

CORPORATE SOCIAL RESPONSIBILITIES



CSR MANAGEMENT

CSR PHILOSOPHY AND STRATEGIES

With the principle of “cooperating with governments to promote prosperity and growing with the community”, Shui On Land proactively communicates with the government, environment, society, the public, communities, customers and other stakeholders. By seeking the optimal ways to respond to multiple appeals, it makes every effort to align the Group’s business growth with the expectations of various stakeholders and social development. Shui On Land has gradually developed three major components of its CSR DNA, namely: “Sustainable Development”, “Community Prosperity” and “Talent Development” to guide its daily operations, business development and responsible corporate practices, with a view to setting out an ideal blueprint for sustainable urban regeneration and contributing to the sustainable development of society.

THE GROUP’S CSR DNA



SUSTAINABLE DEVELOPMENT

Respect nature, Build green communities

Pursue a harmonious unity of the real estate industry with the environment and culture, build sustainable communities, adhere to green planning, green design, green construction and green operation, and continuously promote urban sustainable development Sustainable



COMMUNITY PROSPERITY

Strive for perfection, Lead the future

Create quality living spaces and pleasant and interconnected communities, maintain visionary and innovative thinking, enhance integrated value at the regional level, and spearhead the joint efforts of the Company and the community to create prosperity Community



TALENT DEVELOPMENT

Put People first, Share results

Gather together diversified talents, cultivate talent, build innovation platforms, support development of entrepreneurial talents in society, and jointly promote career development and social progress

CSR IMPLEMENTATION AND ADVANCEMENT

By deriving inner strength from its corporate vision, brand philosophy and corporate culture underlined by strategy-led initiatives, the Group has gained a deep insight into the important social responsibilities of a real estate developer, with an emphasis on the synergetic development of the corporation and its various stakeholders.

In 2006, the Group set up the Sustainable Development Committee and the Corporate Culture Enhancement Committee whose work cuts across different departments and projects, achieving internal synergetic benefits in corporate social responsibilities. In light of its stage of development and external situation, the Sustainable Development Committee regularly organises department-level meetings to discuss, analyse and adjust relevant issues of sustainable development so as to integrate the Group's CSR philosophy and strategies into its daily business operations. Working with Green Office, Recreation Club and Seagull Club, the Corporate Culture Enhancement Committee organises various activities to improve employees' understanding of the Group's CSR philosophy and drive corporate social responsibility in its daily operations.

COMMUNICATION WITH AND RESPONSE TO KEY STAKEHOLDERS

Based on the actual conditions of project development and corporate operations, the Group makes proactive efforts to understand and respond to its stakeholders' reasonable expectations and demands. It continues to diversify its communication means and channels to jointly create and share economic and social values.

STAKEHOLDERS	EXPECTATIONS	MEANS OF COMMUNICATION AND RESPONSE
Government and regulatory authorities	Comply with laws	Compliance management
	Pay taxes according to law	Proactively pay taxes
	Support economic development	Implement national policies
	Promote urban development and regeneration	Provide suggestions for relevant departments in line with the urban development plan
	Carry out cultural preservation and heritage	Plan, develop and operate integrated, human-inspired communities
Shareholders	Enhance profitability	Regularly disclose information on operations
	Strengthen corporate governance	Convene general meetings and regularly issue annual reports together with ESG information
	Control risks	Strengthen risk control
Customers	Guarantee product quality	Establish quality management systems, conduct full life-cycle quality control, and build intelligence into project development
	Provide quality and diversified management services	Regularly carry out customer satisfaction surveys, provide one-stop property services and set up an internet-based platform for automated service management
Partners	Conduct procurement in a fair, just and open manner	Regularly carry out supplier review and assessment, improve supplier management system and scope and promote green procurement
	Share experience	Organise or participate in industry forums
	Drive industry development	Contribute to the setting of industry standards and take the lead in building green inventories Apply for certification of healthy buildings and explore and establish Shui On standards on green healthy buildings and communities
Employees	Demand protection of salary and benefits	Uphold employees' fundamental interests
	Seek career development and training opportunities	Develop career paths, inspire employee creativity (golden ideas) and provide employee training
	Desire health and safety	Establish the occupational health and safety management system
	Achieve smooth communications	Build multiple communication channels
Environment	Achieve sustainable use of resources and energy	Improve Six Major Goals of Sustainable Development, insist on entire process management of four major eco-friendly aspects, improve the energy-consumption monitoring platform and advocate green office environment
	Tackle climate change	Establish PM2.5 prevention, control and display systems for buildings and lower carbon emissions through property management
Society, the public and the media	Improve the integrated value of communities	Develop total-community development principles, build a sustainable green health community enabling life enrichment of "Live-Work-Play-Study" Organise diversified community activities to create trendy, diversified, artistic, vibrant, green, healthy, innovative and caring community spaces and atmospheres
	Care about community groups	Carry out volunteer services and community activities
	Build platforms for public communications	Publish official news and hold regular media get-togethers and press briefings



SUSTAINABLE DEVELOPMENT

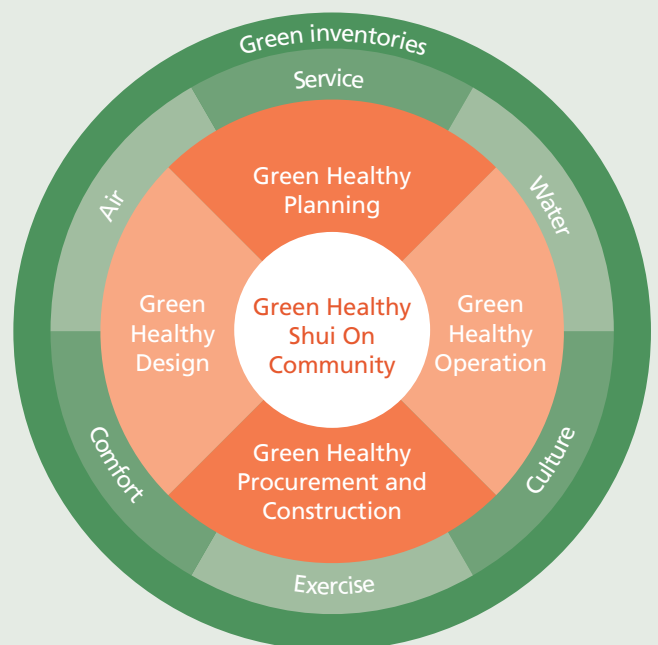
Shui On Land has been committed to a planning philosophy in line with the future development of a region or a city. In the initial stage of project establishment, the Group considers not only building and space requirements, but also the need for meeting a city's development goals and functional upgrading, so as to realise cultural inheritance and an evolving lifestyle, create values for society, and promote sustainable development of cities.

SHUI ON'S SUSTAINABLE DEVELOPMENT GUIDELINES FOR 2017-2021

- 1 All large-scale master-planning projects majority owned and managed by Shui On Land to achieve LEED-ND certification.
- 2 Actively strive for the healthy building certifications.
- 3 All new commercial projects and furnished residential projects majority owned and managed by Shui On Land to achieve LEED or China Green Building Label certification, and strive for certification throughout the life-cycle.
- 4 By 2021, the carbon emission per unit area of all Shui On Land owned and operating real estate developments to be reduced by 1/3 compared with that of 2011.
- 5 All new commercial projects owned and operated by Shui On Land to be equipped with systems to monitor energy and water consumption.
- 6 All new office-building projects owned and operated by Shui On Land to display environmental health indexes to their residence.

In response to the new development and new requirements of the national strategy, such as "Healthy China", the Group announced in its Fifth Forum on Sustainable Development in July 2017, a set of targets and implementation plans for "Six Major Guidelines of Sustainable Development" and "Green and Healthy Communities" for 2017-2021.

SHUI ON'S GREEN AND HEALTHY COMMUNITY SYSTEM





Rui Hong Xin Cheng

With its master planning awarded LEED-ND (Neighbourhood Development) 2009 Stage 2 Gold level, it has become the first project winning this stage of certification in East China



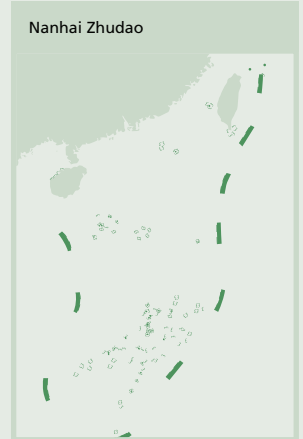
Taipingqiao

Awarded LEED-ND (Neighbourhood Development) 2009 Stage 2 Gold level



KIC

Awarded LEED-ND (Neighbourhood Development) 2009 Stage 2 Gold level

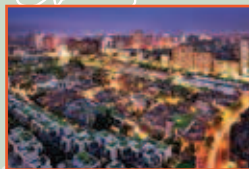


Nanhai Zhudao



Chongqing Tiandi

Awarded LEED-ND (Neighbourhood Development) 2009 Stage 2 Gold level



Foshan Lingnan Tiandi

Awarded LEED-ND (Neighbourhood Development) 2009 Stage 2, it is the world's first project pre-certified under LEED-ND 2009



Wuhan Tiandi

With its master planning awarded LEED-ND (Neighbourhood Development) Pilot Stage 2 Gold level (pre-certified), it has become the first commercial development project winning this accolade in China

DEVELOPMENT OF MIXED-USE GREEN AND HEALTHY SUSTAINABLE COMMUNITIES

Incorporate the "health" element into the principle for planning upgraded green communities

The Group has added the element of "health" to its sustainable development guidelines for 2017-2021. Exploring the development of standards for its green and healthy buildings and communities, Shui On Land has come up with a programme for building "green and healthy communities", unequivocally integrating the "health" element into the full lifecycle of each project based on the green community concept. It covers four major aspects of green development: planning for green and healthy living, design for green and healthy living, green and healthy procurement and construction, and green and healthy operations. Focusing on people's needs in the community,

the Group has been exploring ways to create a healthier and more comfortable indoor environment, healthier and better-developed community facilities, and healthier and more customised community services for residents. In fact, as part of our commitment to the green community development concept, we have considered to a certain extent the impact of communities on people's health by developing integrated mixed-use communities with convenient public transport, pleasant public areas such as public plazas, streets and green spaces, as well as walkability-oriented street designs that reflect a healthy respect for local history and culture. We are committed to obtaining LEED Neighbourhood Development (LEED-ND) certification for each major master-planned project owned and managed by the Group. As of 2017, Shui On Land ranked first among developers in mainland China in terms of the amount of building area awarded LEED-ND Stage 2 Gold level.

LEED AND CHINA GREEN BUILDING LABEL CERTIFICATION AWARDED TO THE GROUP AS OF DECEMBER 2017

LEED



China Green Building Label

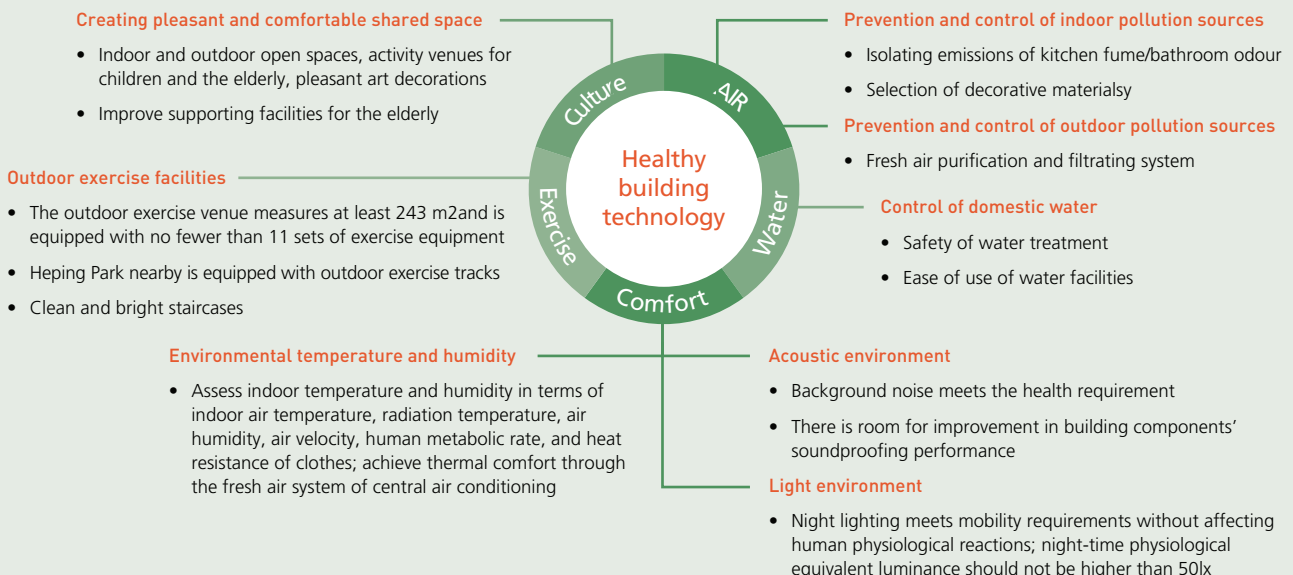


Devoted to green building certification throughout a project's life-cycle and actively pursuing healthy building certification

In addition to LEED-ND green planning certification, the Group is committed to securing LEED certification for green design and China Green Building Label certification. As of 2017, the Group were awarded LEED certification or pre-certification for 30 newly-built commercial projects and China Green Building certification for 12 newly-built commercial projects and 13 newly-built residential projects. In 2017, the commercial renovation project of Shui On Plaza obtained LEED Core and Shell pre-certification at the gold level and Wuhan Tiandi (Lots B14 and B45) received one-star China Green Building Design Label certification. In 2017, the Group further promoted label certification for green operations, realising total-process certification from planning to operation. In particular, Rui Hong Xin Cheng's Ming Ting and the View, being the first to gain two-star labels in the evaluation of green building operation and management, were Shanghai's first residential projects to earn green building labels, with a green building contribution award conferred by the Shanghai Green Building Council during 2017. Bearing testimony to the widespread industry recognition of the Group's sustainable development practices, Shui On Land was named among "Top 10 for Green Development Competitiveness" and "Top 10 for Green Building Operations" on China's List of Top Green Buildings in 2017.

To practise the "healthy community" concept, the Group has been bringing its projects to actively participate in the national programme on "Evaluation Standards for Healthy Buildings". In 2017, it filed an application for Rui Hong Xin Cheng (Lot 1) and Taipingqiao Project (Lot 118) to be evaluated based on the national standards for healthy buildings.

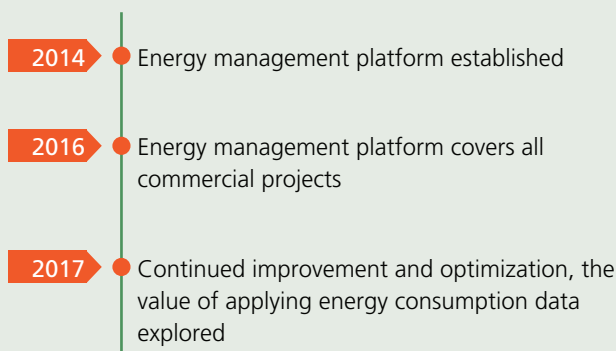
TECHNOLOGY PLANNING FOR HEALTHY BUILDINGS IN RUI HONG XIN CHENG (LOT1)



Optimising energy consumption management with persistent efforts in cutting carbon emissions

In 2017, the Group improved and optimised its energy management platform, with continued efforts to incorporate new projects into the system, improve the data quality of existing projects, and explore the value of applying energy consumption data. Through a variety of online projects, its subsidiary Feng Cheng Property Management completed reconciliation of system-wide energy consumption data with the meter readings recorded. A professional third party was engaged to assess the data quality of projects still under warranty. Any problem identified was brought to the attention of the construction team for rectification in order to improve the accuracy of system-wide energy consumption data. In 2017, we piloted a system in 5 Corporate Avenue for measuring and monitoring energy and water consumption. Based on the energy and water consumption data obtained, we finetuned our energy conservation management and carried out an energy-saving technology retrofit project. Moreover, for the benefit of customers, we publicised in real time vital environmental data, covering electricity and water consumption, air quality and carbon emissions, with the help of multimedia facilities in elevators.

DEVELOPMENT PROCESS OF ENERGY MANAGEMENT SYSTEM



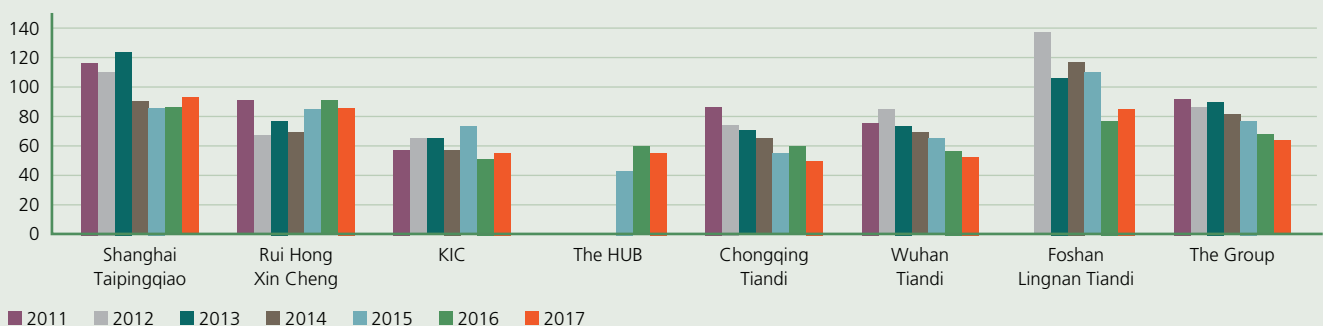
In 2017, the Group continued to implement a strategy for energy conservation, conducting energy consumption monitoring and retrofit projects on equipment with energy-efficient LED lamps

and inverter water pumps installed for various projects. Periodic inspection of operation schedules and effective delegation at the corporate level were carried out to minimise energy consumption while ensuring satisfactory levels of comfort and lighting experience. Through efficient green operations, the Group’s energy consumption has been reduced substantially over the years; in 2017 gas consumption in comparable projects managed by Feng Cheng Property Management dropped by 150,000 m³, down 12% as compared with 2016; and electricity consumption decreased by 43,940,000 kWh, down 4.1% as compared with the same period last year.

The Group promoted the idea of energy conservation and environmental protection while encouraging environmental care among its employees. In June 2017, the Sustainable Development Committee and the Corporate Culture Enhancement Committee jointly launched the “Green Office – Energy Conservation Initiative at Shui On Head Office”, calling on employees in the head office to timely turn off the lights and air-conditioning facilities after meeting and after work, while the Administrative Department was given the task to enhance management of meeting rooms and common areas, and the Security Department of Feng Cheng Property Management asked to strengthen night inspection and management feedback. In the period ended December 2017, 37,013 kWh of electricity was saved during the six-month period of the initiative, an improvement of 9.5% compared with the same period last year; energy conservation over and above a 10% reduction target was achieved at the 23rd floor of the head office.

Since 2010, the Group has engaged a third-party certification body to quantify the greenhouse gas emissions generated by the Group’s own properties under normal operation. In 2017, building on the success in cutting down greenhouse gas emissions by 25.31% in the past five years, the Group proposed a new target of reducing carbon emissions per unit area for all its owned properties in operation by one-third (from the baseline of 2011) by 2021. According to third-party certification data, greenhouse gas emissions per sq km of Shui On Land’s properties under normal operating conditions in 2017 were 65.19 tonnes, down 28.41% from 2011, equivalent to planting 2354,000 trees.

CARBON EMISSIONS PER SQ M OF THE GROUP’S PROPERTIES DURING 2011-2017



Foshan Lingnan Tiandi had no property under normal operating conditions in 2011
 THE HUB had no property under normal operating conditions before 2015
 Corporate Avenue was sold and hence not included in the 2015 statistics
 Dalian Tiandi was sold and hence not included in the 2017 statistics

CREATING QUALITY SPACE

Committed to a people-oriented philosophy, the Group takes into full account human experiences and needs in the project planning, design, construction and operation processes. We continue to deliver high-quality experiences to our customers by improving construction quality, internal and external environments, and service quality.

Improving construction quality

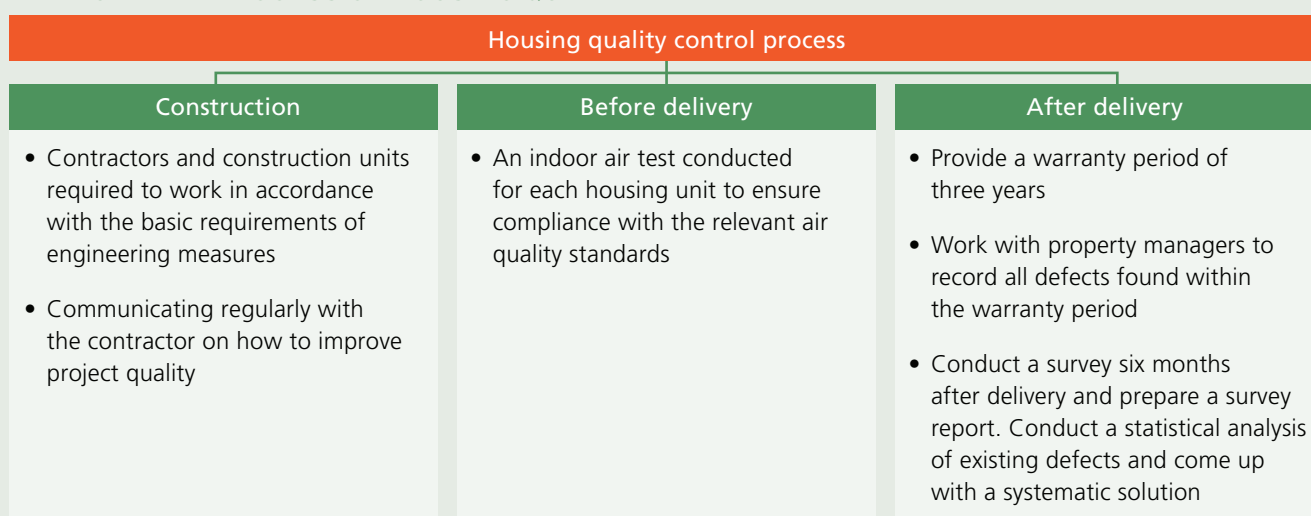
The Group is dedicated to providing high quality buildings for its customers. All projects are designed and constructed to international standards with the use of construction and decoration materials, incorporating customer needs into the whole lifecycle of each project. Based on the ISO9001 quality management system, the Group has developed a comprehensive construction quality management system, supported by a series of rules and regulations, including Shui On's Standard Material and Workmanship Requirements, Shui On's Atlas of Standard Nodes and Quality Control, and the Product Defect Improvement Manual to refine and quantify quality management parameters. We have also introduced a third party to carry out periodic reviews of the quality of our engineering projects. In 2017 the Group saw a significant improvement in project quality as compared with the preceding year, evidenced by the delivery of a higher-than-expected proportion, at 98%, of zero-defect units.

To promote the intelligent development of the construction industry and enhance construction quality, the Group piloted the smart BIM (Building Information Modelling) technology for development and management of commercial projects. During the construction of commercial project Wuhan Tiandi

B4, the Group systematically implemented the concept of engineering collaboration based on a three-dimensional model, including master scheduling at the initial stage of the project, improvement of modelling standards at different phases, integration of BIM with onsite construction, drawings-based models management and onsite reviews, work progress announcements, and integration of an Internet-based management platform and BIM modelling. The project won the second prize (Integrated Category) in the 6th national "Longtu Cup" BIM Competition in 2017. Through this project, the Group trained up a group of BIM technicians to provide the foundation for establishing a company-level BIM system. During the period, Feng Cheng Property Management was also involved in the development of demand and function modules for BIM operation, preparing itself for maximising the value-in-use throughout the whole lifecycle of each BIM project.

Environmental quality is closely related to the health of residents. To address the indoor air quality of its projects, the Group specifically requires China Environmental Labelling for coatings, artificial boards, adhesives, wallpaper, wooden doors and steel doors, plastic pipes, building blocks, waterproofing and other materials. The Group has newly launched an "Environmental Health Index", a more easily understandable indicator for the general public based on existing air parameters to fully reflect the health of indoor environments. In 2017, the Group set up an indoor air quality research team to control indoor air quality from source after project completion.

MANAGEMENT PROCESS OF HOUSING QUALITY



Optimising service quality

By building a platform for service excellence, the Group continues to optimize its service quality and closely examine customer demands. Feng Cheng Property Management under the Group launched “Bauhinia Premier Service” to provide owners with premium services with a more personal touch based on the core values of “prestige, care and peace of mind ” and the “Know You Better Than Yourself” service philosophy. The property manager now applies the standards of Bauhinia Premier Service to all aspects of management work, covering landscaping, security, maintenance, public activities and caring initiatives. In 2017, the company strengthened its internal control, external service and communication in furtherance of the Bauhinia Premier Service.

The Group constantly enhances its property management staff’s service standards and overall quality through meticulous management. In 2017, Feng Cheng Property Management

launched Bauhinia Customer Service Standards, to comprehensively enhance service skills through competitions in theory and practice. To improve employee enthusiasm and customer satisfaction, the company also launched an incentive programme to reward good ideas, encouraging employees to submit sound suggestions on energy and material conservation as well as cooperation among departments.

To better achieve the goal of “Bauhinia Premier Service”, a 24-hour hotline to facilitate quick response to emergencies was set up, in addition to the launch of the “Bauhinia Service Ambassador” programme to provide personalised butler services to customers. In 2017, we continued to strengthen the management of site managers. We also actively explored diversified modes of communication to acquire a full understanding of customer demands, improve working methods, and enhance service quality.

OTHER SERVICE QUALITY IMPROVEMENT INITIATIVES IMPLEMENTED BY FENG CHENG PROPERTY MANAGEMENT



Eagle Eye Plan

Key job positions monitored and key job-holders examined for effective implementation of the Bauhinia Customer Service Standards



Bauhinia Cloud Platform

Comprised of an advanced e-service system and 400 customer service centres, with a 24-hour hotline to receive calls from customers seeking rectification and repair work; covering all residential projects



Mystery Visitor

From the perspective of owners’ experience, basic conditions are assessed, including vehicular/pedestrian access/exits, public areas, property service centres and parking lots

From the functional perspective of staff, the functions of security, customer service and maintenance teams are assessed



Internal Audit

A Bauhinia grading system and customer service standards newly added



Bauhinia Service Skills Contests

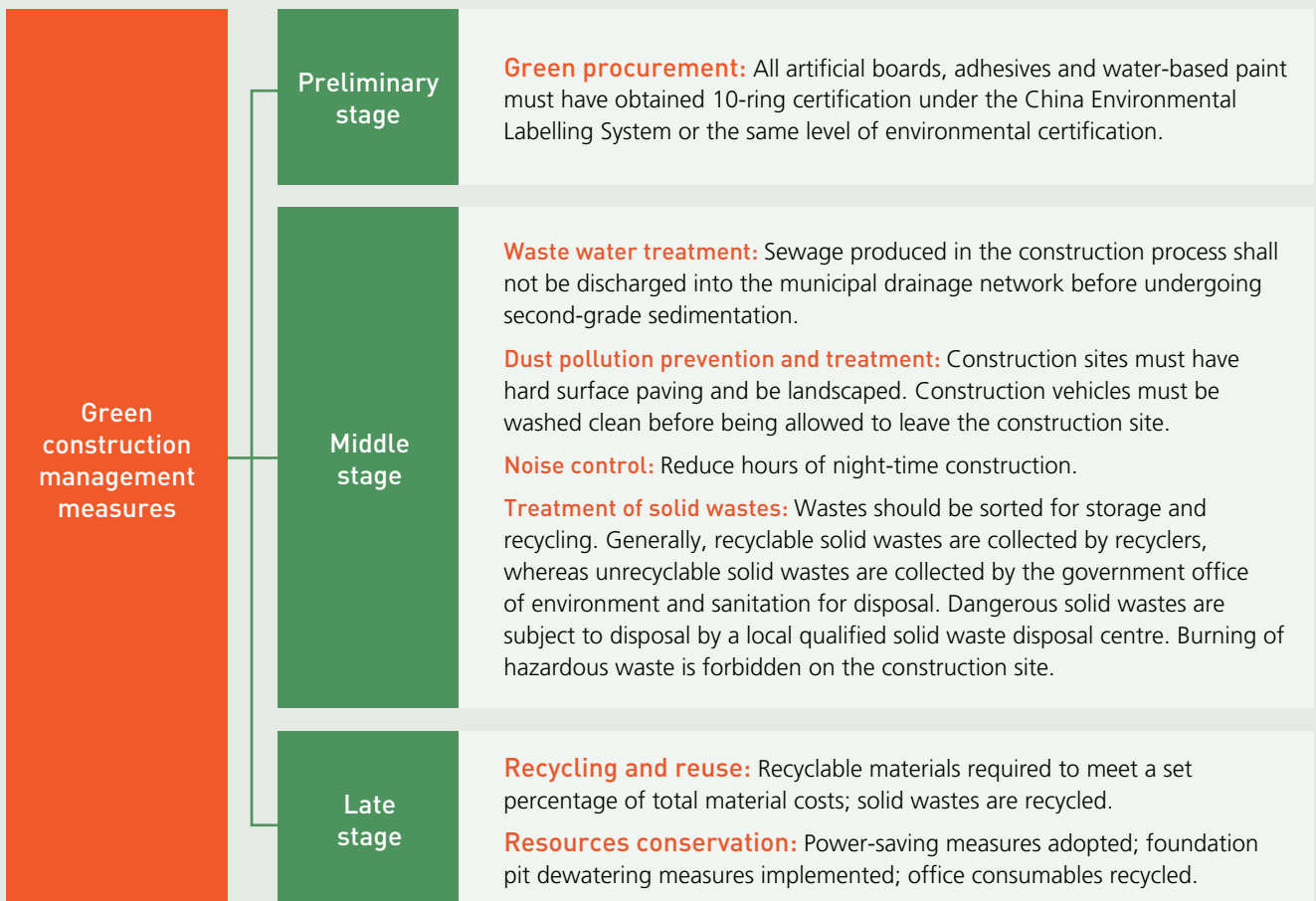
Bauhinia Service Skills Contests organised according to the Bauhinia service standards

Enhancing supply chain management

The Group strictly complies with relevant laws and regulations of the state in the implementation of green construction, resource conservation and environmental protection. It has established a green construction management system based on the Green Construction Code for Building Projects (GB/T 50905-2014), focusing on the management of construction partners and the creation of a green value chain by integrating the operations of upstream and downstream partners.

The Group has developed Shui On's Fundamental Construction Work Requirements – HSE Chapter and Shui On's Standard Material and Workmanship Requirements to help manage waste water, waste gas, solid waste and other effluents generated during construction. This initiative supports the Group's efforts in improving environmental performance during the construction process through setting goals, implementing control measures, supervising and inspecting works, and constantly improving the closed-loop working mechanism.

While working towards its own sustainable development, the Group also cares about enhancing the sustainability of its suppliers. The Group has formulated the Corporate Green Purchasing Guidelines, incorporating the concept of green purchase into the procurement process and as part of the requirements for suppliers. For supplier management, the Group actively identifies and evaluates suppliers' potential exposure to social responsibility risks, which are actively managed through proactive measures. The Group has established a supplier evaluation management system, with well-defined supplier requirements in respect of labour as well as health, safety and environment. Supplier management has also been strengthened through daily assessments, on-site inspections and random checks on plant and machinery. Compliance is verified during each internal audit to ensure that the requirements of the relevant measures have been met. In 2017, the Group was supported by 966 active suppliers in mainland China, with the addition of 128 new suppliers / contractors during the year.





COMMUNITY PROSPERITY

Abiding by the brand promises of “innovation · quality · excellence”, the Group is committed to building mixed-use communities by integrating “Live-Work-Play-Study” with spaces and atmospheres characterised by trendiness, diversity, environmental awareness, health, art and culture, vitality, innovation and loving care. The Group is also devoted to improving and enhancing the integrated value of communities and addressing different human needs at the material, spiritual and emotional levels.

In 2017, the Group reshaped industry dynamics by integrating its cutting-edge resources to promote consumer upgrades and incorporate the health element into community operations to advocate and demonstrate a healthy lifestyle. It has also introduced first-class arts and cultural resources from home and abroad to cultivate urban spirit, while arousing awareness

of social good in the Group and beyond so as to enable more social groups to share the fruits of community prosperity and social progress.

MEETING DIVERSIFIED CONSUMER NEEDS

The Group fully leverages its strength in creating unique open spaces and diversified trade mixes. To address the diverse and segmented consumer demands resulting from a highly differentiated community, we develop customised business plans, adjust commercial dynamics and introduce brands that are not only newer and more unique, but also more internationally-renowned and more attuned to the emerging trends of local markets. We have also organised various themed exhibitions and events for a number of well-known IP (Intellectual Property) to provide consumers with an abundance of innovative scene experiences and meet their personalised lifestyle needs.

RUIHONG
TIANDI
HALL OF
THE MOON

LIFE • MUSIC • HOME

Brand Positioning

Establish a brand for “musical entertainment” and offer brand-new arts and cultural experiences to enable each consumer to enjoy life and music.

Business Dynamics

Introduce Modern Sky’s first store in Shanghai, live music bars, music-themed restaurants and studios and increase the percentage of F&B outlets in the tenant mix.

Life Experiences

Develop a rich programme of music-oriented cultural activities, including 2017 World Music Shanghai, Modern Times and “Summer” Sway to provide consumers with musical entertainment and recreational experience.



WUHAN
TIANDI
HORIZON

INTERNATIONAL FASHION

Brand Positioning

Wuhan's first experiential shopping centre that creates a new shopping paradigm of "experiential consumption" in a high-end, trendy commercial complex of international stature.

Business Dynamics

Focused on brands entering Wuhan or the Chinese market for the first time, with the introduction of Korean-based "zoo lung zoo lung"'s first indoor animal park in China, international fashion boutiques as well as first-class catering and entertainment brands.

Life Experiences

Brand activities, IP exhibitions, arts and cultural shows, and international fashion fairs are staged all year round, including Warner Looney Tunes "One Fun Park" and the exhibition of winning entries in D&AD Awards, to bring about new, international fashion experiences.



KIC
UNIVERSITY
AVENUE

INNOVATION & ENTREPRENEURSHIP

Brand Positioning

A knowledge community integrating "Work-Study-Play-Entertainment" with a vibrant & innovative cultural atmosphere under the development concept of "innovation, entrepreneurship and LOHAS".

Business Dynamics

Focused on light refreshment (from coffee shops and other establishments) and supported by retail operations, with a collection of specialty stores like creative stores, fashion bookstores and image stores. University Avenue • Next Station carrying the theme of travel was launched in 2017 to further enrich the University Avenue portfolio.

Life Experiences

A rich programme of innovation, entrepreneurship and LOHAS activities, including a wager game and an installation art exhibition "Loving Circus" featuring Daodao Dog comics.



LEADING A GREEN AND HEALTHY LIFE

The Group promotes a green and healthy lifestyle by organising a variety of community-level health activities, such as forums and fairs on healthy foods and fashionable fitness parties, to create green public spaces and encourage interpersonal communications in the community.

In 2017, to promote healthy diet nationwide, the inaugural Tiandi Restaurant Week was launched across the Group’s seven major developments, featuring three thematic events including the “Food Talk” Forum, charity programme “REPIZZA”, and “Tiandi Table”.



“Food Talk” Forum

- Themed on “City and Food—Beauty of a Sustainable Life”
- Promoting new-epicurism as a sustainable healthy food trend

In the summer of 2017, the Group joined hands with sports brand Adidas in launching the “Summer Power · 2017 Xintiandi Summer Exercise Carnival” to arouse people’s interest in sports and encourage them to lead a positive and healthy lifestyle.



Summer Power · 2017 Xintiandi Summer Exercise Carnival

- Setting up an activity area of 4,500m² in the Taipingqiao artificial lake
- Organising an outdoor yoga class with 100 participants as well as basketball, rock climbing and shooting events
- Creating an unprecedented event experience of the latest fitness trend

Developed from abandoned public land, Knowledge & Innovation Community Garden (KIC Garden) is Shanghai’s first open block community garden where various green activities are carried out. In December 2017, the opening ceremony of “Rekindling Warmth of City” – a charitable tulip-planting activity, was held in KIC Garden, allowing local citizens to participate in the creation and beautification of the city’s public spaces.

The Group also organised an innovative parent-child carnival “KIC KIDS EXPO” under the theme of “Be a zero-waste happy kid” in KIC to lead the younger generation to cultivate environmental awareness and a green lifestyle.



Purpose-designed “Zero Waste” arch by Canadian installation artists



Interactive parent-child games based on five values of virtue, intelligence, physical well-being , mental wellness and community service

INNOVATIVE ARTISTIC AND HUMANISTIC EXPERIENCES

In persistent pursuit of art and culture as well as humanistic spirit, the Group seeks to immaculately create innovative public spaces integrating life experiences, artistic perceptions and cutting-edge culture through a variety of quality arts and cultural programmes to meet people’s demands for urban life on a deeper spiritual level.

“LUMIÈRES SHANGHAI”, a brand of public art created by the Group, was introduced into Shanghai for the first time in 2015 with a leading-edge, unique feast of lumia art showcasing pieces of public art and large-scale lighting installations. In 2017, the Group, through its four major developments in Shanghai, presented more than 10 lumia artworks from five countries, with a world-class light show to support Shanghai’s commercial art circles. “2017 LUMIÈRES SHANGHAI” won the Shanghai Daily’s “2017 IDEAL Shanghai – Best Art Project”. Through this event, THE HUB also received the gold award for marketing in the “2017 ICSC China Shopping Centre & Retailer Awards” organised by the International Council of Shopping Centres.



Ruihong Tiandi: TeamLab Crystal Fireworks

- TeamLab’s first major outdoor art project in China
- Visitors could light fireworks by scanning a QR code



Shanghai Xintiandi: Christmas Dreamland

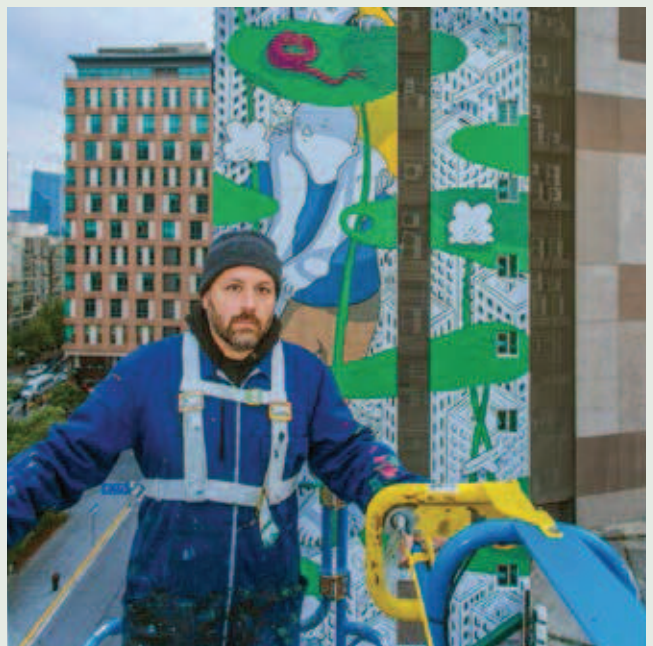
- An “immersive interactive playground” with a festive atmosphere
- Equipped with spiralling slides and a pool of ocean-balls
- Visitors could light up art installations by touching a tree “trunk”



THE HUB: A product series and LUMIÈRES SHANGHAI Forum

- Featuring 1.26, a large-scale floating lighting artwork
- Artists and the general public are invited to share the wonders of “light” at the LUMIÈRES SHANGHAI Forum

For the project, Italian mural artist Millo was invited to customize a series of wall mural artworks for – University Avenue and THE HUB, matching their colours and elements with surrounding buildings to become part of the city’s ambience. In the process, the cityscape was altered to add a touch of new colour to the city. The 46-m-high artwork at the intersection of – University Avenue and Wei De Road currently stands as Asia’s highest wall mural.



Asia’s highest wall mural on University Avenue

GATHERING THE POWER OF LOVE IN SOCIETY

Caring for the underprivileged, the Group has partnered with public welfare organisations and institutions to run projects in support of worthy causes. Our employees are encouraged to take advantage of "Volunteer Day", a paid holiday, to actively take part in volunteer service to show their care and love and contribute to the building of a harmonious and caring community.

In 2017, adhering to the volunteer spirit of "working together, helping each other, contributing to society and growing together", Shui On Seagull Club launched activities themed on "helping students and the elderly", involving 285 volunteers who clocked up service hours of up to 552 hours. Charitable donations totalling RMB90,000 were collected from the employees in 2017, compared with an amount of RMB1,740,000 donated by the Group.



On 16 September, volunteers of Feng Cheng Property Management in Shanghai participated in "Ride In Red", a green bike ride for charity



On 18 November, the Seagull Club in Shanghai participated in the "KFoundation Run for Love", raising funds for needy students and medical treatment

In 2017, Lakeville, one of the Group's property developments, teamed up with Luwan Special School affiliated to East China Normal University to launch "Lakeville Love", a series of charity programmes with artists, media professionals and property owners involved as volunteers to show love to children with special needs and in want of care.



On 17 November, more than 80 volunteers painted with children on a 6-m-long piece of drawing paper to share their inner world through art



On 16 December, volunteers from Lakeville drew Christmas cards and packed Christmas gifts for children



On 22 December, volunteers celebrated Christmas with children by watching the movie Coco together



TALENT DEVELOPMENT

Based on its belief that “human resources are our most important asset”, the Group provides employees with an environment conducive to building strengths and careers amid a deep-rooted corporate culture underlined by shared values. The Group also pays special attention to the cultivation of social talents. In recent years, we have continued with our efforts to cultivate innovators and entrepreneurs, build knowledge communities, improve the service system “INNOSPACE+” for innovation and entrepreneurship, contribute to the innovative transformation of cities, and support the state’s innovation strategy.

In 2017, the Group continued to strengthen efforts to protect employee rights and interests. A sound training system was established for building a stronger team to fully safeguard and promote the Group’s strategic goals. We promote cooperation between schools and companies, develop entrepreneurship courses. Moreover, the Group cultivate innovative talents specialising in philanthropy in partnership with the China Foundation for Disabled Persons to accelerate the professional development of philanthropy.

SUPPORTING STAFF DEVELOPMENT

Employees are one of the driving forces behind a corporation’s sustainable development. We have formulated comprehensive policies governing staff benefits, compensation, equal opportunities and diversity. Our employees are provided with abundant training and growth opportunities as we deliver on our commitment to building a safe, healthy and friendly working environment.

Protecting employees’ fundamental interests

In strict compliance with the Labour Contract Law of the People’s Republic of China and other laws and regulations, the Group has put in place the management systems and standards required to ensure equal employment, eradicate child labour, and protect employees’ legal rights and interests. We promote a diversified cultural landscape, respect individual differences and female staff, and provide employees with equal opportunities for development and promotion regardless of gender, age, nationality and ethnicity.

MEASURES ADOPTED BY SHUI ON TO PROTECT EMPLOYEE INTERESTS



Staff training and development

“Responsibility and life-long learning” is an important element of the Group’s corporate culture. Established in 2008, Shui On College plans courses of study from strategic, organisational, team and individual perspectives, to promote transformation of awareness, behaviour and performance. By constantly upgrading and improving its training system, the Group has built up a “change-study-learning” loop for training products based on a top-down approach, covering strategy courses, nationwide training programmes and O2O study courses. The online learning platform “Seagull School”, a new initiative launched by Shui On College in 2017, applies the concept of O2O to all courses, contributing to the positive attitude towards continuous learning.

PRODUCT SYSTEM OF SHUI ON COLLEGE

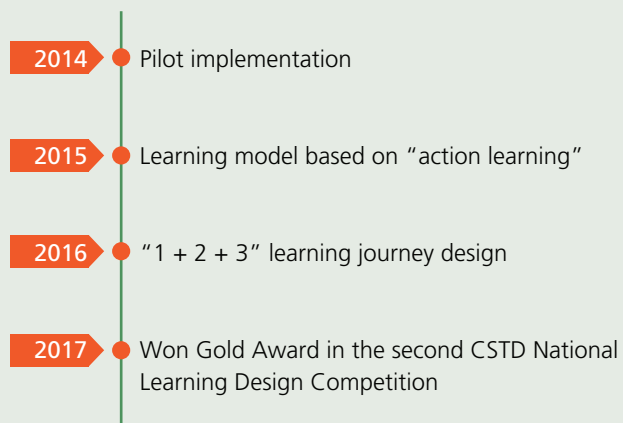
<p>A The Group’s Strategy Courses</p>	<p>Designed to build a corporate culture of learning by promoting learning and sharing in the Group with a focus on the Group’s business highlights during the year.</p>
<p>B Nationwide Training Programmes</p>	<p>To enhance staff’s leadership skills and professionalism.</p> <ul style="list-style-type: none"> • New Manager Camp • Property Project Manager Camp • Asset Management Camp
<p>C O2O Study Courses</p>	<p>Combining online and offline courses, a new online learning platform “Seagull School” is in place to enhance learning efficiency by breaking spatial-temporal constraints for learners.</p>



Asset Management Camp (AMC) is one of the nationwide training programmes added to the Group in 2017. The first season, bearing the theme of “an interstellar journey to explore asset appreciation”, covered three core modules, including large asset management system, financial analysis and business decisions from an asset management perspective, and overall operational management. Combining online and offline operations such as classroom learning, periodic tests, experience sharing, application workshops, field research and micro-class study, the training mode enabled trainees to establish a more comprehensive asset management knowledge system based on a deeper understanding of the Company’s asset management strategy, so as to improve the operating efficiency and management capability of commercial projects. This programme won the Leiden Business Academy’s International Foresight Award.

As a premier learning programme offered by Shui On College for many years, “New Manager Camp” is well-acclaimed within the company and in the external training market.

DEVELOPMENT PROCESS OF SHUI ON COLLEGE’S “NEW MANAGER CAMP” PROGRAMME



In 2017, the Group provided crisis management training focusing on the procedures for dealing with property owners’ complaints and the strategy for resolving conflicts and crises, for employees responsible for handling crises and customer relationships across projects. Through the training, trainees acquired an understanding of the types of crisis common to property projects and crisis response strategies. By analysing real life cases and conducting simulation exercises, trainees were able to consolidate and apply what they had learned in class to improve their communication skills with customers, laying a solid foundation for identifying, preventing and responding to crises in the future.

Advocating a corporate culture of integrity, the Group also conducted training on business ethics for employees. In 2017, the Group launched a succession of online e-learning courseware Procurement – *A Topic on Conduct and Business Ethics* and Management – *A Topic on Conduct and Business Ethics*, requiring new employees to move up from a fundamental study



of introductory chapters to acquire a deeper knowledge of the special topics on conduct and business ethics within 90 days after joining the company.

In addition to establishing a sound training system, the Group has developed career development plans tailored for high-potential employees to help them achieve faster and better development.

EMPLOYEE HEALTH AND SAFETY MANAGEMENT MEASURES

Employee Health and Safety Management Measures



Improving occupational health security system

Established an integrated management system of quality, environment and occupational health and safety. Feng Cheng Property Management obtained OHSAS 18001 certification

- Providing medical insurance coverage
- Organising physical examinations



Creating a safe and comfortable work environment

- The level of PM2.5 in offices announced on a daily basis
- More filters installed on air conditioners
- Additional air purifiers installed for crowded places
- In-house gyms and facilities

Employee health and safety

The physical and mental health of employees has long been a concern for the Group. We have established an integrated quality, environment and occupational health and safety management system according to national requirements. We also continue to identify and eliminate potential safety and health risks in the workplace, by issuing protective gear to staff holding special jobs, formulating safety operating procedures and other rules and regulations related to safety and health, to create a safe and comfortable work environment for employees.

In 2017, Feng Cheng Property Management carried out retrofit work on the wind circulation system at its underground office to improve indoor air quality. In light of their operating conditions and the special requirements of their staff, Shui On Construction and Pat Davie under the Group have developed well-defined job descriptions, with skills training, management training and related appraisals conducted on a centralised basis across all job positions to improve the technical skills and safety awareness of staff. The Group has also been advocating and helping staff to achieve work-life balance, entitling employees to statutory holidays and extra annual leave. In 2017, we also held recreational activities including the Shui On Cup Football Match and Golden Autumn Garden Party to enrich the life of employees.

CULTIVATING SOCIAL TALENTS

The Group is committed to cultivating social talents for innovation and entrepreneurship. In 2017, the Group sought to develop a talent pool to drive urban transformation and innovative development by continuously optimizing the operation and management of “knowledge communities” and community activities, improving its “innovation ecosystem”, upgrading its business incubator platform, expanding the resources for development of entrepreneurs and promoting cooperation with universities on “entrepreneurship and innovation courses”. Meanwhile, the Group also contributed to the professional development of the charity sector through positive efforts to cultivate talents specialising in charity.

Improving the ecosystem of innovation and entrepreneurship

INNOSPACE+ is a total-factor and one-stop entrepreneurial community built by the Group in Yangpu KIC, which provides a multitude of functional services including IPOclub start-up café, InnoSpace incubator platform, InnoMaker hardware innovation space, InnoWork co-working space, and InnoLive entrepreneurial apartments. Meanwhile, to help entrepreneurs better incubate their business, INNOSPACE+ also launched “Start-up Accelerator – International Entrepreneurship Training Camp” and “Angel Fund – YINUO Venture Capital”. With the commissioning of InnoLive entrepreneurial apartments in 2017, INNOSPACE+ has developed a complete entrepreneurship ecosystem.

INNOSPACE+ provides entrepreneurs with good entrepreneurial experience and an efficient entrepreneurial environment, enabling them to focus on their own

professional fields and refining their own products with great care so as to realize their dreams faster. Well-attuned to the needs of entrepreneurs, INNOSPACE+ fully leverages the advantages of a one-stop entrepreneurial community.

After five years of operation, INNOSPACE+ has successfully incubated and supported more than 500 entrepreneurship programmes. The InnoSpace International Entrepreneurship Training Camp under INNOSPACE+ has been successfully held eight times, helping over 80 excellent programmes grow faster. At the “5th Anniversary Celebration – Sharing of Selected Entrepreneurship Programmes” organised by INNOSPACE+ in December 2017, 19 founders of quality entrepreneurship programmes were invited to share their hardships, gains, experiences and lessons on their way to success. INNOSPACE+ also worked with its strategic partner to hold the “Innovation Training Camp” for alumni entrepreneurs and investors as a co-creation workshop that truly connects entrepreneurs with investors.



InnoLive entrepreneurial apartments came into service in 2017

INNOSPACE+ PROVIDES ENTREPRENEURS WITH ONE-STOP ENTREPRENEURIAL SERVICE



InnoWork Co-working

Providing entrepreneurs with a clean and comfortable office environment. Open-plan offices and independent offices are also available for entrepreneurs to choose from based on actual circumstances



InnoSpace Incubation Platform

Providing entrepreneurs with caring services ranging from basic business registration, human resources, financial custody and legal consultation to development support, entrepreneurship courses, financing docking, etc.



IPOclub Start-up Café

Carrying out diverse activities for sharing entrepreneurial experiences every day to help entrepreneurs take advantage of start-up opportunities through learning and working with others



InnoMaker Innovation Space

Providing venues, workbenches, supplies and tools to make the flow of ideas and creative juices freer and less restrictive

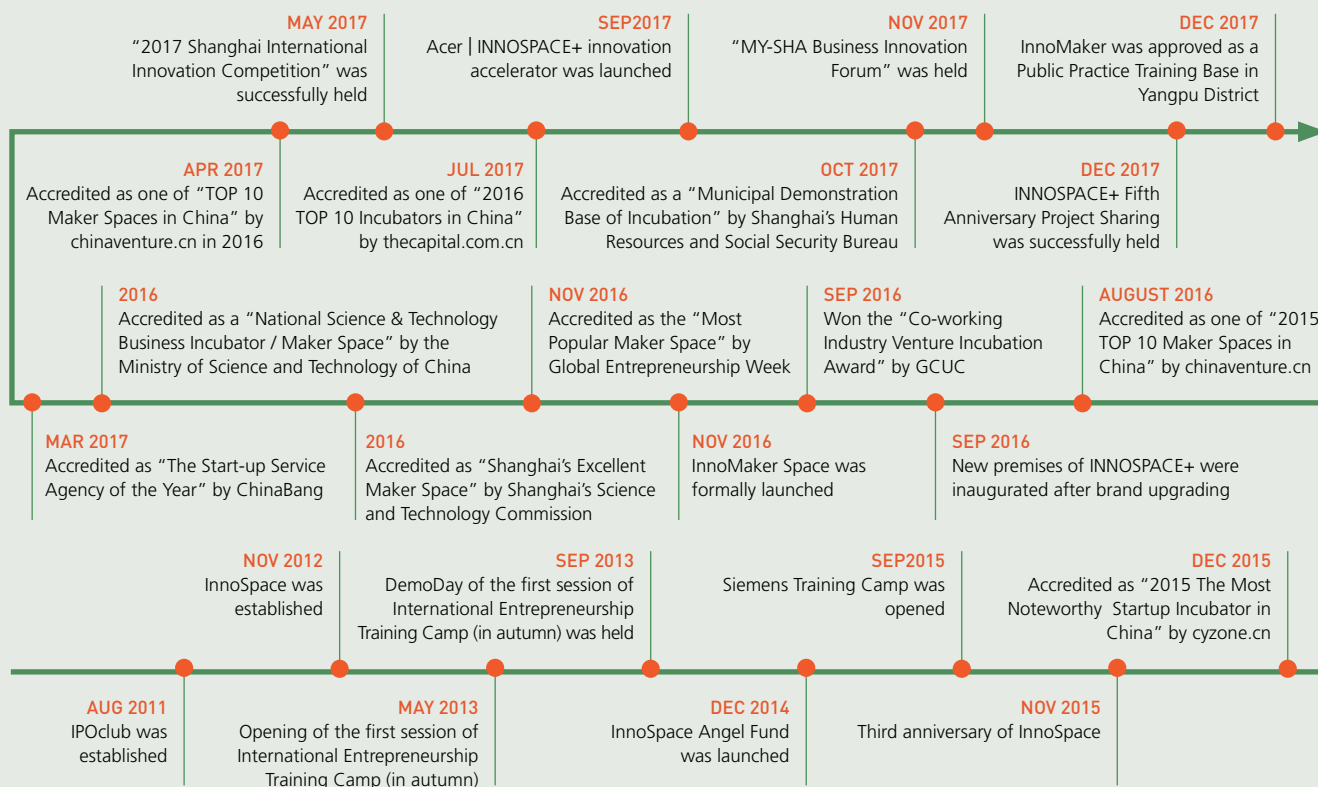


InnoLive Entrepreneurial Apartments

Creating a heart-warming living environment for entrepreneurs

In 2017, the Acer|INNOSPACE+ innovation accelerator, a joint initiative between INNOSPACE+ and tech company Acer, was inaugurated at Building 1 of THE HUB in Shanghai. Located at the Hongqiao CBD and focusing on the innovative development of the Yangtze River Delta, this programme has developed an “Incubation Platform for Vertical Industries of Intelligent Equipment” and an “Open and Innovation Platform for Multinationals” funded by early-stage venture capital from home and abroad, so as to promote the transfer and transformation of scientific and technological achievements in the Yangtze River Delta region. In the future, the Acer | INNOSPACE+ innovation accelerator will make the best of a “one-hour economic circle” centred on Shanghai and connected by high-speed railway to build a “Yangtze River Delta Innovation Centre”, a base for makers creators, innovators and entrepreneurs that brings together innovation resources, venture capital, entrepreneurial services and innovative atmosphere.

FIVE-YEAR ROADMAP FOR THE DEVELOPMENT OF INNOSPACE+



Offering innovation and entrepreneurship courses based on university-enterprise cooperation

Shui On Land actively promotes cooperation and exchange between universities and companies by pooling their respective strengths to realise knowledge sharing, help universities cultivate talents more responsive to social and practical needs, and create a positive mechanism that supports joint efforts in talent development. Since 2011, the Group has, together with the School of Management of Fudan University, developed China's first innovation and entrepreneurship course for university students to gain entrepreneurial experiences in addition to providing theoretical guidance and opportunities to share hands-on experiences among young people. In October 2017, the Group concluded another agreement on an MBA programme with the School of Management of Fudan University to participate in the "2018 Fudan MBA

Business Consulting Lab" project and applied for joining the Fudan-MIT 'China Lab' Business Consulting Programme under this project. The programme is focused on the educational concept of "knowledge application and practical learning", with the objective of providing Fudan's MBA students with a training platform combining management theory and business practice to completely improve the MBA students' ability to apply management knowledge in an all-round way. Based on the evolving needs of INNOSPACE+ with an eye on its future development, the consulting and practice programme is a customised project for MBA students to create a win-win outcome for talent training and corporate development through conducting topical research, analysing practical problems and generating solutions.

UNIVERSITY-ENTERPRISE COOPERATION AND EXCHANGE

- 2011
● Developed China's first innovation and entrepreneurship courses for college students featuring a well-structured, rich and extensive curriculum in partnership with the School of Management of Fudan University
- 2015
● Opened up parts of the "entrepreneurship and innovation courses" to college students across the country. The courses are now part of the quality courses provided through the Group's open learning platform
- 2016
● Developed Fudan MBA Consulting Practice Project in partnership with Fudan University
- 2017
● Concluded an agreement on an MBA programme with Fudan University to participate in the "2018 Fudan MBA Business Consulting Lab" project

Cultivation of talents in charity

Mr Vincent H.S.Lo, Shui On Group Chairman and a director of the China Foundation for Disabled Persons (hereinafter referred to as "CFDP"), has a long-standing interest in and concern for the well-being of people with disabilities. In 2013, Mr Lo entered into a donation agreement with CFDP on behalf of Shui On Land to launch a training programme to improve the leadership and execution skills of charitable institutions, in an effort to cultivate all-round talents more attuned to the evolving charity scene for CFDP and a number of provincial and municipal foundations for disabled persons. The initiative aims to improve the management, organisational, governance and execution skills of charitable organisations as well as their fund-raising and operational capabilities.

Since 2013, this programme has successively organised fact-finding trips for the mid-level and senior managers of CFDP and disabled persons' federations and foundations from 25 provinces, regions and cities. Through these visits to developed countries and regions, the executives have learned about the history of local social security and welfare, existing laws, regulations and policies, social insurance systems, and innovative ideas in social service delivery, among others. Armed with this knowledge and their own hands-on experiences, the executives have identified a new management philosophy attuned to the emerging situation so as to improve the organisational and execution skills and also the fund-raising and operational capabilities of their charitable organisations. This programme has broadened the professional horizons of charity workers working with the disabled, added to the capacity building efforts of talents involved in charitable work, and provided human resources support and assurance for the development of charitable organisations for the disabled. At the same time, the programme has played an active role in the improvement of CFDP's integrated strengths.

ABOUT THIS REPORT

This is the 2017 Environmental, Social and Governance Report published by Shui On Land Limited for disclosure of the Group's policies, processes, implementation and

performance in corporate social responsibilities in respect of the environment, society and governance to stakeholders and sharing of the innovative initiatives and successes of the

three major components of Group's CSR DNA – sustainability, community prosperity and talent development – in the promotion of the renewal of cities, improvement of the environment and advancement of society. For the second time, the Environmental, Social and Governance Report is released concurrently with the Annual Report of the Company.

BASIS OF PREPARATION

This Report was prepared in accordance with the Environmental, Social and Governance Reporting Guide (2015) published by The Stock Exchange of Hong Kong Ltd.

SCOPE OF THE REPORT

Organisational Scope: Shui On Land Limited is the subject of this chapter, which includes two subsidiaries, namely China Xintiandi Co. Ltd. and Shanghai Feng Cheng Property Management Co., Ltd., while some chapters involve Shui On Construction Co., Ltd. and Pat Davie (China) Limited. For the convenience of expression and reading, Shui On Land Limited is also referred to as "Shui On Land, "the Group", "the Company" or "we". China Xintiandi Co. Ltd. is referred to as "CXTD", Shanghai Feng Cheng Property Management Co., Ltd. as "Feng Cheng Property Management", while Shui On Construction Co., Ltd. and Pat Davie (China) Limited are referred to as "Shui On Construction" and "Pat Davie" respectively. As the Group disposed of its interest in Dalian Tiandi in 2017, the disclosure of environmental performance in this report does not cover this project.

Reporting Period: 1 January 2017 to 31 December 2017.

Report Cycle: This is an annual report.

NOTES ON THE DATA

The sources of information, data and cases in the Report include original records, financial reports, public information and interviews with key departments in actual operation of Shui On Land.

Unless otherwise specified, all amounts involved in the Report are denominated in Renminbi.

2017 KEY PERFORMANCE TABLE

ENVIRONMENTAL PERFORMANCE

INDICATOR	UNIT	GROUP'S TOTAL AMOUNT		TAIPINGQIAO	RUI HONG XIN CHENG	KIC	THE HUB	CHONGQING TIANDI	WUHAN TIANDI	FOSHAN LINGNAN TIANDI	
		2017	2016	2017	2017	2017	2017	2017	2017	2017	
EMISSIONS											
Diesel consumption	Ton	13204.14	\	1648.80	0.00	3113.22	5478.12	600.00	0.00	2364.00	
Gasoline consumption	Ton	91639.02	\	46855.55	10349.24	10300.24	0.00	11940.96	12193.03	0.00	
Sulphide emissions from diesel	Ton	0.21	\	0.03	0.00	0.05	0.09	0.01	0.00	0.04	
Sulphide emissions from gasoline	Ton	1.35	\	0.69	0.15	0.15	0.00	0.18	0.18	0.00	
Total sulphide emissions	Ton	1.56	\	0.72	0.15	0.20	0.09	0.19	0.18	0.04	
GREENHOUSE GAS EMISSIONS											
Scope 1: Direct emissions of greenhouse gas	tCO ₂ equivalent	8066.06	6233.00	669.43	2282.26	504.03	1615.61	1939.20	1049.24	6.30	
Scope 2: Indirect emissions of greenhouse gas	tCO ₂ equivalent	100776.42	92301.00	12311.61	11980.60	5824.16	17547.29	14020.80	21647.70	17444.26	
Greenhouse gas emissions (Scope 1 and 2)	tCO ₂ equivalent	108842.48	98534.00	12981.04	14262.86	6328.19	19162.90	15960.00	22696.94	17450.56	
Floor area	m ²	1669531.85	1449029.41	140151.70	176226.10	120017.74	335644.50	308023.11	263281.20	326187.50	
Greenhouse gas emissions per thousand square metres of floor area (Scope 1 and 2)	tCO ₂ equivalent/m ²	65.19	68.00	92.62	80.94	52.73	57.09	51.81	86.21	53.50	
NON-HAZARDOUS WASTE											
Total volume of construction waste	Ton	50877.23	49000.00	6072.68	11690.00	10125.00	2340.00	10409.00	5774.68	4465.87	
Total discharge of household garbage	Ton	52050.85	28829.00	3081.00	9151.70	7499.00	1423.50	9307.50	13184.25	8403.90	
Total discharge of non-hazardous waste	Ton	102928.08	77829.00	9153.68	20841.70	17624.00	3763.50	19716.50	18958.93	12869.77	
Discharge density of non-hazardous waste	Ton/m ²	61.65	53.71	65.31	118.27	146.84	11.21	64.01	72.01	39.46	
ENERGY CONSUMPTION											
Direct energy consumption	Diesel	MWh	131.42	104.00	16.41	0.00	30.99	54.52	5.97	0.00	23.53
	Gasoline	MWh	800.41	975.00	409.25	90.39	89.97	0.00	104.30	106.50	0.00
	Total direct energy consumption	MWh	931.83	1079.00	425.66	90.39	120.95	54.52	110.27	106.50	23.53
Indirect energy consumption	Natural gas	MWh	22549.08	13399.00	214.46	6121.20	1314.38	7572.94	7326.11	0.00	0.00
	Power purchase	MWh	99392.54	88858.00	15187.52	13643.41	5989.47	17461.26	14735.47	17495.23	14880.18
	Total indirect energy consumption	MWh	121941.63	102257.00	15401.98	19764.60	7303.84	25034.20	22061.58	17495.23	14880.18
Total energy consumption	MWh	122873.45	103335.00	15827.64	19855.00	7424.80	25088.73	22171.85	17601.73	14903.71	
Energy consumption density	MWh/m ²	73.60	71.00	112.93	112.67	61.86	74.75	71.98	66.86	45.69	
WATER CONSUMPTION											
Total water consumption	Ton	1108572.75	807545.00	125806.10	180918.50	54647.90	327976.06	117811.00	232255.19	69158.00	
Water consumption density	Ton/m ²	664.00	557.00	897.64	1026.63	455.33	977.15	382.47	882.16	212.02	
Sewage discharge	Ton	997715.47	726791.00	113225.49	162826.65	49183.11	295178.45	106029.90	209029.67	62242.20	

Remarks:

- The Group was not aware of any confirmed violations or complaints related to environmental protection which may have a significant impact on the Group in 2017.
- As Dalian Tiandi was sold in 2017, the environmental performance in the year does not include data on this project.
- Emissions targets were first revealed in 2017 and efforts will continue to improve the disclosure and management of the relevant data.
- The data on greenhouse gas emissions are listed as carbon dioxide equivalents and have been verified by a third party.
- Direct energy consumption refers to consumption by the sites owned or controlled by the Group. Indirect energy consumption refers to consumption of energy purchased or acquired by the Group.
- 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).
- The consumption of diesel and gasoline includes the total consumption of the fuels for keeping vehicles and other mechanical equipment in operation.
- 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 volume of waste paper, waste edible oil, household garbage and kitchen waste generated. The total volume of waste in 2017 increased from 2016 due to the addition of nine building projects.

SOCIAL PERFORMANCE

MEASURE	UNIT	THE GROUP'S PERFORMANCE IN 2017	THE GROUP'S PERFORMANCE IN 2016
EMPLOYMENT			
Total number of employees		3199	3309
By gender:			
Total number of male employees		1746	1829
Total number of female employees		1453	1480
By age:			
Total number of employees aged > 50	Person(s)	389	374
Total number of employees aged 30 to 50		2160	2117
Total number of employees aged < 30		650	818
By employment type:			
Under labour contract		3098	3191
Under labour service agreement		91	/
Others		10 (disabled persons)	/
Employee turnover rate		30.34%	28.79%
By gender:			
Turnover rate of male employees	%	34.71%	28.51%
Turnover rate of female employees		27.43%	30.06%
By age:			
Turnover rate of employees aged > 50		23.16%	26.70%
Turnover rate of employees aged 30 to 50		26.79%	27.28%
Turnover rate of employees aged < 30		44.24%	35.54%
HEALTH AND SAFETY			
Number of work-related fatalities	Person(s)	0	0
Lost days due to work injuries	Day(s)	883	1067
Coverage rate of medical examination of employees	%	90%	91%
DEVELOPMENT AND TRAINING			
Percentage of male employees trained		87%	79%
Percentage of female employees trained		73%	65%
Percentage of general employees trained	%	84%	89%
Percentage of middle management trained		72%	90%
Percentage of senior management trained		81%	76%
Average hours of training per each employee every year		15.51	18
Average hours of training per each male employee every year		17.14	21
Average hours for receiving training per each female employee every year	Hour	13.27	16
Average hours of training per each general employee		15.19	18
Average hours of training per each middle manager		16.23	27
Average hours of training per each senior manager		16.38	17
PRODUCTS AND SERVICES			
Overall customer satisfaction of the properties	Score	93.38	93.6
Residential customer satisfaction	Score	93.35	92.7
Office building customer satisfaction	Score	94.9	95.8
Shopping mall customer satisfaction	Score	91.9	92.4

Notes:

1. The Company underwent some consolidation, stripping and merger activities due to business needs, resulting in a fluctuation in the staff turnover rate in 2017.
2. There were no confirmed violations or complaints concerning human rights or labour practices which may have a significant impact on the Company in 2017.
3. The Group was not aware of any non-conformances concerning health, advertising, labelling and privacy matters which may have a significant impact on the Group in 2017.
4. The Group was not aware of any breach of customer privacy or loss of customer data and had not received any such complaint in 2017.
5. 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 2017.
6. There were no significant risks associated with bribery in 2017.
7. There were no confirmed incidents of corruption concerning the Company or open court proceedings over corruption charges against the Company/its employee in 2017.
8. There were no confirmed incidents of termination/non-renewal of contracts with partners on grounds of corruption in 2017.

CONTENT INDEX OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

ENVIRONMENTAL		
KPI CODE	DESCRIPTIONS	REFERENCE
A1 EMISSIONS		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations with significant implications for the issuer as related to air and greenhouse gas emissions, discharges into waters and land and generation of hazardous and non-hazardous waste.	Sustainable Development
A1.1	Types of emissions and related emissions data.	2017 Key Performance Table
A1.2	Greenhouse emissions in total (in tons) and, where appropriate, density (e.g. per unit of production volume, per facility).	2017 Key Performance Table
A1.3	Total amount (in unit of ton) and (if applicable) density (if calculated based on each output unit and each facility) of hazardous waste generated.	Not applicable
A1.4	Total volume of non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2017 Key Performance Table
A1.5	Description of measures taken to mitigate emissions and the results achieved.	Sustainable Development
A1.6	Description of the approach to handling hazardous and non-hazardous wastes, initiatives taken to reduce waste generation, and the results achieved.	Sustainable Development 2017 Key Performance Table
A2 USE OF RESOURCES		
General Disclosure	Policy on the efficient use of resources, including energy, water and other raw materials.	Sustainable Development
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (in 1,000 kWh) and intensity (e.g. per unit of production volume, per facility).	2017 Key Performance Table
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	2017 Key Performance Table
A2.3	Description of energy efficiency initiatives and the results achieved.	2017 Key Performance Table
A2.4	Description of any problems in sourcing water that is fit for purpose, water efficiency initiatives and the results achieved.	Sustainable Development
A2.5	Total volume of packaging material used for finished products per ton and, if applicable, per unit of production.	Not applicable
A3: THE ENVIRONMENT AND NATURAL RESOURCES		
General Disclosure	Policy on minimising the issuer's significant impact on the environment and natural resources.	Sustainable Development
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Sustainable Development
SOCIAL		
KPI CODE	DESCRIPTIONS	REFERENCE
B1: EMPLOYMENT		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations with significant implications for the issuer as related to compensation and dismissal, recruitment and promotion, working hours, leave, equal opportunity, diversity, anti-discrimination and other benefits and welfare.	Talent development
B1.1	Total workforce by gender, employment type, age group and geographical region.	2017 Key Performance Table
B1.2	Employee turnover rate by gender, age group and geographical region	2017 Key Performance Table
B2: HEALTH AND SAFETY		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations with significant implications for the issuer as related to providing a safe working environment and protecting employees from occupational hazards.	Talent Development
B2.1	Number and rate of work-related fatalities	2017 Key Performance Table
B2.2	Lost days due to work injuries.	2017 Key Performance Table
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Talent Development 2017 Key Performance Table

CORPORATE SOCIAL RESPONSIBILITIES

B3: DEVELOPMENT AND TRAINING		
General Disclosure	Policy on improving the knowledge and skills of employees in discharging job duties. Description of training activities.	Sustainable Development Talent Development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management, etc).	2017 Key Performance Table
B3.2	Average number of training hours completed per employee by gender and employee category.	2017 Key Performance Table
B4: LABOUR STANDARDS		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations with significant implications for the issuer as related to the prevention of child and forced labour.	Talent Development
B4.1	Description of measures taken to review employment practices and avoid child and forced labour.	Talent Development Key Performance Table
B4.2	Description of steps taken to eliminate such practices when identified.	Talent Development
B5: SUPPLY CHAIN MANAGEMENT		
General Disclosure	Policy on managing environmental and social risks of the supply chain.	Sustainable Development
B5.1	Number of suppliers by geographical region.	2017 Key Performance Table
B5.2	Description of practices related to engaging suppliers, the number of suppliers covered by the practices, and how the practices are implemented and monitored.	Sustainable Development
B6: PRODUCT RESPONSIBILITY		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations with significant implications for the issuer as related to health and safety, advertising, labelling and privacy matters concerning products and services provided and methods of redress.	Sustainable Development
B6.1	Product recall for safety and health reasons as a percentage of the total number of products sold or delivered.	2017 Key Performance Table
B6.2	Number of product and service related complaints received and how they are dealt with.	Sustainable Development
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Not applicable
B6.4	Description of quality assurance process and recall procedures.	Sustainable Development
B6.5	Description of consumer data protection and privacy policy, and how the policy is implemented and monitored.	Sustainable Development
B7: ANTI-CORRUPTION		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations with significant implications for the issuer as related to bribery, extortion, fraud and money laundering.	Talent Development
B7.1	Number of concluded legal cases concerning corruption charges brought against the issuer or its employees during the reporting period and the outcomes of the cases.	2017 Key Performance Table
B7.2	Description of preventive measures against corruption and whistle-blowing procedures, and how they are implemented and monitored.	Talent Development
B8: COMMUNITY INVESTMENT		
General Disclosure	Policy on community engagement to understand the needs of the communities where the issuer operates and to ensure that its activities reflect the interests of the communities.	Sustainable Development Community Prosperity Talent Development
B8.1	Focus areas of contribution (e.g. education, environmental care, labour demand, health, culture, sports).	Sustainable Development Community Prosperity Talent Development
B8.2	Resources (e.g. money or time) invested in the focus area.	Sustainable Development Community Prosperity Talent Development 2017 Key Performance Table