



深圳控股有限公司  
SHENZHEN INVESTMENT LIMITED

Stock Code : 00604



2017

Environmental, Social and  
Governance Report


# Contents

<b>About this Report</b>	2
<b>Message from the Chairman</b>	3
<b>About Shenzhen Investment</b>	5

---

<b>01</b>	<b>Our Environmental, Social and Governance System</b>	
	Environmental, Social and Governance Structure	10
	Communication With Stakeholders	11
	Materiality Analysis of Environmental, Social and Governance Issues	13
	Corporate Governance Structure	16
	Management System Establishment	17
	Anti-Corruption	18


---

<b>02</b>	<b>Environmental Protection</b>	
	Green Building Design and Construction	22
	Waste Recycling and Reuse	24
	Green Property	25
	Energy Efficiency Transformation	25
	Environmental Data Tables of Shenzhen Investment for 2017	28

---

<b>03</b>	<b>Our People</b>	
	Employment Profile	32
	Protecting Employees' Rights and Interests	34
	Staff Development and Training	35
	Occupational Health and Safety	39
	Care for Staff	43

---

<b>04</b>	<b>Community Investment</b>	
	Poverty Alleviation	46
	Community Building	46
	Community Welfare	49
	Voluntary Services	51

---

<b>05</b>	<b>Quality Management</b>	
	Supplier Management	55
	Assurance of Service Quality	55
	Marketing and Sales Services Management	56
	Responding to Customers' Complaints	57

---

<b>Appendix</b>	<b>List of Laws and Regulations</b>	
	<b>List of Internal Control Policies</b>	
	<b>Environmental, Social and Governance</b>	
	<b>Report Content Index</b>	

## ABOUT THIS REPORT

This report is the third consecutive environmental, social and governance report of Shenzhen Investment Limited ("Shenzhen Investment", the "Group", "we" or "us") ("ESG Report").

### SCOPE

Unless otherwise specified, the reporting scope of this report is in line with Shenzhen Investment's 2017 annual financial report.

This report summarises the efforts and achievements made by the Group in corporate social responsibility and sustainable development during the period from 1 January 2017 to 31 December 2017 in areas including corporate governance, care for staff, community investment, environmental protection, quality management and other aspects. The entities covered in this report include the headquarters of the Group and the major subsidiaries including Shum Yip Pengji Holdings Co., Ltd., Shum Yip Southern Land (Holdings) Co., Ltd., Shum Yip Terra (Holdings) Co., Ltd., Shum Yip Land Company Ltd., Shum Yip East China Property Development Co., Ltd., Shum Yip Taifu Logistics Group Holdings Co., Ltd. and Shenzhen Nongke Group Limited.

### REPORTING STANDARDS

This report was prepared mainly in accordance with the "Environmental, Social and Governance (ESG) Reporting Guide" issued by The Stock Exchange of Hong Kong Limited.

### REPORTING PRINCIPLES

This report complies with the requirements of the "ESG Reporting Guide" regarding the principles of "materiality", "quantitative", "balance" and "consistency". The principle of "materiality" was reflected through the materiality analysis of sustainable development issues, the principles of "quantitative" and "consistency" were reflected through quantitative data lists, and the principle of "balance" was reflected through review of negative issues and performance.

### ACCESS TO THIS REPORT

This report is available in simplified Chinese, traditional Chinese and English versions, and the electronic version of each version is available on the official website of the Company.

### CONTACTS

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

Address: 8th Floor, New East Ocean Centre, 9 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong

Tel: (852) 2723 8113

Fax: (852) 2723 2263

Email: [ir@shumyip.com.hk](mailto:ir@shumyip.com.hk)

Official website: [www.shenzheninvestment.com](http://www.shenzheninvestment.com)



## MESSAGE FROM THE CHAIRMAN

Upholding the mission of “Building Living Vision to Achieve Undertakings in Shenzhen”, Shenzhen Investment focuses on real estate based in Shenzhen covering the whole nation. As a state-owned publicly listed company, we have adhered to the development philosophy emphasising on “Harmony and Win-win” benefits, cultivated the core value of “Sunshine and Honesty, Harmony and Sharing” and upheld the operating guideline of weighing economic benefits and social responsibility equally. While maximising corporate benefits and shareholders’ equity, we attach great importance to the effect of our products and services on the environment and society, emphasise the integration of ourselves and the society, focus on people’s livelihood and serve the society. We also actively promote urban redevelopment, develop long-term rental apartments, participate in poverty alleviation, care for staff and do our best to give back to the society, so as to realise the win-win situation between us and urban development.

Shenzhen Investment has always taken environmental protection and safety as an important consideration in its performance, and adheres to green development, low-carbon development, recycling development and sustainable development. In 2017, 19 construction projects adopted new green architectural methods and environmental protection technologies. The first batch three self-supporting properties have passed the national energy management system certification.

Shenzhen Investment proactively responded to the national policy of “co-development of housing lease and sales”, and launched four long-term rental apartment brands in 2017 to form Shum Yip long-term rental apartment brand alliance. As the first confirmed project of the “Youth-focused Room Card Program” in Shenzhen, Shuiwei LM (檸檬) talent apartment project has been successfully put into operation; actively participated in the “development of Guangdong – Hong Kong – Macau Big Bay Area” and won quality land bank of 250,000 square meters in Tuen Mun (Hong Kong), Guangzhou, Nanhai and etc.; closely followed the goal of “Year of Urban Quality Improvement” and actively undertook urban area renewal and urban infrastructure construction work; participated in the targeted poverty alleviation, and focused on industrial planning and technical support in the targeted poverty alleviation in Songlin Village, helping 33 targeted individuals out of poverty during the year.

Meanwhile, Shenzhen Investment upholds the human resources concept of “morality headed and making good use of talents”, regards our staff as the most precious wealth, strengthens its care for staff and protection of their interests, actively makes innovation on incentive mechanism at different levels and offers the employees with various promotion channels, so that the ability and potential of the staff can be released and sustained and thus propel common growth of staff and enterprises.

2017 is the 20th anniversary of Shenzhen Investment’s listing on Hong Kong Stock Exchange. After 20 years of development, our operating scale has been growing with overall strength significantly enhanced, and has won a series of awards, such as “Fortune China 500”, “Shenzhen Top 20” and “China Top 10 Future Human Settlements – Innovative Future Gold Award”, with its industry-leading brand image well recognised. During the year, we recorded revenue of HK\$10,254.5 million, gross profit of over HK\$3,551 million and profit attributable to the shareholders of HK\$4,950.9 million, which represented an increase of approximately 56.2% over the last year. Our business indicators recorded continuous growth with more distinct corporate brands and corporate image. We firmly believe that the sustainable development strategy will inject more powerful momentum into the Company’s development in the future.

2018 is a crucial year bridging the past and the future for Shenzhen Investment to implement the “13th Five-Year” strategic plan. We will continue to strictly comply with the requirements of the Hong Kong listing rules, never forget why we started and overcome the challenges ahead, striving to become a first-class “Leader in Value Creation for City Spaces”. We will accelerate our pace of “Transformation, Optimisation, Integration and Enhancement” as a leader in the industry, continuously improve the quality of our products and services with the spirit of craftsmanship, constantly improve our fine governance with pursuit for excellence and efficiency, create more possibilities for environmental protection, urban construction and ideal life with grateful heart of giving back to society, so as to achieve harmonious coexistence between enterprises, environment and society, as well as sustainable development.

*Dr. LU Hua*  
Chairman



9 March 2017

Market Open Ceremony hosted by  
Shenzhen Investment Limited

深圳控股有限公司  
(Stock Code: 604)



## ABOUT SHENZHEN INVESTMENT

Shenzhen Investment Limited (stock code: 00604.HK) has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 1997, which is the largest listed real estate company under State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipal. Core business of the Group includes property development, property investment and management. With a clear focus on Shenzhen and the Big Bay Area and business presence in other core cities in China, the Group is committed to becoming a first-class real estate developer and real estate operator.

Currently the Group has a land reserve with a total planned gross floor area close to 6.29 million square meters in various cities of China, approximately 2.68 million square meters of which are quality land reserves located in Shenzhen. The Company is committed to further optimizing its land reserves structure, and further concentrate its assets and business in the Big Bay Area as well as key first-tier and second-tier cities.

After many years of development, Shenzhen Investment is committed to providing customers with high quality properties including residential properties, industrial buildings and complex. On this basis, the Company has gradually built up three major platforms, namely operation of parks, business management and residential property service, aiming to become a leader in shaping urban space. It has all along been the Company's core strategy objective to promote the long term sustainable development of its business, with an aim to bring a stable return and create value appreciation for its shareholders.

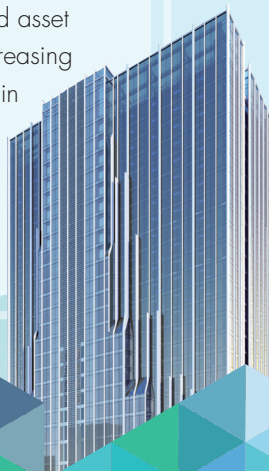
Please refer to our 2017 Annual Report for further information about our business and financial position at: [http://www.shenzheninvestment.com/s/investor\\_report.php](http://www.shenzheninvestment.com/s/investor_report.php)



# SHENZHEN INVESTMENT MILESTONES 2017

## The 20th anniversary of listing in Hong Kong

Since its successful listing on Hong Kong Stock Exchange on 7 March 1997, Shenzhen Investment has seen constantly optimized asset structure and notably increasing competitiveness of its main business of real estate development after 20 years of development.



## Closely follow the strategy of the Big Bay Area

Acquiring quality land resources in Tuen Mun, Hong Kong, Nanhai at the intersection of Guangzhou and Foshan, and Nanjing, Jiangsu, the Company has recorded an accumulative new gross floor area of over 250,000 square meters, the majority of which are located in the Guangdong-Hong Kong/Macao Big Bay Area.



## Urban redevelopment

Accelerating its pace in urban redevelopment, the Company has made fruitful achievements in the redevelopment of Chegongmiao, Bagualing in Futian District and the central area of High-tech Park in Nanshan District.



## Propel capital investment

Contributing an amount of RMB5.5 billion to subscribe the equity interests of Hengda Real Estate Group Company Limited, the Company became a second-round strategic investor of Hengda Real Estate before reorganization.





### Launch long-term rental apartment brands

Launching four long-term rental apartment brands, named Shum Yip LM (檸檬), Youju (有居), Shangju (上居), and Yiju (頤居), with its parent company, the Company is committed to providing more options for people with different residential needs.



## FIGURES ON SHENZHEN INVESTMENT

- ▲ The Group achieved a revenue of nearly HK\$10,300 million for the year.
- ▲ Profit attributable to the equity shareholders was HK\$4,951 million, representing an increase of 56.2% over the last year.
- ▲ Net gearing ratio (including all interest-bearing liabilities) of the Group was 49.9%, maintaining sound financial position.
- ▲ The Group had land reserves with an aggregate planned gross floor area of approximately 6.29 million square meters, 56% of which are located in the Guangdong-Hong Kong-Macao Big Bay Area.
- ▲ The Group had investment properties of over 1.14 million square meters, with over 85% in core cities.
- ▲ The total area of properties under the Group's management was 51.76 million square meters.







▶ 01

# OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE SYSTEM

Shenzhen Investment highly values the importance of environmental, social and governance practices, and actively takes up the corporate citizen responsibility. By incorporating various vigorous practices into the Group's daily operation, we are able to maintain a sound corporate governance structure and enhance the level of governance, thus promoting our sustainable development to obtain win-win benefits with shareholders and business partners.

In order to further standardize the reporting of Shenzhen Investment ESG, we have engaged a professional third-party organization to assist us in our work. It is our wish to share with the public and our stakeholders information about our performance with respect to environment, society and governance through this report, so as to enhance mutual trust with our stakeholders and obtain more feedback.



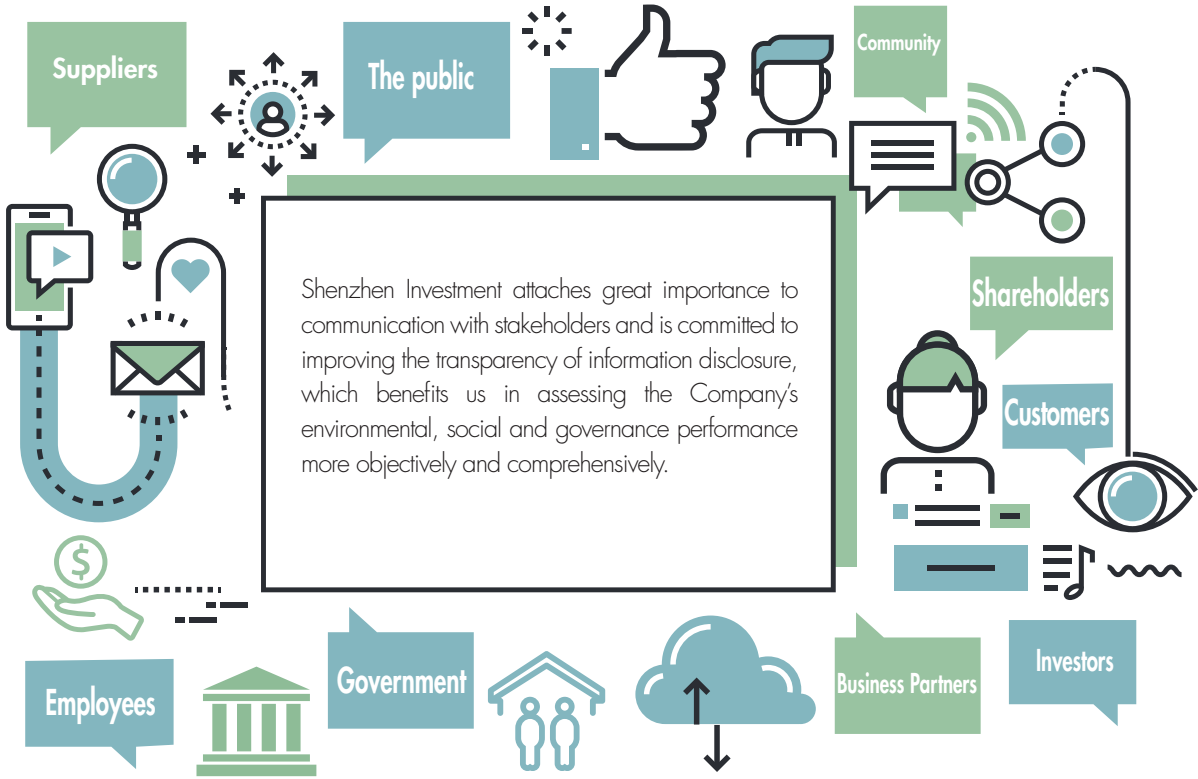
## 1.1 ENVIRONMENTAL, SOCIAL AND GOVERNANCE STRUCTURE

Since 2016 when the Environmental, Social and Governance Working Committee (“ESG Working Committee”) was established, the ESG Working Committee has been building and consequently established a group-wide working system for the management of and supervision of environmental, social and governance-related matters of the Group, with lasting impacts seen. Being under the supervision of the Board and led by an executive director, the ESG Working Committee is comprised of the general managers of major functional departments.

The roles and responsibilities under Shenzhen Investment’s environmental, social and governance system are as follows:



## 1.2 COMMUNICATION WITH STAKEHOLDERS



Communication with stakeholders

**深圳控股 2017 年环境、社会及管治报告调查问卷  
调查结果及分析报告**

**第 1 题** 在接受此次问卷调查的同时,您是否参与此次抽奖活动? [单选题]

选项	小计	比例
是	340	74.54%
否	116	25.46%
本题有效填写人次	456	

**第 2 题** 请选择最符合您作为持份者身份的选项 [请选择一项] [单选题]







选项	小计	比例
公司内部管理人员	27	12.5%
公司内部员工	334	73.25%
客户 (商业及住宅的客户、业主等)	11	2.41%
政府机构	1	0.22%
投资者/股东	16	3.51%
供应商/承包商/服务提供商	9	1.97%
商业伙伴 (地产代理、酒店管理公司等)	2	0.44%
学术科研机构 (环保、能源、工人服务或学术等机构)	4	0.88%
行业协会/商会	1	0.22%
媒体 (通过网)	2	0.44%
其他 (请注明)	19	4.17%
本题有效填写人次	456	

【分析】 是持份者数量没有达到员工总人数的 5%, 但超过了去年的总数, 同时内部管理人员的参与比例比较理想。

**第 4 题** 以下是去年本公司 ESG 报告披露的重要议题, 您认为有哪些议题对本公司而言已经不再重要? [多选题]

选项	小计	比例
1) 节能	25	7.48%
2) 节水	29	6.36%
3) 原材料使用	24	5.26%
4) 废弃物管理	32	7.02%
5) 污水管理	29	6.36%
6) 环境保护的投入	22	4.82%
7) 合作伙伴的环境事项	14	3.07%
8) 职业健康安全	32	7.02%
9) 培训与教育	25	5.48%
10) 能源管理	114	25%
11) 反贪腐	24	5.26%
12) 高污染行业发展供应	14	3.07%
13) 产品质量	18	3.95%
14) 服务品质	17	3.72%
15) 知识产权	16	3.51%
16) 个人信息	33	7.24%
17) 合同条款精神	19	4.17%
18) 买手社区	24	5.26%
19) 将业务融入社区发展	14	3.07%
20) 商业以外的社区发展	32	7.02%
21) 历史文化保护	20	4.38%

Questionnaires to stakeholders

Stakeholders	Expectation and Requests	Methods of Communications and Feedback
<b>Government</b> 	To comply with the laws Proper tax payment Asset appreciation To boost local economic development and employment	To comply with the laws Proactive tax payment Good management structure Responding to national policies
<b>Shareholders and Investors</b> 	Returns on investment Information disclosure and transparency Protection of interests and fair treatment of shareholders Lower operating risks	Higher operational efficiency Timely disclosure of operating information Maintaining mutual trust with investors Good governance
<b>Employees</b> 	Career development and promotion Wages and welfare Equal opportunity Health and safety Democratic management Caring for people	Training and education Care about employees' wellbeing Open recruitment Protection of employees' interest Labour union for better communication Cultural and sport activities
<b>Customers</b> 	Integrity and fulfillment of obligations Safe and high-quality products Information transparency Attentive services Opinions and complaints handling Privacy protection	Compliant sales activities Product quality control Information publicly available Satisfaction survey Effective channels for complaints, opinions and feedback Confidentiality of customer information
<b>Business Partners and Suppliers</b> 	Integrity and fulfillment of obligations Sharing of resources Mutual development Win-win cooperation	Cooperation in good faith Responsible procurement with regular inspection To provide fair and just procurement guidance Management visits
<b>Community and the Public</b> 	To boost development of public services in communities Public welfare and charities Greening the environment	Social investments such as senior housing, economically affordable housing etc. To participate in charitable activities Emission reduction, energy saving and other responsibility Green building design





We are regularly updated on the stakeholders' opinions about the Group's ESG and their expectations through questionnaire survey and interviews with stakeholders. For the purpose of the 2017 ESG report, we have issued questionnaires to stakeholders and successfully collected 456 copies, organized 8 interviews with stakeholders, invited 11 stakeholders for meetings and identified the issues and main points of the ESG report in order to respond to concerns from stakeholders. In addition, we take all appropriate steps including community studies and research, information collection, report preparation and management's audit to ensure the authenticity and integrity of the content therein.



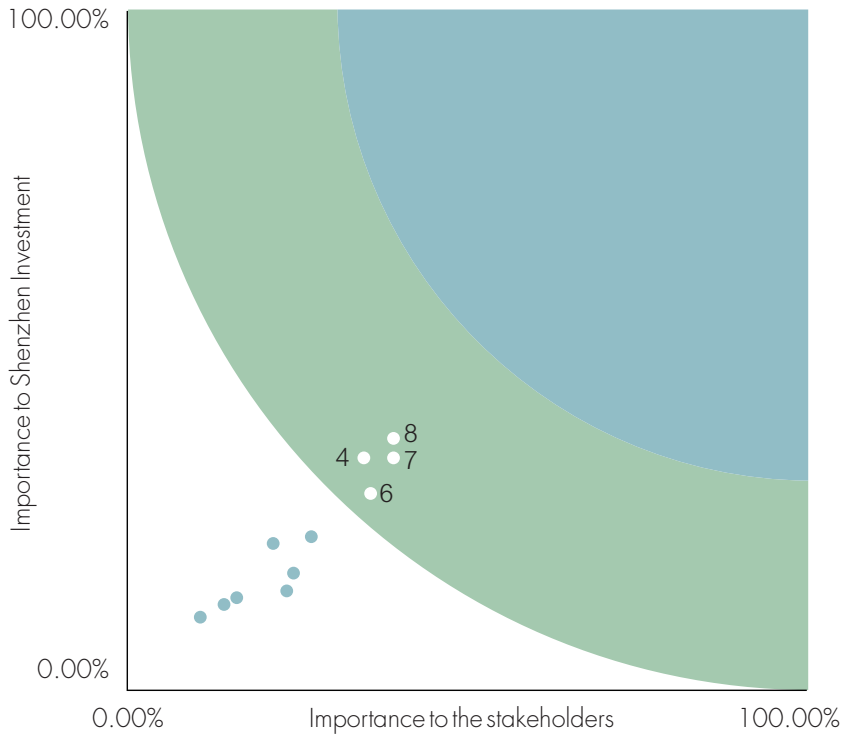
Main Categories of Stakeholders Covered in the Survey

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

During the year, we modified the material issues identified in the report according to the ESG Guide of the Hong Kong Stock Exchange, based on the findings of analysis of the data sourced from questionnaire survey conducted on stakeholders while taking into account the actual situation of Shenzhen Investment. Based on the fact that 22 issues in last year's ESG Report were retained, we added 4 new issues according to the results of the analysis of the matrix about the importance of newly-added issues and concluded that the following 26 issues would be regarded as the main content for information disclosure in the 2017 ESG report of Shenzhen Investment. Disclosures about the management and achievements of the work related to the following issues would be made in the corresponding sections herein so as to better address the concerns and expectations of stakeholders.

No.	Category	Environmental, social and governance issues	Issues selected based on materiality analysis
1	Environment 	Energy conservation	✓
2		Water conservation	✓
3		Use of raw materials	✓
4		Waste management	✓
5		Wastewater management	✓
6		Investment in environmental protection initiatives	✓
7		Environmental performance of business partners	✓
8		Adoption of green building standards	✓
9	Employment and labour practices 	Protection of employees' rights	✓
10		Attracting and retention of talent	✓
11		Promotion of employee diversity	✓
12		Occupational health and safety	✓
13		Training and education	✓
14		Prohibition of child labour	✓
15	Operating practices 	Anti-corruption	✓
16		Selection of sustainable development suppliers	✓
17		Product quality	✓
18		Service quality	✓
19		Intellectual property	✓
20		Personal privacy	✓
21		Compliance with contract terms	✓
22	Community 	Community care	✓
23		Integration of business to community development	✓
24		Community development initiatives beyond business operations	✓
25		Heritage and cultural conservation	✓
26		Promotion of community development	✓

### Matrix about the materiality analysis of newly-added issues



Matrix about the materiality analysis of newly-added issues

Rank by importance	Newly-added issues	Importance to Shenzhen Investment <i>Approval rate of the issue among internal management of the Company</i>	Importance stakeholders <i>Approval rate of the issue among stakeholders (including general staff)</i>	No. of issue
1	Protection of employees' rights	45.61%	37.59%	8
2	Attracting and retention of talent	45.61%	35.09%	7
3	Adoption of green building standards to achieve sustainable development of buildings	40.35%	35.84%	4
4	Promotion of employee diversity	40.35%	29.57%	6

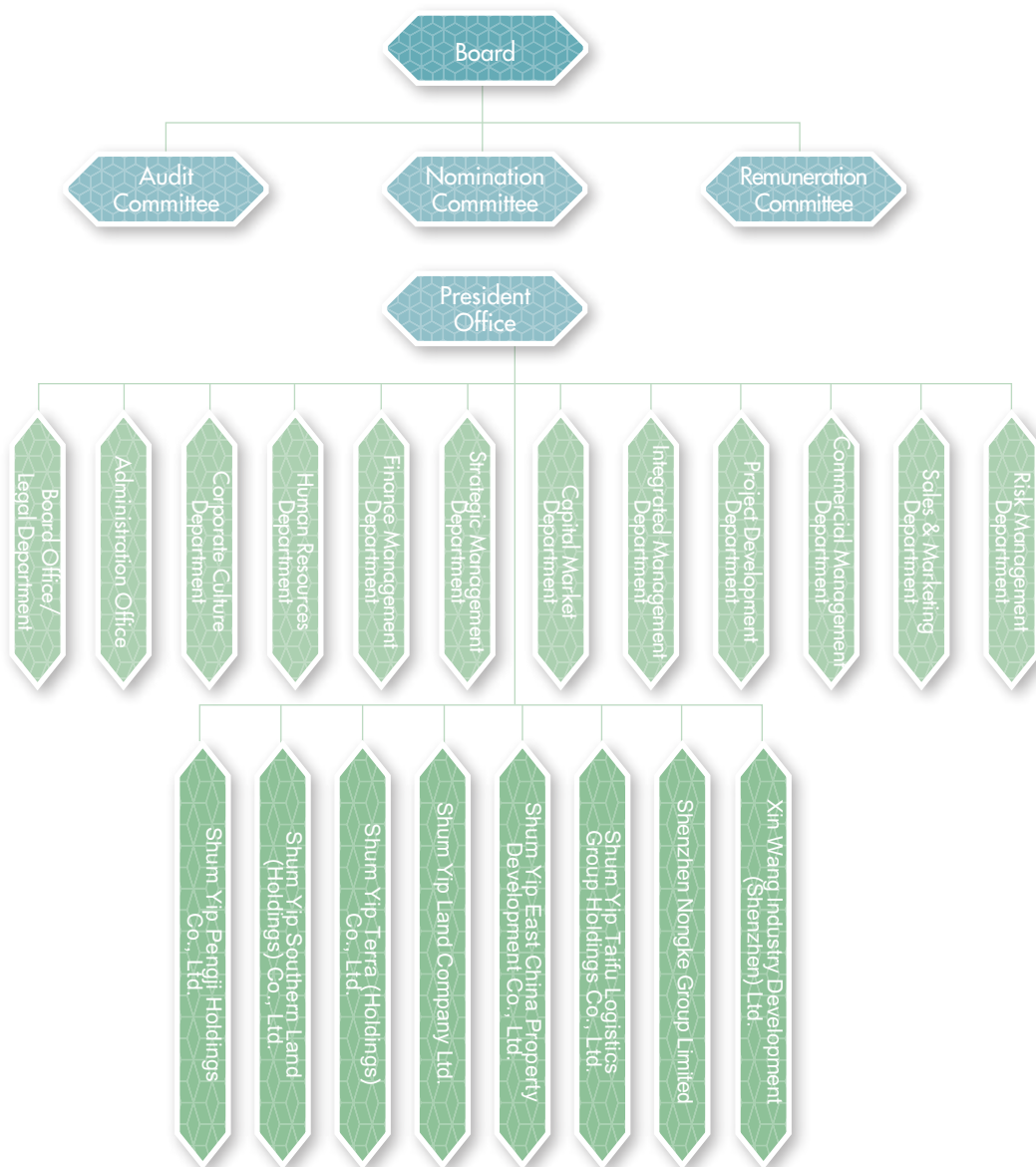
Rank by importance	Newly-added issues	Importance to Shenzhen Investment	Importance stakeholders	No. of issue
		<i>Approval rate of the issue among internal management of the Company</i>	<i>Approval rate of the issue among stakeholders (including general staff)</i>	
5	Affordable housing such as senior housing, economically affordable housing etc.	22.81%	17.54%	11
6	Reinforcement of the management of environmental impacts in the process of project construction	12.28%	17.79%	5
7	Control of greenhouse gas emission	15.79%	13.03%	1
8	Prevention of land degradation and pollution, and land rehabilitation	14.04%	10.78%	3
9	Charitable activities and provision of voluntary service	7.02%	15.04%	13
10	Biodiversity conservation	7.02%	8.02%	2
11	Guarantee that our business partners are treated on the basis of fairness and reasonableness	7.02%	5.01%	9
12	Risk supervision and management of supply chain	5.26%	3.51%	10
13	Enquiry, complaint and communication mechanism of stakeholders	0.00%	3.26%	14
14	Anti-competitive conducts	1.75%	1.50%	12
15	Others: marketization of HR and introduction of a competition mechanism	0.00%	0.25%	15
No need to add any issues		3.51%	8.27%	



## 1.4 CORPORATE GOVERNANCE STRUCTURE

Sound corporate governance structure and good corporate governance level are important foundations for the long-term healthy and stable development of a company. The Company strictly complies with the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange and constantly reviews the positions at the Board and each of the Board committees, so as to maintain good business operations.

In order to better serve the need of business development and achieve more efficient and convenient management, we established a new governance structure by adjusting the functions and duties of certain business departments within the Group, while maintaining the existing main governance structure in 2017.



## 1.5 MANAGEMENT SYSTEM ESTABLISHMENT

Shenzhen Investment ensures all activities are legal and in compliance with regulations through persistent implementation of systems and observation of guidelines, and also constantly improves these systems based on the requirements for strategic transformation and actual situations. More efforts were made to the construction of the Group's legal affairs management system this year, and the Management Measures for Contracts was formulated to establish and perfect the contract management system, thus enhancing the capacity to prevent and control legal risks. With respect to the systems and procedures which have been established and implemented, the Company has strengthened internal education, training and supervision, ensuring that the relevant systems and procedures are implemented properly so as to achieve efficient governance.

### Internal control and risk management system

In accordance with the requirements of the Corporate Governance Code set out in the Listing Rules of the Stock Exchange, Shenzhen Investment has established a sound and effective risk management and internal control system which has improved from time to time since the Group reinforces internal management based on the needs of strategic development and management. Besides, informatization and management is enhanced constantly to improve the efficiency of management and decision-making. In 2017, the Company conducted special audit on the engagement of intermediaries to further comply with the Management Measures on Engagement of Intermediates as amended in 2016, for the purpose of regulating the relevant subject matters of engagement and enhancing the service quality and performance of the intermediaries, which enabled the Group to shore up prevention and control of corruption risks. Meanwhile, the Group has conducted annual system assessment regularly, to determine whether the systems are sound and effective through an overall review and assessment in five major aspects, namely internal environment, risk evaluation, control measures, information and communication as well as internal supervision.



## Information management

In order to better enhance the effectiveness of the Group's governance, achieve transparent business operations and avoid oversized structure, the Group's management has paid high attention to the development of information system. During the year, the Company expend effort to strengthen IT application by rolling out online management of assets, sales activities, costing, planning, EIP systems and etc. to improve operation and management efficiency. The Company has established an asset information management system while asset registering and verification are underway to build an integrated asset database. The Company has established new media platform, broadcasting its updated information in a timely and effective manner through the Company's Wechat Official Account Platform, so as to attract more customers and enhance the awareness of the projects, which provides great supports for construction of business platforms.

## 1.6 ANTI-CORRUPTION

Shenzhen Investment attaches great importance to anti-corruption by continuously emphasising anti-corruption in the course of production, operation and management, continuously optimising anti-corruption code of conducts, strengthening process supervision and focusing on prevention and warning. Shenzhen Investment has complied with the laws and regulations that have a significant impact on the Group regarding

anti-bribery, extortion and money laundering, such as "Company Law of the People's Republic of China", "Anti-money Laundering Law of the People's Republic of China", "Anti-unfair Competition Law of the People's Republic of China", "Interim Provisions on Banning Commercial Bribery", "Anti-monopoly Law of the People's Republic of China" and "Tendering and Bidding Law of the People's Republic of China", and the Group had no corruption or bribery-related lawsuits during the reporting period.

During the year, the Group formulated the "Anti-corruption Measures on Prevention of Malfeasance in Construction Project Tendering", and strengthened the implementation of such policies as "Administrative Measures for Engagement of Intermediaries", "Rules on the Management of Rectification and Supervision of Issues Identified in Audit", "Tentative Rules for Inspection and Assessment of Integrity Contracts", "Administrative Measures for Counter Signing of Integrity Contracts", "Comprehensive Risk Management System", "Whistleblowing Policy" and "Administrative Measures for Superintendence from the Headquarters of the Group". The Group built a supervisors name list constituted by professionals from cost, design, engineering, law and others within the Group to set up a supervisory team to supervise the tender opening and bid evaluation of the level 1 project construction tendering and other key aspects to effectively prevent potential integrity employment risks.

## Innovate and optimise the anti-corruption education model

For the purpose of warning and diligence education, the Group carried out a series of disciplinary education month learning activities during the year. Throughout the year, a total of 901 people took part in the anti-corruption lecture for “persons in-charge”, 32 educational videos on anti-corruption warning were shown (a total of 1,430 people watched the videos), and 774 people participated in online tests.

### “Anti-corruption lecture for persons in-charge” activities

In the disciplinary education learning month, the Group held the “anti-corruption lecture for persons in-charge” activities. With the theme of “upholding high standards and strict requirements, keeping the bottom line of anti-corruption and self-discipline”, Chairman LU Hua gave an impressive and vivid lecture on anti-corruption to the persons in-charge of various departments and subsidiaries within the Group.



### Focus on prevention and warning

On the one hand, since the introduction of the “leaders’ talk on integrity” program in 2016, a total of 331 talks were organised by the Group on integrity, discipline and work practices to ensure early warning and early prevention. On the other hand, at various occasions and meetings, the Group repeatedly called upon all employees to uphold integrity in carrying out duties, wipe out malpractice, and always be honest and self-disciplined mentally.



▶ 02

# ENVIRONMENTAL PROTECTION

Shenzhen Investment has been adhering to green development, low-carbon development and cyclic development as its sustainable development paths for a long time. We have been committed to the promotion of environmental protection awareness and attached great importance to environmental protection. We actively respond to the call of the government for environmental protection, energy saving and emission reduction, and strictly comply with the relevant environmental protection laws and regulations, such as “Law of the People’s Republic of China on Environmental Protection”, “Atmospheric Pollution Prevention and Control Law of the People’s Republic of China”, “Water Pollution Prevention and Control Law of the People’s Republic of China”, “Regulations on the Implementation of the Water Pollution Prevention and Control Law of the People’s Republic of China”, “Ocean Environmental Protection Law of the People’s Republic of China”, “Administrative Regulations of the People’s Republic of China on the Prevention of Pollution and Damage of Marine Environment by Terrigenous Pollutant”, “Law of the People’s Republic of China on Prevention and Control of Solid Waste Pollution” and “National Hazardous Waste Inventory”. Meanwhile, we also use our extensive experience in the fields of construction development, management and operation to continuously reduce pollutant emissions and improve the recycling rate of resources.

With continuous improvement of the quality of life, people are paying more attention to their living quality and the ecological environment. Energy saving and emission reduction and green development have gradually become a global trend, and environmental protection is gaining unprecedented attention. Shenzhen Investment will continue to improve its internal management and publish policies on control of emissions, reasonable use of resources and protection of the environment and natural resources.

We are confident that the concepts of health, green, technology and intelligence will dominant the development and operation of real estate in future. Adhering to the vision of “Leader in Value Creation for City Spaces”, Shenzhen Investment will continue to wholeheartedly supply the customers with business-friendly and liveable products that bear the natures of high quality, green and health.



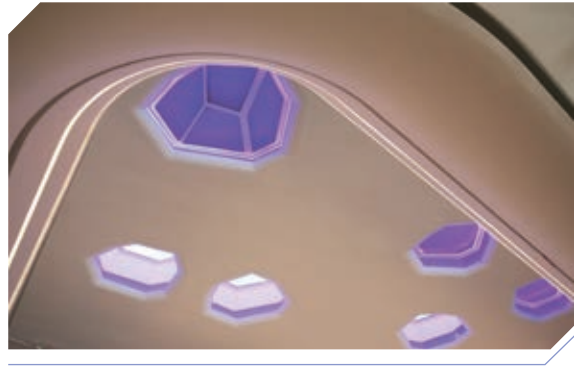
## 2.1 GREEN BUILDING DESIGN AND CONSTRUCTION

Green and low carbon is the main direction of city development in the future. Shenzhen Investment attaches great importance to the integration of its philosophy of green building design, green construction and ecologically harmonious development, so as to keep up with times and regenerate ourselves.

The Group's Shum Yip Zhongcheng Project optimised its building structure upon design of the project, and used various green technical measures such as thermal insulation board, energy-saving elevator, energy-saving lighting, energy-saving air-conditioning system, energy-saving transformer, rainwater recovery system, water-efficient irrigation, roof greening, air quality monitoring, BIM technology, so as to achieve the economic benefits of energy saving, water saving and material saving, as well as the social benefits of improving indoor environment and protecting natural ecology.

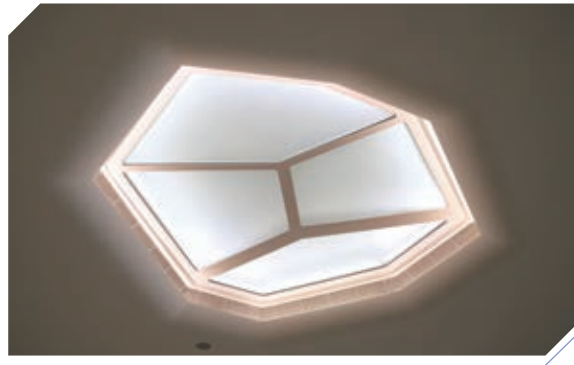
The green building design of Shum Yip Zhongcheng achieved energy saving and consumption reduction by:

- Energy-saving and water storage central air-conditioning system design in public areas, through which approximately 1.2 million kWh electricity is saved throughout the year;
- Water-saving devices, rainwater collection system and water-efficient irrigation, through which approximately 230,000 tons of water is saved throughout the year;



Iconic skylight in UpperHills

- Roof greening and waste separation processing system in the project, which improves the ecological environment in the surrounding areas;
- Optimising the living space of the residents, saving energy and improving comfort level of the building with various steps such as providing reasonable parking spaces, laying sound insulation floors in main functional spaces and adopting air handling measures.



Iconic skylight in UpperHills



Column-Free design in UpperHills

The atrium of the shopping mall at UpperHills adopts column-free design with broad view, and LOGO skylight windows at the top of the shopping mall tactfully introduce natural light into the mall. The design of the lighting in the mall is integrated with modern technology and can automatically adjust based on the brightness and darkness of the day, evening and night, which reduces energy consumption and bring more comfortable experience to consumers.

Shum Yip Taifu Square project uses aluminum formwork construction, precast stair PC parts and climbing frames at the construction stage. The application of these construction techniques ensures the quality of the project, and significantly reduces construction waste and material waste at construction site, which represents our philosophy of green living and environmental protection.



Application of aluminum formwork



Installation process of climbing frames



## 2.2 WASTE RECYCLING AND REUSE

Recycling of wastes and resources arising from the construction process plays a significant role in reducing environmental pressure. In order to contribute to the sanitation of the city, reduce the adverse impact of construction waste on the ecological environment and to achieve energy saving and emission reduction, we have implemented strict management in relation to the recycling and reuse of construction waste.

### Recycling and reuse measures of construction waste

For UpperHills project, the waste arising from demolition of temporary buildings and temporary facilities were classified, and all recyclable materials are listed in detail for reuse. For example, the corrugated steel roofing and flooring are reused to lay new facilities upon non-destructive demolition to effectively avoid waste of high-quality materials. Consideration is

given to future reuse of all mechanical and electrical equipment used in temporary structures, such as air conditioners, elevators and fire-fighting equipment, at the design and construction stage allowing such equipment to be reused upon demolition of the temporary structures. Abandoned building materials, such as steel, concrete blocks and timber, will be separately placed by category and will be delivered to professional recovery service providers or practitioners for handling.

### Collection and reuse of water resources

Various new construction materials with strong construction performance are used for Shum Yip Dongling project, which is energy-efficient and can effectively reduce waste of materials. For use of water during construction, the newly-built pool not enabled is used as a temporary storage tank during construction, and the water discharged during construction is reused for on-site dust reduction, vehicle cleaning and greening, resulting in saving of economic cost of RMB300,000 in aggregate, which reduces waste of water resources and achieves good social benefits. The office and living area at the construction site is 100% equipped with water-saving equipment, and the water consumption index at the construction site is limited within 8.5 tons/RMB10,000 output value.

## 2.3 GREEN PROPERTY

During the year, Shenzhen Investment strengthened the implementation of green property development concept of its property management company and promoted scientific management of energy consumption of water and electricity, which goal was considered as the key work for the Company to develop green property management. After one year's efforts, many property companies under the Group have gradually completed their establishment of energy management systems. Some excellent projects have already commenced or have attained the national energy management system certification, such as Shum Yip Property Headquarter office area, Shum Yip Centre Building and Shenzhen Municipal Government second office project, which have successfully passed the national energy management system certification.



Shum Yip Property energy management system certificate

A set of scientific, clear and operational norms have been established through energy management system, so that personnel in various departments and positions can clearly recognise “what to do”, “how to do” and “how much to do” in the energy management according to the corresponding duties, systems and operational documents, which ensures that the energy saving work is carried out accurately. Through PDCA (Plan-Do-Check-Action) approach, the energy efficiency of the energy consumption units is continuously improved, which will further improves the overall efficiency of the Company’s energy-saving work. The establishment of energy management system lays a solid foundation for the Group’s standard, regulated and systematic energy management, and provides a system guarantee for the Group to further explore its potential for energy saving and build green property.

## 2.4 ENERGY EFFICIENCY TRANSFORMATION

Shenzhen Investment is forward-looking in terms of energy efficiency and consumption reduction, and has early established the business philosophy of energy efficiency and green development. Our consumption of energy has been reduced through continuous optimisation of management measures, application of new technologies as well as use of or replacement with energy-saving products, which greatly promotes the establishment of a systematic energy management concept.

## Energy efficiency transformation of lighting system

LED lamps have become green and energy-saving products that replace traditional lighting lamps. We estimate that the power saving rate will reach over 50% after energy efficiency transformation by adopting LED lamps to underground parking lot lighting system, floor and courtyard lamps and public lighting system.

Taking the energy efficiency transformation of fluorescent tubes in the underground car park of Shum Yip Garden project as an example, according to the comparison of electricity consumption data before and after the transformation, the monthly electricity consumption in the underground car park before the transformation is 7,500kWh, and the average monthly electricity consumption is reduced to approximately 1,300kWh after using radar sensor dual-brightness LED lamps with maximum wattage of 15W and low wattage of 3W at low brightness, with power saving rate over 80%. Energy-saving is achieved as follows: the radar sensor dual-brightness LED lamps will maintain a low brightness running at 3W when there is no people around and no vehicle moving into and out of the underground car park, while the lamps will run at maximum wattage when there is people around or vehicle entering or leaving, and then will maintain low brightness after a certain time-lapse.

## Energy efficiency transformation of water pumps

Further to energy efficiency transformation of water pumps at seven communities including Purple Kylin Hill Garden, Shum Yip Property proceeded to promote the energy efficiency transformation of the water supply system at various communities in 2017, and invested RMB425,000 in the energy efficiency transformation of water pumps at Dongguan Royal Spring Garden and Shunde Shumyip City Phase III.

After the transformation, the power saving rate of water pumps at Dongguan Royal Spring Garden reaches over 80%. The power saving rate of Shunde Shumyip City Phase III is expected to be over 65%. The two projects can save electricity consumption by water pumps of more than 280,000kWh each year. In addition, water quality has also been improved due to use of food-grade stainless steel water pumps, while reducing the annual maintenance and repair cost by approximately RMB30,000 when compared to the previous cast iron pumps.

Currently, for projects managed by Shum Yip Property where electricity bills are charged to the related properties, 50% of water pumps have completed the energy efficiency transformation, and it is estimated that approximately 1.3 million kWh of electricity used by water pumps can be saved each year.



Community water pumps after transformation

### Energy saving system for air conditioning

Taking Holiday Inn Resort Chaohu Hot Spring as an example, major measures taken are as follows: Regular cleaning of air conditioner filter screens are made to increase heat transfer efficiency. Operating temperature of the main air conditioning unit has been tuned up from the original fixed 7℃ to 13℃, and adjustments are made according to the actual temperature of each day, with approximately 6% less power consumed by the main unit for every up-tune of 1℃. Run time of the main air conditioning unit is maneuvered according to the daily temperature changes. Heating plate exchangers are cleaned to improve heat transfer efficiency of 3%. Water cooling tower and air conditioning system are properly maintained, thereby reducing the temperature of cooling water from the 30℃ to 40℃ range to the 28℃ to 33℃ range. As a result of the above measures, the electricity bill reduced by RMB99,000 as compared to the previous months.

### Renewal of aged water supply network

Water pipes of Shenzhen Investment's several property management projects, such as Bi Jia Garden, Shenfa Garden and Zijing Yuan which are located in communities established for many years, are galvanised pipes, with large water consumption due to aged and rusted pipelines. Furthermore, source of leak is difficult to detect and causes water quality issues. Through active coordination, we applied to the government for the water pipe renewal project which was approved by the local government in 2016 and 2017, respectively. The replacement and renewal of the water supply pipelines is funded directly by the government, which thoroughly solved the problem of water use by owners in the area.



## Environmental Data Tables of Shenzhen Investment for 2017

### Volume of Energy and Resource Consumed

Name of Index	2017
Gasoline (litres)	508,408
Electricity (kilowatt hours)	30,372,163
Domestic water consumption (cubic metres)	540,268
Diesel oil (litres)	194,010
Liquefied petroleum gas (kilogrammes)	69,203
Natural gas (cubic metres)	1,506,632
Paper (kilogrammes)	51,691
Fluorescent tube (tubes)	6,222
Printer cartridge used (units)	9,095

### Volume of Resources Recycled

Name of Index	2017
Metals (kilogrammes)	3,500
Plastic (kilogrammes)	2,030
Wastepaper (kilogrammes)	8,983
Glass (kilogrammes)	4,771
Obsolete electronic equipment (e.g. computers) (pieces)	219

### Volume of waste produced and intensity

Name of Index	2017
Food waste produced (kilogrammes)	212,333
Obsolete electronic equipment (e.g. computers) (pieces)	218
Food waste produced for per-million turnover (kilogrammes/million of turnover)	20.71
Obsolete electronic equipment for per-million turnover (pieces/million of turnover)	0.02

### CO<sub>2</sub> Emissions and Intensity

	2017
Scope I (direct emission of CO <sub>2</sub> ) (tonnes)	5,024.41
Scope II (indirect emission of CO <sub>2</sub> ) (tonnes)	19,522.03
Total CO <sub>2</sub> emissions (tonnes)	24,546.44
CO <sub>2</sub> emission intensity (tonnes/million of turnover)	2.39

### Total Comprehensive Energy Consumption and Intensity

	2017
Comprehensive energy consumption (megawatt hours)	22,307.42
Energy consumption intensity for per-million turnover (megawatt hours/million of turnover)	2.18

### Total Water Consumption and Intensity

	2017
Total water consumption (cubic metres)	540,268
Water consumption intensity for per-million turnover (cubic metres/million of turnover)	52.69

### Atmospheric Pollutants Emissions

	2017
Nitric oxides (gram)	6,563
Sulfur oxides (gram)	7,506

Notes:

1. The full-year environmental data for the year 2017 covers the office areas of Shenzhen Investment (including a total of 52 office areas, i.e. those of the headquarters of and various companies under the Group), 3 hotels ran by the Group (including waste, energy consumption, water consumption and carbon emission), as well as 17 construction sites.
2. The data of construction sites demonstrates the environmental influence caused by building contractors, who manage and report such data in compliance with the requirement under contract. Targeting to carry out a comprehensive evaluation of the environmental influence caused, Shenzhen Investment makes a disclosure of such data provided by a third party, but gives no warranty as to the accuracy of such data.
3. According to the ISO14064 GHG inventory standards, direct GHG emissions (Scope I) refers to direct emission sources owned and controlled by the organization, such as emissions from its own vehicles; indirect GHG emissions (Scope II) refers to indirect energy emission sources, such as indirect greenhouse gas emissions caused by the purchase of electricity.

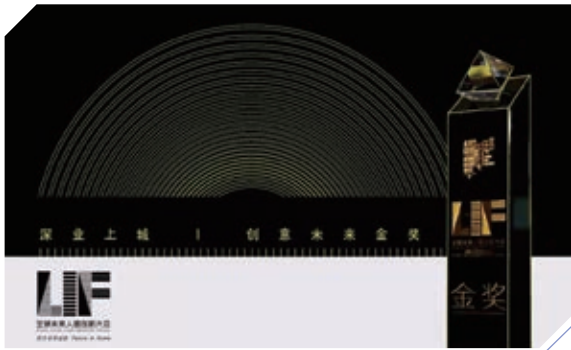
## SHENZHEN INVESTMENT'S RECENT ENVIRONMENTAL HONORS



Environmental management system certification



Shum Yip Qianhai office project obtained the U.S. LEED-CS platinum pre-certification



UpperHills won the golden prize of "Global Future Living Innovation Festival"



The overall planning of Chegongmiao won the golden prize of the tenth MIPIM Asia Awards in Asia-pacific region



▶ 03

## OUR PEOPLE

Apart from upholding our long-term human resources concept of “cherish talents with high moral value”, Shenzhen Investment always strives to maintain its corporate identity as a sound employer. Talents are selected according to the principles of fairness, impartialness and openness. In addition, improvements are made to incentive mechanism at different levels, offering the staff with various development and career paths. We ensure that decent working environment and good working condition are provided to retain talents of diversified backgrounds for the growth of Company.

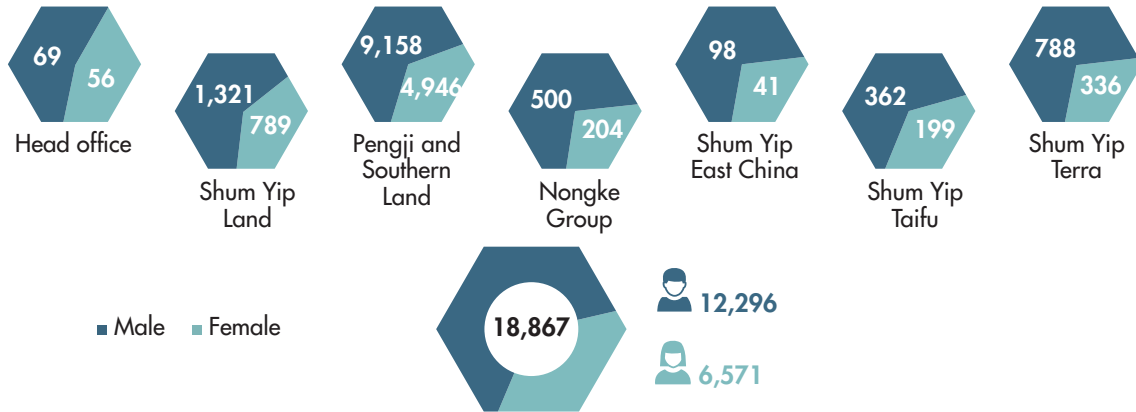
As for the caring for employees, Shenzhen Investment prize the protection of employees’ interests by offering comprehensive protection and caring in their living and work. No staff will be unfairly treated due to his/her gender, age, deceases or race in order that their sense of recognition and belonging are reinforced. Moreover, training programs are in place to provide staff with opportunities to receive a wide range of training and education, so that the ability and potential of the staff can be unlocked, which benefits the mutual growth and development of the staff and the Company.



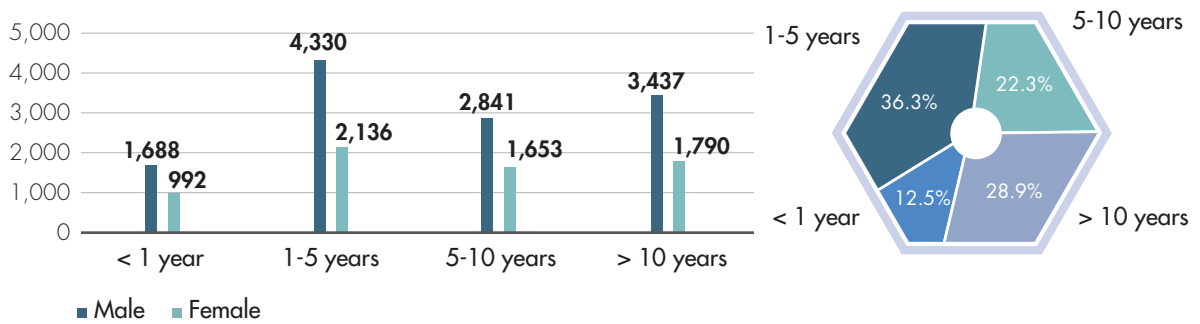


### 3.1 EMPLOYMENT PROFILE

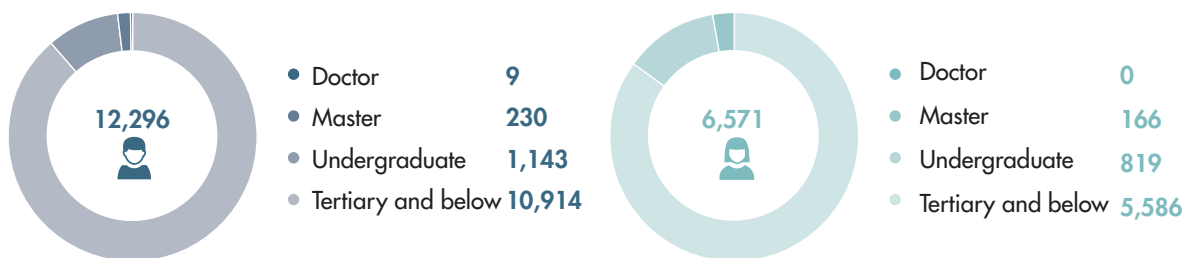
#### Workforce composition



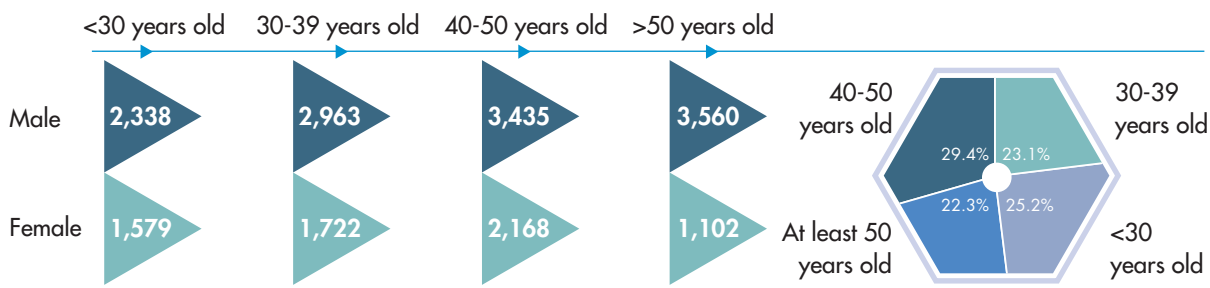
#### Seniority



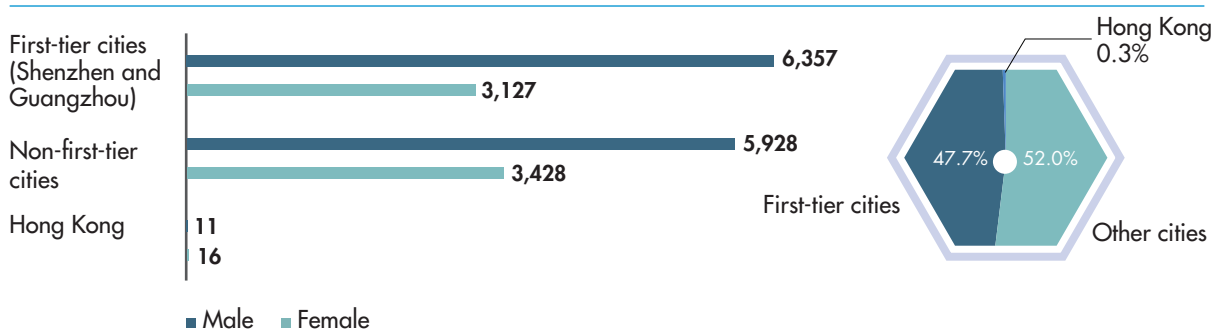
#### Education level



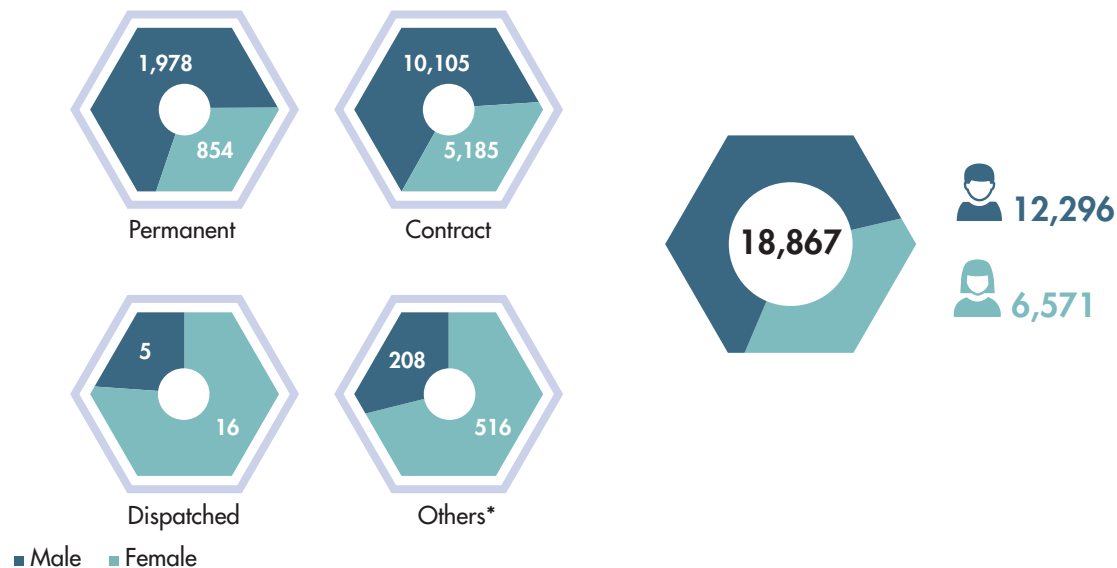
### Age



### Geographical location



### Type of employment



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

## 3.2 PROTECTING EMPLOYEES' RIGHTS AND INTERESTS

### Lawful and Compliant Employment

In strict compliance with the labour laws and regulations of the places where it operates, Shenzhen Investment enters into labour contracts with its employees in strict compliance with such laws and regulations as "Labour Law of the People's Republic of China", "Labour Contract Law of the People's Republic of China", "Law of the People's Republic of China on Employment Promotion", "Social Insurance Law of the People's Republic of China", "Regulations on Minimum Wage", "Provisions on the Prohibition of the Use of Child Labour" and "Law of the People's Republic of China on the Protection of Minors", puts in place a complete recruitment system, makes timely contributions to social insurance and provident fund for employees, respects and protects the basic rights and interests of its employees and bans child labour. In 2017, we neither discovered any employment of child labour or minors, nor any case on forced or compulsory labour for high-risk duties.

Suzhou Marriott Hotel of the Group maintains close communication and cooperation with the Suzhou Disabled Persons Federation (hereinafter referred to as "SDPF"), and offers job opportunities for disabled persons. The hotel follows the guidelines of "equal pay for equal work" to ensure that disabled persons could enjoy equal benefits and treatments as those offered to ordinary people during their employment.

In 2017, Suzhou Marriott Hotel hired four disabled employees. Apart from offering same treatment as ordinary employees, in terms of job skills learning, the hotel also provided disabled employees with opportunities to participate in various vocational skills training, helping them better adapt to the society and improve their Better Life Index.

### Remuneration and Benefits

In 2017, the Group amended such policies as "Remuneration Management System of the Headquarters of the Group", "Management System for Performance Appraisal of Staff from the Headquarters of the Group" and "Tentative Administrative Measures for the Management of Sales Staff of the Group's Real Estate Projects", and continued to optimize and

improve the remuneration system and performance appraisal system while developing comprehensive career path for staff. Meanwhile, the Group adopted the remuneration and equity incentive mechanism to motivate our employees and improve the salary level of front-line and bottom-level employees with utmost efforts.

The Group implements a series of health assurance programs for staff, including staff health check programs and labour supplementary commercial insurance coverage plan. In addition, the Group also provides employees with necessary help and support to facilitate their work, such as measures to strengthen the management of and improve the living conditions in dormitories and create a suitable working environment, enabling the employees to feel the warmth and care from the Company.



Activities organized by southern Pengji employees



The opening ceremony of the Shum Yip Cup Ping Pong competition

### 3.3 STAFF DEVELOPMENT AND TRAINING

Based on its own development condition, Shenzhen Investment has formulated a complete set of systems for talent selection, recruitment, training and management that cater to its business needs. Under the human resource concept of “cherish talents with high moral value”, the Group draws on a series of policies and systems, such as “Instruction Manual for the Management and Control of Human Resources”, “Guidelines for Staff Recruitment”, “Administrative Measures for Campus Recruitment of the Group” and “Tentative Administrative Measures for the Selection and Appointment of the Senior Management of the Group’ Subsidiaries”, and has achieved “focused” and “efficient” staff management, which trains up high-calibre talents for the Group’s continuous expansion and rapid business development.

In addition, in order to meet the needs of the Group’s business transformation and development, we reinforced the construction of the Group’s talent pool, actively promoted the Group’s corporate culture, and proceeded with training of all-rounded talents according to different management levels and professional tracks, so as to ensure the supply of human resources for our business development.

#### Campus recruitment

Through the campus recruitment under the “Shen Drive” (深動力) scheme, the Group has developed a “Shen Drive” training system to build a “Shen Drive” talent pool. In 2017, the campus recruitment under the “Shen Drive” (深動力) scheme lasted for one and a half months, with the career talk schedule covering 13 colleges and universities in 11 cities nationwide. The campus recruitment has first been conducted online in the form of “air talk”, attracting over 110,000 fresh graduates nationwide (including Hong Kong, Macao and overseas) to view online. Through air talks, on-site talks as well as other online and offline promotions, a total of 4,418 students had attended the interview, and about 300 students were invited to

Shenzhen for final interview. With the vivid and diverse forms, the campus recruitment under the “Shen Drive” (深動力) is getting more popular year after year among numerous colleges and universities, and has gradually become an effective channel for the Group to promote its good corporate image.



Written test for campus recruitment



Candidates visiting our Shenzhen headquarters

#### Cross-strait Youth Internship and Exchange

In order to strengthen the exchange and cooperation of cross-strait youths and enhance Taiwanese youths’ understanding and recognition of Mainland China, the Group took in four university students from Taiwan during the year and arranged them for internship in the Company, which has played a positive role in promoting the exchange and transmission between the mainland and Taiwan in terms of culture and knowledge.



Graduation symposium for Taiwan youth internship



Volunteer activities by students from Taiwan



Letter of Appreciation for Taiwan youth internship

## Competition for Appointment of Deputy Managers

Upon optimising the organizational structure of the Group, in order to facilitate the exchange and development of talents within the Group, we have launched the competition for appointment of deputy vacancies of the functional departments across the Group, and promoted 7 outstanding key members, which has further optimised and expanded our middle management team.



Test for competition for appointment

## Staff Training

- Diverse Staff Development and Training

In order to further strengthen the recognition and understanding of the Group and enhance the middle-level leadership, the Group has carried out the Shum Yip recognition and middle-level leadership module training for 56 newly promoted middle managers;

We have determined the respective training plans for Shenzhen and Hong Kong according to the team composition and characteristics of the 30 high-potential talents via internal selection, so as to further enhance the quality and capability of the staff and improve their working efficiency through training;



As for new team members from the campus recruitment, we have arranged trainings on corporate culture and system as well as activities like visits to the Group's representative projects and development training, to enhance their sense of recognition, belonging and pride of Shum Yip, helping new employees adapt to their positions as soon as possible.



New employees participated in the outward training

- Organise special business training programmes

We have timely launched various special business training programmes according to the needs of the Group in view of its business development, including: the training for key marketing staff, industrial land use modification and industrial operation, special training on commercial real estate and others. To ensure the quality of training, we have imposed strict requirements on the special training programmes: training themes catering to the development trends, diversified training manners and cooperating parties and highly focused training contents, which comprise the core guidelines of the training.

- Launch the "Shumyip Forum" ("深業大講堂")

Since 2017, the Group has cooperated with certain first-class universities in China to invite experts and scholars to visit Shumyip and launch the "Shumyip Forum" ("深業大講堂"), focusing on the hot issues involved in the process of the Group's business development. Public lectures such as the forums of "Analysis on the Real Estate Development and Investment Strategy" and "Tax Planning" were respectively held. Nearly 200 people were attracted to attend each of the forums, which subsequently received high recognition from the trainees.

### 3.4 OCCUPATIONAL HEALTH AND SAFETY

Shenzhen Investment always takes work safety as its priority, and based on such laws and regulations as "Prevention and Control of Occupational Diseases Law of the People's Republic of China", "Work Safety Law of the People's Republic of China", "Fire Prevention Law of the People's Republic of China", "Law of the People's Republic of China on Emergency Response", "Regulations on the Safety Administration of Hazardous Chemicals", "Regulations on the Reporting, Investigation and Handling of Production Safety Accidents", "Regulation on Work-Related Injury Insurance of the People's Republic of China" and "Occupational Disease Classification and Catalog", firmly establishes the concept of safety development, pays close attention to the establishment of the safety responsibility system and its implementation, conducts in-depth potential risks identification and rectification work and constantly improves its mechanism and methods of work safety. Owing to these, the overall work safety situation of the Group maintains stable and controllable, which lays a safe foundation for the sustainable development of the Company. In 2017, the work safety related accident rate of the Group remained at a low level and the fatality rate and injury rate were both zero.

#### Development of Safety System

Focusing on the concept of safety development, the Company has developed an effective and comprehensive work safety management system. The safety system is comprised of the work safety control system based on safety management committee; the work safety meeting system aimed to summarise experience, analyse situations and deploy work safety; basic education on work safety and three-tier training mechanism organized to improve safety quality of all staff and achieve work safety; and the emergency response mechanism built for enhancing the response capacity to handle safety emergency.

During the year, the management of the Group held many times of meetings related to work safety, and went to production frontline to deploy, supervise and guide work safety on site, both of which have played an active and important role in developing double prevention mechanism for preventing major and catastrophic accidents comprehensively, intensifying potential safety hazard identification and control by various entities, implementing the risk management and control mechanism and propelling the fulfillment of principal responsibility.



Work safety meeting



The management of the Group went to frontline to supervise and guide work safety



## Implementation of Safety Risk Assessment

Shenzhen Investment actively implements the requirements of the "Comprehensive Risk Management System" and regards the construction of the dual prevention mechanism as an important and fundamental work for strengthening the foundation of safety production and effectively preventing the occurrence of safety accidents, which has been included in the top priorities of the Group for the year.

Based on the principle of early and pilot implementation, Shum Yip Taifu, a company with appropriate size and relatively comprehensive business activities, was selected as the pilot enterprise to formulate double prevention mechanism. Also, a third-party research institution with professional competence was employed to carry out overall risk assessment. Specifically, it is employed to judge and identify various source of risk, determine the level of risk and put forward and establish the hierarchical risk control measures; clarify safety management responsibilities within the company and among the five parties, namely owners, operators, property management company, tenant and households; rationalise the risk management mechanism in all aspects, complete the safety management and control system such as organisation structure for corporate safety management, responsibility system, system construction, emergency response system, so as to establish a complete risk management and control system in the pilot enterprise.



Signing ceremony

## Work Safety Education

During the year, the Group strengthened the implementation of the "Administrative Measures for Group Training Work" and "Work Safety Management System", and promoted the relevant systems to its subsidiaries for implementation with reference to the above. In 2017, the Group and its subsidiaries carried out various work safety trainings that are abundant in forms, effective and practical in content and close to actual production under the leadership of WSMC of the Group, in order to make sure that all staff can achieve full access to work safety educations that are not superficial and not mere formality.

- The carrying out of Work Safety Month activities

From 1 June to 30 June 2017, a variety of "Work Safety Month" activities, including "Promotion of Knowledge About Work Safety", "Public Safety Training", "Educational Event on Safety Accidents Alert", "Potential Safety Hazard Identification and Control", "Safety Skill Competition" and "Fire Emergency Response Drill", were organised by Shum Yip Zhongcheng jointly with the supervisor and the construction units, in a bid to cultivate the overall safety culture of our staff, and vigorously create a cultural atmosphere of "Everyone is responsible for work safety".



Safety knowledge competition held during the Work Safety Month

On 15 June 2017, the leader of the Group, visited the Project Department of China Construction Eighth Engineering Division Co., Ltd. set up on the construction site of the UpperHills Project to participate in pre-employment training for construction workers, where the leaders personally gave a safety lecture to and watched warning education films with more than 110 frontline construction workers, thereby further strengthening workers' work concept of safety first.

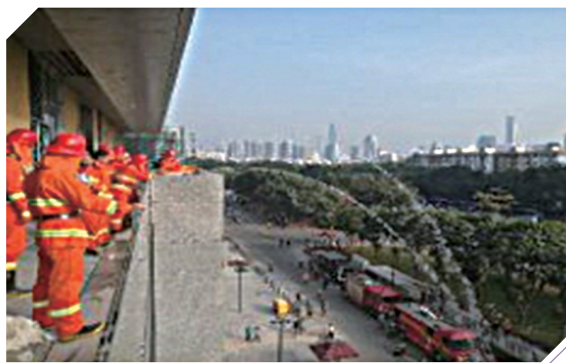


The leader of the Group gave a safety lecture to the frontline workers

- Commercial fire drill

In order to implement the construction of "four capabilities" and the provisions for fire safety management in enterprises or institutions, safeguard the fire safety of the UpperHills commercial area as well as strengthening the awareness on fire control and skill of evacuation and escape of the commercial tenants and decoration workers, the Company organised a

commercial fire and evacuation drill at the UpperHills commercial area, which has improved the UpperHills' emergency handling ability, and enhanced the tenants and decoration workers' daily safety awareness, thus ensuring zero accident in respect work safety.



UpperHills organised a fire drill

---

- Three-tier safety training

In order to conscientiously fulfill the principal responsibility of corporate work safety, all the participants such as Shum Yip Zhongcheng Project, the supervisor, the general contractor and other units have established work safety responsibility system based on project manager, to proactively propel the standardisation of work safety. Taking Phase I of Shum Yip Zhongcheng Project as an example, every worker newly recruited to a construction site must receive the regular three-tier safety training, be performed with industrial safety technical disclosures and be equipped with labor protection articles such as helmet and safety belt, to make sure that the workers' awareness of work safety is enhanced and their safety protection is guaranteed prior to work. In addition, the project company also organized a variety of activities including safety training, so as to increase the workers' awareness of work safety on an ongoing basis.

---

- BIM+VR safety experience

In order to intensify the promotion and education of work safety, create a strong sense of work safety as well as improving the management level of work safety, Shum Yip East China Company organised the BIM+VR safety experiential activity. In the activity, various common work safety accidents such as fire disaster, high altitude falling and object strike were imitated vividly supported by digital simulation techniques. Therefore, every experiencer can perceive the accident scenario of actual behavior in three-dimension dynamic view, keenly experience the harm caused by violation operations and further enhance their safety and prevention concept.

- Emergency rescue training

Suzhou Marriott Hotel of the Group would semiannually engage coach with professional qualification to provide the employees of all departments with training on CPR (cardio-pulmonary resuscitation) and urgent wound bandaging. In addition, Red Cross Society Of China Suzhou Branch is also invited to conduct first aid knowledge training and examination. The abovementioned efforts have facilitate the employees of all departments, in particular the employees serving customers, to master basic first aid knowledge and skills. In 2017, totally 34 staff coming from various departments of the hotel passed the training and professional examination, and were granted with certificate of junior ambulanceman by Red Cross Society Of China Suzhou Branch, accounting for 14% of the total number of staff in the hotel. Thereafter, the hotel conducted cyclic training by stage to provide more and more staff with the opportunity of accepting trainings on first aid skills, in order to make sure that the professionally trained personnel are ready to provide professional assistance where customers or staff are in need for first aid.

Shum Yip Zhongcheng organised management and workers of the construction project to conduct "first-aid skill training". Under the guidance of the training instructor, every staff is equipped with the first aid skills of "CPR", "artificial respiration", "hemostasis and bandaging" and "electric shock first-aid method". Besides, the instructor also provided corresponding training in respect of common accidents taken place during the process of construction, such that the workers will be able to take proper steps for the injured in case of emergency prior to the arrival of ambulancemen, thus reducing the casualty rate. The meaning of such training lies in equipping the workers with basic first aid knowledges, as well as reminding that they should not only pay attention to safety themselves but also safeguard the safety of others.



Shum Yip Zhongcheng conducted first aid training

### 3.5 CARE FOR STAFF

#### Help Employees in Difficult Living Conditions

According to the "Administrative Measures for Serious Diseases" (重大疾病基金管理辦法), the Group carries out a variety of activities to provide support and care for employees in difficult living conditions in time. For example, we paid one-off visit to employees with serious diseases, their spouses and children under age, with an aggregate of 22 peoples being helped and a relief money of RMB380,000 donated throughout the year,

while on holidays such as the Spring Festival, we visited a total of 109 employees in difficult living conditions and distributed consolation money of RMB334,500.

#### Care for Female Employees

In terms of caring for the interests of female employees, we are strictly in compliance with the employment system and laws and regulations on the aspect of female employees. In addition to regular physical examination, we also organise special health checkup for female employees, and decorate venue for them to hold yoga and aerobics related activities regularly. On the Women's Day, the Group specially held the activity of "Gathering on 3 March to Enrich Your Life with Silk Arts" ("緣聚三八·絲藝人生") for the female employees. Such actual practices have demonstrated the Group's protection for the female employees' interests.





▶ 04

# COMMUNITY INVESTMENT

Shenzhen Investment firmly believes that the survival and development of a company is closely linked with social development. The Group has been emphasising its integration with society for a long time, and propels common growth with the city. We actively promote the transformation of the old city, develop long-term rental apartments, organise volunteer activities, carry out convenience-featured community services, help the underprivileged, actively participate in disaster relief and donations, encourage our employees to participate in charitable activities, do our best to give back to the society to achieve a win-win situation and allow more people in need get help. For specific measures, please refer to the details of this section. In addition, we will continue to improve internal management mechanism by formulating and launching systems and measures that meet the needs of community development.



## 4.1 POVERTY ALLEVIATION

Since 2005, the Group has put great efforts in helping the underprivileged, and offered assistance to poor villages in Dushan County of Guizhou, Fengman Village of Lianjiang and Gangkou Village of Jieshi, Lufeng. We have fully fulfilled our corporate social responsibility by actively carrying out assistance and poverty alleviation in poor areas, implementing targeted poverty alleviation and assisting poor villages out of poverty.

In 2017, the Group's targeted poverty alleviation in Songlin Village stepped into a crucial stage. In addition to helping 33 targeted individuals out of poverty, the Group also donated a multi-million dollar spirulina breeding and harvesting equipment at nil consideration and passed on the relevant knowledge and technology to households in poverty. Meanwhile, we also actively explored and studied industrial supporting projects. To form a hematopoietic mechanism for long-term poverty alleviation, we set up an organisation in Songlin Village and assigned cadres in the village to practically promote the relevant work in strict compliance with the spiritual guidance of the governments of higher levels and according to the three-year planning for targeted poverty alleviation, so as to win the poverty relief battle and ensure the smooth realisation of poverty alleviation in Songlin Village.



Songlin Village poverty alleviation



Provide living materials to poor households

## 4.2 COMMUNITY BUILDING

### • Bi-City Biennale of Urbanism\Architecture

During the year, Shenzhen Investment participated in and undertook the transformation and construction work of the main exhibition venue at Nantou Old Town, Shenzhen of the "Bi-City Biennale of Urbanism\Architecture". The theme of this year's Biennale is "Cities, Grow in Difference", which is an exhibition through the perspective of "urban village". We actively promoted the "GOOD CHANGE Renewal Program" to select the representative native street shops in the old town, conducted transformation through skillful application of fashion cross-border innovations and customised different enhancement plans, which perfectly reflected the original intention of improving the business environment in the old town, and stimulated the internal dynamics of updating the overall commercial value in the town. At the Biennale, with its philosophy of "City origin, renewed life (城市原点·更新生活)", Shenzhen Investment wishes to help the old town to activate the impetus of business transformation and achieve the common growth between the old town and the city in the context of historical and cultural heritage of the old town.



"GOOD CHANGE" Dialogue



Certain native street shops participated in the Renewal Program



Tailor shop before renovation



Tailor shop after renovation



Tofu shop before renovation



Tofu shop after renovation



### • Youth-focused Room Card Program

During the year, Shenzhen Investment and the government jointly launched Shenzhen “Youth-focused Room Card Program”. LM (檸檬) Youth Talent Apartments in Shuiwei Village, Shenzhen has become the first project that has been put into operation in the “Youth-focused Room Card Program”. The project transforms 29 “farmer’s buildings (農民樓)” into 504 well-equipped youth apartments with favorable environment and a total gross floor area of 15,472 square meters, exploring a successful way to solve the housing problem for young people and to improve the old village environment.



Public corridor



Apartment community



LM (檸檬) Full view of Youth Talent Apartments



Indoor scene of the apartment

### 4.3 COMMUNITY WELFARE

We, together with our property management companies, have organised and carried out a series of community activities tailored for various communities. We continuously introduced new activities and promoted community culture innovation. Currently, a number of community charity activities organised by Shenzhen Investment has had a certain influence in various communities, and some activities even have a brand effect. In 2017, the Group invested nearly RMB350,000 in aggregate to support community charity activities.



Neighborhood Festival



Community charity activities

The Spring Festival parade is a major featured activity of the Group's property company. During the year, Wondershine Residence organised a large-scale song and dance tour for the three communities under its management, namely Lianhuabei Village, Meilin I Village and Qiaoxiang Village, which had nearly 100,000 residents living in these communities have a happy and peaceful Spring Festival, made many residents far away from home feel kind and warm, and enhanced the trust and understanding of the company and community residents.



Spring Festival parade in communities



### • Run for green

On 9 December 2017, UpperHills organised the “Green Run” activity, which has been held for four consecutive years. Over the past four years, the Green Run activity was well recognized for its great experience and community integration, with increased number of applicants year by year. Currently, the UpperHills Green Run activity has become one of the representative activities of UpperHills annually and has been actively participated in and responded to by a large number of owners, tenants and employees.



Splendid moments of UpperHills Green Run activity

## 4.4 VOLUNTARY SERVICES

Voluntary services have always been regarded as an important media for Shenzhen Investment to actively participate in social construction and promote social harmony. We call for our employees to participate in voluntary service activities, actively help people solve difficulties and problems, and enhance employees' sense of social responsibility, while establishing our good corporate image through promotion of healthy and orderly development of voluntary services.

Shenzhen Investment has actively encouraged voluntary service activities for a long time. In order to better implement the volunteerism of "participation, mutual assistance, dedication and progress (參與、互助、奉獻、進步)" within the Group. The Group shared information about the volunteer activities and the views and experiences of volunteers through various ways such as the Company's office network, Internet and corporate publications, thereby promoting volunteer services to each level within the Company. In 2017, the Group organised a total of 62 voluntary service activities with over 1,000 participants in aggregate, and encouraged more than 1,000 employees to participate in community voluntary services with accumulated total service hours exceeding 3,600 hours.

In order to strengthen the voluntary service management, we leveraged on "Internet +" and Shenzhen Volunteer platform to build a centralised volunteer management system of the Group, and basically achieved the systematisation, regularisation and informatisation of volunteer service stations. Currently, the platform has completed the construction of the overall organisation of Shenzhen Investment and its subsidiaries, and had 1,414 registered volunteers at the end of 2017.



In June 2017, Changsha suffered a catastrophic flood once in a century, and there were serious waterlogging in many areas of the city. The Company's project community in Changsha was affected by the rainstorm. The water spilled from nearby lakes soared into the underground parking garage and power distribution room of the community. The lives and properties of the Company and owners were seriously threatened. In face of the sudden disaster, the Company immediately set up a flood-rescue team to lead all employees into the frontline of flood-fighting and rescue, which minimised the losses of the Company and owners.



Volunteers use sandbags to pile up over 2 meters high flood wall

After the flood, in order to restore the residential environment as soon as possible, Changsha Company initiated a volunteer activity of "working together to restore beautiful community" to clean waterlogging slush and rubbish. A total of approximately 80 employee volunteers and owners responded positively and spontaneously participated in the activity, which was well recognised by the community residents and further demonstrated the Company's social responsibility.



Activity of "working together to restore beautiful community"



Volunteers clean up the waterlogging



Volunteers clean up the waterlogging



Volunteers salvage floating objects on the lake



▶ 05

# QUALITY MANAGEMENT

Shenzhen Investment strictly complies with the laws and regulations of the PRC on product quality and responsibility, including “Product Quality Law of the People’s Republic of China”, “Consumer Protection Law of the People’s Republic of China”, “Advertisement Law of the People’s Republic of China” and “Trademark Law of the People’s Republic of China”, so as to ensure that our product and service quality control is always at a high level in the industry. We believe that the quality scope of real estate products is not limited to the quality of construction projects. It is necessary to win the customer’s long-term trust in the Company’s brand by improving the quality in all aspects of project construction planning, design, construction, utilization, maintenance, management, service and others.



## 5.1 SUPPLIER MANAGEMENT

Shenzhen Investment has always advocated full compliance of laws and regulations together with suppliers. According to our actual situation, we revised and improved a number of management systems, including "Environmental Protection Guideline", "Code of Conduct for Suppliers", "Administrative Measures for Entrusting Development of Real Estate Projects", "Administrative Measures for Marketing", "Administrative Measures for Attracting Investment/Leasing", "Administrative Measures for Engagement of Intermediaries" and "Measures for the Purchasing and Management of Office Supplies", so as to regulate and adjust the relationship with suppliers, which ensures high standards of product and service quality while maintaining good operating standards and business ethics of Shenzhen Investment.

We have established the "Qualified Suppliers List" and conduct comprehensive assessment of the suppliers list annually and standardize work in relation to supplier inspection. Unqualified suppliers will be phased out from the list. In 2017, Shenzhen Investment strictly implemented regulations such as the "Measures for Business Integrity and Risk Prevention and Control of Construction Project Tendering" (工程建設項目招標廉潔從業風險防控辦法) and the "Administrative Measures for Engagement of Intermediaries" (選聘中介機構管理辦法), providing management procedures in respect of different types of suppliers, including engineering contractors, equipment suppliers, design and management consulting service providers, thereby ensuring strict compliance. Throughout the year, the Group sent out a total of 32 supervisory teams (a total of 64 personnel) to carry out on-site supervision over 32 level 1 projects. The project coverage rate was 100%.

In terms of procurement and use of applications and software, Shenzhen Investment requires the headquarters and companies under the Group to respect intellectual property rights. Authentic applications and software will be used to avoid safety loopholes and legal disputes due to copyright of software.

## 5.2 ASSURANCE OF SERVICE QUALITY

"Administrative Measures for Investments in Real Estate Projects", "Administrative Measures for Key Milestones Plan of the Upfront Work of Urban Renewal Projects", "Administrative Measures for the Development Plan of Real Estate Projects", "Cost Control Measures for Real Estate Projects" and "Administrative Measures for Key Milestones Plan of Real Estate Projects" are important quality control basis and management basis of Shenzhen Investment in the project development process. Meanwhile, Shenzhen Investment is also committed to the enhancement of service quality and customer satisfaction. At the beginning of the year, the Group proposed the service assurance enhancement program. The property service companies under the Group actively responded to the program and considered the contact with customers as a major entry point for enhancing service quality. For instance, they constantly improved and optimized customer experience through simulation of scenarios, which helped to provide customers with better property service experience via continuous fine-tuning of details.

### "Year of Customer Services" of Terra Property

Taking Terra Property under the Group as example, pursuant to the "Manual for Management of Customer Relationship" issued by the Group, the communication in relation to Terra Property's projects was conducted mainly from the perspective of customers' feeling and focused on aspects such as the key access points with customers and service quality with an aim to steadily improve the service on site. In order to ensure the enhancement of quality on-site, Terra Property has formulated and issued its management approach and relevant regulatory documents, including the "Mechanical Manual", "Security Manual", "Customer Services Manual", "Integrated Manual", etc. By the end of every year, the Customer Service Department will assess the quality of the current year by using the "Management Manual", the operation manual and documents, the results of third party satisfactory survey and the property services on-site as the basis of assessment of quality control.



In 2017, Terra Property paid 6,356 visits to the customers of its project, exceeding its planned target by 12%. With the use of internet technology, Terra Property uploaded the information on visits of the property personnel as well as advice and recommendation from customers to the property management system for record and maintenance. This has effectively assisted the company in analyzing and identifying problems encountered by customers and avoided the chance of failure to timely handle such problems.

In addition, we have conducted our work in relation to maintaining customer relationship from different perspectives, including closer bonding, respect customers, etc., thereby achieving mutual understanding between the management, customers and owners and promoting the harmonious development of the relationship among them.

The Customer Service Department of Terra Property will propose corresponding enhancement initiatives to address the deficiencies identified from the results of third party satisfaction survey every year. For instance, for handling complaints, record shall be made in the CRM system in a timely manner and contact the client within 5 minutes upon receipt of the complaint message so as to timely appease the customers and gain comprehensive understanding of the relevant information of the complaint. Meanwhile, before the complaint has been settled, we shall stay in touch with the complainant to keep him/her inform of the progress.



Terra Property conducted interviews with property owners

## 5.3 MARKETING AND SALES SERVICES MANAGEMENT

### Standardising Processes and Making Information Publicly Available

In order to continuously optimise and enhance our marketing services, we continue to push forward the standardisation of marketing management system and marketing business procedures. Moreover, we progressively establish a customer research system and strengthen the training of our marketing staff, thereby improving the efficiency and quality of our marketing services. In the process of promotion and sales of projects, we strictly comply with the government's relevant regulations for truthful marketing. Meanwhile, we ensure the openness and transparency of the sales details of our projects. House purchase contracts are devised in strict compliance with the relevant laws and regulations including the General Principles of Civil Law of the People's Republic of China (《中華人民共和國民法通則》), Contract Law of the People's Republic of China (《中華人民共和國合同法》), Property Law of the People's Republic of China (《中華人民共和國物權法》) and Law on Administration of Urban Real Estate of the People's Republic of China (《中華人民共和國城市房地產管理法》). By effectively meeting the delivery standards and regularly organising pre-delivery risk inspections for key projects, we ensure timely delivery pursuant to the contracts.

In the course of marketing management, we strictly comply with the relevant national laws and regulations, regulatory requirements of the industry and management systems involving customer privacy security. We also require our staff to enhance their awareness of confidentiality with an aim to protect customer privacy and ensure information data security. In the process of customer service, through a strict information access authority management system, we implement management with designated personnel, specific positions and dedicated computer system, which has enhanced the preservation of customer information and effectively protected customer information security.

---

## Optimising Management and Increasing Efficiency

By continuously optimising the CRM sales system and promoting the mobile application, we continue to enhance our marketing management efficiency and marketing service level. As we have been actively promoting the application of advanced internet technology in our projects, the construction of WeChat sales platform for our real estate projects has been completed. Moreover, through optimising management reporting, strengthening business training, standardising evaluation mechanism, integrating with other business systems and others, we have effectively improved our management capability of refined marketing.

## Improving Experience and Increasing Interaction

In terms of promotion, we expand the communication and sales channels by flexibly applying new technologies, new media and big data to realise positive interaction and timely communication with customers and continuously enhance customers' experience. In the meantime, we adhere to the "customer-centric and customer-first" service concept. By organising a variety of offline marketing activities, such as cultural exchange, art appreciation, social welfare, property owner appreciation meeting and so on, we actively make feedback to customers with our professional expertise and quality services.

---

## 5.4 RESPONDING TO CUSTOMERS' COMPLAINTS

Attaching great importance to the management and maintenance of customer relationship, Shenzhen Investment has strictly implemented policies concerning customer relationship and major risk management under the "Administrative Measures for Marketing" (營銷管理辦法) of the Company. We regulated the work procedure of customer relationship management of companies under the Group and require that customers' complaints must be handled timely and properly, thereby promptly identifying and eliminating potential risk. Moreover, while the complaint closing rate continues to rise, we conduct regular interviews to maintain good customer relationships.

In 2017, we received a total of 115 complaints related to building quality, 16 complaints related to sales and 31 other complaints, and the general complaints rate was 3.77% of sold units (after the delivery of possession). After receiving the complaints, we responded actively based on the laws and regulations and the contract agreements, strictly implemented the Company's established systems and procedures, maintained sincere and friendly communication with customers as well as developed good interactive relationship with them. Meanwhile, based on customers' complaints, we performed classification registration, coordination, regular analysis and conclusion of the customer complaint statistics, which are conducive to improving the Company's marketing service standard.



# APPENDIX:

**List of Laws and Regulations**

**List of Internal Control Policies**

**Environmental, Social and Governance Report Content Index**

## LIST OF LAWS AND REGULATIONS

Indicators	Laws and regulations
<b>A1. Emissions</b>	Law of the People's Republic of China on Environmental Protection (《中華人民共和國環境保護法》) 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》) 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》) Regulations on the Implementation of the Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法實施細則》) 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》) 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》) 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 (《國家危險廢棄物名錄》)
<b>B1. Employment</b>	Labour Law of the People's Republic of China (《中華人民共和國勞動法》) Labour 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 (《中華人民共和國促進就業法》) Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) Regulations on Minimum Wage (《最低工資規定》)
<b>B2. Health and Safety</b>	Labour Law of the People's Republic of China (《中華人民共和國勞動法》) 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》) Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) Fire Prevention Law of the People's Republic of China (《中華人民共和國消防法》) 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》) Regulations on the Safety Administration of Hazardous Chemicals (《危險化學品安全管理條例》) 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》) 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》) Regulation on Work-Related Injury Insurance of the People's Republic of China (《中華人民共和國工傷保險條例》) 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》) Occupational Disease Classification and Catalog (《職業病分類與目錄》)
<b>B4. Labour Standards</b>	Labour Law of the People's Republic of China (《中華人民共和國勞動法》) Provisions on the Prohibition of the Use of Child Labour (《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》)
<b>B6. Product Responsibility</b>	Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》) Consumer Protection Law of the People's Republic of China (《中華人民共和國消費者權益保護法》) Advertisement Law of the People's Republic of China (《中華人民共和國廣告法》) Trademark Law of the People's Republic of China (《中華人民共和國商標法》)
<b>B7. Anticorruption</b>	Company Law of the People's Republic of China (《中華人民共和國公司法》) Anti-money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》) 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》) Interim Provisions on Banning Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》) Anti-monopoly Law of the People's Republic of China (《中華人民共和國反壟斷法》) Tendering and Bidding Law of the People's Republic of China (《中華人民共和國招投標法》)

## LIST OF INTERNAL CONTROL POLICIES

Indicators	Internal policies
<b>A1. Emissions</b>	Environmental Protection Guidelines of Shenzhen Investment Limited
<b>A2. Use of Resources</b>	Measures for the Management of Official Vehicles (公務車輛管理辦法) Measures for the Purchasing and Management of Office Supplies (辦公用品購置及管理辦法)
<b>A3. The Environment and Natural Resources</b>	Provisions on the Management of Water Conservation (節約用水管理規定) Emission Standard for Community Noise (社會生活環境噪聲排放標準) Discharge Limits of Water Pollutants (水污染物排放限值標準)
<b>B1. Employment</b>	Instruction Manual for the Management and Control of Human Resources (人力資源管控指導手冊) Work Guidelines for Staff Recruitment (員工招聘工作指引) Administrative Measures for Campus Recruitment of the Group (集團校園招聘管理辦法) Administrative Measures for Expatriates of the Group (集團外派人員管理辦法) Remuneration Management System of the Group (集團薪酬管理制度) Management System for Leaves of the Staff from the Headquarters of the Group (集團總部員工請休假管理制度) Administrative Measures for Attendances of the Staff from the Headquarters of the Group (集團總部員工考勤管理辦法) Tentative Administrative Measures for the Management of Sales Staff of the Group's Real Estate Projects (集團地產項目銷售人員管理暫行管理辦法)
<b>B2. Health and Safety</b>	Instruction Manual for the Management and Control of Human Resources (人力資源管控指導手冊) Work Safety Management System (安全生產管理制度)
<b>B3. Development and Training</b>	Instruction Manual for the Management and Control of Human Resources (人力資源管控指導手冊) Measures for Management of the Group's Trainings (集團培訓工作管理辦法)
<b>B4. Labour Standards</b>	Instruction Manual for the Management and Control of Human Resources (人力資源管控指導手冊) Administrative Measures for the Personnel of the Group Going Abroad on Business Trip (集團因公出國(境)人員管理辦法) Organisation and Management Manual of the Headquarters of the Group (集團總部組織管理手冊) Management System for Performance Appraisal of Staff from the Headquarters of the Group (集團總部員工績效考核管理制度) Remuneration Management System of the Headquarters of the Group (集團總部薪酬管理制度) Administrative Measures for Expatriates of the Group (集團外派人員管理辦法) Tentative Administrative Measures for the Selection and Appointment of the Senior Management of the Group's Subsidiaries (集團所屬企業高級管理人員選拔任用管理暫行辦法) Management Manual of Organisational Structure and Manning Quotas at Various Levels of the Group's Real Estate Sector (集團地產板塊各層級組織架構及人員編製管理手冊)
<b>B5. Supply Chain Management</b>	Administrative Measures for Entrusting Development of Real Estate Projects (Tentative) (房地產項目委託開發管理辦法(暫行)) Cost Control Measures for Real Estate Projects (房地產項目成本管理辦法) Administrative Measures for Marketing (營銷管理辦法) Administrative Measures for Attracting Investment/Leasing (招商/租賃管理辦法) Administrative Measures for Leased Properties at the Headquarters of the Group (Tentative) (集團總部出租物業管理辦法(暫行)) Administrative Measures for Engagement of Intermediaries (選聘中介機構管理辦法) Measures for the Purchasing and Management of Office Supplies (辦公用品購置及管理辦法)
<b>B6. Product Responsibility</b>	Administrative Measures for Investments in Real Estate Projects (房地產項目投資管理辦法) Administrative Measures for Key Milestones Plan of the Upfront Work of Urban Renewal Projects (城市更新項目前期工作關鍵節點計劃管理辦法) Administrative Measures for the Development Plan of Real Estate Projects (房地產項目開發計劃管理辦法) Cost Control Measures for Real Estate Projects (房地產項目成本管理辦法) Administrative Measures for Key Milestones Plan of Real Estate Projects (地產項目關鍵節點計劃管理辦法)
<b>B7. Anticorruption</b>	Tentative Measures for Business Integrity and Risk Prevention and Control of Construction Project Tendering (工程建設項目招標廉潔從業風險防控辦法) Leaders' Integrity Employment Interviews Implementation Measures (領導幹部廉潔從業談話實施辦法) Asset Loss Liability Accountability Implementation Rules (資產損失責任追究實施細則) Measures for Complaining and Appealing and Interviewing (信訪約談辦法) Administrative Measures for Engagement of Intermediaries (選聘中介管理辦法) Rules on the Management of Rectification and Supervision of Issues Identified in Audit (審計發現問題整改監督管理細則) Tentative Rules for Inspection and Assessment of Integrity Contracts (廉政合同檢查考核暫行細則) Administrative Measures for Counter Signing of Integrity Contracts (廉政合同雙簽管理辦法) Comprehensive Risk Management System (全面風險管理制度) Whistleblowing Policy (舉報政策)
<b>B8. Community Investment</b>	Administrative Measures for Serious Diseases (重大疾病基金管理辦法)

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT CONTENT INDEX

"Environmental, Social and Governance Reporting Guide"		"Shenzhen Investment Environmental, Social and Governance Report"
Levels	General disclosures and key performance indicators	Section/Statement
<b>A. Environment</b>		
<b>A1: Emissions</b>	General disclosure	Environmental Protection – Water Resources Management Environmental Protection – Waste Recycling Environmental Protection – Green Design
	KPI A1.1 The types of emissions and respective emissions data	Environmental Protection – Environmental Data Sheet
	KPI A1.2 Greenhouse gas emissions in total and intensity	Environmental Protection – Environmental Data Sheet
	KPI A1.3 Total hazardous waste produced and intensity	Environmental Protection – Environmental Data Sheet
	KPI A1.4 Total non-hazardous waste produced and intensity	Environmental Protection – Environmental Data Sheet
	KPI A1.5 Description of measures to mitigate emissions and results achieved	Environmental Protection – Energy Conservation Environmental Protection – Green Design Environmental Protection – Environmental Data Sheet
	KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Environmental Protection – Water Resources Management Environmental Protection – Waste Recycling
<b>A2: Use of Resources</b>	General disclosure	Environmental Protection – Energy Conservation
	KPI A2.1 Energy consumption in total and intensity	Environmental Protection – Environmental Data Sheet
	KPI A2.2 Water consumption in total and intensity	Environmental Protection – Environmental Data Sheet
	KPI A2.3 Description of energy use efficiency initiatives and results achieved	Environmental Protection – Water Resources Management Environmental Protection – Energy Conservation Environmental Protection – Green Design
	KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Environmental Protection – Water Resources Management
	KPI A2.5 Total packaging material used for finished products and with reference to per unit produced	This issue is not applicable to Shenzhen Investment.
<b>A3: The Environment and Natural Resources</b>	General disclosure	Environmental Protection – Green Design
	KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Environmental Protection – Green Design

"Environmental, Social and Governance Reporting Guide"		"Shenzhen Investment Environmental, Social and Governance Report"
Levels	General disclosures and key performance indicators	Section/Statement
<b>B. Social</b>		
<b>B1: Employment</b>	General disclosure	Care for staff – Human Resources Profile
	KPI B1.1 Total workforce by gender, employment type, age group and geographical region	Care for staff – Human Resources Profile
	KPI B1.2 Employee turnover rate by gender, age group and geographical region	We plan to disclose relevant information in the future report
<b>B2: Health and Safety</b>	General disclosure	Care for staff – Occupational Health and Safety
	KPI B2.1 Number and rate of work-related fatalities	Care for staff – Occupational Health and Safety
	KPI B2.2 Lost days due to work injury	Care for staff – Occupational Health and Safety
	KPI B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored	Care for staff – Occupational Health and Safety
<b>B3: Development and Training</b>	General disclosure	Care for staff – Human Resources Management and Staff Development
	KPI B3.1 The percentage of employees trained by gender and employee category	Care for staff – Human Resources Management and Staff Development
	KPI B3.2 The average training hours completed per employee by gender and employee category	Care for staff – Human Resources Management and Staff Development
<b>B4: Labour Standards</b>	General disclosure	Care for staff – Staff Protection
	KPI B4.1 Description of measures to review employment practices to avoid child and forced labour	Care for staff – Staff Protection
	KPI B4.2 Description of steps taken to eliminate such practices when discovered	Care for staff – Staff Protection
<b>B5: Supply Chain Management</b>	General disclosure	Quality Management – Supply Chain Management
	KPI B5.1 Number of suppliers by geographical region	Quality Management – Supply Chain Management
	KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Quality Management – Supply Chain Management

“Environmental, Social and Governance Reporting Guide”		“Shenzhen Investment Environmental, Social and Governance Report”
Levels	General disclosures and key performance indicators	Section/Statement
<b>B6: Product Responsibility</b>	General disclosure	Quality Management – Product Quality
	KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	We plan to disclose relevant information in the future report
	KPI B6.2 Number of products and service related complaints received and how they are dealt with	Quality Management –Customer Service and Information Management
	KPI B6.3 Description of practices relating to observing and protecting intellectual property rights	Quality Management –Customer Service and Information Management
	KPI B6.4 Description of quality assurance process and recall procedures	Quality Management –Customer Service and Information Management
	KPI B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored	Quality Management –Customer Service and Information Management
<b>B7: Anticorruption</b>	General disclosure	Our Environmental, Social and Governance Philosophy
	KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Our Environmental, Social and Governance Philosophy –Effective Governance
	KPI B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Our Environmental, Social and Governance Philosophy –Effective Governance
<b>B8: Community Investment</b>	General Disclosure	Community Investment
	KPI B8.1 Focus areas of contribution	Community Investment
	KPI B8.2 Resources contributed to the focus area	Community Investment





[www.shenzheninvestment.com](http://www.shenzheninvestment.com)

