘Measures for the Management of Safety Inspection and Assessment of Construction Projects’ (《建設工程項目安全檢查評價管理辦法》) and the ‘Measures for the Management of Safety Inspection and Assessment of Operation Service and Property Management Projects’ (《運營服務及物業管理項目安全檢查評價管理辦法》) and establish the project inspection ranking mechanism. The assessment result is added into the annual assessment indicators of the project leaders. The mechanism drives the implementation of “the last 100m” responsibilities of safety production and guarantees the efficient rectification of safety hazards. Besides, the Group also attaches importance to office building safety risk management and control, and establishes a safety risk assessment process that consists of identifying risk points and sources, making and taking hierarchical risk management and control measures, and continuously improving.

Key Performance

- By the end of the reporting period, 45 enterprises among the Group and its affiliated enterprises had passed ISO 45001:2018 Occupational Health and Safety Management System certification;
- Group leaders led more than 40 inspections, and the leadership team of each enterprise and the safety committee office led more than 700 inspections;
- More than 200 safety inspections were carried out by the third party. More than 23,000 safety hazards were rectified and more than 1,700 larger or above potential risks were treated throughout the year;
- Each enterprise and project conducted the regular safety hazard inspection and rectification. 31,900 hazards were found and 99.54% of hazards were rectified;
- They had 90 full-time safety management officers and 27 registered safety engineers;
- More than 1,400 safety and emergency drills were conducted with 49,000 attendances.



▲ Safety inspection by the Group's leaders



▲ Leadership team inspects construction in progress



▲ Food safety inspection in supermarket



▲ Kitchen natural gas safety inspection



▲ Property safety inspection

Case Study:

Investigate and handle safety hazards to supervise the project safety

From 18 to 30 June 2022, in accordance with the Shum Yip Group's requirements for safety inspection, a leader of Shum Yip Taifu affiliated to Shenzhen Investment led the safety inspection of all projects under construction and in operation in Shenzhen. The full coverage and the key items are well balanced. They mainly inspected the safety of construction site, old property fire protection, house structure and flood control. Its affiliated enterprises actively conducted safety production inspection, assigned leaders to lead the inspection, recorded the problems and rectified and fed back in time to effectively shoulder the safety production responsibility and practically take the safety measures.

Employee Responsibility, Cohesive Development

Emergency disposal

Shenzhen Investment continuously optimizes the emergency disposal mechanism, establishes “horizontal to the edge, vertical to the end” emergency plan system (29 systems and 6 plans). During the reporting period, the Group prepared and revised the emergency plans and issued many special plans after being reviewed by external experts and the Group, such as the ‘Comprehensive Emergency Plan’ (《突发事件綜合應急預案》), the ‘Emergency Plan for Production Safety Accidents’ (《生產安全事故應急預案》), the ‘Emergency Plan for Fire Accidents’ (《火災事故應急預案》) and the ‘Emergency Plan for Flood Control, Drought Prevention and Typhoon Prevention’ (《防汛防旱防颱風應急預案》). We have established “1+4” emergency plan system of the Group. Besides, we normalize the emergency drills and implement the Group’s safety concept to all affiliated enterprises and projects.

Key Performance

- During the reporting period, the Group held a comprehensive emergency drill and observation activity jointly with Shenzhen State-owned Assets Supervision and Administration Commission, Shenzhen Emergency Management Bureau and Shenzhen Fire Brigade. It is aimed at focusing on fire evacuation and rescue, collapse of self-built houses, falling from height and elevator trapping. The Group totally held 1,400 drills with 49,000 attendances to verify the effectiveness of emergency plans.

In 2022, the Group strengthened the cooperation with communities and organized 3 full-time voluntary fire fighting teams. These teams carry out emergency rescue capability practice and often participate in emergency drills and rescue operations held by local communities. They are aimed at creating a Shum Yip professional emergency team.



▲ Shum Yip Terra electric shock emergency drill



▲ Fire fighting and rescue drill



▲ Super high-rise fire drill

Case Study:

Conduct emergency drills to improve the emergency handling ability

On 10 June 2022, the Group held 2022 “safety production month” activity in Shum Yip Taifu Square. The activity launch ceremony was an emergency drill observation activity. The activity theme was “follow the work safety law and be the first responsible person”. In this emergency drill, the key fire safety and explosion-proof places were malls with large volume, complex structure, a lot of electrical and lighting equipment, high customer flow and high requirements for emergency management. Based on above features, we simulated many accident scenes, such as fire, personnel fainting, anti-theft and explosion-proof. The activity was jointly completed by employees of the Group, local street office and fire department. The drill content includes evacuation and escape, fire extinguishing, cardiopulmonary resuscitation, anti-theft and explosion-proof. It improves the emergency response capability.



▲ Launching ceremony of the Group's 2022 safety production month and emergency drill

Employee Responsibility, Cohesive Development

4.4.2 Safety training

Shenzhen Investment takes safety training as its drive to promote the establishment of safety production line. We make great efforts in culture construction and hold safety training and promotion in many forms to enhance their safety awareness and improve the safety management skills of employees and stakeholders.

Safety culture promotion

To enhance the safety production awareness of all employees and increase their safety knowledge reserve, the Group regularly publicizes the safety knowledge for employees, owners and partners. During the reporting period, the Group publicized and promoted the safety knowledge and transmitted new policies and regulations on website, WeChat official account and billboard. It totally conducted 5,500 promotion activities, published more than 200 articles, pasted more than 25,000 posters and slogans, distributed 169,000 safety manuals and mobilized more than 8000 people of the Group to participate in safety knowledge contest. It effectively created the good “total involvement” safety atmosphere.



▲ Safety production manual



▲ Safety production poster



▲ Fire safety poster



▲ Safety production promotion corridor



▲ Safety promotion on site

Safety education

Shenzhen Investment actively holds the safety training, organizes the employees to watch “safety production month” promotion video and fire accident warning video, holds safety training and examination on Xuexi Qiang’an (學習強安) APP and mobilizes the employees to learn safe production, disaster prevention and mitigation, emergency management and fire safety. To diversify the safety education forms, the Group advocates diverse safety knowledge promotion activities, and organizes various competitions such as knowledge quiz, photography evaluation, safety error finding and award-winning consultation. The Group encourages employees to receive the external safety education, such as Shenzhen Ankang Cup “安康杯” Safety Knowledge Contest and “focus on safety and enjoy safe life” quiz.



▲ Visit and experience of fire equipment



▲ Safety promotion video



▲ Safety promotion video

Employee Responsibility, Cohesive Development

Case Study:

Organize property safety management training to improve safety awareness

In October 2022, Shum Yip Operations, a subsidiary of Shenzhen Investment, organized property safety management and occupational injury prevention training. More than 190 persons participated the training online and offline. Many safety knowledge was explained in the training, including occupational injury prevention and treatment measures. The purpose of training is to avoid and reduce the occupational injury accidents, effectively help the safety management and occupational injury prevention, improve the employees' awareness and ability of occupational injury prevention and fundamentally prevent and minimize the occupational injury accidents.



▲ Property safety management training

Case Study:

Hold safety education and training for new employees to strengthen their safety awareness

In August 2022, Shum Yip Taifu, a subsidiary of Shenzhen Investment, held safety education and training for new employees who joined us in the past two years. Qin Canlian, director of Safety Committee Office, explained 15 aspects in a detailed way, including safety production, safety laws and regulations, safety psychological knowledge, safety color and logo recognition. Soon afterwards, Qin Canlian demonstrated and explained fire extinguisher usage, electrical appliance usage, traumatic hemostasis, fire hydrant usage, cardiopulmonary resuscitation, smoke and dust prevention with towel by videos and shows. Through on-site training and examination, this activity makes employees know and face up to safety and achieves the purpose of improving their safety awareness, increasing their safety knowledge and improving their safety ability.



▲ Safety education and training for new employees of Shum Yip Taifu

Key Performance

- During the reporting period, more than 8,000 persons participated in 2022 safety knowledge contest of the Group and more than 100 pieces of works were selected to the second round of safety photography activities. It effectively created the good “total involvement” safety atmosphere.
- During the reporting period, 100% of employees and contractors attended the pre-employment safety training and operational safety training.

In 2022, the Group and its affiliated enterprises held more than 1,600 times of special subject training with 68,000 attendances.

Contractor safety training

The Group also pays attention to the production safety of contractors. Therefore, it actively holds various safety training to popularize safety laws and regulations for workers, explain safety production knowledge and emphasize safety precautions on construction site, with a view to improve their safety production awareness and safety skill.



▲ Safety publicity at the construction site



▲ Safety training for cleaners

4.4.3 Improving security by science and technology

Adhering to the strategy of “Improving security by science and technology”, and adopting the Group’s safety management information system as the basic platform, Shenzhen Investment promotes various projects to improve their technological support capabilities. We have developed a safety information system, built a “1+8+N” information system architecture, and completed the development and application of 1 management cockpit and 4 modules including comprehensive information management, safety risk control, potential danger investigation and management, and safety training and education, which has realized that digitalization empowers safe production. Based on the Group’s information system framework, we strengthen the data collection of N professional subsystems such as intelligent construction and intelligent community, and realize data connection and intelligent analysis. In addition, we encourage our projects to increase investment in intelligent construction, and comprehensively use BIM, Internet of Things, big data, artificial intelligence, virtual reality and other technologies to realize automatic data collection, intelligent analysis and real-time warning during the whole process of project construction.

Case Study:

Digitalization of park safety management facilitates efficient governance

Guided by the park service scenarios, Che Gong Miao Ind. Zone, a project of Shenzhen Investment, reconstructs the park network and central structure through information and communication technology (AIoT+ICT). Besides, by using cloud customer service, Internet of Things, AI robots and other applications, it achieves unified access, unified service, and unified operation and maintenance. In the field of safety management, the IOC operation center efficiently integrates big data of personnel, time and space, such as pedestrian trajectories, vehicle trajectories, gate logs, network positioning, and basic personnel information. Through data analysis, it effectively assists in park safety warning and emergency response, ensures personnel safety, production safety and business continuity in the park, and helps realize the digital transformation of park efficient governance and daily management.



▲ IOC big screen-smart access-floating layer

Case Study:

Build intelligent site to implement precise safety management

In order to meet the safety supervision requirements of the government and the Company on construction sites and improve the level of safety management, Shum Yip Terra, a subsidiary of Shenzhen Investment, completed the deployment of intelligent site within the year. By using the intelligent site management platform and the intelligent video monitoring system, real-time identification and alarm of violations such as not wearing a helmet, not wearing a reflective vest, smoke and open flame on construction site can be realized, providing the Company with an efficient, economical and safe construction site real-time management platform system.

4.4.4 Healthy Life

The Group always attaches importance to the physical and mental health of employees. In addition to providing statutory social insurance for employees, we actively organize physical examinations for employees, and the labor union also purchases mutual aid insurance for employees, providing multiple protections for employees' health and safety.

In order to enrich the spare time life of employees and achieve a balance between work and life, we have set up a number of interest teams, including sports interest teams such as Tai Chi, yoga, and jazz dance, and actively carried out team activities to encourage employees to keep fit and continuously improve their physical fitness, creating a positive and healthy cultural atmosphere for the Company. At the same time, we have also held activities such as mountaineering and hiking, lantern riddles and "Women's Day" activities to further enrich the spare time life of grassroots cadres and employees, stimulate the employees' enthusiasm and create a good corporate atmosphere.

<p>Health checkup</p>	<p>Health checkup covering all employees of the Group, special checkups for female employees, and health checkup for retirees Purchase "mutual aid insurance" and "secondary medical insurance" for employees</p>
<p>Cultural activities</p>	<p>Hold reading sharing meetings, photography exchange meetings, etc.</p>
<p>Sports activities</p>	<p>Carry out interest team activities Organize employees to participate in the Real Estate Association Cup Badminton Tournament and the 2nd Shenzhen Staff Table Tennis Tournament</p>



▲ Interest team of employees

▲ "Shenzhen TOD Cup" Badminton Tournament of Shenzhen Real Estate Association

Employee Responsibility, Cohesive Development

4.5 Care and Support

Adhering to people-oriented concept, Shenzhen Investment pays attention to the life of employees and gives humanistic care. We organize various forms of employee activities to balance their life and work, help the employees as they ask for help and provide assistance for employees in need.

Employee care

Shenzhen Investment actively carries out various employee care activities, provides employees with a variety of welfare facilities including employee libraries. We carry out diversified employee activities on traditional festivals to continuously enhance employees' sense of happiness and enhance corporate cohesion.

Case Study:

Build employee library to enrich their spiritual life

In 2022, the Labor Union of Shum Yip Commercial Management actively responded to the call of Shenzhen Federation of Trade Unions to promote the construction of employee libraries and improve their cultural literacy. Shum Yip Commercial Management was awarded the plaque of “Demonstration Site of Guangdong Employee Library (廣東省職工書屋示範點)”, and received 1,000 books distributed by the National Trade Unions Employee Library Book Distribution Center, being one of the four enterprises in the city that were awarded such provincial honor. It has injected strong impetus to the Labor Union of Shum Yip Commercial Management that was founded in 2022, and promoted to create a positive and learning enterprise culture atmosphere, thus to facilitate group building led by the Party building and promote the high-quality development of business by the Party building.



▲ Awarded as the Demonstration Site of Guangdong Employee Library

Case Study:

Care for employees staying in Shenzhen during the Chinese New Year, provide warm companionship

On the occasion of the New Year's Eve in 2022, Shum Yip Pengji Southern Land Labor Union and Youth League Committee affiliated to the Group's Youth League Committee and the Group's Federation of Trade Unions, and the Yuanling Subdistrict Office in Futian District, Shenzhen City, held a public welfare activity of drama appreciation with the theme of "Promoting the Arts of China and Caring for Employees in Shenzhen". The Chairman of the Labor Union and the leaders of the Group gathered together with the employee representatives of various enterprises in the community, made dumplings to celebrate the reunion, enjoyed the traditional drama performance, and spent an unforgettable and wonderful New Year's Eve.



▲ Employees staying in Shenzhen made dumplings during Chinese New Year



▲ Drama appreciation activity

Employee assistance

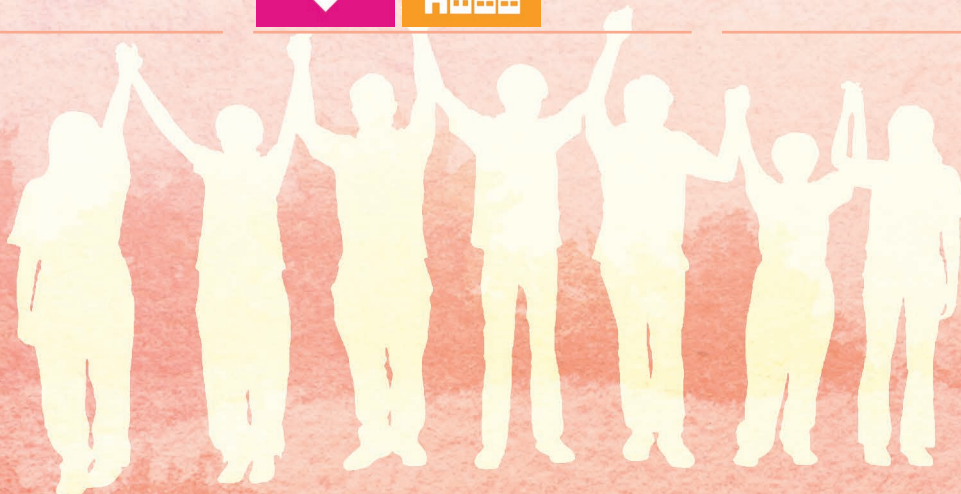
The labor union of the Group has set up a poverty relief fund, which is mainly used for the assistance of on-the-job employees in need, their spouses and minor children. At the same time, the Group has established the 'Administrative Measures for Mutual Aid Funds for Critical Diseases' (《重大疾病互助基金管理辦法》), which stipulates that the labor union must announce the use of the aid funds every year, so as to regulate the use of the funds. Since 2016, the fund has provided 131 times of assistance with a total amount of more than RMB1.39 million.

05

Social Responsibility, Heartwarming Contribution

Shenzhen Investment is devoted to public welfare undertakings and committed to serving the public. In response to the national strategies from multiple perspectives such as urban renewal, housing security, rural revitalization, social welfare and community communion, Shenzhen Investment carries out activities such as targeted assistance, integration of agriculture and tourism, grassroots governance and volunteer services, promotes the construction of a harmonious society, and contributes to creating a social atmosphere of common construction, common governance and sharing.

ESG issues we concern	SDGs issues we respond to	HKEx ESG indicators we respond to
Promoting community communion Social welfare participation	    	B8: Community Investment





Social Responsibility, Heartwarming Contribution

Goal setting and progress review

Goal	Progress
RMB5 million for consumption-based assistance	Completed a total of 6.12 million consumption-based assistance tasks, exceeding the target by 122.4%, benefiting nearly 6,000 employees in Shenzhen, improving the quality of life of employees, and increasing the sense of happiness of employees.
To strengthen the leading of party building	Carried out a total of 5 party building and common construction activities, 3 village activities of “proper governance in the countryside, you and I work together”, and assisted in the construction of party masses service center.
To consolidate the results of assistance	Carried out 2 visits to key assisted targets, raised a total of RMB140,000 condolence funds, and helped solve 7 cases of financial loans in Nan’ao County totaling RMB5.12 million.

5.1 Rural Revitalization

Shenzhen Investment actively responds to national policies. Under the guidance of rural revitalization and poverty alleviation strategies, taking agricultural modernization and integration of agriculture and tourism as the starting points, and based on the technological advantages of its subsidiary Shenzhen Nongke and the advantages of cultural tourism resources in rural areas, Shenzhen Investment promotes the rural revitalization of assisted targets and the modernization of agricultural industry.

Case Study:

Implement targeted assistance, help rural revitalization

Since 2021 when it carried out targeted assistance for Houzhai Town in Nan’ao County, Shantou City, Shenzhen Investment has implemented rural revitalization work through village assistance, application for special funds, and monitoring of poverty-returning prevention. In the selection of the typical activity “Helping and prospering towns and villages by enterprises” held by the Agricultural and Rural Department of Guangdong Province, Shenzhen Investment was awarded the title of Top 100 Charitable Enterprises in Guangdong, the village team was awarded the model team, and the village member Luo Jie was awarded the title of the most outstanding worker. On 27 December, Nan’ao Four Seasons Pastoral Agricultural Tourism Co., Ltd. (南澳四季田园农旅有限公司) jointly established by us and Houzhai Town has officially commenced its business, which is intended to build a Nan’ao island pastoral and rural revitalization demonstration base integrating high-tech farmland planting area, modern digital agriculture area and ancient village agricultural tourism demonstration area. As of 2022, the assistance work has implemented 5 projects, with a total of RMB2.6 million, and helped farmers solve 7 cases of financial loans totaling RMB5.12 million, promoting the industrial development of the assisted areas.

The first batch of five projects to help towns and villages have achieved results:

Project name	Progress
Construction project of Gongqian Village party masses service center	The construction has been completed, and 8 party building and common construction activities have been carried out, covering nearly 200 party members.
Space design project for the renovation of the talent post station	Project design has been completed.
Construction project of “white pearl bitter gourd (‘白珠苦瓜’)” characteristic agricultural demonstration base	Trial operation and promotion of water-saving irrigation facilities have been carried out, and about 500kg of bitter gourd has been harvested.
Consolidate the achievements of poverty alleviation and implement consumption-based assistance	Allocated RMB140,000 to express condolences to the needy households in Houzhai Town, Nan’ao County, and allocated RMB300,000 to purchase assistance products in Nan’ao County.
Huanghua Mountain (黄花山) natural spring water quality testing project	Sampled on site and issued test reports.



▲ “Deep cooperation framework agreement” signing ceremony

Social Responsibility, Heartwarming Contribution

Case Study:

Implement targeted assistance, help rural revitalization

Take multiple measures for assistance

Organization revitalization: Establish a party branch of the assistance task force, sign a framework agreement on party building and common construction, and carry out party building activities with the theme of “Maritime Party Building” with Nan’ao characteristics.

Talent revitalization: Formulate the “Talent Exchange Plan for Common Construction”, and formulate three phases of training and exchange plans, and the first phase of three-person exchange plan has been completed.

Ecological revitalization: Carry out public welfare activities such as “beach cleanup”, “planting trees” and “serving the community” to promote the concept of protecting a beautiful homeland and protecting the ecological environment.

Culture revitalization: Carry out village activities of “proper governance in the countryside, you and I work together”, and improve the level of rural governance via “immersive” assistance.

Industry revitalization: Shenzhen command department in Shantou has determined the first batch of assistance projects in Shenzhen – Nan’ao Four Seasons Pastoral Agricultural Tourism Project.

Consumption-based assistance: The Houzhai task force has pioneered “Nan’ao Exhibition and Sales Center for Shenzhen Consumption-based Assistance Products” in Nan’ao County. According to statistics, the sales in Shenzhen have exceeded RMB5 million, the proportion in the total sales has increased from less than 1% to 17%. Besides, through consumption-based assistance, 15 local farmers and merchants have been benefited, and a local canned fish processing factory has been revitalized, and the government tax has increased by more than RMB400,000.

Promote Shenzhen enterprises to carry out team-building activities in Nan’ao, drive the operations of the island’s hotels, restaurants and scenic spots, and tourism operations in towns and villages, promote offline sales of local specialties, and increase local taxes.



▲ Consumption-based assistance



▲ Help Nan’ao cultural tourism assistance

Case Study:

Promote the integration of agriculture and tourism, create demonstration model

In recent years, Shenzhen Nongke has actively deployed agricultural tourism projects. Focusing on the three themes of “agriculture, tourism and residence”, it is committed to realizing the integrated development of production + life + agricultural tourism, driving local villagers’ employment and industry revitalization.

Characterized by “modern agricultural demonstration” and “high-end tourism experience”, Danxia National Agriculture-Tourism Integration Demonstration Zone project deploys agricultural parks and tourist attractions, and develops sightseeing agriculture and ecological agriculture to convert rural life into characteristic tourism resources, realize industrial and ecological cycles, and create “Shaoguan model” for rural revitalization. The project is expected to have a total investment of approximately RMB11 billion, a ten-year comprehensive income of approximately RMB13.13 billion, a ten-year total tax of nearly RMB1 billion, and create approximately 5,000 jobs.



▲ Danxia National Agriculture-Tourism Integration Demonstration Zone

5.2 Rental Housing Guarantee

In order to effectively alleviate the housing difficulties of the citizens and business difficulties of tenants, Shenzhen Investment actively responds to the national government’s guidelines by launching the construction of affordable rental housing and rent concession for tenants. We help young people and tenants to cope with the difficulties in current, maximize their rental needs and optimize the city’s living environment to improve the sense of happiness.

Social Responsibility, Heartwarming Contribution

Development of affordable rental housing

In 2022, we guaranteed the housing for young talents through reasonable planning and construction of talent apartments and public rental housing.

The company's new project, Shum Yip Yiyue Mansion, includes commercial residential buildings, mercantile occupancy and self-owned security rental housing, etc. It is equipped with the public facilities such as a 6-class kindergarten, origin and terminal bus stations, a small garbage transfer station, a day care center for the elderly in the community, and community sports fields. Among them, security rental housing provides a temporary living environment for young talents at a rent not higher than 90% of the market reference price, meeting the needs of indemnificatory housing tenants, and at the same time achieving the effect of land structure improvement and city-industry integration.

The company's project located in Universiade New Town, Longgang is positioned as "academic residence, eastern model, and core of Universiade New Town". The project has a variety of business types, including residential buildings, mercantile occupancy and self-owned security rental housing, and meeting the diverse needs of customers. At the same time, it is equipped with community management rooms, community service centers, an 18-class kindergarten, a day care center for the elderly in the community, post office, community vegetable market, and community sports fields. Among them, the 8070 policy is implemented for security housing, and the number of houses with the floor area less than 70 square meters is not less than 80%.

Rent reduction for tenants

In 2022, we carried out rent reduction and exemption activities in many places in Shenzhen, and implemented the rent reduction plan of exempting rent from March to May and halving the rent from June to August to effectively help small and micro enterprises solve their difficulties. Through a series of measures such as formulating the implementation plan for rent reduction and exemption, standardizing the reduction and exemption process, disclosing the handling information of rent reduction and exemption, clarifying the division of responsibilities, implementing declaration and filing, and carrying out supervision and control, the effective enforcement of rent reduction and exemption policy was guaranteed.

During the reporting period, the Group actually implemented the housing rent reduction and exemption policy, with a total reduction and exemption amount of approximately RMB288.2 million, and the property area of rent reduction reached 762,000 square meters, benefiting a total of 2,599 tenants.

Shum Yip Commercial Management implemented a rent reduction plan for the three projects of UpperHills, Tanglang City and Shum Yip Dongling, benefiting 298 micro, small and medium-sized enterprises and commercial tenants, with the cumulative rent reductions and exemptions of RMB73.79 million. Among them, the Tanglang City project covered 62 commercial tenants, with the cumulative rent reductions and exemptions of RMB8.71 million; for the six non-small and micro enterprise tenants with operating difficulties, the Company implemented a special rent reduction and exemption plan, with the cumulative rent reductions and exemptions of RMB1.01 million.

5.3 Urban Renewal

In response to the national policy, with the strength of its state-owned controlling shareholder, Shenzhen Investment has further developed the market in Shenzhen, enhanced urban functions and improved space quality. Besides, we have actively participated in urban renewal projects, vigorously promoted the coordination of interests in land reorganization, and made significant progress during the year.

Expansion of urban renewal and coordination of interests

- 🍃 The historical monuments and cultural heritage within the area of urban renewal projects are protected in strict accordance with the relevant regulations and opinions of the competent cultural heritage authorities.
- 🍃 Ancient and valuable trees within the transformation area of urban renewal projects are protected in strict accordance with the 'Greening Ordinance of Shenzhen Special Economic Zone' 《深圳經濟特區綠化條例》 and the opinions of the forestry authorities.

Fulfilling the commitment to green development

Shenzhen Investment insists on urban brownfield redevelopment and old industrial areas in accordance with the law, fulfills its commitment to green development, and strictly abides by the Ecological Red Lines and permanent basic farmland. We carry out urban renewal work following the high standards of enhancing urban functions, improving space quality, preserving architectural texture, continuing historical context, reshaping urban vitality and protecting the ecological environment. The green coverage rate of the developed projects reaches 35%-40% or above. We are committed to realizing the optimization and sustainable development of urban ecological functions.

5.4 Social Welfare

Shenzhen Investment actively participates in public welfare undertakings. We established a volunteer service team in November 2011, and established community volunteer service bases in subsidiaries. We have carried out volunteer services such as environmental education and charity clinics, and various public welfare activities such as promotion on garbage sorting and “Happy Children’s League” summer camp, etc., so as to be committed to realizing mechanism innovation and normalized operation of public welfare services.



▲ Social welfare

Key Performance

- In 2022, the Company had a total of 1,247 participants of voluntary service, with total 8,532 service hours. Shum Yip Group and its subsidiaries had 174 newly registered volunteers, and released a total of 245 times of voluntary service.
- On 30 June, Guangdong Poverty Alleviation Day, we donated RMB128,121.76.

Case Study:

Build Nuanfeng station, create service brand

Combining its own business characteristics, the Group promotes the construction of Nuanfeng station in enterprises with industrial parks to serve labors of new employment forms. In 2022, a total of 5 Nuanfeng stations were built to provide more than 10 comprehensive high-quality services such as rest, drinking water, dining, charging, cooling and rain shelter for online car-hailing drivers, takeaway riders, couriers, sanitation workers and other outdoor workers, create a warm harbor for labors of new employment forms of parks, and comprehensively enhance a corporate sense of responsibility and social service brand value.

In addition, Shum Yip relies on the subdistrict elderly service center to open canteens for the elderly. A total of 4 elderly canteens were opened, serving more than 16,000 times for the elderly in the area. In terms of public welfare services for children, the Company implemented the “Happy Accompanying Plan” with the city’s community party masses service centers as the main locations. During the reporting period, the Company carried out more than 170 activities, serving 920 families and benefiting more than 3,000 persons, and wholeheartedly serving the employees at the “last kilometer”.



Social Responsibility, Heartwarming Contribution

Case Study:

Hold public welfare summer camp, create “happiness at home”

In order to enrich the amateur cultural life of the owners’ children and promote the physical and mental health of preschool children, during the summer vacation, Shum Yip Huaifu Party Masses Service Center and the Party Committee held a public welfare summer camp, dedicated to creating “happiness at home” for community residents. The staff of the summer camp was composed of professional social organizations and teachers from professional colleges and universities. The courses covered paper cutting, Go, calligraphy, basketball and creative art, etc. It provided various and all-round services for the owners. The activity has been established for four years and has served children in the community of more than 2,000 times.



▲ “Happy Children’s League” public welfare summer camp

5.5 Community Communion

Insisting on leading urban grassroots governance with party building, Shenzhen Investment builds a brand matrix of “pioneering party building”, and actively carries out party history study and the practical activities of “I do practical things for the public”, committed to creating a community atmosphere of communion. The Group guides all of its subsidiaries to formulate “party building +” project plans around the central work such as real estate services, park services and operation services, and promotes the formation of “one enterprise, one product” characteristic projects such as “party building + park services”, “party building + rural revitalization”, “party building + property management city”, and “party building + leading services”, coordinates to solve grassroots problems, and builds communication bridges to promote grid-based governance as well as community harmony and communion.

Case Study:

Open “Youth Bus (青年號巴士)” to meet travel needs

Shum Yip Commercial Management and the Bus Branch of Shenzhen Bus Group have jointly planned to launch the “Youth Bus” commuter shuttle bus services between Donggualing Metro Station and UpperHills based on the needs for travel and making friends of the people in UpperHills and from the perspective of solving travel difficulties and actual needs. Since the trial operation on 11 May, the average daily passenger volume in working days has been more than 1,000, which has greatly improved the commuting efficiency of the residents in this area. Meanwhile, it has also built a mobile classroom and interactive platform of “Youth Learning (青年大學習)” for young people in UpperHills, realizing the organic combination of serving the youth and gathering the youth.



▲ Opening ceremony of Youth Bus

Case Study:

Create “Red Grid Station” to broaden communication channels

In October 2022, Shum Yip East China completed and operated the “Red Grid Station” in the property office space of Shum Yip Huafu project. Taking the “secretary project” as the starting point, the station is responsible for the coordination and communication among the property staff, community residents and community grid members, providing an important window for residents’ feedback on issues and community grassroots governance, effectively improving the quality of property services and residents’ life satisfaction, realizing the “dual network integration” of grassroots party building network and grid governance, and injecting red force into community governance.



▲ Red Grid Station

Case Study:

Explore the “party building +” model, achieve common construction, common governance and sharing

The Party Committee of Shum Yip Operations attaches great importance to the brand construction of “party building +”, systematically establishes the enterprise’s “party building +” project library, and takes Baolong Subdistrict as the starting point to create a benchmark for the “party building + property management city” project. Advocated by the Party Committee of Shum Yip Operations, in conjunction with the urban management department and the subdistrict party working committee, we worked together to build and actively explore. Through the centralized integration of resources and the strengthening of party building forces, we further promoted the common governance by subdistrict, community and enterprise, and built a new management model of “four-party communion”, i.e. the “subdistrict + community + city housekeeper + social subject”.



▲ Construction of “party building + property management city”

Outlook for 2023

In 2023, we will adhere to the general keynote of “management improvement, prudent progress” to maintain our achievements through persistent efforts. We will improve our overall strength steadily, promote the sustainable development of the Group, and create more value and vitality for the society.

Take prudent progress

We will continue to implement the sustainable development strategy, integrating ESG management concept with daily management and enhancing risk management awareness, in order to steadily promote sustainable development of the Company through corporate governance.

Maintain high quality

We will still regard customer rights and product quality as the driving force of enterprise development, keep in mind the bottom line in the process of operation, and escort for health, safety and quality.

Build green homeland

We will continue to promote the construction process of Shenzhen Investment’s green buildings, shoulder corporate environmental responsibility, and constantly promote green management. In the process of construction, operation and daily management, we will strive to achieve the great mission of good environment and green ecology.

Facilitate talent development

We will keep the concept of youth talent cultivation, and while providing an equal, healthy, safe and comfortable environment for our employees, we will attach great importance to talent development, and strive to realize the positive cycle of mutual growth and development of employees and the Company.

Promote community integration for a better future

We will actively participate in community construction and development, contribute to the overall prosperity and progress of society, pay attention to healthy and livable lifestyle, and constantly promote community integration and development.





Summary of Sustainability Development

Appendix I: List of Policies and Laws

ESG Indicator	Laws and regulations complied with	Internal policy
A. Environment	Law of the People's Republic of China on Environmental Protection (《中華人民共和國環境保護法》)	Guidelines on Environmental Protection (《環境保護指引》)
	Law of the People's Republic of China on Appraising of Environment Impacts (《中華人民共和國環境影響評價法》)	Climate Change Policy (《應對氣候變化政策》)
	Atmospheric Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國大氣污染防治法》)	Environmental Factors Operation Control Procedures (《環境因素運行控制程序》)
	Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》)	Environmental Factors Identification and Assessment Management Procedures (《環境因素識別與評價管理程序》)
	Ocean Environmental Protection Law of the People's Republic of China (《中華人民共和國海洋環境保護法》)	Waste and Chemical Management Procedures (《廢棄物及化學品管理程序》)
	Administrative Regulations of the People's Republic of China on the Prevention of Pollution and Damage of Marine Environment by Terrigenous Pollutant (《中華人民共和國防治陸源污染物污染損害海洋環境管理條例》)	Meteorological Disaster Emergency Response Plan (《氣象災害應急處置預案》)
	Law of the People's Republic of China on Prevention and Control of Solid Waste Pollution (《中華人民共和國固體廢物污染環境防治法》)	Security Protection Emergency Plan (《安全防範應急預案》)
	Regulations on Nature Reserve of the People's Republic of China (《中華人民共和國自然保護區條例》)	Typhoon Emergency Response Plan (《颱風應急處置預案》)
	Law of the People's Republic of China on Land Management (《中華人民共和國土地管理法》)	Emergency Response Plan for Thunder and Storms (《雷電、暴雨應急處置預案》)
	National Hazardous Waste Inventory (《國家危險廢物名錄》)	Response Plan for Heavy Fog, Haze, High Temperature and Cold Weather (《大霧、灰霾、高溫、寒冷天氣應急處置預案》)
	Emission Standard of Environment Noise for Boundary of Construction Site (《建築施工場界環境噪聲排放標準》)	Emergency Response Plan for Collapse, Landslide and Debris Flow (《崩塌、滑坡、泥石流應急處置預案》)
	Measures for the Management of Municipal Solid Waste (《城市生活垃圾管理辦法》)	
	Policy on Hazardous Waste Pollution Control Technologies (《危險廢物污染防治技術政策》)	
	Regulations of Guangdong Province on Environmental Protection Management of Construction Projects (《廣東省建設項目環境保護管理條例》)	
	Regulations of Shenzhen Special Economic Zone on Ecological Environmental Protection (《深圳經濟特區生態環境保護條例》)	
	Regulations of Shenzhen Special Economic Zone on Environmental Protection of Construction Project (《深圳經濟特區建設項目環境保護條例》)	
	Regulations of Shenzhen Special Economic Zone on Noise Pollution Prevention and Control (《深圳經濟特區環境噪聲污染防治條例》)	
	Administrative Measures for Classification and Reduction of Domestic Waste in Shenzhen (《深圳市生活垃圾分類和減量管理辦法》)	
	GB/T 50640-2010 Green Construction Evaluation Standard for Building Engineering (《建築工程綠色施工評價標準 GB/T 50640-2010》)	
	GB/T 50378-2019 Green Building Evaluation Standard (《綠色建築評價標準 GB/T 50378-2019》)	
Law of the People's Republic of China on Prevention and Control of Solid Waste Pollution (《中華人民共和國固體廢物污染環境防治法》)		

ESG Indicator	Laws and regulations complied with	Internal policy
B1. Employment	Labor Law of the People's Republic of China (《中華人民共和國勞動法》) Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) Law of the People's Republic of China on Employment Promotion (《中華人民共和國就業促進法》) Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) Provisions of the People's Republic of China on the Prohibition of the Use of Child Labor (《中華人民共和國禁止使用童工規定》) Law of the People's Republic of China on the Protection of Minors (《中華人民共和國未成年人保護法》) Standards on Minimum Wage (《最低工資標準》) Hong Kong Employment Ordinance (香港《僱傭條例》) Regulations on Corporate Democratic Management (《企業民主管理規定》)	Management Measures for Campus Recruitment (《校園招聘管理辦法》) Employee Remuneration Management System (《員工薪酬管理制度》) Management System for Performance Appraisal of Staff (《員工績效考核管理制度》) Equity Incentive Plan (《股權激勵計劃》) Board Diversity Policy (《董事會成員多元化政策》) Management System for Performance Appraisal of Staff from the Headquarters (《總部員工績效考核管理制度》)
B2. Health and Safety	Labor Law of the People's Republic of China (《中華人民共和國勞動法》) Fire Prevention Law of the People's Republic of China (《中華人民共和國消防法》) Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) Prevention and Control of Occupational Diseases Law of the People's Republic of China (《中華人民共和國職業病防治法》) Regulation on Work-related Injury Insurance (《工傷保險條例》) Law of the People's Republic of China on Emergency Response (《中華人民共和國突發事件應對法》) Provisions on the Supervision and Administration of Occupational Health in the Workplace (《工作場所職業衛生監督管理規定》) Regulations on the Reporting, Investigation and Handling of Production Safety Accidents (《生產安全事故報告和調查處理條例》) Regulations on the Safety Administration of Hazardous Chemicals (《危險化學品安全管理條例》) Interim Regulations for the Accident Investigation and Handling of Potential Safety Hazards in Workplace (《安全生產事故隱患排查治理暫行規定》) Occupational Disease Classification and Catalog (《職業病分類與目錄》) Certain Regulations on Fire Fighting in Guangdong Province (《廣東省消防工作若干規定》) General Rules for the Construction of Dual Prevention Mechanism for Shenzhen Enterprises (《深圳市企業雙重預防機制建設通則》) Shenzhen Work Plan for Construction Safety Special Rectification Action (《深圳市建築施工安全生產專項整治行動工作方案》) Shenzhen Three-Year Action Plan for Construction Safety Special Rectification Action (《深圳市建築施工領域安全生產專項整治三年行動實施方案》)	Safety Risk Classification and Control System (《安全風險分級管控制度》) Emergency Management Measures (《應急管理辦法》) Accident Reporting and Investigation Management Measures (《事故報告與調查處理管理辦法》) Shum Yip Group Safety Management System (《深業集團安全管理制度體系》) Safety Production Management Measures (《安全生產管理制度》) Production Safety Accident Management System (《生產安全事故管理制度》) Safety Management Measures for Related Parties (《相關方安全管理辦法》) Safety Production File (including Electronic File) Management System (《安全生產檔案(含電子檔案)管理制度》) Dangerous Operations Management Policy (《危險作業管理辦法》) Standard Management of Small-scale Projects and Sporadic Operations in Shenzhen (《深圳市小數工程和零星作業規範管理》) Fire Management Requirements for High-Rise Buildings (《高層建築消防管理規定》) Safety Production Assessment, Reward and Punishment Management System (《安全生產考核獎懲管理制度》) Shum Yip Group Comprehensive Emergency Plan (《深業集團突發事件綜合應急預案》) Shum Yip Group Production Safety Accident Emergency Plan (《深業集團生產安全事故應急預案》) Shum Yip Group Fire Accident Emergency Plan (《深業集團火災事故應急預案》) Shum Yip Group Emergency Plan for Flood Control, Drought Prevention and Typhoon Prevention (《深業集團防汛防旱防颱風應急預案》) Shum Yip Group Regulations on Safety Production Management Responsibilities (《深業集團安全生產管理工作職責規定》) Safety Production Management Measures (《安全生產管理辦法》)

Summary of Sustainability Development

ESG Indicator	Laws and regulations complied with	Internal policy
<p>B3. Development and Training</p>	<p>Regulations on the Selection and Appointment of Party and Government Leading Cadres 《黨政領導幹部選拔任用工作條例》</p> <p>Regulations on the Management of Leaders of Shenzhen Municipal Enterprises《深圳市市管企業領導人員管理規定》</p> <p>Measures on Examining the Political Performance of Cadres (Shen Zu Tong [2022] No. 38) 《關於考准考實幹部政治表現的辦法》(深組通[2022]38 號)</p>	<p>Measures for Management of the Shum Yip Group's Trainings 《深業集團培訓工作管理辦法》</p> <p>Administrative Measures for the Selection and Appointment of the Management 《管理人員選拔任用管理辦法》</p> <p>Administrative Measures for Internal Talents Selection 《內部人才選拔辦法》</p> <p>Methods for Selecting and Transferring Vacant Posts at Headquarter of Shum Yip Group Limited 《深業集團有限公司總部空缺崗位選調辦法》</p> <p>Administrative Measures for the Selection and Appointment of the Middle Management of the Shum Yip Group Limited 《深業集團有限公司中層管理人員選拔任用管理辦法》</p> <p>“Shen Drive” Measures for Development and Management of Talents of the Shum Yip Group 《深業集團“深動力”人才發展與管理辦法》</p> <p>Administrative Measures for New Employee Mentor Training of the Shum Yip Group 《深業集團新員工導師培養管理辦法》</p> <p>Rules for Assessment during New Employee Mentor Training Period of the Shum Yip Group 《深業集團新員工導師培養期考核細則》</p> <p>Interim Administrative Measures for Occupational System and Ranks 《職業體系及職級管理暫行辦法》</p>
<p>B4. Labor Standards</p>	<p>International Covenant on Economic, Social and Cultural Rights 《經濟、社會和文化權利國際公約》</p> <p>International Covenant on Civil and Political Rights 《公民權利和政治權利國際公約》</p> <p>Labor Law of the People's Republic of China 《中華人民共和國勞動法》</p> <p>Provisions on the Prohibition of the Use of Child Labor 《禁止使用童工規定》</p> <p>Law of the People's Republic of China on the Protection of Minors 《中華人民共和國未成年人保護法》</p> <p>International Labor Standards 《國際勞工標準》</p> <p>Regulations on Corporate Democratic Management 《企業民主管理規定》</p>	
<p>B5. Supply Chain Management</p>	<p>Law of the People's Republic of China on Tenders and Bids 《中華人民共和國招標投標法》</p> <p>Administrative Measures of the State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipal for Engagement of Intermediaries 《深圳市人民政府國有資產監督管理委員會選聘中介機構管理辦法》</p> <p>Guiding Opinions of the State-owned Assets Supervision and Administration Commission of Shenzhen Municipality on Further Strengthening the Comprehensive Supervision of the Procurement of Municipal Enterprises (for Trial Implementation) 《深圳市國資委關於進一步加強市屬企業採購綜合監管的指導意見(試行)》</p> <p>Notice on Implementing Unified Issuance of Procurement Information within Municipal State-owned Enterprises of Shenzhen 《關於在深圳市屬國企實行採購信息統一發佈的通知》</p>	<p>Guidelines for the Supervision of Tendering and Procurement 《招標採購監督工作指引》</p> <p>Practical Guidelines for Discipline Supervision and Enforcement《監督執紀工作實務指南》</p> <p>Administrative Measures for Engagement of Intermediaries 《選聘中介機構管理辦法》</p> <p>Management Measures for Bid Evaluation Expert Pool for Major Bidding Projects (Interim) 《重要招採項目評標專家庫管理辦法(暫行)》</p> <p>Measures for the Management of Procurement and Tendering 《採購招標管理辦法》</p> <p>Measures for Management of Supplier's Warehouse 《供方庫管理辦法》</p> <p>Measures for the Supervision and Administration of Project Bidding 《工程招標監督管理辦法》</p>

ESG Indicator	Laws and regulations complied with	Internal policy
<p>B6. Product Responsibility</p>	<p>Trademark Law of the People’s Republic of China (《中華人民共和國商標法》)</p> <p>Advertisement Law of the People’s Republic of China (《中華人民共和國廣告法》)</p> <p>Patent Law of the People’s Republic of China (《中華人民共和國專利法》)</p> <p>Copyright Law of the People’s Republic of China (《中華人民共和國著作權法》)</p> <p>Civil Code of the People’s Republic of China (《中華人民共和國民法典》)</p> <p>Personal Information Protection Law of the People’s Republic of China (《中華人民共和國個人信息保護法》)</p> <p>Construction Law of the People’s Republic of China (《中華人民共和國建築法》)</p> <p>Fire Prevention Law of the People’s Republic of China (《中華人民共和國消防法》)</p> <p>Law of the People’s Republic of China on Product Quality (《中華人民共和國產品質量法》)</p> <p>Law of the People’s Republic of China on the Protection of Consumer Rights and Interest (《中華人民共和國消費者權益保護法》)</p> <p>Network Security Law of the People’s Republic of China (《中華人民共和國網絡安全法》)</p> <p>Law of the People’s Republic of China on Urban Real Estate Management (《中華人民共和國城市房地產管理法》)</p> <p>Opinions of the General Office of the State Council on Promoting Healthy Growth of Construction Industry (《國務院辦公廳關於促進建築業持續健康發展的意見》)</p> <p>Guiding Opinions of the General Office of the State Council on Vigorously Developing Prefabricated Buildings (《國務院辦公廳關於大力發展裝配式建築的指導意見》)</p> <p>Notice of the State Council on Promoting the Sustained and Sound Development of the Real Estate Market (《國務院關於促進房地產市場持續健康發展的通知》)</p> <p>Opinions on Promoting the Modernization of Housing Industry and Improving Housing Quality (《關於推進住宅產業現代化提高住宅質量的若干意見》)</p> <p>National Green Building Design One – and Two-Star Design Guidelines (《國家綠色建築設計一、二星級設計指引》)</p> <p>Management Measures for 1 – and 2-Star Eco-friendly Building Identification Logo (For Trial Implementation) (《一二星級綠色建築評價標識管理辦法(試行)》)</p> <p>Detailed Rules for Implementation of Eco-friendly Building Identification Logo (Revised for Trial Implementation) (《綠色建築評價標識實施細則(試行修訂)》)</p> <p>GB/T 50640-2010 Green Construction Evaluation Standard for Building Engineering (《建築工程綠色施工評價標準 GB/T 50640-2010》)</p> <p>GB/T 50378-2019 Green Building Evaluation Standard (《綠色建築評價標準 GB/T 50378-2019》)</p> <p>GB 50368-2005 Residential Building Code (《住宅建築規範 GB 50368-2005》)</p> <p>Regulations on Quality Management of Construction Projects (《建設工程質量管理條例》)</p> <p>Provisions on Supervision and Management of Quality of Construction Projects (《建設工程質量監督管理規定》)</p> <p>Measures for Regulating the Sales of Commercial Houses (《商品房銷售管理辦法》)</p> <p>Computer Software Protection Regulations of the People’s Republic of China (《中華人民共和國計算機軟件保護條例》)</p>	<p>Marketing Management Measures (《營銷管理辦法》)</p> <p>Measures for Regulating the Sales (《銷售管理辦法》)</p> <p>Standard Manual of Property Service Center (《物業服務中心標準手冊》)</p> <p>Sales Management System and Regulations (《銷售管理制度及條例》)</p> <p>Property City Enterprise Standard System (《物業城市企業標準體系》)</p>

Summary of Sustainability Development

ESG Indicator	Laws and regulations complied with	Internal policy
<p>B7. Anti-corruption</p>	<p>Company Law of the People’s Republic of China (《中華人民共和國公司法》)</p> <p>Securities Law of the People’s Republic of China (《中華人民共和國證券法》)</p> <p>Anti-money Laundering Law of the People’s Republic of China (《中華人民共和國反洗錢法》)</p> <p>Anti-monopoly Law of the People’s Republic of China (《中華人民共和國反壟斷法》)</p> <p>Anti-unfair Competition Law of the People’s Republic of China (《中華人民共和國反不正當競爭法》)</p> <p>Interim Provisions on Banning Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》)</p> <p>Law of the People’s Republic of China on Tenders and Bids (《中華人民共和國招標投標法》)</p> <p>Rules Governing the Listing of Securities on the Stock Exchange (聯交所《證券上市規則》)</p> <p>Companies Ordinance (《公司條例》)</p> <p>Securities and Futures Ordinance (《證券及期貨條例》)</p> <p>Procedures for Handling Petitioning and Reporting (《信訪舉報辦理規程》)</p> <p>Rules for the Handling of Notification by Disciplinary Inspection and Supervision Agencies (《紀檢監察機關處理通報規則》)</p> <p>Guiding Opinions of the State-owned Assets Supervision and Administration Commission of Shenzhen Municipality on Further Strengthening the Comprehensive Supervision of the Procurement of Municipal Enterprises (for Trial Implementation) (《深圳市國資委關於進一步加強市屬企業採購綜合監管的指導意見(試行)》)</p> <p>Guiding Opinions of the State-owned Assets Supervision and Administration Commission of Shenzhen Municipality on Further Strengthening the Construction of Six-in-One Supervision System (《深圳市國資委關於進一步加強市屬國企六位一體監督體系建設的指導意見》)</p>	<p>Articles of Association (《公司章程》)</p> <p>Implementation Rules for Internal Control of Shum Yip Group (《深業集團內部控制實施細則》)</p> <p>Anti-corruption Measures on Prevention of Malfeasance in Construction Project Tendering (《工程建設項目招標廉潔從業風險防控辦法》)</p> <p>Probity Audits Measures (《廉政審查辦法》)</p> <p>Whistleblowing Policy of Shenzhen Investment (《深圳控股舉報政策》)</p> <p>Measures for the Management of Whistleblower Cases (《問題線索管理辦法》)</p> <p>Interim Measures for the Management of Internal Audit (《內部審計工作管理暫行辦法》)</p> <p>Overseas/Remote Integrity Risk Prevention and Control Measures (《境外/異地廉潔風險防控辦法》)</p> <p>Management Measures for “Three-Major and One-Large” Decision-Making (《三重一大決策管理辦法》)</p> <p>Implementation Measures for Pursuing Accountability for Illegal Operations and Investments (《違規經營投資責任追究實施辦法》)</p> <p>Guidelines for Operation and Investment Due Diligence Compliance and Liability Exemptions (《經營投資盡職合規免責工作指引》)</p> <p>Measures to Prevent Staff Conflicts of Interests (《防止工作人員利益衝突的辦法》)</p> <p>Implementation Measures for the Enhancement of Promoting Rectification by Cases (《加強以案促改工作實施辦法》)</p>
<p>B8. Community Investment</p>	<p>Greening Ordinance of Shenzhen Special Economic Zone (《深圳經濟特區綠化條例》)</p>	

Appendix II: Key Performance Indicator List

Environmental Data ¹		2022	2021	2020
A1. Emissions				
A1.1 Types of emissions and respective emissions data²				
Nitrogen oxide (NOx) emissions	Kilogrammes	6,456.01	6,150.72	3,351.34
Sulfur oxides (SOx) emissions	Kilogrammes	7.99	8.19	7.16
Particulate matter emissions	Kilogrammes	618.61	589.36	321.12
A1.2 Greenhouse gas emissions and intensity³				
Scope 1: greenhouse gas emissions	tCO ₂ eq	5,321.50	6,045.02	3,799.03
Scope 2: greenhouse gas emissions	tCO ₂ eq	38,271.04	36,402.74	64,154.17
Total greenhouse gas emissions	tCO ₂ eq	43,592.54	42,447.76	67,953.20
Greenhouse gas emissions intensity	tCO ₂ eq/HK\$ million	1.39	1.32	3.61

1 Scope of statistics:

- The scope of statistics of 2022 includes the office areas of the Shenzhen Investment Group's headquarters, the office, construction and operation areas of its subsidiaries and project companies.
- The statistical scope of the Group's ESG data indicators remains consistent for the past three years, and for each year the ESG data online collection platform is adopted for data collection.

Reference for calculation:

- The disclosed values of greenhouse gas emissions include the consumption of gasoline, diesel, liquefied petroleum gas, natural gas, purchased heat and purchased electricity. Scope 1 emission factors are calculated with reference to the 'Reporting Guidance on Environmental KPIs' of the Stock Exchange of Hong Kong and GHG Protocol; and for Scope 2, both of the greenhouse gas emission factors of power grid in Mainland China and The Special Administrative Region of Hong Kong, the PRC are calculated with reference to the 'Reporting Guidance on Environmental KPIs' of the Stock Exchange of Hong Kong, and the greenhouse gas emission factor of purchased heat is calculated with reference to the 'CO₂ Emissions Accounting and Reporting Requirements-Other Industries' (DB11T1787-2020).
- The energy consumption values include the consumption of gasoline, diesel, liquefied petroleum gas, natural gas, purchased heat and purchased electricity, the relevant factors of which are calculated with reference to 'General Principles for Calculation of the Comprehensive Energy Consumption' of China (GB/T2589-2020).

Consistency description:

This year, the emission factor of carbon emissions from purchased electricity changes to the grid greenhouse gas emission factor of 0.5703 tCO₂/MWh according to the 'Notice on the Management of Greenhouse Gas Emissions Report of Enterprises in the Power Generation Industry 2023-2025' issued by the Ministry of Ecology and Environment of the People's Republic of China. We will continue to adopt a comparable measurement and improve data management.

- The emissions mainly include the exhausts from the use of official vehicles of Shenzhen Investment. The emission data of official vehicles are calculated pursuant to the 'Appendix 2: Reporting Guidance on Environmental KPIs' issued by the Stock Exchange.
- The Scope 1 greenhouse gas emissions mainly include the direct greenhouse gas emissions from the fossil fuels (e.g. gasoline, diesel oil and natural gas) consumed during the office, construction and operation process of the Group. The formula for the calculation of the main greenhouse gas emissions from fossil fuel consumption is: carbon dioxide emissions from fossil fuel combustion = fuel consumption × emission factors.

The Scope 2 greenhouse gas emissions mainly include the indirect greenhouse gas emissions from the purchased electricity and heat consumed during the office, construction and operation processes of the Group. For the performance data of greenhouse gas emissions in 2022, 0.5703 kg CO₂/kWh is adopted for the calculation of the carbon emission coefficient of purchased electricity, and 0.11 tCO₂/GJ is adopted for the calculation of carbon emission coefficient of purchased heat.

Summary of Sustainability Development

Environmental Data ¹		2022	2021	2020
A1.3 Total hazardous waste produced and intensity⁴				
Abandoned electrical and electronic equipment	Pieces	667	528	926
Printer cartridge used	Units	4,027	3,771	3,241
Fluorescent tubes or energy-saving lamps with mercury	Tubes	17,251	12,991	13,640
Total hazardous waste	Kilogrammes	11,904.86	9,767.76	10,466.40
Hazardous waste intensity	Kilogrammes/HK\$ million	0.38	0.30	0.56
A1.4 Total non-hazardous waste produced and intensity⁵				
Wastepaper	Tonnes	186.06	145.77	80.95
Construction waste	Tonnes	62,299.44	30,514.50	200,895.19
Kitchen waste	Tonnes	597.94	612.42	798.32
Total non-hazardous waste	Tonnes	63,083.44	31,272.69	203,172.86
Non-hazardous waste intensity	Tonnes/HK\$ million	2.00	0.98	10.81
A1.6 Total hazardous and non-hazardous wastes recycled⁶				
Electrical and electronic equipment (e.g. computer) recycled	Sets	1,580	237	246
Metals recycled	Kilogrammes	91,235.00	70,538.00	2,718.53
Plastic recycled	Kilogrammes	14,721.00	18,040.00	724.62
Glass recycled	Kilogrammes	54,376.10	83,562.40	403.20
Wastepaper recycled	Kilogrammes	44,435.37	78,788.27	6,183.19
Reinforcing steel recycled	Tonnes	5,968.07	3,087.76	6,856.73
Earth recycled	Cubic metres	645,677.26	788,982.33	669,285.24

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

5 The non-hazardous wastes mainly include the wastepaper, construction waste, kitchen waste and other non-hazardous wastes generated during the office and operation process of the Group. The construction waste generated in 2022 increased significantly compared with previous years, mainly due to the significant increase in the area of new construction of projects of Shenzhen Shenye Minghong Real Estate Development Co., Ltd. (深圳市深業明宏地產開發有限公司) in 2022.

6 Shenzhen Investment is committed to recycling wastes (e.g. glasses and metals) that can be reused in the office, operation and construction process. The amount of recyclable waste generated from some projects in 2022 increased along with the start of the projects, so the recycling volume of some wastes rose in 2022.

Environmental Data ¹		2022	2021	2020
A2. Use of Resources⁷				
Bricks	Cubic metres	1,123,570.88	199,587.92	104,200.14
Concrete	Cubic metres	1,820,242.59	1,387,012.47	928,591.26
Reinforcing steel	Tonnes	200,848.26	163,386.31	128,294.92
Stones	Tonnes	77,159.93	28,957.45	128,228.26
Timber	Tonnes	45,224.40	48,289.10	33,799.19
A2.1 Energy consumption in total and intensity				
Gasoline	Litres	460,783.45	433,439.92	362,680.11
Diesel oil	Litres	75,430.84	112,965.60	113,794.55
Liquefied petroleum gas	Kilogrammes	47,797.00	67,387.90	73,339.07
Natural gas	Cubic metres	1,867,023.48	2,092,080.43	1,121,261.41
Purchased heat ⁸	Megajoules	170,420.00	1,129,103.36	11,913,229.00
Total power consumption	Kilowatt hours	67,087,000.73	62,454,799.47	73,453,528.85
Total energy consumption	Megawatt hours	91,115.66	89,373.72	93,755.85
Energy consumption intensity	Megawatt hours/HK\$ million	2.89	2.79	4.99
A2.2 Water consumption and intensity⁹				
Total water consumption	Cubic metres	2,805,269.17	2,510,725.14	3,824,491.09
Water consumption intensity	Cubic metres/HK\$ million	88.94	78.34	203.40

7 In 2022, as many construction projects were in the main structure construction stage, and the area of new construction of projects of Shenzhen Shenye Minghong Real Estate Development Co., Ltd. (深圳市深業明宏地產開發有限公司) increased significantly, the consumption of bricks and stones was high.

8 In 2022, Suzhou Marriott Hotel Company (蘇州萬豪酒店公司) stopped purchasing steam and switched to its own steam generator and air conditioning units to meet the heating demand, so the amount of purchased heat decreased significantly.

9 The scope of statistics of water consumption includes engineering water and domestic water in the office, construction and operation process of the Group.

Summary of Sustainability Development

Social Data		2022	2021	2020
B1. Employment				
B1.1 Total workforce by gender, employment type, age group and geographical region				
Total employees	Persons	21,205	21,084	20,452
By gender				
Male	Persons	13,161	13,299	13,132
Female	Persons	8,044	7,785	7,320
By rank				
Senior management	Persons	62	68	74
Middle management	Persons	355	398	376
Grassroots employees	Persons	20,788	20,618	20,002
Male senior management members	Persons	52	57	63
Female senior management members	Persons	10	11	11
Male middle management members	Persons	273	303	285
Female middle management members	Persons	82	95	91
Proportion of male senior management members	%	83.87	83.82	85.14
Proportion of female senior management members	%	16.13	16.18	14.86
Proportion of male middle management members	%	76.90	76.13	75.80
Proportion of female middle management members	%	23.10	23.87	24.20
By education level				
Doctor	Persons	12	12	12
Master	Persons	616	563	459
Bachelor	Persons	2,786	2,477	1,970
Tertiary or below	Persons	17,791	18,032	18,011
By age group				
29 and below in total	Persons	3,251	3,184	3,227
30-49 in total	Persons	9,542	9,992	10,187
50 and above in total	Persons	8,412	7,908	7,038
By geographical region				
Mainland China	Persons	21,151	21,042	20,409
Hong Kong, Macau and Taiwan	Persons	47	42	42
Overseas	Persons	7	0	1
By employment type				
Full-time	Persons	21,205	21,063	20,450
Part-time	Persons	0	21	2
By other type				
Disabled employees	Persons	28	21	40

Social Data		2022	2021	2020
B1.2 Employee turnover rate by gender, age group and geographical region				
Employee turnover rate	%	31.33	36.07	28.75
By gender				
Male	%	29.18	35.83	28.95
Female	%	34.83	36.48	28.39
By age group				
29 and below	%	41.06	63.13	49.27
30-49	%	23.62	28.75	21.86
50 and above	%	36.31	34.42	29.31
By geographical region				
Mainland China	%	31.37	36.12	28.81
Hong Kong, Macau and Taiwan	%	10.64	9.52	2.38
Overseas	%	28.57	0.00	0.00
B2. Health and Safety				
B2.1 Number and rate of work-related fatalities¹⁰				
Number of work-related fatalities	Persons	0	0	0
Rate of work-related fatalities	%	0.00	0.00	0.00
Number of accidents involving serious injuries and fatalities among construction contractors	Cases	0	0	1
B2.2 Work injury loss¹¹				
Number of injured employees	Persons	58	32	0
Rate of injured employees	%	0.27	0.15	0.00
Lost days due to work injury	Days	2,324	3,420	0
Number of safety emergency drills	Drills	2,696	3,841	347
Lost hours due to work injury	Hours	18,588	27,560	0

10 Employee turnover includes regular employees who resign or terminate employment due to dismissal, retirement or death. The calculation method of employee turnover rate: employees of the group who left in the year/employees of the group at the end of the year x 100%.

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

Summary of Sustainability Development

Social Data		2022	2021	2020
B3. Development and Training				
B3.1 Number of employees trained				
Total employees trained	Person-time	110,737	82,456	69,108
By gender				
Male	Person-time	68,999	51,597	43,763
Female	Person-time	41,738	30,859	25,355
By employee category				
Senior management	Person-time	256	463	436
Middle management	Person-time	2,643	2,296	2,332
Grassroots employees	Person-time	107,838	79,697	66,339
B3.2 Total training hours				
Total training hours	Hours	426,849.70	486,373.00	630,216.39
Average training hours	Hours/persons	20.13	23.07	30.81
By gender				
Training hours of male employees	Hours	266,818.40	314,602.00	397,753.83
Average training hours of male employees	Hours/persons	20.27	23.66	30.29
Training hours of female employees	Hours	160,034.30	171,771.00	232,734.56
Average training hours of female employees	Hours/persons	19.89	22.06	31.80
By employee category				
Training hours of senior management	Hours	1,393.00	4,015.50	3,169.10
Average training hours of senior management	Hours/persons	22.47	59.05	42.83
Training hours of middle management	Hours	19,159.50	10,533.00	13,238.20
Average training hours of middle management	Hours/persons	53.97	26.46	35.21
Training hours of grassroots employees	Hours	406,297.20	471,824.50	613,607.59
Average training hours of grassroots employees	Hours/persons	19.54	22.88	30.68
B5. Supply Chain				
B5.1 Number of suppliers by geographical region				
Total number of suppliers	Suppliers	2,926.00	2,358.00	2,703.00
Professional service suppliers				
Guangdong Province	Suppliers	1,354	995	1,176
Mainland China (ex-Guangdong Province)	Suppliers	582	417	375
Hong Kong, Macau and Taiwan	Suppliers	16	27	20
Overseas	Suppliers	2	3	5
Engineering suppliers				
Guangdong Province	Suppliers	636	650	601
Mainland China (ex-Guangdong Province)	Suppliers	335	266	522
Hong Kong, Macau and Taiwan	Suppliers	0	0	0
Overseas	Suppliers	1	0	4

Social Data		2022	2021	2020
B6. Product Responsibility				
B6.2 Number of complaints for products and service				
Total number of complaints	Complaints	53	59	36
Number of complaints received for pre-delivery quality of work/building quality issues	Complaints	5	5	0
Number of complaints received for post-delivery quality of work/building quality issues	Complaints	20	2	4
Number of complaints received for property problems	Complaints	26	46	32
Number of complaints received for marketing service problems	Complaints	2	6	0
Rating of customer satisfaction surveys	Percentage	92.04	92.46	-
B6.3 Description of practices relating to observing and protecting intellectual property rights¹²				
Number of patent applications	Patents	17	79	-
Number of patents granted	Patents	18	75	-
B7. Anti-corruption				
B7.1 Legal cases regarding corrupt practices				
Corruption lawsuits filed or concluded	Cases	0	0	0
B7.3 Anti-corruption training				
Percentage of employees received trainings on anti-corruption policies ¹³	%	100	100	100
Percentage of board members and senior management received trainings on anti-corruption policies	%	100	100	100
Number of employees who sign commitment to comply with anti-corruption policies ¹⁴	Persons	2,489	691	-
Number of senior management who sign commitment to comply with anti-corruption policies	Persons	117	21	-
B8. Community Investment				
B8.2 Resources contributed to the focus area				
Total investment in public welfare activities/donations	RMB	1,574,532.66	4,270,320.54	8,352,645.70
Total employees participating in volunteer activities	Person-time	4,352	5,223	2,607
Total volunteer hours of employees ¹⁵	Hours	802,244	19,919.50	8,615.00

12 Patents include invention patents, utility model patents and design patents. Some authorized patents were applied for in 2021 and authorized in 2022.

13 Training on anti-corruption policy includes activities organized by the Group and each of its subsidiaries, such as conducting relevant courses and lectures, watching integrity education documentaries, visiting integrity education bases, and reading relevant books and newspapers, and the scope of training covers all employees.

14 In 2022, Pengnan Company (鵬南公司) newly issued the Measures for Preventing Staff Conflict of Interest (《防止工作人員利益衝突的辦法》), requiring the key positions above the middle level of the headquarters and the project company to sign the letter of commitment, so the data increased greatly compared with 2021.

15 In 2022, each subsidiary of Shenzhen Investment further improved the data collection method and statistical caliber of employees' participation in volunteer activities, so such data increased significantly compared with 2021.

Summary of Sustainability Development

Appendix III: Environmental, Social and Governance Content Index

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

A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Responsibility • Environmental Protection
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Responsibility • Environmental Protection Key Performance Indicator List

A2: Use of Resources

General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Responsibility • Environmental Protection
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Responsibility • Environmental Protection Key Performance Indicator List
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Key Performance Indicator List
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Responsibility • Environmental Protection
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Responsibility • Environmental Protection
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A

A3: Environment and Natural Resources

General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Environmental Responsibility • Environmental Protection
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Responsibility • Environmental Protection

A4: Climate Change

General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Environmental Responsibility • Environmental Protection
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Environmental Responsibility • Environmental Protection

Summary of Sustainability Development

B Society

B1: Employment

General Disclosure	Information on:	Employee Responsibility • Cohesive Development
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	
B1.1	Total workforce by gender, employment type (for example, full – or part-time), age group and geographical region.	Employee Responsibility • Cohesive Development Key Performance Indicator List
B1.2	Employee turnover rate by gender, age group and geographical region.	Key Performance Indicator List

B2: Health and Safety

General Disclosure	Information on:	Employee Responsibility • Cohesive Development
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Key Performance Indicator List
B2.2	Lost days due to work injury.	Key Performance Indicator List
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employee Responsibility • Cohesive Development

B3: Development and Training

General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee Responsibility • Cohesive Development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Key Performance Indicator List
B3.2	The average training hours completed per employee by gender and employee category.	Key Performance Indicator List

B4: Labor Standards

General Disclosure	Information on:	Employee Responsibility • Cohesive Development
	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	
B4.1	Description of measures to review employment practices to avoid child and forced labor.	Employee Responsibility • Cohesive Development
B4.2	Description of steps taken to eliminate such practices when discovered.	Employee Responsibility • Cohesive Development

B5: Supply Chain Management

General Disclosure	Policies on managing environmental and social risks of the supply chain.	Customer Responsibility • High Quality
B5.1	Number of suppliers by geographical region.	Key Performance Indicator List
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Customer Responsibility • High Quality
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Customer Responsibility • High Quality
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Customer Responsibility • High Quality

B6: Product Responsibility

General Disclosure	Information on:	Customer Responsibility • High Quality
	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
B6.2	Number of products and service related complaints received and how they are dealt with.	Key Performance Indicator List
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Governance Responsibility • Sincere Operation

Summary of Sustainability Development

B6.4	Description of quality assurance process and recall procedures.	Customer Responsibility • High Quality
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Customer Responsibility • High Quality
B7: Anti-Corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Governance Responsibility • Sincere Operation
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Governance Responsibility • Sincere Operation Key Performance Indicator List
B7.2	Description of preventive measures and whistle-blowing procedures and how they are implemented and monitored.	Governance Responsibility • Sincere Operation
B7.3	Description of anti-corruption training provided to directors and staff.	Governance Responsibility • Sincere Operation
B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Social Responsibility • Heartwarming Contribution
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Social Responsibility • Heartwarming Contribution
B8.2	Resources contributed (e.g. money or time) to the focus area.	Social Responsibility • Heartwarming Contribution Key Performance Indicator List



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