

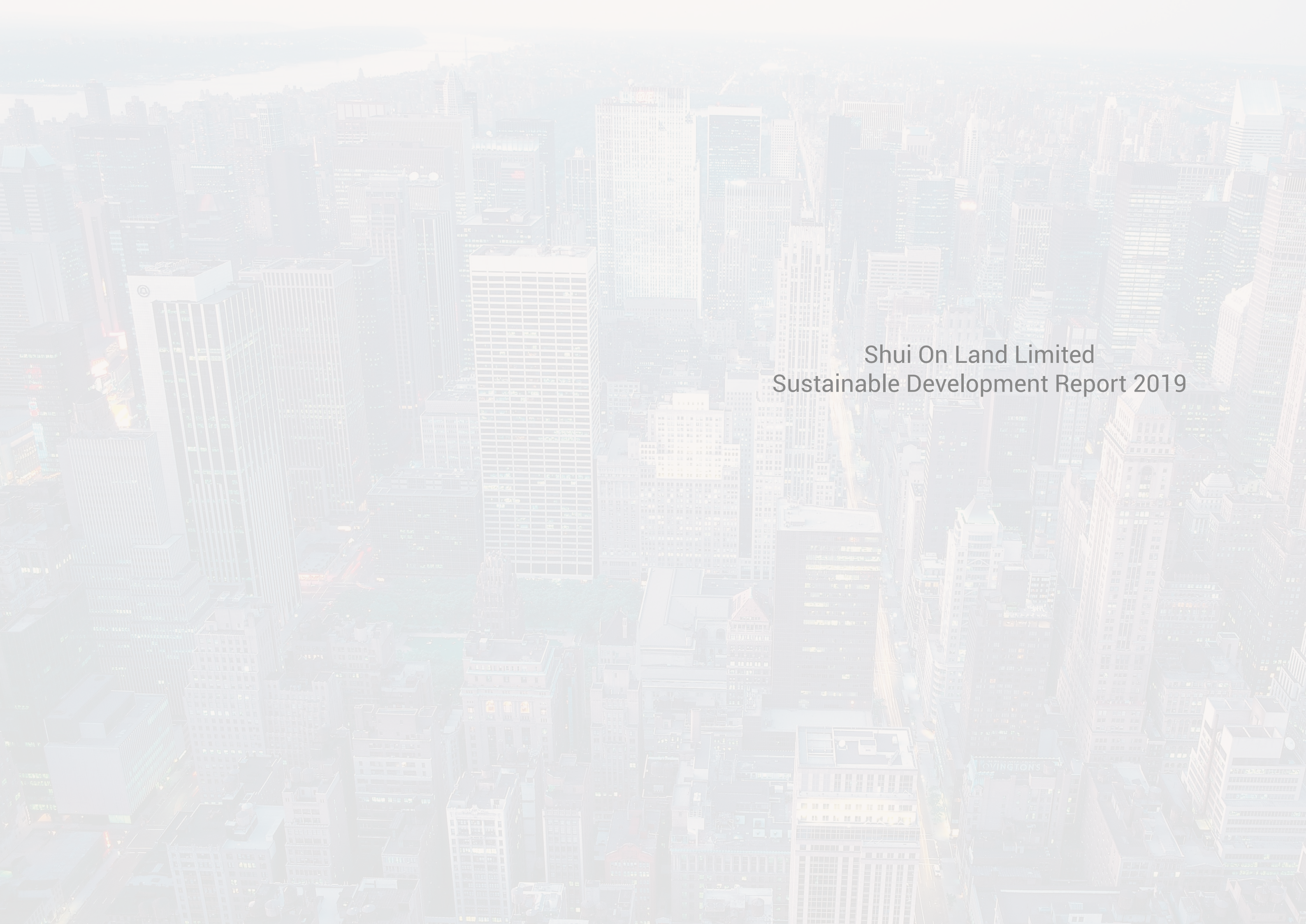


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SHUI ON LAND



Shui On Land Limited
Sustainable Development Report 2019

STOCK CODE 272



Shui On Land Limited Sustainable Development Report 2019



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Message from the Chairman



Mr. Vincent H. S. LO
Chairman

2019 was a year of challenges, characterised by global geopolitical tensions and economic volatility. The outbreak of the COVID-19 pandemic has brought even more uncertainty to the world's economy, with new difficulties and opportunities in all walks of life, and higher standards for environmental and physical health proposed.

Shui On Land keenly embraces the responsibility of being a good corporate citizen because we believe we are in this together. We will leverage our strengths to satisfy people's heightened needs for a green environment and mental and physical wellbeing. We will create long-term and sustainable value for the cities and our stakeholders.

With our "Asset Light Strategy" as the cornerstone of the Group's growth efforts, we forged ahead steadily with our game plan, while actively exploring and evolving our sustainable corporate strategies and business model. We aim to incorporate concepts of "greenness" and well-being into all aspects, including strategic planning, development and daily operation and management.

Our vision is to be a sustainable development leader in the real estate and asset management industry in Mainland China. Our sustainable business model balances financial profitability with sustainability, social and environmental impact, as well as our contribution to the city's and regional economies.

Shui On Land employs a human-centric, sustainable approach to create communities. With decades of experience in crafting master-planned communities, we have a widely recognised track record in sustainable development. At the end of 2019, we held 1.62 million sq. m. of green certified commercial buildings in our portfolio, and in 2019, our Shanghai Xintiandi community became the world's first WELL Community-certified project. The XINTIANDI brand

provides local people with a wide range of international and local shopping and dining experiences in an environmentally and socially sustainable manner. We create social and cultural destinations and integrated work-live-play-learn spaces. We innovate, and we shape sustainable communities for the future, leading the growth of the industry while endeavouring to boost our own brand value.

In November 2019, the Group issued its first "Green Bond". The issuance underscores our commitment to building dynamic communities based on our sustainable development philosophy.

In 2020, we will continue to advance our work in this area. Faced with global and stakeholder concerns such as climate change and resource scarcity, the Group will launch a new ten-year sustainable development strategy, the key elements of which are "the 5Cs": Clean, Culture, Community, Care and Corporate Governance. This 5C strategy will point the way for the Group's sustainable future.

I wish to extend sincere appreciations to all stakeholders for their support of the Group throughout the year. I also thank our dedicated management and staff for their enthusiasm and devotion to sustainable development. I thank our business partners for their efforts and cooperation.

The Group's sustainable development scope has grown to become more comprehensive than ever. We will continue to move forward, to create sustainable values for cities and the society.

Mr. Vincent H. S. LO
Chairman of Shui On Land Limited

Overview of Shui On Land Sustainable Development

About Shui On Land

Established in 2004, Shui On Land – (“SOL”, the “Company” or “Shui On Land”) – is the Shui On Group’s flagship property company in Mainland China. Listed on the Hong Kong Stock Exchange in October 2006 (stock code 272), it is headquartered in Shanghai.

As a leading developer, owner and asset manager focusing on commercial property, Shui On Land has established a solid track record in Mainland China.

Unique in its approach to property development, Shui On Land offers in-depth understandings of local cities’ histories, culture, humanities and geographical environment. Our innovative designs, attention to details and operational experience enable us to blend diverse elements harmoniously and seamlessly into “live-work-learn-play” communities.

As of 31 December 2019, we had 13 projects in development, in cities including Shanghai, Wuhan, Chongqing, Foshan and Nanjing. We fully support the UN Sustainable Development Goals and we work with local communities where our projects are located to promote sustainable development.



SOL's Sustainable Development Vision ...

Since its inception, the Company has always upheld the core value of “Shui On Spirit – Integrity, Dedication, Innovation, Excellence” – and the principle and philosophy of ‘cooperating with government to promote prosperity, growing together with community’. With a vision of becoming a “sustainable development leader in the real estate and asset management industry in mainland China”, we are committed to providing urban solutions that foster sustainable urban living, enhance local culture and create vibrant communities for cities in China.

Supporting the UN Sustainable Development Goals



The Group has invested, developed, and managed properties in China for many years. We support the United Nations Sustainable Development Goals (SDGs) and we consider sustainable development in three aspects: business operations, ecosystems and stakeholder interests.

Looking ahead, we believe that sustainable development will continue to grow in importance. We actively listen to our stakeholders – including the government, shareholders, customers, partners, environmentalists, the community and the media – and actively respond to their growing requirements and concerns. We integrate sustainable development into our corporate strategies and products – from project designs to daily operations – to create long-term value.

The UNSDGs have been incorporated into SOL's ESG workstreams, as shown in the following table:

Responding to the UNSDGs

Environment	<div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div><div></div></div> <div>SDG 3 Good health and well-being</div>	<div><div>6</div><div>CLEAN WATER AND SANITATION</div><div></div></div> <div>SDG 6 Clean water and sanitation</div>	<div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div><div></div></div> <div>SDG 11 Sustainable cities and communities</div>	<div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div> <div>SDG 12 Responsible consumption and production</div>	<div><div>13</div><div>CLIMATE ACTION</div><div></div></div> <div>SDG 13 Climate action</div>	
	<div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div><div></div></div> <div>SDG 3 Good health and well-being</div>	<div><div>5</div><div>GENDER EQUALITY</div><div></div></div> <div>SDG 5 Gender equality</div>	<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div> <div>SDG 8 Decent work and economic growth</div>	<div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div></div></div> <div>SDG 9 Industry, innovation and infrastructure</div>	<div><div>10</div><div>REDUCED INEQUALITIES</div><div></div></div> <div>SDG 10 Reduced inequalities</div>	<div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div><div></div></div> <div>SDG 11 Sustainable cities and communities</div>
	<div><div>16</div><div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div><div></div></div> <div>SDG 16 Peace, justice and strong institutions</div>					



SOL's Sustainability Governance

Board of Directors

The Board of Directors – our highest governance body – has overall responsibility for our sustainable development. It is responsible for final decision-making, and holistic evaluation and monitoring of our strategies and results. The Board evaluates and adopts policies proposed by the SD Committee to ensure that the Company strictly abides by all laws, regulations and regulatory provisions.

Sustainable Development Committee

The Sustainable Development Committee – established in 2006, comprising selected company directors and heads of corporate-level departments – meets quarterly to discuss and make decisions on sustainable policies and goals. It directly monitors and guides the Company's overall sustainability performance, to integrate relevant development into our core business. The Committee also assists in raising the sustainability awareness of employees and stakeholders.

Sustainable Development Working Teams

Responsibility for specific proposals and the implementation of particular goals at operational level is delegated to five cross-department Working Teams. Each holds the KPIs of the goals, and meets monthly to drive and ensure effective implementation. The teams report their progress and status to the Sustainable Development Committee on a regular basis and provide consolidated reports for review by the Audit and Risk Committee and for submission to the Board of Directors.

Sustainable Development and ESG

From 2020, Sustainable Development policies at the Company will incorporate not just environmental aspects, but also cultural, community, care, and corporate governance aspects. This enlarged definition of sustainable development scope effectively encompasses all aspects of ESG – environmental, social and governance. At Shui On Land, Sustainable Development and ESG are equivalent concepts.

Key Achievements of SOL's Sustainable Development in 2019

Under the leadership and support of the Board of Directors and the Sustainable Development Committee, the Company's sustainable development efforts achieved broad recognition in 2019:

The Shanghai Xintiandi community, Shanghai Rui Hong Xin Cheng, Chongqing Tiandi, Foshan Lingnan Tiandi and Shanghai KIC – covering a construction area of 9.05 million square metres – all achieved LEED-ND Stage 2 Gold level Certification. Shui On Land ranks first among developers in mainland China in terms of such certification.

We also ranked first among developers in Shanghai in terms of projects awarded the China Green Building Label (Operation) in 2019.

Our KIC development in Shanghai – transforming an old industrial area into a knowledge-based community - won the Urban Land Institute (ULI) Global Award

for Excellence and the ULI Asia Pacific Award for Excellence. Our Foshan Lingnan Tiandi Development – for the preservation and integration of a historic district into a new development – also won a ULI Global Award for Excellence and a ULI Asia Pacific Award for Excellence.

The Shanghai Xintiandi Community became the world's first WELL Community-certified Community.

Regarding environmental performance, our per unit carbon emissions in 2019 represented a 31.58% decrease from baseline year 2011. This brings us very close to our goal of reducing carbon emissions per unit area of all owned and operating real estate developments by one-third by 2021.

In November 2019, we issued our first green bond under the Shui On Land Green Finance Framework, with an issuance size of US\$300 million.

Other achievements include: _____●

- ▲ Hong Kong Sustainability Award 2018/19 Certificate of Excellence in the Large Organization category, awarded by the Hong Kong Management Association.
- ▲ Certificate of Excellence – ESG Leading Enterprises 2019, awarded by Bloomberg Businessweek.
- ▲ Platinum Award – Excellence in Environmental, Social, and Governance, awarded by The Asset ESG Corporate Awards 2019.
- ▲ 2019 Top 10 Green Real Estate (Commercial) in China, 2019 Top 20 Green Real Estate in China, awarded by Green Ranking.
- ▲ 2019 Green Credit Index Top 50 of Chinese Housing Enterprises, awarded by IAC, Green Ranking, and Caijing magazine.
- ▲ 2019 Top 30 China Most Competitive Green Development, awarded by the 21st China International Real Estate & Architectural Technology Fair.
- ▲ Rated A in the HKQAA (HIS ESG) rating system in 2019.

Communication with and Response to Key Stakeholders

Communication with Key Stakeholders

We are committed to engaging with our stakeholders regarding sustainability issues. We promote two-way communication, respond to stakeholders' expectations and requirements through direct action and strategic integration, and work together to drive our sustainable business development.

Stakeholders	Participation or communication
Governmental and regulatory authorities	Carry out compliance and risk management, clearly prohibit bribery and corruption, and regularly update the Code of Conduct and Business Ethics
	Proactively pay taxes and implement national policies
	Provide suggestions for relevant departments in line with the urban development plan
	Create sustainable communities that respect history and maintain relevant culture
Shareholders	Regularly disclose information on operations
	Convene general meetings regularly, issue annual reports and specify the direction and plan for strategic transformation
	Carry out compliance and risk management to ensure the effective management and control of financial and non-financial risks
Customers	Enhance management of the whole lifecycle of products and the intellectualization of engineering projects
	Regularly carry out customer satisfaction surveys and strengthen one-stop service via application of the automatic service management platform
Cooperation partners	Regularly carry out supplier review and assessment, improve supplier management systems and scope and promote responsible procurement
	Organize or participate in industrial development forums and industrial activities
Staff	Protect employees' fundamental interests according to laws and regulations and provide competitive remuneration packages
	Establish complete career development paths and provide diversified employee training and support
	Establish occupational health and safety management systems
Society and the public	Build an innovative and entrepreneurial ecosystem to promote the growth of innovation and entrepreneurial talent
	Improve communities' integrated value
	Carry out volunteer services and community activities to promote the cultivation of talents in charity
	Integrate historical and cultural elements into the process of project development, and plan to pass down and expand the connotations of traditional culture
	Promote regional business prosperity and economic structure optimization in line with the urban development plan

SOL's 19 Material Issues in 2019



Outlook: New 5C Sustainable Development Strategy

Sustainable development has always been an important cornerstone of SOL's real-estate business. At the end of 2019, to broaden our sustainable development goals, we reviewed our strategies, and further clarified and expanded their scopes and applications.

Our new 5C strategy includes five key elements in SD: Clean, Culture, Community, Care and Corporate Governance. This is central to our enhanced commitment to sustainable development and to our relevant works in the future.

The 5C Sustainable Development Strategy enlarges our vision of what sustainability means for the Company. Throughout our company's history, we have always been committed to caring for the environment, to preserving cultural heritage, and to building and sustaining vibrant communities. We care for our colleagues, partners and stakeholders, and do our utmost to uphold and raise our quality of governance. We believe these matters are all core concepts of sustainability at the Company and it is time for us to formally incorporate them into our vision.

We will roll out the 5C strategy in 2020, and strategic goals and targets will be developed and gradually implemented. We believe this new strategy will provide the group a roadmap for sustainable development in the coming decade.



Environment

SDGs issues responded to in this chapter:

3GOOD HEALTH AND WELL-BEING

6CLEAN WATER AND SANITATION

11SUSTAINABLE CITIES AND COMMUNITIES

12RESPONSIBLE CONSUMPTION AND PRODUCTION

13CLIMATE ACTION

Focusing on Sustainable Environment, Reducing Impact of Climate Change

With a strong global focus on sustainable development and climate change, these issues require immediate and collective action. To this end, SOL strives to contribute to a more sustainable environment by creating high quality, green, healthy and sustainable communities that benefit their cities.

Sustainable Development Goals 2017-2021

In pursuing buildings in harmony with nature, we strive to incorporate sustainable development concepts into a project's entire lifecycle. To give focus to our visions, in 2017 the Company formulated a five-year plan, comprising six sustainable development goals. Annual targets were assigned to working teams, to ensure that progress is monitored effectively and to lay out a blueprint for our environmental management.

Six major sustainable development goals for 2017-2021		Progress towards goals in 2019
1	All large-scale master planning projects, majority owned and managed by Shui On Land, to receive LEED-ND certification	All large-scale master planning projects, with a total area of 9.05 million sq.m., have earned LEED-ND certification
2	Actively strive for healthy building certifications	The Shanghai Xintiandi community earned the world's first WELL Community certification
3	All new commercial projects and furnished residential projects, majority owned and managed by Shui On Land, to achieve China Green Building Label or LEED certification, and strive for certification throughout their lifecycle	Since 2017, all of the Group's projects have achieved LEED certification or China Green Building Label
4	By 2021, carbon emissions per unit area of all Shui On Land owned and operating real estate developments to be reduced by one-third from 2011	On good progress towards meeting the target, with total carbon emissions in 2019 decreased by 31.58% from our baseline year 2011
5	All new commercial projects owned and operated by Shui On Land to be equipped with systems to monitor energy and water consumption	12 commercial projects have installed energy and water consumption monitoring systems
6	All new office building projects owned and operated by Shui On Land to display environmental health indices to the occupants	Projects including 5 Corporate Avenue and Shui On Plaza have installed air quality information dissemination systems

Environment

Case Study Green and Healthy Community——Shanghai Xintiandi Community

Human-Centric Design Philosophy

People is a major focus of SOL's development. Focusing on developing transit-oriented and pedestrian-friendly development has been our long-term goal. Creation of community scaled public open spaces — streets, plazas and parks — at our communities is at the heart of our plans and designs. Creative mixing of uses brings diverse groups of people together. Conserving and adapting historical buildings and urban fabrics brings charm and joy to users of our development. We believe human-centric planning and design creates sustainability beyond environmental sensitivity, but also links culture, community, health and wellness to create value in multiple ways.



Healthy Community and Buildings

In addition to being green, our developments also focus on health and wellness concepts. Embedded in our community designs are ten elements that improve users' physical and mental health: air, water, nourishment, light, movement, thermal comfort, sound, materials, mind and community. By combining these elements with our focus on cultural heritage and community, we build engaging places and communities that uplift modern life.

In addition to obtaining Leadership in Energy and Environmental Design (LEED) and Urban Land Institute (ULI) global awards, Shanghai Xintiandi continued its momentum in 2019 and successfully obtained WELL, making it the world's first WELL Community-certified project.



Case Study Green and Energy-efficient Building——THE HUB

Green and Low-carbon Business District

In support of national initiatives advocating eco-cities and for Shanghai to become a low-carbon city, SOL has meticulously crafted THE HUB. This is an excellent showcase of energy-efficient buildings and serves as a pilot in the Hongqiao business district's green and low-carbon future.

THE HUB combines the idea of "live, work and play". The first commercial complex to connect directly to the Hongqiao Transportation Hub, it comprises a shopping mall, the XINTIANDI commercial zone, an office,



a performance centre and a hotel. Its comprehensive business and entertainment services are available for the 75 million residents and workers around Hongqiao, and the Yangtze River Delta and within one-hour high-speed rail distance.

Since the completion of this project in 2015, we have remained dedicated to enhancing the quality and functions of the urban area, facilitating city development, and creating a green environment and real value for the community.

Green Building Targets

We are forward-looking when striving to improve building efficiency starting at the planning design phase. In the predevelopment phase, we specify green targets and incorporate climate-resilient architecture. We further embed green and low-carbon development requirements and strategies for project planning, design, construction and operations. The result is healthy, appropriate and efficient use of space, in harmony with nature.

In 2019, The HUB office developments in D17 and D19 sites achieved China Green Building label (Three-star) certifications. Shopping mall development in project D19 achieved China Green Building label (Two-star) certification.



Environment



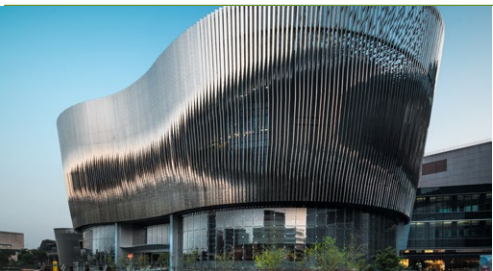
Skyrise greenery • Climate control
We use the rooftops of shopping malls and office buildings for skyrise greenery, achieving 50% green ratio. This helps strengthen rainwater absorption, thereby reducing the heat island effect and improving the overall insulation. This in turn reduces the demand for cooling.

Natural lighting • Architectural shading
High-transmittance glass walls capture natural light. Indoor sunshades and light tubes reflect natural light into the sunken courtyard, lowering power consumption for indoor lighting, and controlling solar radiation which reduces air conditioning usage.



Rainwater recovery • Water recycling
Rainwater from the roof is collected in storage tanks and treated for use in green irrigation, road sprinkling, carpark cleaning and replenishment of waterscapes.

Efficient monitoring • Air purification
The indoor concentrations of carbon dioxide and air pollutants are monitored in real time. Exhaust airflow is regulated to effectively maintain indoor air quality and reduce air conditioning energy consumption.



Heat recovery • Energy reduction
Residual heat from exhaust air is recovered to preheat air in winter and to cool fresh air in summer. Pre-treated air reduces air conditioning energy consumption.

In 2019, the energy-saving and emission reduction measures listed above, plus other operational measures taken, reduced THE HUB's carbon emissions by **8.9%**, as compared to 2018. This demonstrates the success of our green building targets, and the expertise gained helps to refine our green-building planning and operation, and promotes our major sustainable development goals.

The result is an industry-leading example that drives consideration of environmental issues in our business area and helps us work together to build a green future.

Green Building Certifications

To promote sustainable urban development, we endeavour to build green and health-focused buildings. As a member of the Shanghai Green Building Association, and to paint a greener Shanghai, we actively promoted one of our six goals of sustainable development in 2017-2021: 'All new commercial and residential projects, majority-owned and managed by SOL needed to achieve China Green Building Label or LEED Certification.'

Of our commercial projects, a total area of 1,131,000 m² leasable GFA – more than 80 percent of our completed commercial held for long-term investment purpose – is green-certified or WELL Community certified. In addition, a total of 490,000 sq.m. leasable GFA of commercial property under development is pre-green certified. This makes us the highest-ranked among developers in mainland China in terms of LEED-ND Stage 2 Gold level certification, and the developer with the most China Green Building Labels (Operation) in Shanghai.

The following green certifications have been awarded to our projects and buildings since our establishment:

	LEED certification					
	LEED for Core and Shell (LEED-CS)	Platinum	Gold	Silver	Gold (pre-certified)	Silver (pre-certified)
		3 projects	13 projects	2 projects	11 projects	1 project
		53,764 m ²	909,899 m ²	138,919 m ²	1,328,453 m ²	23,301 m ²
	LEED for Commercial Interiors (LEED-CI)	Gold	Silver	LEED for Neighbourhood Development (LEED-ND)	Gold	
		1 project	2 projects		6 projects	
		1,940 m ²	3,069 m ²		9,050,000 m ²	
	China Green Building Label		Three-star	Two-star	One-star	
			7 projects	18 projects	4 projects	
			310,210 m ²	2,114,768 m ²	524,796 m ²	
	Green Building Evaluation System (BREEAM) certification		Good		WELL Community Standard certification	
			1 project		Silver	
			247,140 m ²		1 project	
					262,677 m ²	

Responding to Climate Change

"There is currently a strong global focus on sustainable development and climate change. This trend is something businesses cannot ignore, and we all must play our part."

—Stephanie B.Y. Lo,
Managing Director,
Chairman of Sustainable Development Committee

Extreme weather events such as rainstorms and hurricanes pose short, medium and long-term physical threats to our buildings, facilities and everyday operations.

Our Board of Directors and Sustainability Committee have identified the risks and opportunities presented by climate change to our business and building operations. We are actively collaborating with industry partners to manage risks in our strategies, financial disclosures, and business development and management. To minimise impacts on our business, we mitigate and adapt to combat transition risks arising from climate change.

Carbon emission reduction is one of the company's long-term goals. We are dedicated to our goal of "reducing carbon emissions per unit area of all owned and operating real estate developments by one-third by 2021 (with 2011 as baseline)". In 2019, we achieved a year-on-year reduction for the sixth consecutive year.

We attach great importance to conserving the local ecosystem and biodiversity. We fully consider the impact of our work and preserve flora and fauna during project planning and also in our choice of construction materials. The aim is to maintain the environment's natural resilience to climate change.



Case Study

Responding to Climate Change

—Roof Garden at North Hall of Wuhan Tiandi HORIZON

SOL built a roof garden terrace on the North Hall of Wuhan Tiandi HORIZON. The largest facility of its kind in Wuhan, this is the city's first park-style family shopping mall, with a gross floor area of 72,000 sq.m. This sustainable community project combines high-end commercial and residential spaces with a feel

of agricultural landscapes. A rain garden with a multiple seepage ground system improves runoff, to mitigate the impact of heavy rain on the operation of the buildings and to help protect the local ecosystem. Customers can walk to the roof garden from the indoor shopping area via a terraced bridge. Ventilation and designs that harness natural lighting provide a comfortable breathing zone and reconnect users with nature.



Wuhan Tiandi HORIZON -Roof Garden at North Hall

In the project's design, construction and operations, we incorporated measures to enhance its climate resilience:

>>>

A rain garden with a multiple seepage ground system diverts and reuses rainwater. It promotes infiltration and reduces ground runoff, to manage extreme weather events such as rainstorms and hurricanes.

>>>

Rainwater harvesting and reuse systems facilitate water recycling and enhance flood resilience.

>>>

Green and health-focused technologies and measures, such as Building Information Modelling, are used to formulate accurate plans, to minimise the use of natural resources and materials, and to reduce environmental pollution.

>>>

Green roofs facilitate plants' evapotranspiration, to assist natural cooling that eases the heat island effect.

Carbon Management

We apply green and low-carbon concepts throughout project planning, design, construction and operations. We encourage employees to adopt green office practices; promote the use of eco-friendly and shared stationery; avoid single-use supplies and plastics; encourage low-carbon travel with designated parking and a parking fee scheme for electric vehicles and bicycles; and post environmental protection notices in the community.

Third-party Carbon Verification

We have adopted architectural techniques that combat climate change, such as the use of high-efficiency equipment and renewable energy. Their effectiveness is continually and quantitatively monitored. Since 2011, we have engaged a third-party – TÜV Rheinland – to verify the greenhouse gas emissions of our properties that are in regular operations.

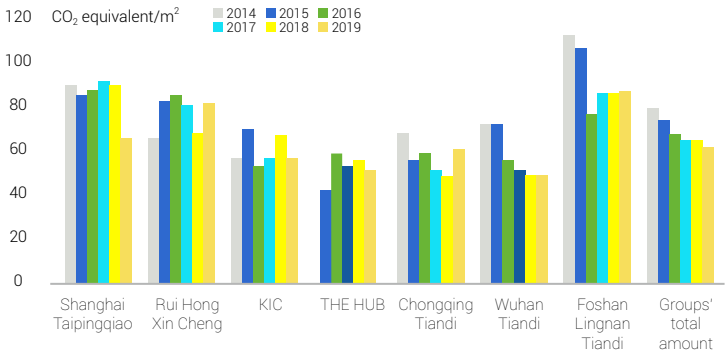
During 2019, our projects' total carbon emissions fell for a sixth consecutive year. Carbon emissions per unit area are very close to our goal of a reduction of one third by 2021.



SOL achieved the following in carbon management as of the end of 2019, as verified by TÜV Rheinland:

- ▲ In 2019, the total carbon emissions of the Company's projects were 101,964 tCO₂ equivalent;
- ▲ The carbon emission per unit area of 62.60 kgCO₂ equivalent/m² represented a decrease of 3% from 2018;
- ▲ Carbon emissions per unit area are 31.58% lower than the baseline year 2011.

Carbon Emissions per sq.m. of Shui On Land Properties, 2014-2019



Joint Efforts to Create Green Values

Expanding the Company's social influence in sustainable development, we strive to convey our commitment to sustainable development to all stakeholders. We invite our investors, contractors, employees and customers to practice green concepts together to create a sustainable value chain.

1 Green Finance

Innovative green financing helps us to drive environment-friendly and health-oriented projects, allowing us to partner with investors who share our belief in sustainability and our vision of building green and healthy communities.

In November 2019, we issued our first green bond under the Green Financing Framework, with an issuance size of US\$ 300 million maturing in 2023. Part of the proceeds has been used to fund the acquisition of the 5 Corporate Avenue project, which holds LEED-CS Gold certification and China Green Building three-star certifications. The balance of the proceeds will be applied to other green projects, as defined by our Green Financing Framework.

Details of the use of green bond proceeds in 2019 are as follows:

Details of the use of green bond proceeds	Amount (US\$ million)		
	Inflow	Outflow	Balance
Net proceeds from green bond	296		296
Acquisition of 5 Corporate Avenue project		-255	41
Balance of green bond proceeds			41

2 Green Construction

We actively extend our sustainability efforts throughout the value chain, with an effective sustainable development management system. Our Fundamental Construction Work Requirements serves as criteria for contractor selection, with detailed requirements regarding construction safety, environmental protection on-site, temporary facilities and the welfare of workers.

Green Construction Requirements for Suppliers and Contractors:



Planning for Green Construction



Requirements for Site Safety, Environmental Protection and Workers' Health (HSE)



Shui On's Standard Material and Workmanship Requirements



Requirements for Building Materials of Green Environmental Protection Projects



Shui On's Fundamental Construction Work Requirements - HSE Chapter

Environment

Contractor HSE Management System

We strictly monitor our contractors' health, safety and environment (HSE) systems, environmental performance, employee welfare, occupational health and safety, environmental pollution prevention, and waste reduction measures. In doing so, we jointly improve the environmental performance of our construction process, and drive sustainability in our value chain.

Our Green Building Construction Planning – based on the Green Construction Code for Building Projects (GB/T50905-2014) – includes specific targets. These strictly control wastewater, exhaust gas, solid waste generated by contractors during construction, and construction materials. They also include measures for conserving water and electricity, preventing pollution, and controlling dust, noise, strong light and wastewater pollution.

Waste reduction targets are continually established and modified. Relevant departments undertake weekly inspections and special monthly inspections. Any deviations must be immediately rectified. Re-examinations by relevant departments ensure timely resolutions.

Contractor Monitoring and Evaluation Mechanism

The Group strives to build supplier capacity for sustainable development and has established a comprehensive supplier evaluation system. We have formulated the Requirements for Site Safety, Environmental Protection and Workers' Health (HSE) as one of the supplier selection criteria. Stringent performance evaluation and factory inspections are undertaken before we engage new suppliers, and we undertake regular checks on compliance via on-site inspections, factory sample inspections and quarterly evaluations.

To ensure continual compliance, our internal audit also verifies compliance according to criteria in our HSE Regulations. Contractors who fail to meet the requirements will have their HSE funds temporarily withheld until the issue is properly addressed.

Green Procurement

SOL is committed to green procurement in all areas of our operations. In 2019, we revised the construction management system to achieve better cooperation with suppliers and contractors. Materials and construction trades offered by our business partners must, at minimum, fulfil national requirements. They must also be environmentally friendly.

Shui On's Standard Material and Workmanship Requirements codifies basic technical specifications for tenders, and requires suppliers and contractors to provide products accredited with Type I China Environmental Labelling Product Certification (Ten-Ring logo).

3 Green Office

To achieve green operations, we promote paperless, low-carbon and eco-friendly initiatives, and cultivate a green office culture among employees.

Policies such as our Environmental and Occupational Health and Safety Objectives, Indicators and Management Plans and 2018 Evaluation Report on the Compliance of Feng Cheng Property Management reinforce our will to practice green concepts and to contribute to environmental improvement.

Our subsidiary Feng Cheng Property Management leverages our Energy Consumption Management Platform to manage conservation, enhance awareness and explore and develop new applications of conservation technology.

We have adopted diverse energy and resource efficiency measures to reduce consumption and corresponding carbon emissions:

Reducing energy consumption

- ▲ Upgrading to LED lighting systems and using time controls in public lighting areas;
- ▲ Using energy-efficient escalators;
- ▲ Adopting reverse cycle air-conditioning systems with peak-load shifting to reduce consumption during traditional peak hours, and monitoring the air-conditioning temperature in real-time.

Conserving natural resources:

- ▲ Installing automatic faucets and water-saving toilets;
- ▲ Controlling on-off times of waterscapes and undertaking timely leak repairs;
- ▲ Discontinuing single-use and disposable plastics, and promoting paperless practices;
- ▲ Actively classifying waste and employing professional recycling companies.

Reducing emissions:

- ▲ Equipping smoke exhaust systems with electrostatic oil collectors and photolytic deodorisers to ensure compliance with national emission standards;
- ▲ Processing effluent from restaurants through grease traps to reduce oil discharge;
- ▲ Commissioning suppliers accredited with national qualifications to handle solid waste in a standardised manner.

Feng Cheng Property Management promotes green management on par with international standards, and has obtained ISO 14001 Environmental Management System (EMS) certification via external audit.

4 Green Lifestyle

We are committed to promoting green and healthy living to tenants, customers, communities and stakeholders. We encourage them to practise sustainable lifestyles and to shoulder their social responsibilities as global citizens.

Commitment to Environmental Responsibility

Tenants are required to acknowledge their comprehension of our Code of Conduct and Business Ethics when signing a tenancy agreement, especially the terms of the Commitment to Environmental Responsibility. Any violation is deemed a breach of contract.

In addition to providing a green and pleasant environment in our projects, we offer comprehensive environmental management support to tenants and customers. We assist in the collection of large discarded items and refer owners to recycling companies to avoid unnecessary waste. To support the government's initiative, we commission professional waste-sorting companies, promote environmental protection, and collect and recycle recyclable items and food waste every week.

We organise environmental and green-themed activities to promote harmony between humanity and nature. In 2019, Feng Cheng Property Management organised an Earth Day event to promote green ideas to communities. It included online subscription for tree planting, and offline activities including seminars on waste separation, puzzle games, and tree planting activities.

Enhancing Historical Culture

The history of the city has not only cultural significance but can also bring huge commercial value. Protecting historical buildings therefore involves more than a responsible respect for culture. Renovating and redeveloping old urban areas cannot be achieved simply with bulldozers. We work hard to conserve historical buildings, and discover and preserve local historical and cultural characteristics. This instils charm and energy in our buildings and communities.

Cultural Heritage Conservation and Integration

The Beginning of Our Heritage Conservation Journey

Our journey of conserving and integrating cultural heritage began with the Shanghai Xintiandi project. This was built under the "repair it as old" philosophy, by preserving some Shikumen houses, retaining the Shikumen stone gates and other historical and cultural features.

We anticipate how city lifestyles will develop and the need for lifestyle upgrade in the innovative transformation of old urban areas. Shanghai Xintiandi has become a landmark that combines fashion, entertainment, leisure and culture.



Planning Stage: Survey of Local Context and Building Fabric

Whilst planning Shanghai Xintiandi, we surveyed the existing community and buildings, minimised the impact of the development on the environment, and thought of ways to preserve and enhance local culture via regeneration.

'Yesterday, Tomorrow, Meeting at Today'

To combine preservation, adaptive reuse, and new buildings, creation of open spaces, conversion of uses, we created a new Shanghai lifestyle and landmark.

To embrace the sense of history – and adhering to the principle of 'Yesterday, tomorrow, meeting at today' – we retained original alleys, Shikumen building stone gates and brickwork, and converted the buildings to modern uses. A vibrant neighbourhood is resulted.

The success of Xintiandi witnessed many architectural and development awards, including ULI Global Awards for Excellence in 2003. It became the first batch of China's National Cultural Industry Demonstration Bases in 2008.



Case Study

ULI Global Award for Excellence "Foshan Lingnan Tiandi": The Integration of the Old and New

Foshan is the birthplace and most significant town in the Chinese Lingnan culture. The site of our Foshan Lingnan Tiandi project is one of China's first batch of national intangible cultural heritage projects, including temples and other precious historical relics. Following our fruitful experience with Shanghai Xintiandi community, we successfully regenerated the Lingnan Tiandi neighbourhood, preserved its historic fabric, enriched its functions, and injected new energy into this historical community. In 2019, Foshan Lingnan Tiandi earned the ULI Global Excellence Award, reflecting our achievement in preserving historical buildings and culture.

Foshan Lingnan Tiandi includes eight national, provincial and municipal cultural relic protection units, and more than 40 outstanding historical buildings. The whole development comprises a historic building complex with construction area of 3,963 sq.m. and a non-historic building complex with area of 58,000 sq.m. The Wenhuli Marriage House, pictured, dates back more than 200 years. In June 2019, it hosted a 'Modern Lingnan Wedding, Love in the World' collective wedding ceremony to further promote traditional Lingnan folk culture.

Foshan Lingnan Tiandi focuses on protecting the town's urban texture and architectural characteristics. It also maintains and promotes Lingnan culture by attracting traditional merchants. We have found such merchants among Chinese diasporas in Singapore and other Southeast Asian countries. Their return is a great achievement in preserving historical culture.



Villa



Wenhuli Marriage House

Leading Urban Regeneration

Opportunities for urban renewal are key to the development of first-tier Chinese cities. Faced with scarce land resources, especially in city centres, urban regeneration is a good strategy for sustainable land use and urban development. Based on the successful experience with Shanghai Xintiandi, Foshan Lingnan Tiandi and other projects, SOL was awarded two new projects related to urban regeneration in Shanghai Hongshoufang and Panlong Tiandi in 2019.

Panlong New Life >>>

With its unique water culture, Panlong has attracted literati and saints since ancient times, and gradually formed the famous 'Ten Sceneries of Panlong'. Panlong Tiandi is a 'village in the city'-style regeneration project. Whilst contributing to the planning of the Grand Hongqiao area, we will also conserve the ancient architectural style with Jiangnan water town culture, painting a new scenery of Jiangnan.



Aerial view of Panlong Tiandi



Waterfront of Panlong Tiandi

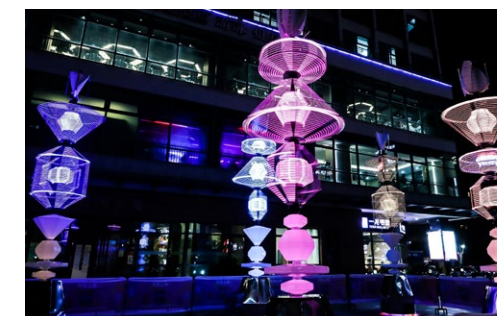
Hongshoufang >>>

The Hongshoufang urban regeneration project is located at the centre of the city and has a rich urban context. It will be developed into a commercial office complex with a construction area of 63,021 sq.m. As with Shanghai Xintiandi, this urban regeneration opportunity will see innovative design and technology integrated with local historical characteristics and culture, aiming to revitalise city fabric.

Multicultural and International Exchange



XMAS AMUSEMENT Refloating The Plastic



Lumières Shanghai at Shanghai KIC

We are also committed to infusing cultural innovation into urban commercial spaces. The aim is to create a multifaceted, international cultural meeting place. In 2019, we proactively carried out brand renewal, and organized various artistic and cultural experiences for the public. Activities such as "Performing Arts XINTIANDI", "WORLD MUSIC ASIA" and "LUMIÈRES SHANGHAI" reflect our diversity and promote multicultural exchanges between China and our friends overseas.

LUMIÈRES SHANGHAI is China's most influential annual light and shadow-themed festival, initiated and hosted by our commercial brand XINTIANDI. It enables the public to experience the beauty of art and light, and reveals the charm of Shanghai's light and shadows, igniting curiosity about urban culture.

In 2019, the LUMIÈRES SHANGHAI Light Art Festival united us with a new strategic partner: the world-famous Amsterdam Light Festival-Light Art Collection. Themed 'Chasing Dreams: A Remix of Light', the exhibition featured 23 light and shadow art pieces from over ten countries and regions at Shanghai Xintiandi, Hongqiao Tiandi, Ruihong Tiandi and Shanghai KIC – for free admission. Most of these were being exhibited for the first time, in the world, in Asia, or in China.



World Music Asia 2019

WORLD MUSIC ASIA 2019, created by XINTIANDI attracted 30 master teams from over 20 regions and countries to perform 62 music shows in cities of Shanghai, Wuhan, Foshan and Chongqing. The diverse performances brought the theme of 'World Music, Global Sharing' to life. Different cultures communicated and resonated through music, creating a community without geographical boundaries. Long-established and splendid cultures were blended, while a stage was created for dialogue in between Asian cultures, building Shanghai's reputation as an arts capital.



Shanghai Fashion Week 2019

Since its launch in 2011, Shanghai Fashion Week has partnered with Shanghai Xintiandi to showcase the latest works. As a start for the next three-year strategic cooperation, Shanghai Xintiandi and Shanghai Fashion Week will focus on sustainable fashion and consumption, and strive to create a social platform on which brands, designers and consumers can interact and grow, yet retain their individuality. Together they will drive the upgrading and innovation of the Chinese fashion industry.

In 2019, we organised and hosted more than 1,100 cultural events, promoting an inclusive community and global cultures to local communities.

SDGs issues responded to in this chapter:



Fostering Thriving Communities

We believe that sustainable communities are a vital part of urban development. In any district, any city, it is the people who give vibrancy to the community. So, when we develop cities and communities, we pay extra attention to the relationships and communication between people. We improve customer experience. And we help enterprises to innovate, thereby empowering and invigorating the community.

Case Study ULI Global Award for Excellence “Shanghai KIC” —A Multi-functional Innovation Community

In times of rapid urban development, old industrial districts face the uphill challenge of keeping pace with economic development as well as disruptive forces of innovation. Yangpu District, Shanghai, where our Shanghai KIC project is located, is a good example of how a real estate development through clever master-planning and effective execution was able to catalyse the district's transformation from an industrial zone to a globally renowned innovative technology hub.

To assist the government in this transformation, we developed KIC into a large-scale, mixed-use knowledge community that integrates communities, industrial office parks and campuses through provision of social spaces, events and activities. This all-rounded work-live-learn-play experience enables the communities, industrial office parks and education campuses to interact well; producing a strong synergy that has helped Yangpu District to evolve from a manufacturing stronghold to a modern, technological innovation centre. Today, Yangpu District proudly yields the second largest number of technology unicorns (almost 20%) in Shanghai, after the whole of Pudong.

In 2019, the KIC project distinguished itself from real estate projects in the Asia-Pacific region and won a 2019 ULI Global Award for Excellence – one of the industry's most authoritative acknowledgements.

Innovation Campaigns

Unlike most real estate developments in China, KIC was designed as an open development to encourage interaction and integration among the three groups of users. In the spirit of socialisation, the project is committed to explore and strengthen both social and business connections between people in an urban public space. In 2019, KIC held more than 600 innovation activities, including Maker Carnival, World Music Asia, XINTIANDI Restaurant Week and Created in China. These events attracted students and creators, and promoted the development of a vibrant innovation community. They also demonstrated the energy and vitality of our community's youngsters in this era.



2019 Maker Carnival

Every October for the past six years, the Shanghai Maker Carnival was held at the Jiangwan Sport Centre, and attracted more than 300 creators and 35,000 participants from around the world. Unleashing the “maker's spirit”, these young innovators were encouraged to imagine and conceptualise the future of technology and art.

Innovation and Entrepreneurship

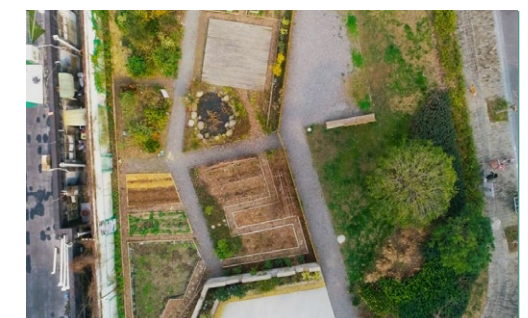
However, to be sustainable, innovation and entrepreneurship need to be in-tandem so that innovation can become pervasive and benefit the society at large. INNOSPACE+, created by KIC, is the first new entrepreneurial community in China. It is a comprehensive, full-fledged, one-stop support hub for start-ups; comprising the InnoSpace incubator and accelerator, a start-up training academy, and a VC club. All these, together with the hotel, apartments and gym in INNOSPACE+, effectively provide a comprehensive one-stop solution for start-ups and entrepreneurs' work-live-learn-play concerns.

InnoSpace's International Entrepreneurship Training Camp has been conducted for many years, and the InnoSpace Angels Fund was established in 2015. To facilitate interaction, INNOSPACE+ holds almost 400 events a year, bringing together more than 52,000 entrepreneurs, developers and investors. By creating content and promoting interaction, INNOSPACE+ builds a vibrant entrepreneurial ecosystem, providing quality services and highly targeted resources for entrepreneurs. Since 2011, INNOSPACE+ has incubated and accelerated more than 550 start-ups; of which, 13 start-ups enjoy valuation exceeding RMB100 million (US\$14 million) within 12 months of inception.

Innovation in Charity

KIC Garden is a community garden located at the first open block of Shanghai, west of KIC. It makes ideal use of a typical city open space, transforming it into a community garden. Nearby residents are invited to enjoy the fun of cultivating crops at the Meter Farm and fruits in the Public Garden.

As a signature smart community, KIC has long promoted a sustainable and zero-waste environment. In July 2019, we launched the KIC Sustainable Living Festival, with the theme ‘Work Together, LOHAS (Lifestyles of Health and Sustainability) Together’. With the help of commercial tenants, the event promoted waste segregation, and called on everyone to begin taking eco-friendly steps that are within their power and reach.



Overhead view of KIC Garden



Community gardening at KIC Garden

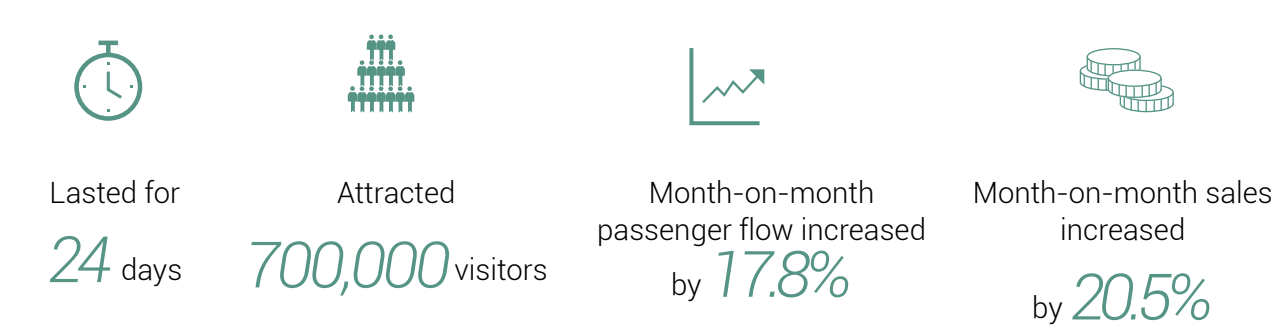


KIC Sustainable Life Festival

Vital and Healthy Lifestyle Circle

'Vibrant Neighbourhood' on Shanghai's First Weekend Walking Street

We are committed to building social spaces that drive business prosperity throughout the region. To promote the growth of Shanghai's regional economy and support its evolution into an international consumer city, Shanghai Xintiandi was among the first to pilot the "Night Shanghai Characteristic Consumer Demonstration Zones", in August 2019, innovating to create a 'Vibrant Street Fair' on Shanghai's first street to be pedestrianised at weekends. Part of a pilot of such schemes, it satisfied the shopping and entertainment needs of citizens and friends, and energised the community.



In October, another 'Vibrant Street Fair' opened on Hubin Road, Xintiandi. This upgraded night market merged current trends, and the festive atmosphere of Christmas and New Year's Eve presented an international flavour with modern Shanghai style.



Xintiandi Hubin Vibrant Neighborhood 2019



Shanghai Xintiandi Night Market 2019

Superior Customer Service

With conscientiousness, convenience and attentiveness as core principles, we provide customers with high-quality services for residential, office building and commercial property management. We meet customer needs, respond rapidly and efficiently, and ensure detailed services.

Customer feedbacks, opinions and complaints are fed back in a timely fashion to the relevant project management company. In 2019, a third-party customer satisfaction survey scoring 92 reflected increased overall customer satisfaction, residential customer satisfaction and shopping mall customer satisfaction across our properties.

We implement a spirit of "Innovation, Quality, and Excellence". The trust of customers has been earned with our high-quality building services, diligent after-sales service and regards for customers' health and safety.

In 2019, leveraging our Bauhinia Premier Service as a foundation, we launched a mobile app called Bauhinia Butler. Linked with our official customer loyalty programme iTiandi, the app seamlessly links our residential and commercial platforms for users.

The Group has developed a series of advanced management systems certified to ISO 9001 quality management system standards. To reinforce our philosophy of providing valuable, caring and hassle-free spaces in residential, commercial and office projects, we focus on the details of buildings and services. This includes improving indoor air quality and furnishing the spaces thoughtfully to provide health and safety benefits for customers. In recognition of these efforts, Feng Cheng Property Management won the awards as pictures shown in 2019.



Certificate of China Property Management Brand Value



Top 500 Property Management Companies in 2019

Digitalization for Business Growth



Win-win through data sharing

We believe that an O2O (Online to Offline) integrated economy can enhance connections between consumers and products. Leveraging the internet and big data, companies can better understand consumer backgrounds and preferences, update products and promotions in a timely fashion, analyse market segment potentials, and explore business opportunities more precisely.

To this end, our meticulously-developed INNO+ app enables us to share consumer behaviour, consumption habit and online and offline activity analytics and recommendations with our commercial and office tenants. This helps us to make speedy commercial decisions to best meet our customers' needs.



Power of Meals programme

Faced with the pandemic, we launched the Power of Meals programme on INNO+ to address both the needs of food and beverage (F&B) enterprises and white-collar workers at our developments. On one hand, it provided information of lunch options and discount benefits to office tenants working at our developments; and on the other hand, it helped brand marketing and to create a stable customer flow for our F&B tenants during this difficult time.



Enterprise Connections for Mutual Growth

Entrepreneurship, and the growth and innovation of small and medium-sized enterprises (SMEs), are closely related to national economic development and stable employment.

As a responsible corporate citizen, we support efficient platforms and resources that help the sustainable development of SMEs, especially in this time of the pandemic. We developed an corporate connection platform that provides regular market analyses and user research reports. These help enterprises sharpen their competitive advantages. Meanwhile, sharing data on the platform increases cooperation and collaboration opportunities for office tenants.

One example is Aosta Steak Brother, which is one of the first tenants of INNO KIC. After knowing that the company has faced challenges in increasing its exposure and boosting its customer base, INNO KIC assisted the company in disseminating information about steak regularly, and organised offline tasting and shopping activities. We encouraged Aosta to host interactive cooking events to enhance the overall customer experience and its own attractiveness.

As of December 2019, INNO+ has launched more than 150 corporate publicity activities, and the cumulative number of registered corporate employees has reached 21,414.

SDGs issues responded to in this chapter:



Sustaining the Shui On Spirit

The story of SOL originates from the book Jonathan Livingston Seagull, in which the central character Jonathan strives to perfect the art of flight. The belief in pursuing truth, goodness and beauty correspond with Shui On Spirit of integrity, dedication, innovation and excellence.

Adhering to our philosophy of "People being our most important asset", we endeavour to offer our employees the most abundant and comprehensive care, provide a career platform that supports their talents, encourage interaction and mutual empowerment, fully unleashing the Shui On Spirit.

Employee Care

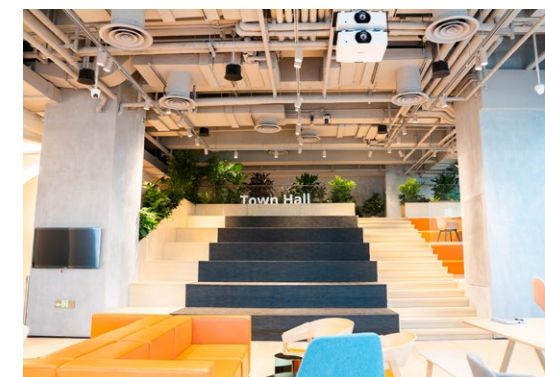


Case Study

"Project Lighthouse" —— A Social Renaissance, The Story of Life, Connectivity, Meaning and People



The renovation of our group headquarters located in Shui On Plaza, Shanghai, was successfully completed in late 2019. Project Lighthouse, as the renovation was known, represents the Shui On Spirit, and signals our future direction in innovation and sustainability. The headquarter renovation incorporates the latest trends in workspace requirements and is a future model for office environments, also symbolizing the Company's efforts to break down internal barriers and to unite everyone in the organization to embrace the upcoming changes and challenges.



The renovated space has achieved a LEED Gold level CI certification and is a smart, healthy and human-centric space encompassing the five dimensions of design, culture, communications, technology and service. The workspace not only provides a healthy and comfortable office environment for employees, but also applies modern technologies to enhance the eight aspects: air, water, light, movement, thermal comfort, sound, materials and community, in accordance with WELL Rating requirements. We hope to improve each employee's wellbeing and happiness at work.

The brand-new office environment provides a variety of flexible working and meeting scenarios. Coupled with extensive integration of the latest mobile technologies, employees are able to work in more efficient and environmentally friendly ways.

Employee's Interest and Benefits

We cherish the work of our employees, value their physical and mental health, and respect their rights. All regular employees have labour contracts and we pay social insurance contributions for full-time employees. We strive to improve benefits for our employees.

We keep communication channels open and support employees exercising their rights as citizens. We encourage negotiations, consultations and exchanges.

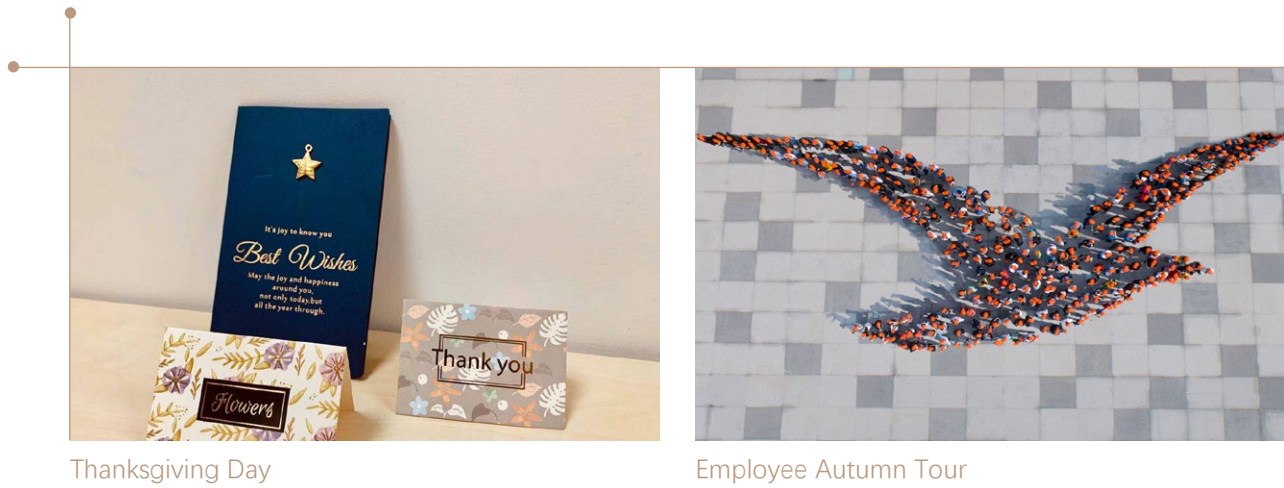
Our human resources policies and systems ensure openness and fairness in recruitment, appointment, evaluation and promotion, regardless of race, beliefs, colour, gender, age, nationality or religion. We actively advocate equality and diversity among our employees and in our working environment. And we are committed to creating an engaging and harmonious working atmosphere for all employees.

We strictly prohibit child labour and forced labour. Every staff member is given the right to decide on his own and transfer, reassignment and promotion opportunities are also provided based on the individual's attitude, effort, ability and performance.

Staff Recreation Club

We show our love and care for our employees via the Shui On Recreation Club. Alongside regular festivity celebrations, the club organises sports, family days, group trips and other activities to foster employee relationships, retain talent and enrich employees' lives. In 2019, lunch-hour yoga lessons enabled employees to relax their bodies while honing their endurance and perseverance. We also coordinated with tenants to offer discount benefits to employees.

In 2019, Staff Recreation Club hosted 167 sports and festival activities. Around 2,000 employees and their families were engaged and participated in the activities.

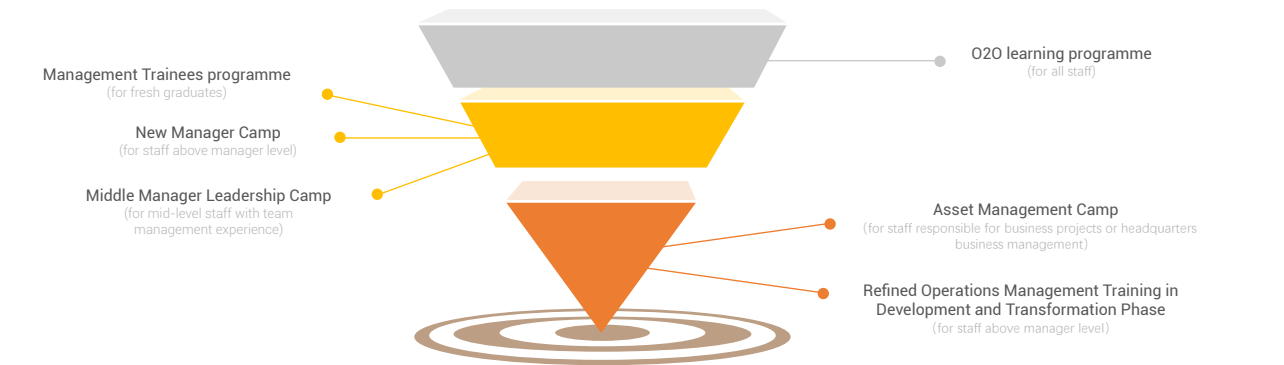


Cultivation of Talent

Shui On Land believes human resources are our most important asset. Attracting, developing and retaining excellent employees is the key to business success. Every employee, throughout their career, should be able to grow and develop alongside the Company through self-discovery, training and development.

Shui On Academy and Talent Development Programmes

The Shui On Academy, established in 2008, provides a talent development ladder via diverse courses, nationwide training and O2O learning programmes.



1 Management Trainees Programme

To attract, train and provide equal opportunities to fresh university graduates, we designed a management trainee programme. Established in 1997, this programme aims at equipping graduates with the leadership skills to take on important responsibilities and challenges.

Since its inception, we have hired and trained over 210 management trainees. Many of them have stayed in our group and progressed to upper management level positions.

Social

2 New Manager Camp

This programme transforms individuals into team managers. In 2019, the New Manager Camp revamped and upgraded its content and format: a module on management innovation explores 'customer perspective' challenges through a combination of "compulsory" and "optional" courses. Combined with personal management challenges, the program effectively increases our new managers' problem-solving skills.



2019 New manager camp

3 Mid-level Manager Leadership Camp

This programme trains mid-level managers with team management experience, to comprehensively and rapidly improve their leadership skills. It enables managers to understand our operation and management mechanisms, and to lead their teams to implement our strategies efficiently. In 2019, the programme focused on shaping and developing headquarter and project function leaders, and opening channels for leadership development. Trainees are presented with common management challenges, concerning human resources and operations. These enable them to integrate what they learn into real business and management situations.



2019 Middle manager leadership camp

Cybersecurity Management and Training

We have a cybersecurity management framework, an information security management system, a network security management system, and a prevention and response process for information security incidents. All of these have passed the review and certification of the third level of national information system security protection in 2020. In addition to regular internal self-examinations, we are reviewed by the relevant national regulatory agency.

Our information security protection practices actively prevent data leakage and strengthen our resistance to network attacks. We have targeted and proactive defence and monitoring mechanisms, and we test the security and effectiveness of our systems, products and data protection.

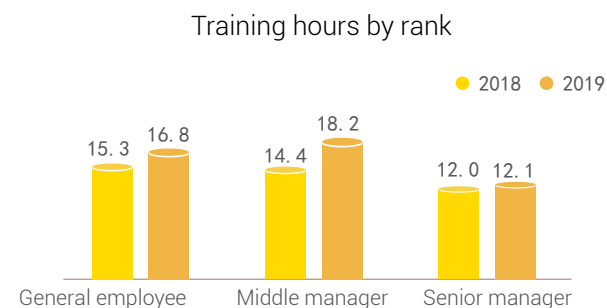
Amid the current pandemic, more people are using video conferencing. We have established the Guidelines for the Safe Use and Configuration of Online Meeting Software to ensure the safety of such meetings.

We have also strengthened employees' training on cybersecurity threat awareness and protection. The importance of information security is promoted via online teaching, regular phishing email tests, and monthly tips. A special email mailbox for SOL Cybersecurity was created and alerts the consequences of telecommunication fraud, Wi-Fi temptation, location information leakage, and inadvertently talking about sensitive information in public.

In 2019, the Company provided a 40-minute cybersecurity online training for all employees. We will organize both offline Cybersecurity Day Event and online relative trainings in 2020.



In 2019, average employee training increased from 15.8 hours to 16.9 hours. Training hours by rank were as follows:



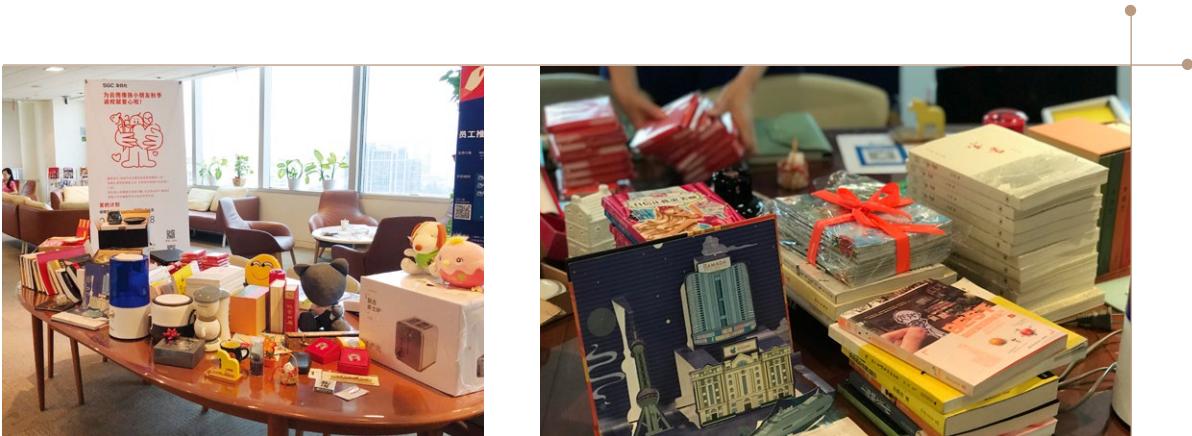
Charity in Shui On

Shui On Seagull Club

The Seagull Club is a self-initiated charity group comprising employees from different departments of Company. Its mission is to promote corporate culture, implement corporate social responsibilities, foster cultural exchange and integration, and strengthen interactions between people.

In 2019, a donation campaign was launched by the club in partnership with Shanghai Xintiandi's Lakeville community. The proceeds helped 375 underprivileged children from the Dai ethnic group in Yunnan buy back-to-school stationery and books, resolving the difficulty of purchasing supplies faced by children living in mountainous areas.

The event was supported by many SOL staff. They collected nearly 300 items – including 40 books and other donations. We hope that our employees gain happiness from these charitable activities, and would pass on the virtue of corporate social responsibility.



Cultivation of Philanthropic Talents

To expand our charity involvement in the community, we have helped bring about a strategic partnership between the China Foundation for Disabled Persons (CFDP) and the China Global Philanthropy Institute, to train professional talents in the philanthropy sector. SOL has supported CFDP for more than a decade, and over the past three years, we have trained almost 100 of its middle and senior managers.

In 2019, we developed trainings for more than 40 middle and senior managers, encouraging them to innovate and improve their professional competence.

Safe and Sound Working Environment

We value our employees' health and safety, and require all employees to strictly abide by relevant regulations on workplace health and safety. We offer personalised health checkup packages based on employees' individual characteristics. And we enhance those checkups by referring to past physical examinations, improving test indicators and allowing employees to choose options suited to their needs, from a larger pool of service providers.

In 2019, we formulated our Environmental and Occupational Health and Safety Objectives, Indicators, and Management Plan (2019), and adopted documents such as the Code of Safety Management and Green Building Construction Planning. These regulate matters related to safe construction and occupational health, and delegate managerial authority to the engineering management department.

In the early stages of each project, we set specific safety goals, including zero fatalities, and notify the contractor of these goals. This protects and improves the wellbeing of our employees and construction workers.

OHSAS 18001 Occupational Health and Safety Management System Certification

Our continually improved EHS management system handles tasks such as mitigating occupational health and safety risks. We enhance the safety awareness of contractors' construction personnel via training, monthly assessments and internal audits.

Feng Cheng Property Management holds OHSAS 18001 occupational health and safety management system certification. This allows our employees to progress in a reassuring and satisfying environment.

- Establish an integrated management system for quality, environment, and occupational health and safety; Feng Cheng property has obtained OHSAS 18001 occupational health and safety management certification
- Offer health checkups, enhance health checkup packages, and improve comprehensiveness of test indicators
- Provide diversified commercial insurance plan options
- Provide training on health knowledge and organize sports activities

Perfecting the occupational health protection system

- Disclose office PM2.5 level daily
- Add filters to air outlets of air conditioners
- Add air filtering devices in crowded areas
- Place out green plants in office for improving indoor air quality
- Provide internal gym and facilities

Providing a safe and comfortable working environment

Corporate Governance

The Board is responsible for leading the Company and overseeing our business, strategic decisions and performance. The Board comprises talents from different backgrounds, bringing valuable and diverse business experience, knowledge and expertise.

To assist in fulfilling its duties, the Board has established four Board committees, namely, the Audit and Risk Committee, the Remuneration Committee, the Nomination Committee and the Finance Committee, and has delegated to these Board committees various responsibilities as set out in their respective terms of reference.

Board Diversity Policy

Our Board Diversity Policy, which sets out the Company's approach to achieve diversity at Board-level, was adopted in March 2013. In 2019, the Board comprised nine members, including three executive directors, one non-executive director and five independent non-executive directors.

As of the end of 2019, members of the Board of SOL are as follows:

Gender	Members	Tenure	Members	Age	Members
Male	8	0-10 years	3	<30	0
Female	1	11-20 years	6	30-50	1
				>50	8

The Board reviews its own structure, size and composition regularly to ensure that it has a balance of expertise, skills and experience appropriate for the Company's business. The Board believes that its current composition reflects a balance of skills and experience necessary for effective leadership and independence in decision-making, especially because independent non-executive directors account for over half its members.

Ethical Corporate Culture and Anti-corruption Measures

Our policies, including a *Code of Conduct and Business Ethics*, govern our business ethics and best practices. Clear principles and guidelines are provided for all directors, employees, suppliers and subsidiaries in different business situations. Policies related to conflict of interest, prohibition of receiving benefits, insider trading and anti-corruption are incorporated in employee handbook and supplier contracts.

We partner only with those who also adhere to strict business ethics. Based on the Code of Conduct and Business Ethics, our agents, representatives, consultants, contractors, subcontractors, partners, distributors, sales and marketing agents, and suppliers must meet or exceed our high standards, and they must agree to strictly abide by the Code of Conduct and Business Ethics.

Our *Ethics Committee* monitors our behaviour and business ethics-related matters, to ensure adherence to the Code of Conduct and Business Ethics. Members of the Ethics Committee are appointed by the Executive Committee (EXCOM) of the Company. We regularly evaluate and adjust the Code of Conduct and Business Ethics to ensure its effectiveness.

We provide regular anti-corruption and non-competition trainings to all employees. New staffs undergo an introduction to ethics in their orientation and are requested to declare their commitment to our Code of Conduct and Business Ethics. They are

also required to undertake an online business ethics training session upon completion of their probationary period.

In 2019, more than 1,410 hours of anti-corruption training were provided for our employees. Suppliers are provided with online corporate ethics training and, and annually, are required to sign business ethics statements to confirm that they strictly abide by our highest ethics and governance standards.

Selected staff are designated as ethics ambassadors. Their mission is to enhance awareness and standards by providing thorough coaching and training to other colleagues.

The Audit and Risk Committee is responsible for monitoring compliance and reviewing our policies and practices in regard to legal and regulatory requirements. The committee requires management to regularly report on updates to laws and regulations that are relevant to our business. For example, at meeting with the committee, the Information Technology and Information Security Department is required to submit updates related to information technology security and compliance with data privacy laws and regulations. The Audit and Risk Committee also reviews the Company's sustainable development and reports. The Audit and Risk Committee also reviews the Company's sustainable development and reports.

Whistleblowing Policy

An *Irregularities Reporting System (or whistle-blowing system)* is available to report violations of our Code of Conduct and Business Ethics, and for complaints about integrity-related matters from staff, vendors, customers or partners. Telephone hotlines and dedicated email addresses and mailboxes enable any such complaints to reach the Chairman of the Audit and Risk Committee (Class 1 reporting) or the Chairman of the Ethics Committee (Class 2 reporting).

For any evident submission of reports, the Company will investigate in a serious and confidential manner, and take no action against the reporters. Employees who persecute or retaliate against reporters are disciplined.

Relevant reports are submitted to the Ethics Committee for regular review. At each Audit and Risk Committee meeting, a summary of the complaints received, and their follow-ups, are tabled for review. Four cases were received and investigated by the Group this year, then reported to the Audit and Risk Committee.

Reports and complaints are classified into two tiers:

Tier 1

Reporting related to members of the Executive Committee of the Company, executive directors or above of the Company and members of the Company's Ethics Committee.

Tier 2

Reporting related to those other than in Tier 1.

Customer Privacy

Respecting personal privacy is fundamental at SOL. We strive to protect customers and tenants' privacy as we understand the importance of personal information.

We are committed to comply with relevant laws and regulations¹, and ensure all customer information is protected in our operations. Provisions regarding customer privacy and confidentiality are included in our employee handbook.

We proactively inform customers of the terms of our Privacy Statement and obtain their acknowledgement when registering iTiandi or other Company membership accounts. The Information Technology and Information Security Department assists in the promotion of customer personal data protection and shares the latest guidelines and information in a timely manner.

Responsible Marketing

Our business often involves external publicity and promotion. When undertaking marketing, we follow relevant laws and regulations² that have a significant impact on the business. We actively promote sustainable consumption to encourage customers to make rational decisions and to consume responsibly. When communicating with potential tenants and promoting commercial properties, we provide genuine and complete information, and ensure there are no unfair marketing practices or misleading information.

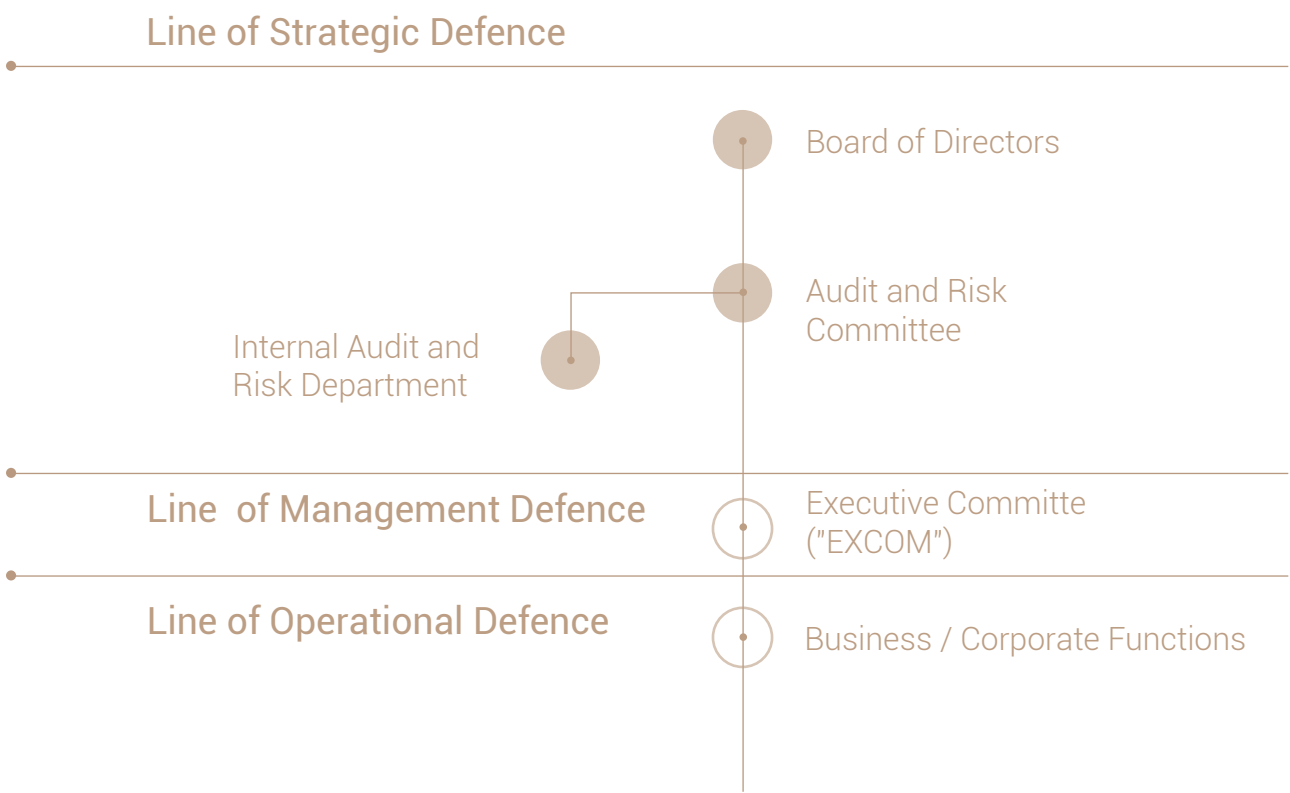
Through providing project information, price information and other disclosures – as well as conducting activities such as construction site open days, delivery pre-acceptance, community visits, decoration process and component visit – we actively communicate necessary information with our customers, enabling them to make rational decisions.

1 Please refer to List of Environmental and Social Regulations.
2 Please refer to List of Environmental and Social Regulations.

Risk Management

All members of the Audit and Risk Committee are, currently, independent non-executive directors. They are responsible for our comprehensive enterprise risk management. Through a top-down framework, we respond and adapt to an ever-changing business environment.

The Company has established an organizational structure to carry out risk management processes. The Board of Directors, the Audit and Risk Committee, and the EXCOM exercise strict supervision during the formulation and execution of risk management policies and frameworks, to promote maximum effectiveness. Our project directors and department heads are responsible for operational risk assessment, including risk identification, prioritisation, response, monitoring and reporting.



Risk Governance Structure

The Company has established a risk management framework which comprises a risk governance structure and a risk management methodology and programme, used to identify, evaluate and monitor the Company's risks. Each functional department is responsible for identifying potential risks in daily operations and compiling a risk inventory. We continue to assess and prioritize the Company's major risks when formulating risk management plans.

The EXCOM reviews identified risks and formulates avoidance measures. These are reviewed by the Internal Audit and Risk Department. Relevant personnel and the Board are informed, undertake prevention measures, and report actions taken to management.

Annual risk assessment is conducted to manage our risk profile effectively. The Audit and Risk Committee provides updates to the Board at regular meetings throughout the year based on the risk inventory collated by the risk coordinator and the key control effectiveness testing results reported by the Internal Audit and Risk Department.



The COVID-19 outbreak in late 2019 brought unprecedented challenges to public health. To protect the health of residents, tenants and consumers, we initiated our crisis management process and established an emergency response team immediately. Under the leadership of this team, all of our projects have adopted stricter epidemic prevention and control measures, and more standardised service systems. These long and short-term response measures are adjusted appropriately from time to time.

In January 2020, we donated RMB10 million to help the people of Wuhan purchase scarce supplies, providing health and safety protection for customers and the wider community.

For more information on our financial and ESG related governance and risk management, please refer to the 'Corporate Governance Report' and 'Risk Management Report' sections of SOL's Annual Report.

Outlook to the Future

SOL has been committed to sustainable development since first embarking on mixed-use, pedestrian friendly, urban regeneration community development over 20 years ago. With recent broadening of our definition of sustainability and top management focus, our vision and resolve on providing urban solutions, creating and sustaining thriving communities has never been stronger. We believe the COVID-19 pandemic would only hasten the need for sustainable development in China. With our new 5C sustainable development strategy and governance structure in place, we are ready to tackle with confidence the environmental and social challenges in our development and operating assets, and in our work-life as a whole.

Key Performance Table

Environmental Performance Data

Indicator	Unit	Group's Total Amount		
		2019	2018	% Change
Emissions				
Diesel consumption	litre	11,247	12,035	-6.5%
Gasoline consumption	litre	83,867	101,556	-17.4%
Sulphur oxides emissions from diesel	kg	0.18	0.17	5.9%
Sulphur oxides emissions from gasoline	kg	1.23	1.63	-24.5%
Total Sulphur oxides emissions	kg	1.42	1.81	-21.5%
Greenhouse gas emissions				
Scope 1: Direct emissions of greenhouse gas	kgCO ₂ equivalent	10,482,469	9,243,145	13.4%
Scope 2: Indirect emissions of greenhouse gas	kgCO ₂ equivalent	91,483,559	97,923,674	-6.6%
Total greenhouse gas emissions (Scope 1 and 2)	kgCO ₂ equivalent	101,966,028	107,166,819	-4.9%
Floor area covered by carbon emission verification	m ²	1,628,740	1,668,572	-2.4%
Greenhouse gas emissions per square metre of floor area (Scope 1 and 2)	kgCO ₂ equivalent/m ²	62.60	64.23	-3.0%
Non-hazardous waste				
Total discharge of construction waste	Ton	39,125	37,776	3.6%
Total discharge of household garbage	Ton	80,144	68,853	16.4%
Total discharge of non-hazardous waste	Ton	119,270	106,629	11.9%
Property management area	m ²	6,940,399	6,593,458	5.3%
Discharge density of non-hazardous waste	Ton/1,000m ²	17.18	16.17	6.2% ³

3 The area used to calculate the discharge density of non-hazardous waste is the management area of Feng Cheng Property Management. The increase in discharge density of non-hazardous waste is because in 2019, the property management area has been increased by 5.26% compared with 2018, and the renovation of existing projects also led to more construction waste.

Key Performance Table

Energy consumption					
Direct energy consumption	Diesel	MWh	112	122	-8.2%
	Gasoline	MWh	733	887	-17.4%
	Total direct energy consumption	MWh	844	1,009	-16.4%
Indirect energy consumption	Natural gas	MWh	18,171	26,576	-31.6%
	Power purchase	MWh	104,196	93,814	11.1%
	Total indirect energy consumption	MWh	122,368	120,390	1.6%
Total energy consumption		MWh	123,212	121,340	1.5%
Energy consumption density		MWh/1,000m ²	75.65	72.71	4.0%
Water consumption					
Total water consumption		m ³	1,330,098	1,449,626	-8.2%
Water consumption density		m ³ /1,000m ²	816.64	868.25	-5.9%
Sewage discharge		m ³	1,197,088	1,303,165	-8.1%

Remarks:

1. There were no confirmed violations or complaints related to environmental protection which might have a significant impact on the Group in 2019.
2. The data on greenhouse gas emissions are listed as carbon dioxide equivalents and calculated based on the 2017 China Regional Grid Baseline Emission Factor for Emission Reduction Projects. The data have been verified by TUV Rheinland in Germany.
3. Direct energy consumption refers to consumption by the sites owned or controlled by the Group, including gasoline and diesel consumption; indirect energy consumption refers to consumption of energy purchased or acquired by the Group, including natural gas and power consumption.
4. The energy consumption is calculated based on the consumption of electricity and fuel as well as the relevant coefficients provided in the General Principles for Calculation of Comprehensive Energy Consumption (GB/T2589-2008).
5. The consumption of diesel and gasoline includes the consumption of fuels for keeping vehicles and other mechanical equipment in operation.
6. The statistical data on construction waste include but are not limited to the total discharge of concrete, construction scrap metal, cables, plastics, and demolition waste; the statistical data on household garbage include but are not limited to the total discharge of waste paper, waste edible oil, household garbage and kitchen waste generated.
7. In 2019, the Group did not have any problems in sourcing water that is fit for purpose, all of which was from municipal water.
8. The area used to calculate the density of greenhouse gas emission, energy consumption and water consumption is in accordance with the floor area of carbon verification project, which excludes all residence areas and a few hotels and performance centres.

Social Performance Data

Indicator	Unit	Shui On Land – Property Development and CXTD	Feng Cheng Property	Shui On Construction	The Group's Performance in 2019	The Group's Performance in 2018	% Change
Employment							
Total number of employees	Person(s)	1,391	1,635	211	3,237	3,114	3.9%
By gender:							
Total number of male employees	Person(s)	515	1,034	156	1,705	1,647	3.5%
Total number of female employees	Person(s)	876	601	55	1,532	1,467	4.4%
By age:							
Total number of employees aged > 50	Person(s)	85	243	29	357	372	-4.0%
Total number of employees aged 30 to 50	Person(s)	1034	1,088	129	2,251	2,069	8.8%
Total number of employees aged < 30	Person(s)	272	304	53	629	673	-6.5%
Employee turnover rate	%	18%	25%	20%	22%	28%	-6.0%
By gender:							
Turnover rate of male employees	%	23%	23%	27%	23%	31%	-8.0%
Turnover rate of female employees	%	15%	28%	4%	20%	25%	-5.0%
By age:							
Turnover rate of employees aged > 50	%	19%	19%	0%	17%	25%	-8.0%
Turnover rate of employees aged 30 to 50	%	16%	24%	31%	21%	26%	-5.0%
Turnover rate of employees aged < 30	%	27%	31%	4%	27%	35%	-8.0%

Key Performance Table

Health and safety							
Number of work-related fatalities	Person(s)	0	0	0	0	1	-100%
Lost days due to work injuries	Day(s)	0	493	0	493	305	61.6% ⁴
Coverage rate of medical examination of employees	%	100%	81%	100%	91%	100%	-9.0% ⁵
Development and training							
Percentage of male employees trained	%	80%	96%	100%	91.4%	87.9%	3.5%
Percentage of female employees trained	%	69%	97%	100%	81.3%	75.9%	5.4%
Percentage of general employees trained	%	72%	95%	100%	86.5%	84.4%	2.1%
Percentage of middle management trained	%	83%	99%	100%	90.1%	82.3%	7.8%
Percentage of senior management trained	%	41%	99%	100%	78.7%	74.3%	4.4%
Hours of training per each employee every year	Hour	5.1	27.0	16.6	16.9	15.8	7.0%
Hours of training per each male employee every year	Hour	5.8	29.1	12.8	20.6	18.0	14.4%
Hours of training per each female employee every year	Hour	4.7	23.4	27.3	12.9	13.4	-3.7%
Average hours of training per each general employee	Hour	2.2	28.3	16.1	16.8	15.3	9.8%
Average hours of training per each middle manager	Hour	13.5	24.3	20.0	18.2	14.4	26.4%
Average hours of training per each senior manager	Hour	11.6	14.8	20.0	12.1	12.0	0.8%

- ⁴ The increase in Lost days due to work injuries is because there were 9 cases of work injuries happened in 2019 and 4 of them are casued by fracture so workers had to stay at home for longer time.
- ⁵ The decrease of Coverage rate of medical examination of employees is because in 2019, the scope of the Group's performance has included Feng Cheng Property Management team and Construction team, while in 2018 which was only within Property Development and CXTD Asset Management team. Besides, some workers did not participate in medical examination because of their own considerations.

Indicator	Unit	The Group's Performance in 2019	The Group's Performance in 2018	% Change
Products and services				
Overall customer satisfaction of the properties	Score	94.1	91.7	2.6%
Residential customer satisfaction	Score	94.8	90.8	4.4%
Office building customer satisfaction	Score	94.7	95.7	-1.0%
Shopping mall customer satisfaction	Score	92.8	91.1	1.9%
Number of complaints	Number	352	317	11.0%
Complaint handling rate	%	100%	89.6%	10.4%
Supply chain management				
Number of increased Chinese Mainland suppliers	Number	25	55	-54.5% ⁶
Number of increased Chinese Mainland contractors	Number	75	36	108.3% ⁷
Anti-corruption and fair operation				
Total hours of anti-corruption related training	Hour	1,410.8	75.5	N/A ⁸
Total hours of training on increasing employees' awareness of competition legislation and fair competition	Hour	759	2	N/A ⁹
Number of concluded legal cases concerning corruption charges brought against the issuer or its employees	Number	0	0	-
Community investment				
Number of employees participating in voluntary activities	Person(s)	120	115	4.3%
Total time spent in voluntary activities	Hour	360	460	-21.7%
Total charitable donations by employees	RMB	23,800	94,071	-74.7%
Total charitable donations by the Company	RMB'0,000	375	309	21.4%

Remarks:

- The Group was not aware of any confirmed violations or complaints concerning human rights or labour practices which might have a significant impact on the Group in 2019.
- The Group was not aware of any non-conformances concerning health, advertising, labelling and privacy matters which might have a significant impact on the Group in 2019.
- The Group was not aware of any significant negative impact, real or potential, caused by its major suppliers on business ethics, environmental protection, human rights and labour practices or any non-conformance on human rights issues in 2019.
- There were no significant risks associated with bribery and corruption in 2019.

- ⁶ The Group is a China based developer and asset manager with all assets in China. 100% of our new suppliers during the year is from mainland China.
- ⁷ The Group is a China based developer and asset manager with all assets in China. The Group cooperates with contractors locally.
- ⁸ The increase in Total hours of anti-corruption related training is because in 2019, the Group has set up online anti-corruption courses and require 100% new employees who should attend anti-corruption courses. In addition, in 2019, the formula is average training hours * the number of employees attended trainings, while in 2018 the figure is average training hours.
- ⁹ The increase in Total hours of training on increasing employees' awareness of competition legislation and fair competition is because in 2019, the Group has set up online courses on competition legislation and fair competition and require 100% new employees who should attend such courses. In addition, in 2019, the formula is average training hours * the number of employees attended trainings, while in 2018 the figure is average training hours.

About This Report

This Sustainable Development Report ('the Report') is prepared in accordance with the Environmental, Social and Governance Reporting Guide (Appendix 27) issued by the Stock Exchange of Hong Kong Limited (SEHK) with full compliance with the “comply or explain” disclosure provisions set out in the Guide. The four reporting principles advocated by the SEHK, namely materiality, quantitative, balance and consistency, are also adopted to define the content of the Report.

More detailed information could also be referenced from *pp.66-91 of SOL’s Annual Report 2019, the chapter on ‘Sustainable Development Report’*, to gain greater understanding of the Group’s environmental, social and governance policies and initiatives.

Introduction of the Report

【Scope of the Report】

This Report covers the sustainable development measures and performance of Shui On Land Limited and its three subsidiaries within the reporting period (1 January 2019 to 31 December 2019), namely China Xintiandi Co. Ltd., Shanghai Feng Cheng Property Management Limited, and Shui On Construction Co. Ltd. Unless otherwise specified, all currency involved in the Report are denominated in RMB, with all calculation methods being consistent with those in the past.

【List of Environmental and Social Regulations】

Corporate Governance

- Company Law of the People's Republic of China
- Law of the People's Republic of China on Enterprise Income Tax
- The People’s Republic of China Anti-Unfair Competition Law
- Contract Law of the People’s Republic of China

Environmental Protection

- Law of the People's Republic of China on Prevention and Control of Environmental Noise Pollution
- Law of the People's Republic of China on Evaluation of Environmental Effects
- Environmental Protection Law of the People's Republic of China
- Environmental Protection Tax Law of the People's Republic of China
- Energy Conservation Law of the People's Republic of China
- Atmospheric Pollution Prevention and Control Law of the People's Republic of China
- Soil Pollution Prevention and Control Law of the People's Republic of China
- Water Pollution Prevention and Control Law of the People's Republic of China
- Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes
- Water Law of the People's Republic of China
- Water and Soil Conservation Law of the People's Republic of China

Labor Employment

- Labor Law of the People's Republic of China
- Labor Contract Law of the People's Republic of China
- Employment Promotion Law of the People's Republic of China
- Social Insurance Law of the People's Republic of China
- Trade Union Law of the People's Republic of China
- Labor Dispute Mediation and Arbitration Law of the People's Republic of China
- Law of the People's Republic of China on the Protection of Women's Rights and Interests

Occupational Health and Safety

- Law of the People's Republic of China on the Prevention and Control of Occupational Diseases
- Work Safety Law of the People's Republic of China
- Fire Protection Law of the People's Republic of China

Intellectual Property Rights and Advertising Trademarks

- Advertising Law of the People's Republic of China
- Provisions on the Release of Real Estate Advertisements
- Real Estate Sales Management Measures
- General Principles of the Civil Law of the People's Republic of China
- Public Security Administration Punishments Law of the People's Republic of China
- Tort Law of the People's Republic of China
- Law of the People's Republic of China on the Protection of Consumer Rights and Interests
- Trademark Law of the People's Republic of China
- Patent Law of the People's Republic of China

HKEX Environmental, Social and Governance Reporting Guide Content Index

Environment		
Aspect	Key Performance Indicators	Reference Chapter
A1 : Emission		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to exhaust gas and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Focusing on Sustainable Environment, Reducing Impact of Climate Change
A1.1	The types of emissions and respective emission data.	Key Performance Table
A1.2	Direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and, where applicable, intensity (e.g. per unit of production volume, per facility).	Key Performance Table
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not applicable. The Group does not produce large amounts of hazardous waste during operation. Small amounts of hazardous waste (e.g. toner cartridges) is disposed of by a qualified institution
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Table
A1.5	Description of the emission target(s) set and steps taken to achieve them.	Focusing on Sustainable Environment, Reducing Impact of Climate Change
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction targets(s) set and steps taken to achieve them.	Focusing on Sustainable Environment, Reducing Impact of Climate Change
A2 : Use of resources		
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Focusing on Sustainable Environment, Reducing Impact of Climate Change
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Key Performance Table
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Key Performance Table
A2.3	Description of the energy use efficiency target(s) set and steps taken to achieve them.	Focusing on Sustainable Environment, Reducing Impact of Climate Change
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and the steps taken to achieve them.	Focusing on Sustainable Environment, Reducing Impact of Climate Change
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable. The Group mainly provides real estate development and operation services, not involving packaging materials used for manufactured goods.

A3 : The environment and natural resources		
General disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Focusing on Sustainable Environment, Reducing Impact of Climate Change
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Focusing on Sustainable Environment, Reducing Impact of Climate Change
A4 : Climate changeA4: Climate change		
General disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Focusing on Sustainable Environment, Reducing Impact of Climate Change
A4.1	Description of significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Focusing on Sustainable Environment, Reducing Impact of Climate Change
Social		
Aspect	Key Performance Indicators	Reference
B1 : Employment		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Sustaining the Shui On Spirit
B1.1	Total workforce by gender, employment type (for example full- or part-time), age group and geographical region.	Key Performance Table
B1.2	Employee turnover rate by gender, age group and geographical region.	Key Performance Table
B2 : Health and safety		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Sustaining the Shui On Spirit
B2.1	Number and rate of work-related fatalities in each of the past three years including reporting years.	Key Performance Table
B2.2	Lost days due to work injury.	Key Performance Table
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Sustaining the Shui On Spirit

B3 : Development and training		
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Sustaining the Shui On Spirit
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management.).	Key Performance Table
B3.2	The average training hours completed per employee by gender and employee category.	Key Performance Table
B4 : Labour standards		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Sustaining the Shui On Spirit
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Sustaining the Shui On Spirit
B4.2	Description of steps taken to eliminate such practices when discovered.	Sustaining the Shui On Spirit
B5 : Supply chain management		
General disclosure	Policies on managing environmental and social risks of the supply chain.	Focusing on Sustainable Environment, Reducing Impact of Climate Change Corporate Governance
B5.1	Number of suppliers by geographical region.	Key Performance Table
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Focusing on Sustainable Environment, Reducing Impact of Climate Change Corporate Governance
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Focusing on Sustainable Environment, Reducing Impact of Climate Change Corporate Governance
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Focusing on Sustainable Environment, Reducing Impact of Climate Change

B6 : Product responsibility		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Fostering Thriving Communities Corporate Governance
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable. The Group mainly provides real estate development and operation services, not involving product recalls.
B6.2	Number of product- and service-related complaints received and how they are dealt with.	Key Performance Table
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Not applicable. Although the Group is not a technology-oriented company, it still strictly protects its intellectual property rights, e.g. trademark rights, and respects the intellectual property rights of other operators and business partners in the industry.
B6.4	Description of the quality assurance process and recall procedures.	Fostering Thriving Communities
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Corporate Governance
B7 : Anti-corruption		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Corporate Governance
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.	In 2019, the Company and its employees have not been involved in any legal cases regarding corrupt practices.
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Corporate Governance
B7.3	Description of anti-corruption training provided to directors and staff.	Corporate Governance
B8 : Community investment		
General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Sustaining the Shui On Spirit
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Fostering Thriving Communities Sustaining the Shui On Spirit
B8.2	Resources contributed (e.g. money or time) to the focus area.	Key Performance Table



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SHUI ON LAND