

vanke



2023

vanke

SUSTAINABILITY
REPORT

About This Report

Introduction to This Report

This report is the 16th sustainability report issued by China Vanke Co., Ltd., mainly focusing on the disclosure of Vanke Group's philosophy, practices, and effectiveness in environmental, social, and governance ("ESG") aspects in the year 2023.

Reporting period

From 1 January 2023 to 31 December 2023. In order to ensure that this report completely reflects the Group's ESG influence and performance, part of this report traces back to previous years, where appropriate.

References of names

To facilitate presentation and reading, "China Vanke Co., Ltd." in this report is referred to as "the Company" or "Company". "China Vanke Co., Ltd. and its subsidiaries" are referred to as "Vanke", "Vanke Group", "the Group", "Group" or "we". Unless otherwise indicated, terms used in this report shall have the same meanings as those defined in the Vanke Group Annual Report 2023.

Preparation basis

- The Ten Principles of the UN Global Compact
- *The Guidance on Social Responsibility (ISO 26000:2010)* issued by the International Organization for Standardization (ISO)
- *GRI Sustainability Reporting Standards* ("GRI Standards") issued by the Global Sustainability Standards Board ("GSSB")
- The Chinese Social Responsibility Standard GB/T36001-2015 *Guidance on Social Responsibility Reporting*
- *SASB Sustainability Accounting Standard (SASB Standard) for the Real Estate Owners, Developers & Investment Trusts*
- *Environmental, Social and Governance Reporting Guide* ("HK-ESG") in Appendix C2 to the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* ("HKEX")
- Task Force on Climate-related Financial Disclosures ("TCFD")
- Taskforce on Nature-related Financial Disclosures ("TNFD")
- *Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange -- Standard Operation of Listed Companies on the Main Board*
- *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainable Development Report (Trial) (Draft for Comments)*
- *Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises* (CASS-CSR5.0) issued by the Chinese Academy of Social Sciences
- *Corporate Social Responsibility Guidelines of Real Estate Enterprise in Guangdong Province* issued by the Guangdong Real Estate Association

Reporting principles

This report is prepared in accordance with the four reporting principles listed in the Environmental, Social and Governance Reporting Guide ("HK-ESG") on the Stock Exchange of Hong Kong Limited, namely "materiality", "quantitative", "balance", and "consistency".

Reporting scope

While determining the reporting scope, we ensure that this report can reflect the ESG impact and performance of the Group. Unless otherwise indicated, this report covers the sustainability performance of the operations and management services from 1 January 2023 to 31 December 2023 ("within the reporting period", "at the end of the reporting period").

Review and approval

This report has been reviewed by the Board of Directors (the "Board") before its release. Vanke assures that this report is free of any false information, misleading statements or major omissions.

Disclaimer

This report contains forward-looking statements, including but not limited to words or phrases, such as "will", "expects", "forecasts", "future", "aims", "estimates", "plans", "believes", "potential", "continues", "continuous", "objective", "purpose", and "possible". This part is based on current expectations, assumptions, estimates, and forecasts, which may be affected by uncertain factors and therefore, lead to material differences from actual results. Vanke Group does not undertake any obligation to update any forward-looking statements in this report, except for obligations required by laws. Vanke Group is not responsible for the results of any person's judgment based on the information contained in this report.

Report access

In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail. The electronic version of the report has been uploaded to the HKEXnews, the website of the Shenzhen Stock Exchange and the Company's official website at www.vanke.com.

Opinions and feedback

For any questions or suggestions concerning Vanke Group's sustainability performance or this report, please send an email to p-vkesg@vanke.com, or call us at +86 (755) 25606666.

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Report Summary

As a leading city and town developer and service provider in China, Vanke has long been committed to promoting green and low-carbon development and leading the industry.

During compliant operation, Vanke continuously enhances corporate governance to lay a solid foundation for quality. We have established our sustainability strategy in combination with our business and the United Nations Sustainable Development Goals (“SDGs” or “UN SDGs”) to ensure the integration of the philosophy of sustainable development into our business operations. Moreover, we advocate honest duty performance and value integrity culture. Integrity training is conducted annually, covering members of the Board and all employees, to instil the integrity culture in every employee. Furthermore, regarding the residential property of our products, we adhere to the core ideas of “quality, health and capability”, carry out full-cycle control of construction quality, and strive to provide customers with excellent products.


Vanke has never ceased to explore green and low-carbon development and become a pioneer in the industry repeatedly: Vanke is the first in the domestic real estate industry to write “to become an excellent green enterprise” in its vision. It is also the first in the domestic real estate industry to put forward the green development philosophy of “industrialisation, green building and full renovation”. Vanke City (Phase IV) in Shenzhen is the first domestic residential project to obtain the national Three Stars Green Building certification. Shenzhen Vanke Centre in Dameisha is China’s first LEED Platinum-certified green office project. Vanke is also the first member company in the global real estate industry to join the “Climate Saver” programme initiated by the World Wide Fund for Nature (“WWF”). It is China’s first enterprise in the Fortune 500 that develops a zero-waste office. Vanke Foundation is the first to propose the distributed ecological treatment method of organic waste in urban communities and China’s first public welfare foundation that incorporates “community waste management” into its strategies.

In the journey of social sustainability, Vanke has always been at the forefront through long-term practice and innovation. By upholding the culture of “striving for the best as a team”, we offer a workplace environment based on equality, respect, tolerance and diversity, providing growth and development opportunities for every employee. Audits of human resources operations are carried out throughout the Group to ensure that all organisations strictly observe all rules and policies and that employees’ rights are not infringed. Additionally, we have built a general training system for the headquarters and BG/BU-based distributed training systems, linked by the “V-LET’S SHARE” platform. We advocate a “win-win partnership” and promote the progress and development of the industry with the philosophy of sustainable development. We have joined the Green Supply Chain Action for the Real Estate Industry in China and implemented the green industry chain and ESG plan through AUPUP. We strive to create a new ecology for the upstream industry chain, drive the transformation of the industry’s supply chain, and continually improve the influence of Vanke’s green value chain. Furthermore, we promote “shared development” and interpret corporate social responsibility through actions. Vanke launched and hosted the Run for Fun series. Over nearly a decade, the Run for Fun series has become one of the national fitness IPs with significant participation, influence and comprehensive coverage, motivating more people to join the fitness-for-all program.











We uphold the philosophy of long-term development, continuously consolidate sound operational practices, lead green and low-carbon environmental practices, and promote sharing and inclusive social practices to contribute to a green and healthy ecological environment and the sustainable development of human society.



Highlights of 2023







Operational Practices

 <p>Total Assets RMB 1,504.85 billion</p>	 <p>Net Assets RMB 250.78 billion</p>
 <p>Revenue RMB 465.74 billion</p>	 <p>Sales Area 24.66 million m²</p>
 <p>Sales Amount RMB 376.12 billion</p>	 <p>Sales Ranked 2nd in the industry</p>
 <p>Ranking of the Fortune Global 500 173rd</p>	 <p>Total Taxes Paid RMB 53.37 billion</p>
 <p>Customer Satisfaction 93%</p>	 <p>100% Use of Intelligent Construction Site System for All Projects under Construction</p>









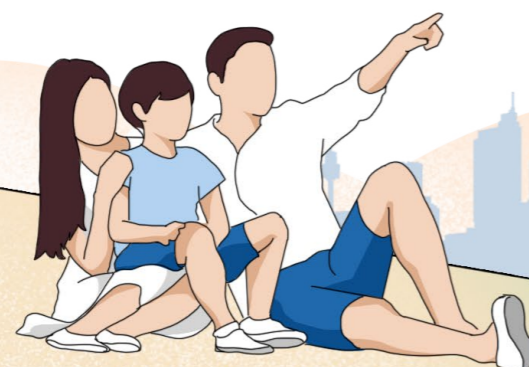
Environmental Practices

 <p>Cumulative Gross Floor Area ("GFA") of Green Building exceeded 327.91 million m²</p>	 <p>The Proportion of Property Development Projects That Met Green Building Evaluation Standards Introducing Renewable Energy Design 48%</p>
 <p>The Ratio of Housing Industrialisation Projects to New Construction Projects 90%</p>	 <p>Number of Community Waste Management Projects 118</p>



Social Practices

 <p>Total Number of Employees 131,097</p>	 <p>Average Annual Training Hours per Employee 25.6 hours</p>
 <p>Number of Training Courses that Were Developed or Updated 2,166</p>	 <p>Percentage of Female Employees 45%</p>
 <p>Safety Training Coverage Rate for Employees and Construction Contractors 100%</p>	 <p>External Donation Amount RMB 117 million</p>



Sustainability Performance

Vanke continuously improves sustainability management to create value for customers and society. In 2023, we were highly recognised in several sustainability ratings and indices.

Hang Seng Corporate Sustainability Index Series

Obtained an **A+** rating, maintained the highest rating among domestic real estate developers, and maintained to be included in the Hang Seng ESG 50 Index and the Hang Seng (China A) Corporate Sustainability Index, as one of the **Top 50** ESG leaders with relatively high market-capitalisation listed in Hong Kong and one of the **Top 30** ESG leaders among large A-share listed companies; maintained to be included in the **Hang Seng Corporate Sustainability Benchmark Index** and was newly included in the **Hang Seng (Mainland and HK) Corporate Sustainability Index**

CNI Index ESG rating

Upgraded to **AAA**
ranked **1st** in the industry in terms of environment

MSCI ESG rating

Maintained **BBB** with increases in the scores for green building opportunities as well as product safety and quality


Corporate Sustainability Assessment ("CSA") by S&P Global

The score of CSA **steadily increased**

ESG Risk Rating by Morningstar Sustainalytics

Maintained **low risk**, and the score of the ESG Risk Rating **continued to decrease**. The ESG performance improved


Vanke's ESG case was selected again as one of the Best ESG Practices of listed companies by the China Association for Public Companies in 2023.



Evergreen Principal Business, Far-reaching Springhead was selected as one of the **Best ESG Practices of listed companies**

—

by the China Association for Public Companies



Meisha Carbon Neutral Pilot Demonstration Community, which is Transforming from a Small Park to a Big Community was selected as one of the **Excellent ESG Practices of listed companies**

—

by the China Association for Public Companies in terms of the topic of "carbon emission reduction"

In 2023, we were also awarded prizes and recognition from governments, industry organisations, media platforms, and the public, including but not limited to:

Top 100 ESG Pioneers of Listed Companies in China and Top 50 ESG Pioneers of Listed Companies in GBA

—

CCTV Finance

Top 100 Chinese Listed Companies in ESG in the Value Assessment of Chinese Listed Companies

—

Securities Times

The 5th New Fortune Best Listed Company -- Best ESG Practice award

—

New Fortune

Best for ESG in China

—

Asiamoney
2023 Asia's Outstanding Companies

Top 1 in Best ESG in Property (incl. REITs) sector of Core Asia and Chinese Mainland

—

Institutional Investor
"All-Asia Executive Team 2023"

Top 100 Best ESG Practices

—

Wind
Wind China Listed Company in 2023

Annual Governance Pioneer

—

NetEase Finance
2023 Excellent ESG Practice Case Selection

Best ESG Pioneer Award

—

Hong Kong Ta Kung Wen Wei Media Group (HKTKWW) and the Hong Kong International ESG Alliance

China Charity Awards

—

Ministry of Civil Affairs

Shortlisted in Enterprise Donation List of Shenzhen Charitable Donation List

—

Civil Affairs Bureau of Shenzhen Municipality

Message

A few guiding stars illuminate the road to hope. The past few years witnessed the inevitable pains we went through as the industry faced unprecedented challenges in transformation. Nevertheless, Vanke remains resilient and energetic in the poor business environment. Vanke has always kept pace with the times. We have proactively embraced policies for carbon peaking and carbon neutrality and aligned ourselves with the UN SDGs as we march towards sustainable development. Amid the torrent of changes, we have adhered to robust operations, consolidated the bottom line, and seized development opportunities to draw a wonderful blueprint for high-quality development.

As we navigate the path of operational practices, we constantly delve into enhancing value creation.

In 2023, we continued to forge ahead in compliant operation and integrate sustainable development into every detail of our operations. From product development to service delivery, we pledge to provide all stakeholders with “good products” and “good services”. We have maintained our focus on residential properties, emphasizing “quality, health and capability” to craft exquisite offerings. The Good Service Action was promoted by upgrading the service standard from “SOP 1+12” to “SOP 1+14”. We refined service procedures and enhanced service quality from contract signing to house acceptance and delivery. We have continually optimised our management systems, strengthened compliance audits and oversight, and persistently elevated our awareness and management of integrity and compliance. Furthermore, we have established and refined our information security management system, ensuring robust information security for employees, customers, and partners through our “Dragon Wakening Programme” and ongoing enhancements to information security and privacy protection measures.

In the realm of environmental practices, we are taking the lead in advocating for green development, positioning ourselves as pioneer in the industry’s sustainability endeavours.

Against the backdrop of a carbon-neutral economy, we have made green and low-carbon transformation the cornerstone of our strategic development in 2023 and insisted on the close integration of environmental responsibility and business development. We became a forerunner and demonstrator of sustainable development. We have actively adopted cutting-edge technologies, such as near-zero energy-consuming technology, the Solar photovoltaic, Energy storage, Direct current and Flexibility (“PEDF”) system, and photovoltaic power generation to transform Vanke NEXUS in Jiading, Shanghai, into a future city that is low-carbon, intelligent, and vibrant. Moreover, we have taken proactive steps to address climate change by exploring the economic opportunities and challenges posed by climate change, aligning with the TCFD framework and enhancing our climate risk management practices. We also continuously optimised management in green building, green construction, and green operations, joining hands with our stakeholders to promote green development and contribute to the planet’s future.

In terms of social practices, we are creating a better life with all communities.

By upholding a “striving for the best as a team” culture, we offer a workplace environment grounded in equality, respect, inclusive, and diversity, providing unlimited possibilities for the growth and development of every employee. Vanke, in 2023, continued the “Talent Training Plan of the Group”, highlighting specialisation and Vanke’s characteristics, and implementing a “3+1” training management system to empower grassroots employees to pursue self-improvement and continuous learning. In tandem, we advocated a “win-win partnership” and implemented the philosophy of sustainable development. Through AUPUP, we are creating a new ecosystem for the upstream industry chain and driving the transformation of the industry’s supply chain. Furthermore, Vanke promoted “shared development” and shared its development results with society. We also actively engaged in rural ecological revitalisation, endeavoured to promote the building of a healthy China, and made concerted efforts to establish a resilient community of shared interests.

In 2023, our ESG performance garnered extensive recognition from rating and index agencies globally. We extend our heartfelt gratitude to all of you for your support and encouragement on our sustainability journey. Vanke obtained an A+ rating from Hang Seng ESG Rating, maintaining its position as the highest-rated domestic real estate company. We continued to be featured in prestigious indices such as the Hang Seng ESG 50 Index, the Hang Seng Corporate Sustainability Benchmark Index, the Hang Seng Stock Connect A Low Carbon Index, and the Hang Seng (China A) Corporate Sustainability Index, as one of the Top 50 ESG leaders with relatively high market-capitalisation listed in Hong Kong and one of the Top 30 ESG leaders among large A-share listed companies. Meanwhile, we obtained the AAA rating of the CNI Index ESG rating of the Shenzhen Stock Exchange, which ranked first in the environment in the real estate sector and was included in the Shenzhen 100 ESG Top Index. Our MSCI ESG score and rating led the industry, and our ESG Risk Rating by Morningstar Sustainability remained low-risk. Moreover, our case study, *Evergreen Principal Business, Far-reaching Springhead*, was once again recognised as one of the Best ESG Practices of listed companies. Vanke’s accolades also include being named “Asia’s Outstanding Companies Poll 2023–Best for ESG in China” by *Asiamoney*, securing the top spot in the “All-Asia Executive Team 2023” Ranking for Best ESG by *Institutional Investor*, and being included in the Top 100 Chinese Listed Companies in ESG in the Value Assessment of Chinese Listed Companies by *Securities Times*. We were also honoured with the 5th New Fortune Best Listed Company–Best ESG Practice award.

Great achievements descend from great aspirations; extensive business owes to diligence. Vanke will stay true to its founding aspirations, continue to pursue the mission of creating a better life for society and advance steadily on the road to sustainability. Together with cities and customers, we will continue to create enduring value for all stakeholders.

Board Statement

Based on the requirements of the *Listed Company Governance Standards* issued by the China Securities Regulatory Commission (“CSRC”) and the *Environmental, Social and Governance Reporting Guide* issued by the Stock Exchange of Hong Kong, the Company and the Board have heavy involvement in the environmental, social and governance (“ESG”) affairs and actively integrate ESG into the Company’s business practices. In 2019, the Board reviewed and clarified the ESG management system and the ESG work responsibilities to ensure that sustainable development issues facing Vanke would be gradually incorporated into the Company’s agenda.

As the highest decision-making body, the Board is fully responsible for determining the Group’s ESG management structure and management strategy, ensuring that appropriate and effective ESG risk management and internal monitoring systems are in place, listening to the results of discussions on material ESG issues and supervising the progress of ESG objectives, and reviewing and approving the annual sustainability report of the Company.

In addition, the Company set up an ESG Working Committee which is chaired by the Chairman of the Board. The ESG Working Committee is responsible for confirming the results of materiality assessments, determining the ESG management objectives, policies and implementation approaches of ESG, and evaluating and identifying material ESG management issues such as ESG-related risks and opportunities. Our routes and achievements in products and services, climate change response, carbon emissions and other aspects created through the ESG management work will be reviewed and approved by the Board and released in the sustainability report of the Company.

Complying with the *Environmental, Social and Governance Reporting Guide* issued by the Stock Exchange of Hong Kong, the Company set key ESG targets covering greenhouse gas emissions, waste management, and resource use. The Board has reviewed and discussed the relevant target setting and progress.

The 2023 Sustainability Report of the Company was reviewed and approved by the Board on 28 March 2024.



About Vanke

Company Overview

Company profile

China Vanke Group Co., Ltd. was established in 1984. After 40 years of development, it has become China's leading city and town developer and service provider. The Group focuses on the three most vibrant economic circles nationwide and key cities in Midwest China. In 2023, Vanke was ranked 173rd on the *Fortune* Global 500 companies.

Vanke persistently provides the general public with good products and services and satisfies people's demands for a better life with its best efforts. Until now, the ecosystem it has been constructing is getting into shape: In the property area, Vanke has always adhered to the policy of housing residence instead of vicious speculation and upheld the vision of "building quality housing for ordinary people to live in". While consolidating its existing advantages of residential property development and property services, the Group's business has been expanded to areas such as retail property development and operations, long-term rental apartments, logistics and warehousing, and hotel and resort. With the above superiority, a solid foundation has been better laid to satisfy people's needs for a better life and to achieve sustainable development. Vanke has always adhered to the policy of "sticking to follow the fundamental rules of the world and striving for the best as a team. We centre on "people's demand for a better life", and deeply implement the development strategy of "being a city and town developer and service provider", based on cash flows. Meanwhile, we constantly create real value and endeavour to become an outstanding enterprise in the great new era.

Business landscape

Vanke centres on people's demand for a better life and expands its business to rental housing, retail property development and operations, and logistics and warehousing while consolidating its core business of property development and property services. With the strategic positioning of "being a city and town developer and service provider", Vanke is committed to provide setting to a beautiful life, to contribute to the economy, to explore creative experimental fields and to construct a harmonious ecosystem.

Property services

Onewo Space-Tech Service Co., Ltd. ("Onewo", stock code: 02602.HK) pioneers and innovates the property services industry in China. 33 years ago, Onewo kick-started the journey with the simple purpose of pursuing delightful property services for more people - a purpose which still guides the way we operate today. Drawing on exceptional brand strength and service quality, Onewo has become a leading omni-space service provider with an unmatched growth model built upon the synergy of businesses across community, commercial and corporate property, and urban space. Onewo's market-leading position is closely associated with its self-driven culture. Through AIoT and BPaaS solutions, Onewo realises "Remote & Hybrid" operations, thereby improving the efficiency of the spaces we serve for customers.

For the annual ESG performance of Onewo, please refer to the 2023 ESG Report of Onewo.



As of 31 December 2023, Onewo has covered

621 Onewo Towns

4,658 residential property service¹ projects

2,531 commercial property service¹ projects

¹ The numbers of residential property services and commercial and corporate property services projects are taken from the calibration of contracted projects as of 31 December 2023.

Property development

In terms of property development business, Vanke attaches great importance to people's demand for a better life, centres on the positioning of "being a city and town developer and service provider", focuses on "good products" and "good services", and adheres to the full-cycle and full-category development and operation strategy. With business activities involving multiple fields such as comprehensive residential areas, EPC (Engineering Procurement Construction) and agency construction, urban revitalization, and TOD (Transit Oriented Development), we are committed to continuously improving urban living quality and growing together with cities and customers.



In 2023, the property development business achieved:

Sales Area of **24.66** million m²

Sales amount of RMB **376.12** billion

Sales Ranked **2**nd in the industry

Quality Delivery of **289,000** units



Shanghai Jiading Vanke NEXUS—Super intersection

Logistics and warehousing

VX Logistic Properties (“VX Logistics”) is a platform to provide logistics and warehousing services and integrated supply chain solution in Vanke, and aims at providing enterprises with integrated logistics services with high standards, diversity, multi-temperature zones through warehousing products in different forms, warehouse operations, main lines, and intra-city distribution resources. Since 2015, VX Logistics, has started its national warehousing network layout. Currently, its comprehensive strength is among the first echelon in the industry, and its cold chain warehousing scale ranks first in China.

In 2023, VX Logistics adhered to the mission of becoming “an industry-leading integrated logistics service provider” and continued to improve systematic and intelligent management in multiple dimensions such as safety, quality, efficiency, and energy consumption. VX Logistics has obtained LEED Platinum and Green Warehouse 3-star certifications for several parks, with the new green building certification area of 3,190,500 m² in 2023.

VX Logistics formulated the *Guide to LEED Standardised Design* to ensure that parks met green building requirements. It improved energy saving and consumption reduction in park operations, and promoted 100% green warehouse certification and 100% coverage of distributed photovoltaics for all new cold storage.



As of 31 December 2023, for logistics and warehousing business

the accumulative leasable GFA of projects opened was

10.02 million m²

The leasable GFA of high-standard warehouses was

8.52 million m²

The leasable GFA of cold chain warehouses was

1.5 million m²

The Shanghai Fengxian Lingang Logistics Park of VX | Creating the First Pilot Park of Carbon Management Platform

The Shanghai Fengxian Lingang Logistics Park, VX Logistics’s first pilot park of carbon management platform, opened on 18 April 2023. It is the first logistics park in China to be certified as a net-zero carbon building project under the net-zero carbon building certification system of TÜV Rheinland and the Building Research Establishment (“BRE”). The digital carbon management platform identifies, records, and manages carbon emissions, analyses and optimises high-emission processes, enables effective identification and control during operations, and promotes the implementation and optimisation of net-zero carbon.

To manage carbon emissions, a real-time carbon monitoring screen was established in the park. It consists of a PV power generation module (monitoring accumulative power generation, accumulative carbon reduction, power of daily real-time PV power generation, and recent PV power generation trends), an energy consumption module (analysing monthly energy consumption and its corresponding carbon emissions, and a ranking of the carbon emissions of each item (e.g. refrigeration, forklifts, and lighting), so the park’s carbon emissions can be monitored in real-time. Meanwhile, it tracks the energy efficiency of the distributed PV system on a time-to-time basis to facilitate the formulation of emission reduction strategies.



The Shanghai Fengxian Lingang Logistics Park of VX

Rental housing

Port Apartment is a long-term rental apartment brand owned by Vanke and China’s largest provider of centralised apartments. It offers one-stop living options to young urban customers with taste and energy. Port Apartment provides a “convenient, comforting, healthy and energetic” high-quality living space and creative fashion life in accordance with the different living and work expectations of young clients.



Port Apartment



As of 31 December 2023, Port Apartment

Has had a presence in **31** cities across China

It operated and managed more than of **233,300** long-term rental apartments

and opened more than **180,000** high-quality rooms

The accumulative number of registered users on the online platform reached **3.6** million

Port Apartment, which has had a total of **147** projects

with a total of **101,500** housing units, were officially included in the affordable housing system

ranking **1st** in the industry by the number of affordable housing

The Port Apartment and Shenzhen Water and Environment Group Co., Ltd. Project for “transforming non-residential to affordable residential properties”

Port Apartment actively responds to the national policy by participating in the construction and operations of affordable rental housing through multiple channels and methods. Port Apartment and Shenzhen Water and Environment Group Co., Ltd. (“Shenzhen Water”) began to cooperate in 2023 by providing integrated and full-cycle services, covering from preliminary planning, positioning, and design to construction and operations, to transform the Nanshan Office Building into guaranteed rental housing. All 206 affordable residential rental houses of the project had been rented before opening, mainly by talent from nearby high-tech enterprises in communications, computers, software, pharmaceuticals, new materials, and optoelectronics. It aims to become a high-quality rental community that is “live close, affordable, and good” for young talents. The project has gained significant attention from the government and media as the first project of “transforming non-residential housing to affordable residential properties” that has been launched and put into operation in Shenzhen.



Shenzhen Water-Port Apartment in the Eco-Software Park

Retail property development and operations

Vanke's retail property development and operations business includes shopping centres, community commercial and other business forms. The Group issued an announcement on the establishment of the Commercial Business Group ("Commercial BG") in January 2024 to take charge of the Group's operations and management of retail property business. SCPG is the Group's professional retail property development and operation capability platform. Upholding the "green ecology" and "customer-centric" ethos, SCPG continues to add genuine value for customers and merchants and offer quality experiences regarding people's demand for a better life by constantly strengthening its retail property resources, business platforms, and development management. It takes up the green and low-carbon innovation mission to contribute to the promotion of urban construction and consumption upgrading. SCPG made a breakthrough in the public offering of REITs. In March 2024, the offline price inquiry of "China International Capital Corporation Limited-SCPG Consumption-Related REIT" ("CICC-SCPG REIT"), which regards the quality project, Hangzhou Xixi INCITY, as the underlying asset, was completed.

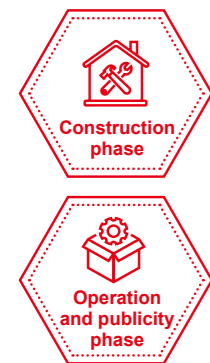


As of 31 December 2023, for retail property development and operations business,

- 203** retail projects were opened in total
- The opened GFA amounted to **11.58** million m²
- The retail GFA under planning and construction was **3.05** million m²
- Specifically, **74** retail projects were opened by SCPG
- The opened GFA was **7.14** million m²
- The retail GFA under planning and construction was **710,000** m²

The LONGHUAHUI commercial complex | A cultural and tourism business card integrating ancient heritage and modern culture

The LONGHUAHUI commercial complex is a new commercial consumption scenario jointly developed by SCPG and its partners. Designed to be an ideal urban block that inherits the millennium history of the Longhua Temple, it embodies the Jiangnan and Shanghai-style cultures while integrating folk tales, contemporary culture, youth fashion, and green ecology.



- The existing buildings in the original Longhua Tourist Town were renovated to meet modern needs.
- History is respected. The architectural style in the Yangtze River Delta was extended through the design of heavy eaves and sloping roofs and the use of glass and stones. Green landscapes, waterfront scenery, and public artworks were created to blend tradition with modernity.
- To promote local culture, the "Amazing Longhua Temple Fair" was held, a cultural experience activity for the downtown area that was inspired by the notion of "meeting on the street".
- A wide range of innovative, first-of-its-kind brands, based on Chinese culture and local lifestyle, were introduced to highlight the local culture.



The LONGHUAHUI commercial complex

Hotel and resort

Vanke hotel and resort business operates projects in core cities such as Shenzhen, Guangzhou, Suzhou, and Hangzhou as well as tourist destinations such as Mount Huang and Lijiang. Vanke Group's all hotel and resort assets as well as asset management, operation management, brand management, and consultancy related to hotels and resorts are covered, including the V-SKI Ski Resort and Vanke Group's own brands-Yun, Yun Collection, and Youxiang.

The ski resort and vacation project are integral to Vanke's hotel and resort business. V-SKI is China's most extensive mountain and ski resort brand. During the 2023-2024 winter season, it operated 4 ski resorts and 68 ski trails in total, including Vanke Songhua Lake Resort, Shijinglong Ski Resort, Xishan Ski Resort in Beijing, and Mawanshan Ski Resort in Hohhot, and managed the ski schools of four ski resorts in Chongli, Chengde, Shuozhou, and Yanqing, Beijing. During the reporting period, Vanke Songhua Lake Resort was granted 2023 China's Best Ski Resort by the World Ski Awards for the seventh consecutive year.



As of 31 December 2023, hotel and resort business

- Has held and managed **33** hotels in operation
- 68** ski trails
- has received **730,000** visitors of the ski resort and vacation project in 2023

Overseas

Since 2012, Vanke has been gradually developing our overseas business. Vanke has set up Vanke Overseas Investment Holding Company Limited (stock code: 01036.HK) in Hong Kong, China, and has entered the US, Singapore, the UK, and other countries successively, operating in real estate investment and development, asset management, and other business in many major international cities. In response to the market characteristics of different regions, Vanke selects partners with independent development capability and sound reputations to cooperate in overseas markets, and always practised the Group's strategic positioning of being "an urban construction and service provider" and is committed to providing better products and services to society and customers.



Creating an Ideal Future City



The core philosophy of NEXUS: Low-carbon, smart, and vibrant

Vanke NEXUS (Nature, Energy, Xanadu, Units, and Society) in Jiading, Shanghai, represents the culmination of Vanke's exploration, research, and implementation of a sustainable development model for a future city. The project's overall plan follows the philosophy of sustainability. Adhering to Jiading's positioning as one of the five new "independent and comprehensive node cities", the project is aimed at transforming Jiading into an idyllic and futuristic living unit.

By situating the NEXUS project in Jiading District, Shanghai, Vanke intends to build a future city characterised by low-carbon, smart, and vibrant elements through diversified and open planning and design, energy-conservation and environmentally friendly construction technologies, and smart management, operations and maintenance. The project has fully shifted into the construction phase, with some buildings already achieving structural completion. To meet the requirements of a future high-density conurbation, we have established a business form consisting of four business segments: life, culture, sports, and government-business partnerships. Furthermore, we strive to build a model in low-carbon and near-zero-carbon communities through building energy conservation, renewable energy utilisation, and solid waste recycling.

In addition, the NEXUS project has been included in multiple international and domestic technical demonstration projects, including the Sino-Swiss Zero Carbon Building Demonstration Project jointly initiated by the Ministry of Housing and Urban-Rural Development of China and the Swiss Agency for Development and Cooperation ("SDC") and two national key R&D programmes in the "14th Five-Year Plan" period, specifically, Chunxi (Market), as a pilot project for the "Zero-Carbon Building Control Indicators and Research and Application of Key Technologies" project included in the national "14th Five-Year Plan", is one of China's first near-zero-carbon buildings. It serves as a pilot endeavour for the national "14th Five-Year Plan" project "Research and Demonstration of Direct Current Products for Electromechanical Equipment for Buildings", demonstrating the first-time application of the cutting-edge "solar photovoltaic, energy storage, direct current and flexibility" ("PEDF") system in block business format.



Panoramic View of NEXUS in Jiading

Low-carbon: Building a Sustainable City through Innovative Carbon Strategies

Creating a Model in Low-carbon and Near-Zero-Carbon Communities

Through a range of technical measures, including building energy conservation, renewable energy utilisation, water conservation, and solid waste recycling, Vanke strives to transform NEXUS in Jiading, Shanghai, into a globally low-carbon and partially near-zero-carbon community, allowing for a carbon emission reduction of 31% and 40%, respectively.

Building Energy Conservation

Low-carbon materials, such as low-carbon steel and recycled concrete aggregate ("RCA"), are used on a pilot basis for the exhibition hall. Additionally, a steel-wood composite structure is used for the buildings in Chunxi (Market). Their roofs are equipped with a wooden structure.



Low-carbon materials such as wooden structures, short process steel, and recycled concrete are used, with a full-cycle carbon footprint certificate

Concrete aggregates from recycled construction waste

Application of low-carbon materials

Climate responsive design

The atrium of Chunxi (Market) was turned into a "climate regulator", with appropriate shading, lighting, ventilation and air-conditioning strategies for different seasons and weather.

Passive carbon reduction techniques

A variety of passive technical measures, including the high-performance building envelope, high air tightness control, and the thermal bridge-free design, have been adopted to increase the thermal performance of the buildings.

Active carbon reduction techniques

Active technical measures, such as improving the energy efficiency of air conditioning systems, increasing the heat recovery efficiency of ventilation systems, and optimising the domestic hot water conservation programme, have been implemented to reduce the total load and overall energy consumption of the buildings.

Renewable Energy Utilisation

Photovoltaic power generation

Approximately 40% of the roof area across the region is equipped with photovoltaic panels, expected to generate 2.57 million kWh of electricity per year, reducing carbon emissions by 1,080 tCO₂e per year.



Rooftop Photovoltaic Panels

PEDF technology

The "PEDF" system, implemented for the first time in Chunxi (Market), features a block business form. This form enables photovoltaic power generation to meet 50% of the energy needs of the buildings, converting buildings from energy consumers into integrators that can generate, store, regulate, and use energy.

Water Conservation

Rainwater reuse technology

This technology ensures that the utilisation rate of unconventional water resources is at least 5%, with rainwater reused for greenery watering and road cleaning.

Water-conservation facilities

These facilities improve the efficiency of the water supply pipeline network and are fully equipped with water-conservation devices. They include outdoor greenery watering devices and indoor water-conservation devices.

Water-conservation measures

Each water use sub-item is calculated to achieve detailed management of water resources.

Solid Waste Recycling

On-site treatment of food waste

The distributed on-site resource-based treatment equipment for food waste and advanced biostrains are used to process food waste, which is projected to be 730 tons annually. By projection, this process will produce 36.5 tons of organic fertilisers and contribute to a reduction of approximately 21.9 tCO₂ in carbon emissions.

Recycled building materials

The recycled concrete aggregate and short-process steel made from construction waste are used on a pilot basis for non-structural load-bearing sections of the exhibition hall. This minimises the environmental impact of waste building materials while ensuring safety.

Zero-waste living

Adhering to Vanke's zero-waste philosophy, the community allows residents to engage in zero-waste living anytime and anywhere. Specific measures include encouraging suppliers to adopt waste sorting and promoting commercial household food waste recycling and reuse.

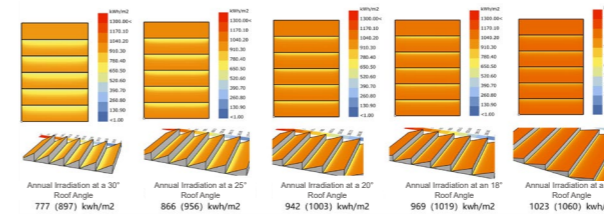
Application of Clean Water Heating Technology

To meet the local community's needs, a temperature-controlled swimming pool has been constructed beneath the sports centre in the Shanghai Jiading NEXUS. Furthermore, to address the issue of high energy consumption typically found in temperature-controlled swimming pools, we have implemented photovoltaic-thermal integrated technology alongside a dehumidification heat pump. This system collects waste heat for pool heating, and combined with photovoltaic power generation, supplies clean energy that surpasses the energy consumed for pool heating and hot water for showers.



Technical Highlight 1

Guiding Roof Design Towards an Optimal Balance among Daylighting, Ventilation, and Photovoltaic Power Generation



Roof Design Programmes from Multiple Angles



Technical Highlight 2

Collecting Waste Heat for Pool Heating

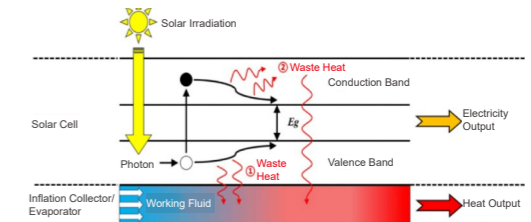


Diagram of Waste Heat Collection

Highlight data



The entire site design contributes to a carbon emission reduction of **5,052** tCO₂e per year, roughly equivalent to the contribution made by **252,600** fully-grown trees.



The Xinxin (Exhibition Hall) building is projected to save **160,600** kWh of electricity every year, equivalent to a yearly saving of **49.15** tons of standard coal, leading to an estimated carbon emission reduction of **133.84** tCO₂e per year.



The Chunxi (Market) building is projected to save **419,000** kWh of electricity every year. The project contributes to a total saving of **120.69** tons of standard coal per year, resulting in an expected carbon emission reduction of **176** tCO₂e per year.

Zero-carbon Cloud Living

Vanke aims to promote digital applications for individual low-carbon behaviours through its NEXUS project in Jiading, Shanghai. The project is linked to open-source behavioural data and allows for independent data upload. Throughout the project, we have introduced carbon credits to quantify individual low-carbon behaviours, which are tied to community services. Community residents can accumulate carbon credits through consumption and enjoy carbon emission reduction rewards. This incentive aims to promote a sustainable low-carbon lifestyle.

Smart: Driving Intelligent Management by Building Digital Units

• Holistic Smart Integrated Control Platform

Vanke's NEXUS project in Jiading, Shanghai, is equipped with a holistic smart integrated control platform empowered by digital twin technology. This platform integrates intelligent, information-based, green, and urban development across five domains: regional planning, energy conservation and carbon emission reduction, holistic security, regional governance, and smart operations and maintenance. It supports intelligent urban management and operations.



The integrated control platform, based on holographic geospatial data, leverages the GIS + building information modelling ("BIM") + Internet of Things ("IoT") technologies to connect data across various business systems, creating a three-dimensional, visualised urban operating system. By connecting data islands and increasing the efficiency of data utilisation, this platform transitions from individuals searching for information to information-seeking individuals, significantly boosting the efficiency of park operations and maintenance. Moreover, this platform incorporates an intelligent decision-making support system, providing city administrators with more precise and timely decision-making support and services.

Vibrant: Dynamic Energy Drives the Building of a Small-Scale Block in Shanghai

• Embrace Nature in the Community

Jiading NEXUS reincorporates rural ecology, which became an afterthought as a result of urbanisation, back into the community. It incorporates multiple natural settings, including outdoor, indoor, and aquatic settings, small greenhouses, and farms.

- We have introduced food source plants and established ecological stepping stones in the community to attract butterflies and birds.**
- To foster deeper relations between human beings and nature, accessible lawns and touchable exotic plants are incorporated into the layout.**
- Green ecological spaces are a feature of the design, with 40% of lower-level roofs being green roofs, and various ground areas serving as miniature parks and community gardens. This has provided the community with green activity spaces, creating a fresh and accessible environment for relaxation.**



Rendering of NEXUS in Jiading, Shanghai

Biodiversity Conservation: Four Key Dimensions:

- Safeguard endangered plants and protect species diversity**
Vanke has joined hands with botanical gardens to conserve national first- and second-class protected plants and explore methods for sustaining plant diversity.
- Showcase typical seasonal landscapes in Jiangnan (south of the lower reaches of the Yangtze River) and promote local varieties**
Local plant varieties are given priority in vegetation planting and layout to showcase different landscapes across the seasons, infusing the landscapes with vitality and relevance.
- Utilise new varieties for innovative business purposes and vegetation**
New plant varieties are selected to form micro botanical gardens and other new planting initiatives.
- Form a friendship with time as plants grow**
Vanke has launched the "Yellow Hat" campaign to foster closer relations between human beings and nature, providing adolescents with new experiences of plant exploration.



"Yellow Hat" Campaign: A New Experience of Plant Exploration

○ A Convenient and Comfortable Shared Community

Adhering to the “ten-minute ideal units” goal, NEXUS in Jiading, Shanghai, takes into full consideration of a community’s developmental needs to construct a small-scale block featuring diverse business forms.

Public spaces, green landscapes, and leisure amenities are incorporated to provide a platform for interaction and communication among community residents



Regular cultural festivals, art exhibitions, and concerts are organised to enrich residents’ cultural lives, enhance communication and cooperation among business forms, and increase the community’s vitality and appeal

The NEXUS Model epitomises future life via four pavilions designed to demonstrate green and cultural vitality and strengthen community cohesion and dynamism.

The Four Pavilions of NEXUS



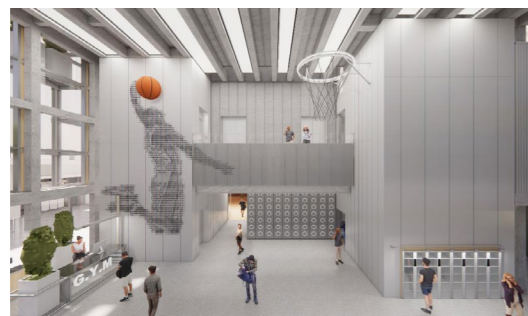
Chunxi

A future market with climate regulation functions



Xinxin

A future exhibition hall for urban cultural curation and exploration



Gulang

A community activity centre with access to lawns and diverse community events



Taoran

A novel community centre revolving around “health and growth” jointly established by the government and enterprises

○ Comprehensive Vanke Healthy Residence System

Vanke takes into consideration both living quality and health and safety when designing residences. We also focus on environmental indicators, such as air, noise, sensory comfort, water quality, and lighting.



Air

We adopt formaldehyde-free wooden base materials, reducing formaldehyde emissions by approximately 79% compared to national standards. A bidirectional heat recovery ventilation system is employed to ensure a supply of 30 m³/h of fresh air per capita even when the windows are closed, a reduction of 95% in outdoor pollution infiltration, and the recovery of over 70% of exhaust heat.



Sensory comfort

The external wall uses PU core insulation and aerogel thermal insulation materials, reducing heat loss by over 50%.



Sound

The use of triple-glazed, double-chambered glass reduces outdoor noise transmission through the windows, creating a quiet indoor space.

Additionally, safety-related factors are considered during the design of the public spaces of the NEXUS project.

Maoyu Road | Ground-Level Design and Early Warning Control Technology

Jiading NEXUS enables time-based control for Maoyu Road, a central urban area. This flexible design allows weekday traffic and weekend markets. With regards to road design, we value the feelings of seniors, children, and pets. As such, we have incorporated gentle curbs and differentiated paving methods to ensure a seamless transition among non-motorised vehicle lanes, motorised vehicle lanes, sidewalks, internal spaces, and tree pits. At intersections, we have installed roadside system modules, including sensing devices, positioning devices, and communication devices to support early warning control, such as green wave roads, road information dissemination, smart traffic monitoring, collision warnings for vulnerable road users, and alerts for road hazards.



Rendering of the Versatile Road

Building a Beautiful and Shared Future Home

To apply the philosophy of sustainable development, Vanke has been devoted to a “zero-waste” management model since 2005. To this end, Vanke has advanced waste sorting in all respects across residential communities, hotels, and the Company’s offices. Drawing upon Vanke Foundation’s expertise and public welfare resources, the Company has joined hands with government agencies, non-profit organisations, and businesses to explore and promote new technologies and approaches regarding solid waste management. In the strategic cycle from 2023 to 2027, we remain committed to deepening our exploration of the “zero-waste” model in areas such as carbon-neutral communities, cultural tourism, and cultural fairs. By accumulating experience in zero-waste governance and providing guidance and exemplars for the public and society to engage in “zero-waste” initiatives in various scenarios, we aspire to make concerted efforts with all walks of life to build a beautiful and shared future home.



Scan the QR code to access the 2022 Vanke Foundation Annual Report

Starting from Vanke Ecology

Zero-waste Office

Vanke has initiated our zero-waste office campaign since 2019 and produced the *Zero-waste Office Employee Manual*. We insist on promoting practice with management, clarifying waste-related incentives and penalties, and boosting standardised zero-waste office behaviours. Furthermore, we have deepened our understanding of environmental philosophy with regard to the zero-waste campaign. We have taken a range of measures, such as upgrading the equipment of waste separation bins and centralised waste collection points in office parks and carrying out Vanke zero-waste environmental protection activities, to promote the implementation of zero-waste office initiatives.



From our extensive experience in office scenario governance, we have distilled “eight steps at three stages regarding zero-waste offices.” Our goal is to provide a reference for businesses intending to implement zero-waste offices.



New Office “Zero” Sense – Zero Waste Office Handbook

Stage I: Initiation of infrastructure construction

For all members, including senior executives and responsible persons, we have improved the zero-waste infrastructure in three areas: hardware facilities, implementation process, and expansion of channels.

- a. Initiation: Organising a kick-off meeting for the zero-waste office initiative.
- b. Hardware adjustments: Reducing, modifying, and adding waste bins.
- c. Prioritising source reduction and reuse of materials.
- d. Unblocking external disposal channels.

Stage II: Promotion and mobilisation

We have issued guidelines or policies related to zero-waste office and conducted publicity and training sessions to guide employees to change their perceptions of waste.

- e. Preparation and distribution of the *Zero-waste Office Employee Manual*.
- f. Promotion and training.

Stage III: Achievement consolidation and deepening

We urge all parties to focus on the recording and tracking of facts and data after the launch of the zero-waste office, and carry out timely analyses, assessments, feedback and improvements.

- g. Progress tracking and recording.
- h. Ongoing refinement.

Based on Vanke’s hands-on experience in zero-waste offices, Vanke Foundation has summarised Vanke’s experience and cases in an action guide titled “*New Office “Zero” Sense – Zero Waste Office Handbook*”, which has served as an invaluable reference for over 490 businesses and public institutions nationwide to advocate and promote zero-waste office practices within their respective organisations.

Zero-waste Hotel

Since 2021, Vanke Hotel and Resort BU have implemented zero-waste management principles and formulated the *Zero-waste Hotel Management System*, which incorporates the zero-waste philosophy into rules and assigns responsibilities to specific positions, making zero-waste tasks a part of responsibilities.

We have also established a zero-waste management system and set up the Zero-waste Team consisting of a Chief Environmental Officer, Executive Officer, Secretary General and team members, in a bid to enforce zero-waste hotel management practices. We are committed to converting the zero-waste philosophy into specific measures and incorporating the philosophy into all aspects of routine operations with long-term execution and continuous refinement. In 2023, 11 hotels implemented self-examination and specialised management by applying design and operation guidelines and self-assessment checklists to achieve full coverage of zero-waste management.



11 hotels implemented self-examination and specialised management by applying design and operation guidelines and self-assessment checklists to achieve **full coverage of zero-waste management**

Yun Resort Shenzhen Longcheer “Zero-waste Hotel” Project

Due to their business model as temporary residences, hotels frequently witness the use and waste of disposable items, making them one of the significant scenarios for the generation of household waste. The Yun Resort Shenzhen Longcheer, with a centre on source reduction and waste sorting, fully encouraged employees and customers to reduce waste and explored practical and effective zero-waste hotel plans.

Source reduction

The hotel no longer provided disposable items in guest rooms by default. Multiple supplies in guest rooms were replaced by reusable or large-bottle alternatives.



Disposable toiletries were no longer proactively provided

Waste sorting

The hotel conducted upgraded zoning of the garbage room, introduced sterilisation and cooling devices in the food waste zone, and arranged compost bins in the green areas to promote the on-site resource treatment of food and green waste.



A compost station set up under the big banyan tree, including compost bins and transfer cages for temporarily storing green waste

Zero-waste encouragement

For employees, the hotel has formulated the *Zero-waste Hotel Policy of the Yun Resort Shenzhen Longcheer* to emphasize the management procedures of harmful waste and waste ledger, incorporating the zero-waste philosophy into rules and job responsibilities.

For customers, Shenzhen Yun Resort Shenzhen Longcheer conducts publicity and interaction with customers in terms of the zero-waste concept through promotional materials and campaigns.



A sign board is placed at the front desk to inform that “the hotel no longer provides disposable items”.

Zero-waste Community

In urban residential communities, the Vanke Foundation supported social organisations to carry out waste sorting and reduction in 59 communities across six cities in 2023. These projects have covered over 160,000 urban households across more than a thousand activities, with participation from over 70,000 individuals. They also nurtured over a hundred volunteer groups and more than 800 resident volunteer backbones. The Vanke Foundation made efforts to closely integrate waste sorting with community environmental improvements and community governance. A collaborative approach involving five communities was adopted to innovate primary-level community governance content and methods.



These projects have covered over **160,000** urban households

Spring Mud Action: Sustainable Transformation of Waste in Residential Communities

Since 2020, the Vanke Foundation has collaborated with China Agricultural University, Beijing University of Agriculture and the Environmental Committee of Vanke Service Quality Management Centre to establish the “Spring Mud Action” initiative. The Vanke Foundation boosts waste sorting and transformation efforts across communities through aerobic composting of organic waste and soil improvement in urban green areas.

The Vanke Foundation has selected 12 residential communities in 11 cities nationwide as pilot projects, focusing on aerobic composting of organic waste and soil improvement in urban green areas. With a focus on the philosophy of “adopting aerobic composting to transform organic waste into soil amendments and improve the soil quality of urban residential communities”, the Vanke Foundation aims to drive effective household waste sorting in communities, assist in on-site organic waste transformation, and support the technical advancement of property management personnel.

By the end of the reporting period, Vanke Service had made continuous progress under the guidance of the “Spring Mud Action”. Over 200 residential communities nationwide have achieved sustainable management of organic waste and soil improvement to date. A total of 4,662.8 m³ of green waste has been processed and utilised, resulting in the production of 2,331.9 m³ of high-quality compost. Additionally, the soil quality of nearly 10,000 m² of green spaces has been improved.

In addition, the Vanke Foundation has observed the immensely useful practical experience that has developed. It collaborated with the Beijing Woqi Foundation, Chengdu Urban Rivers Association, and Kunshan Lucheng Huanbaoshe to jointly compile the *Community Self-Organisation Cultivation* and *Community Food Waste Composting* practical manuals, providing operational guidance for frontline community organisations.



Community Food Waste Composting

Community Self-organisation Cultivation

Convey the Zero-waste Impact to Communities

Contribute to the Development of Carbon Emission Reduction Methodologies

The Vanke Foundation has been continuously exploring biologically-based approaches for treating organic waste. By leveraging technologies such as black soldier fly food waste treatment and community garden composting, the foundation provides on-site resource treatment of organic waste in the Dameisha Carbon Neutral Experimental Zone. It applies compost products for soil improvement within the zone, enabling the recycling of organic matter and effectively reducing carbon emissions while increasing soil carbon sequestration.

The Vanke Foundation has initiated the “VCS¹ Methodology Development for Black Soldier Fly Treatment of Organic Waste” project. The project aims to provide guidance for relevant project developers in determining project boundaries, setting baselines, assessing additionality, and quantifying the reduced or eliminated greenhouse gas emissions, thereby enhancing industry and public understanding of the carbon emission reduction potential in the field of black soldier fly treatment of organic waste. In 2023, the project obtained the initiation notice from Verra.

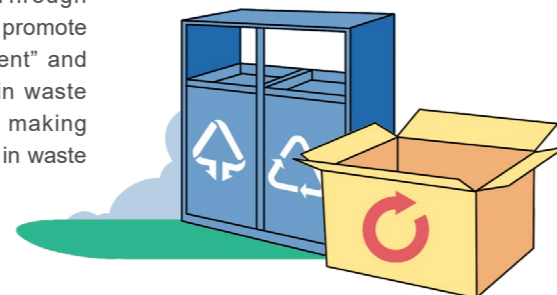
Application of Food Waste Treatment by Black Soldier Fly

The Vanke Foundation combined black soldier fly food waste treatment with scientific education to guide the public's attention towards food waste treatment issues, promoting the zero-waste philosophy and driving the green transformation of society. Drawing inspiration from the organic waste recycling model of “black soldier fly-composting-garden co-building” in the Vanke Centre in Dameisha Carbon Neutral Experimental Zone, Vanke Foundation has also collaborated with the Yantian Management Bureau of the Shenzhen Ecology and Environment Bureau and the Urban Management and Comprehensive Law Enforcement Bureau of Yantian District, Shenzhen, to establish the “Near-Zero-Carbon Circulation Science Popularisation Museum.”

The Near-Zero-Carbon Circulation Science Popularisation Museum covers an area of nearly 300 m² and is divided into three sections, including the science popularisation room, the science popularisation corridor, and the black soldier fly treatment demonstration area. By utilising black soldier fly fully automated three-dimensional breeding technology, we can process up to 3 tons of food waste per day. This reduces the carbon emissions generated from waste transfer and disposal. It is estimated that the annual carbon emission reduction can reach 970.5 tCO₂e, supporting the Yantian District and Shenzhen in reaching their carbon peaking and carbon neutrality goals.

Encourage the Public to Engage in Zero-waste Management

Creating an environmentally friendly city requires the active participation of the public. Through Vanke's influence, we aim to continuously promote the philosophy of “Zero-waste Management” and encourage residents to actively engage in waste sorting and zero-waste living practices, making every resident an advocate and practitioner in waste sorting and zero-waste living.



¹ The Verified Carbon Standard (VCS), established by Verra, the global voluntary carbon market standards organization, in 2005, is the most widely used voluntary emissions reduction mechanism in the world.

2023 Zero-waste Day - Zero Carbon Meihao Lifestyle Guide

The 6th Zero-waste Day in 2023, themed “Starting from Zero, Living Freely,” saw participation from 192 institutions representing 65 cities across 26 provinces nationwide. Together, they promoted the philosophy of zero-waste living, urging everyone to start with small daily actions to zero-waste practise and gradually reduce the burden on both our lives and carbon emissions on the natural environment.

On the day of the event, the Vanke Foundation released the *Zero Carbon Meihao Lifestyle Guide*, calling on individuals, organisations, and visitors living or working in Meisha to become advocates, practitioners, and promoters of green living by starting from zero waste, to jointly construct a beautiful life in Meisha.

The Guide is divided into two sections: “Individual Action Guide” and “Organisation Action Guide”. It covers the six most common scenarios in daily life, including residential communities, hotels, offices, schools, tourist attractions, and vegetable markets, providing practical action recommendations for both individuals and organisations.



Zero Carbon Meihao Lifestyle Guide

“Zero-waste” Influence Resonating with the World

In 2023, the Vanke Foundation explored zero-waste across various scenarios. Through pilot initiatives in specific scenarios, the foundation summarised its experience to continuously release the positive impact of the “zero-waste” philosophy on society.

Zero-waste Forbidden City

The “Zero-waste Forbidden City” project is dedicated to achieving the vision of minimising landfilling or incineration of waste to an infinitely close approximation of zero through the adoption of scientific and precise waste management practices. 2023 marked the fourth year of the collaboration between the Vanke Foundation and the Palace Museum for the “Zero-waste Forbidden City” project. Its influence within the cultural tourism and museum industry continued to deepen. The project has accumulatively engaged around 3,000 staffs, 40,000 tour guides, and 21 million visitors in the collective effort to build a green Forbidden City. Over 200 guests at home and abroad have visited the Forbidden City to witness its achievements and share its stories of green development on international platforms.



By 2023,
the Vanke Foundation had mobilized about
3,000 staffs of the Forbidden City
40,000 tour guides
21 million visitors to join in building green
Forbidden City

Zero-waste Forbidden City

Strengthen refined management of waste sorting in the Forbidden City

In 2023, the Forbidden City introduced intelligent weighing equipment and data analysis systems to enhance the scientific and accurate management of waste sorting. In 2024, the "Zero-waste Forbidden City" project will continue its exploration of on-site resource treatment modes for organic waste with the palace grounds and implement composting for garden greening waste. As of December 2023, the Palace Museum, including its main and northern areas, had processed 54.5 tons of green waste in gardens and generated 19.9 tons of compost soil amendments to optimise the soil quality for the garden greenery within the Forbidden City.

Creative "zero-waste visiting"

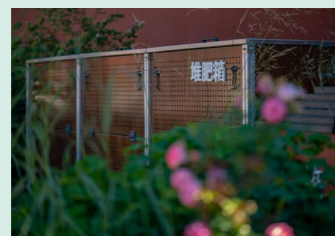
In 2023, the Palace Museum introduced 20 new environmentally friendly cultural and creative products, including the innovative Songfu Bracelet, made from fallen leaves and discarded branches within the Palace Museum, which serve as fermentation materials, and keychain pendants made of high-density polyethylene ("HDPE"). These products exemplify the organic integration of Palace Museum culture, art and environmental principles. From June 2021 to December 2023, a total of 60,322 discarded plastic bottles were collected and recycled, resulting in a carbon emission reduction of 1.72 tons.

In 2023, the "Zero-waste Forbidden City" project collaborated with volunteer services provided by the Palace Museum for the first time. Through training, online quizzes, and case studies, 115 volunteers were provided with knowledge about zero-waste practices. Throughout the year, volunteers provided guided tours and stationed services at designated areas for three offline zero-waste themed events. They organised 15 zero-waste promotional activities and delivered 63 zero-waste presentations, impacting over 7,500 visitors. The collaboration has become an important channel for environmental education and promotion among the audience.

Influence as a Benchmark and Demonstration Received Recognition and Acclaim from Parties at Home and Abroad

In 2023, the Palace Museum, in collaboration with the Vanke Foundation, released the *Zero-waste Museum Action Guidelines*, offering a functional plan for implementing zero-waste practices in cultural tourism and museum organisations. It holds substantial significance as a reference for sustainable development in these industries. In 2023, the "Zero-waste Forbidden City" project attracted great attention from international professional organisations, and received visits from 157 professional institutions, including the European Commission's Directorate-General for Environment and a high-level delegation of the European Commission for Environment, Oceans, and Fisheries.

The "Zero-waste Forbidden City" project was presented at the China Pavilion of the 28th Conference of the Parties ("COP28") to the *UN Framework Convention on Climate Change* held on 30 November 2023 to vividly demonstrate the achievements of China's cultural tourism and museum industries in green and low-carbon development.



Compost bins within the Palace Museum



A volunteer at the Palace Museum provides zero-waste guided tours



The "Zero-waste Forbidden City" project was presented at the COP28

Zero-waste in Islands Action

Since 2022, the Vanke Foundation has supported the "Food Waste Resource Treatment Project" on Weizhou Island, Guangxi Zhuang Autonomous Region. Over the past two years, the project has built more than 50 demonstration sites for processing food waste by establishing an on-site organic waste recycling system on Weizhou Island. Over 20 zero-waste B&Bs and zero-waste island village demonstration households have been established, along with over ten zero-waste restaurant demonstration households. The project has processed over 300 tons of food waste and over 400 tons of green waste. Leveraging the Danjia Island Ecological Park, a temporary composting base has been created, where food waste is converted into organic fertilizer and returned to the orchards.



In 2023, the Vanke Foundation established

more than **50** demonstration sites for processing food waste

over **20** zero-waste B&Bs and zero-waste island village demonstration households

The "Zero-waste Initiative in Islands" Project Was Presented at the COP28

The project has also been incorporated into China's achievements in addressing climate change, reducing emissions, and mitigating global warming. It was showcased through a video presentation at COP28 in 2023, highlighting the sustainable, multi-dimensional, and ambitious "Chinese power in action". In the future, the project will expand its influence to more communities, establish more demonstration sites, and boost the in-depth transformation of the philosophy of zero-waste islands into practice.



The "Zero-waste Island" project made an appearance at the COP28



Operational Practices

- Our Strategy
- Sustainability Management
- Compliant Operation
- Good Products
- Good Services

Response to SDGs



SDG 3 - Good Health and Well-being

Ensure healthy lives and promote well-being for all at all ages.



SDG 9 - Industry, Innovation and Infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.



SDG 11 - Sustainable Cities and Communities

Make cities and human settlements inclusive, safe, resilient and sustainable.



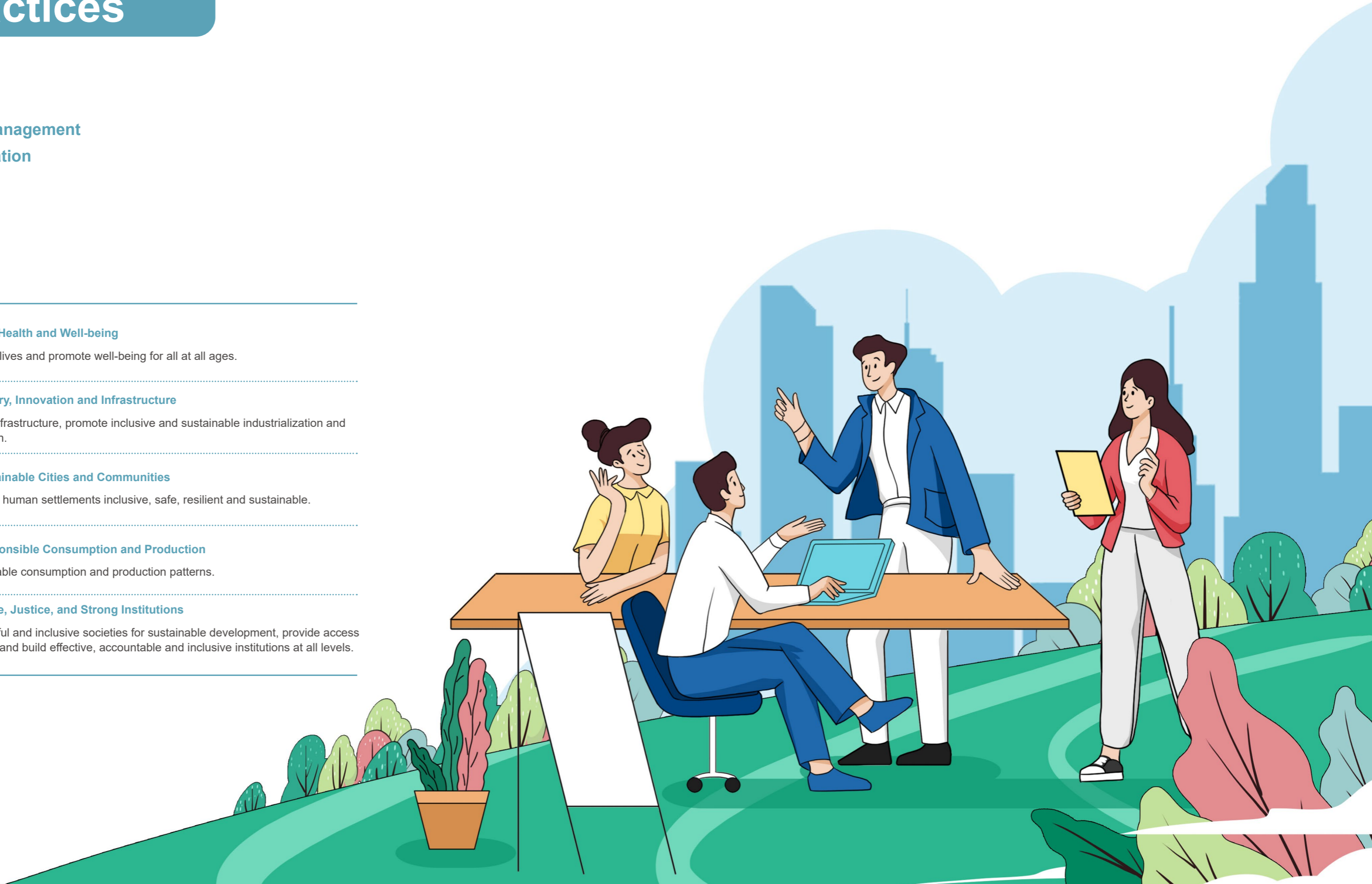
SDG 12 - Responsible Consumption and Production

Ensure sustainable consumption and production patterns.



SDG 16 - Peace, Justice, and Strong Institutions

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.



Our Strategy

Philosophy



Vanke forges ahead in compliance operation and strives to achieve sustainable development goals. Vanke continues to enhance its corporate governance level and creates a solid foundation for quality across enterprise operation management, product development, and full provision of services. Meanwhile, we adhere to the philosophy of compliance governance, improving the risk management system, attaching importance to business ethics management and development, listening to the voices of stakeholders, and establishing Vanke's quality image of "good products" and "good services".

Goals and progress

Goals	Progress
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Customer Satisfaction

We are committed to providing good products and services for our customers. In 2024, the Company will continue to consider enhancing customer experience as its responsibility, consistently identifying, understanding, and adapting to customers' needs and changes. It aims to create excellent products and services that customers are willing to pay for, thereby earning their satisfaction and recognition.	
Port Apartment is committed to maintaining an overall customer satisfaction score of 90 or above.	In 2023, the overall customer satisfaction score was 92.81, better than previous years. 100% achieved
With 2021 as the base year, the customer satisfaction rate of VX Logistics will remain above 95%.	In 2023, the overall customer satisfaction rate for the VX Logistics Cold Chain and High-standard Warehousing Park was above 95%. 100% achieved

Customer Services

SCPG will continue to optimise barrier-free facilities and customer experience.	The external barrier-free access and internal barrier-free facilities were continuously improved, and an overall customer satisfaction score above 90 was maintained. 100% achieved
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Sustainability Management



SDG 12 - Responsible Consumption and Production

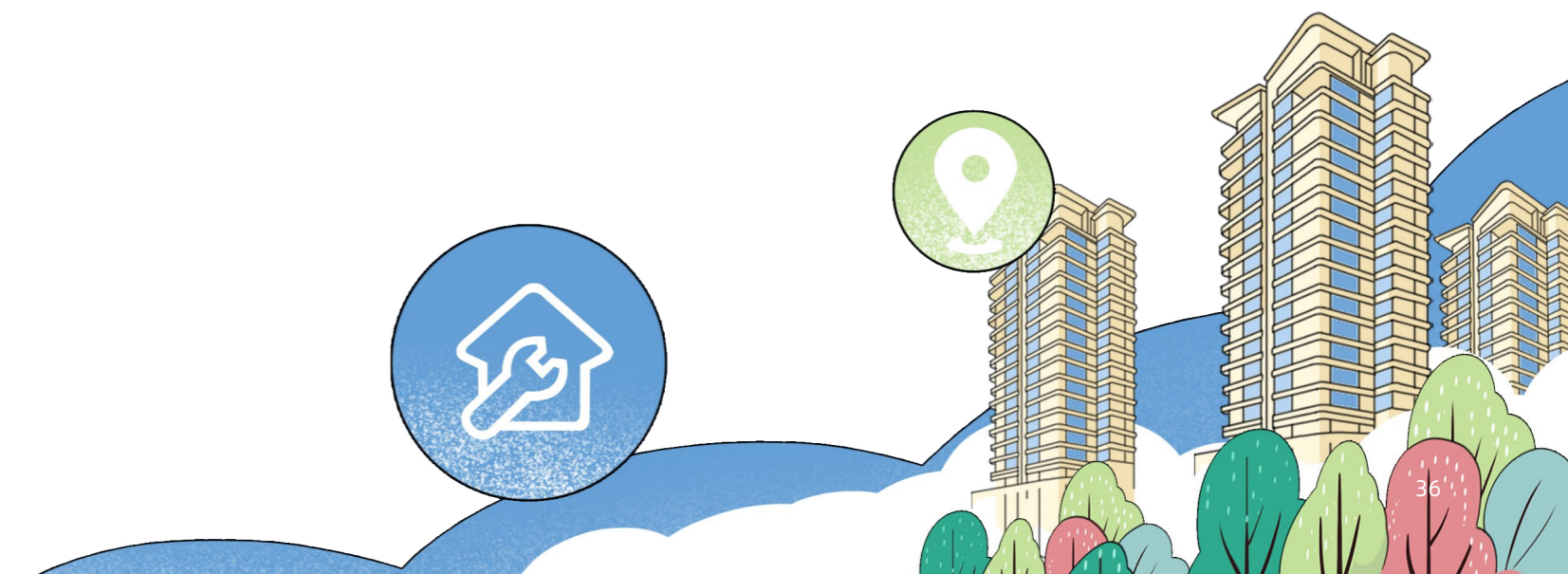
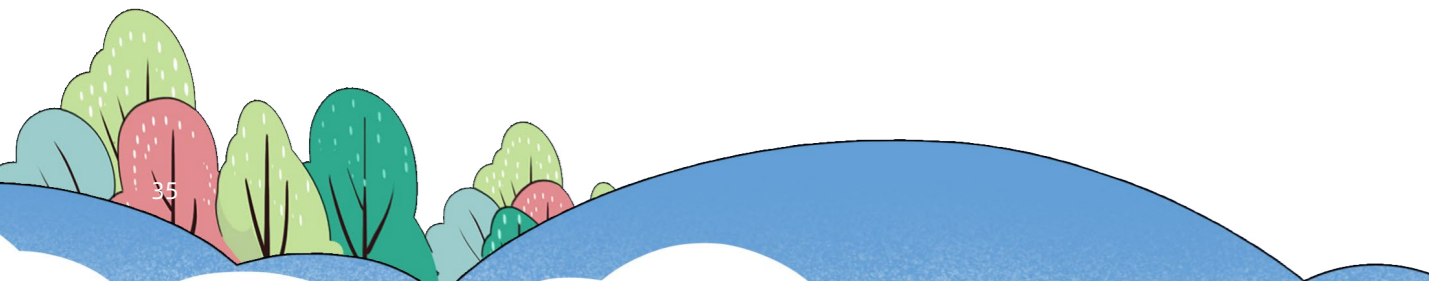
Ensure sustainable consumption and production patterns.

On the path toward sustainable development, Vanke continues to implement the ESG philosophy in enterprise management and operation, regularly reviews its ESG performance, updates the Group's ESG strategies and policies in due time, and conducts in-depth studies on specific ESG issues, to gradually enhance the ESG management level and intensify social responsibility practice.

Philosophy and strategic positioning



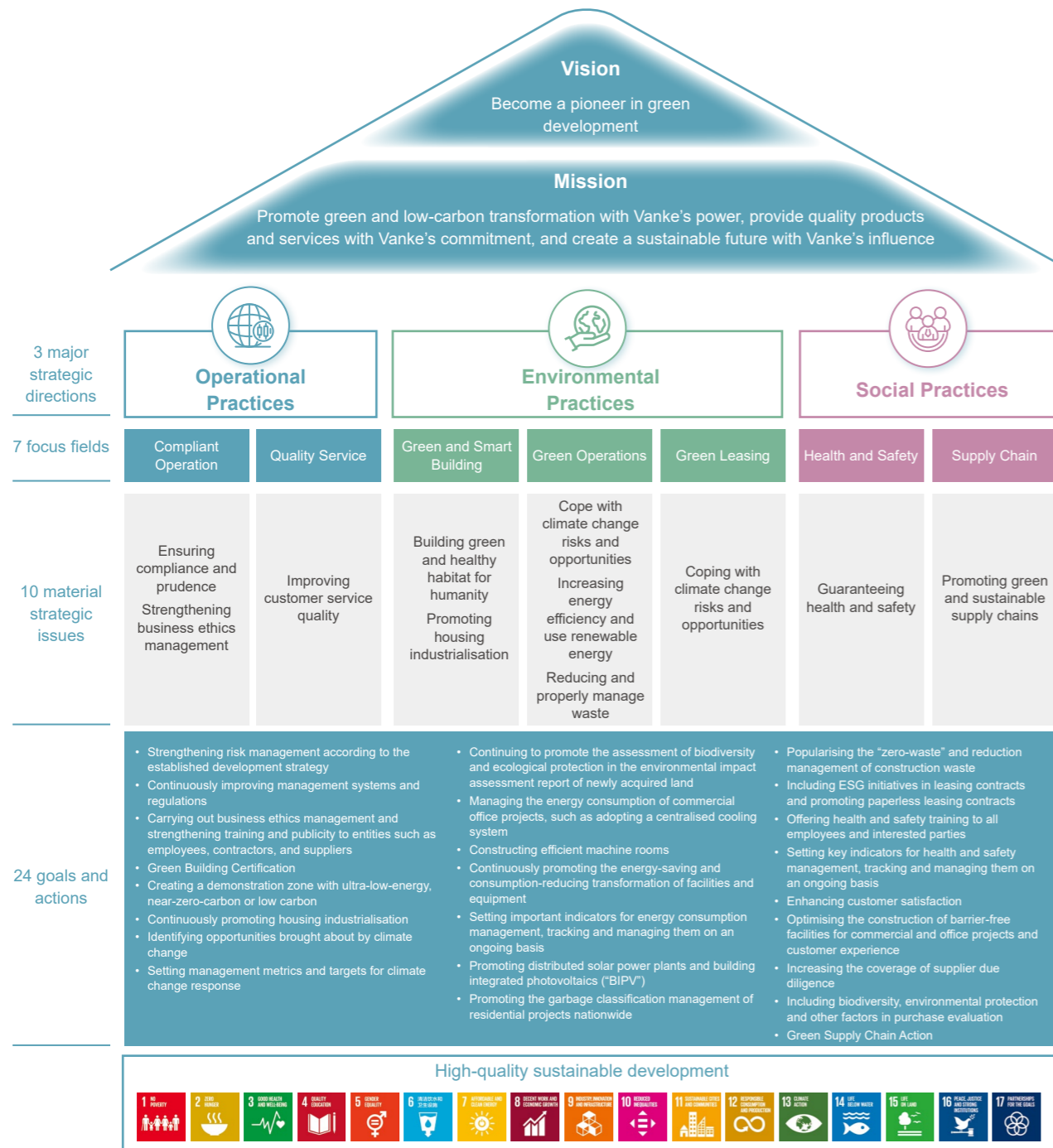
Based on the strategic positioning of a "city & town developer & service provider", the Company actively provides customers with diversified products and services for a better life in the fields of property development, property services, logistics and warehousing, rental housing, retail property development and operations, etc. It aims to create longer-term real value and develop synchronously with cities in the new era.



The sustainability strategy

Vanke, in 2023, formulated the sustainability strategy, centred on the three major strategic directions of operational, environmental, and social practices, focused on seven development fields and 10 material strategic issues, and promoted the orderly implementation of 24 goals and actions, in a combination of its business and operational practices.

The sustainable development strategy will guide Vanke to gradually push forward high-quality sustainable development. Accordingly, the ESG Working Committee, through in-depth collaboration with various departments, has broken it down itemwise by item into strategic actions, and defined the responsible departments and the cooperative departments, as well as the overall objective, annual objective and key measures of each action in the next three years to ensure that the sustainable development strategy is truly implemented in practice.



Sustainable development management

Vanke has established an ESG governance structure with distinctive levels from the Board to the ESG Execution Team. It has defined the responsibilities and division of labour at each management level to effectively promote the ESG governance work of Vanke Group while improving the ESG management system.

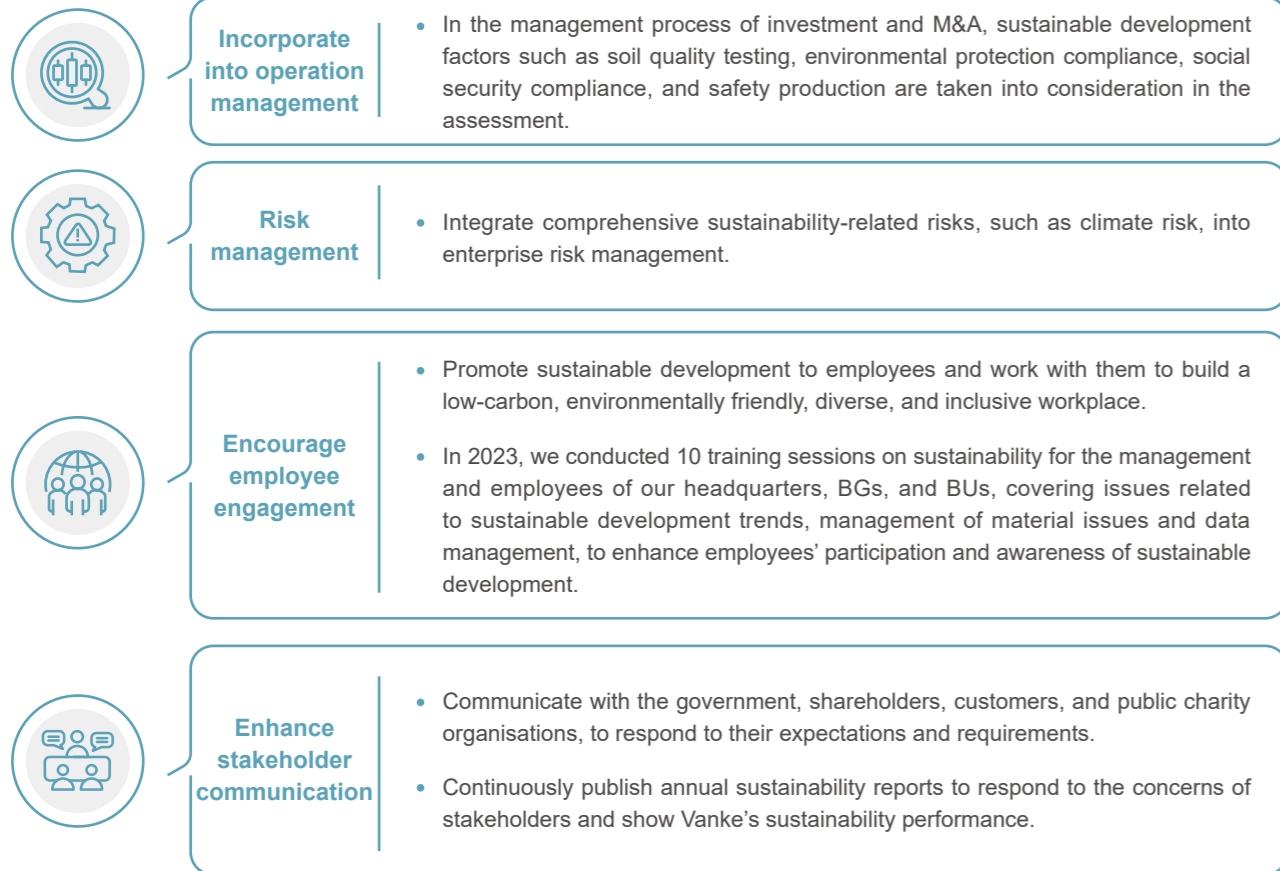
Governance structures and responsibilities

Organisation Role	Composition	Responsibilities
<p>Board of Directors Decision-making Body</p>	Members of the Board	<ul style="list-style-type: none"> Decide the ESG (including climate change) management framework and management strategy of the Company; Ensure that Vanke establishes an appropriate and effective ESG (including climate change) risk management and internal monitoring system; Engage in discussions on important ESG (including climate change) issues and monitoring the progress of ESG goals; Review and approve the sustainable development (including climate change) annual report of the Company.
<p>ESG Working Committee Management Body</p>	The Chairman of the Board is the director, and the secretary of the Board acts as the deputy director. Other members include the responsible persons of relevant functions, BGs and BUs.	<ul style="list-style-type: none"> Confirm the results of internal and external materiality assessment; Decide on the management objectives, policies and implementation approaches of ESG (including climate change); Acknowledge the assessed and identified risks and opportunities related to ESG (including climate change); Determine the relevant ESG (including climate change) management system and workflow; Decide on the ESG (including climate change) work plan and assess the completion of the work; Conduct a preliminary examination of the sustainable development report and submit it to the Board for review; Oversee other matters related to ESG (including climate change) of the Company.
<p>ESG Execution Team Executive Body</p>	Composed of ESG contact personnel of related functions, BGs, and BUs; the specific members are assigned by responsible persons of the relevant functions, BGs, and BUs.	<ul style="list-style-type: none"> Conduct internal and external materiality assessment; Prepare the Company's sustainable development report; Assess and identify risks and opportunities related to ESG (including climate change); Assess the gap between ESG (including climate change) work and standard requirements of the two stock exchanges, and the advanced peer companies' excellent practices, make improvement plans and promote their implementation; Implement annual work content according to ESG (including climate change) management objectives; Implement resolutions of and other tasks assigned by the ESG Working Committee.

The governance structure on climate change is detailed in the [Climate-related Risk and Opportunity](#) section of this Report.

Management philosophy

Vanke has constantly reviewed its sustainability performance and continuously consolidated the ESG whole-procedure management system. Moreover, Vanke has integrated the philosophy of sustainable development into its operation and management and deeply combined it with its existing business and control models by regularly communicating with stakeholders, deepening research on sustainable development policies, conducting issue management, planning development goals and implementing improvement proposals.



Sustainability policies

In order to implement sustainable development, Vanke has formulated the following policies related to sustainable development, which are disclosed on the [official website](#):



Stakeholder communication

We have always insisted on building diversified communication mechanisms and establishing close relationships with the stakeholders for exchanges and communication through more channels and methods. We have also adopted active measures to respond to the expectations and requirements of the stakeholders.

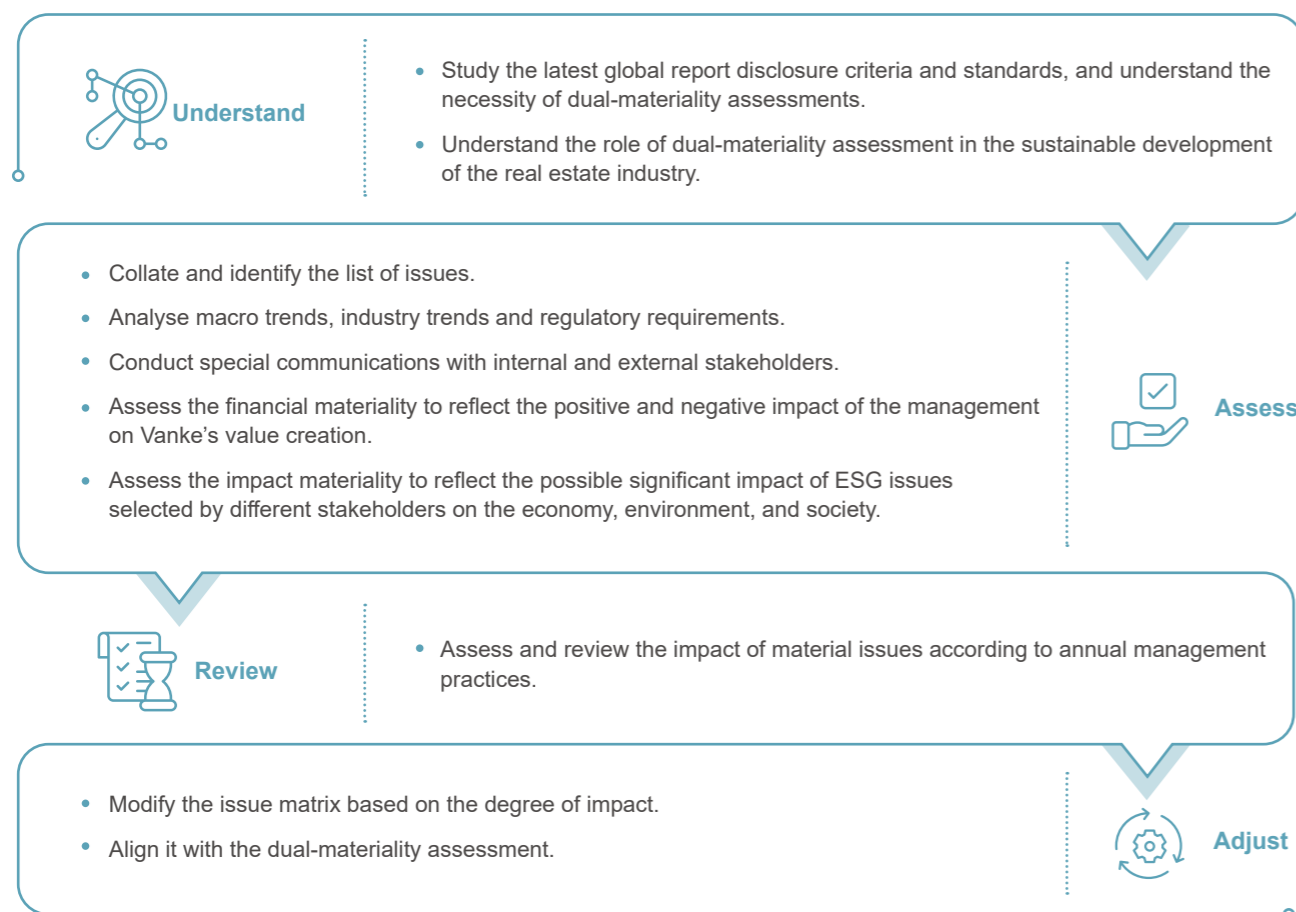
Stakeholders	Concerns	Vanke Responses
The Government	<ul style="list-style-type: none"> Legal compliance Tax payments according to law Support for economic development 	<ul style="list-style-type: none"> Compliance management Issuing the <i>Vanke Group Code of Business Ethics</i> Proactive tax payment Responding to the call of national policy
Shareholders	<ul style="list-style-type: none"> Corporate Governance Returns and growth Risk control 	<ul style="list-style-type: none"> Establishing a scientific and reasonable governance structure Regular disclosure of business information General meetings Continued growth to ensure shareholder returns
Employees	<ul style="list-style-type: none"> Wage and benefit security Health and safety Smooth communication Fair promotion and development opportunities 	<ul style="list-style-type: none"> Timely and full wage payment and social insurance payment Establishment of an occupation health and safety management system Issuing the <i>Vanke Group Health and Safety Policy</i> Carrying out physical examination and fitness tests for employees Establishment of 12 communication channels Issuing the <i>Vanke Group Whistleblowing Policy</i> Smooth career development channel
Customers	<ul style="list-style-type: none"> Product quality assurance Quality management service 	<ul style="list-style-type: none"> 5+2 industrialised construction, "9631" progress management, and Skynet Action Providing quality service Protecting customer privacy
Partners	<ul style="list-style-type: none"> Honouring commitments Fair, just, and open procurement Experience sharing 	<ul style="list-style-type: none"> Contract execution according to law Open bid invitation, issuance of List of Qualified Suppliers Issuing the <i>Vanke Group Supplier Code of Conduct</i> VVUPUP E-commerce Platform Project cooperation Promotion of sound industry development
Environment	<ul style="list-style-type: none"> Effective use of resources Emission reduction Climate Change Response Biodiversity conservation 	<ul style="list-style-type: none"> Responding to carbon neutrality goals Building the Dameisha Vanke Center as a sustainable development community Issuing the <i>Vanke Group Environmental Protection Policy</i> Issuing the <i>Vanke Group Water Resources Policy</i> Housing industrialisation, green building, energy management, water resources management, waste management (including community waste management) Zero-waste projects Participation in the United Nations Climate Change Conference and United Nations Biodiversity Conference Issuing the <i>Vanke Group Climate Change Policy</i> Engaging in environmental governance, vegetation conservation, snow leopard conservation, porpoise conservation, mangrove wetland conservation and coral conservation Issuing the <i>Vanke Group Biodiversity Policy</i>
Communities and the Public	<ul style="list-style-type: none"> Support for social development Care for disadvantaged groups Health culture 	<ul style="list-style-type: none"> Supporting rural vitalisation strategy Charity undertakings Volunteer services

Management of material issues

We regularly conduct research activities in various forms for a wide range of stakeholders to comprehensively understand and collect their opinions on Vanke's high-quality and sustainable development. With the successive release of international report disclosure standards and the disclosure supervision of domestic exchanges, we are fully aware that the assessment of material issues should be based on their significant value to an enterprise's worth (hereinafter referred to as "financial materiality") and whether the enterprise's performance in relevant issues will have a significant impact on the economy, society, and the environment (hereinafter referred to as "impact materiality"). We will continue to promote the guideline for dual-materiality assessment of material issues, as an effort to strengthen the management and control of ESG risks and the identification of opportunities. During the assessment of material issues in 2023, we comprehensively evaluated the medium and long-term impact of each issue on the Company's business development strategy in terms of policy trends, disclosure standards, and investor concerns. We also adjusted the connotation of some issues based on Vanke's development practice and business planning. For example, we included the management practice of "strengthening risk management and internal control" in the material issue of "ensuring compliant and prudent operations", to enhance the management and disclosure of the relevant risk control and internal control. We reported the finally identified issues and their materiality ranking to the Board of Directors, which reviewed and confirmed the assessment of material issues of Vanke Group this year.

Strengthening the guideline for dual-materiality assessment

We hope to promote the dual-materiality assessment of Vanke's ESG issues in an orderly manner by referencing the guidance of GRI 3 and thus identify issues that will create or weaken Vanke's value capacity. Meanwhile, it is hoped to provide relevant ESG opinions for Vanke's future business strategy decisions by including ESG risks and opportunities in the strategic planning and risk management procedures. The dual-materiality assessment can be promoted in an orderly manner from the following four steps. In 2023, we performed relevant learning, analysis and understanding of the standards and requirements of dual-materiality issues.



Process of material issue assessment

Identify and build a database of issues

Based on national policies, company development, disclosure standards, capital market, peer benchmarking and the list of original material issues, we identify and sort out the material issues for this year from multiple dimensions and build a material issue database.

- Policy trend analysis:** Follow the national macro-policy requirements, conduct in-depth research on national, provincial and municipal policies and regulations, combine with the real estate industry policies and regulations, and analyse the sustainable development trend of the industry.
- Business relevance analysis:** It is regularly reviewed whether ESG issue database matches strategic goals and business models to ensure its business relevance.
- Disclosure standards analysis:** Grasp the latest sustainability issues management standards and information disclosure requirements through comprehensive reference to GRI standards, the Task Force on Climate-Related Financial Disclosures ("TCFD"), HKEX *Environmental, Social and Governance Reporting Guide* and SASB standards.
- Capital market analysis:** Aggregate the assessment requirements for capital market ESG ratings and indices, and update the capital market rating issues database.
- Peer benchmarking analysis:** Benchmark against the sustainability-related disclosures of our domestic and international peers and identify key industry concerns.

Conduct stakeholder communication

Based on the assessment results and our daily contact and communication with each stakeholder, we understand their core concerns through online and face-to-face interviews or teleconferences to advance the assessment and review of this year's material issues.

Analysis and review of material issues

The ESG issues identified are ranked and analysed in terms of their materiality, considering the opinions of the management and stakeholders' requirements. The screening and analysis results are reviewed through two channels: internal management and external experts.

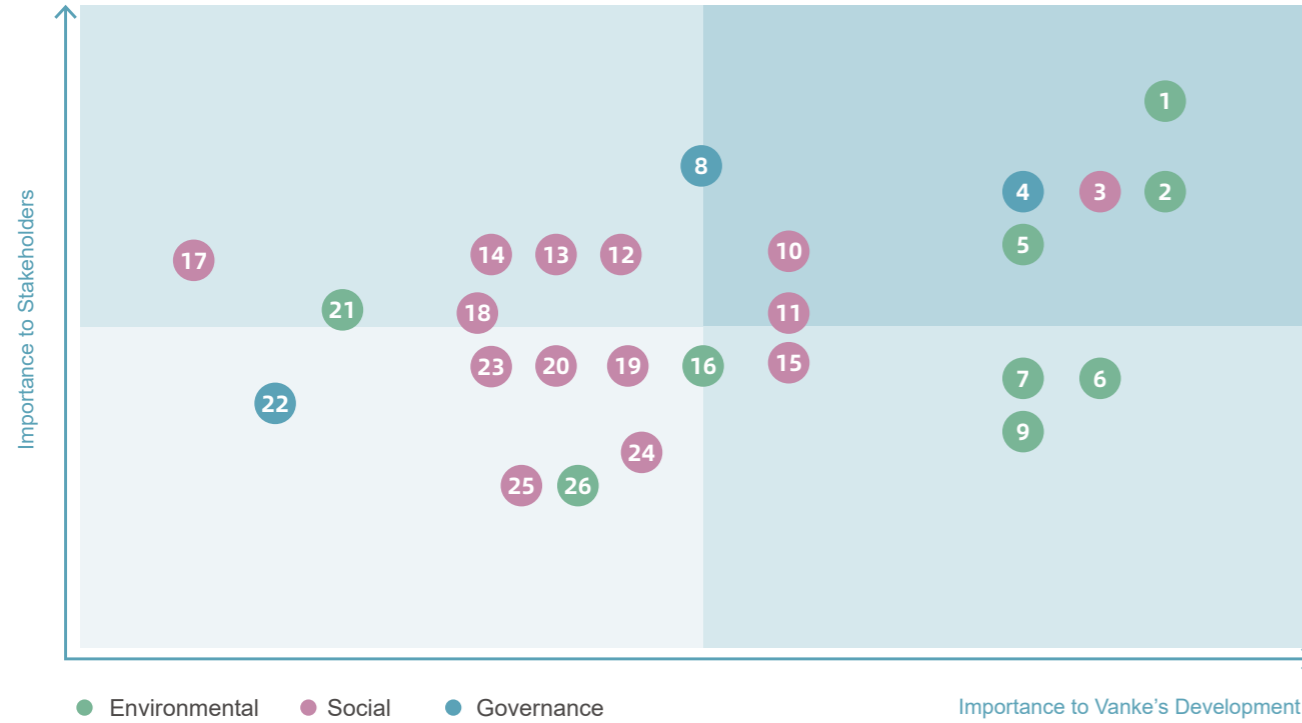
Analysis and identification of issues of the sustainability strategy

Further identify the 10 material strategic issues regarding Vanke's high-quality sustainable development.

Response and disclosure

Develop and implement action plans for material issues, present and confirm to the Board, and highlight the responses and disclosures in the report.

Materiality matrix



- 1 Building green and healthy human settlements
- 2 Increasing energy efficiency and using renewable energy
- 3 Guaranteeing health and safety
- 4 Ensuring compliance and prudence
- 5 Coping with climate change risks and opportunities
- 6 Reducing and properly managing waste
- 7 Promoting housing industrialisation
- 8 Strengthening business ethics management
- 9 Promoting green and sustainable supply chains
- 10 Safeguarding product safety and quality
- 11 Ensuring the well-being of employees and creating a decent employment environment
- 12 Protecting customer privacy and information security
- 13 Fair hospitality and marketing
- 14 Providing diversified training and career development opportunities
- 15 Improving service quality
- 16 Biodiversity conservation
- 17 Establishing enterprise and supply chain behaviour standards
- 18 Protecting the rights and interests of employees through diversity, equality, and inclusiveness
- 19 Improving community infrastructure and supporting services
- 20 Promoting community integration, coordinated development, and building a people-centric new town
- 21 Improving environmental awareness and participation of stakeholders
- 22 Protecting intellectual property rights
- 23 Enhancing employee participation and satisfaction
- 24 Serving rural revitalisation and boosting common prosperity
- 25 Promoting industry exchange, cooperation and innovation
- 26 Reducing water waste

Issues of the sustainability strategy

With the changes in regulatory requirements and reporting standards in 2023, we identified seven focus fields based on Vanke's business development practice, and further defined 10 strategic issues from 26 ESG material issues and planned key actions for them. In addition, we comprehensively assessed the materiality of the 10 issues from the two dimensions of "financial materiality" and "impact materiality" as a guide for the implementation of Vanke's sustainability strategy.

Concerns	7 focus fields	10 strategic issues	Goals and actions
Building fairness and trust	Compliant Operation	Ensuring compliance and prudence +	<ul style="list-style-type: none"> Strengthening risk management according to the established development strategy
		Strengthening business ethics management +	<ul style="list-style-type: none"> Continuously improving management systems and regulations Carrying out business ethics management and strengthening training and publicity to entities such as employees, contractors, and suppliers
Capacity of high-quality and sustainable development China's "carbon peaking and carbon neutrality" strategy	Green and Smart Manufacturing	Building green and healthy human settlements \$ +	<ul style="list-style-type: none"> Green Building Certification Creating a demonstration zone with ultra-low energy, near-zero-carbon or low-carbon
		Promoting housing industrialisation \$ +	<ul style="list-style-type: none"> Continuously promoting housing industrialisation
	Green Operations	Coping with climate change risks and opportunities \$ +	<ul style="list-style-type: none"> Identifying opportunities brought about by climate change Setting management metrics and targets for climate change response Continuing to promote the assessment of biodiversity and ecological protection in the environmental impact assessment report of newly acquired land
		Increasing energy efficiency and using renewable energy \$ +	<ul style="list-style-type: none"> Managing the energy consumption of commercial office projects, such as adopting a centralised cooling system Constructing efficient computer rooms Continuously promoting the energy-saving and consumption-reducing transformation of facilities and equipment Setting important indicators for energy consumption management, tracking and managing them on an ongoing basis
		Reducing and properly managing waste +	<ul style="list-style-type: none"> Promoting the garbage classification management of residential projects nationwide Popularising the "zero-waste" reduction management of construction waste
Green Leasing	Coping with climate change risks and opportunities \$ +	<ul style="list-style-type: none"> Including ESG initiatives in leasing contracts and paperless leasing 	
Responsible products and services	Health and Safety	Guaranteeing health and safety \$ +	<ul style="list-style-type: none"> Offering health and safety training to all employees and interested parties Setting key indicators for health and safety management, tracking and managing them on an ongoing basis
	Quality Service	Improving customer service quality +	<ul style="list-style-type: none"> Enhancing customer satisfaction Optimising the construction of barrier-free facilities for commercial office projects and customer experience
Enhancing the resilience of the industrial chain	Supply chain	Promoting green and sustainable supply chains \$ +	<ul style="list-style-type: none"> Increasing the coverage of supplier due diligence Including biodiversity, environmental protection and other factors in purchase evaluation Green Supply Chain Action

\$ Financial materiality + Impact materiality

Compliant Operation

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PEACE, JUSTICE AND STRONG INSTITUTIONS

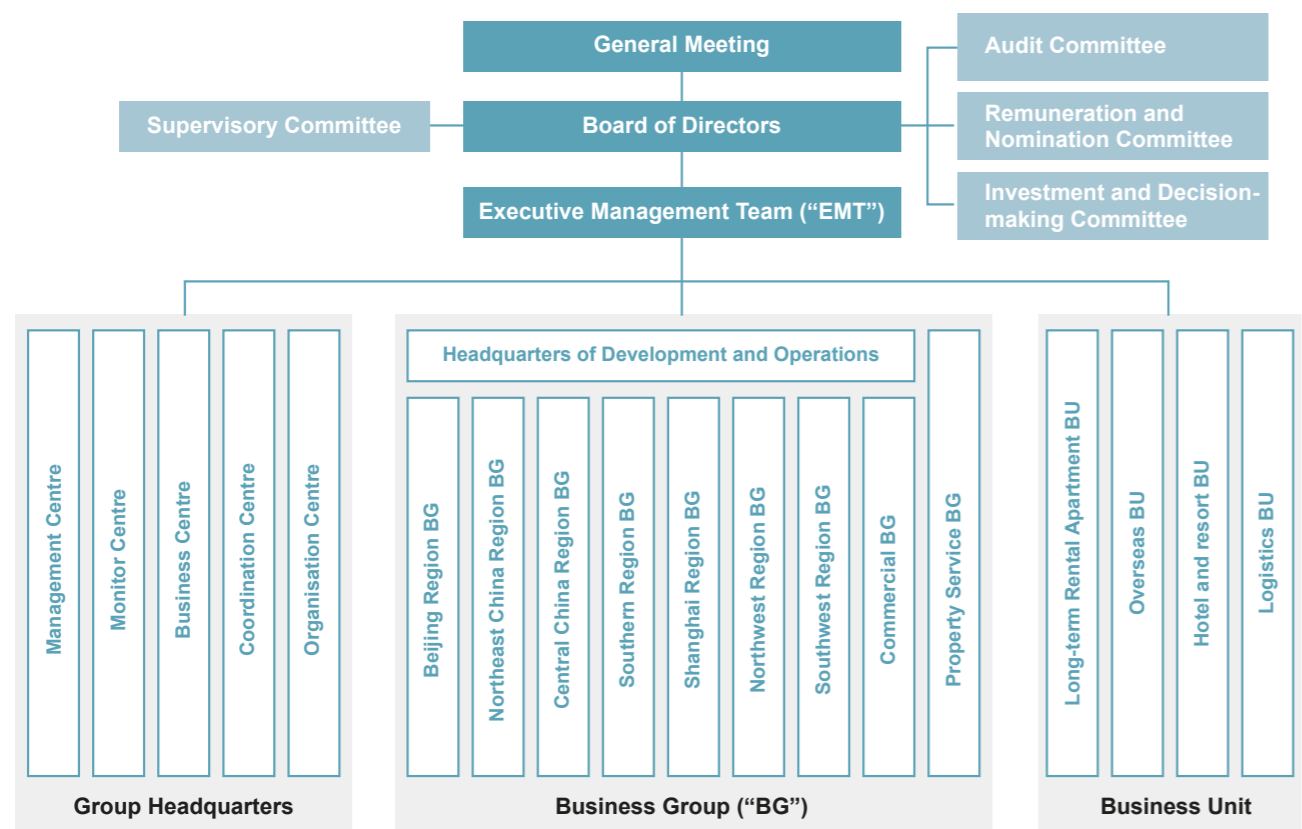
SDG 16 - Peace, Justice, and Strong Institutions

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

Corporate governance

○ Governance structure

In compliance with the *Company Law of the People's Republic of China* and other relevant laws and regulations, Vanke has established a corporate governance structure with checks and balances among various functions and formulated regulations that align with the Company's development needs. The General Meeting, the Board, the Supervisory Committee and the senior management exercise rights and fulfil obligations strictly in line with the *Articles of Association* and play the role of specialised committees of the Board and independent directors, the effective implementation and oversight of corporate governance safeguarding the interests of shareholders and the company, to sustain the Company's long-term healthy development.



Organisational Structure of the Company

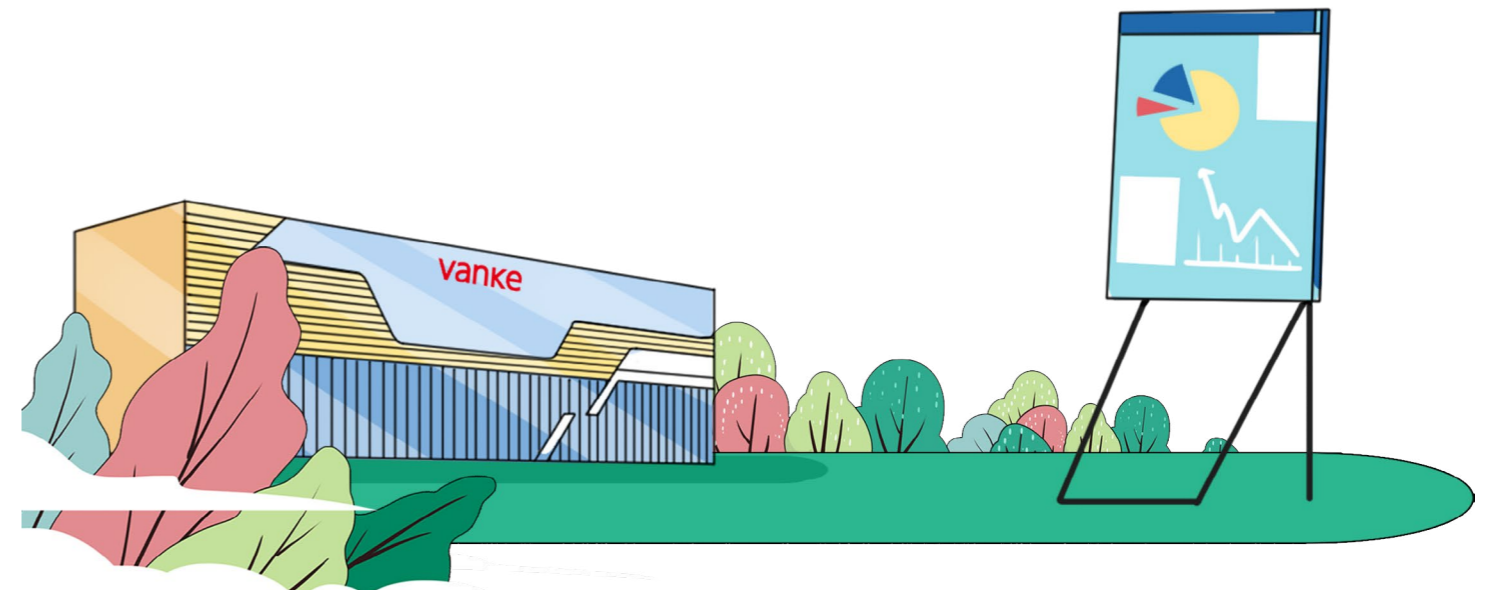
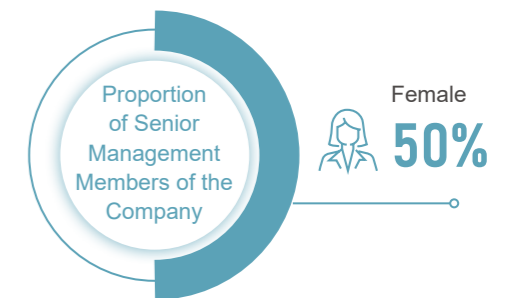
The General Meeting exercises the right of decision-making as specified in relevant laws and regulations, and the *Articles of Association*. It decides on critical issues such as guiding principles for corporate operations, financing, investment, and profit distribution.

The Board reports to the General Meeting and exercises the rights of operation and management over the Company. It sets up three specialised committees on audit, remuneration and nomination, and investment and decision-making. To ensure the professionalism of the committees, members are selected with a moderate balance of skills, experience and diversity of viewpoints. The Board consists of 11 directors (including one woman), including one employee representative director and four independent directors. These independent directors are responsible for the convening of the specialised committees and hold a majority in the Audit Committee and the Remuneration and Nomination Committee in order to play a better role as independent directors.

The Supervisory Committee reports to the General Meeting and has three supervisors. It conducts financial checks and oversees directors and senior management members are adhering to relevant laws while performing their jobs. It also organises visits and inspections of subsidiaries to tighten the supervision and thus safeguard the interests of the Company, shareholders, and employees.

The senior management is accountable for the production and operations of the Company, implementing the resolutions of the Board, annual plans and investment proposals, formulating corporate policies and rules, and exercising other powers as granted by the *Articles of Association* or the Board.

During 2023, the Company strictly complied with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, the *Main Board Listing Rules*, and the *Corporate Governance Code of the Hong Kong Stock Exchange*, and other laws and regulations. In line with the Company's actual circumstances, the Company continuously improved the corporate governance structure and standardised the operations. During the reporting period, two general meetings, five on-site Board meetings and seven telephonic proxy votes were held in total, and 32 resolutions were approved. The Company amended and issued multiple rules and regulations such as the *Rules for the Implementation of the Board of Directors Remuneration and Nomination Committee* and the *Project Follow-up and Investment Policy*, to further enhance the level of corporate governance.



Independence and diversity of the Board

The effectiveness, independence, diversity and professionalism of the Board are what we strive to achieve. The Board has set up three specialised committees: audit committee, remuneration and nomination committee, and investment and decision-making committee. Each specialised committee shall earnestly perform its duties in accordance with the *Code of Corporate Governance for Listed Companies, the Corporate Governance Code, the Article of Associations, the Rules of Procedure of the Board of Directors*, as well as the implementation rules of each specialised committee. Each specialised committee is convened by an independent director, and the matters within the scope of responsibilities of each specialised committee shall be approved by the corresponding committee before being submitted to the Board for approval. As of 31 December 2023, the Company has 11 directors, among whom 73% are non-executive directors and independent non-executive directors.



The number of non-executive directors and independent non-executive directors accounted for **73%**

The independent non-executive directors and independent directors shall fully exert their professional opinions and keep balance in each specialised committee.

	Audit Committee	Remuneration and Nomination Committee	Investment and Decision-making Committee
Convener	Independent non-executive director	Independent non-executive director	Independent non-executive director
Members	Non-executive director	Non-executive director	Executive director
	Independent non-executive director	Independent non-executive director	Non-executive director
Proportion of non-executive and independent non-executive directors	100%	100%	67%

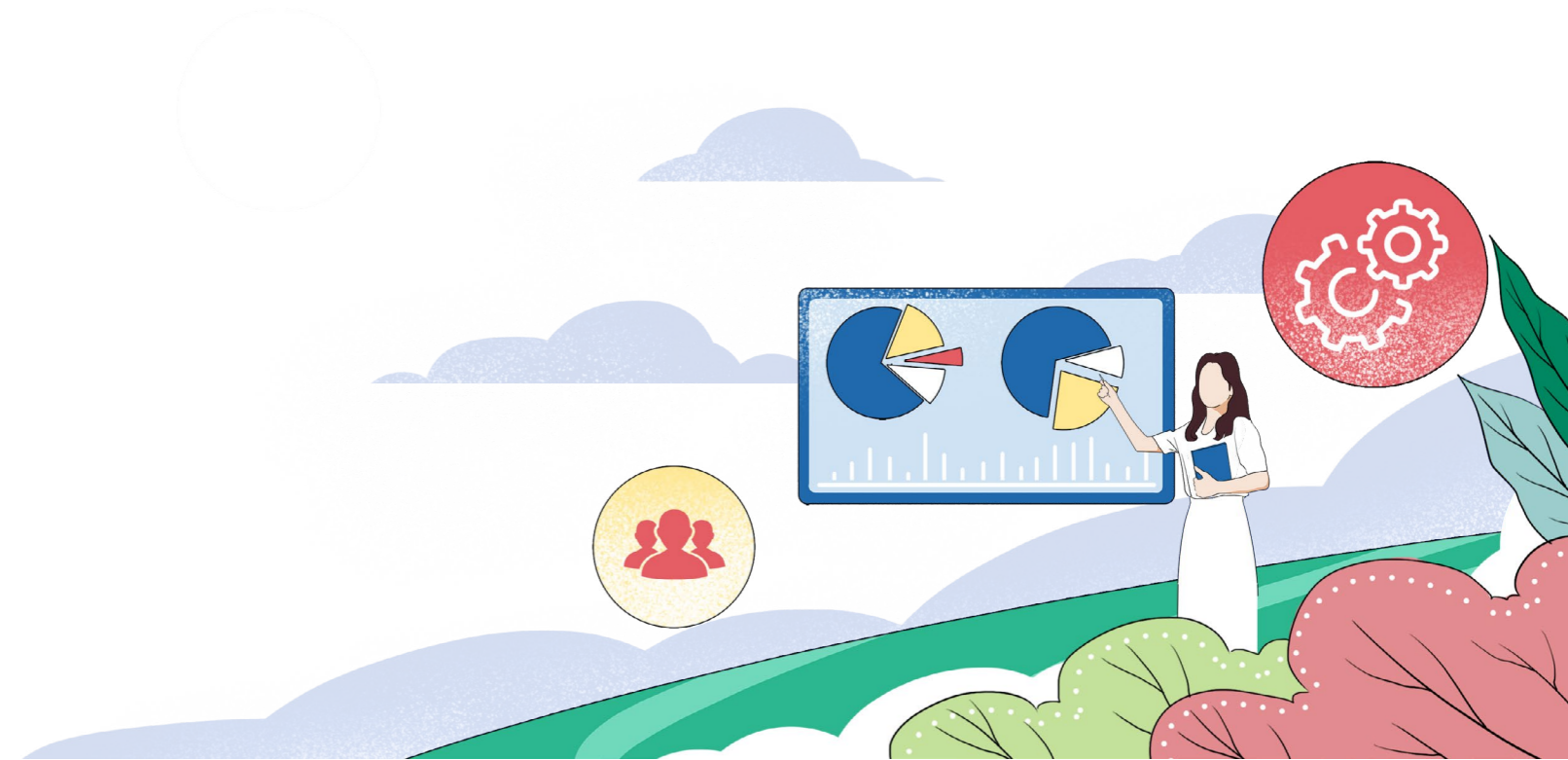
During the reporting period, the Company actively practices the *Policy of Diversifying the Board Members*. The Company has formulated and updated the *Rules for the Implementation of the Board of Directors Remuneration and Nomination Committee*. The Rules explicitly state that the Remuneration and Nomination Committee shall consider the Board's structure and composition, as well as the selection criteria and procedures for directors and senior management members, including but not limited to gender, race, language, cultural background, educational background, industry experience and professional experience, when reviewing the structure and composition of the Board and assessing the selection criteria and procedures for directors and senior management members. In the meantime, the Remuneration and Nomination Committee shall comprehensively consider the contribution of the Board member candidates to the qualification, skills, experience, independence, and gender diversity of the Board based on the business model and development planning of the Company. The current Board members have extensive industry experience and expertise in various areas, including financial management, and corporate governance.



In March 2023, Vanke added a *Board Diversity Policy* chapter to the *Rules for the Implementation of the Board of Directors Remuneration and Nomination Committee* to further clarify the guidelines and requirements related to board diversity.

Professional background of the Board members

Strategy/Business Focus	YU Liang	ZHU Jiusheng	XIN Jie	HU Guobin	HUANG Liping	LEI Jiangsong	LIAO Zibin	LIN Mingyan	SHEN Xiangyang	ZHANG Yichen	WANG Yun
Financial and risk management	✓	✓	✓	✓	✓		✓	✓		✓	
Industry	✓	✓	✓	✓	✓	✓		✓			✓
International project experience	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓



Business ethics

Vanke consistently upholds honest and compliant operations as its operational philosophy, maintaining a “zero-tolerance” stance towards fraud, commercial bribery, and conflicts of interest. We take whistleblowing management seriously, continuously strengthening internal risk management. Simultaneously, we advocate establishing a mutually trusting compliance partnership and expect every Vanke employee to adhere to the bottom line in order to safeguard a business environment characterised by fair competition and foster a transparent and healthy business ecology.

Vanke has established a well-proven integrity management structure. The Audit Committee of Vanke is responsible for reviewing the Company’s internal controls, coordinating the communication, supervision, and verification of internal and external audits, inspecting and evaluating the Company’s risk management system, and so on. The audit and supervision functions are directly responsible for the integrity management of the Group. We have established a supervision mechanism involving the headquarters, business groups/units (“BGs/BUs”) and front-line companies to play a major role in the management of audit supervision and corruption risk screening.

Vanke has formulated many codes of conduct, including the *Sunshine System – Vanke Red Line Requirements for Employee*, the *Letter of Reminder for Integrity Risks*, the *Code of Conduct for Employee*, the *Guidelines on Declaration of Potential Conflicts of Interest among Employee*, the *Sunshine Cooperation Agreement* and the *Principles for Whistleblowing* and so on, to strengthen the foundation of corporate business ethics management.

In 2023, we made amendments to the signing scope in the *Sunshine Cooperation Agreement*, and added provisions on standards of bilateral obligations for “fraud behaviour” and the adjustment mechanism for applicable scope. According to the provisions, We adopted a stance of “fraud is not tolerated, losses arising therefrom shall be recovered, and employees involved in the fraud shall be held accountable. The signing rate of the *Sunshine Cooperation Agreement* reached 100%. In addition, we also updated the *Guidelines on Declaration of Potential Conflicts of Interest among Employees* of Vanke Group to define the applicable scope of this system as all employees of the Group, including temporary labour dispatch and outsourcing personnel, and specified the handling methods after declaration of conflicts of interest. We officially formulated and issued the *Vanke Group Code of Business Ethics* and the *Vanke Group Whistleblowing Policy* to specify the definition and scope of corruption and bribery, prohibit the behaviours in violation of business ethics rigorously, illuminate the methods to report malpractice and the protection mechanism for informants, and provide employees and partners with guidelines on moral behaviours and considerate protection.



Vanke has achieved a **100%** signing rate for its *Sunshine Cooperation Agreement* in 2023



Prevention of moral risk

Vanke conducts internal inspections on business ethics annually in selected key BGs/BUs, achieving 100% coverage of business lines and subsidiaries every three years. Additionally, we hired external third-party institutions to conduct business ethics audits in all the business of all wholly-owned and controlled projects once every three years, thereby realising a thorough inspection in such aspects as integrity risks, organisation culture, team atmosphere and supplier relationship.

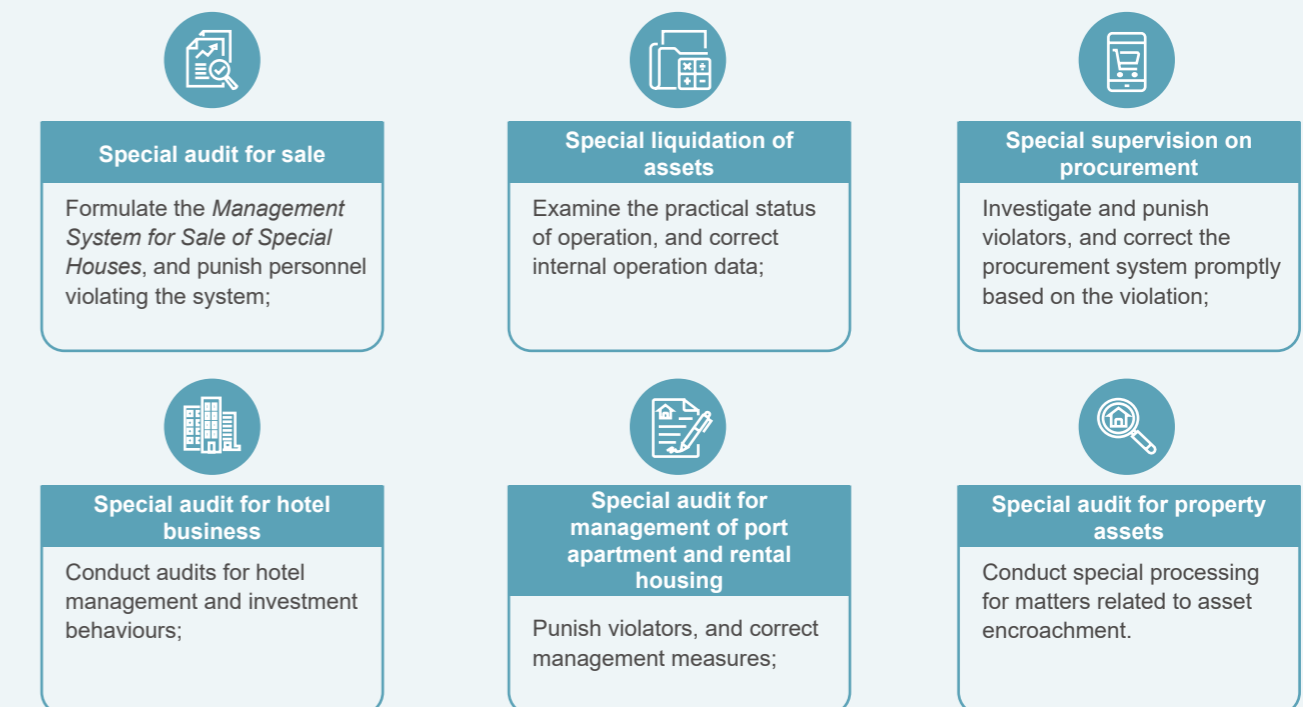
Vanke actively invited all employees and partners to evaluate its integrity environment. Based on the assessment on and analysis of the evaluation results, it compiled a *Letter of Reminder for Integrity Risks*, and issued the Letter to front-line management teams. Customers should be described in line with the *Letter*, and paying customers are required to sign it, so as to foresee the integrity risk prevention management. We continuously conduct investigations related to red lines, bottom lines, and integrity according to departmental standards. This year, the investigation covered all BGs/BUs, and integrity presentations, integrity seminars, and face-to-face conversations with general managers and other methods were employed to promptly identify and address integrity risks.

Focusing on integrity construction, internal anti-fraud investigation, and organisational construction, Vanke conducted online and offline audits in key areas and among key personnel. The online audit was aimed to identify abnormal information via Eagle Eye system and make corrections in a timely manner. The offline audit consisted of a comprehensive audit and a special audit. In 2023, we conducted a total of 65 comprehensive and special audits for all business lines across the Group, and a total of 860 risk inspection items were issued. We will continue to reinforce the line of defence, maintain a rigorous attitude, promote rectification by investigation, and effectively resolve integrity risks.



In 2023, Vanke strengthened customer anti-fraud alerts, including: Displaying the *Letter of Reminder for Integrity Risks* at the exhibition hall and providing it when customers pay. The number of cases where customers who signed the *Letter of Reminder for Integrity Risks* were defrauded was **0**

Six Major Special Audits and Supervisory Tasks



Deepening integrity culture

Vanke advocates an integrity-based professional spirit, and attaches importance to cultivating an integrity culture. Vanke conducts annual integrity education for members of the Board and all employees, and deeply plants a culture of integrity in the heart of every employee through promotion of integrity as a quality, analysis of cases in violation of business ethics and other methods.

Regular training for all employees

Regular training for all employees: We conduct annual training on ethical standards under consistent standards, covering all employees, including members of our Board, part-time employees, outsourced employees, and contractors, and regulate the conduct of all employees in their positions. We conduct regular integrity promotion activities to promote integrity laws and regulations and internal company norms through a dedicated integrity website, a series of integrity posters, the launch of integrity presentations and the release of integrity files and all-employee warning cases. In 2023, we conducted quarterly briefings and training activities on disciplinary violations that occur within the Company.

Specific training



We require all new employees to attend the training of the *Sunshine System – Vanke Red Line Requirements for Employees*, and sign the *Vanke Group Statement* to enhance new employees' awareness of professional red lines such as bribery, acceptance of bribes, duty encroachment, economic fraudulence, conflict of interest, deception and concealment, and disclosure of confidential information. In 2023, Vanke's training for freshmen covered 50,898 new employees.



To forge a loyal, diligent and incorruptible management team, we continuously enhance senior management's awareness of performing their duties with integrity. In 2023, the directors, supervisors and senior executives of the Group attended the special training sessions for directors, supervisors and senior executives organised by the regulatory authorities to continuously keep in mind and put into practice regulatory laws and regulations.



Vanke conducts integrity publicity and instruction based on the framework of the *Sunshine Cooperation Agreement* for contractors immediately after they enter project sites. In 2023, all shortlisted contractors accepted integrity promotion.

Integrity activity month

The Headquarters of Vanke organises "integrity activity month" in March every year. This activity aims to provide employees and suppliers with anonymous channels to present their opinions, start declarations of conflicts of interest among employees according to the *Guidelines on Declaration of Potential Conflicts of Interest among Employees*, and conduct integrity training among all employees, including outsourcing employees. The coverage rate of this activity has reached 100%.



The business ethics training covered all the employees (including intern employees and outsourcing employees) and contractors.

100%

Enhancing partner integrity

Vanke collaborated with several well-known enterprises to establish Enterprise Anti-fraud Alliance. With the original aspiration of "concerted efforts for anti-fraud cause and co-development of a harmonious society", the alliance shares blacklists of dishonest persons and suppliers, releases the *Anti-fraud Survey Report on China-based Enterprises*, conducts training for anti-fraud talents, and provides mutual assistance of anti-fraud resources and other services. To date, the Enterprise Anti-fraud Alliance has grown to 1,225 members, with more than 50% being listed companies. It has become the most influential enterprise anti-fraud and mutual assistance organisation in China, contributing to the development of a clean commercial community.



In 2023, there were 0 cases of unfair competition behaviours in which Vanke was considered a participant




There were 0 instances of violating the *Anti-Monopoly Law of the People's Republic of China* (the "Anti-Monopoly Law")



Whistleblower management

We identify potential behaviours in violation of regulations by collecting internal and external reports, conducting internal reviews and control, and other management work. Independent investigations are conducted by the Monitor Centre as per stipulated procedures. We accept anonymous reports, and encourage whistleblowers to leave their contact information so that we can conduct follow-up investigations and feedback progress as needed. Upon receiving confirmed cases, Vanke's supervision and audit function department handles the reported cases of fraudulence and corruption according to seven procedures: judgment and analysis, establishing a verification team, carrying out verification, issuance of the preliminary verification report, feedback to the informant and soliciting the opinions of the investigated object, issuance of the formal verification report, and notification. This process necessitates the relevant cases be concluded within one month.



Report Channels

- Reporting website: 5198.vanke.com
- Email: 5198 reporting email box
- WeChat official account: "Integral Vanke"

These channels also serve as internal consultation channels for business ethics management and integrity culture construction. All Vanke employees can counsel and inquire about the anti-fraud system or compliance of personal behaviours via email, official website, official account, etc.

In the *Vanke Group Whistleblowing Policy* and the fraud reporting website of Vanke (5198.vanke.com), we specify three major whistleblowing initiatives to protect whistleblowers:

<p>Confidentiality of whistleblowers' information</p> <p>We take rigorous confidentiality of whistleblowers' information as a fundamental responsibility, and prohibit investigated units and reported persons from resorting to retaliation against whistleblowers. Once acts of retaliation are discovered, we will deal with such actions seriously.</p>	<p>Priority to real-name whistleblowing</p> <p>We encourage whistleblowers to report with their real names. Real-name whistleblowing will be handled on priority, acceptance and processing of outcomes of which will be intimated and notified promptly.</p>	<p>Reward for verified incidents</p> <p>Whistleblowers, whether internal employees or external personnel, will get material rewards corresponding to the nature and impacts of incidents reported and their assistance in whistleblowing, whose information will be kept strictly confidential.</p>
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Risk control

Building a solid foundation

In the *Internal Control Management System of China Vanke Group Co., Ltd.* and the *Risk Management Manual of China Vanke Group Co., Ltd.*, Vanke clarifies the Company's objectives and principles for internal control management and risk management, risk identification, assessment, response, monitoring, and supervision.

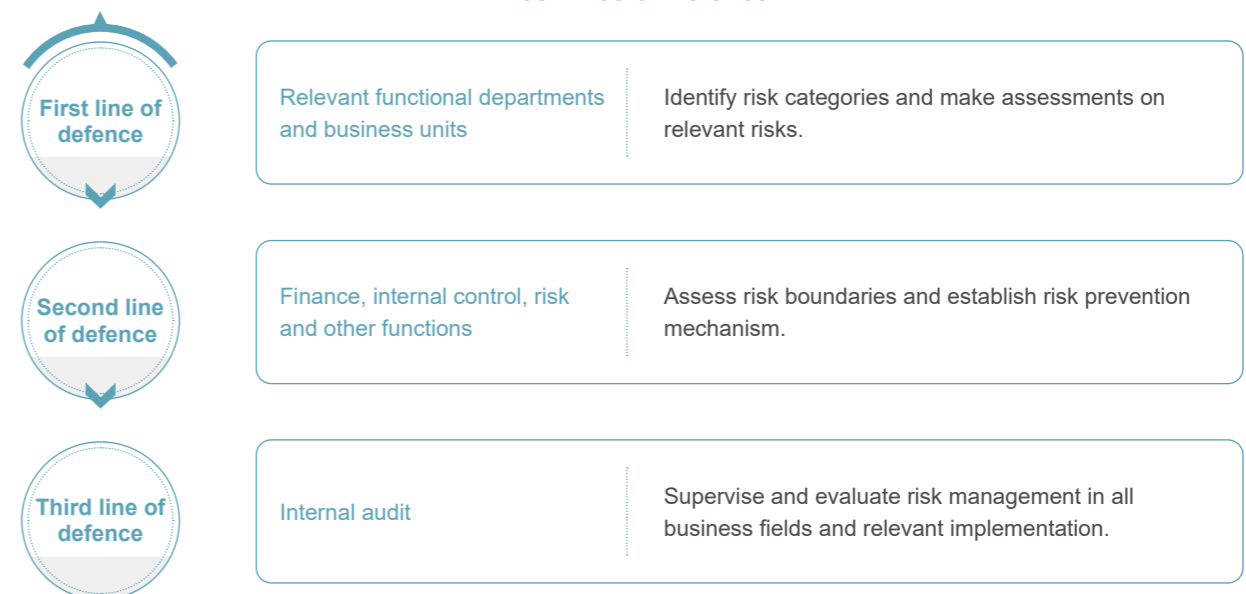
Refining the structure

Vanke has improved and strengthened functions to identify, monitor, and guard against risks at the Board level and internal management level continually. The Board of Directors authorised the Audit Committee to undertake an assessment and confirmation of risks the Company are willing to accept for strategic objectives and assess the effective operation of the risk management system. The Headquarters is responsible for risk identification, prevention, and control at the company level, establishing risk-management functional departments in BGs/BUs and front-line companies for risk identification and assessment. Vanke provided the internal control management function and full-time personnel at the Group level, while the front-line companies were equipped with full-time internal control personnel to handle relevant work.

Optimisation of management

Risk management covers all business areas of Vanke, and the "Three Lines of Defence" for risk management consist of business, functional and internal supervision departments that implement comprehensive risk management. In response to the six identified major risks, we continuously follow up on special rectification and establish a long-term effective risk management mechanism. In 2023, Vanke organized high-risk fields and companies to carry out internal control self-inspection, conducted internal control development with regard to shared problems, improved system procedures and system monitoring, and enhanced publicity of red line and bottom line to improve all employees' awareness of risk compliance. For more detailed content on internal control and risk management of Vanke, please refer to *China Vanke Group Co., Ltd. 2023 Annual Report*.

Three Lines of Defence



Construction of risk culture

Vanke consistently advances employee education on risk management and enhances all employees' capability of risk management through risk management training. To solidify the construction of risk culture, we integrated contents related to risk management into routine trainings and conducted various special trainings on topics like red lines bottom lines, negative cases, and risk tips through regular and irregular methods to further improve employees' awareness of risk management.

To ensure the Company's effectiveness in risk control culture, Vanke urged the Headquarters and all BGs/BUs to continuously improve their risk awareness during routine work. The headquarters and relevant departments in all units carried out studies on external risk factors such as economic situation, industrial policy, and market competition, as well as internal risk factors like financial status, fund status, and assets management to identify and assess major risks. The major risks are reported at the Group's meetings and various professional meetings. In response to front-line companies, we included risk culture, publicity of red line and bottom line, and creation of internal control atmosphere as items in the assessment of work performance, improving all units' emphasis on the construction of risk culture.

In addition, we developed an internal control and monitoring mechanism, and irregularly organised specially-designated professional personnel to conduct in-depth monitoring and inspection for specific business according to risk assessment results and effectiveness of routine monitoring, thereby paving smooth channels for all employees' feedback concerning risk management, to facilitate our continuous improvement of risk management measures.

Presentations regarding risk management

The Company organises group-wide "objectives and actions communication meetings" where Vanke's management team delivers presentations covering risk tips, sharing of excellent cases, objectives, core values, and corporate culture to implement the construction of risk culture across the Group and improve employees' risk awareness and capability of risk management and control.



Information security and privacy protection

Vanke constructed a comprehensive information security management system, thereby providing employees, customers and partners with sound personal information security. We will continue to take an active and compliant attitude, and keep improving the measures for information security and privacy protection in expectation to provide all employees and customers with safer and more convenient services in the digital era.

Information security and compliance management

Vanke attaches great importance to information security and privacy protection for related parties, and strictly complies with the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and other laws and regulations. We formulated an array of relevant management systems, including the *Vanke Group Personal Information Compliance Management Outline*, the *Data Security Management Outline*, the *Personal Information Security Incident Emergency Plan*, the *Mobile Application Security and Compliance Management Standards* and the *Vanke Group Information Security Inspection and Audit Management Standards*, and iterated and updated the above-mentioned five personal information management systems in 2023, defining the responsibilities borne by Vanke as an information processor. Efforts were made to strengthen the fulfilment of the requirement for default privacy protection ("PbD") mechanism in mobile applications, improve personal information compliance incident emergency plans, and add new requirements on filing of mobile applications, providing Vanke with clear guiding management standards for information security and privacy protection.

The Group established data security and personal information security compliance teams through the "Dragon Wakening Programme", which are divided into two levels: the compliance team at the Group level and the compliance team at the BG and BU levels, taking charge of the compliance management of the Group's data security and personal information security.



- Formulate documents concerning cloud platform security management standards and systems, and standardise cloud security management, cloud security development, cloud security operation and maintenance and other security requirements
- Build cloud security system from IaaS, PaaS and SaaS layers respectively, and open up security processes and tools
- Build cloud network attack exposure surface security detection and response mechanism through cloud security asset mapping platform
- Protect application systems and data security on the cloud through cloud access security broker ("CASB")
- Combine standards and technical means to achieve closed-loop management of risk by building a cloud configuration risk-handling mechanism
- Improve data security and personal information compliance system
- Conduct personnel compliance awareness and professional skills training
- Carry out special work on data security and personal information compliance
- Strengthen the security technology protection system
- Establishment of bulk export application, approval and encryption mechanism for users' personal information
- Compliance assessment and application approval process for newly launched personal information-related systems
- Establish the filing management mechanism for mobile applications (including Apps and WeChat applets)
- Regularly implement the compliance detection and rectification mechanism for mobile applications (including Apps and WeChat Mini Program)
- Carry out self-assessment of personal information impact ("PIA") for each system

Vanke requires all personnel, including employees, partners, suppliers and other entities, to sign confidentiality agreements. New employees shall sign the *Personal Information Processing Commitment Letter* in addition to the confidentiality agreements. We confirm the implementation of confidentiality agreements through regular and special audit checks.

In response to all mobile applications related to customers' personal information and supply of services to external entities, the Company launched the lifecycle PbD mechanism in a unified manner. This year, the number of application scenarios for PbD mechanism increased from original 5 to 15 BUs. As of the end of the reporting period, PbD mechanism has been implemented in a total of 45 mobile application products, including Port Apartment App, Yixuanfang Applet, Onewo Zhuzher App, Vanke Hotel and Resort Applet. Meanwhile, we find potential compliance risks through privacy influence assessment ("PIA") during each iteration cycle, and establish compliance risk control mechanism during development to ensure that corporate information and customers' personal information are secured to a limited degree.

Information security audit

We strictly adhere to the requirements of data security and personal information laws and regulations, conducting prompt self-inspection and self-correction of compliance risks for sales scenes, shopping malls, project sites, and other locations. We identify and promote rectification of existing risks and potential risks related to the Group's data and personal information compliance, enhancing the compliance awareness of partners in each business department and safeguarding the personal privacy of customers.

To enhance the Group's network security defence capabilities and test the existing security defence monitoring capabilities within the Group, we have adopted a red-team-versus-blue-team approach to conduct in-depth attack and defence drills targeting the Group's internal and external network assets. Additionally, we require each front-line business unit to carry out the "Operation Woodpecker" initiative on a quarterly basis to ensure that self-inspections for information security and compliance are properly implemented.

This year, we regularly carried out multi-dimensional audits such as external audits, internal audits and on-site audit inspections to ensure the effective implementation of our information security measures. We upgraded the bug management platform to the Vanke Security Operation Platform, optimising the security bug management function and adding functions such as assets management, baseline inspection, security risk assessment, and risk management. This expansion of coverage and full-lifecycle management for assets and bugs further enhances the security of the business systems.



In 2023, the signing rate of confidentiality agreements among employees and partners was

100%

Information security emergency response

Vanke Group revised the *Emergency Response Plan for Personal Information Security Incidents*, aiming to establish an effective security protection and emergency response mechanism. The plan clarified data security management requirements, including data classification and grading, data life cycle management, and data security incident response. It specified the personal information security incident monitoring and early warning mechanism and emergency response process, enhancing incident emergency response capabilities and protecting the interests of personal information subjects.

Vanke protects and responds to threats at the entrance through next-generation firewalls at the network boundary. Through the endpoint detection and response platform, Vanke detects and responds to security events such as malicious viruses and hobbyhorse worms on endpoints, malicious software, APT attack groups, bug exploitation, social worker entrapment, ransomware, and credential theft.

When a personal information security incident occurs, we will take measures such as closing ports, temporarily shutting down relevant systems, suspending the authorisation of personnel permissions, and suspending third-party data cooperation. For large-scale personal information leakage incidents, we will promptly inform the affected users, and take necessary remedial measures to mitigate the harm and prevent the occurrence of secondary and derivative incidents in accordance with the requirements of laws, regulations or internal management regulations of Vanke.



In 2023,

no major information security incident occurred

Information security certification



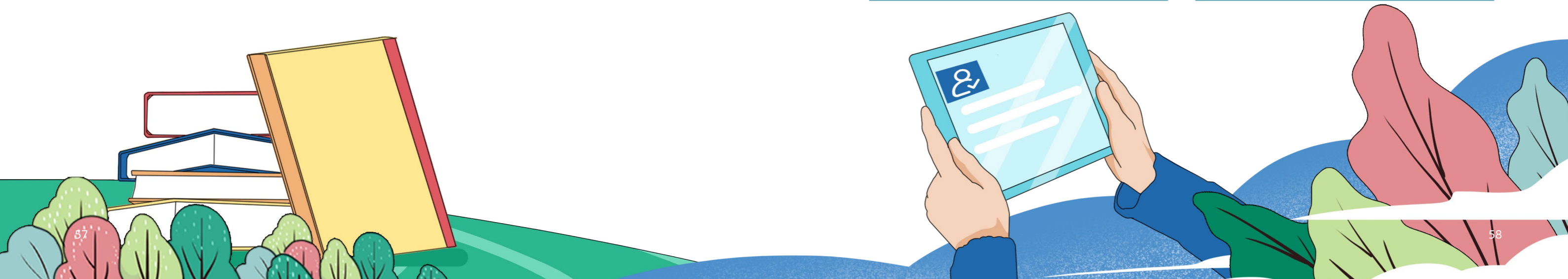
ISO 27001 Certification/ISO 27701 Certification

Onewo, Port Apartment and Vanyi Technology obtained ISO 27001 Information Security Management System Certification and completed the annual review in 2023. Vanyi Technology completed ISO 27001: the latest version of upgrading certification for the year 2022, effectively ensuring information security. In 2023, both Onewo and Vanyi Technology passed ISO 27701 Personal Information Compliance System Certification.



National Level Protection Certification

In 2023, a total of 18 important business systems of Onewo, Port Apartment, SCPG and Vanyi Technology have completed level protection evaluation and certification, including six systems that have passed Level 2 protection certification and 12 systems that have passed Level 3 protection certification.



Information security training

We strengthen culture promotion and training empowerment on information security and privacy protection for all employees through themed courses, training exams, and security culture promotion. In 2023, we conducted information security and compliance certification exams covering all employees, with a 100% passing rate. We uploaded courses related to information security and privacy protection to the "V-LET'S SHARE Learning Platform" so that all employees (including interns) could learn through this platform. In addition, we strengthened employees' awareness of information security protection by issuing a phishing email test for all employees. As of the end of the reporting period, we have issued 24 promotion posters and six video courses, thereby continuously implementing the information security and compliance trainings as well as awareness promotion for all employees.

Sixth "Empowerment Training Conference for Information Security and Personal Information Protection Compliance" of Vanke

In June 2023, Vanke held the sixth "Empowerment Training Conference for Information Security and Personal Information Protection Compliance", which was attended by information security personnel, IT development personnel, legal personnel, marketing personnel and other personnel of each BGs/BUs and front-line business units. The training content covered the requirements of national laws and regulations regarding security and compliance, the Group's technology system and protection mechanism for security and compliance management, and the Group's holistic security framework featuring a multi-cloud mixture environment. The training, which was attended by a total of 216 persons, helped relevant personnel of all units in the Group to improve their professional capability and management competence in information security and privacy protection.

Intellectual property rights protection

Vanke attaches great importance to the management and protection of intellectual property rights, strictly complies with the Trademark Law of the People's Republic of China, the Copyright Law of the People's Republic of China, the Patent Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China and other governing laws and regulations in China, actively protects its own intellectual property rights and fully respects the intellectual property rights of others.

Protecting our intellectual property rights

We attach great importance to protecting our intellectual property rights, implement the relevant requirements of intellectual property laws and regulations, and ensure that Vanke's legitimate rights and interests through such channels as patent application, trademark registration, and litigation to defend our rights.



Respecting others' intellectual property rights

We respect intellectual property rights of others, prevent and strictly prohibit any form of infringement. We protect the legal rights of others from infringement, and dedicate ourselves to creating an innovation environment where intellectual property rights are respected and fair competition is advocated.

Number of new patents in 2023

Category	Patent for Design	Patents for invention	Patents for utility models	Total
Green Building	0	0	0	0
Assembled and industrialised	0	0	1	1
Environmental Restoration	0	1	2	3
Science and Technology	1	72	0	73
Property Management	0	10	3	13
New patents in 2023	1	83	6	90

Cumulative number of patents acquired as of the end of the reporting period

Category	Patent for Design	Patents for invention	Patents for utility models	Total
Green Building	0	4	18	22
Assembled and industrialised	7	11	35	53
Environmental Restoration	0	13	10	23
Science and Technology	41	187	30	258
Property Management	11	28	18	57
Cumulative number as of the end of the reporting period	59	243	111	413



As of the end of the reporting period, there are **431** patents pending approval, covering green building, assembled and industrialisation, science and technology, and property management



Good Products

	SDG 3 - Good Health and Well-being Ensure healthy lives and promote well-being for all at all ages.
	SDG 9 - Industry, Innovation and Infrastructure Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
	SDG 11 - Sustainable Cities and Communities Make cities and human settlements inclusive, safe, resilient and sustainable.
	SDG 12 - Responsible Consumption and Production Ensure sustainable consumption and production patterns.

Based on the residential property of residential products, Vanke adheres to its core idea of “quality, health and capability” and conducts full life-cycle management and control of engineering quality to deliver quality products to customers.

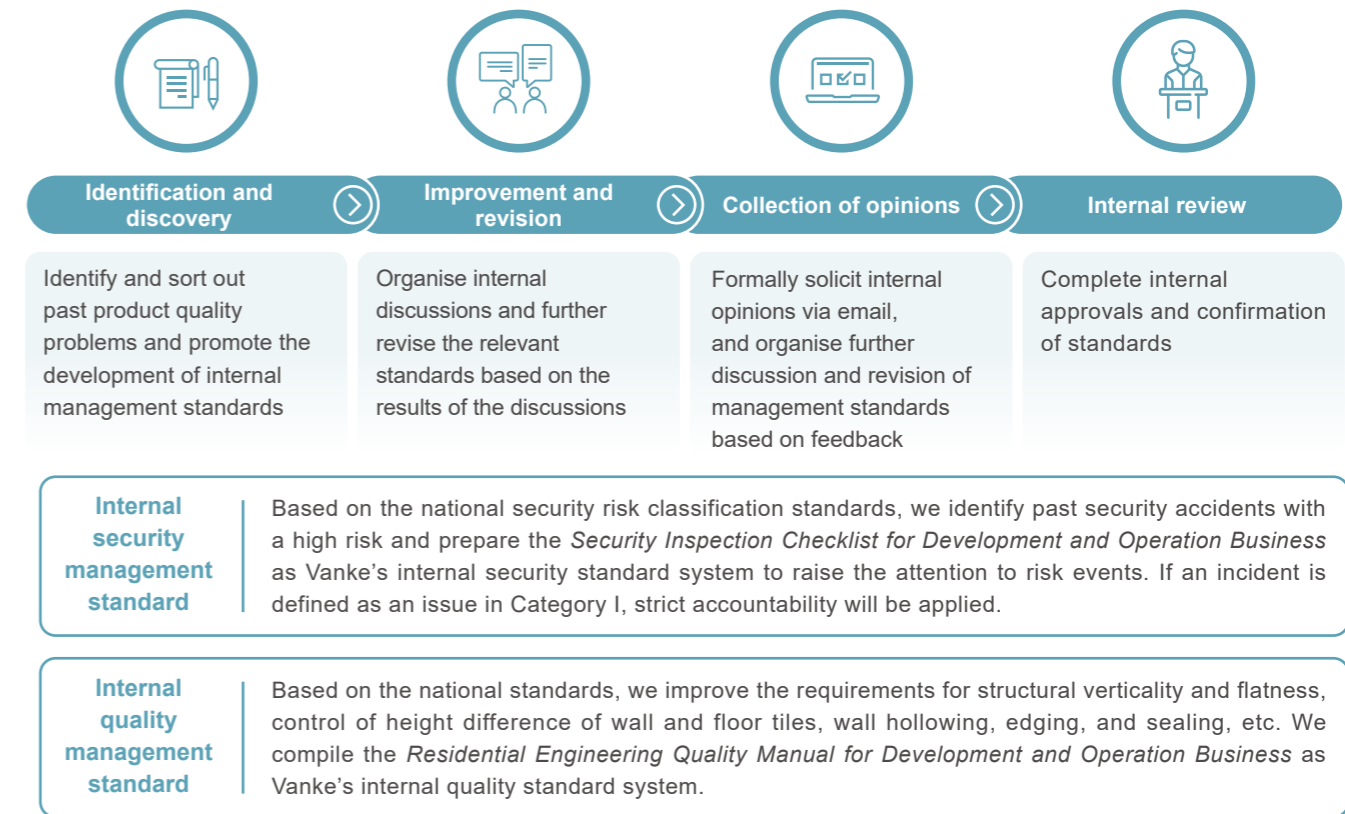
Focusing on the goal of improving engineering quality and promoting the improvement of the professional capability of the engineering system, Vanke Group has formulated the *Management Measures for Safety and Quality Inspection of Projects under the Construction of Vanke Group*. Specifically, the quality inspection system consists of the safety, quality, and delivery inspection systems to ensure the quality and safety of Vanke’s residential products. We developed the *Comprehensive Inspection and Review Work Manual* to conduct online and offline comprehensive reviews of all projects on a quarterly basis, covering all phases of the project cycle from project acquisition, project delivery, and project operation and maintenance.

In 2023, in order to match the business models of businesses, offices and hotels, we added the *Delivery Quality Assessment System during the Process of Business and Office*. With the goal of standardizing acceptance standards as specification standards for product acceptance, we required to carry out assessment and inspection as per product portfolio, time period and delivery batch in order to improve overall quality of the Group’s business and office projects under construction. Meanwhile, we distributed the *Manual of Vanke’s Fine Workmanship Processes* among all employees of the engineering system, and focused on relevant technical requirements and cases about construction processes customers are highly concerned with as the basic standards for engineering impressions quality. In addition, we also launched the *Guidelines for Quality Assessment on Residential Demonstration Zones* for all employees of the engineering system, and conducted assessment revolving around the effect of outdoor-scene demonstration zones being made available to ensure that high-quality products will be presented to customers.

In 2023, Vanke further promoted the acquisition of the certification of quality management system, and SCPG, Cushman & Wakefield Vanke Service and companies located in some cities have obtained ISO 9001 quality management system certification. We continued to progress the development of our internal quality and safety management standards, which have been issued for implementation after undergoing a rigorous procedure and serve as an internal quality management certification standard.



In 2023, SCPG, Cushman & Wakefield Vanke Service and companies located in some cities obtained **ISO 9001** quality management system certification, 50% of the Group’s business lines held ISO 9001



Design – return to a healthy living environment

Based on the *Product Quality Law of the People’s Republic of China*, the *Construction Law of the People’s Republic of China*, the *Regulation on the Quality Management of Construction Projects*, the *Unified Standard for Constructional Quality Acceptance of Building Engineering*, and other laws and regulations, as well as the WELL standards, Vanke has formulated multiple standards and regulations, including the *Vanke Group Evaluation Criteria for Healthy Residential Areas*, the *Vanke Group Star Evaluation and Control Measures for Healthy Residential Area Projects*, and the *Vanke Group Operating Guidelines for Evaluation Criteria for Healthy Residential Areas*. The *Vanke Group Evaluation Criteria for Healthy Residential Areas* considers Vanke’s product system and makes comprehensive evaluation criteria for residential area projects.

Section	Value propositions and technical points	Actions taken
Air	Focus on the development and manufacture of air replacement products, such as fresh air ventilation systems	Promote the fresh air ventilation system that can filter outdoor air PM2.5 and indoor discharge formaldehyde and other harmful gases, with the ability to purify the air actively.
Thermal Comfort	Provide a more comfortable indoor and outdoor temperature and humidity environment, and ensure warmth in winter, coolness in summer, and appropriate humidity.	Specify the design requirements on condenser location for central air conditioning, air conditioning outlet, kitchen air conditioning, temperature and humidity dual control air conditioning, dehumidifier, and underfloor heating. Develop mobile dehumidification and anti-condensation intelligent system for underground garage.
Water	Provide clean water and more hygienic, safer drainage	Put forward requirements on ensuring water quality, improving water purification equipment, drainage system safety, and functional kitchen and bathroom design. Choose the sanitary ware with self-cleaning anti-bacteria black technology to enhance water purification equipment and ensure water quality.

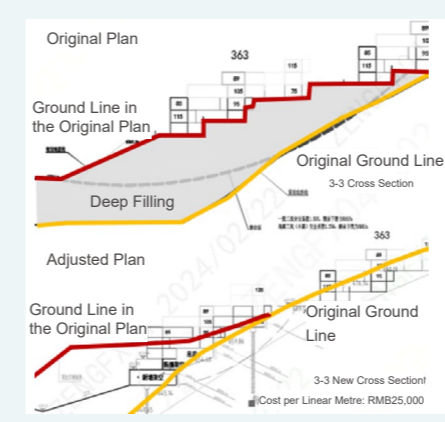
Section	Value propositions and technical points	Actions taken
Lighting	Make full use of natural light and upgrade the standard of lamps and lanterns to provide customers with more comfortable indoor lighting	Research pleasant light environments and healthy lighting. Design more integrated, personalised luminaires.
Sound	Provide quieter interior spaces, and a tranquil life without being disturbed by noise	Iteratively upgrade the sound insulation of building components, optimise equipment and pipes, carry out noise acceptance monitoring, promote the application of water-based acoustic coatings to open the quiet mode in downtown areas.
Movement	Committed to solving customers' pain points of insufficient sports venues and imperfect sports facilities, and providing customers with more abundant, all-age, and all-weather fitness spaces.	Provide design guidelines for healthy runways and children's playground, and apply them to the projects.
Spirit	Create a green, picturesque park-like landscape.	With "human beings" as the main characters, transition from spatial design to scene design, and strive to create more comfortable and talkative communication venues and neighbourly and friendly interactive spaces.
Materials	Provide heat-insulated, safer, more durable, lighter and stronger materials and parts.	Promote new material products to the ground and develop FRP materials with greater durability and insulation.
Barrier-free	Create barrier-free, contactless, more hygienic, safer, more convenient, and more comfortable community access and logistics system for customers by providing multi-dimensional design guidelines, methods and measures.	Carry out studies on emergency protection, contactless access, community comfort and other aspects.
Intelligence	Realise integrated intelligent control of home devices, providing more convenient operation and visualised environmental data	Build an integrated smart home platform and achieve higher health standards with the help of "black technology" innovation.
Property Operation and Service	Create a safer and healthier living environment and provide more comfortable and convenient services for residents.	Maintain green spaces, provide event planning, illumination assurance, noise control, garden maintenance, and value-added services.

Manxiti Project in Xishuangbanna | Focusing on Ensuring Bottom Line of Design Security to Avoid Major Security-related and Systematic Quality Risks

During the design phase of the Manxiti Project in Xishuangbanna, Vanke fully took into account the conditions of the project site and carried out sufficient risk assessment and identification to ensure a safe design bottom line. We adhered to national and local regulations concerning building interval, seismic fortification intensity, seismic grade, and material properties. All special calculation results and construction measures aligned with acceptance criteria and requirements for safe use. Emphasis was placed on legitimacy and compliance to mitigate major security-related and systematic quality risks.

Avoid the risk of landslides based on geological characteristics

Vanke created a Building Information Modelling ("BIM") model of the field foundation for multi-dimensional analysis and detection. This approach combined vertical design with side slope processing, ensuring stability of the foundation's side slopes and preventing integral slippage of the main building.



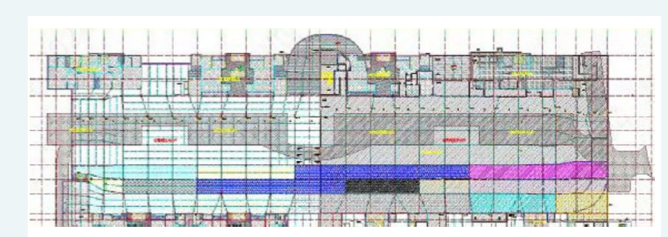
Special in-depth building design aimed to achieve seismic reduction and isolation goals

For the third phase of the school's key fortification projects, Vanke provided seismic isolation layers and seismic reduction measures. Special designs were made for locations, numbers, models, and installation methods of dampers and seismic isolation bearings to enhance building reliability and security.



Rigorously control the load distribution by the basement roof

Drawings were designed to embed roof trusses, canopies, landscape structures, and other connectors and embedded parts into structural elements in advance. This strategy avoided post-installed rebars and embedded depression casing pipes into collecting wells to prevent basement floating during construction and use.



Materials – rigorously standardising the access conditions

We have persistently tightened management and control from the source, implemented comprehensive and three-dimensional control of the quality of products through unannounced inspections of materials and components and project site inspections, and carried out all-round supervision of Vanke products through “Skynet Action” on an ongoing basis to ensure good products and services.

Material supply management



Source control

Fully utilise the advantages of centralised procurement, focus on the quality testing and control on production source raw materials, semi-finished products and finished products and reduce the probability of unqualified products shipped out of the factories. Using wooden flooring as an example, we require substrate, formaldehyde content, and surface pollution resistance performance to be above national standards for solid wood composite products.



Product testing

Conduct regular product testing, and perform random testing of different categories of products on monthly, quarterly, semi-yearly, and yearly basis;



Supervision and rectification

Establish a closed-loop inspection mechanism for non-conforming products and materials upon testing, and achieve 100% supervision and closure of non-conforming products.

Skynet Action

Since 2015, Vanke has continuously implemented “Skynet Action” across the Group, which focuses on two major inspection directions: Material Skynet and Engineering Skynet, and further ensures the engineering quality of Vanke’s ongoing projects by strengthening supplier actions. We have formulated and continuously updated the *Administrative Measures for Vanke Skynet Inspection Implementation*, the *Vanke Implementation Plan for Skynet Inspection on Projects*, and the *Vanke Skynet Inspection Standard for Products*, and implemented stringent quality compliance audits of construction materials to prevent non-conforming materials and components from entering Vanke’s project construction sites. In 2023, Vanke released the *Vanke Group Development and Operation Business Engineering Procurement Supervision and Management Rules*, which sets out specific audit requirements for procurement personnel and external resources, and defines prohibited behaviours. We also provide open suggestion and reporting channels for rule violations in the procurement process.

In 2023, in terms of the management of material quality, we continued our management mechanisms from previous years and focused on online management in material control:



Regular testing

Monthly testing is conducted on material quality, construction quality, air quality, sound insulation, and other dimensions. In cases of non-compliance, expanded testing is carried out, and specific rectification plans such as rework or exit are formulated based on actual conditions.



Online management

The Skynet System implements online closed-loop management in the whole process from identification of problems to rectification and closure in the development of testing plans, issuance and implementation of sampling testing tasks, testing tracking, inquiry of test results and rectification.



Supplier interviews

Responsible suppliers are interviewed, and corresponding economic penalties are imposed according to contract terms to ensure a 100% rectification rate for identified issues.



As of the end of the reporting period, a total of **15,287** Material Skynet inspections were completed,

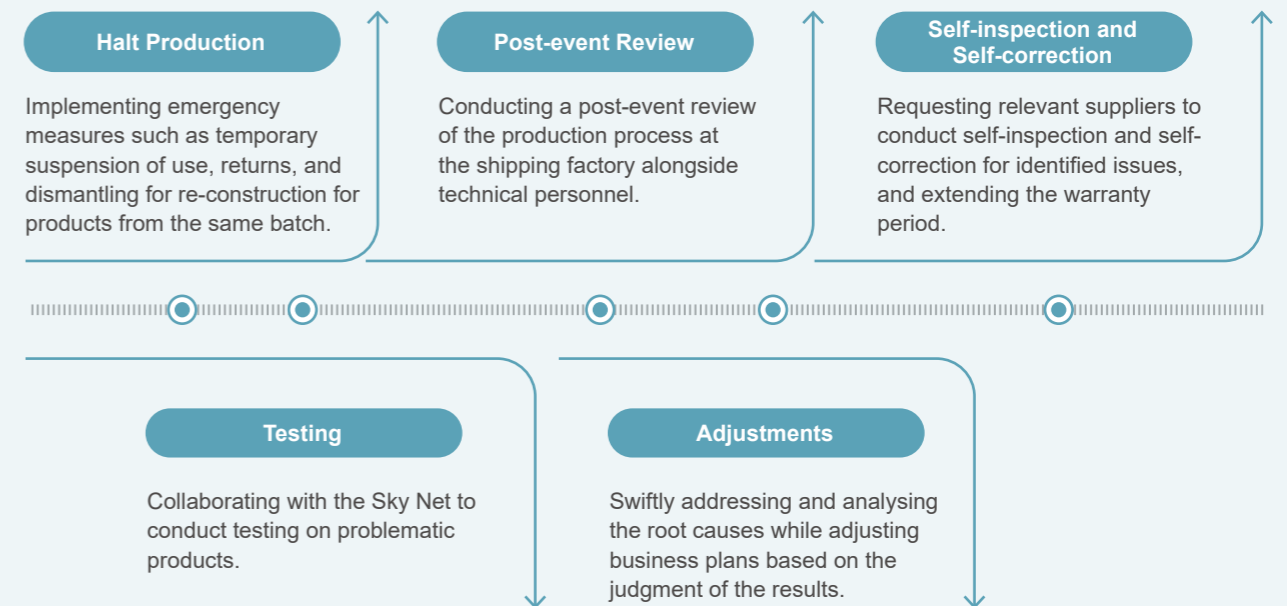
with a processing and closure rate of **100%**



Engineering Skynet conducted quality spot checks on key sub-projects related to building structural safety and environmental health. In 2023, a total of **1,663** engineering inspections were completed,

with a processing and closure rate of **100%**

Vanke has established emergency response teams and implemented standardised emergency procedures to address product quality issues arising during the collaboration with suppliers.



In 2023, Vanke Skynet Action achieved **100%** coverage across **54** city subsidiaries, **505** ongoing projects, and **93** building material categories, encompassing various sectors including real estate, hotels, and commercial properties

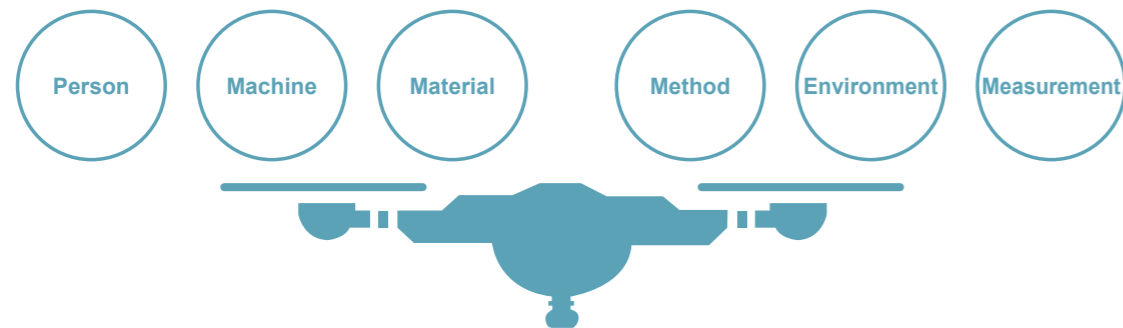
Construction – intelligent technology integration and assurance

Vanke's intelligent construction platform boasts a holistic architecture of "1+1+N" and establishes a solution with one platform, one command centre, and N extended business systems. It fully uses IoT, cloud computing technology, and BIM technology to achieve real-time uploading, summary, analysis and display of massive data on construction sites and realises the transformation from traditionally managed construction sites to intelligent construction sites.

Vanke applies drones to facilitate high-quality construction, using them to conduct earthwork measurements on construction sites and collect on-site information, providing more comprehensive information and data support for design and engineering teams. The design team can comprehensively optimise the underground engineering scheme based on the on-site earthwork information, and the engineering team can reasonably arrange the underground construction period and track the process according to the earthwork progress information to ensure efficient and high-quality construction.

Vanke has implemented an online remote assessment and evaluation system, enabling integrated management of projects across six dimensions. This system covers personnel management, machinery equipment management, materials management, normal management, environment management, and evaluation. In 2023, Vanke achieved 100% online management of Skynet, covering the formulation of inspection plans, issuance and implementation of spot check tasks, logistics tracking of samples, ordering and tracking of tests, query and rectification of test results, thus achieving closed-loop management of inspection processes and data, with an emphasis on efficiency in issue identification, rectification, and closure.

In 2023, Vanke conducted anonymous review, joint expert review, on-site scoring and public announcement of benchmarking sub-projects, and iteratively released the *Residential Quality Standard Manual for Development and Operation Business (Version 2023)* based on the highlights and innovations of the benchmarking sub-projects.



Yinxiang Plaza Project | Smart Construction Technology

Vanke's Yinxiang Plaza Project exemplifies the application of smart construction in actual production. We have collaborated with the Ministry of Housing and Urban-Rural Development to jointly establish the "One Core Three Warehouses" framework for the advancement of smart construction. This framework, centred around the model of "smart construction equipment + new labour services for the industrial workforce", leverages project warehouses, team warehouses, and equipment warehouses to implement intelligent site management and control scenarios.

We have introduced a series of new technologies and equipment including online drones, measurement robots, smart elevators, and system plastic formwork. Through cooperation with pilot industrial worker bases in Zhejiang Province, we have introduced and trained industrial workers to use these technologies, achieving an upgrade in smart construction.

Delivery – full construction cycle assessment assurance


Vanke has formulated and implemented the *Administrative Measures for Safety and Quality Inspection of Projects Under Construction of Vanke Group*. These measures establish assessment standards for individuals and suppliers involved in safety accidents, delineating the bottom line of accountability for safety production and quality incidents. Graded management of safety production accidents is implemented. Corresponding standards for annual assessments and penalties were developed for safety production accidents of different grades, with heavier penalties for recurrent safety accidents.

In 2023, Vanke issued the *Regulations on Safety Production and Quality Accident Management in Development and Operation Business*, specifying quality accountability penalties for employees of different ranks based on accident levels.

We entrust a third-party professional evaluation agency to conduct full construction cycle assessments for all projects under construction, covering the whole cycle from foundation to final delivery, thereby eliminating the delivery of faulty projects. Additionally, random inspections of delivered projects are conducted, focusing on those with bottom-line risks. Post-delivery, we review indicators such as the average repair rate and quality complaint rate per customer from the customer's perspective to ensure the delivery of high-quality products.


We have established the guarantee system consisting of the safety inspection system, quality inspection system and delivery assessment system. In 2023, we continued to review and refine the system:

Safety and quality inspection system



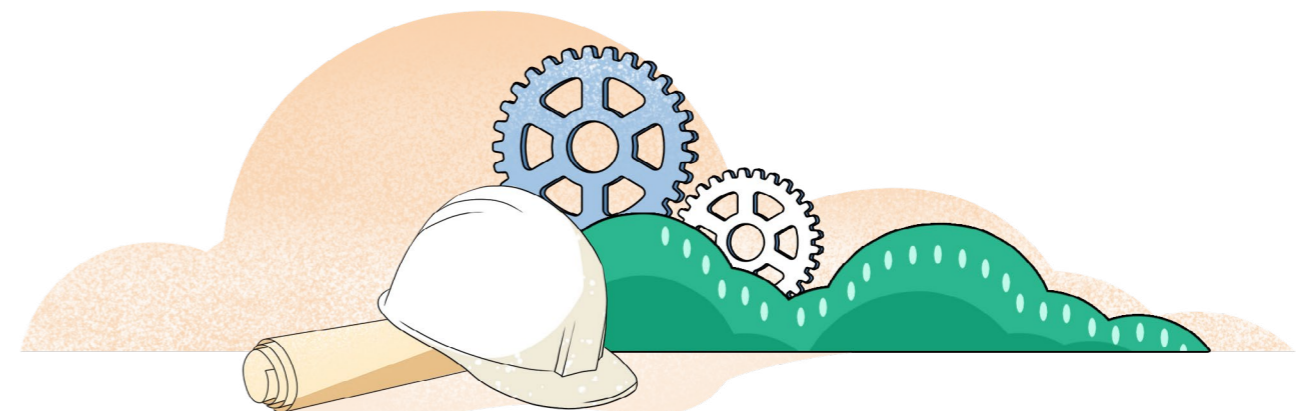
It includes three parts: internal mutual inspection, external professional inspection and special inspection. In 2023, a third-party professional evaluation agency carried out the full construction cycle assessment of 100% of the projects under construction.

Delivery assessment system



It is divided into three parts: regional self-inspection, headquarters sampling inspection and customer perspective evaluation, and includes three segments: pre-delivery assessment, delivery assessment and post-delivery assessment.

Vanke has initiated the standard of "Real Scene Display, Real Scene Delivery". Focusing on four dimensions: "delivery categories, service cycles, spatial scope, and audience scope", we enhance the delivery system. Core points include establishing demonstration areas for delivery, enhancing the returning home experience, community operation services, and redefining property service management standards. Through these initiatives, we aim to establish a brand image of "good products" and "good services."



Good Services

3

GOOD HEALTH AND WELL-BEING

SDG 3 - Good Health and Well-being

Ensure healthy lives and promote well-being for all at all ages.

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

SDG 12 - Responsible Consumption and Production

Ensure sustainable consumption and production patterns.

Vanke adheres to the “customer-centric” philosophy, maintains self-request awareness with the highest standard in the industry, take customers’ needs as the starting point for innovations on products and services, and are committed to delivering good products and services that satisfy customers.

Baseline – guaranteeing the basic rights and interests

o Safeguarding customer safety

Property Safety

Onewo Cloud launched the “G4” operation, intensifying its efforts to provide training and certification in CPR (Cardiopulmonary Resuscitation) for frontline customer service staff and equipping service spaces with AEDs (Automated External Defibrillators). Vanke Service has taken the lead in achieving full coverage of AEDs and CPR skills for frontline staff within residential projects under management in Shenzhen.

Hotel Safety

In extreme weather, we intensified the patrols around the hotel, verified whether the glass windows on the exterior wall of the hotel were closed, and turned off the peripheral electrical equipment and power to prevent short circuit and fire as well as to ensure the safety of hotel guests.

- Conduct fire drills and covert surveillance device checks every six months
- Conduct fire capability training quarterly
- Conduct monthly inspections of fire systems and alarm systems
- Conduct daily kitchen checks to ensure proper closure
- Conduct fire inspections every two hours

Food Safety

In the area of food cold chain, we have developed the *VX Cold Chain Food Safety Management System* based on BRC, HACCP, and ISO according to the relevant requirements of the industry head customers and improved the food safety management system construction. To ensure food storage safety, we have applied intelligent technology and management measures such as a temperature and humidity monitoring system and QEHSS management platform to ensure food safety in all aspects.

- Hold quality and safety meetings monthly
- Conduct quality and safety inspections weekly

Leisure Safety

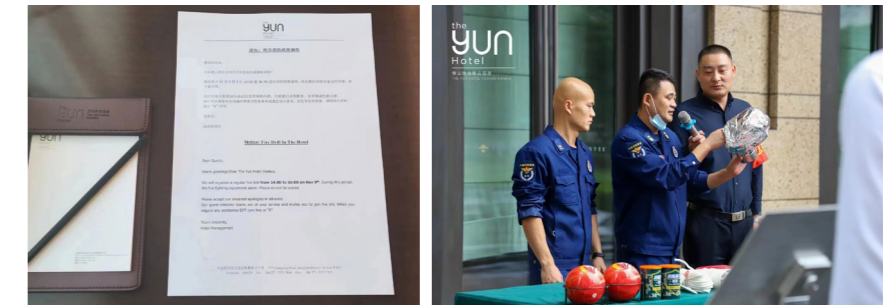
Around the core of the personal safety of customers, Vanke has built a snow and ice sports V-SKI safety management system covering equipment safety, safety surveillance, safety inspection, personnel safety, medical care security and safety protection to protect customers’ life and property.

Shopping Safety

We continuously strengthen commercial safety management, promote the construction of safety management systems for commercial projects, strengthen safety hazard inspection and rectification, ensure that equipment and facilities are intact and effective, to improve the safety management of commercial projects.

Vanke The Yun Hotel | Inviting Customers to Participate in Fire Drills to Enhance Safety Awareness

To create a safe and comfortable living environment, all The Yun Hotels under Vanke conduct fire drills every six months, inviting local fire departments, community officials, and customers interested in participating in the exercises to jointly enhance their response capabilities to fire incidents.



Wuhan The Yun Hotel sent invitations to customers to participate in fire drills | Foshan The Yun Hotel invited the local fire department to introduce firefighting equipment

o Upholding the basic principle of marketing

There are strict requirements for sales materials, sand table models, various business scenarios, construction methods and techniques, model rooms and so on when a product is launched for sale, and the dissemination of misleading and ambiguous product information and excessive commitment is strictly prohibited to protect customers’ right to know.

In compliance with laws and regulations such as the *Regulatory Measures on the Sale of Real Estate* and the *Advertising Law of the People’s Republic of China*, Vanke formulated and promulgated several internal policies, including the *Notice on Standardising Operations Relating to Earnest Money/Subscription Money*, the *Requirements of Strictly Prohibiting Illegal Collection of Money in the Sales Process*. Using these systems as a basis, we have created a responsible marketing system.

This year, we have introduced several guiding documents for customers and marketing teams:

Commitment to providing customers with what they see:

The Guide to the Sale of Ready-to-Move-In Residential Properties

Standardisation of basic management actions for frontline customer-facing staff to maximise sales team effectiveness:

The Standard Guide for Early Morning Meetings for Vanke Marketing Projects
The Execution Plan for ‘Hundred-Day Sprint’ for Development and Operation Business Vanke Companies
The Management Mechanism for Remote Deployment of Development and Operation Business Vanke Companies.

Honest marketing with no trickery

Vanke is the first company in the industry to show its customers the true picture of its products through the Sunshine Declaration, the Notice of Uncertainty of Educational Information, and the disadvantages inside and outside of the red line. We consistently adhered to the “Honest Marketing with No Trickery” service standard, 100% audited sales materials, and provided integrity products and services to assist customers in making genuine choices and enhance customer experience.

In 2023, Vanke Group implemented real estate archive cards nationwide, promoting on-site visits during the sales process of ready-to-move-in projects, with a focus on providing a realistic viewing experience for each unit.

Responsible marketing audit

In 2023, Vanke invited third-party organisations to conduct pre-launch unannounced inspections, covering nine modules including sales reception, sales schemes and organisation, advertising and publicity, on-site displays, demonstration units/delivery model room displays, sand table model displays, various business scenarios, construction techniques zone displays, and internal management traceability. Based on the inspection reports and improvement suggestions provided by third-party organisations, project teams were required to provide feedback on improvements within three days. This pre-launch inspection achieved 100% coverage of projects launched in the year. Unannounced inspection coverage was 100% for all first-time developments during the year.



Vanke conducted **8** audits and **4** monitoring investigations involving marketing categories to continuously implement strict supervision of marketing activities



The audit rate for marketing materials was **100%**

Responsible marketing training

Vanke continues to strengthen the dissemination of marketing personnel's sense of responsibility through training, conducting diverse special training programmes to enhance marketing management.

“Wei Jia” authorisation system


“Wei Jia” was launched for the integrity marketing of property consultants, and special training and assessment are conducted regularly.

Grain Rain Operation

Regular online and offline special marketing training for regional and city company planning and marketing leaders, and relevant partners of development and operation headquarters. The cumulative times of participation this year reached 1,299.

Job certification programme

Through online and offline courses, frontline staff are empowered with basic skills and assessments. Frontline employees who pass the exam with full marks receive certification of competence for their positions and priority in obtaining qualifications for online lead acquisition and management. The cumulative times of participation in this training reached 5,291.



In 2023, relevant marketing courses were deployed on the V LET'S SHARE Learning Platform, providing responsible marketing online learning resources for **all employees**

Special training for ready-to-move-in sales

In July 2023, Vanke conducted special training for ready-to-move-in sales to enhance compliance with the requirements that customers get what they see and that reality matches expectations. We carried out special training for ready-to-move-in sales projects in 16 cities, and immediately after the training, we implemented the management requirements for national ready-to-move-in archive cards and sales site visits, while providing a realistic viewing experience for each unit. During this special training, we also launched a special training examination for all employees to further consolidate the professional skills required of the relevant personnel. Meanwhile, we jointly established a ready-to-move-in management team with participation from engineering, customer relations, and property management, implementing standardised and transparent marketing actions in the ready-to-move-in management process.





Site of Special Training on Responsible Marketing

Standards – standardising service requirements

Customer service standard

In 2023, Vanke continued its “Good Service Action”, dedicated to enhancing quality management across multiple dimensions.

Good Service Action	Service standards	Good serviceservices in 2023
 <p>Upgrade in Contract Services</p>	<p>Convenient and reliable online signing tools can meet the needs of customers for remote signing, reducing duplicate signatures, and quickly checking the contract content in real time.</p>	<p>Across the entire Group, the application rate of online signing tools reached 64% for residential properties and 55% for parking spaces, achieving an overall satisfaction of 99% for signing services.</p>
 <p>Upgrade in Viewing Services</p>	<p>Vanke improved the quality of project infrastructure services and ensured the stable operation of equipment and facilities and the cleanliness of hidden spaces.</p>	<p>“White Glove” actions were implemented in 100% of 1,387 Vanke projects, with a total of 68,546 equipment rooms nationwide undergoing 5S transformation.</p>

Good Service Action Service standards Good serviceservices in 2023

<p>Delivery Service Upgrade</p>	<p>Customers experience "one-stop" handling of delivery procedures, "one-face" reception by customer service ambassadors, and "one-person" accompaniment by professional home inspectors throughout the entire home inspection process.</p>	<p>Customer experience was optimised through segmented delivery touchpoints, achieving an instant satisfaction of 97% for delivery.</p>
<p>Maintenance Service Upgrade</p>	<p>Maintenance services were enhanced, with property management taking on maintenance tasks jointly with real estate, continuously improving maintenance satisfaction.</p>	<p>Overall customer satisfaction with maintenance reached 99.66%.</p>
<p>Thoughtful Service Upgrade</p>	<p>Vanke focused on improving operational standards by refining service details. Each BU customized thoughtful service initiatives around business characteristics, and identifying genuine customer needs.</p>	<p>Vanke promoted "Learn from the Best" initiatives across its business units. The Long-Term Rental Apartment Business Unit implemented four customer service initiatives and launched business Traveller short-term rental services, increasing overall occupancy rates from 94.15% to 97.03%.</p>
<p>Upgrade in Cleaning and Greening Services</p>	<p>Vanke promoted employee engagement in replanting and cleaning efforts to enhance community cleanliness and greenery, creating clean and green communities where homeowners feel safe and comfortable.</p>	<p>Vanke Service carried out the Green Lawn Action, undertaking repair, renovation, cleaning, and greening maintenance in communities. The Green Lawn Action completed replanting on 3.5086 million m² of greenery, achieving an overall greening satisfaction rate of 86.2%, with a 2.8% increase from January 2023.</p>
<p>Building a Beautiful Community with Property Owners</p>	<p>Vanke upgraded its online site openings to collaborate with homeowners, inviting them to visit construction sites each month to raise construction issues and provide suggestions, offering homeowners a transparent and visible service throughout the project cycle.</p>	<p>A total of 368 projects implemented the Build a Beautiful Community with Property Owners initiative, transitioning from monthly to regular openings based on project circumstances. Invitations were extended to 92,778 households to participate as potential homeowners. Property owners' satisfaction with delivery quality averaged 97.68 points.</p>

The Yun Hotel | Creating "Customer Experience Map" to Enhance Customer Stay Experience

To enhance customer service quality, The Yun Hotel has developed a "Customer Experience Map." Customer segment profiles were refined based on customer demand and positioning to offer targeted and diversified services from booking, transportation, check-in, dining, entertainment, departure, to repurchase. Additionally, through various channels, The Yun Hotel communicates with customers, follows up on and adjusts service details promptly based on customer feedback and demand, update service processes, and enhance customer satisfaction. The Yun Hotel's customer service management capabilities have been recognised by both customers and the industry. In 2023, The Yun Resort Qingyuan was awarded the "China Hospitality Quality Service Award - Quality Service Hotel" by the China Hospitality Quality Service Award Committee.



The Yun Hotel Qingyuan | Awarded "China Hospitality Quality Service Award - Quality Service Hotel"

Upgrade of the service standards for Port Apartment

In 2023, Port Apartment upgraded its service standard from "SOP 1+12" to "SOP 1+14" and continued to hold the monthly coordinator service day, actively organised the training and certification for 14 touch points of service SOP, and continuously optimise service standards for multiple scenarios, aiming to promote the standardisation of SOP implementation:



Response to customer complaints

Vanke actively receives and responds to customer complaints, and adopts different processing mechanisms for different complaints:

<p>General customer complaints</p>	<p>Response within 30 minutes and complete within 24 hours</p> <p>We will immediately record them in the CRM system, adhere to the 30-minute response mechanism, and complete the first response within 24 hours.</p>
<p>Special customer complaints</p>	<p>Strictly handled in accordance with the "1-4-24 hours" information feedback mechanism</p> <ul style="list-style-type: none"> 1 hour: realise the Company's information transmission to crucial personnel and resources that can solve the customer's problem. 4 hours: complete the problem research and timely response to customers. 24 hours: Formulate a detailed solution to the customer's problem. <p>Repeated complaints and problems that have not been closed for a long time</p> <p>We have established an escalation process that extends from customer-facing staff at the grassroots level to the company's management, as well as from local units across the group's various levels to the group headquarters.</p>

At the same time, Vanke continues to strengthen the training of customer problem handling ability, and further improves the professional level of business through the training of face-to-face customer personnel, emergency drills and case defence of customer managers, to continuously strengthen its ability to handle customer issues.

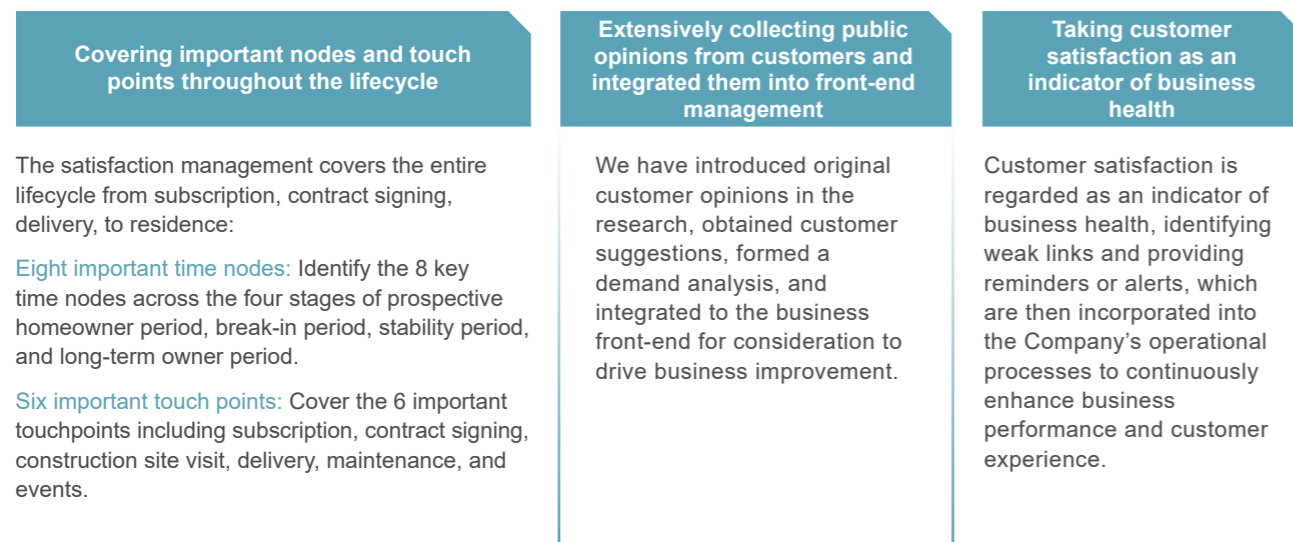
Technology empowerment to improve customer service response efficiency

In 2023, we enhanced the functionality of the AI automatic warning platform to review and return to internal rapid processing and closure through cooperation external third parties, using AI technology to identify and sort out issues and concerns related to customer service that spill over into external channels. Furthermore, we used language models to classify and mark external public opinion and complaint emergencies, presenting related events and warnings in real time based on different classified judgements. Based on the above applications, our accuracy rate of customer complaint classification and processing has increased by 5%, further enhancing the efficiency of customer service response.

Customer satisfaction survey

Vanke has established a relatively complete and mature satisfaction survey system, which boosts customer satisfaction management in terms of coverage nodes, research methods, performance assessment and other dimensions.

Vanke customer satisfaction survey system



In 2023, we reviewed the customer satisfaction survey system and further refined the survey mechanism:

Shift from emphasising scores to focusing on customer behaviour

By altering how survey results are presented and resetting survey rules, the focus has shifted to customer behaviour and issues, promoting support and improvement for front-end business processes. The new system is currently undergoing trials in certain regions of the Company.



As of December 2023, the overall company-wide total customer satisfaction was

93%

Sales-centric improvements

To adapt to the changes in the industry, on the basis of the past satisfaction research system, customer satisfaction research tools are added around the customer service experience in the sales process and the basis for decision-making, and the tools are currently in the improvement stage.

Upgrading – delivering intelligent services

Intelligent community

Onewo has developed a number of online application platforms and products, integrating the resources of people, places, things, feelings and events in the community, promoting the interconnection of data between different systems, bringing “people-space-service” together, providing customers with integrated intelligent services, improving the service capacity of intelligent space and promoting the intelligence and modernisation of service space management.

In 2023, Onewo continued to deepen its research and practice in spatial smart services, particularly focusing on the extensive deployment and application effectiveness of the “Lingshi” edge cloud servers in Onewo Town. Additionally, it actively promoted AI technology-enabled products, including “AI patrol vehicles”, “AI smart assistants”, and “AI scheduling”.



Lingshi edge cloud

The Lingshi edge cloud solution, as a comprehensive smart space solution, offers customers integrated hardware and software edge computing services, enabling the rapid construction of “edge computing rooms” to support business operations. By integrating advanced technologies such as artificial intelligence, edge computing, and big data, this solution promotes the intelligent transformation of communities, parks, and cities, achieving functions like device self-control, energy management, access control, fire safety, and security management to meet comprehensive needs for safety, convenience, efficiency, energy conservation, and low carbon.

As of the end of the reporting period, Onewo has implemented 394 “Lingshi” edge cloud projects within the Onewo Town area, achieving 100% completion of AI inspection access and implementation within feasible project scopes.



AI patrol vehicles

Traditional manual inspection faces various challenges such as low efficiency and poor timeliness, making it difficult to meet the complex and changing requirements of urban governance. AI intelligent patrol vehicles integrate cutting-edge technologies such as the Internet of Things (“IoT”), cloud computing, and AI algorithms, equipped with professional devices like high-definition cameras, onboard displays, and AI edge servers. Through a combination of intelligent systems, smart machinery, and employee-assisted inspection mechanisms, this product drives urban governance toward mechanisation, intelligence, data analytics, and proactive discovery. It is suitable for various scenarios such as main and secondary roads, alleys, and community parks, significantly enhancing inspection efficiency.

As of the end of the reporting period, AI patrol vehicles have been deployed in multiple projects and government streets in Vanke Cloud City, capable of quickly identifying violations on urban roads and automatically uploading information to digital platforms. This generates work orders and assigns them to relevant personnel for processing, greatly improving inspection speed and coverage.



AI smart assistant

The AI smart assistant is the first large-scale model in the property industry, establishing a standardised mechanism for knowledge collection, extraction, and management. It has generated over 190,000 original Q&A dialogues and formed a high-quality property knowledge training set with over 8,000 manually verified entries, popularising property knowledge and promoting high-quality industry development.

In 2023, the first property industry large-scale model application by Onewo, the “Tiancheng Community Committee Workbench”, went live. The AI consultant on the Tiancheng Community Committee Workbench serves over 1,500 community owners, with a satisfaction rate of up to 85%, effectively enhancing community governance efficiency.

Intelligent retail property

SCPG is committed to enhancing business capabilities through digitisation and is actively exploring the green and sustainable development model of “low-carbon intelligent transportation + shopping centre renewable energy” to establish the capability of “shopping centre + future digital community” operation and to explore technologies for future digital community operation technology and scenario application. Guided by this plan, SCPG has established and continuously optimised four major digital platforms: a shared service platform aimed at internal operational efficiency, an asset management service platform centred around asset operations, a data service platform, and a consumer-centric digital marketing platform.

In 2023, to ensure timely reminder and tracking of testing matters required by laws and regulations during business operations, SCPG launched a mandatory inspection system online for testing matters of concern to achieve real-time alerts and tracking of legal and regulatory compliance requirements. As a pilot project, the Shenzhen SCPG Centre has created a near-zero carbon commercial park, and the low-carbon smart transportation and green renewable energy projects have been listed as the first batch of projects in the National (Shenzhen) Climate Investment and Financing Project Database.

Smart business project | Nanxiang InCity Mega

Nanxiang InCity Mega, an upgraded version of the Vanke “InCity” series projects, revolves around the three core elements of “people, space, and commerce.” It empowers scenes with technology, establishing intelligent connections between consumers, malls, and merchants. Various innovative technologies are utilised to integrate operational systems, development systems, and service systems, aiming to create a smart business project with the systematic application of technology.

For consumers

Partnering with a third party to provide a new smart parking system. Through the comprehensive application of precise vehicle recognition technology, LBS-based positioning technology, and mini-programme parking service functions, it achieves integrated services for parking spaces throughout the entire process.

For stores

Establishing a unified data index dimension system for multiple business platforms including parking, foot traffic, sales, and membership. It automatically conducts research and analysis on project customer attributes and insights into surrounding consumers, enabling managers to understand the project’s operation status and issues in real-time online. This provides effective data support for agile operation management of shopping centres, enhancing operational efficiency and service quality.

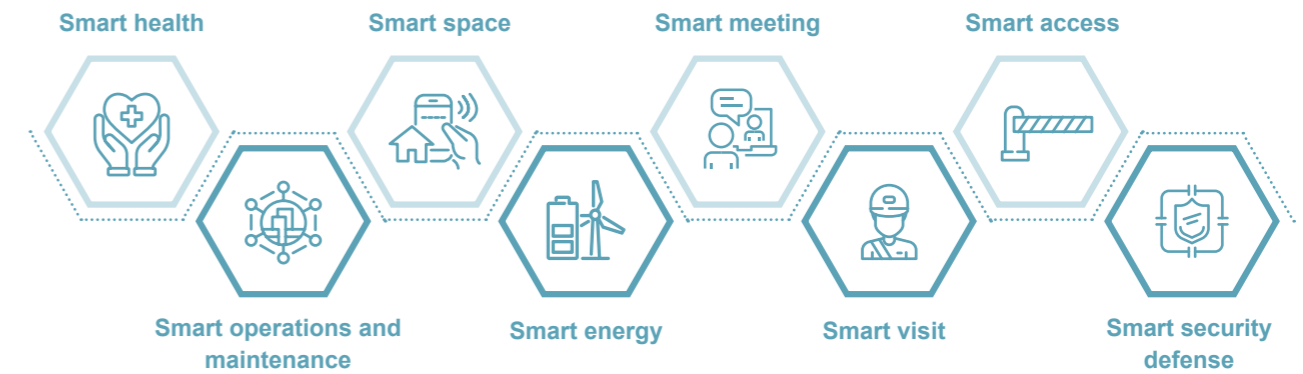
For merchants

Focusing on merchant business activities, it achieves online services in sales reporting, construction operations, daily maintenance, item clearance, and environmental cleaning. Approval processes that used to take offline several hours have been reduced to an average of 5 minutes online, enhancing the overall operational management efficiency of the shopping centre.

Nanxiang InCity Mega

Smart buildings

Vanke drives building operations throughout their lifecycle with technology, continuously enhancing the efficiency and experience of users such as employees, visitors, property management, and administration in smart offices. Utilising AIoT (Artificial Intelligence of Things) and big data technology, it empowers scenarios such as personnel access, energy management, equipment monitoring, and security management for office buildings, creating eight major smart scenarios.

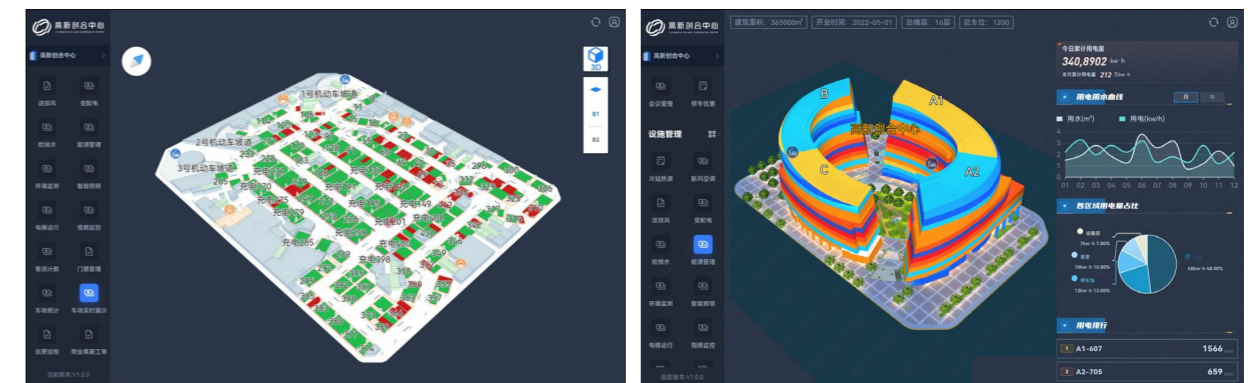


Additionally, this year, we established a digitalised cloud platform, achieving equipment self-control and energy-saving strategies for cooling and heating stations. Through intelligent means, we have saved 230,000 kilowatt-hours of electricity.

High-tech Chuanghe Centre | Digital platform for smart offices

To create a multidimensional and multifunctional smart building, Vanke has established a digital platform for smart offices, assisting the High-tech Chuanghe Centre in obtaining the super Class A office certification awarded by the Chengdu Association.

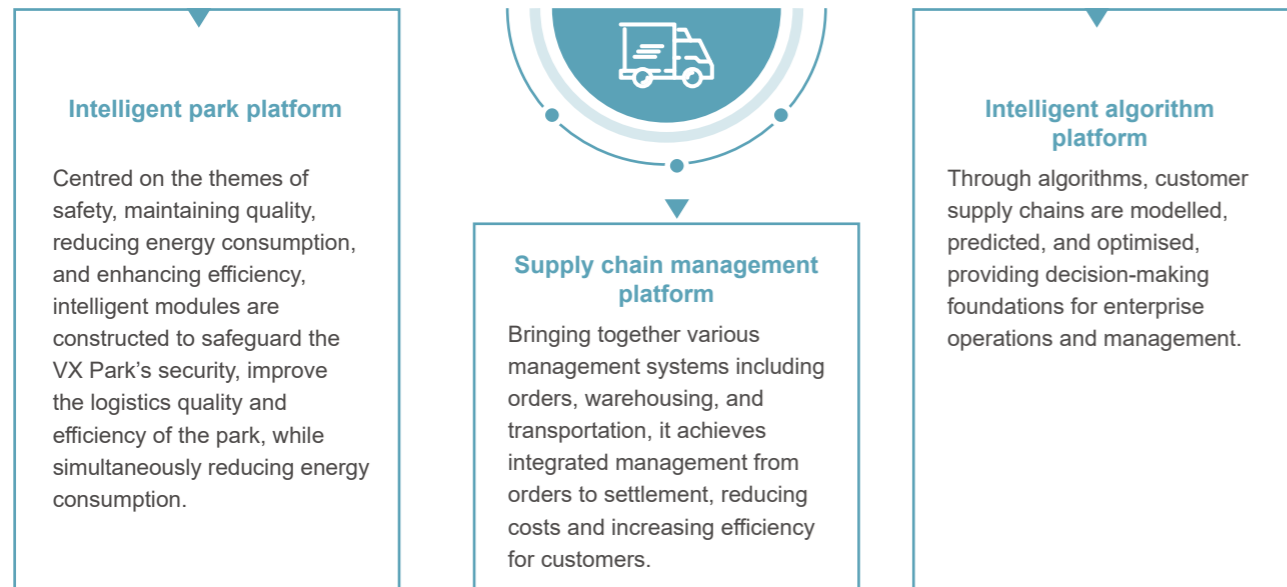
- **Tenant service upgrade:** Implementation of functions such as tenant coupon verification, monthly parking applications, and reporting of incidents and repairs;
- **Equipment and facilities upgrade:** Integration of data from devices such as access control, parking lots, energy meter reading, and HVAC (heating, ventilation, and air conditioning);
- **Upgrade of intelligent service scenarios:** By introducing robots and upgrading weak electrical systems, robots are linked with barriers and elevators to provide tenants with takeaway and courier delivery services.



Integrated management diagram of the digital platform for smart offices

Intelligent logistics

VX Logistics improves operational efficiency, adjusts resource allocation in a timely manner, and empowers logistics businesses with technology by leveraging the intelligent park platform, supply chain management platform, and intelligent algorithm platform.



VX Logistics continued to fortify its strategic formula of "Infrastructure x Service^Technology", expand the map of intelligent logistics parks, and comprehensively propel the transformation of logistics parks towards intelligent management, thereby gradually advancing towards a new era of digitalisation.



Intelligent supply chain management

- There was a continual upgrading of system platforms to support business expansion, facilitating the development of one-stop distribution and shared warehousing services. There was a constant enhancement of the automation rate of warehousing and distribution T+0 bills, empowering the integrated promotion and implementation of warehousing and distribution, thus fostering the core competitiveness of cold chain logistics operation services.
- The promotion of customer service tools such as VX-Link and Wanxiaoling further connected with customers, providing improved service and enhancing the multi-end user experience for customers, carriers, drivers, and other partners.
- The supply chain management platform has significantly improved business operation efficiency, and effectively enhanced supply chain resilience.



Management of intelligent parks

- Comprehensive security systems including intelligent monitoring, smart firefighting, and patrol command were fully deployed throughout the park, meeting the demands of park security management.
- Temperature and humidity monitoring platforms, along with the QEHSS safety quality management platform, were implemented to ensure food quality and safety.
- The operation of digital platforms, smart forklifts, and intelligent corridors improved on-site business operations significantly, greatly enhancing park operational efficiency.
- VX Logistics effectively optimised the management of park energy consumption through the development of cold chain IoT platforms and standardised operating systems for cold storage.

The New Generation Smart Cold Chain Logistics Park - VX Qingdao Qianwan Port Cold Chain Park

VX Logistic Properties has established a benchmarking new generation smart cold chain logistics park in the China (Shandong) Pilot Free Trade Zone Qingdao Area. Through the integration of advanced technologies such as digitalisation, the Internet of Things, and AI into the intelligent park management platform, combined with the architecture model of "algorithm + data + platform", interconnection among various devices and systems within the park was achieved. This facilitated the establishment of a comprehensive port supply chain service system, aiming to become a leading port-type smart cold chain logistics park.



VX Qingdao Qianwan Port Cold Chain Park

Intelligent urban services

Tailoring to local conditions, Onewo's smart city business directly addresses the labour-intensive and inefficient or underserved situations caused by fragmented public service subcontracting. It integrates systematic thinking on property management and process management capabilities into urban governance, breaking the traditional "dispersed operations" model and the boundary constraints of "everyone sweep in front of their own door", achieving integrated intensive management of municipal affairs.

Onewo launched the "Smart City Comprehensive Intelligent Operation Solution" at the Urban Governance Innovation Practice Forum, further enhancing urban governance capabilities and deepening the practice of the "Total Intelligent Operation" service model, achieving the "integration, intelligence, and co-construction" of comprehensive urban spatial services, shaping the "smart model" of urban governance.

Smart environmental management in urban villages

Leveraging a smart operational platform, Onewo has pioneered a new model of intelligent governance called "Integrated Service Governance at the Town and Street Level" in Sanyuanli urban village, Baiyun District, Guangzhou. In 2023, a comprehensive upgrade to smart sanitation and cleanliness was initiated, innovatively expanding smart urban village management to encompass the entire street's smart operations, assisting in the establishment of the Sanyuanli Smart City Operations Command Centre. In collaboration with Baiyun District's "City Brain" data platform, it fulfils five core functions: grid-based co-management, data collection and analysis, emergency command and dispatch, comprehensive management task assignment, and oversight of various events. Through grid-based governance and visualised dispatch mechanisms, it enables rapid response and management of various urban governance tasks, notably enhancing the operational efficiency of grassroots management. Since the launch of the Guangzhou Baiyun District Smart Urban Management System, over 50,000 reported work orders have been processed with a completion rate of 100%.

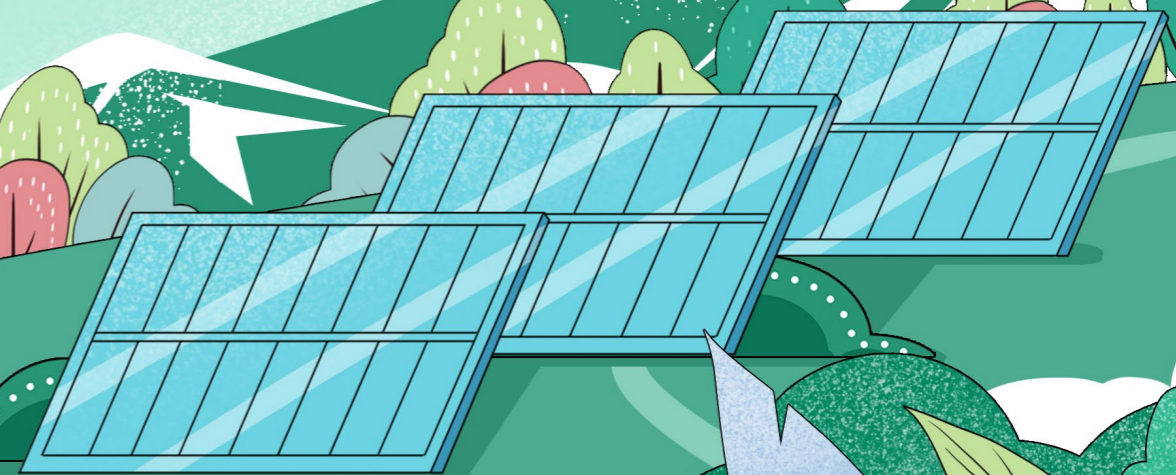
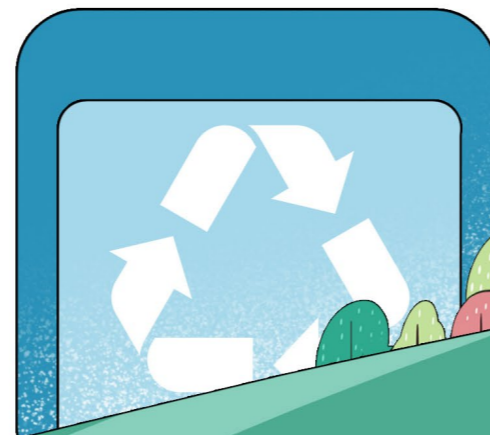
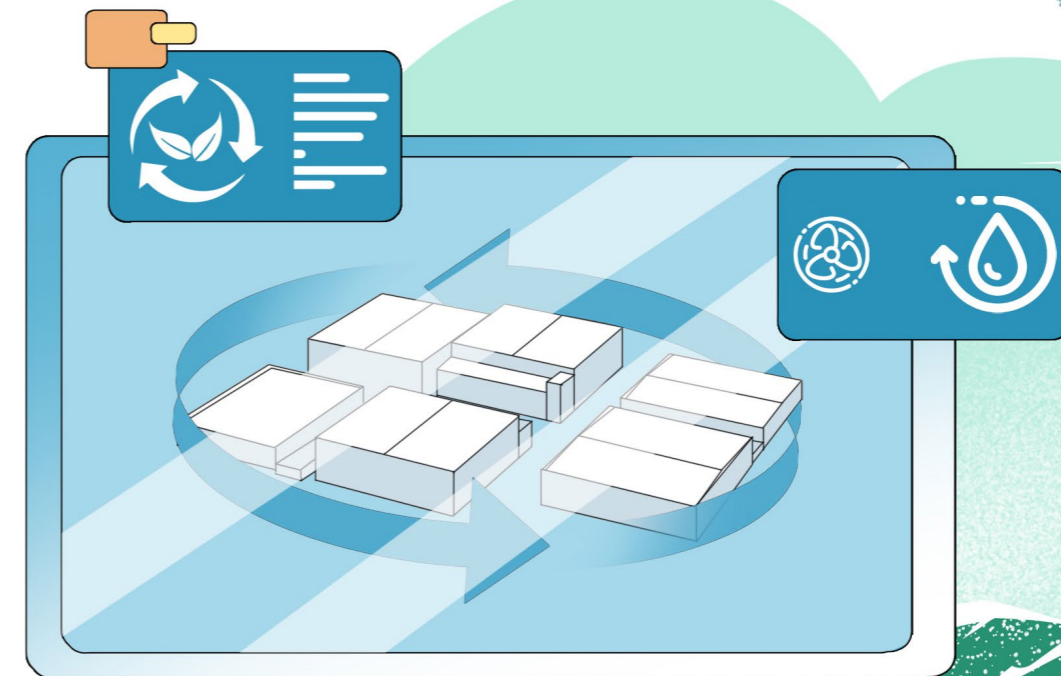


Environmental Practices

- Our Strategy
- Climate Change Response
- Green Design Commitment
- Advancing Green Construction
- Practicing Green Operation

Response to SDGs

-  **SDG 9 - Industry, Innovation and Infrastructure**
Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
-  **SDG 11 - Sustainable Cities and Communities**
Make cities and human settlements inclusive, safe, resilient and sustainable.
-  **SDG 12 - Responsible Consumption and Production**
Ensure sustainable consumption and production patterns.
-  **SDG 13 - Climate Action**
Take urgent action to combat climate change and its impacts.
-  **SDG 15 - Life on Land**
Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss.



Our Strategy


Philosophy



Vanke regards ecological and environmental protection as an important pillar of corporate development. We pursue excellence in product development and service quality to meet consumers' needs. Meanwhile, we also keep in line with times while focusing on the harmonious coexistence of people, buildings, and the environment. In response to the "achieve carbon peaking before 2030 and carbon neutrality before 2060" national strategy, we are committed to realising green and low-carbon development paths, taking proactive measures to address the challenges of climate change, and exploring possibilities to reduce carbon emissions in all aspects of our business, including design and planning, construction, and operation and management. By this way, we strive to become a pioneer in the field of carbon neutrality in urban communities.


Goals and progress

Green Building Certification


Goals	Progress
<p>Group</p> <p>Develop high-star and high-quality green buildings, and gradually increase the star-level standard of new buildings by stages and types: 100% of all new projects of the Group have reached the national green building evaluation standards, and encouragement is given to obtain higher level certifications (e.g., the national green building two-star, three-star, LEED certification, and WELL certification).</p>	<p>In 2023, 100% of the Group's new projects met the national green building evaluation standards. The GFA of new area that met the national green building evaluation standards is 19,636,600 m². Among them, the GFA of the projects that meet the high-level green building standards (including national green building two-star, three-star, and LEED certification) was 10,546,100 m².</p> <p>In 2023, there were 25 new two-star certified green building projects (including residential/public/logistics warehousing), 42 three-star certified green building projects (including residential/public/logistics warehousing), 5 LEED Gold-certified projects, 1 LEED Platinum-certified project, and the identification of high-star projects was strengthened gradually.</p> 

Property development


<p>Newly acquired land is subject to third-party environmental impact assessments and reports as required by local government departments. The coverage of assessments and analyses that include internal and external analyses of biodiversity has increased over the years.</p>	<p>In 2023, the environmental impact assessment reports were obtained for all new land acquisitions.</p> 
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Goals	Progress
<p>Logistics and warehousing</p> <p>In 2023, 100% of new logistics high standard warehouse projects was built according to the industry's green three-star warehouse construction, and 100% of all new cold storage projects reached the LEED Gold standard.</p> <p>Ensure that LEED/Green Certification standard is input into the design front-end in advance as the pre-design standard; and encourage and eventually achieve full coverage of cold storage parks by LEED/green warehouses.</p>	<p>In 2023, 100% of all new cold storage projects reached the LEED Gold standard.</p> <p>As of the end of 2023, there were more than 45 green warehouses certified or LEED Gold-certified projects, with a combined GFA of 3,190,500 square metres.</p> <p>In 2023, VX Logistics started the LEED Volume cold storage standardised prototype certification programme to further bring the green building standards to the ground. To ensure that all new projects meet the LEED Gold design requirements, VX Logistics has formulated the VX Logistics LEED Standardised Design Guidelines, which provides detailed guidance instructions and professional elaboration on the design and construction, procurement of raw materials, and application of technology.</p> 


Retail property development and operations

<p>Ensure that 100% of the new self-owned Incity MEGA will obtain LEED certification in the future, and that all new buildings achieve the green building two-star certification in the next five years.</p>	<p>The new self-owned Incity MEGA - Qianwan Incity MEGA was awarded LEED Gold Pre-certification.</p> 
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GHG emissions

Goals	Progress
<p>Property development</p> <p>With 2021 as the base year, a cumulative total of five ultra-low energy, near-zero-energy or low-carbon demonstration zone projects will be certified by 2025.</p>	<p>By 2023, more than eight ultra-low energy, near-zero-energy or low-carbon demonstration projects to be certified by 2025 against a 2021 baseline, met their 2025 target ahead of schedule.</p> 

Retail property development and operations

<p>By 2030, the carbon emissions of at least 20 SCPG shopping centres to be reduced by 9% against a 2021 baseline.</p>	<p>Carbon emission data of the shopping malls will be collected, converted, and verified on a monthly basis. 22 SCPG shopping malls achieved greenhouse gas emission reduction by 2023.</p> 
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Efficiency Improvement


Goals	Progress
Property development	
Continue to improve the operational energy efficiency indicators of commercial office projects: For new standard commercial office projects using centralised cooling systems, the average comprehensive energy efficiency ratio ("EER") of cooling systems increases by 30%. New commercial office projects in the core areas of tier-1 cities achieve the EER excellence goal of 5.0.	In 2023, we clarified the future new standard commercial office projects using centralised cooling systems and the annual average design energy efficiency ratio ("EERad") of the refrigeration room system achieved a grade of 5.0 or above. In 2023, we completed the design work for the Shanghai Arboretum IV office project, with the annual average design energy efficiency ratio ("EERad") of the refrigeration room system achieving a grade of 5.1; the design work for the Suzhou Left Bank commercial project received a grade of 5.2.
For commercial office projects in operation using centralised cooling systems, compared with the energy consumption standards in 2020, the energy consumption of cold sources is reduced by 10% by 2025 and 15% by 2030.	In 2023, we clarified that new self-owned office, centralised commercial, and neighbourhood commercial projects were required to have an energy management system as standard in the future.
Hotel and resort	
For projects under construction, if conditions permit, the central air-conditioning system adopts a high-efficiency machine room, and the COP value of cooling capacity performance coefficient of chiller in the central cooling station is not less than 5.0; the central hot water system of new projects adopts the air-conditioning heat recovery system and air energy heat pump as auxiliary heat sources.	In 2023, Banyan Tree Dongguan, a project under construction, met the requirements at the design stage. For the hot water system, the sixth-generation ultra-low-nitrogen vacuum water heaters were used, with low-nitrogen emissions and a thermal efficiency of 103%.
Energy saving renovation will be carried out for projects in operation, if conditions permit, to reduce operating energy consumption.	In 2023, we took measures to reduce operating energy consumption by replacing LED light bulbs, using water-saving bathrooms, and using electromechanical inverter controllers for projects in operation.
Rental housing	
From 2021 onwards, 100% of Port Apartment's new self-held projects adopt variable frequency air conditioners and water heaters with first-class energy consumption. In the future, Port Apartment will also ensure that 100% of our self-owned projects adopt variable frequency air conditioners and water heaters with first-class energy consumption.	100% of the 18 new self-held projects opened in 2023 used variable frequency air conditioners and water heaters with first-class energy consumption.

Goals	Progress
Logistics and warehousing	
Take refrigeration energy consumption as an important indicator of power consumption in the park: by 2023, the refrigeration energy consumption will be reduced by 5% against a 2022 baseline.	By 2023, the refrigeration energy consumption was reduced by 5% against a 2022 baseline.
Examine the existing types of refrigerants used, transition to low-GWP refrigerants, phase out hydrochlorofluorocarbons ("HCFCs"), and limit the use of hydrofluorocarbons ("HFCs"), and prioritise carbon dioxide-based refrigeration for large projects.	All parks used environmentally friendly refrigerants in 2023.
Property services	
Actively use intelligent means to help commercial enterprise customers save energy and reduce emissions, and eight benchmark projects in energy consumption and water conservation will be set up nationwide. For commercial projects with a service scope covering energy management, collect operational energy efficiency indicators such as electricity/water consumption per GFA and electricity/water consumption per RMB10,000 of turnover, and establish information on energy consumption benchmark values by project type.	In 2023, 12 benchmark projects in energy consumption were set up in commercial projects under management nationwide.
Retail property development and operations	
New projects of SCPG will improve air conditioning refrigeration energy efficiency by 30% or more over the existing average against a 2021 baseline.	All new projects of SCPG in 2023 were configured to the upgraded standards.
By 2025, the electricity intensity of the public areas in 20 shopping malls under SCPG will be reduced by 6% against a 2021 baseline.	In 2023, the total power consumption of the public areas in 20 shopping malls under SCPG was reduced by 1.38 million KWH. from the baseline year (2021).
SCPG will continue to monitor the relevant goals of operational energy efficiency indicators such as electricity/water consumption per GFA, electricity/water consumption per RMB10,000 turnover, etc., striving to achieve the industry-leading level.	In 2023, SCPG continued to monitor metrics related to various operational energy efficiency indicators and continued to optimise the energy management platform.


Renewable energy use

Goals	Progress
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Logistics and warehousing

<p>Vanke will gradually increase the proportion of renewable energy use, and achieve 100% coverage of distributed PV in newly built cold storage facilities.</p>	<p>By 2023, distributed PV was incorporated into the planning and design of 100% of new cold storages. As of 2023, 19 VX Logistics rooftop-distributed PV projects were connected to the grid, with a total installed capacity of 52.02MW and a cumulative power generation capacity of more than 22,000 MWh.</p> 
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Retail property development and operations

<p>By 2025, at least 18 shopping malls under SCPG will realise PV power generation, and the power generated will account for 2% of the electricity consumption in the public areas of the shopping malls. We plan to continue to promote the application of PV power generation in the future.</p>	<p>In 2023, SCPG has implemented 10 photovoltaic power generation projects. Currently, a total of 22 photovoltaic power generation projects have been implemented, generating a total of over 16,437,000 kWh of renewable electricity.</p> 
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Water Resources Management

Goals	Progress
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Property services

<p>Actively promote water conservation. Continuously improve water conservation measures in our daily business and operations through fine management and application of technical means. Strengthen the recycling of water resources and reduce water pollution.</p>	<p>Water consumption intensity in 2023 was 45.78% lower than in 2022.</p> 
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Hotel and resort

<p>We will consider water-saving solutions for projects under construction. For example, choosing water-saving bathrooms for guest rooms and public toilets, configuring direct drinking systems for some hotel rooms, and using reclaimed water systems for some projects.</p> <p>We will carry out water-saving renovation for projects in operation, enhance employees' awareness of water conservation, increase publicity to in-house customers, and introduce water-saving incentive policies.</p>	<p>In 2023, Banyan Tree Dongguan selected water-saving bathrooms for both guest rooms and public toilets.</p> <p>All water fixtures to be replaced in 2023 were selected based on water efficiency.</p> 
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Green Leasing

Goals	Progress
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Rental housing

<p>By 2025, 100% of Port Apartment's rental contracts will incorporate ESG-related initiatives.</p> <p>In 2023, Port Apartment will continue to promote the incorporation of energy conservation initiatives into tenant treaties and the implementation of paperless leases.</p>	<p>In 2023, Port Apartment's individual rental contracts were 100% paperless and 100% incorporated the terms of ESG-related initiatives, met their 2025 target ahead of schedule.</p> 
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Green Construction

Goals	Progress
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Property development

<p>Referring to the <i>Ministry of Housing and Urban-Rural Development's Guidebook for the Reduction of Construction Waste at Construction Sites (Trial)</i>, we will establish a management system for the reduction of construction waste at construction sites, formulate a special plan for the reduction of construction waste at construction sites, and advocate and encourage construction parties to improve the utilisation rate of construction waste.</p>	<p>We have implemented the principle of reduction of construction waste of the Ministry of Housing and Urban-Rural Development, and incorporated relevant measures into the project planning, bidding requirements and cost control. We have reduced the discharge of construction waste throughout the life cycle of construction through the development of prefabricated buildings such as steel structures, the use of energy-saving and environmentally friendly raw materials, the optimisation of the balance of earthmoving, digging and filling, and the integrated design of the whole profession of decoration and landscaping.</p> 
<p>We advocate and encourage projects under construction to install intelligent water and electricity data collection equipment, and gradually increase the coverage rate.</p>	<p>In 2023, all projects under construction were equipped with hydropower data collection equipment.</p> 



Green procurement

Goals	Progress
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Property development

<p>We integrate biodiversity considerations into our procurement procedures and avoid biodiversity damage and natural environment degradation.</p>	<p>In 2023, we are progressing towards the goals. Landscape types have been selected according to local conditions, and materials and plants with strong local characteristics were chosen.</p> 
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Waste Management

Goals	Progress
<p>Property services</p> <p>Actively promote waste classification in residential projects and strengthen the resourceful utilisation of waste.</p> <p>Actively promote the establishment of pilots for waste classification in residential projects and strengthen the resource utilisation of waste.</p> <p>Establish a nationwide data ledger to record the disposal of food waste and harmful waste from commercial projects. The classification of waste from commercial projects nationwide is completely compliant, and no administrative punishment incidents have occurred.</p>	<p>By the end of 2023, Vanke Property Service conducted waste classification in 484 new residential communities; and cumulatively carried out waste classification in 2,004 residential communities from 131 cities.</p> 
<p>Hotel and resort</p> <p>Since 2022, all self-operated hotels will implement the “zero-waste” project and become “zero-waste hotels”.</p> <p>We will vigorously carry out more pilot projects of “zero-waste” recycling and organic cultivation in the hotel and resort business.</p>	<p>Since 2023, all self-branded hotels have implemented the “zero-waste” project and became “zero-waste hotels”.</p> <p>The Yun Resort Shenzhen Longcheer has completed the renovation of “Yun Farm” and put it into pilot use for organic planting.</p> 


Housing Industrialisation

Goals	Progress
<p>Property development</p> <p>The proportion of Vanke's housing industrialisation in the new construction will be steadily increased year by year. In 2021, Vanke's housing industrialisation accounted for 83% of new construction projects.</p>	<p>In 2023, the housing industrialisation projects accounted for more than 90% of new construction projects</p> 

Climate Change Response

Goals	Progress
<p>Vanke will take energy efficiency, carbon emissions, water resources, ecology and other environmental goals as tracking targets and metrics related to climate change.</p> <p>We will continue to identify climate-related risks and their impact on the Group's business, and formulate Vanke's climate change management route with reference to TCFD recommendations.</p>	<p>We continue to track the performance of various indicators, and discuss the impact of climate risks on business.</p> <p>This year, the potential financial impact of climate-related risks was addressed.</p> 

Climate Change Response



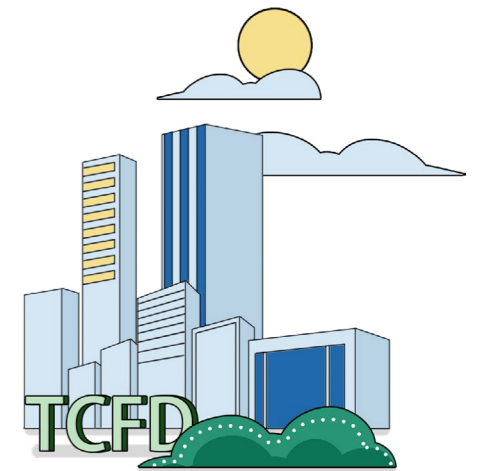
SDG 13 - Climate Action

Take urgent action to combat climate change and its impacts.

As a pioneer enterprise in tackling climate change and promoting green development, Vanke understands that climate change poses risks to its business as well as significant opportunities. Therefore, Vanke is committed to mitigating the effects of climate change while integrating climate change countermeasures into the whole life cycle covering product design, materials procurement, project construction and operation, seeking economic models to deal with the risks of climate change. In cooperation with its partners, Vanke also actively shares its best practices in combating climate change, and calls on the whole society to make contributions.

We disclose climate-related information with reference to the recommendations of the TCFD and IFRS S2 Climate-related Disclosures under four core areas – Governance, Strategy, Risk Management and Metrics and Targets. During the year, we have made reference to the climate-related disclosure recommendations issued by the Stock Exchange, our policy for identifying and responding to significant climate-related matters that have had and may have an impact on the Company, disclosure of significant climate-related matters that may have an impact on the issuer, and actions taken to respond to them during the year. At the same time, we have conducted an initial review of the potential financial impacts of significant climate risks, as recommended by the TCFD framework, in order to better manage climate-related risks and capitalise on the growth opportunities that sustainable development presents to the business. More information on Vanke's response to potential climate change risks and opportunities can be found in the “Climate-related Risk and Opportunity” section.

Vanke fully supports the country's commitment to reach a peak in carbon emissions by 2030 and be carbon neutral by 2060. We will continue improving our climate change resilience and adaptability measures to ensure that we can seize the opportunities of energy transition and green buildings during this industrial transformation period, to promote Vanke's high-quality development.




Green Design Commitment



SDG 9 - Industry, Innovation and Infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.



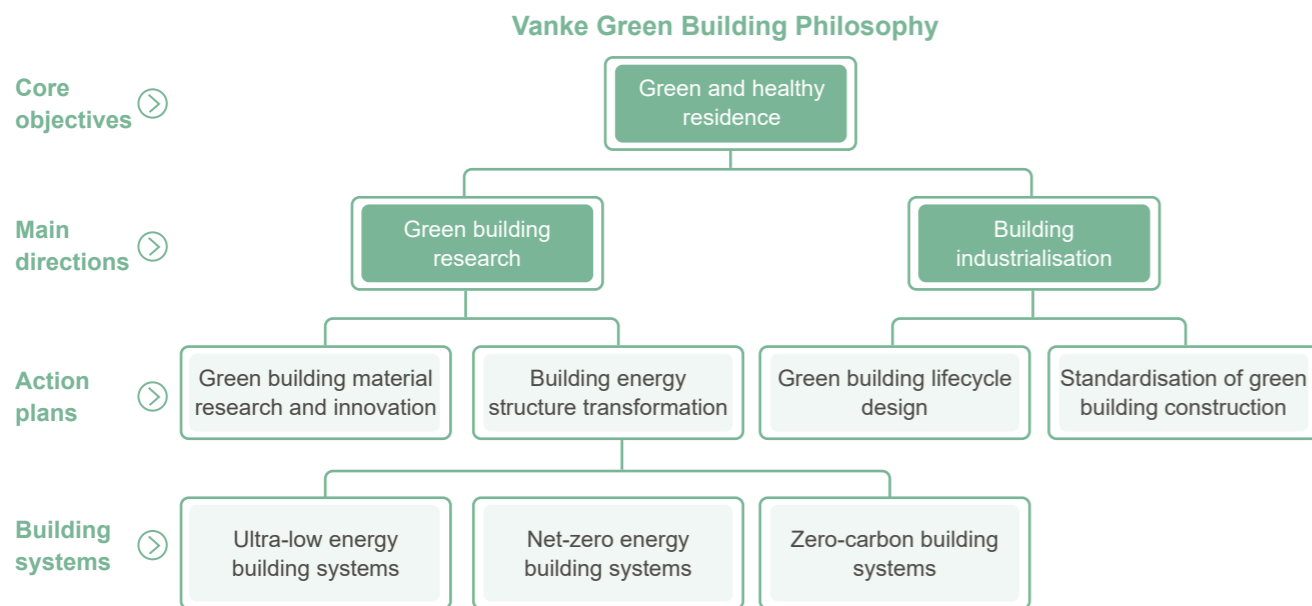
SDG 11 - Sustainable Cities and Communities

Make cities and human settlements inclusive, safe, resilient and sustainable.

The development of green building is of great significance to environmental protection and resource saving, and has far-reaching impacts on improving the quality of human habitation, promoting the sustainable development of enterprises, and fulfilling social responsibility. In 2023, Vanke continued to implement the *Vanke Guideline for Green Building Standards* to consider the human, environmental, and social significance of buildings from the perspective of the whole life cycle of buildings. This involved promoting the development of circular economy in the construction industry, helping the country's clean energy transformation, grasping the opportunities for industrial upgrading of the real estate industry brought about by green buildings, and reshaping the core competitiveness of Vanke Group.

Green building philosophy

Vanke, with its vision of “being an excellent green enterprise”, firmly adheres to the green development philosophy of “industrialisation, green architecture, and full decoration”. Based on this foundation, Vanke has internalised its green building philosophy. Our core objective is centred around “green and healthy residence”, with a primary focus on green architecture research and industrialisation. We achieve this by promoting innovative research in green building materials, implementing the transformation of building energy structures, conducting full life-cycle design for green buildings, perfecting standardised green construction practices, and exploring ultra-low energy, net-zero energy, and zero-carbon building systems. Our aim is for all new projects within the Group to achieve 100% compliance with national green building evaluation standards, while encouraging the attainment of higher-level certifications such as the 2-star and 3-star certification under the Green Building Evaluation Standard, as well as certifications like LEED and WELL. Starting from 2023, 100% of new logistics high standard warehouse projects were built in accordance with the industry’s green three-star warehouse construction, and 100% of new cold storage projects reached the target of LEED Gold standard.



Green building technology research

As one of the main directions of Vanke Group’s green building philosophy, the breakthrough of green building technology is a new development opportunity that the Company attaches great importance to. Vanke Architecture Research Center in Dongguan, in conjunction with other think tanks, is continuing to promote the research, development, breakthroughs and application of green building materials, green construction and energy transition technologies. We have always believed that innovation and green energy can create new opportunities in the construction sector. We are conducting in-depth research in the areas of green building materials, Photovoltaic, Energy storage, Direct current and Flexibility (“PEDF”), and green building, to ultimately establish a modern residential system that meets the needs of people, ensures health and longevity, and does not harm the environment.

As we continue to refine our own green building technologies, we do not forget to share our achievements in green building with the community. As at the end of the reporting period, we have become members of green building committees such as the Hong Kong Green Building Council. As early as 2012, we have established the Vanke Beijing Green Building Park Green Technology Alliance, and have cooperated with 14 international and domestic renowned research institutions and enterprises in the alliance, including the Building Research Establishment (“BRE”) of the United Kingdom, the China Green Building Council, the Fraunhofer Institute for Building Physics of Germany, and the Centre for Science and Technology of Architecture of France, to carry out cooperation and exchanges in various fields such as sustainability, innovation, business development, and technology sharing and dissemination. Extensive cooperation and exchanges will be carried out to promote Vanke Group to realise high-quality development in the field of green construction.

Green building technologies

In terms of innovation, we are actively exploring green building technologies and are constantly collaborating with external organisations with a view to acquiring more cutting-edge technologies. Among them, green building materials are the direction of Vanke’s continuous technological advancement, and it is currently researching and developing new green building materials such as ultra-thin stone formed by combining natural stone with fiberglass and other materials, pultruded fibre reinforced polymer (“FRP”), low noise vibrators, sound insulation coatings for floor slabs, and new types of inorganic anti-mould coatings, as well as exploring more possibilities of new energy structure systems in the field of construction.

Low-noise Vibrators for the Construction Process

Currently, conventional concrete vibrators are the main source of noise pollution from construction sites, seriously affecting the auditory health of workers and neighbouring residents. Therefore, Vanke, together with relevant organisations in the industry, developed a new type of low-noise inserted concrete vibrator, in which the main exposed metal periphery of the vibrator’s body is outsourced with a layer of vibration-isolating rubber through the injection molding process. The vibrator’s motor is internally installed, which reduces the noise of the concrete pouring construction and decreases the noise volume of the vibrator by 10-15dB compared with conventional vibrators by more than 90%, to meet the emission standards of the ambient noise in the field of the building construction.



New low noise vibrator

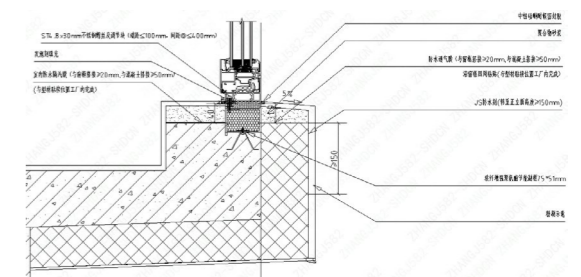
Low noise vibrator test site

Ultra-low energy building technology

Ultra-low energy building technology, as an important component of green building, aims to significantly reduce the energy consumption of buildings and minimise the negative impact on the environment through innovative design and construction methods. Through this technology, we realise energy efficiency improvements in heating, cooling, lighting and electricity in buildings, thereby reducing greenhouse gas emissions and contributing to the country’s “carbon peaking and carbon neutrality” goals.

Vanke has carried out the application of technical standards for ultra-low energy window and door systems

An ultra-low energy door and window system was adopted, and the energy-saving target for the development segment of the full construction cycle was achieved through optimised design, selected materials and standardised construction. During the design phase, we innovated the window and door structures and glass configurations to enhance the thermal insulation performance. In the procurement process, we chose the best resources in the industry to ensure the quality of materials. During the construction process, standardised processes and sample mechanisms ensure the high quality of the window and door systems. The application of ultra-low energy window and door system technology provides the real estate industry with practical examples of green building.



Drawings of technical standards for ultra low-energy window and door systems.

Standardised construction of building technology

We actively participate in the formulation of various construction standards, with a view to contributing Vanke's wisdom and strength to the standardisation of the construction field, while promoting the development of our own construction industrialisation. In 2023, we led and participated in the development of the following types of standards:

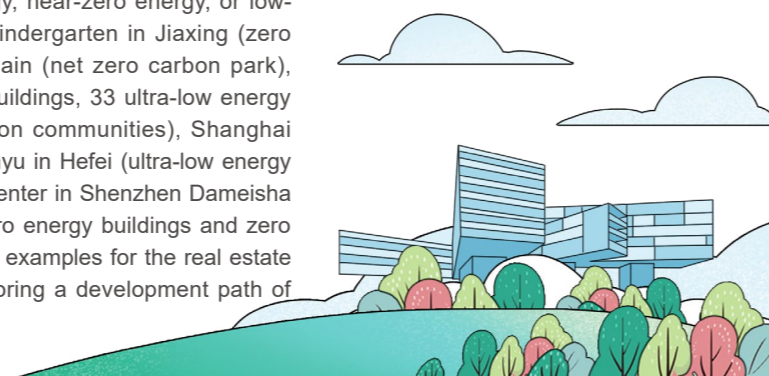
Vanke's Contribution to International, National and Industrial Standard Formulation in 2023	Participants
National standards participated and published:	
• GB/T 28627-2023 <i>Gypsum Plaster</i>	• Dongguan Vanke Construction Technology Research Co., Ltd.
Industry group standards participated in and published:	
• T/ZSPH 03-2023 <i>Technical Requirements of Digital Home Platform</i>	• Dongguan Vanke Construction Technology Research Co., Ltd.
• QBT 2584-2023 <i>Shower Room</i>	• Zhuhai Caizhu E-commerce Co., Ltd.
• T/CECS 10317-2023 <i>General Requirements for Centralized Procurement of Solar Water Heating System</i>	• Zhuhai Caizhu E-commerce Co., Ltd.
• T/CECS 10335-2023 <i>General Requirements for Centralized Procurement of Fresh Air System</i>	• Zhuhai Caizhu E-commerce Co., Ltd.
• T/CECS 10333-2023 <i>General Requirements of Centralized Purchasing of Thermal Insulation Composite System on Wall</i>	• Zhuhai Caizhu E-commerce Co., Ltd.
• T/CECS 10334-2023 <i>General Requirements for Centralised Procurement of Building Doors and Windows</i>	• Zhuhai Caizhu E-commerce Co., Ltd.
• T/CNHA 1060-2023 <i>Quality and Technical Requirements for Kitchen Electrical Appliances for Centralized Procurement and Similar Purposes Range Hood</i>	• Zhuhai Caizhu E-commerce Co., Ltd.

Green building design

With the increasing global emphasis on environmental protection and sustainable development, green building has become a trend in the real estate industry. In this context, green building design has become an important indicator of the social responsibility and sustainable development ability of real estate enterprises. We provide customers with green and low-carbon habitat products through our comprehensive green building full life cycle design system. We continue to enhance our green building system in terms of green building materials, ultra-low energy building design, and carbon-neutral community operation, with the ultra-low energy building system, net-zero energy building system, and zero-carbon building system constituting Vanke's green building portfolio.

Green building system

Under the advocacy of the green building philosophy, Vanke continues to explore the sustainable development path on the zero-carbon road of architecture. Based on the current green building system, in recent years, Vanke has successfully implemented and obtained certifications for multiple projects in the areas of ultra-low energy, near-zero energy, or low-carbon demonstration zones. These projects include the Yuli Kindergarten in Jiaying (zero energy building), Vanke Shanghai Fengxian Logistics Cold Chain (net zero carbon park), Shanghai Jiading NEXUS project (including three zero energy buildings, 33 ultra-low energy buildings, a low-carbon community, and partial near-zero-carbon communities), Shanghai No.1 Zhongxing Road project (zero energy building), Langshi Senyu in Hefei (ultra-low energy building), Puyin Yinci in Hefei (ultra-low energy building), Vanke Center in Shenzhen Dameisha Carbon-Neutral Community, and Shanghai Yabingli Phase IV (zero energy buildings and zero energy demonstration building). These projects serve as excellent examples for the real estate industry in implementing ultra-low energy construction and exploring a development path of near-zero emissions.



Zero Energy/Near-zero Carbon Project - Yabingli Phase IV Project

Vanke is committed to transforming the Yabingli Phase IV project into a near-zero energy consumption development. During the design phase, a total area of 4,158 m² has been reserved for the installation of photovoltaic panels. Additionally, Vanke is exploring the implementation of BIPV technology on the rooftops, integrating solar power generation with the architectural design. The project has selected high-efficiency photovoltaic products with a maximum conversion rate of 23%. Through the utilisation of renewable energy sources, it is estimated that a total carbon reduction of 14,162 tons will be achieved.

Furthermore, within the project, we have also planned a 5,700 m² area dedicated to zero-energy demonstration buildings. All equipment within this area is selected to be of first-class energy efficiency, and the electricity consumption is fulfilled entirely through the utilisation of renewable energy sources. To enhance the of photovoltaic power generation, we have simultaneously introduced the PEDF technology for the project. The entire lighting system adopts direct current ("DC") devices, and the energy storage equipment chosen is characterised by high safety, reliability, rapid response, and ease of maintenance. Through the utilisation of an energy router, we have carefully planned the application cycle of grid electricity, energy storage, and photovoltaic power generation, ensuring an abundant energy supply and cost-effective operation.

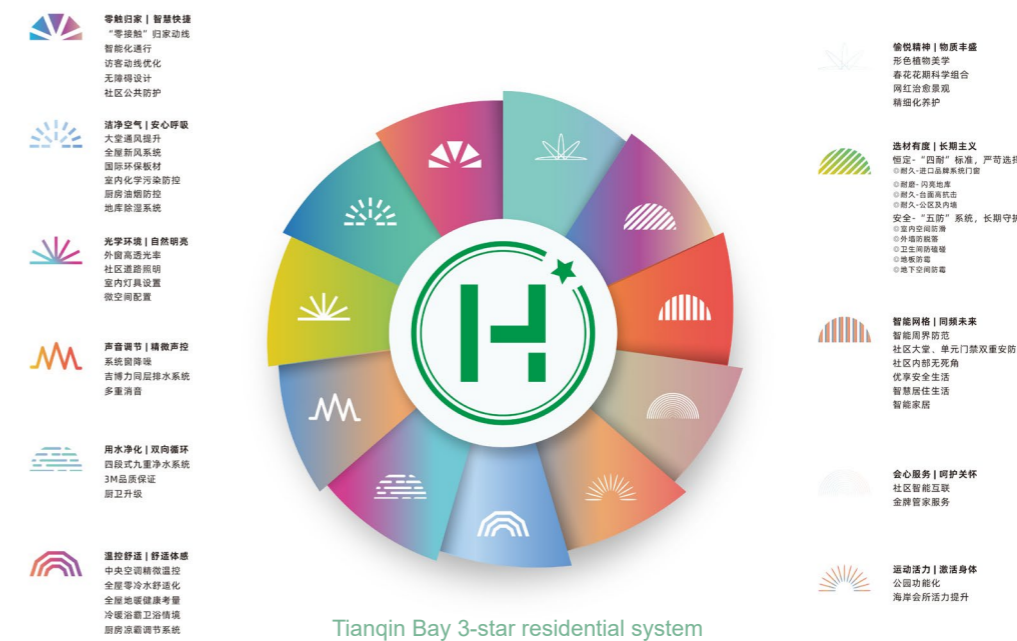
Healthy residential systems

As a responsible real estate developer, Vanke is not only responsible for the health of the environment, but also for providing consumers with healthy and green products. Based on the human body's health and comfort needs, we constructed a healthy settlement system with 11 dimensions, including air, water, and sound, that featured in all of Vanke's projects.

Vanke Healthy Three-Star Residential Area--Yantai Tianqin Bay

In order to build a high-standard three-star residential area, we conducted a full-scope health demand excavation for the Yantai Tianqin Bay project, and formed a separate *Tianqin Bay - Vanke Healthy Three-Star Residential Performance White Paper* based on our healthy settlement system.

The health system of Yantai Tianqin Bay's three-star residential area involves multiple scenarios and dimensions, and pays attention to the sensitivity and comprehensiveness of owners' health needs. Through in-depth analysis, we have reimagined and redesigned the home environment, focusing on various dimensions such as mobility, air quality, lighting, sound, water environment, thermal comfort, mental well-being, materials, intelligence, property management, and physical fitness. By creating a holistic and comprehensive health lifestyle chain, we aim to provide our customers with comfortable and healthy products.



Tianqin Bay 3-star residential system

Climate adaptation

As the impacts of climate change become more pronounced, improving climate resilience has become a global priority. Building climate resilience is an important part of Vanke's sustainable business activities, and we continue to improve our climate resilience through research on building material durability technologies, green whole-life-cycle building design, and participation in climate resilience technology standards.

Vanke has been invited to participate in the development of the association standard *Resilient Planning and Design Standards for Urban Residential Areas*

The *Resilient Planning and Design Standards for Urban Residential Areas* is co-edited by China Urban Development Planning and Design Consulting Co., Ltd. and Beijing University of Technology. It is planned to involve 11 academic institutions and corporate entities, including Tsinghua University, China Academy of Building Research, and Vanke, in its development. Among these participants, Vanke is the only property development company to have been invited to collaborate.

Vanke's role in the *Resilient Planning and Design Standards for Urban Residential Areas* includes the "Resilience of Residential Buildings" chapter. This chapter encompasses topics such as structural resilience, component resilience, all-age adaptability, integration of pandemic measures, climate resilience, and resilience in response to emergencies. We fully share Vanke's experience and wisdom in climate change adaptation in recent years, with a view to enabling the construction sector to continuously improve climate change resilience and ensure building durability and liveability.

Green building certification

Vanke follows national and industry green building standards such as the *Assessment Standard for Green Building*. It formulates and updates the *Vanke Guideline for Green Building Standards* according to the climatic characteristics and energy-saving requirements of the operation sites, and its subsidiaries have compiled the VX Logistics LEED Standardised Design Guidelines and other relevant procedures in accordance with the Group's requirements. In 2023, we continued to improve a "people-centric" green building system, to create a green, low-carbon and healthy building environment for our customers. At the same time, Vanke takes into account the climate, environment and resources of the region where the building is located, and sets clear requirements and implements strategies in terms of safety and durability, health and comfort, daily convenience, resource conservation, and the liveability of the environment.



New projects have met the green building evaluation standards for **10** consecutive years, and by the end of 2023, Vanke's cumulative GFA meeting the green building standards exceeded **328** million m².

In 2023, there were **25** new 2-star certified green building projects (including residential/public/logistics and warehousing), **42** new 3-star certified green building projects (including residential/public/logistics and warehousing), **5** new projects obtained LEED Gold certification, and **1** new project obtained LEED Platinum certification.

Among the new projects meeting green building evaluation standards in 2023, **48%** of new property development projects introduced renewable energy design, **100%** of new commercial projects introduced renewable energy design, and **100%** of new cold storage projects introduced renewable energy design.

LEED Certification Projects

Project name	Level	GFA (10,000 m ²)	Type
VX Tianjin Dongjiang Port Cold Chain Park	Platinum	7.44	Design
VX Nanchang Changbei Cold Chain Park	Gold	6.03	Design
VX Yoursender Shenzhen Yantian Cold Chain Park	Gold	10.87	Design
VX Wuhan Dongxihu Cold Chain Park	Gold	9.05	Design
Shanghai Hongqiao Qianwan InCity MEGA	Gold	25.64	Pre-certification
Shanghai Longhua Vanke Centre	Gold	7.23	Design

Three-star Green Building Certification Projects

Project name	GFA (10,000 square metres)	Type
VX Tianjin Dongjiang Port Cold Chain Park	7.44	Operation
VX Chongqing Air Park	7.14	Operation
VX Xuzhou Dry Port Cold Chain Park	5.36	Operation
VX Nanning Liangqing Park (Phase II)	7.23	Operation
VX Shenyang Yuhong Shaling Park	8.33	Operation
VX Shanghai Nanqiao Cold Chain Park	3.09	Operation
VX Kunming Airport Park (Phase III)	6.09	Operation
VX Zhongshan Huangpu Park	7.35	Operation
VX Ningbo Free Trade Zone	4.94	Operation
VX Wuxi Xishan Campus	6.84	Operation
VX Qingdao Jimo Park	7.8	Operation
VX Wuxi Xinwu Wangzhuang Logistics Park	7.87	Operation
VX Wuxi Shuofang Airport Park	9.67	Operation
VX Nanning Liangqing Park	6.94	Operation
VX Tianjin Wuqing Park (Phase II)	8.49	Operation
VX Tianjin Ninghe Park (Phase I)	4.11	Operation
VX Tianjin Ninghe Park (Phase II)	4.31	Operation
VX Tianjin Binhai Park	6.58	Operation
VX Tianjin Jinghai Park (Phase I)	4.4	Operation
VX Tianjin Jinghai Park (Phase II)	6.68	Operation
VX Tianjin Jinghai Park (Phase III)	3.97	Operation
VX Kunming Airport Phase III	5.98	Operation
VX Nanning Hi-Tech Park	14.66	Operation
VX Nanning Liangqing Bonded Park	5.29	Operation
VX Shanghai Fengjing Campus	6.3	Operation
VX Changchun New District Campus	7.49	Operation
VX Nanchang Air Park	10.85	Operation
VX Zhengzhou Zhongmou Campus	5.42	Operation
VX Wuhan Jiangxia Bridge Park	9.4	Operation
VX Wuhan Yangluo Park	7.35	Operation
VX Jiaxing Haining Hi-Tech Zone Park	5.53	Operation
VX Nanjing Qixia Bonded Park Phase II	3.12	Operation
VX Wuxi Huishan Campus	7.82	Operation
VX Kunming Airport Phase I	12.22	Operation
VX Kunming Airport Phase II	5.87	Operation
VX Kunming Hi-Tech Park Phase I	3	Operation
VX Kunming Hi-Tech Park Phase II	7.3	Operation
VX Guiyang Airport Park	10.31	Operation
VX Urumqi Airport Park	19.26	Operation
VX Huai'an Jingkai Park	5.24	Operation
VX Hefei Jingkai Park	8.47	Operation
VX Shenyang Yuhong Park	2.84	Operation

Advancing Green Construction

9

INDUSTRY INNOVATION AND INFRASTRUCTURE

SDG 9 - Industry, Innovation and Infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

11

SUSTAINABLE CITIES AND COMMUNITIES

SDG 11 - Sustainable Cities and Communities

Make cities and human settlements inclusive, safe, resilient and sustainable.

We integrate the philosophy and practice of environmental protection into the entire process of environmental governance, green materials, green construction and housing industrialisation, leading the green life with green living environment. Vanke Group, complying with laws and regulations such as the *Law of the People's Republic of China on Work Safety*, the *Construction Law of the People's Republic of China*, and the *Environmental Protection Law of the People's Republic of China*, continuously improves its environmental protection capability to ensure that its operations do not have any negative impacts on the outside world.

Green environmental governance

Vanke Commitment on Avoiding Greenfield Development

Vanke adheres to the commitment on avoiding greenfield development. We refrain from initiating projects in national nature reserves, farmland, green field, agricultural land and other greenfield areas. Prior to project development, we conduct assessments considering key factors such as wastewater, waste gas, solid waste, noise, and ecological impacts. Subsequently, we proactively implement measures to minimize these impacts. In instances where avoiding greenfield sites is unavoidable, we strictly adhere to relevant laws and regulations.

We attach importance to environmental issues in land development and actively promote environmental protection projects in land development and consolidation, river pollution control and ecological restoration of lakes and reservoirs, to maximise the use of land resources and ecological value. For brownfield sites with soil contaminated, we will continue to improve the brownfield risk assessment system, maintain close communication with the government and assist in plans for soil remediation.

During the reporting period, the Group did not commit any significant violations of environmental laws and regulations. We consistently adhere to the local policy requirements of the project. Before project commencement, we undergo strict environmental impact assessment and approval procedures, carry out earnest feasibility and environmental impact assessments and registration of new projects, and make development arrangements with the approval of local environmental authorities, while announcing them on government websites for public scrutiny.



During the reporting period, the Group **did not** commit any major violations of environmental laws and regulations



Soil remediation

In line with the *Law of the People's Republic of China on Prevention and Control of Soil Pollution* and other relevant regulations, Vanke formulated and updated policies such as the *Policy for Project Operation, Maintenance and Conservation Management*, performing its responsibilities for preventing and controlling soil pollution as a property development enterprise. We established Wanchuang Qinglv (Beijing) Environmental Technology Co., Ltd. (hereinafter referred to as "Wanchuang Qinglv"), a professional environmental restoration company, to export technical services based on Vanke's experience, carry out a series of rigorous surveys and assessments on soil environmental quality for Vanke's projects to be developed, and conduct in-depth environmental surveys and risk assessments for the projects with potential risks of soil contamination. These measures aim to accurately identify and address soil pollution, effectively preventing and avoiding the risk of soil environmental quality.

In order to better accomplish the tasks of soil remediation, Wanchuang Qinglv has continuously improved its management system as well as innovation and R&D capabilities. Wanchuang Qinglv obtained the ISO 14001 environmental management system certificate, ISO 45001 occupational health and safety management system certificate, and ISO 9001 quality management system certificate. Its subsidiary Shenzhen Wanchuang Qinglv Environmental Engineering Co., Ltd. obtained the ISO 14001 environmental management system certificate, ISO 45001 occupational health and safety management system certificate, and ISO 50430 environmental protection engineering and construction management system certificate. These achievements have laid a specialised and standardised foundation for soil remediation.

In 2023, Wanchuang Qinglv continually enhanced its innovation and standardisation capabilities to raise the quality and efficiency of its soil remediation business, with a view to perfecting its environmental protection work and assuming its social responsibility. During the reporting period, Wanchuang Qinglv participated in the preparation of the *Guidelines for the Development and Utilisation of Remediated Contaminated Sites*, which applies to the investigation, design, construction, monitoring and maintenance of residential land and land for commercial and service facilities after remediation. The Guidelines is still in the stage of soliciting opinions and revising for review. If it is released, it will provide Vanke experience for the development of brownfield in the industry.



Shenzhen Wanchuang Qinglv Environmental Engineering Co., Ltd. obtained

ISO 50430

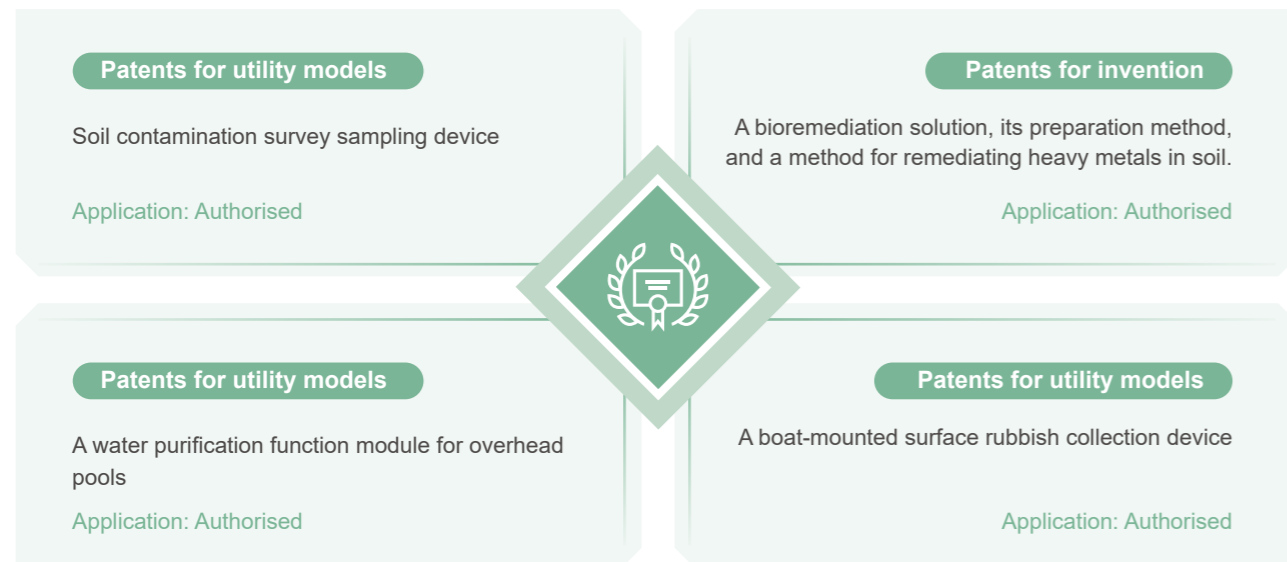
for environmental protection engineering and construction management systems



During the reporting period, Wanchuang Qinglv applied for a total of

8 patents, of which

4 have been authorised.



Contaminated sites

Through the preparation of the *Guidelines for Development and Utilisation of Remediated Contaminated Sites*, we hope to share our extensive experience in remedying brownfields with our peers. Experience with brownfield remediation comes from our multiple practices. Entrusted by customers, we have successively carried out urban brownfield redevelopment such as the Soil Pollution Remediation Project for a Site in Shenzhen and the Soil Remediation Project for a Site of an Industrial Zone in Shenzhen.

Soil Pollution Control and Remediation Project for An Industrial Site in Shenzhen

In 2021, we completed the preliminary assessment on soil contamination for an industrial site in Shenzhen. In June 2022, it was announced that the nickel and hexavalent chromium content in the soil exceeded the Class II land use screening value in the GB36600-2018 *Soil Environment Quality Risk Control Standard for Soil Contamination of Development Land (Trial)*. As hexavalent chromium exceeded the control value in some areas, the site is recognised as a polluted plot.

In April 2023, Wanchuang Qinglv undertook the construction of soil remediation project at the site. Through efficient tools and perfect management mode, it took just six months to complete the project. The stage effect acceptance was also smoothly accomplished by the environmental management department in the district. It is expected that the final assessment on the site will be completed by mid-2024 and will be removed from the restoration list by the end of 2024 to be handed over to the enterprise for development and construction.

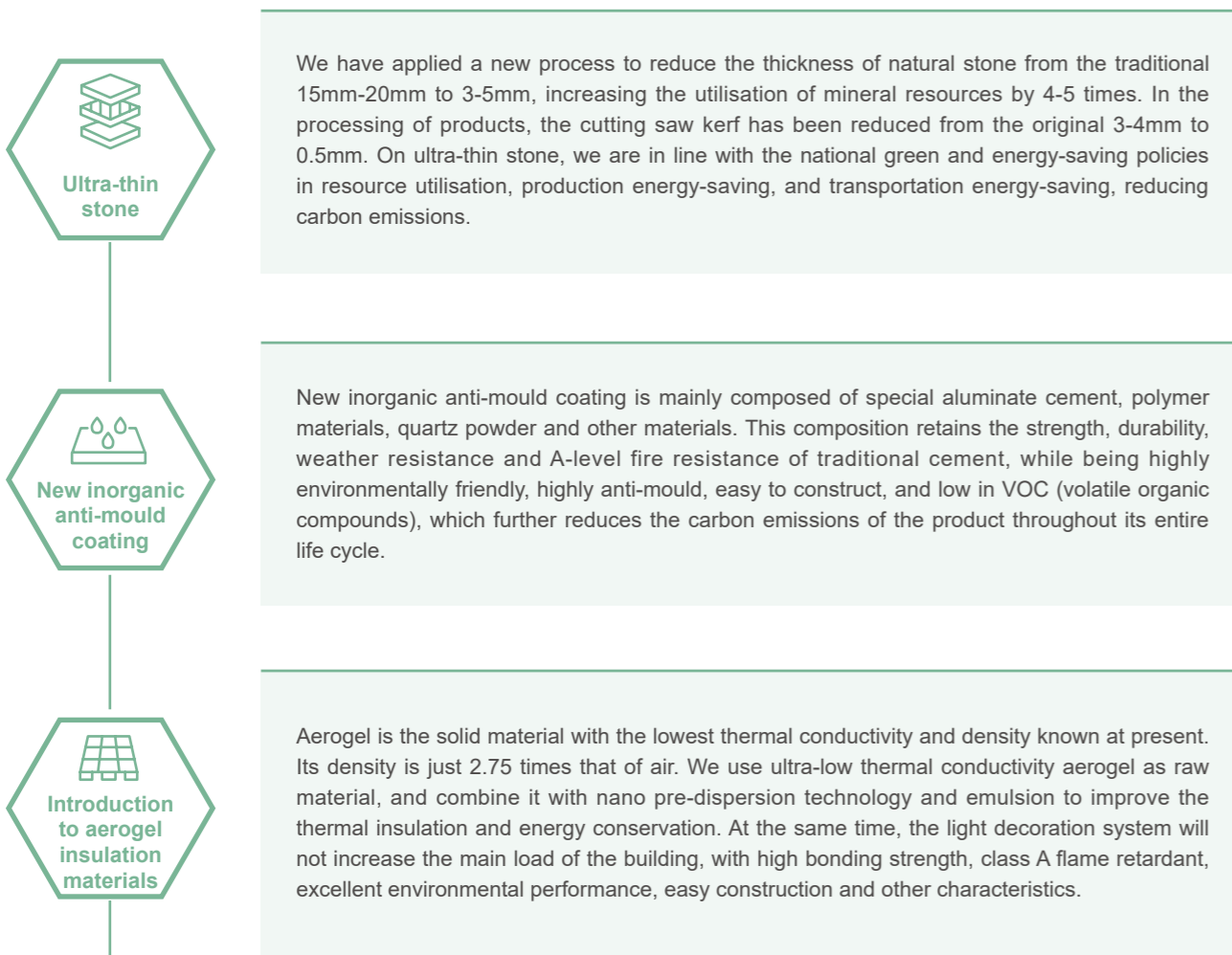


Selecting green materials

We have actively responded to national policies in green building materials, and promoted R&D and innovation in such green building materials, making positive contributions to the sustainable development of the industry. We believe that only by continuously expanding the coverage and use of green building materials can we reduce energy consumption and carbon emissions in the construction field and contribute to the realisation of the national targets for carbon peaking and carbon neutrality. We are continuously advancing the R&D system of the Group's green building materials products, exploring the needs of front-end projects, and continuously enhancing Vanke's green building materials practice in combination with its green building philosophy.

R&D and application of green building materials

Vanke Architecture Research Centre in Dongguan primarily focused on the R&D of green building materials such as ultra-thin stone, new inorganic anti-mould coatings, and aerogel insulation materials during the reporting period, to provide customers with energy-efficient products and items that can withstand climate risks by improving the production efficacy and stability of building materials.



Advancing green construction

We strictly abided by the *Environmental Protection Law of the People's Republic of China* and updated the *Green Construction Code for Building Projects*. During the construction, we have fully considered the surrounding environment and the needs of residents, and adhered to the green development philosophy of "conservation and utilisation of materials, water, energy, and land", creating a clean, tidy, comfortable and safe construction environment.

In accordance with the requirements of the ISO 14001 environmental management system, as well as the *Standard of Environment and Sanitation of Construction Site (JGJ146-2004)*, the *Green Construction Guidelines* (Notice J.Z. [2007] No. 223) and other laws and regulations, we has continuously improved the *Management Standard for Safety, Health and Environmental Protection in Site* applicable to all projects under construction developed within the scope of the Group, and developed implementation plans for materials, water, and energy consumption to standardise the on-site management of environmental protection during the construction. During the reporting period, 66.7% of the Group's business lines held ISO 14001 environmental management system certificate. At the same time, the Group carried out civilised construction and environmental management for project supervision units, general contracting units, and decoration units, had an active communication with relevant parties on the environmental management system, and required all general contracting units to obtain environmental management system certification and implement environmental management in the supply chain. During the construction, we conducted necessary communication and exchange with regulatory units or community residents in the project site regarding environmental and safety management at the construction site, in order to enhance our green construction management capabilities.



During the reporting period,

66.7%

of the Group's business lines held ISO 14001 environmental management system certificate

Risk Points in Environmental Impact

Responses

Soil

In construction site, exposed land is covered with concentrated piles of earth.

Air

We strictly require earthmoving vehicles to be covered and must be washed before leaving. A combination of fog cannons and spraying is used in the construction site, with scheduled start and shutdown, and automatic start of dust reduction equipment to reduce dust concentration.

Waste

Wastes on the construction site are required to be classified and collected as harmful, harmless, recyclable, and non-recyclable. Construction waste should be collected, stacked, and promptly cleared. A dedicated warehouse is set up on site to store fine building materials in a closed manner. High-altitude waste is transported vertically. We urge the construction unit to remove fences and other temporary facilities within the agreed timelines, comprehensively clean up the surrounding environment, and ensure a clean site after completion of project.

Lighting

We use large lights including directional searchlights for on-site tower cranes to prevent strong light from leaking out.

Noise

We identify the noise sources in the production area of the construction site, develop targeted noise reduction measures based on the characteristics of the project and the surrounding environment, and clarify the noise reduction goals and requirements.

Electric power

We develop a special electricity metering plan at the construction site to measure and control the electricity consumption of large electrical equipment.

Water

We develop a special water metering plan for the construction site, reducing the transportation of mud and water through pile foundation construction, setting up mud separation equipment, and achieving water resource recycling. The construction vehicle washing tank is equipped with a three-level sedimentation equipment, so the filtered water can be recycled.

Housing industrialisation

Through the industrialised construction system, the building quality and construction efficiency have been improved, the consumption of energy and materials in the construction process has been significantly reduced, the recycling of construction materials has been promoted, further promoting the development of circular economy. Vanke has actively responded to national policies related to building assembly, deepened its research on industrialised construction systems, expanded the application of assembled buildings, and continued to promote the application of assembled buildings in Vanke's projects.

During the reporting period, we strengthened R&D in assembly technologies, expanded the application of advanced assembly technologies such as quick construction and installation systems, assembly decoration, and one-time molding of internal and external walls, to enhance our lean construction capability and further reduce the unit energy consumption of ongoing projects throughout their entire lifecycle.



In 2023, the application housing industrialisation projects accounted for more than

90% of new construction projects

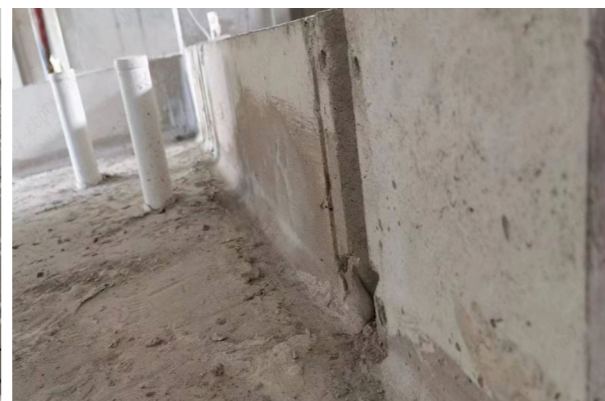
Highlight Technology	Application Structure	Technology Application
Quick connection and installation system	Main structure	For vertical components, a prefabricated shear wall and grouting sleeve connection system is adopted. For horizontal components, composite panels and prefabricated stairs are used to increase the prefabrication rate.
	Secondary structure	For the partition wall, assembled partition wall with ALC panel is used.
Assembled installation	Hard decoration	Dry floor heating, integrated bathrooms, and pipeline separation technology are applied to enhance the results of prefabricated decoration.

Changchun Widely Applies Assembled Building Technology

Changchun formulated *Changchun Vanke Lean Construction System Version 2.0* to coordinate and standardise the application of assembled building technology in Changchun, and continuously improve the coverage rate and prefabrication rate of assembled building in projects. In terms of assembled decoration, Changchun has achieved breakthroughs and applications in dry-fasten tiles, new window waterproofing, prefabricated flashing, and other technologies, which have significantly reduced labour costs and risks while improving product quality and achieving energy-saving and environmental protection.



Dry-fasten tile technology



Prefabricated flashing technology

Practicing Green Operation

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

SDG 12 - Responsible Consumption and Production

Ensure sustainable consumption and production patterns.

13

CLIMATE ACTION

SDG 13 - Climate Action

Take urgent action to combat climate change and its impacts.

15

LIFE ON LAND

SDG 15 - Life on Land

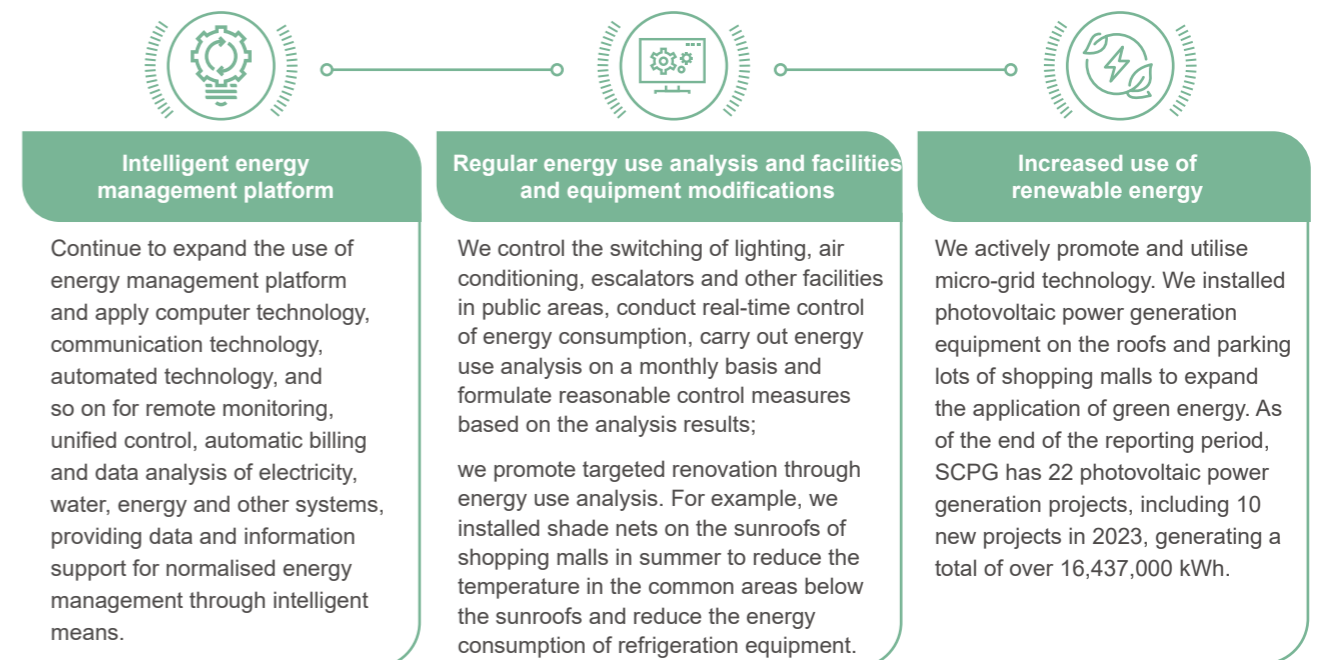
Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

Energy efficiency management

● Retail property development and operations

In terms of commercial operation, we have formulated the *Energy Conservation and Emission Reduction Management System* and the *Energy Conservation and Consumption Reduction Methods and Measures*, making clear energy conservation and consumption reduction management requirements for projects that have opened, are under construction or planned. In 2023, we streamlined and summarised 24 energy-saving measures for refrigeration systems, lighting systems, and other systems, as well as summarised and refined standardised specialised operation manuals for internal energy management, such as the *Operation Manual for Refrigeration Strategies for Air Conditioning Systems*. The manuals have been widely applied in project management and can be flexibly applied according to the specific circumstances of each project to enhance our ability to lean energy efficiency management of commercial assets.

The energy efficiency management of commercial operations relies on an intelligent management platform and continuously improves Vanke's ability to manage commercial assets in a green and low-carbon manner through enhancing refined management and applying renewable energy.



Shenzhen SCPG Centre Promoted Micro-grid Renovation and Application of Photovoltaic, Energy Storage, Direct Current and Flexibility (PEDF) Technologies

In October 2023, the Shenzhen SCPG Centre and its partners showed the phased results of the application of photovoltaic, energy storage, DC fast charging, and 600kW fully-liquid cooled supercharging technologies in commercial complexes. By applying key technologies such as photovoltaic power generation, energy storage, DC power distribution, and flexible power usage, as well as applying the intelligent micro-grid energy management system, SCPG enables self-regulation and autonomous optimisation of power usage in buildings.



Integrated fast charging station for optical storage and charging inspection equipment

In addition, Shenzhen SCPG Centre has built liquid-cooled supercharging stations, fast charging stations for solar photovoltaic, energy storage, charging and inspection equipment, destination charging stations, V2G, and other types of charging stations to meet the needs of owners' multi-level and multi-scenario energy supplement. SCPG has provided application scenarios for the promotion of green mobility and efficient use of energy, creating a benchmark for the green, low-carbon and energy-saving development of large commercial complexes.

Property services

Vanke Service, a subsidiary of Onewo, is committed to reducing the energy consumption of property operations through scientific management and technological innovation to minimise carbon emissions from property operations and to ensure that energy systems and equipment are always in the best possible condition for energy conservation. In 2023, Vanke Service formulated the *Management Code for Energy Conservation and Consumption Reduction*, which provides a scientific basis and working guidelines for residential energy conservation management. The code specifies the responsibilities of each level for energy conservation and consumption reduction. The Facilities and Equipment Professional Committee is responsible for assessing and promoting energy-saving technologies and equipment, facilities and equipment experts introduce energy-saving solutions based on project characteristics, and the project public maintenance professional manager is responsible for technical transformation, the development and implementation of energy consumption targets and management plans, and the record and analysis of energy consumption data.

In addition, Onewo focuses on improving the energy efficiency of residential projects under management by carrying out lighting system upgrades and energy-saving renovations of equipment such as air-conditioners and elevators. It puts great effort into enhancing the use of renewable energy to strengthen energy management, improve the energy efficiency of facilities and equipment, and save energy consumption and costs, achieving a win-win result in terms of both environmental and economic benefits.

Basement Energy-saving Renovation

Vanke Service actively responds to the national call for energy conservation and emission reduction by continuously improving the energy management of basement lighting. It actively carries out energy-saving renovations for basement lighting by replacing the original constant-bright lamps with microwave radar-sensing dual-bright lamps, which remain brightly lit as pedestrians or vehicles pass by and automatically switch to the micro-bright mode after about 10 seconds once they leave the sensory area.

By the end of 2023, Onewo had implemented energy-saving renovations for more than 1.2 million lamps in basements in 1,180 residential communities across the country, which is estimated to save approximately 70,000 megawatt-hours of electricity per year over the life of normal lamps.

Hotel and resort

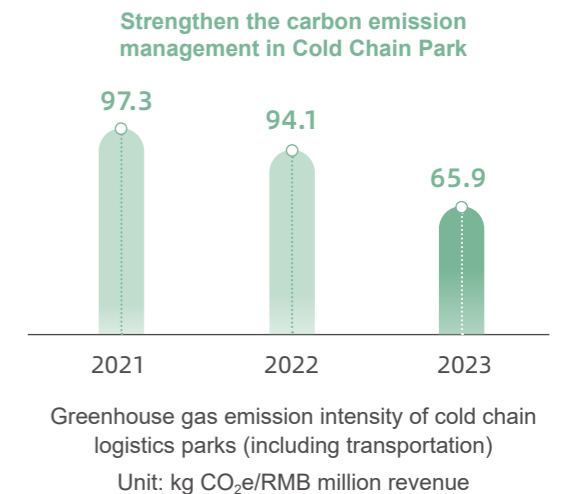
In terms of hotel operations, we implement a comprehensive energy management programme, including the establishment of energy comparison tables for the same period, equipment file lists, area energy usage statistics, and data analysis tables, as well as the implementation of intelligent regulation strategies for equipment like central air-conditioning, public area lighting, and water heaters, to achieve refined energy-saving measures based on varying air temperatures, occupancies, and seasonal demands.

Logistics and warehousing

Focusing on the theme of reducing energy consumption and improving efficiency, VX Logistics is committed to building intelligent modules for the logistics park that reduce energy consumption and improve efficiency by refining the management measures, enhancing the overall management effectiveness, and carrying out a comprehensive update and transformation of technology and equipment. In 2023, it issued documents such as the Guidelines for Energy-saving Operation, the Guidelines for Parameter Settings, and the Energy-saving Operation of Refrigeration Systems. It also optimised parameter settings and improved the effectiveness of the park's refrigeration system through the implementation of staggered peaks, standardised parameter settings of each unit, and energy-saving operations for the refrigeration system, achieving the goal of energy conservation and reduction of energy consumption.

As the central system of intelligent management and intelligent energy conservation and consumption reduction, VX-EOS connects all the equipment in the park to the operating system to achieve unified control over them. With the open-source algorithm, it is possible to optimise the scheduling of all the equipment, independently adjust the operating parameters, and conducts real-time monitoring and data collection to effectively analyse and manage energy consumption in the park, and create the optimal equipment energy consumption portfolio.

VX Logistics continues to promote distributed photovoltaic technology and enhance the coverage of distributed photovoltaic in its logistics parks. By summarising the experience of benchmark parks, it establishes a standardised system for the construction of distributed photovoltaic systems in parks (including technical requirements, construction duration, acceptance requirements, bidding lists, and processes). It gradually achieves full coverage of distributed photovoltaic on the rooftops of all park buildings and creates industry-leading, high-yield rooftop distributed photovoltaic power plant assets starting from power generation efficiency, engineering quality, and operation and maintenance levels, to assist in energy conservation and emission reduction. As of December 2023, 19 rooftop-distributed photovoltaic projects of VX Logistics have been connected to the grid, with a total installed capacity of 52.02 MW and a cumulative generation capacity of more than 22,000 MWh.



Comprehensive layout of warehouse rooftop photovoltaic in VX Tianjin Dongjiang Port Cold Chain Park

In VX Tianjin Dongjiang Port Cold Chain Park, all warehouse roofs (six cold storage buildings) are covered with photovoltaic units, using high-efficiency photovoltaic modules with a conversion efficiency of up to 21.2% and an inverter efficiency of 98.6%. The roof area is 52,454 square metres, and the total installed capacity is about 5.99 MW. According to the estimation, based on the international standard ASHRAE90.1-2010 Energy Standard for Buildings Except Low-rise Residential Buildings, the energy conservation rate of the park reaches more than 57%, and roughly 99,800 tons of carbon dioxide is reduced through the energy conservation and distributed photovoltaic application within the whole life cycle.



VX Tianjin Dongjiang Port Cold Chain Park

 Data centre

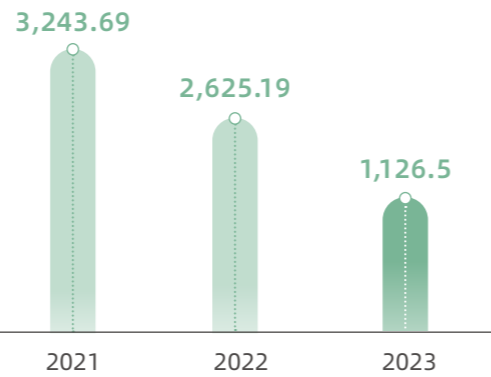
Vanke continuously pays attention to carbon emission management of data centres and actively promotes the construction of green and low-carbon data centres via measures such as usage efficiency optimisation, business upgrading, and management measures improvement. We have completed the transition from traditional data centres to public cloud data systems. In 2023, Vanke's data centres continued to implement the ISO 14064-1 international greenhouse gas emissions standard to improve resource efficiency and reduce greenhouse gas emissions by 1,498.69 tons year on year.



Total carbon emissions from leasing data centres in 2023 decreased by

1,498.69 tons compared to 2022

Enhancing carbon management of the Leasing Data Centre



Carbon emissions of the Leasing Data Centre
Unit: Tons of CO₂ equivalent

Water resources management

Vanke attaches great importance to the use and management of water resources, and our relevant water conservation policies are implemented with reference to the water conservation policies advocated by the local governments of each project. We focus on the water conservation and water recycling in the whole process of operation and continue to strengthen our efforts in water conservation management to ensure the improvement of water resource utilisation efficiency.

During the reporting period, all of Vanke's water resources originated from municipal water supplies, and no difficulties were observed in the process of water extraction. We have identified, assessed, and addressed risks that may arise in areas where water resources are under stress. We have also undertaken targeted initiatives to manage water conservation and reuse and to continuously improve water efficiency and reduce water consumption.





Through the joint adoption of various measures, we have continuously improved water utilisation efficiency and reduced water wastage.

Source management


We give full consideration to water use in project investment, development, design, construction, and operation, as well as minimise resource wastage and wastewater generation through water reuse.




Process management

<p>Property services </p> <p>Continuous optimisation of the water system, including water for greening, comes from rainwater recovered from rainwater stations and air conditioning condensate. Water for bathroom cleaning comes partly from treated hand-washing sink water.</p>	<p>Hotels and resort </p> <p>Water-saving bathrooms and water systems are used in guest rooms and common bathrooms in hotels under construction.</p>
<p>Retail property development and operations </p> <p>Overall water efficiency is improved by purchasing water-saving equipment, installing induction water-saving equipment, conducting regular inspections and maintenance of bathroom water facilities, and implementing optimised maintenance watering schedules.</p>	<p>Logistics and warehousing </p> <p>We employ high-efficiency water-saving appliances for our indoor sanitary ware, as well as metred indoor sanitary ware and fittings in the park to manage water use and find more water-saving possibilities by tracking water consumption.</p>

Water-saving publicity

<p>We set up water-saving reminders and publicity signs at water points in our business and office areas.</p>		<p>For the hotel business, we formulate ten key points to focus on at work to increase awareness of water conservation and establish the value of water conservation culture.</p>
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Platform monitoring

<p>Through establishing a digital intelligent cloud platform, the water consumption of operational projects is strictly monitored, and operational energy efficiency indicators such as water consumption per GFA and water consumption per RMB10,000 of turnover are continuously monitored to realise remote monitoring, unified control, and data analysis.</p>	
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Green leasing

We are committed to maintaining long-term, mutually beneficial partnerships with our tenants and working closely with them to promote green shopping malls, green offices, energy-efficient operations, and environmentally friendly renovation materials, to deepen green leasing and incorporate sustainable practices into operations throughout the lease life cycle. Hazardous waste within our scope of operations requires segregation and separate disposal. They have to be transferred and disposed of through licensed waste handlers who meet the eligibility requirements.

We are actively pursuing net leasing, which requires all tenants to pay for their own energy and resource costs arising from production and living, thereby encouraging tenants to implement green operation measures and develop a green lifestyle. At the same time, we continue to incorporate ESG initiative clauses into the standard lease contract covering commercial development and operations business and the rental housing business.

Property development

In 2023, we updated the Tenant Handbook, the Renovation Handbook, and the Renovation Material Brand List to provide guidance and advice references on pre-design, selection of green materials, green construction process, final acceptance, and other renovation process for new tenants in need of renovation or existing tenants who are ready to carry out renovation works.

Retail property development and operations

In 2023, we have incorporated green leasing initiatives into all our contracts to encourage tenants to minimise the environmental impact of their operations, improve energy and water efficiency, reduce waste, and promote the physical and mental health of their employees.

Rental housing

In the rental housing business, all new rental contracts signed by tenants of Port Apartment in 2023 have included green initiative clauses, such as reducing resource consumption and energy waste and compliance with rules on garbage classification and recycling, etc., and signing of 100% paperless tenants' contracts has been achieved.



Green finance

In the context of the national “carbon peaking and carbon neutrality” goals, green, low-carbon and healthy buildings are expected to be developed at a fast pace, and green finance will help accelerate the development of the green real estate market. The companies with good ESG performance have greater advantages in the field of green financing. Vanke will continue to grasp the opportunity to expand green and sustainable finance.

As the sole Chinese real estate enterprise in the Green Finance Working Group (“GFWG”), Vanke has always adhered to the philosophy of green and low-carbon and has long been committed to the carbon emission reduction and green sustainable development of property development to explore and support the construction of low-carbon ecology in an innovative cross-border way by public welfare organisations.

Vanke has established the Green Financing Framework (“GFF”) in 2021. Under the GFF, Vanke can issue green financing instruments, including green bonds and green loans. The proceeds are used to finance and refinance existing and future assets that improve Vanke’s environmental performance. We specify that the net proceeds will be used for green buildings, renewable energy, pollution prevention and control, and sustainable water and wastewater management. For more information on the GFF, please refer to our website: [Vanke Green Financing Framework](#)

The GFF received a Second-Party Opinion from Sustainalytics in 2021 based on the Green Bond Principles 2018 and the Green Loan Principles 2020.

Second-Party Opinion
China Vanke Co. Ltd.
International Green Financing
Framework



Vanke has issued three tranches of green medium-term notes with a total size of RMB7 billion

	2022 Phase I Green Medium-term Notes	2022 Phase II Green Medium-term Notes	2022 Phase III Green Medium-term Notes
Size (RMB100 million)	30	20	20
Issue date	2022-07-19	2022-08-10	2022-09-19
Maturity date	2025-07-21	2025-08-12	2025-09-21
Maturity (years)	3	3	3
Coupon rate (%)	3.0	2.9	3.2

Green investment

We firmly believe that a company’s ESG performance fully demonstrates its excellence in environmental protection, social responsibility, governance model, and risk control, and ensures that the organisation is capable of creating long-term value in a stable and sustainable manner that meets the growing concerns and expectations of society, investors, and customers regarding corporate sustainability.

Vanke places a high priority on its sustainable investment tasks, establishing a fund management company, Vansok Evergreen Fund, in 2022 together with Temasek Holdings Private Limited in Singapore, that focuses on green real estate equity investments in China. Vansok is committed to promoting the application of ESG practices in the Chinese real estate market through green investments in projects that meet the Chinese Green Building Standard’s “two-star” rating or higher.



Social Practices

- Our Strategy
- Striving for The Best as a Team
- Win-win partnership
- Shared development

Response to SDGs



SDG 3 - Good Health and Well-being

Ensure healthy lives and promote well-being for all at all ages.



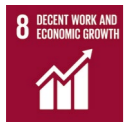
SDG 4 - Quality Education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



SDG 5 - Gender Equality

Achieve gender equality and empower all women and girls.



SDG 8 - Decent Work and Economic Growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



SDG 10 - Reduce Inequalities

Reduce inequality within and among countries.



SDG 11 - Sustainable Cities and Communities

Make cities and human settlements inclusive, safe, resilient and sustainable.



SDG 17 - Partnerships for the Goals

Strengthen the means of implementation and revitalise the global partnership for sustainable development.



Our Strategy

Philosophy



We uphold the culture of “striving for the best as a team”, providing every employee with an equal, respectful, inclusive, and diverse workplace environment and opportunities and space for growth. We advocate a “win-win partnership”, guided by the philosophy of sustainable development, to promote the progress and development of the industry; we promote “shared development”, and interpret corporate social responsibility with actions.

Goals and progress

Health and safety of employees and contractors

Goals	Progress
Group	
After a comprehensive review of the previous year’s workforce, we determine the physical test programme and set targets for the year. The physical test requirement for all divisions and frontline entities: Participation rate ≥ 95% and excellence rate ≥ 90%.	In 2023, all units of the Group participated in the physical test, with an employee participation rate of 99.15%, an increase of 1.32 percentage points year-on-year, and an excellence rate of 97.66%, a growth of 0.29 percentage points year-on-year. 100% achieved
Enhance production safety capacity to ensure no general or above grade production safety accidents under our responsibility. The production safety accidents with a general or above grade under the responsibility of related parties (including contractors) decreased by 10% year-on-year.	In 2023, there were no production safety accidents with a general or above grade under our responsibility. The production safety accidents with a general or above grade under the responsibility of related parties (including contractors) decreased by 10% year-on-year. 100% achieved
Maintain the lost time injury rate (“LTIR”) caused by employees’ occupational injuries at 1.2 or lower and continuously track employees’ LTIR.	In 2023, the LTIR caused by occupational injuries was below 1.2. 100% achieved
Ensure safety training covers all employees and all contractors.	Vanke organised regular safety training with 100% coverage of safety training for the Group’s employees and contractors in 2023. 100% achieved

Supply chain management

Goals	Progress
Ensure 100% due diligence coverage over suppliers.	In 2023, the due diligence coverage rate over suppliers was 100%. 100% achieved
We ensure that 100% of purchased aluminium alloy profiles use a chrome-free passivation process, 100% of the purchased wood is from known sources, and 100% of our materials come from Green Supply Chain Action whitelisted suppliers.	In 2023, we ensured that 100% of the purchased aluminium alloy profiles use a chrome-free passivation process, 100% of the purchased wood is from known sources, and 100% of our materials come from Green Supply Chain Action whitelisted suppliers. 100% achieved

Striving for The Best as a Team



SDG 3 - Good Health and Well-being

Ensure healthy lives and promote well-being for all at all ages.



SDG 4 - Quality Education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



SDG 5 - Gender Equality

Achieve gender equality and empower all women and girls.



SDG 8 - Decent Work and Economic Growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



SDG 10 - Reduce Inequalities

Reduce inequality within and among countries.

Vanke regards its employees as the driving force of innovation and creation, adheres to the philosophy of “striving for the best as a team” based on the principles of “consensus, co-creation, joint undertaking and sharing”, and is committed to building a better workplace where employees can work together with Vanke to create value. We continue to improve the policy system for recruitment and employment to protect employees’ rights and interests. By creating a diversified working environment and cultivating a talent team with high potential, we share development with our employees. At the same time, we care for the physical and mental well-being of our employees, actively improve occupational health and safety management, and enrich our remuneration and benefits system. We are dedicated to offering employees an equal, inclusive, and co-creative development platform. In 2023, Vanke was honoured with the “Human Resources Excellence Award” by 51job.com, “HR Digitalisation Best Practice Award” by Moka, “Best Employer of the Year” by Liepin, “Best Employer of the Year” by Zhaopin.com, and “Favourite Talent Employer Award” by BOSS Zhipin.

Protection of employees' rights and interests

We strictly abide by relevant laws and regulations and employment policies, formulating and implementing the *Code of Conduct for Employees* and the *Vanke Human Resources Manual*. We fully protect employees' legitimate rights and interests in the principle of fair, just, and open employment. In order to better serve employees and protect their rights and interests, in 2023, Vanke conducted a group-wide audit of human resources operations, focusing on remuneration, benefits, onboarding, and offboarding, to ensure all internal and external rules and regulations are strictly implemented in each unit and employees' rights to obtain labour compensation, rest, vacation, and benefits are not infringed upon. Vanke is committed to providing employees with a friendly and warm career platform for partnership and struggle.

Compliant employment

Vanke strictly abides by the *Company Law of the People's Republic of China*, the *Labour Law of the People's Republic of China*, and other relevant laws and regulations and follows all rules regarding recruitment, dismissal, and working hours, resolutely eliminating discriminative behaviours due to gender, age, ethnicity, nationality, religious beliefs, or other social and personal factors, and providing every employee with fair employment and development opportunities.

We have always upheld international standards related to human rights, such as the *Universal Declaration of Human Rights*, the *Guiding Principles on Business and Human Rights*, the International Labour Standards of the International Labour Organisation ("ILO"), and the Voluntary Principles on Security and Human Rights. We respect the human rights issues in various countries and regions, and strive to maintain coordination with the societies of various countries and regions when conducting business.

Vanke emphasises recruitment compliance, respects candidates' feelings, and takes various measures to ensure the fairness and professionalism of the recruitment system. The Group has formulated internal regulations and policies such as the *Recruitment Manual* to regulate the recruitment process from all aspects. In terms of interviewer training, we have carried out training activities such as campus recruitment interviewer empowerment. Through training for interviewers on the recruitment process and clarifying structured interview requirements, we ensure the fairness and professionalism of interviews. Vanke attaches importance to the optimisation of information technology recruitment, achieving online, paperless, and self-service of the whole process from application to onboarding, which significantly improves the efficiency and experience of new employee onboarding. Taking the safety officer position, which has the highest recruitment demand, as an example, the average waiting period from application to onboarding can be shortened by six to eight days. In some cases, it is possible to achieve same-day recruitment and onboarding.

Vanke prohibits any operating units and partners from employing child labour and forced labour. We have strict requirements for suppliers and contractors, explicitly forbidding the employment of children under the age of 16 and extending protection of employee rights and interests throughout the value chain all the time. In 2023, Vanke had no operations that employed child labour, arranged workers to engage in hazardous work, or were at risk of forced employment or forced labour. The Group's units iterated and updated their *Employee Handbook* by explicitly adding protection of employees' rights and interests clauses.



In 2023, Vanke recorded **no** risks or behaviours associated with child labour and forced labour.

Fair performance-based remuneration

Vanke adheres to the philosophy of "providing competitive remuneration in the industry in accordance with market-oriented principles to retain and attract outstanding talents", and upholds the compensation orientation of "create more, share more, pay more for more work", and constantly revises the Group's remuneration and benefit system and types of protection.



In 2023, the social insurance coverage rate of Vanke employees was **100%**



In 2023, the ratio of basic salary and remuneration of women to men employees for the same level was **1:1**



We have formulated a *Salary Scale* applicable to all employees within the Group, graded employees and fixed their salaries taking into account all factors such as employee's abilities. We regularly review the salary scale and remuneration of employees annually and apply the principle of equal pay for men and women. To align and support the development of diverse businesses, during the year, Vanke carried out a Group-wide reform of its remuneration system and adjusted the salary structure of its employees to provide more market-competitive salary levels. The adjusted remuneration plan is scheduled to be implemented in 2024.



We standardise the performance evaluation level and the standards of employee appointment, remuneration, and development. We also advocate a performance culture, continuously improve performance management, and support and help employees grow and develop. Each year, Vanke conducts mid-term and annual reviews covering all frontline business units around performance achievement to strengthen performance orientation and ensure performance fairness. During the mid-term performance review in 2023, we conducted a special "redeployment of personnel" initiative. Focusing on reviewing individuals based on their performance achievements, we selected and appointed cadres from the winning team, identifying individuals with the ability to achieve success. In doing so, we create an organisational culture that encourages new forces, where the capable are promoted, the average are given opportunities, the mediocre are demoted and the underperforming are gradually phased out.

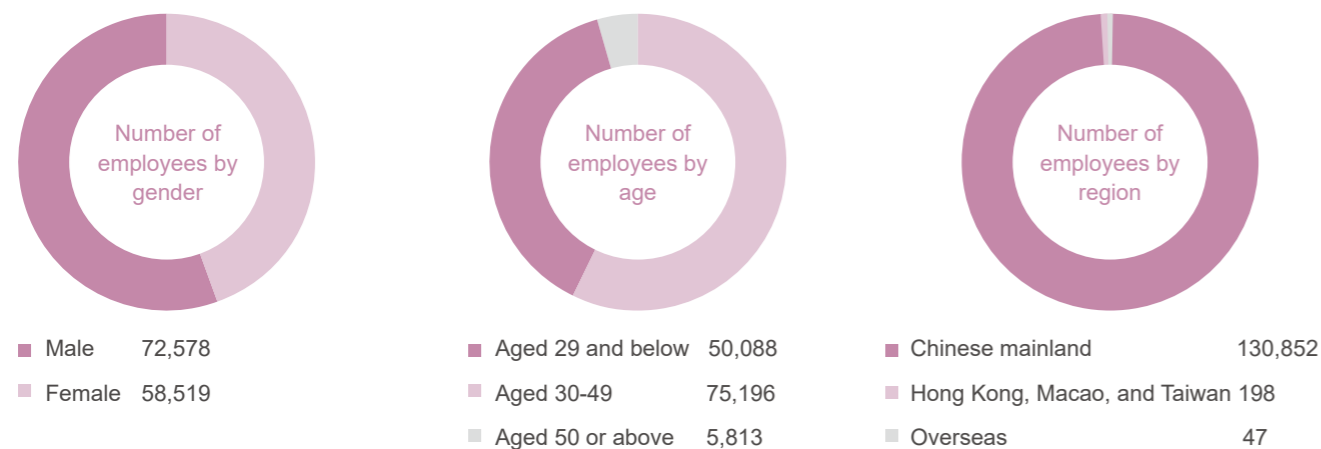


We reward employees based on individual performance and corporate performance. At the same time, we actively boost our performance communication with employees to ensure that the performance evaluation of the employees is fair and just, and consistent with their actual performance. We also provide feedback and support for the clarification and improvement of their abilities. We conduct performance interviews and year-end reward interviews with the employees after the performance evaluation to give feedback on their performance. The department/project partners provide one-on-one feedback on employee work performance and offer guidance to give employees the necessary help and support on their growth and development path. To protect employee performance rights, we have established the performance appeal process to ensure that the ideas of employees can be effectively fed back and promptly replied to.

○ Diversity, equity and inclusion

Vanke believes that corporate excellence depends on the continuous creation of a diversified, equal and inclusive workplace culture. At Vanke, each employee's individual value, unique perspective, and contributions will be respected and recognised. In our corporate culture, we advocate gender equality, promote differentiated skills, and emphasise the creation of a diverse talent team. In practice, we provide fair and non-discriminatory remuneration for all employees, ensure equal opportunities for all, strive to eliminate discrimination or arbitrary dismissal of employees, and continue to improve the inclusiveness of the workplace and the sustainability of the Company's development. In 2023, Vanke Group had no incidents involving discrimination, harassment, or fraud towards our employees. Vanke actively encourages its employees to report any instances of unfair treatment. Upon receiving a report, our internal inspection department conducts an independent investigation to ensure that each case is handled fairly. The management body will be responsible for overseeing the subsequent resolution process, making sure that employees' legitimate rights and interests are fully protected and respected.

Diversified Talent Structure



Health and safety

Employee health and safety is the top priority in our operations management. We strictly abide by the laws and regulations such as *Work Safety Law of the People's Republic of China* and the requirement of ISO 45001 Occupational Health and Safety Management Certification. We continue to improve corporate policies and assurance systems regarding occupational health and safety management. Occupational health and safety goals are an important component of Vanke's sustainable development safety goal performance. We perform regular supervision and inspections on goal achievement, promote the achievement of the goal through safety risk investigation, and occupational health and safety training and assessments. We are dedicated to creating a safe, healthy, and comfortable atmosphere, enabling employees to live healthily and work happily in Vanke.



○ Safety management assurance system

Safety management structure

The Board of Directors of Vanke is responsible for supervising and coordinating occupational health and safety strategy and performance and set up health and safety production committee. The Board member acts as the chairman of the committee, and safety management executives from the engineering departments of the development and operation headquarters act as members. The committee reports health and safety performance to the Board of Directors regularly. Meanwhile, we have established the "Group-regional BGs-projects" three-level safety management structure, with the Group responsible for centralized health and safety management.

Regionally, we have set up regional production safety management committees composed of the safety experts and safety engineers of regional companies. Furthermore, Vanke assigns safety management heads to seven subordinate regional BGs, who form a production safety management team with personnel from the engineering department of the Group to communicate specific safety issues of regions and the Group. Vanke links improvements in health and safety performance to executives' and relevant employees compensation, which is assessed and reviewed on a yearly basis to continuously improve the occupational health and safety performance of Vanke.

To ensure the effectiveness of the top-down centralized safety management system, we have established an information reporting system that requires safety incidents to be reported to the Company's top management as soon as they occur. An incident report should include seven main elements, including the cause of the incident, and it should be emailed to the relevant management of the Group within 24 hours from the occurrence of the incident. Health and safety production committee hold monthly safety production meetings to standardise our safety management system guidelines and bottom-line standards, conduct enhancement training for safety pain points, participate in accident investigation and handling, and carry out iterative enhancements on safety management measures.

Safety management policies

Vanke has established a supporting safety management system and implements the accountability system for safety incidents. We have formulated the group-wide health and safety policy, *Measures for the Control of Production Accidents* and required all business lines of the Group, suppliers, contractors, and other partners to abide by this policy. This group-wide health and safety policy defines liability for production safety accidents and adopts the one-vote veto mechanism for responsible management personnel and responsible cooperative units. In 2023, we issued the *Management Regulations on Production Safety and Quality Incidents in Development and Operation Business* to further define the accountability requirements for personnel responsible for safety incidents. It specifies that the appraisal results of health and safety improvement and performance should be taken as a factor in the performance appraisal of companies and management at all levels and links the compensation of heads of engineering departments of relevant subsidiaries, first responsible management personnel of companies, and other responsible executives to their promotion opportunities.

Vanke keeps standardising occupational health and safety management, and actively promoting safety accreditation. As of the end of 2023, Vanke Service, Cushman & Wakefield Vanke Service, and SCPG all passed the ISO 45001 occupational health and safety management system certification. Vanke conducts annual internal audits and triennial external audits of health and safety policy implementation and health and safety performance.

o Achievement of safety management goals


Vanke Production Health and Safety Commitment

Vanke firmly believes that safety is the cornerstone of corporate development. To this end, we commit that we will spare no efforts to maintain a safe and healthy working environment to ensure the well-being of every employee and partner. We set quantitative safety production targets as follows:

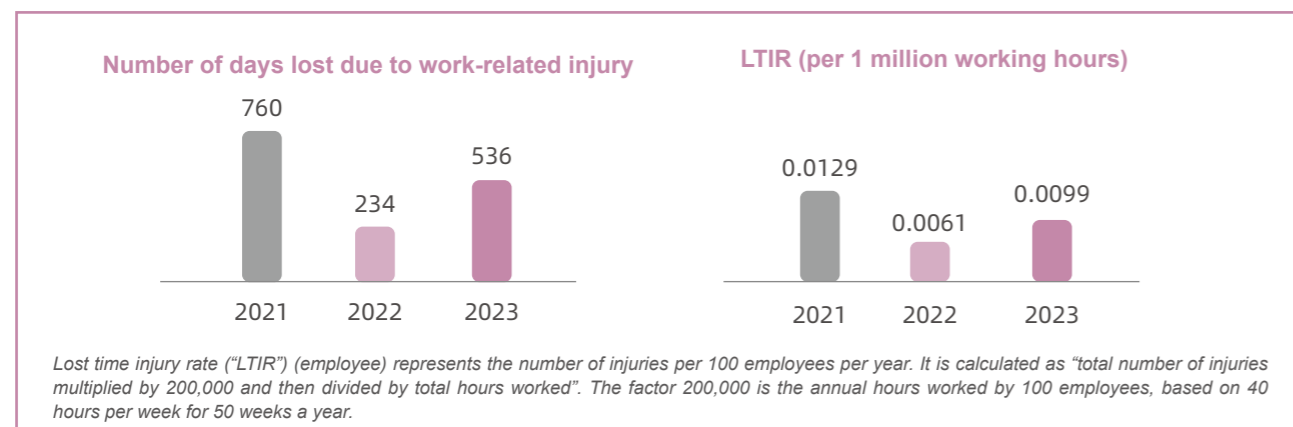
- No production safety accidents of general or higher levels under our responsibility; reduce the number of production safety accidents of general or higher levels under the responsibility of related parties (including contractors) by 10% year on year;
- Maintain a Lost Time Injury Rate (“LTIR”) at 1.2 or lower and continuously track employees’ LTIR.

To achieve these targets, we will continue monitoring quantitative health and safety metrics and performance of employees and related parties from the following four aspects of improving assurance measures for construction safety, intensifying production safety inspections, carrying out routine health and safety management of related parties, and strengthening the safety awareness of employees and related parties. This will ensure improvements in our production safety capacity.

We believe that production safety is more than a commitment and is our responsibility to every employee and partner. Vanke will work hand-in-hand with all stakeholders to create a zero-harm working environment.

Safety Production Targets	Annual Progress
<ul style="list-style-type: none"> • No production safety accidents of general or higher levels under our responsibility; • Reduce the number of production safety accidents of general or higher levels under the responsibility of related parties (including contractors) by 10% year on year. • Maintain a Lost Time Injury Rate (“LTIR”) at 1.2 or lower and continuously track employees’ LTIR. 	 <p>100% achieved</p>

LTIR (per 1 million working hours) from 2021 to 2023 (%)



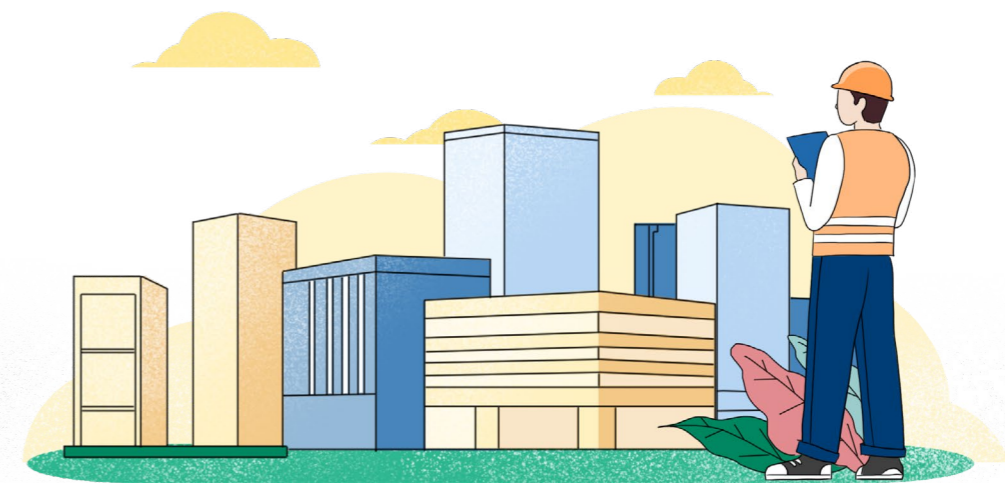
o Safety and health management actions

Vanke takes multiple assurance measures for the achievement of safety goals, including building a special assurance system for construction safety, carrying out production safety risk investigations, caring for employees’ health and safety, and offering safety awareness training. We are committed to continuously improving relevant assurance measures to minimise incidents and ensure that employees can work efficiently in a safe environment.

 Construction safety assurance

For the achievement of health and safety goals, we continuously refine our safety management work from four aspects as iterative assessment system, capacity building, standardised behaviour, and closed-loop system.

Four Aspects of Construction Safety Management	Detailed Management
Continuously update the engineering safety and quality assessment system	<ul style="list-style-type: none"> • Improve the assessment areas based on the development of new technologies and techniques, increase the assessment dimensions, and update the assessment rules to form a more realistic and comprehensive evaluation of the project.
Maintain long-term capacity building on track	<ul style="list-style-type: none"> • Ensure 100% coverage of safety and quality capability training, implement assessment and certification for induction, and conduct in-depth discussion of special topics combining pain points and difficulties to enhance capability.
Standardise safety and quality management behaviour	<ul style="list-style-type: none"> • Develop standardised management actions for physical and human defence, create standardised management processes for quality management, and establish rest areas management methods and a safety grid management system.
Guarantee a closed-loop management process	<ul style="list-style-type: none"> • Formulate pre-risk avoidance actions including lean engineering planning, decoration planning, delivery planning, programme approval, assess problematic closed-loop activities such as look-back, gate pulling, and punishment to achieve improvement and optimisation through reporting and management team review.



Production safety risk investigation

Vanke has formulated the *Comprehensive Inspection and Work Review Manual* and has been conducting comprehensive online and offline inspections, including quarterly safety compliance inspections and safety evaluations for all projects for full-coverage inspection on major risk points and on the implementation of safety management in the construction process. In 2023, we continued to use safety management tools, such as the *Safety Rating Scale* and the *Traffic Light Mechanism Checklist*. We engaged professional third-party organisations to conduct analytical evaluation of key risk points at stages of construction and delivery across all operations, and we urged rectifications of any identified risks.

Sample of risk points for third-party assessment



Risk of Fall from Height and Strike by Objects

Check whether the height of the protective railing of the suspended platform meets the requirements of regulations, whether the safety rope is independently fixed at a reliable position of the building, whether nylon rope or steel wire rope is used, and whether the handling frame is erected, and a staff passage is provided in accordance with regulations.



Risk of Crane Injury

Check whether the construction lift is provided with the lift door flap, and whether each lift meets the principle that "each machine must have a separate switch box, which should be installed with a knife switch and a leakage protector, with one switch only managing one machine".



Risk of Equipment Collapse and Overturn

Check whether key equipment is provided with anti-overturn measures in accordance with construction plans, and whether all parts are properly connected and at design strength, and are not damaged, missing or improperly configured.



Construction and Management Behaviours

Check the construction site access management, material staking and waste staking and discharging status, whether real-name management is adopted for workers at the construction site, as well as the coverage of safety management personnel.



In 2023, the Company organised third-party safety unannounced inspection and evaluation, covering **100%** of the projects under construction. **4** online safety inspections and **2** offline safety inspections have been conducted and a total of **2,574** sections were assessed to ensure the safety of production.

Health and safety management of related parties

The Company pays keen attention to the health and safety assurance for employees of contractors. In its contracts with contractors and other partners, it explicitly proposes health and safety requirements for contracts of the same extent as internal management standards. It also conveys to contractors the same health and safety policies as those for its employees and requires contractors to strictly abide by national, local, industrial, and corporate laws, regulations, and rules on occupational health, safety, and environment and input all human, financial, and property resources necessary for health and safety assurance.

Cultivation of safety awareness

Vanke is committed to enhancing the awareness of production safety among all related parties in the industry chain. We offer different forms of safety training to all relevant personnel, including its own employees and employees of its suppliers and contractors, and publicise safety regulations at each construction site in a targeted manner. Every year on 12th of November, the Group holds the "Production Safety Day" event to spread safety knowledge to all engineering system personnel.



In 2023, the Health and Safety Production Committee held safety training sessions **91** times, and organised exams correspondingly.



The coverage rate of safety training for employees of the Group and contractors is **100%**

VX Logistics Organised the "Safety Production Month" Event

June 2023 marks the 22nd "Safety Production Month" of China. VX Logistics organised the property service centres of all business regions and parks in China to carry out the "Safety Production Month" event themed on "Everyone Highlights Safety and Can Respond to Emergencies", which was rich in content and form, strengthening employees' safety awareness and emergency response skills.

In terms of first aid training, parks delivered theoretical and practical lectures and made on-site demonstrations with human body models. One-to-one guidance and operation drills were offered to employees who participated in training, and personnel injuries were simulated. The training covered first aid and CPR, trauma rescue (hemostasis, bandaging, fixation, and moving) operations and the responses and handling methods for common emergencies.

Adhering to the service philosophy of "Everything is under control", this "Safety Production Month" event strengthened the safety awareness of all persons in the parks, improved employees' emergency response capacity of "Everyone Highlights Safety and Can Respond to Emergencies", and laid a solid foundation for sustainable production safety of the Company.



Firefighters simulate actual personnel injuries



Employees in the park participate in the fire escape drill



First aid and CPR training



A group photo of participants in the "Safety Production Month" event

Care about employees' health

Vanke attaches great importance to employees' health. We not only provide free physical examination for all contract employees but also hire professional third-party institutions to perform physical tests for employees, covering all employees of the Group. Test objectives are set based on five central functions of the Group headquarters, and the participation rate of each function was required to be ≥95%, and the excellence rate of each function was required to be ≥90%. The employee participation rate and excellence rate in the physical tests are connected to the year-end bonus of the management of the centres they serve to encourage all employees to pay active attention to their health.

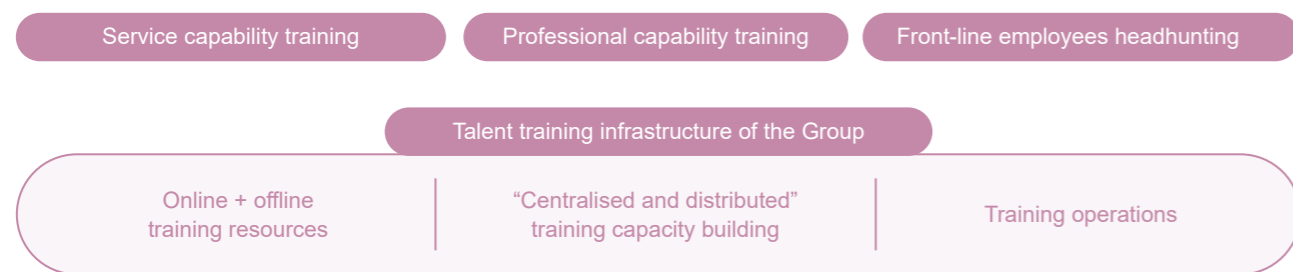


In 2023, all units of the Group participated in the physical test, with an employee participation rate of **99.15%**, an increase of **1.32%** over 2022, and the excellence rate was **97.66%**, a growth of **0.29%** over 2022

Employee training and development

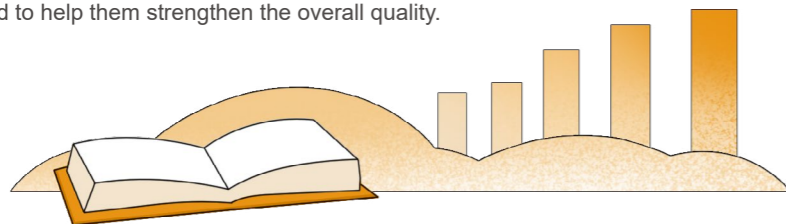
Upholding the philosophy of "highly unified cultural heritage and diversified talent training", we have built a general training system for the headquarters and BG/BU-based distributed training systems, linked by the "V-LET'S SHARE Learning Platform". At Vanke, we advocate all employees to take the initiative to seek learning opportunities, encourage them to learn in practice, and create space for strivers to challenge themselves, learn and develop continuously.

Vanke, in 2023, continued the "Talent Training Plan of the Group", prioritised professionalism and specialisation, implemented a "3+1" training management system, and developed courses related to corporate culture development and professional skill improvement.



Vanke's "3+1" training management system

In response to business expansion and scenarios, in 2023, we developed diversified training forms, focusing on the enhancement of employees' service and professionalism to adapt to the changing market environment and business needs, and to help them strengthen the overall quality.



In 2023, the Company developed or updated a total training courses of

2,166, with an average training duration among employees of

25.63 hours

Headquarters' training system

In 2023, under the "3+1" training management system, the headquarters' training focused on strengthening the "service capability" pillar, combining online training and star certification mechanism based on the online mobile learning platform "V-LET'S SHARE Learning", to better drive the learning development of operation and service employees and the acquisition of certification advancement.

In addition, focusing on "professionalism and specialisation", we promoted the relevant training under the "3+1" training management system.

In terms of "professionalism", Vanke continues to strengthen the construction of corporate cultural values. During the reporting period, Vanke Group conducted 17 special training sessions for all employees, including more than 680 core management personnel, as well as frontline management personnel in the management departments of the headquarters, various BGs and BUs. Through the "professionalism" training, Vanke empowered and supported the career and skill development of employees, stressed mutual respect between people and encouraged employees to actively express their opinions in order to deepen employees' recognition of corporate values.



With regards to "specialisation", Vanke carried out Special Training for Business Unit Partners, and Front-line Leadership Training for BGs, BUs, and the headquarters. More diversified training forms were developed in 2023. The development and operation headquarters led the construction of a batch of demonstration bases reflecting professional integration ability. From dimensions such as different project types (mainstream residential projects/large projects/integrated commercial offices) and product modules (facades/landscapes/fine decoration), Vanke constructed a batch of demonstration bases in line with the principle of professional integration. These represent the ideal states, such as correct product origin and high-cost effectiveness and serve as a significant platform integrating practice and training.

Distributed training system

Vanke Group's distributed training system includes the Jiayi Academy in the Northern Region BG, the Sixing Academy in the Southern Region BG, the Pujiang Academy in Shanghai BG, the Southwest Academy in the Southwest Region BG, the Onewo Zed Academy for Onewo BG, and the IN-Academy for SCPG BU.



Employee training for all segments

	Professionalism	Specialisation
 <p>The “Voyage Programme” training camp</p> <p>Offline training was carried out on six topics: “Spreading Culture, Know Our Customers, Master Operations, Understand Products, Grasp Operations, and Lead the Team”, which helped 42 reserve park managers to quickly play their roles, improve their abilities, and adapt to the environment.</p>	<p>“VX Stars” and “VX Students” training programmes</p> <p>The “PBL--points, badges, and leaderboards” gaming element was introduced to employees’ development paths to stimulate them to “emulate, learn from, catch up with, help and in turn surpass each other.” The training programme for management trainees was designed by the “7-2-1 rule.” Specifically, 70% of the capabilities required for management trainees are taught by senior employees. Management trainees experience a six-month job rotation to enhance their business skills in practice. Meanwhile, 20% of the capabilities required are developed in diversified ways of learning, such as attending regular business meetings, management interviews, and cross-park learning. Lastly, 10% of the capabilities required are acquired through offline intensive training, line skills training, the “V-LET’S SHARE Learning” online mobile learning platform, and reading clubs. It was planned in 2023 to help 37 VX Stars and 111 VX Students quickly integrate into new positions.</p>	
 <p>Professionalism training system for new employees</p> <p>Online learning maps, offline intensive training, and on-the-job training mechanisms were established. By leveraging the guidance of a designated onboarding mentor, assist new employees in achieving a professional integration and growth transformation within one month, equipping them to meet the job’s core values and professional requirements, and adapting to the pace of business development.</p>	<p>The training and certification camp for apartment managers</p> <p>A training and certification system for apartment managers was created based on such managers’ missions and core competence requirements. The four procedures--90-day pre-job self-learning and self-testing, one-week offline intensive training, discussion and co-creation, and certification and examinations, facilitate apartment managers to grasp core business skills and gain comprehensive abilities to better serve society, customers, and tenants.</p>	

◉ **V-LET’S SHARE Learning: A mobile knowledge sharing platform**



The Vanke “V-LET’S SHARE Learning Platform” Online Mobile Learning Platform has provided rich and diverse learning resources for employees, precisely matched and pushed courses, and enabled employees to improve their skills. In 2023, to meet the learning needs of front-line employees based on scenarios, fragmented time, and mobile terminals, operational and service business units such as the Long-term Rental Apartment BU and Logistics BU utilised the V-LET’S SHARE Learning Platform. They segmented essential and frequently used knowledge into digestible units, re-edited them, and uploaded them onto the platform. This approach facilitated easy learning and skill review for employees, enabling quick onboarding and skill advancement for front-line operators while unifying standards and operational procedures.

The 2023 Employee training coverage rate was **100%**

The number of courses uploaded to the V-LET’S SHARE Learning Platform exceeded **6,380**

◉ **Empower employees’ development**

Vanke formulated the *Vanke Business Partner Programme* and specified that “People are our source of innovation and creativity. We respect each employee’s personality, stimulate each employee’s creativity, and provide a stage for everyone to showcase their talents in our enterprise”. The “Great Rivers and Seas” Talent Programme embodies Vanke’s respect for talent. Through this programme, the Company aims to constantly cultivate young people generation by generation to shoulder great responsibility, inject vitality into the organisation, and achieve “partnership inheritance”. A group-wide market-oriented talent flow mechanism was created based on an online information platform to support employees to obtain more appropriate opportunities for practice and growth from the Group’s business.

In 2023, Vanke further broadens the stage for employees to show their talents by adding “self-recommendation and peer recommendation”, based on the existing organisational recommendation, to create a triple talent selection mechanism. This mechanism not only stimulates the initiative of talent, but also integrates multiple resources to improve the selection efficiency, allowing more talents to stand out and promoting the common growth and development of employees and Vanke.

Employee involvement and communication

Vanke fully guarantees employees’ rights to know, participate, express and oversee. We offer diverse communication methods, such as the “12 Communication Channels”, the “Forefront Voice” Programme and the Battlefield Report Programme to actively listen to the voices of employees and create an open and transparent communication environment.

The Group disclosed the telephone numbers and emails of its executives to all employees by taking the opportunity of the launch of the WeCom account in 2023, to reinforce the building of communication channels for employees and help them express and address their problems promptly. Meanwhile, we added “self-recommendation and peer recommendation” to the nomination of the Group’s Striver Star and annual awards, based on the existing organisational recommendation, to support employees to participate in the assessment and selection of award winners through flexible and diversified channels of communication, recommend their role models, and express their opinions.

In order to better listen to the voices of front-line employees, Hotel and Resort BU performed its first employee satisfaction survey in August 2023. The survey covered five dimensions: working environment and organisational atmosphere, management level, incentives and benefits, training and development, and loyalty. These themes explore the needs of employees and identify and solve their concerns. A total of 762 responses were received, with an overall satisfaction score of 4.16 out of 5. Based on the survey results, each hotel lists the evaluation dimensions below the overall averages as their key focus area and formulated specific follow-up improvement plans. In the second half of 2023, we raised employee satisfaction in a pertinent manner by improving the management structure, reviewing and improving the incentive mechanism, and optimising training and development strategies.

Vanke will continue optimising our communication strategy, strive to maintain employees’ sense of shared ownership in the business, and stimulate their creativity and potential to contribute diverse insight and strength to the Company’s development.

Employee care and well-being

Vanke guides employees to pursue a better life in a healthy and sustainable way. We advocate the idea of “alternating work with rest”, and pays attention to the physical and mental well-being of each employee from such aspects as material, mind, and culture. We carry out a variety of team building activities to enhance the cohesion and sense of belonging of employees and endeavour to build a positive and hardworking team.

We value diverse cultures and adopt a wide range of caring initiatives for our workforce. We provide parental leave, wheelchair ramps, and work-from-home initiatives to significantly facilitate employees’ production and work and raise their sense of well-being. Moreover, we provide support programmes for employees with disabilities to deepen their sense of gain at Vanke.

◉ **Strengthen body and mind**

We set annual targets to promote the health and well-being of our employees, and link employee health directly to the management’s bonuses. We provide free medical examinations for all contract employees and monitor the health of our employees by organising physical tests and collecting information on their physical fitness and health status (e.g. BMI).

We regularly conduct physical tests to help employees understand their physical condition, promptly identify problems, and take appropriate management measures. In response to the employee feedback, Vanke updated its annual physical examination programme across the Group this year and the option of physical examinations at hospitals were added based on the institutional physical examinations to meet employee demand for the authority of physical examinations and increase their participation in physical examinations.

○ Promote a healthy lifestyle

We keep enriching our health culture. In 2022, we formulated the *Vanke Association and Club Operation Measures* based on the characteristics of Vanke associations to further standardise the management of various sports associations and clubs under Vanke. In 2023, we established the “Vanke Frisbee Association”, in response to the enthusiasm of our employees, on the basis of the 14 sports associations and clubs in 2022. Concurrently, we publish a calendar of club activities on a monthly basis. We help employees maintain a healthy work-life balance by encouraging them to participate in all kinds of sports through free gyms, fitness stations in office buildings, and health lectures. As of the end of 2023, the 15 clubs at Vanke’s headquarters conducted 608 activities with a total of 8,334 participants. The clubs participated in 16 competitions with 398 participants.



As of the end of 2023, the 15 clubs at Vanke’s headquarters conducted **608** activities with a total of **8,334** participants. The clubs participated in **16** competitions with **398** participants.



Vanke Frisbee Association

Vanke Yoga Association

Vanke Fitness Association

Vanke Alpine Association × Vanke Imaging Association

○ Ensure safe and sound

Vanke purchases commercial insurance for all new employees, including medical insurance for critical illnesses and accident insurance, and assists them in applying for medical insurance for their family members based on group discounts as well as voluntary insurance. Meanwhile, Vanke offers flexible working options, paid leaves, such as extra holidays at the beginning of each school year, and support for employees’ celebrations and funeral ceremonies.

Vanke, in 2023, formulated or updated documents, such as the *Off-site Work Support Plan for Vanke Group’s Employees* and the *Work Manual of Vanke Group for Human Resources Operations*, and further specified the scope of support for off-site personnel. With respect to commercial insurance for employees, Vanke constantly optimises its commercial insurance scheme, conducting differentiated management of commercial insurance by job post, and raising premium support and efficiency. Four insurance packages, namely A, B, C, and D, were devised, focusing on accident and disease support tailored to the varied work scenarios of employees. This approach allows organisations to procure insurance based on their employees’ specific business contexts. Each package highlights the attributes of insurance protection against risks, specifying the type of insurance and the insured amount. Additionally, measures to enhance insurance services for employees were clarified.

The Vanke Fraternal Society, established in 1998 and upholds the principle of “keeping an eye out for each other, all for one, one for all, and enhancing Vanke employees’ capacities in resisting catastrophic incidents through teamwork”, provides consolation and material support for employees hit by misfortune. Since the establishment of Vanke Employees’ Mutual Aid Society, a total of 679 members who have suffered major catastrophic events have received assistance from the society, with an aggregate assistance amount of RMB46.933 million. In 2023, 181 members received assistance, with a total assistance amount of RMB9.2 million.



Since its establishment, the Vanke Fraternal Society has assisted **679** members in the face of major catastrophic events



Total donation amount of RMB **46.93** million



181 members were assisted in 2023



Total assistance amount of RMB **9.2** million

Vanke’s Partner Benefit System

Strengthen body and mind	Promote healthy lifestyle	Ensure safe and sound
<ul style="list-style-type: none"> Free physical examination programme (covering all contract employees) Free gymnasiums Fitness stations in office buildings Health lectures Physical tests 	<ul style="list-style-type: none"> Monthly club activities Holiday activities Run for Fun 	<ul style="list-style-type: none"> Social insurance Medical insurance for critical illnesses Accident insurance Commercial insurance Subsidies Holiday care The Employee Support Programme

Win-win Partnership

17

PARTNERSHIPS FOR THE GOALS

SDG 17 - Partnerships for the Goals

Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development.

Vanke values its suppliers as integral partners, treating them with integrity while aiming to collaborate with all stakeholders to forge a sustainable supply chain. We have developed our internal policies for supply chain management, including the *Supplier Management Measures*, the *Sky-Net Action Management Measures*, and the *Sunshine Cooperation Agreement*. By clarifying the full lifecycle management process of supplier selection, evaluation and exit, we strive to effectively identify risks, and reduce potential environmental, social and safety hazards, improve Vanke and our suppliers' product quality and service capabilities.

Guided by the pioneering principles of consultation, joint contribution, and shared benefits, we actively explore opportunities with partners through the VVUPUP E-commerce sharing platform. This platform gathers Vanke's practice results in product R&D, quality control, and supply chain management, as well as the advantageous resources of our partners. By complementing each other's strengths, we work with our partners to collectively elevate the competitiveness of the entire industry's supply chain, injecting new vigour into its development.



In 2023, Vanke had **20,659** qualified suppliers



There were **8,939** suppliers on the VVUPUP E-commerce sharing platform



348 product categories



Create a sustainable supply chain

Philosophy

Vanke incorporates the philosophy of sustainable development into supply chain management, and encourages all suppliers to abide by the following ESG practice guidelines. For more details, please refer to the *Vanke Group Supplier Code of Conduct*.

 Compliance with laws and regulations.	Comply with all mandatory laws and regulations where they operate.
 Prohibition of forced labour	No forced labour in any form.
 Prohibition of child labour	No official or temporary employment of worker under the legal working age shall be allowed.
 Salary and working hours	<ul style="list-style-type: none"> Suppliers shall sign employment contracts with all employees in accordance with local laws. Employee remuneration paid by suppliers shall comply with laws and regulations on minimum wages, processing time and statutory benefits.
 Labour relations	Suppliers shall have appropriate communication mechanisms and appeal procedures for employees to express their claims to the management.
 Anti-discrimination	No employee should be discriminated based on their gender, age, marital status, sexual orientation, nationality, race, religion or physical disability.
 Anti-corruption and bribery	Create a fair and healthy business environment, and do not tolerate any form of bribery, corruption and unfair competition.
 Occupational health and safety	<ul style="list-style-type: none"> Provide a safe and healthy working environment for all employees, encourage the establishment of robust policies for health and safety, continuously identify, assess and control risks that may jeopardise the safety and health of employees. Provide employees with specific work health and safety instructions, training and equipment to reduce the risk of work-related accidents. Establish procedures for the prevention, management, tracking and reporting of work-related injuries and illnesses. Identify and assess potential emergencies and develop contingency plans to cover emergencies including, but not limited to, fires and natural disasters.
 Environmentally friendly	Advocate the philosophy of environmental protection and low carbon, and strive to reduce the impact on the environment.
 Business ethics	<ul style="list-style-type: none"> Uphold standards of integrity and good faith and prohibit any form of bribery, corruption, extortion and embezzlement. Eliminate unfair competition and comply with applicable anti-money laundering, counter-terrorist financing, and sanctions laws and regulatory requirements.

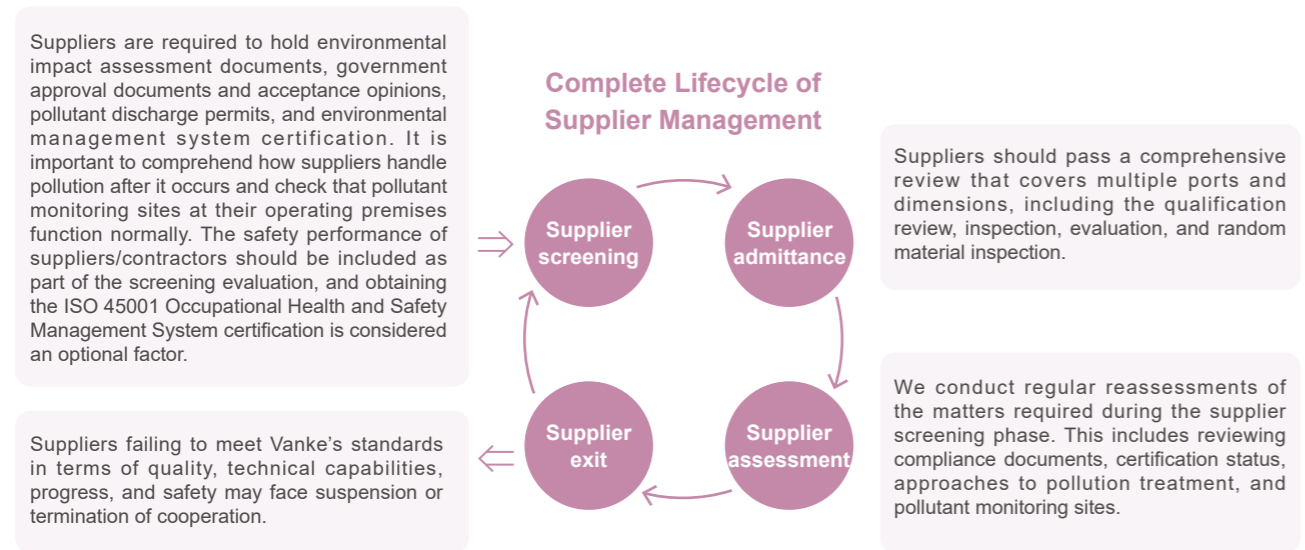
Management mechanism

Supplier code of conduct

To further clarify and uphold the philosophy of responsible supply chain management, this year, Vanke developed and released the *Vanke Group Supplier Code of Conduct*. This document outlines Vanke's minimum standards and initiatives for suppliers regarding their compliance with laws and regulations, labour rights, occupational health and safety, and business ethics. This code applies suppliers, contractors, and subcontractors of Vanke and its subsidiaries. We encourage suppliers to establish their own ESG codes of conduct (covering business ethics management) and request them to adopt and implement relevant policies and procedures.

Supplier management procedures

Vanke adheres to the *Supplier Management Measures* as basic regulations for the sustainable supply chain management. Under the premise of fully protecting suppliers' interests, we establish requirements for suppliers regarding compliance, environmental protection, and necessary quality management throughout the entire supplier screening, admittance, and assessment process.



We manage suppliers by categorising them into different tiers based on the types of materials they provide, so as to further reinforce Vanke's management capacity of product quality and safety.

Tier 1 Suppliers (Direct Suppliers)	To ensure project quality, we require suppliers (contractors) that directly provide products and services for us to undergo self-assessment. We organise internal and professional third-party audits to thoroughly review their management procedures and project quality, ensuring they comply with essential national qualification requirements.
Tier 2 Suppliers (Indirect Suppliers)	During the admittance process for direct suppliers, we require them to submit a secondary supply chain resource library (list of subcontractors). Additionally, we require direct suppliers to conduct on-site inspections of key indirect suppliers and verify the completion of audit work. We organise internal and professional third-party audits to comprehensively audit their management procedures and project quality.
Tier 3 Suppliers (Raw Material Suppliers)	We conduct regular random inspections of raw materials to ensure their quality meets standards and requirements.

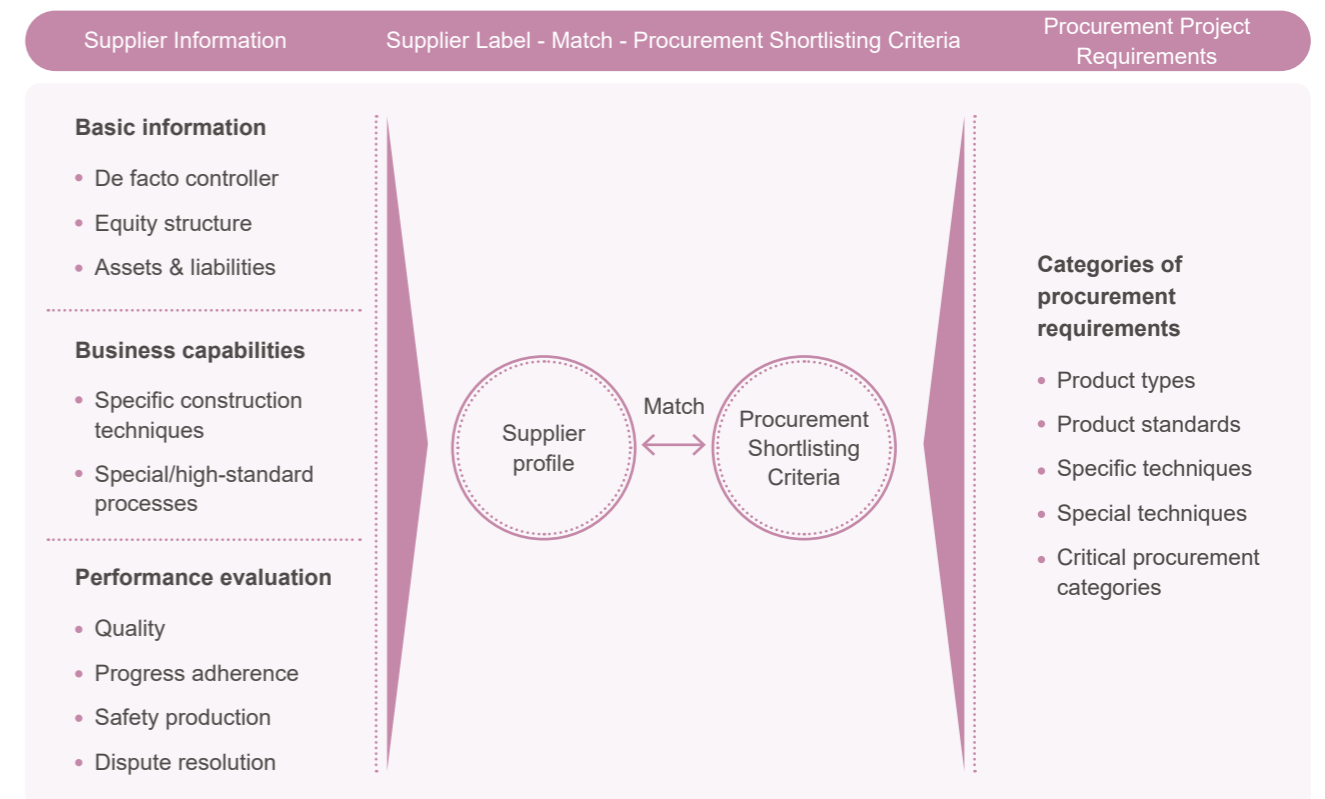


The proportion of suppliers certified in quality, environmental, and occupational health and safety management systems stands at **81.2%**, **69.3%**, and **54.3%**, respectively

In 2023, Vanke modified the programme for supplier certification procedures to improve the efficiency of matching projects with suppliers, foster a business environment renowned for fair competition, and enhance the quality of products and services. We use the supplier system to output the suppliers' basic information, business capabilities, and internal and external performance evaluation in three dimensions and form the supplier base list, and label the suppliers. Before initiating the procurement process, a thorough analysis and categorisation of procurement requirements were undertaken, generating project-specific requirement labels based on product types, standards, specific techniques, and special techniques. This enabled the identification of critical procurement categories that affect project requirements, leading to the formulation of the *Procurement Shortlisting Criteria* based on the procurement sub-category. By matching these criteria and supplier tags through the system, we ensured optimal alignment of qualified resources, facilitating more effective project-supplier resource matching.



Supplier certification management procedure



 Green supply chain ESG program

We have engaged in the Green Supply Chain Action initiated by China's real estate sector and advanced a range of green supply chain ESG initiatives through AUPUP to continually improve the influence of Vanke's green value chain. During the Reporting Period, we successfully met all green supply chain targets, working closely with our partners to stride onwards on the journey of sustainability.

We implement green supply chain ESG initiatives under the supervision of the Group's Board of Directors every year. Additionally, we have implemented a range of green controls for suppliers to ensure the green development of our value chain.



We adhere to the principle of procuring raw materials with minimal environmental footprints. During the Reporting Period, Vanke mandated that all suppliers provide materials sourced 100% from Green Supply Chain Action whitelisted suppliers, that 100% of the purchased aluminium alloy profiles use a chrome-free passivation process, and that 100% of the purchased wood is sourced. All these goals were 100% achieved during the Reporting Period. In 2023, we integrated biodiversity considerations into our procurement procedures and avoided biodiversity damage and natural environment degradation.



During the Reporting Period, Vanke ensured that all suppliers underwent thorough due diligence, achieving a 100% coverage rate, and we commit to continuing to meet this target in the future. To address environmental concerns, we set up a professional team that collaborates with the Institute of Public and Environmental Affairs ("IPE"). During the Reporting Period, we conducted environmental compliance screening on core suppliers to reduce supply chain risks and strengthen suppliers' awareness of environmental compliance management. Additionally, we participated in the IPE's CITI index evaluation to enhance our own green supply chain management capabilities. In the future, we intend to conduct quarterly reviews of suppliers identified with environmental compliance risks. For those facing significant ESG risks, we will require them to publicly disclose the causes of these risks and their remediation progress on the IPE website. In the event that suppliers fail to remedy issues on time and exhibit serious violations, Vanke will terminate its cooperation with them.

"Green List" Online Application Platform

In 2020, we launched a "green list" online application platform to include supply chain enterprises with outstanding performance in energy conservation and emission reduction in the "green list" and make priority purchases from them. In 2023, there were already 87 "green list" enterprises, representing a year-on-year increase of 65.



We organise special events and "Super Factory" activities through AUPUP, thus providing a platform for technical exchange and training to suppliers. During the Reporting Period, we conducted monthly "Super Factory" activities through AUPUP, visiting suppliers' factories in depth to understand production processes and engage in face-to-face discussions with suppliers. This year, we completed multiple "Super Factory" activities with suppliers such as Opple, Tutti, Hopewell, Huajian, Xingsanxing, Viessmann, Jomoo, Sinostone, and Tianpu, aiming to enhance suppliers' delivery capabilities.

Special Events under the Supplier Support Programme

In May 2023, AUPUP, in collaboration with the China National Building Waterproof Association and the Shenzhen Waterproof Association, hosted the Advocacy Conference for the New Policy of the General Code for Waterproofing of Building and Municipal Engineering at the Zero-Carbon Conference Hall of the Housing and Construction Bureau of Shenzhen Municipality. This event brought together government authorities, industry associations, waterproof companies, purchasers, EPC contractors, and design institutes to promote the standardised production of waterproof products and support green development.

We offer a capacity building support programme for suppliers seeking building material certification. Based on our needs for aluminium alloy profiles featuring chromium-free passivation treatment, we, in batches, have assisted suppliers with their certification applications. During the Reporting Period, we completed the supervision of the initial nine suppliers participating in the building material certification programme and aided three suppliers in their applications for building material certification.

 Supplier emergency response:


In case of quality concerns with suppliers, Vanke has established a robust emergency response system.

- **Special management and suspension of cooperation:** For product quality issues arising during collaboration, such as paint seepage or unsatisfactory tiling as a result of residual release agents on the back of tiles, we have established corresponding emergency response teams and would immediately suspend cooperation with suppliers identified with quality issues.
- **Special quality inspections by full-time inspectors:** We have worked with Sky Net to test non-conforming products, assigned professional technicians to review the production process at the shipping factory, and taken emergency management measures such as temporary product usage, returns, dismantling, and reconstruction for products in the same batch as those with quality problems.
- **Closed-loop management:** We have analysed the causes of products' quality problems, adjusted business plans, required suppliers involved to conduct self-inspections and self-corrections regarding the issues that arose, and undertaken to extend warranty periods.

 Protecting the rights and interests of contractors' workers


To urge the protection of the legitimate rights and interests of contractors' workers, Vanke has entered into the *Letter of Commitment to Timely Payment of Workers' Wages* with contractors, delineating the mechanisms for the prompt payment of wages to contractors' workers. The contract requires that Party B open a dedicated account for the wages of migrant workers, which shall be used exclusively for the payment of migrant workers' wages for the project. Party B (including Party B and its subcontractors) are prohibited from delaying or deferring payment of migrant workers' wages. Vanke has the right to randomly check the payment of migrant workers' wages. In the event of a breach, Party B shall provide full compensation, and Party A has the right to terminate the contract and revoke Party B's qualifications for future projects of Party A.

o Risk management

 Periodic comprehensive risk evaluations

For all registered suppliers, Vanke evaluates their whole-cycle business performance on a periodic basis. Through comprehensive evaluations of multi-dimensional indicators of suppliers, such as online intelligent site evaluation performance, third-party unannounced inspection evaluation performance, Skynet Action material inspection qualification rate and after-sale repair rate, we make sure that suppliers' business status, safety and quality, and environmental and social risks are under quantifiable, comparable, traceable and effective management.

Based on risk evaluation results, we identify high-risk suppliers, and interview those of high-risk key resources and review the quarterly assessment and improvement plan submitted by them to lower and manage their risks.

 Exit management

We have developed a supplier exit mechanism. Suppliers' safety incidents, subpar work, inferior material use, fraudulent activities, concrete risks, and other contract breaching behaviours are reviewed regularly. These negative acts result in varying degrees of punishment, such as the yellow card, red card, or blacklisting. If necessary, the supplier may be suspended or terminated, and we may strictly pursue relevant responsibilities against the units and individuals involved.



The number of suppliers included in the high-risk supplier management scope due to non-compliance with environmental, social, and other requirements is

0

Green procurement

AUPUP in collaboration with IPE, aims to enhance suppliers' awareness of environmental compliance management and reduce the overall environmental protection risks in the supply chain. In 2023, AUPUP conducted environmental compliance screenings for 420 key suppliers, identifying 170 suppliers with room for improvement. By the end of the reporting period, 37 suppliers had completed their rectifications, and 133 are scheduled to complete rectifications within 2024.

Commissioned by Vanke, AUPUP will carry out regular quarterly environmental compliance reviews for suppliers in the future. Suppliers with identified issues are required to disclose the causes and rectification status on the IPE website and are mandated to make timely corrections to ensure environmental compliance.

Sunshine procurement

In 2023, to strictly regulate project procurement activities and uphold compliance and disciplinary bottom lines, we formulated the *Vanke Group Supervision and Management Rules on Development and Operation Business Project Procurement* (referred to as the "Procurement Supervision and Management Rules"). This document clarifies the red lines and bottom lines that must be followed throughout the procurement process, covering key business compliance control points in six business scenarios, including cooperative resource management, bidding groundwork, procurement programmes, bid invitation, opening, evaluation and determination, as well as contract signing and performance.

The *Procurement Supervision and Management Rules* further elucidates the procurement supervision and management mechanism, including both external supplier supervision and internal audits. The *Sunshine Cooperation Agreement* explicitly outlines the responsibility of suppliers for supervising the honest duty performance of Vanke's procurement personnel and specifies public and specific departments that accept reports and complaints regarding honest performance and their respective contact information.



In 2023,

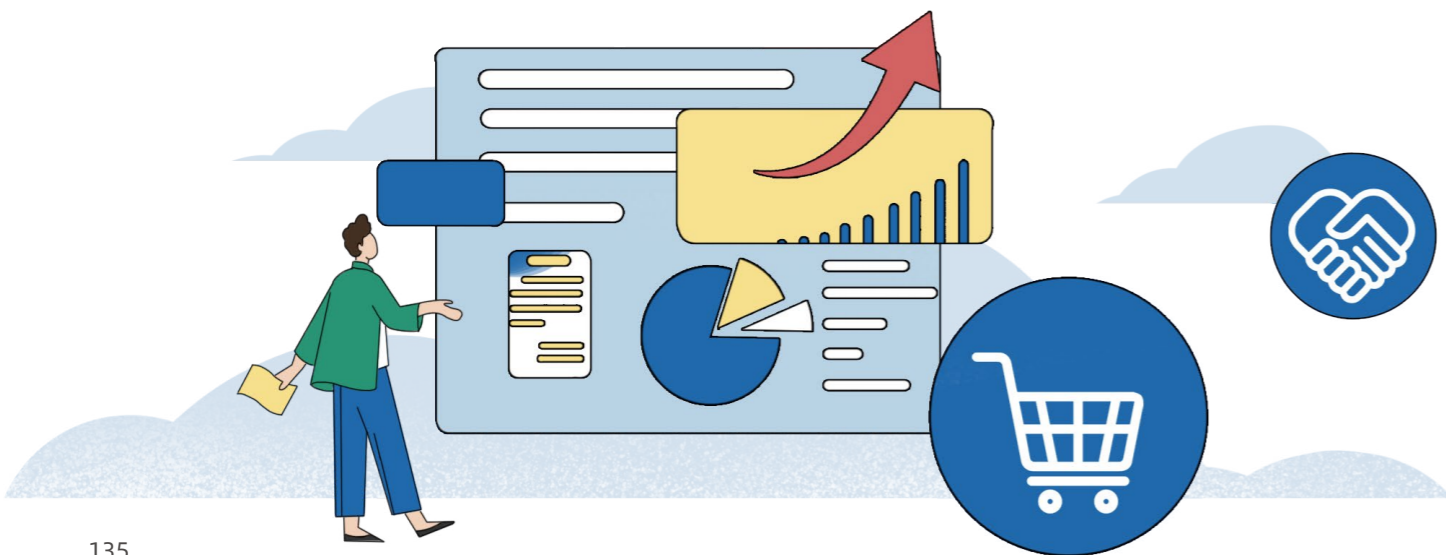
100% of our suppliers

(including contractors) signed the *Sunshine Cooperation Agreement*.

Prohibit commercial bribery, bribery involving suppliers, conflicts of interest, bid rigging, capital exchanges, and cash giving or asking.

Content of the Sunshine Cooperation Agreement

Specify that all suppliers and affiliates should comply with the requirements of incorruptibility and self-discipline, and makes clear regulations on all kinds of indirect acts of soliciting, offering and accepting bribes in business activities.



The internal audit supervision of procurement is led by the supervisory department of the Group's Headquarters of Development and Operation. The management measures include:

On-site supervision	Special audit	Reporting and investigation
Supervise on-site suppliers' inspections and bid-opening processes, attend important procurement review meetings, and supervise the entire processes of procurement assessments and implementation procedures, with a focus on supervising the approval of procurement plans and bid evaluation and determination procedures.	Organise irregular special procurement audits annually to review procedural compliance and contract execution for key procurement projects.	Thoroughly investigate procurement violations and misconduct based on the reported clues, with a focus on addressing prominent issues and driving targeted remediation.
 A total of 12 special procurement audits were conducted, covering 87% of this year's procurement projects.	 A total of 122 suppliers underwent anti-corruption due diligence.	 9 special remediation actions were carried out, with a 100% remediation rate.

Vanke continues to promote its digital supervisory tools for clean procurement. Through our anti-fraud tool, Eagle Eye, we monitor anomalies in indicators such as the IP address of the bidding, successful bidding rates, and dispersion to provide technical support for the management of project bidding and procurement and supplier profiling. This year, the Eagle Eye system was equipped with a new alert analysis module for price deviation. It automatically triggers reassessment procedures for bidding projects with overly large price dispersions to uphold fair competition.

Communication and training

Vanke is dedicated to improving the overall operational performance of its supply chain to safeguard the safety and quality of its products. We communicate effectively with suppliers through various channels, perform regular training, provide targeted training courses regarding product quality and safety, and help to bolster suppliers' capabilities.



In 2023, we held **15** quality-related training sessions, across more than **1,000** enterprises. These sessions were tailored for personnel responsible for green manufacturing, quality improvement, and certification for enterprises that use special and sophisticated technologies to produce novel and unique products. Additionally, we hosted the inaugural E-Tiling Competition to standardise the tiling methods and requirements for sintered stone, attracting over **100,000** participants both offline and online.

Advancement of the management of the industrial supply chain

Through AUPUP, Vanke creates a new ecosystem of the upstream industry chain to promote the transformation of the industrial supply chain, advance product standardisation, realise the industry's ecological upgrade, and expand the industry's influence. We have established the AUPUP Certification Alliance ("ACA"), aiming to unify industry consensus on green carbon reduction, promote the green transformation of the industrial chain, and support certification and evaluation businesses such as factory certification, factory three system certification, building evaluation, and calculation of the carbon emission of buildings. To date, we have issued green carbon certificates for more than 500 products produced by 120 companies.

Drawing upon Vanke's over 35 years of experience in quality control and supply chain management, AUPUP integrates data and industry to promote a new model featuring high transparency, flatness, efficiency and greenness regarding bulk commodity trading, realising upstream and downstream information sharing and complementary resources. Through visual means, we integrate the bidding robot, "Sky Net system, Sky Eye system and Sky Road system", and other core technology services to provide online visual support for bidding progress, product testing, and logistics supervision. This will bring more convenience to suppliers and procurers and ensure the smooth performance of obligations by all stakeholders.

In 2023, AUPUP continued to refine its management and service capabilities for Sky Net using technology. Through big data analysis, AUPUP developed risk control programmes for Sky Net Action. Additionally, it provided a reference for customers to select high-quality products through the quality map for materials supplied by Party B and upgraded and iterated the Sky Net system to improve the operational efficiency and accuracy of Sky Net Action. The annual updates on the Sky Net system primarily include:

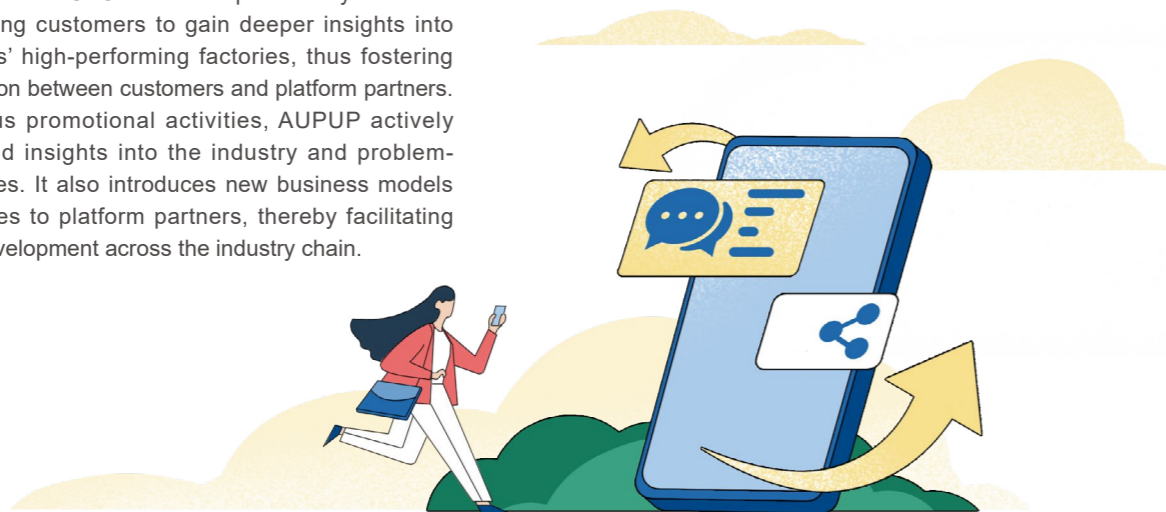
Wider upstream coverage

Critical raw materials such as panels for woodwork, including cabinets, were incorporated into Sky Net's detection scope to ensure that the quality of materials that would enter downstream processes meets standards.

Wider customer coverage

In-depth exchanges with regions such as Southwest and Southern China were carried out. Furthermore, combined with Sky Net's data analysis, quality improvement suggestions were provided for products such as railings.

AUPUP regularly conducts diverse promotional and training sessions, providing purchasers and suppliers with opportunities for professional technical exchanges and training. This aims to help them better understand industry trends and solutions. AUPUP hosts "Super Factory" activities annually, allowing customers to gain deeper insights into industry leaders' high-performing factories, thus fostering closer cooperation between customers and platform partners. Through various promotional activities, AUPUP actively shares profound insights into the industry and problem-solving strategies. It also introduces new business models and opportunities to platform partners, thereby facilitating collaborative development across the industry chain.



Establishment Ceremony of "AUPUP International Building Materials Alliance"

In August 2023, the Launch Ceremony of International Business of AUPUP & Establishment Ceremony of the International Building Materials Alliance with the theme of "Charting the Course with AUPUP, Driving the International Expansion of Building Materials" took place at the Hong Kong Convention and Exhibition Centre. Over 100 delegates attended the event. These individuals mainly represented government agencies, international investment firms, procurement partners, and senior executives of building materials partners of the AUPUP Champion Ecosystem from more than ten countries and regions, including the UK, Singapore, New Zealand, Cambodia, and the USA.

Building on its impressive resources and service expertise in the domestic building materials supply chain, AUPUP has swiftly embarked on an international expansion since 2021. This endeavour encompasses the consolidation and export of resources across the building materials supply chains and the fostering of partnerships with overseas customers. Incorporated in 2022, AUPUP International Limited has partnered with real estate developers, construction companies, interior designers, and supply chain firms in key markets such as North America, Australia, Southeast Asia, and the Middle East. Actively, it has been accumulating top-notch project resources to provide its platform partners with new growth drivers.


During the event, AUPUP announced the inception of the "AUPUP International Building Materials Alliance." This strategic move was aimed at steering Chinese building materials firms away from traditional "standalone" operations. By harnessing synergies and scale advantages, the alliance is poised to offer a spectrum of services, including international logistics, design, certification, legal services, and financial support, to Chinese building materials enterprises. The objective is to provide comprehensive backing for industry players venturing into international markets.

In the future, AUPUP will remain committed to capitalising on its collaborative edge to deliver superior-quality, cost-effective building materials to international customers. This proactive approach will bolster the presence of Chinese high-quality building materials enterprises in global markets while collectively advancing the development of the global construction and building materials industry chain. Additionally, AUPUP intends to delve into strategies for the international expansion of Chinese building materials, thereby contributing to the establishment of a global champion ecosystem.



Group photo of the attendees

Shared Development




SDG 3 - Good Health and Well-being

Ensure healthy lives and promote well-being for all at all ages.



SDG 11 - Sustainable Cities and Communities

Make cities and human settlements inclusive, safe, resilient and sustainable.



SDG 17 - Partnerships for the Goals

Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development.

Vanke is committed to driving development through diversified strategies and continuous innovation, with the aim of meeting the growing aspirations for a better life and striving to become a “lifestyle creator”.

Rural revitalisation

Vanke has actively engaged in rural ecological revitalisation, leveraging its strengths to actively promote green farming and inject new vitality into rural areas. Vanke aspires to be a “creator of beautiful rural life”, working to beautify rural landscapes, enhance ecological awareness among rural residents, and paint a new picture of liveable, prosperous, and beautiful rural areas through practical actions.

Infrastructure upgrading

Creating Rural Green Ecological Landmarks

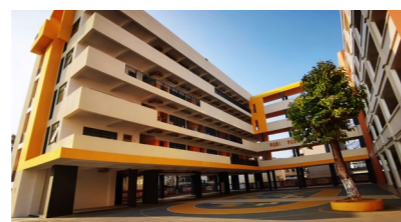
Since 2021, Vanke has been backing rural revitalisation efforts in minority regions within the province. We kicked off the demonstration belt project for rural revitalisation across multiple towns in Ruyuan Yao Autonomous County, Shaoguan City. The project’s specifics include “one greenway, one Yao village, and six major thematic demonstration areas”, aiming to establish a model belt for rural revitalisation in minority areas.

The planning and design respond to Ruyuan’s nickname “Colourful Yao Village” with the strategy of the “Colourful Greenway”. According to the layout of the stations, the greenway is divided into five sections, with each section reflecting the “earth colours” extracted from the surrounding cultural and natural features of the area. These include the “Zen Orange” near Yunmen Mountain, the “Autumn Harvest Yellow” of the wild rice fields, the “Grass Grey-Green” of the mountains, the “Adobe Yellow” of village settlements, and the “Wujiang Blue” of the flowing river waters.

The project focuses on county-level revitalisation assistance, centred around the 27-kilometre-long Rugui Highway spanning across Ruyuan County. It establishes a greenway connecting the towns of Rucheng, Yiliu, Youxi, and Guitou, providing convenient transportation for local villagers. Additionally, five stations - Yaxiping, Yiliu, Yaokegongsheng, Shuangqiao, and Guitou – are set up along the route, linking multiple scenic spots in the vicinity and contributing to the creation of a rural green ecological environment.



Establish cultural public facilities at the town and street level



Support the construction of the teaching building of Guitou Primary School

Enhancing Rural Waste Management Capacity

Vanke’s sustainable waste management project in Jiulong Town, Mianzhu City, Sichuan Province, has progressed through three phases, yielding significant results. We have established a model school, a demonstration community, and a demonstration village. Residents have adopted habits of regular and classified disposal of food waste. The aerobic composting centre at the transfer station utilises approximately 150 kilograms of food waste daily, producing organic fertilisers for residents’ use in farming.



Transformed transfer station

In 2023, with the support of Jiulong Town government, the project expanded its demonstration area by adding five new village communities. Additionally, the upgrade of the Jiulong Town transfer station project was completed this year. It has been transformed into a comprehensive environmental education centre, beyond its previous functions of household waste compression, food waste composting, and hazardous waste storage. Now, it serves as a hub for waste classification education, policy advocacy, ecological planting demonstrations, and tourism. This year, through the environmental education centre, we conducted volunteer and environmental education activities for local youth and community residents, enhancing local residents’ awareness of green ecology. This lays the foundation for achieving sustainable waste management throughout Jiulong Town, promoting the construction of a zero-waste town, and actively contributing to rural green revitalisation efforts.



Activities at the environmental education centre

Education revitalisation

Supporting the Improvement of Educational Quality in Yongshun County

“Vanke Green and Shine (“G&S”) Rural Education Support” was launched in 2016, which aims to focus on and support the professional capacity development, physical and mental health and career awareness of rural teacher groups and to promote rural education by combining teaching facility donation and related teaching activities. In 2021, Vanke, in collaboration with G&S, launched the Rural Education Project in Yongshun County, Hunan Province, which includes initiatives such as the G&S Mini Library, G&S Science Class, and G&S Rural Teachers Support.

In 2023, in the realm of scientific education, we provided toolkits to 28 schools with student populations exceeding 200, enhancing the local hardware infrastructure for science education. In terms of reading education, the project facilitated 72 teachers from newly established G&S Mini Libraries to participate in study visits to Nanjing, broadening their horizons. During the summer holidays, we supported the organisation of Reading Week summer camps in five schools, where 63 university students engaged in various reading activities with the children, involving a total of 321 teachers and students. Furthermore, the project continued to boost care for teachers by providing support for the children of seven frontline rural teachers to realise their “university dreams”. To enhance teachers’ capabilities, the project conducted five sessions of online reading theme sharing, nine sessions of science theme sharing, and one session of Xinhua Salon, with a cumulative participation of 19,678 teachers.

Advancing the Development of School Education

In 2008, Vanke initiated the construction of Zundao School in Mianzhu, Sichuan, marking the beginning of years of educational support that have endured to this day. Through initiatives such as teacher and student incentive programmes, the establishment of an Education Development Committee, and the mobilisation of professional philanthropic resources and volunteers, we have effectively enhanced the overall educational performance of the school. In 2022, the school transitioned from a nine-year system to a full six-year primary school. With the long-term goal of creating a “Chinese model rural school”, Vanke began to focus on supporting the implementation of a holistic education approach known as “five education initiatives”. In terms of management, we introduced OKR tools through expert volunteers to highlight key indicators aligned with long-term objectives, thereby fully engaging the management team and teaching staff. In terms of support, in 2023, we continued to utilise high-quality professional resources from Vanke Foundation, Green and Shine Foundation, and others to promote sports activities such as football and skipping, as well as art classes including pottery, painting, and paper cutting. We also continued to recruit volunteers within the Group and addressed students’ psychological issues through one-on-one communication.

Over 15 years of persistent effort, Zundao School has made significant strides in all aspects. In 2023, Zundao achieved the remarkable feat of ranking first in the Mianzhu area (including urban primary schools) in the junior high school entrance examination, a commendable achievement for a rural school. Moreover, the school’s educational achievements have been widely recognised, receiving accolades such as being designated a national pilot school for intellectual property education, a national model school for sports teaching reform, and winning the first prize in the Mianzhu City education supervision and assessment for eight consecutive years.

In January 2024, Zundao School was designated by the Ministry of Education as a “National Experimental School for Compulsory Education Teaching Reform”. Zundao has become a warm rural school where teachers are respected and students aspire to be.



National experimental school for compulsory education teaching reform



Children learning ocarina, recorder, and painting under the guidance of artists



Zundao School education support activities

Knowledge empowerment

Promoting Rural Waste Classification Education

Since November 2020, Vanke Foundation has been supporting the Zero Waste Village. Leveraging their accumulated experience in county-level, township-level, and village-level waste classification practices over the past three years, they have transformed this experience into knowledge output, establishing a rural waste classification system.

In Dongyang Township, Guangfeng District, Shangrao City, Jiangxi Province, we have conducted rural waste classification education under the zero-waste village programme. This year, the *Rural Waste Classification Textbook* was published, covering waste classification practices involving district and county governments, township governments, village committees, households, sanitation companies, and schools, as well as special topics such as *On-Site Treatment of Food Waste* and *Rural Aerobic Composting Practice and Management*.

By improving the supporting curriculum knowledge system and conducting curriculum training practices, we continuously enhance the management and implementation system of waste classification work at the county, township, and village levels. This supports managers and implementers in conducting tailored waste classification practices in their respective areas, establishing a normalised waste classification management system, and promoting the widespread adoption of waste classification practices, contributing to sustainable governance for rural green development.

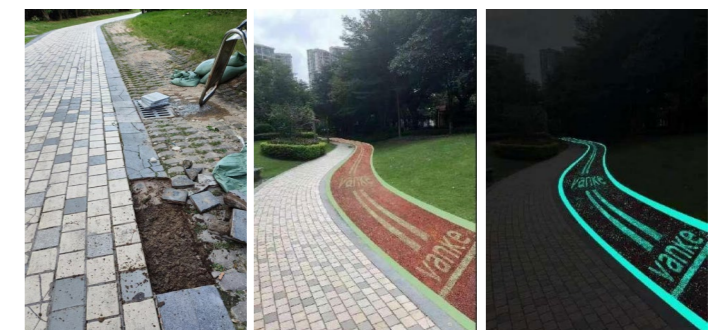
Empowering urban renewal

In response to the trend of urban renewal and the demand for renovation in older communities, we actively integrate into community governance, continually enhancing the level and quality of property management services. We optimise community infrastructure and residential functionality to provide customers with a higher quality living environment. In response to the challenges of property renewal, Vanke Service has established an “Anti-Ageing” task force, seeking diverse co-building models to address key issues in “ageing” projects, such as fire safety, building structures, electrical and plumbing systems, and elevators. We have conducted a thorough review of age data for buildings under management and performed comprehensive “check-ups” on those with older structures. Based on this, we have developed a set of property renewal action plans. Taking into account the practical circumstances, we provide “age-appropriate” renovation services for older buildings.

Transformation of the “Colourful Asphalt Glow-in-the-Dark Running Track” at Guangzhou Panyu Opal Project

In 2023, in preparation for the 10th anniversary celebration of the Opal project, we prioritised various renovations and refurbishments, including the installation of air conditioning in elevators, renovation of elevator hall ceilings, refurbishment of the rain shelter at the west gate car park, and the transformation of the road surface running track. These efforts aimed to provide the community residents with a comprehensive and enhanced living experience.

The Colourful Asphalt Glow-in-the-Dark Running Track emerged as a focal point in the “Beautiful Community Plan” for renovation. Previously, the track had been subject to numerous complaints due to issues with the road base and frequent waterlogging during rainy days. To address this, Vanke Property established a dedicated task force. Following the transformation, the new glow-in-the-dark track successfully resolved issues such as sinking and waterlogging. The original grass brick surface was replaced with asphalt at the base and painted over, while fluorescent stones were used as decorative elements on the sides of the track. The overall visual effect has been significantly improved, rejuvenating the appearance of the community and offering residents a healthier and more fulfilling lifestyle experience.



Creating a happy and harmonious community

We are committed advocates for creating warm and welcoming communities, placing great importance on community cultural development. Through diverse community activities, exploring new models of street-level community mutual assistance, and enhancing public service facilities, we aim to enrich residents' lives, strengthen neighbourly relations, and foster a warm and reciprocal humanistic community.

“Long Time No See, Neighbour” - Please Day Returns Offline After Three Years

“Please Day” is a large-scale community charity event jointly organised by Vanke Service Community and Rui Alliance Community. It aims to foster genuine and friendly neighbourly relations and promote civilised and harmonious community living. We designate the last Sunday of September each year as “Please Day”.

In September 2023, the 21st “Rui Alliance Community Please Day”, themed “Long Time No See, Neighbour”, returned offline for the first time in three years, encouraging neighbours to step onto the streets and break down the “walls” between neighbourhoods, fostering warmer neighbourly relations. The event, featuring offline garden parties, communal feasts, and an online “Community Talent Show”, provided neighbours with platforms to showcase their talents and engage in diverse community activities. It aimed to involve both residential property owners and residents from neighbouring streets, enhancing friendly relations through activity performances and interactive games, and boosting confidence in building a better life together.

This “Please Day” event covered over 2,500 communities in more than 120 cities nationwide, attracting over five million households to connect with each other through both online viewing and offline participation. It set records for the highest number of offline participants, online viewership, and event outreach in history.



Fitness-for-all program

● Celebrating the 10th anniversary of Run for Fun: Back to basics and setting off again

In 2013, Vanke initiated and hosted the Urban Run for Fun, which, after years of development, has seen over 470 events held in 371 cities worldwide, drawing nearly 5.71 million participants. It has gradually developed the Run for Fun into a series including Urban Run for Fun, the Community Run for Fun, the University Run for Fun, and the runner-centered full marathon.

Under the guidance of General Administration of Sport of China, the Run for Fun series has become one of the national fitness IPs with significant participation, influence, and comprehensive coverage, motivating more people to join the fitness-for-all program.

The 2023 National Fitness Online Sports Event - Vanke National Urban Run for Fun

As the only national running event of the 2023 National Fitness Online Sports Event, the Vanke National Urban Run for Fun is jointly organised by Vanke, the Department of Mass Sports of the General Administration of Sport of China, and the Mass Department of the All China Sports Federation. To promote public participation in health initiatives, the event has garnered support from 36 national team athletes and well-known figures like Xu Mengtao, Ma Long, Quan Hongchan, Wu Dajing, and Shen Teng.



On the occasion of the tenth anniversary of Run for Fun, we organised Urban Run for Funs in 11 cities nationwide, encouraging more people to get outdoors, promoting a sunny and healthy work-life balance, and discovering the beauty of our cities.



Guangzhou · Shabu Ancient Village Urban Run for Fun



Shenzhen · Urban Run for Fun Shenzhen Central Park x Bijiaoshan Sports Park



Nanjing · Urban Run for Fun Hexi Binjiang Greenway



Chengdu · Urban Run for Fun Xinglonghu Wetland Park



2023 Vanke National Urban Run for Fun

Joined by 100 national team athletes, **238,000** runners took to the streets



Urban Run for Fun spanned across **11** cities: Hangzhou, Shanghai, Shenyang, Wuhan, Beijing, Xi'an, Chengdu, Nanjing, Chongqing, Shenzhen, and Guangzhou

Covering **1,064** enterprises and institutions

Total participation reached **22,000** individuals

2024 Vanke New Year Marathon

Celebrating its tenth anniversary, the New Year Marathon adopts the theme "Run for Fun into the New Year". Through online cloud marathons, it continues to establish a premium event IP reputation, with coverage extending to 371 cities nationwide. It attracted 458,000 participants, accumulating a total distance of 8.833 million kilometres, ushering in 2024 in a sunlit and healthy manner.



Investor education

Since its establishment in 2015, Vanke Investor Education Base has remained committed to the core principle of "meeting investor needs", striving to provide robust support to a wide range of small and medium investors. This year, the Vanke Investor Education Base organised investor education and outreach activities around themes such as the fifth "515 National Investor Protection Publicity Day" and the "World Investor Week 2023". Online efforts primarily focused on disseminating basic knowledge through informative graphics, videos, cartoons, and other educational materials, while offline activities included hosting investor education seminars to offer professional insights and knowledge sharing. Vanke Investor Education Base has intensified interaction with investors in the area of investor protection, aiding investors in gaining a correct understanding of market risks, enhancing risk prevention awareness, steering clear of irrational investment behaviours, and providing meticulous investor education services. In 2023, Vanke Investor Education Base was honoured with the "2023 Outstanding Investor Education Base in the Shenzhen Area" award by the Shenzhen Securities Investor Service Centre.



Certificate of 2023 Outstanding Investor Education Base in the Shenzhen Area

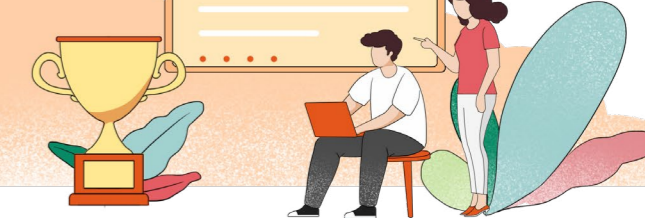
Vanke Investor Education Base's Financial Lecture Series Recently Hosted an Event Titled "Unlocking the Charm of ETFs"

In response to the "World Investor Week 2023" initiative, we have actively engaged in educational activities centred around the themes of "value investing" and "sustainable finance". The aim is to enhance investor awareness of risks and promote prudent investment practices by providing professional analysis and interpretations of key events in the capital markets.



Vanke Investor Education Base's Financial Lecture Series

The activities have been structured around the philosophy of "how to understand financial knowledge". Speakers have progressively delved into the changes in China's macroeconomic landscape since the advent of economic reforms, thereby enabling investors to grasp how recent market policies fit into the broader macroeconomic picture. Moreover, attendees have been introduced to the philosophy of index funds and ETFs within this macroeconomic context, with an emphasis on advocating for rational investment practices. Attendees have enthusiastically participated in interactive sessions and actively engaged in discussions on current market trends. This open exchange of ideas has earned the event praise from investors.



Climate-related Risk and Opportunity

SDG 13 - Climate Action

Take urgent action to combat climate change and its impacts.

Governance

We have established an ESG management structure with the Board as the highest decision-making level. The Board is responsible for determining the Company's ESG management structure and management strategy to ensure the establishment of appropriate and effective ESG risk management and internal monitoring systems. The Board has integrated climate change-related risks and opportunities into its ESG management.

Organisation	Role	Composition	Responsibilities
Board of Directors	Decision-making Body	Members of the Board	<ol style="list-style-type: none"> 1) Decide the climate change management framework and management strategy of the Company; 2) Ensure that Vanke establishes appropriate and effective climate change-related risk management and internal monitoring systems; 3) Listen to the results of discussions on important climate change issues and monitor the progress of climate change-related goals; 4) Review and approve the TCFD annual report of the Company.
ESG Working Committee	Management Body	The Chairman of the Board is the director, and the secretary of the Board acts as the deputy director. Other members include the responsible persons of relevant functions, BGs and BUs.	<ol style="list-style-type: none"> 1) Decide the management objectives, policies, and implementation approaches relating to climate change issues; 2) Acknowledge the assessed and identified risks and opportunities related to ESG (including climate change); 3) Determine the relevant ESG (including climate change) management system and workflow; 4) Decide on the ESG (including climate change) work plan and assess the completion of the work; 5) Conduct preliminary examination of the annual ESG report and submit it to the Board for review; 6) Oversee other matters related to ESG (including climate change) of the Company.
ESG Execution Team	Executive Body	Composed of ESG contact personnel of related functions, BGs, and BUs; the specific members are assigned by responsible persons of the relevant functions, BGs, and BUs.	<ol style="list-style-type: none"> 1) Conduct internal and external materiality assessment; 2) Prepare the Company's annual ESG report; 3) Assess and identify risks and opportunities related to ESG (including climate change); 4) Assess the gap between ESG (including climate change) work and standard requirements of the two stock exchanges, and the excellent practices of peer companies', make improvement plans and promote their implementation; 5) Implement annual work content according to ESG (including climate change) management objectives; 6) Implement resolutions of and other tasks assigned by the ESG Working Committee.

Strategy

In 2022, the Intergovernmental Panel on Climate Change ("IPCC") of the United Nations released its sixth assessment report covering the assessment of the impacts of climate change. The report highlights that global warming of 1.5 °C could occur as soon as 2030 if there are no strong mitigation measures. We acknowledge that climate change may pose multiple risks to our business and lead to climate transition risks with potential financial impacts. On the other hand, climate change will also create opportunities and inspire us to innovate and make new attempts in business. It helps the Company transform into a low-carbon economic development model and maintain a leading position in the market. Under the background of the national "carbon peaking and carbon neutrality" goals, we have studied and evaluated policies, formulated measures based on policies, and improved the climate risk management process to achieve effective management of climate risks.

Based on our own business experience, we provide collective technologies for constructing carbon-neutral cities and are committed to creating climate-resilient communities to better deal with the physical impacts of climate change. Guided by the science-based carbon-neutrality targets, we carry out various initiatives in clean energy, green buildings, carbon asset management, low-carbon transportation, resource recycling, and sustainable lifestyles. We provide buildings, parks, and communities with comprehensive low-carbon solutions from planning to operation, aiming to be a pioneer in transitioning towards carbon neutrality in the communities and cities.

Risk Management

Climate risk scenario analysis

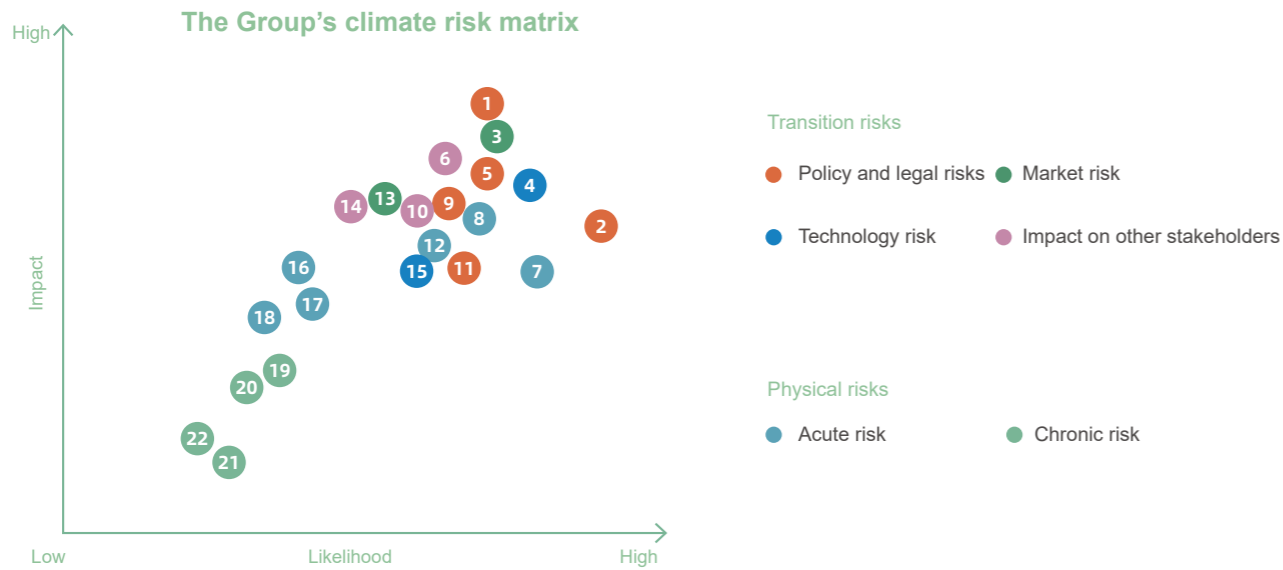
To maintain report consistency, Vanke continues to employ the Representative Concentration Pathways of IPCC 8.5 (RCP 8.5) Scenarios and Hot House World of the Central Bank and Regulators Network for Greening the Financial System ("NGFS") for climate risk scenario analysis and comparison. In the next stage, Vanke will further employ the Shared Socio-economic Pathways ("SSPs") of IPCC for the above scenarios to facilitate our comprehensive analysis of the impacts of future climate changes and our adaptation and mitigation efforts.

The climate scenarios are detailed as follows:

	Physical Risks	Transition Risks
Scenario Name	IPCC-RCP8.5	NGFS Hot House World
Potential Temperature Rises	~4°C	>3°C
Scenario description:	No significant policies have been introduced, economic growth, and technological progress still heavily rely on fossil fuels, and businesses continue to emit significant quantities of greenhouse gases. The global temperature is expected to rise by 4°C by 2100 under this scenario.	This scenario is based on existing specific policies and those that have been announced by governments around the world and does not even meet the current Nationally Determined Contributions ("NDC") targets.
Scenario details	Tropical cyclones have widespread effects throughout the world; China is one of the countries with the most significant losses caused by tropical cyclones and storm surges, and the average annual losses from river flood continue to rise. This situation is likely to worsen due to the intensification of climate change. China's densely populated, low-lying coastal cities are threatened by rising sea levels, storm surges, and coastal erosion, while inland provinces in northern and western China are experiencing more frequent and severe heatwaves and droughts, leading to heightened water security risks.	In this scenario, global greenhouse gas emissions will continue to rise until 2080, resulting in irreversible changes such as about 3°C of global warming and sea-level rise. This scenario is considered a "hot house" scenario, characterised by high physical risks and low transitional risks.

Identification and prioritisation of climate risk

In 2023, we further optimised and adjusted our climate change management in 2022 based on the types of climate risks provided in ISSB's *International Financial Reporting Standards No. 2: Climate-related Disclosures* (IFRS S2) and HKEX's *Guidance on Climate Disclosures*. Based on our business, we required 11 key departments that are highly related to climate risks and opportunities to review and examine the progress of our climate change risk management in 2023. Through scenario analysis and policy streamlining, we identified twelve transition risks and ten physical risks in industrial and corporate operation and prepared a list of climate change risks covering all business types. Through internal and external analysis, we identified seven high-risk items on the aspects of likelihood of occurrence and degree of impact, thus determining the priorities of our adaptation/mitigation plans for climate change, adjusting our business model and improving our capacity of climate change risk management.



No.	Type of Risk	Name of Risk	Significance
1	Policy and legal risks	Carbon pricing	High
2	Policy and legal risks	Environmental information disclosure	High
3	Market risk	Raw material cost and supply	High
4	Technology risks	Green building technologies	High
5	Policy and legal risks	Energy structure and energy use	High
6	Impact on other stakeholders	Investors	High
7	Acute risk	Typhoons	High
8	Acute risk	Extreme precipitation	Moderate
9	Policy and legal risks	Green building targets and standards	Moderate
10	Impact on other stakeholders	Supply chain (upstream and downstream)	Moderate
11	Policy and legal risks	Waste management standards	Moderate

No.	Type of Risk	Name of Risk	Significance
12	Acute risk	Floods	Moderate
13	Market risk	Changing customer preferences	Moderate
14	Impact on other stakeholders	Local communities	Moderate
15	Technology risks	Energy technologies	Moderate
16	Acute risk	Extreme heat waves	Moderate
17	Acute risk	Droughts	Moderate
18	Acute risk	Extreme cold weather	Moderate
19	Chronic risks	Temperature rises	Moderate
20	Chronic risks	Water resource pressure and supply instability	Moderate
21	Chronic risks	Sea level rises	Moderate
22	Chronic risks	Land desertification	Moderate

Climate risks and opportunities

In 2023, based on the climate-related risks and opportunities identified in 2022 under the scenarios mentioned above, which may affect our business and the climate risk matrix, we conducted a resilience analysis for the seven high-risk items. We then updated the corresponding responses, thereby further enhancing Vanke's climate risk response mechanism.

Climate Opportunity

Climate Opportunity	Potential Business Impacts	Potential Financial Impacts	Future Plan
Investor concern	Investors will increasingly focus on the impacts of green investment on themselves and will issue various green financing instruments, such as green bonds, green loans, and direct ESG investments, to expand financing channels for the real estate industry.	Regarding green financing, our experience in environmental management and energy building technologies will support our project design, construction, and operation in line with the requirements of green financing instruments. This support will help us expand our financing channels with minimal management adjustments.	We will continue to refine our green financing policies and framework, and implement stricter requirements for information disclosure and transparency regarding green financing to enhance our reliability in the market.
Technological system of ultra-low energy buildings	Ultra-low energy building technologies will significantly reduce building energy consumption and their negative environmental impacts through innovative design and construction methods. Vanke is extensively piloting and applying ultra-low energy building technologies to promote energy conservation in general buildings.	These technologies will reduce building energy consumption during operation, thereby reducing operating costs. We will benefit from government subsidies through green building support policies such as those for ultra-low energy buildings. New building systems like green buildings will enable us to apply for green bonds and loans, expanding our financing channels and reducing financing costs.	We will continue to promote the application of ultra-low energy building technologies in new projects, and pilot and plan the application of zero-carbon building technology systems.
Renewable energy use	Energy security and the transformation of the energy structure are major strategies in China. China will vigorously develop renewable energy sources like hydropower, photovoltaic, wind power, and nuclear power to replace conventional fossil fuels. Meanwhile, energy stability is being bolstered through the use of microgrids, digital energy, and energy storage technologies. Distributed energy application also enjoys broad prospects, and the real estate industry is one of the key and important fields of application. We should make early plans for researching and applying relevant technologies and keep enhancing our capacity to cope with climate risks.	The use of renewable energy will save costs during the operation stage of some buildings, thus reducing operating costs. The use of renewable energy will also generate additional benefits for projects, increasing operating income.	Extensive application of renewable energy utilisation equipment and specific investment benefit analyses of the use of renewable energy in projects will keep increasing the actual income from business while boosting green development.
Opportunity for fine operation, management and development	Commercial: PEDF (solar photovoltaic, energy storage, direct current and flexibility) technology will help malls reduce costs and improve efficiency by improving energy utilisation efficiency and weakening the dependence on conventional energy; green building standards will assist office buildings in creating a healthy and comfortable office environment that attracts high-end tenants through high-efficiency energy management and use of environmentally friendly materials. Commercial and property service: Enhanced new energy infrastructure, such as charging stations, will attract more consumers, residents, and merchants.	These enhancements will increase visitors, residents, and tenants in commercial and property service projects, thus boosting operating income. Green office buildings will command rental premiums, increasing rental income.	We will deploy more charging stations and promote PEDF technology in more projects. We will closely monitor green technologies and sustainable development trends to ensure our business models align with market green needs.
Changing customer preferences	House buyers are getting younger, and act as per their consumption preferences. First-time buyers prioritise green and energy-saving philosophy within buildings. Vanke's leading advantages in green building, energy saving and health culturing technologies will help us attract more consumers.	Our high-quality green and healthy living products will attract more young consumers, enhancing our market competitiveness and increasing operating income.	We will continue to promote our green buildings, healthy neighbourhoods, and enjoyable apartments during marketing. Through excellent green building practices, we will continuously enhance consumers' and the public's awareness of Vanke's green building philosophy while increasing the influence of green consumption in the industry to promote green and healthy development of the industry.
Opportunities to empower green buildings	The state is imposing stricter requirements for green building, and will introduce mandatory policies on green building and energy conservation in the future. Vanke has been applying for further green building certification and formulating its own standards, which will enable it to enjoy leading advantages in the future industry competition. Green building materials are crucial for green building and energy conservation. The Vanke Architecture Research Centre in Dongguan will continue developing green building material products to enhance low-carbon construction. Vanke has taken building industrialisation as one of its green building philosophy, and has commenced the housing industrialisation projects accounted for more than 90% of new construction projects. It will keep boosting the development of circular economy in the construction sector and reducing carbon emissions from building material production in the value chain.	We will advance the development of green buildings, green building materials, the building industry and ultra-low energy buildings, helping Vanke to effectively respond to mandatory provisions, dilute transition costs, reduce short-term transition costs during the implementation of mandatory provisions, and ensure stable cash flow in the future.	We will pay continuous attention to the changes in policies relating to green buildings, green building materials, the building industry and ultra-low energy buildings, speed up the realisation of Vanke's green building objectives, continue to optimise the unit cost of green building project design and construction, and maintain stable cash flow.

Climate Risks

Type of Risk	Business Impacts	Potential Financial Impacts	Responses
Carbon pricing High risk	Although no carbon tax has been imposed on the real estate industry, some cities, such as Beijing and Shanghai, have begun trialling the carbon emission quota system in real estate project operations. The <i>Measures for the Administration of Carbon Emissions Trading (for Trial Implementation)</i> officially took effect in 2021. The <i>Measures for the Administration of Voluntary Greenhouse Gas Emission Reduction Trading (for Trial Implementation)</i> was officially released and took effect in October 2023. The State Council officially issued the <i>Tentative Regulations for the Administration of Trading of Carbon Emissions Rights</i> in January 2024, enforcing it in May. Stricter government management of carbon emissions trading will bring transition risks to Vanke's upstream building material, chemical, and steel industries, and carbon pricing will increasingly affect Vanke's overall business development.	Carbon pricing will significantly impact Vanke's external development, causing the Company to incur additional costs from carbon emission quotas and trading to fulfil its environmental responsibilities.	Vanke is committed to developing high-quality green buildings and reducing carbon emissions across its business chain. We have received accreditation for numerous ultra-low energy and near-zero-energy or low-carbon demonstration areas, including the Shanghai NEXUS zero-carbon complex and ultra-low energy consumption building project, Jiaying Kindergarten, Dameisha Carbon Neutral Experimental Zone, Shanghai Zhongxing Road No. 1 West Plot, and Shanghai Yabinli Phase 4 Project. By piloting and planning the implementation of the green building system, we mitigate carbon pricing risks transmitted from the upstream of the value chain while enhancing our ability to resist risks and explore opportunities from carbon emission trading.
Transition Risks Environmental information disclosure High risk	Governments and regulatory authorities will further tighten environmental information disclosure requirements for companies. Vanke may need to publicly disclose historical data such as energy consumption and carbon emissions annually and implement policies like carbon trading, carbon tax, and environmental protection tax. Increasingly strict regulatory requirements on environmental data accuracy will result in higher monitoring, statistical, and verification costs and compliance risk of information disclosure.	Stricter requirements for environmental information disclosure and more external services for verification and auditing will increase costs. Severe pressure from regulators will lead to compliance risk and the risk of extra expenses.	We will prioritise stakeholder expectations of Vanke and continue improving the disclosure of sustainable development information to address stakeholders' concerns. We established the Vanke ESG data system in 2021, gradually expanding the scope of data collection to lay a solid foundation for carbon emission data collection and future carbon emission reduction plans. Meanwhile, we will manage and disclose other environmental information that indirectly affects climate change more comprehensively.
Raw material cost and supply High risk	In addition to energy, steel, cement, and wood are essential building materials in the real estate industry. Since all building materials are energy-intensive and carbon-intensive, real estate companies' supply chain is also affected by the physical risks of climate change. During the low-carbon transformation period, the supply and price of traditional building materials may fluctuate due to various factors, including national carbon reduction and green building policies, raw material stocks, energy prices, technological developments, and substitutes.	Fluctuation of upstream raw material prices will increase procurement and management costs. Rising energy prices will increase the operating costs of Vanke.	In 2023, we regularly studied information on bulk materials such as steel, aluminium, copper, cement, glass, asphalt, and other primary construction materials, conducting price monitoring, factor analysis, policy interpretation, supply and demand analysis, and market expectations analysis. By monitoring critical information, we can timely adjust the adjustment mechanism and pricing basis to ensure a stable supply and reasonable prices for materials. Furthermore, we continued to advance technological and material innovation, conducting in-depth research on ultra-thin stone, new inorganic anti-mold coating, and aerogel insulation materials. We also continued to propel upstream building material industries to strengthen their adaptation to climate change.

Type of Risk	Business Impacts	Potential Financial Impacts	Responses
Green building technologies High risk	Green building transition is a key path for Vanke's high-quality development. Failure to implement the transition plan as scheduled will bring severe transition risks. In the initial stage of transformation, Vanke may require additional investment to develop green design technology and patents, leading to increased costs of R&D, design, and building development. In the medium to long term, as buildings' overall emission performance improves, it will become increasingly challenging to further improve energy efficiency through technology. Vanke may need to find other ways to reduce carbon emissions.	The state is constantly promoting new building systems such as green building and ultra-low energy building, and the research, development and application of new energy-saving building technologies will cause extra R&D costs to Vanke. The application of ultra-low energy building and zero-carbon building systems will lead to higher costs than now.	The Vanke Architecture Research Centre in Dongguan and Xiong'an Vanke Green Research and Development Centre continued in-depth research on industrialised construction systems, green buildings, renewable energy, and waste treatment. We also continued to promote technological innovation and practical applications. Additionally, Vanke signed the <i>Framework Agreement on Cooperatively Promoting the Implementation of the Technology Evaluation and Transformation Platform of the Ministry of Environmental Protection in Xiong'an New Area</i> with the Environmental Development Centre of the Ministry of Environmental Protection. We will closely collaborate in various fields to promote the application of environmental technology. For more information about green building technology, please refer to the section on Green Design Commitment .
Transition Risks Energy structure and energy use High risk	Energy security and the transformation of the energy structure are major strategies in China. China will vigorously develop renewable energy sources like hydropower, photovoltaic, wind power, and nuclear power to replace conventional fossil fuels. Meanwhile, energy stability is being bolstered through the use of microgrids, digital energy, and energy storage technologies. Distributed energy application also enjoys broad prospects, and the real estate industry is one of the key and important fields of application. We should make early plans for researching and applying relevant technologies and keep enhancing our capacity to cope with climate risks.	The development and application of renewable energy technologies will increase costs. The application of renewable energy will increase the upfront cost of a single project (including R&D input and construction costs in the early stage).	We have continued to explore the application of renewable energy. In October 2023, SCPG and its partners showcased the phased results of applying photovoltaic, energy storage, DC fast charge, and 600 KW fully-liquid cooled supercharge technologies in commercial complexes. VX Logistics has been dedicated to promoting 100% coverage of newly-built distributed photovoltaic facilities for cold storage buildings. As of December 2023, 19 rooftop distributed photovoltaic projects of VX Logistics have been connected to the power grid, with a gross installed capacity of 52.02 MW and a total electricity generation exceeding 22,000 MWh. For more information about the use of renewable energy, please refer to the section on Practicing Green Operation .
Investor concern High risk	Investors increasingly recognise the correlation between the ESG performance of real estate and its ability to generate positive returns in the long run. Regulatory authorities have also begun imposing requirements on investment institutions regarding their ESG policies and disclosures, so investors will require companies to provide more reliable ESG information that can be incorporated into investment analysis and decision-making. Vanke's failure to refine its ESG information (including climate information) disclosure will indirectly affect the diversity of its financing channels and thus hinder business development.	Investors' concerns about ESG may affect investor relations. The Company needs to further improve ESG performance and optimise ESG disclosure capabilities to try its best to satisfy investor's requirements for enterprises' ESG management and information disclosure, enhance investors' confidence and prevent ESG performance from affecting financing costs and financing channels.	Vanke continues to conduct benchmarking of the ESG rating results to improve our management of ESG risks. We have developed a variety of ESG inquiry channels to continuously respond to the concerns of capital markets and investors about ESG (including climate change management). With excellent performance in information disclosure, ESG management, and investor relation management, Vanke was ranked 1st among the enterprises awarded the "2023 All-Asia Executive Team", "Best Company Board", "Best IR Programme", "Best IR Team", and "Best ESG" by <i>Institutional Investor</i> , an international journal of finance, in 2023.

Type of Risk	Business Impacts	Potential Financial Impacts	Responses
Physical Risks Typhoons High risk	Under IPCC-RCP8.5 Scenarios, the occurrence rate of expected damage from once-in-a-century tropical cyclones increases significantly, to 18.4% in 2039 and to 21.9% in 2059, compared with 1.4% in 2015. Extreme weather (including extreme high temperature, extreme low temperature, extreme precipitation, etc.) will lead to longer suspension or delay of projects under construction, thus increasing costs. Meanwhile, business suspension of property management offices and shopping malls will affect the number of visitors and turnover of shopping malls, and impose greater security risks on customers, employees, and the public. In 2023, typhoons became more complex. The northward circulation of "Doksuri" caused extremely heavy rainfall in more than ten provinces, and "Khanun" brought strong wind and rain to Northeast China, doubling disasters. All these have impacted Vanke's nationwide business.	<p>Tropical cyclones will impact all business of Vanke:</p> <p>Property development: They will lead to project suspension, longer development periods, or direct economic losses, thus resulting in extra construction costs.</p> <p>Property services: Typhoons will lead to flooding of garage and broken windows, resulting in extra maintenance costs.</p> <p>Hotel and resort: Typhoons and rainfall will lead to a decrease in the number of visitors and wide-range operation management, thus resulting in less operating income and more operation and maintenance costs.</p> <p>Logistics and warehousing: Rainfall and strong winds will cause damage to packages and logistics disruption, resulting in extra operation and maintenance costs.</p>	<p>Based on Vanke's business divisions, each business segment has formulated policies to handle extreme weather events.</p> <p>In terms of hotel and resort business, as the Yun Resort Shenzhen Longcheer is located near the sea, where typhoons and storms occur frequently, we have developed a typhoon emergency plan to help minimise the impact.</p> <p>In terms of property services, Onewo has formulated the <i>Guidelines for Emergency Response to Meteorological Disasters</i> and the <i>Natural Disaster Prevention Regulations</i>, formulated remote operation plans for extreme weather such as typhoons, heavy rain, extreme cold, and high temperature, and established a remote and on-site linkage mechanism. We have established emergency plans for floods in Wuhan, Changsha, Nanchang, and other cities that are threatened by floods in the Yangtze River Basin to deploy in advance to deal with extreme weather. We have established a nationwide remote operation centre in Wuhan, which forms a remote closed loop of the property management service process through AIoT artificial intelligence hardware technology. In case of typhoon and heavy rain during field operations, the system is now able to automatically infer the areas of heavy rainfall and red warning. For the area with a red warning, the background will automatically send relevant reminder information to the owner.</p> <p>In terms of logistics and warehousing, we have made special risk plans for typhoons and extreme weather. Meanwhile, VX Zero-carbon Demonstration Park has put into use intelligent equipment, intelligent modules, and intelligent systems that can keep iterating, and has applied the self-developed smart IoT management platform.</p>

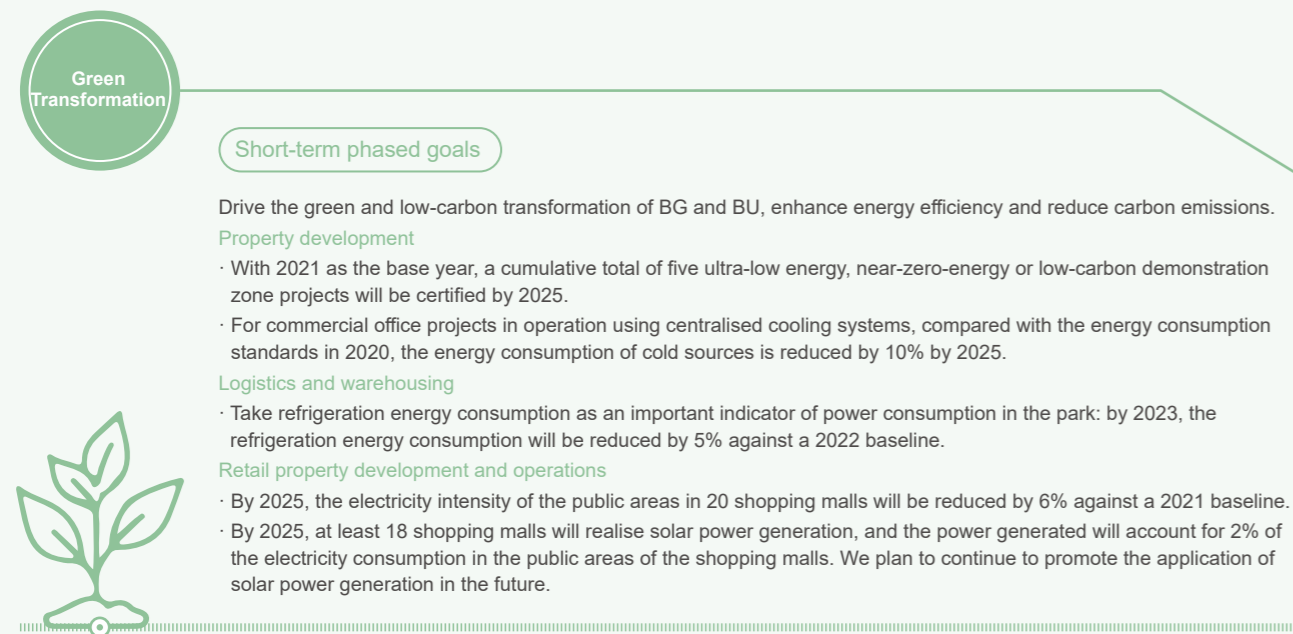
Indicators

Indicator	Unit	2023
Total energy consumption	Tonne (standard coal)	47,024.42
Energy consumption intensity	Property development, property services, logistics and warehousing, hotel and resort: tons of standard coal/RMB1 million in revenue.	0.1010
Greenhouse gas emissions (Scope 1 and 2)	Tonne - carbon dioxide equivalent	203,732.62
Greenhouse gas emissions (Scope 3)	Tonne - carbon dioxide equivalent	797,904.76
Including: Carbon emissions from rental data centres	Tonne - carbon dioxide equivalent	1,126.50
Carbon emissions from employee travel	Tonne - carbon dioxide equivalent	6,846.88
Total greenhouse gas emissions from core invested enterprises	Tonne - carbon dioxide equivalent	789,931.38
Area in new construction projects meeting green building evaluation standards	Million square meters	19.64
Number of new ultra-low energy and near-zero-energy or low-carbon demonstration areas from 2021 to 2023	project	8+
Percentage of materials purchased from Green Supply Chain Action whitelisted suppliers	%	100

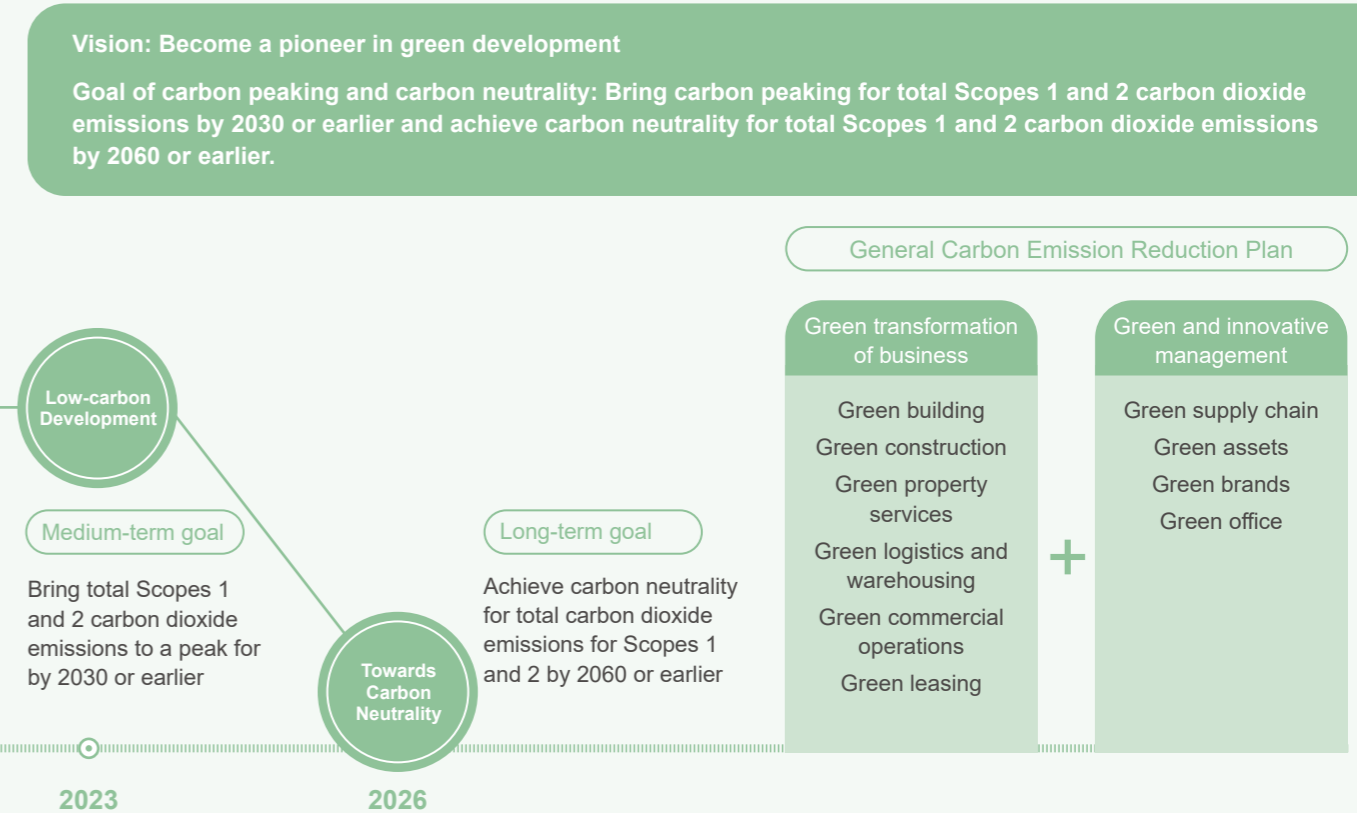
Metrics and Targets

Goals

Vanke's Short-, Medium and Long-Term Management Goals for Carbon Emissions



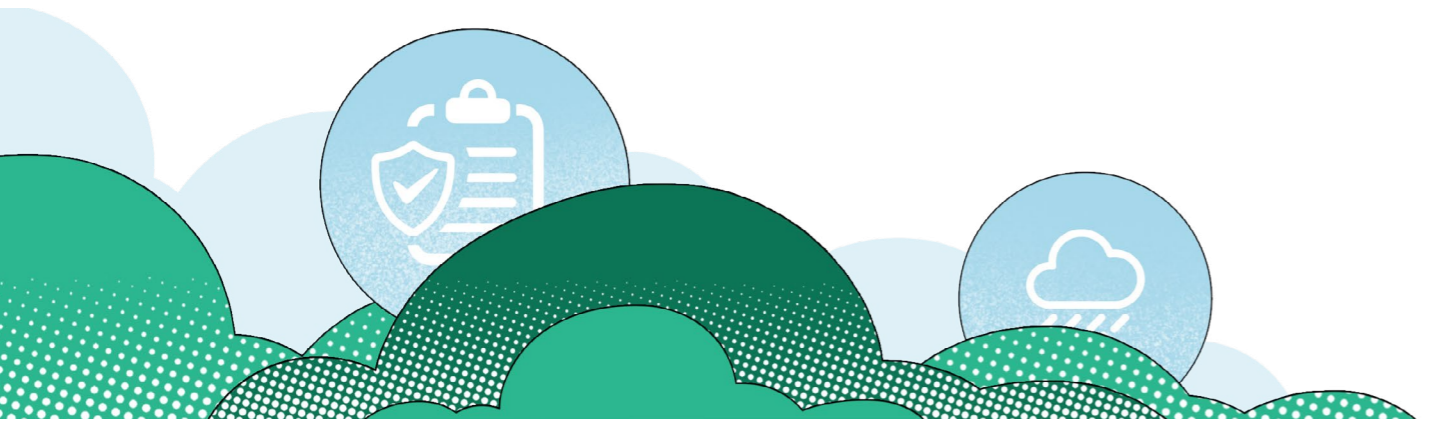
From 2021 to 2025



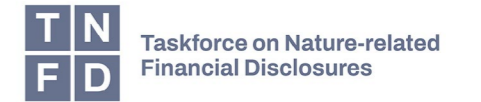
We have carried out initial identification of Scope 3 carbon emissions in accordance with the *Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard*, and have been continuously tracking relevant data. In 2023, we further included the carbon emissions from the means of transportation used by employees in business travels in Scope 3. Till now, we have identified three of the 15 Scope 3 emissions from upstream leased assets, business travel and investments. In the next step, we will review all Scope 3 emissions, and make clear the key categories of emissions to be managed and disclosed. At the same time, we are going to incorporate the carbon emissions from upstream supply chain into the statistics and tracking system through AUPUP, and will promote carbon emission reduction of the upstream supply chain through the supply chain ESG scheme.

Type	Description	Source of Activity Level Data	Source of Emission Factor	Unit	2021	2022	2023
Upstream leased assets	Carbon emissions from rental data centres	Records of electricity consumption of rental data centres	Emission factor of power grid in China in 2012 released by the National Centre for Climate Change Strategy and International Cooperation ("NCSC")	Tonne - carbon dioxide equivalent	3,243.69	2,625.19	1,126.50
Business travel	Carbon emissions from employee travel	Travel-related data from business travel platform partners	Greenhouse gas assessment tools provided by business travel platform partners	Tonne - carbon dioxide equivalent	/	/	6,846.88
Investments	Total greenhouse gas emissions from core invested enterprises (total greenhouse gas emissions from SCPG)	SCPG's emission data collected through the environmental data system	Standards in the <i>Notice on the Management of Greenhouse Gas Emission Reporting of Power Generation Enterprises from 2023 to 2025</i>	Tonne - carbon dioxide equivalent	206,575.69	564,255.35	789,931.38

In addition, we have set a number of metrics and targets for 11 environmental issues, including greenhouse gas emissions, energy efficiency improvement, water resources management, and waste management, and have been tracking the progress of annual targets. For more information, please refer to the section of ["Environmental Practices – Goals and progress"](#).



Enhance Climate Resilience in Multiple Dimensions



Biodiversity conservation

Vanke is committed to reducing dependence and impact on nature, promoting biodiversity and ecological conservation, and leveraging Vanke's positive impact on nature in strict accordance with the *Law of the People's Republic of China on Appraising of Environmental Impacts*, the *Regulations of the People's Republic of China on Nature Reserves*, the *Regulations on the Administration of Construction Project Environmental Protection*, the *Kunming-Montreal Global Biodiversity Framework of the Convention on Biological Diversity (CBD)*, and China's strategy for building an ecological civilisation.

Biodiversity and ecological impacts

Biodiversity conservation has been integrated into national development strategies. As an integral part of biodiversity, the aquatic ecosystem plays an essential role in maintaining ecological balance and guarding national ecological security. Water restoration is a key part of Vanke's efforts to improve its sustainability management and an important means to enhance our biodiversity.

Governance

Biodiversity conservation is an important initiative for Vanke to actively address climate change and practice ecological conservation. We have established a three-tier ESG governance structure, the Board of Directors - ESG Working Committee - ESG Executive Team, and included climate change and biodiversity conservation in their responsibilities. To focus on environmental governance, we have established Wanchuang Qinglv to be responsible for impact assessment, management and remediation of natural dependencies.

Strategy

We will actively position Vanke's links with nature, refer to TNFD and other methods to identify and assess our dependencies, impacts, risks and opportunities related to nature, and promote Vanke to:

- 1) Drive business development in an eco-friendly manner;
- 2) Advance the sustainable use and conservation of natural resources through measures such as promoting housing industrialisation and enhancing the application of renewable energy sources;
- 3) Leverage Vanke's influence to boost the concept of biodiversity conservation to the public.

Risk management

Wanchuang Qinglv has conducted initial risk identification in business development, and actively take countermeasures:

List of Risks	Potential Business Impacts	Responses
Risk of water eutrophication and fouling	Water fouling will affect the sale of Vanke's new real estate projects, and water fouling after delivery will lead to customer complaints and adverse impacts.	In pre-planning for real estate projects, we will discharge all community sewage into the municipal sewage network and advocate philosophy such as collecting rainwater to replenish landscape water for water resource reuse. By building a digital intelligent ecological maintenance system for newly built water bodies, we will constantly maintain water cleanliness.
Risk of supply chain biodiversity	Environmental violations by suppliers will affect the environmental friendliness of Vanke's products and the stability of the whole supply chain.	We incorporated all biodiversity factors into our procurement procedure in 2023.

We adopt dual-cycle management for natural risks, conducting environmental assessments for the project development process and material selection process to provide customers with natural and highly-environmental green products with minimum environmental risk.

Before project commencement, we undergo strict environmental impact assessment and approval procedures, carry out earnest feasibility assessments and environmental impact assessments and register new projects, and make development arrangements with the approval of local environmental authorities, and announce them on government websites for public scrutiny.

We have set up a professional team working with the Institute of Public and Environmental Affairs ("IPE"). During the reporting period, we investigated the environmental compliance of core suppliers to reduce supply chain risks and strengthen suppliers' awareness of environmental compliance management. We conducted environmental compliance reviews of suppliers with risks on a quarterly basis and required them to disclose risk causes and remediation progress on the IPE website.

Metrics and targets

We have completed ledger statistics of biodiversity conservation, such as soil restoration and water body restoration. In the next step, after building a more complete database and as appropriate, we will set and disclose natural environment-related improvement targets according to the requirements of the Board of Directors.



In 2023, we restored water bodies of a total area of **10,000** m²

The rare species "Craspedacusta" is discovered in the artificial lake, which has been restored by Wanchuang Qinglv, in Vanke Feicui Xinqu Nantong

Feicui Xinqu once faced serious ecological challenges, including lake sedimentation, disorganised drainage systems, murky water, uncontrolled growth of aquatic vegetation, and the invasion of non-native species, all contributing to an extremely fragile ecosystem. Through comprehensive aquatic ecological restoration measures, Wanchuang Qinglv successfully restored the water quality of the artificial lake. This has not only rebuilt a healthy aquatic ecosystem but also enhanced its landscape value.

Dredging and disinfection In severely silted areas, dredging operations were conducted to reduce internal pollution. After dredging, the sediments underwent disinfection and passivation to eliminate pathogenic microorganisms and prevent further release of pollutants.

Optimisation of drainage systems Existing drainage pipelines were reorganised to put in place a rainwater and sewage diversion system. This ensures that the artificial lake can receive appropriate rainwater replenishment while directing sewage properly to the municipal sewage treatment system.

Ecological compatibility and biomanipulation Guided by the principles of nutrient cycle and energy flow and combined with the biomanipulation theory, the categories and quantities of submergent plants and aquatic animals were scientifically planned under the guidance of the PCLake model. Additionally, the underwater forest technology was utilised to promote self-sustainability and restoration of the aquatic ecosystem with minimal human intervention.



Photo of Feicui Xinqu, Nantong

After more than three years of ongoing efforts, significant improvements have been achieved in the water quality of the artificial lake in Feicui Xinqu, stabilising the ecosystem. The improved ecological environment of the lake has attracted wildlife such as little egrets and wild ducks. Notably, in 2021, the rare species "Craspedacusta", also known as the "panda of the water", was discovered, demonstrating the project's dual benefits in terms of ecology and landscape.

Climate change action

Improving Vanke's climate change influence

Vanke and Shanghai Urban Regeneration Institute ("SURI") jointly establish the "SURI Carbon Neutrality Working Committee"

Vanke, along with 23 enterprises and public institutions, including universities, research institutes, green finance institutions, and design, construction, and energy institutes, initiated China's first "Carbon Neutrality Working Committee" in the field of urban renewal. The committee is committed to refining green and low-carbon policies, technologies, and standard systems, developing key low-carbon, zero-carbon, and negative-carbon technologies, building application demonstration samples with an international advanced level, and creating a green base for high-quality urban development in the future.



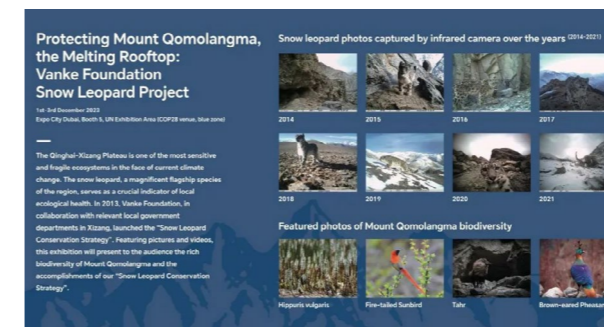
Unveiling ceremony of the "Carbon Neutrality Working Committee"

Vanke's green, low-carbon and sustainable actions debut at COP28

Vanke actively practices its commitment to green and sustainable development. We recognise the impacts of climate change on the global environment and society, and we are taking active and practical actions, implementing effective projects to demonstrate our results and explorations in low-carbon development and carbon-neutral communities.

During COP28, Vanke Foundation supported a series of "China Pavilion" conferences and themed exhibitions, demonstrating to the world the positive actions of Chinese non-governmental organisations and enterprises in tackling climate change. Vanke has also presented its practices in carbon-neutral communities, green buildings, and the green transformation of supply chains, such as the carbon-neutral renovation of the Vanke Centre in Dameisha and the application of "black soldier fly food waste treatment technology".

The green practices of Vanke have attracted wide attention from around the world, illustrating Chinese enterprises' positive attitude and innovative strength in responding to climate change and providing valuable experience and reference for global climate actions.



Melting rooftop - Exhibit of the Qomolangma Snow Leopard Project



A site photo of the Coping with Climate Change and Protecting Human Health Conference

Appendix

ESG Key Performance

Environmental data

Indicator No.	Unit	2023									2022									2021									
		Summary ^a	Property development	Property services	Hotel and resort	Headquarters offices	Logistics and warehousing		SCPG		Tenant	Summary ^a	Property development	Property services	Hotel and resort	Headquarters offices	Logistics and warehousing		SCPG		Tenant	Summary ^a	Property development	Property services	Hotel and resort	Headquarters offices	Logistics and warehousing		SCPG
A1 Emissions																													
A1.2 Greenhouse gas emissions and intensity																													
Total greenhouse gas emissions (Scope 1 and 2)	Tonne - carbon dioxide equivalent	203,732.6222	13,784.0963	5,207.4465	33,496.6719	229.9199	46,903.7252	104,110.7624			171,189.9995	12,663.1573	8,191.0001	35,761.6276	152.5884	15,937.8278	98,483.7983			234,458.7672	10,815.975	3,833.0528	36,697.7212	125.7806	128,164.0393	54,822.1983			
Greenhouse gas emission intensity (Scope 1 and 2)	Property development, property services, logistics and warehousing: kg CO ₂ e/GFA; hotel and resort: kg CO ₂ e/guest stay Property development, property services, logistics and warehousing, hotel and resort: t CO ₂ e/RMB million revenue		69.7	31.6	42.3	42	5.4	65.9				69.4	49.6	47.2	27.9	2	94.1				65.3	58.1	54.3	25.2	15.1	97.3			
Direct carbon dioxide emissions (Scope 1)^{a,1)}	Tonne - carbon dioxide equivalent	7,807.3166	2,385.1186	511.7288	4,312.7844	35.5611	381.5756	180.5481			11,129.8918	4,063.0607	664.2122	4,528.1603	5.6825	672.4479	1,196.3282			9,472.4005	2,173.0754	247.4091	5,709.5424	15.3209	945.337	381.7157			
Emissions from gasoline	Tonne - carbon dioxide equivalent	2,333.942	1,662.4177	456.4977	172.541	35.5611	3,4059	3,5186			3,982.9699	3,358.3161	531.7582	60.4076	5.6825	16.5383	10.2672			1,446.0871	1,167.3508	153.3036	87.2557	15.3209	7.3077	15.5484			
Emissions from diesel	Tonne - carbon dioxide equivalent	263.7326	0.0313	0.2088	34.5613	0	51.9017	177.0295			1,487.2601	0.0313	0.2088	276.4908	0	76.1073	1,134.4219			1,279.2606	0.4307	4.8278	450.0621	0	457.7727	366.1673			
Emissions from natural gas for heating	Tonne - carbon dioxide equivalent	1,730.3684	357.4652	0.8551	1,045.7801	0	326.268	0			1,412.2018	298.7607	69.6967	412.3030	0	579.8023	51.6391			1,821.8838	590.5218	0	758.255	0	473.107	0			
Emissions from natural gas for domestic use	Tonne - carbon dioxide equivalent	3,472.8866	358.8174	54.1672	3,059.902	0	0	0			4,242.0892	400.5818	62.5485	3,778.9589	0	0	0			4,911.9562	402.3791	89.1585	4,413.269	0	7.1496	0			
Emissions from pipeline gas	Tonne - carbon dioxide equivalent	6.387	6.387	0	0	0	0	0			5.3708	5.3708	0	0	0	0	0			13.2128	12.393	0.1192	0.7006	0	0	0			
Indirect carbon dioxide emissions (Scope 2)^{a,1),2),3)}	Tonne - carbon dioxide equivalent	195,925.3055	11,398.9777	4,695.7175	29,183.8875	194.3588	46,522.1497	103,930.2143			160,060.1079	8,600.0966	7,526.7880	31,233.4674	146.9059	15,265.3799	97,287.4701			224,986.3666	8,642.8996	3,585.6436	30,988.1787	110.4597	127,218.7024	54,440.4826			
Emissions from purchased electricity ²⁾	Tonne - carbon dioxide equivalent	191,402.9758	10,663.9573	3,835.4413	26,962.0116	194.3588	46,522.1497	103,225.0571			156,485.8236	7,920.9334	7,222.1885	29,234.2516	146.9059	15,265.3799	96,696.1643			223,905.2939	7,717.6039	3,429.8666	30,988.1787	110.4597	127,218.7024	54,440.4826			
Emissions from purchased heating power ³⁾	Tonne - carbon dioxide equivalent	4,522.3297	735.0204	860.2762	2,221.8759			705.1572			3,574.2843	679.1632	304.5995	1,999.2158	0	0	591.3058			1,081.0727	925.2957	155.7770							
Indirect carbon dioxide emissions (Scope 3)^{a,1),3),4)}	Tonne - carbon dioxide equivalent	797,904.7625									566,880.5406									209,819.3813									
Category 6: Business travel - emissions from employee travel ³⁾	Tonne - carbon dioxide equivalent	6,846.8777																											
Category 8: Upstream leased assets - emissions from the data centre ⁴⁾	Tonne - carbon dioxide equivalent	1,126.5									2,625.19									3,243.69									
Category 15: Investments - SCPG emissions ⁵⁾	Tonne - carbon dioxide equivalent	789,931.3848									564,255.3534									206,575.6913									
Emissions from gasoline ¹⁾	Tonne - carbon dioxide equivalent	52.0479										52.0479	0	134.3711						134.3711	0					31.3309	0		
Emissions from diesel ¹⁾	Tonne - carbon dioxide equivalent	27.0422										26.9482	0.094	24.9056						24.9056	0					10.7428	0		
Emissions from natural gas for heating ¹⁾	Tonne - carbon dioxide equivalent	14,213.1474										14,116.4183	96.7291	13,814.1796						13,231.7702	582.4094				10,430.2668	10,260.0361	170.2307		
Emissions from natural gas for domestic use ¹⁾	Tonne - carbon dioxide equivalent	21.6108										0	21.6108	817.573						789.061	28.5120				851.783	851.783	0		
Emissions from pipeline gas ¹⁾	Tonne - carbon dioxide equivalent	2.2483										2.2483	0	3.9132						3.9132	0				0	0	0		
Emissions from purchased electricity ²⁾	Tonne - carbon dioxide equivalent	731,479.7714										232,314.7931	499,164.9783	521,384.6539						176,834.3886	344,550.2653				190,515.0288	174,736.849	15,778.1798		
Emissions from purchased heating power ^{3),4)}	Tonne - carbon dioxide equivalent	44,135.5168										21,589.1502	22,546.3666	28,075.757						17,501.0253	10,574.7317				4,736.539	4,736.539			
A1.3 Total hazardous waste produced and intensity																													
Office - hazardous waste	kg	25,091.9	20,406.2	2,110.2	1,220.5	75	880	400	12,383.6	2,136.3	89,958.2	36,033	1,759.5	1,665.7	80	1,015	49,405	87,006.7	1,618.5	209,933.9	54,818.9	1,673	153,416.5	0	0	25.5	2,895,768.7	0	
Hazardous waste intensity	Property development, property service, logistics and warehousing, SCPG: kg/GFA; hotel and resort: kg/guest stay Property development, property services, logistics and warehousing, hotel and resort: kg/RMB million revenue		0.1032	0.0128	0.0015	0.0137	0.0001	0.0003	0.0026	0.0005		0.1975	0.0107	0.0022	0.0146	0.0001	0.0472	0.0218	0.0005		0.3308	0.0254	0.2271	0	0	0	1.0951	0	
		0.0539									0.1785									0.4636									

Indicator No.	Unit	2023										2022										2021												
		Summary ^f	Property development	Property services	Hotel and resort	Headquarters offices	Logistics and warehousing			SCPG			Summary ^f	Property development	Property services	Hotel and resort	Headquarters offices	Logistics and warehousing			SCPG			Summary ^f	Property development	Property services	Hotel and resort	Headquarters offices	Logistics and warehousing			SCPG		
							Shared area of high standard logistics park (including project management team office)	Cold chain logistics park (including transportation)	Shared area (including project management office)	Tenant	Shared area of high standard logistics park (including project management team office)	Cold chain logistics park (including transportation)						Shared area (including project management office)	Tenant	Shared area of high standard logistics park (including project management team office)	Cold chain logistics park (including transportation)	Shared area (including project management office)	Tenant											
A1.4 Total non-hazardous waste produced and intensity																																		
Total non-hazardous waste	Tonne	86,960.6373	42,951.509	712.4065	3,526.9830	24.38	38,467.1787	1,278.1801	55,018.851	77,885.7482	77,800.977	49,724.3848	1,126.137	2,589.4392	4.18	22,329.38	2,027.456	53,862.3425	83,100.9966	159,710.6908	80,380.468	930.746	32,948.158	34,395.54	11,055.7788	166,324.92	4,812.6							
	Property development, property service, logistics and warehousing, SCPG: Tonne/GFA; hotel and resort: Tonne/guest stay		0.2172	0.0043	0.0044	0.0045	0.0044	0.0008	0.0115	0.0171		0.2726	0.0068	0.0034	0.0008	0.0028	0.0019	0.0135	0.0253		0.485	0.0141	0.0488	0	0.004	0.0196	0.0629	0.019						
Non-hazardous waste intensity	Property development, property services, logistics and warehousing, hotel and resort: Tonne/RMB million revenue	0.1867									0.1544									0.3527														
Office - recyclable waste	Tonne	9,173.9847	7,699.286	54.2865	212.1494	18.7500	820.28	369.2328	860.891	3,251.6566	16,898.3001	14,017.404	34.035	86.8561	1.36	2,193.17	565.475	508.988	3,299.7076	31,261.5692	15,526.5674	702.335	1,164.823	0	3,531	10,336.8438	516.42	0						
Office - other waste	Tonne	73,579.0091	34,684.75	563.67	1,106.6298	0	36,320.812	903.1473	49,885.4535	41,018.2756	58,358.9559	35,188.0938	989.157	1,064.8941	0	19,702.87	1,413.941	40,025.9105	46,774.505	112,289.9846	64,205.1716	127.802	18,052.866	0	29,222.73	681.415	137,479.65	1,800						
Kitchen - food waste	Tonne	4,207.6435	567.473	94.45	2,208.2038	5.63	1,326.0867	5.8	4,272.5065	33,615.816	2,543.721	518.887	102.945	1,437.689	2.82	433.34	48.04	13,327.444	33,026.784	16,159.137	648.729	100.609	13,730.469	0	16,41.81	37.52	28,328.85	3,012.6						
A2 Use of resources																																		
A2.1 Direct and/or indirect energy consumption by type in total and intensity																																		
Total energy consumption ^{b,7)}	Ton (standard coal)	47,024.4249	3,839.8447	1,350.7163	9,127.0002	59.0804	10,252.1449	22,395.6384	64,194.9278	114,348.7126	40,986.9355	4,039.1727	1,981.2966	9,658.1783	34.4061	3,689.9697	21,583.9121	51,638.4869	77,709.6779	53,270.4684	3,225.459	907.8321	9,991.147	30,7743	27,422.1713	11,693.0847	45,326.4896	3,442.4054						
	Property development, property service, logistics and warehousing, SCPG: Tonne/GFA; hotel and resort: Tonne/guest stay		0.0194	0.0082	0.0115	0.0108	0.0012	0.0142	0.0134	0.0252		0.0221	0.012	0.0127	0.0063	0.0005	0.0206	0.0129	0.0237		0.0195	0.0138	0.0148	0.0062	0.0032	0.0207	0.0171	0.0136						
Energy consumption intensity	Property development, property services, logistics and warehousing, hotel and resort: Tonne/RMB million revenue	0.1010									0.0813									0.1176														
Gasoline consumption	Litre	1,026,811.288	731,376.0276	200,834.9	75,908.95	15,645	1,498.41	1,548	22,898.3267	0	1,752,296.474	1,477,481.804	233,945.53	26,576.15	2,500.00	7,275.96	4,517.03	59,116.20	0	636,201.975	513,572.73	67,445.485	38,387.92	6,740.37	3,215	6,840.47	13,783.95	0						
Diesel consumption	Litre	101,046.98	12	80	13,241.88	0	19,885.7	67,827.4	10,325	36	569,831.49	12	80	105,935.18	0	29,159.9	434,644.41	9,542.36	0	490,138.12	165	1,849.74	172,437.57	0	175,391.84	140,293.97	4,116	0						
Total natural gas consumption	m ³	2,408,914.36	331,612.29	25,473.31	1,900,778.76	0	151,050	0	6,535,378.85	54,787	2,617,727.3	323,769.68	61,224.62	1,940,399	0	268,427	23,907	6,491,125.53	269,634	3,117,518.5388	459,676.3388	41,277.1	2,394,224.1	0	222,341	0	5,144,360.73	78,810.52						
Natural gas consumption for heating	m ³	801,096.48	165,493.13	395.88	484,157.47	0	151,050	0	6,535,378.85	44,782	653,797.13	138,315.13	32,267	190,881	0	268,427	23,907	6,125,819.53	269,634	843,464.71	273,389.713	0	351,044	0	219,031	0	4,750,016.73	78,810.52						
Natural gas consumption for domestic use	m ³	1,607,817.88	166,119.16	25,077.43	1,416,621.29	0	0	0	0	10,005	1,963,930.17	185,454.55	28,957.62	1,749,518	0	0	0	365,306	13,200	2,274,053.8258	186,286.6258	41,277.1	2,043,180.1	0	3,310	0	394,344	0						
Pipeline gas consumption	m ³	28,186.06	28,186.06	0	0	0	0	0	9,922	0	23,701.82	23,701.7	0.12	0	0	0	0	17,269	0	58,309.26	54,691.26	526	3,092	0	0	0	0	0						
Electric power consumption	10,000 kWh	33,611.742629	1,917.696557	674.656782	4,727.689211	34.0801	8,157.487226	18,100.132753	40,735.542104	87,526.736499	7,487.925533	1,436.504025	1,267.500488	5,126.118105	25.7594	2,676.728014	16,955.315501	31,007.257345	60,415.617263	38,629.76043	1,418.115227	592.398489	5,333.593578	19.012	21,896.50643	9,370.134701	30,256.17008	2,715.6936						
Purchased heating power	GJ	41,112.0889	6,682.0038	7,820.6931	20,198.8716	0	0	6,410.5204	196,265.0019	204,966.969	27,755.786525	1,436.504025	2,769.0863	18,174.6893	0	0	5,375.5069	159,100.2297	96,133.9242	9,827.9337	8,411.7791	1,416.1546												
A2.2 Water consumption in total and intensity																																		
Water consumption	Tonne	2,289,733.126	175,034.776	70,052.476	823,410.339	267	598,219.69	622,748.845	5,110,797.69	7,721,854.66	1,743,477.61	152,329.76	129,598.95	695,027.86	198	291,233.05	475,089.99	3,654,203.57	5,240,781.94	3,441,300.321	164,450.14	60,926.83	867,324.5	10,493	2,132,811.951	205,293.9	3,941,773.02	268,611						
	Property development, property service, logistics and warehousing, SCPG: Tonne/GFA; hotel and resort: Tonne/guest stay		0.8851	0.4256	1.0388	0.0488	0.0685	0.3943	1.0659	1.6994		0.835	0.7849	0.9166	0.0362	0.0363	0.4537	0.916	1.5975		0.9923	0.9238	1.2839	2.0986	0.2505	0.3642	1.4907	1.0608						
Water consumption intensity	Property development, property services, logistics and warehousing, hotel and resort: Tonne/RMB million revenue	4.9163									3.4604									7.6001														

Notes

- a) The summarised data for 2021, 2022 and 2023 are included in the consolidated scope, covering four sectors: Property development, property services, hotel and resort, and logistics and warehousing.
- b) Scope 1 Carbon dioxide includes direct emissions from gasoline, diesel, natural gas, and pipeline gas used by each business form within the consolidation scope.
- c) Scope 2 Carbon dioxide includes indirect emissions from purchased electricity and heat used by each business form within the consolidation scope.
- d) Scope 3 Carbon dioxide includes indirect emissions from Category 6: Business travel, Category 8: Upstream asset leasing, and Category 15: Investment. Specifically, emissions from Category 15: Investment encompass those from gasoline, diesel, natural gas, pipeline gas, and purchased electricity used by SCPG in shared area (including project management office) and tenants.
- e) Total energy consumption refers to the total usage of gasoline, diesel, natural gas, pipeline gas, purchased electricity, and purchased heat.

Reference standards for data calculation

- 1) Carbon dioxide emissions from gasoline, diesel, natural gas and pipeline gas were calculated by referring to the *Guidelines for Accounting and Reporting of Greenhouse Gas Emissions from Operating Units (Enterprises) of Public Buildings (Trial)* issued by the National Development and Reform Commission.
- 2) Indirect carbon dioxide emissions from purchased electricity and purchased heat were calculated according to the *Guidelines for Accounting and Reporting of Greenhouse Gas Emissions from Operating Units (Enterprises) of Public Buildings (Trial)* issued by the National Development and Reform Commission. The power emission factors in the Chinese Mainland referred to the standard of the *Notice on the Management of Greenhouse Gas Emission Reporting of Power Generation Enterprises from 2023 to 2025*, and the power emission factors in overseas regions referred to IGES List of Grid Emission Factors (<https://www.iges.or.jp/en/pub/list-grid-emission-factor/en>).
- 3) For Scope 3 carbon dioxide emissions from Category 6: Business travel (including air and train journeys), the carbon emission factors are derived from the GHG assessment tool provided by the travel service provider.
- 4) For Scope 3 carbon dioxide emissions from Category 8: Upstream leased assets (Leased data centre), the carbon emission factors are derived from the emission factor of power grid in China in 2012 released by the National Centre for Climate Change Strategy and International Cooperation ("NCSC").
- 5) The formula and carbon emission factors for Scope 3 carbon dioxide emissions in from Category 15: Investments (SCPG) are consistent with that of Scope 1 and 2 carbon dioxide emissions.
- 6) The scope of statistics for purchased heat is central heating, of which the energy consumption is calculated using the formula in Standard CJJ/T34-2022, *Design Standard for Urban Heating Network*.
- 7) The total energy consumption is converted into standard coal according to Standard GB/T 2589-2020, *General Rules for Comprehensive Energy Consumption Calculation*.

○ Social performance

ESG Indicator	Unit	2023	2022	2021
B1 Employment				
B1.1 Total workforce by gender, employment type, age group and geographical region				
Total number of employees	Person	131,097	131,817	139,494
Gender				
Male	Person	72,578	72,086	75,287
Female	Person	58,519	59,731	64,207
Employment category				
Full-time employees	Person	131,097	131,817	139,494
Part-time employees	Person	0	0	0
Age				
29 years old and below	Person	50,088	55,252	61,738
30 to 49 years old	Person	75,196	70,756	67,964
50 years old or above	Person	5,813	5,809	9,792
Region				
Chinese Mainland	Person	130,852	131,573	139,263
Hong Kong, Macau and Taiwan	Person	198	191	197
Overseas	Person	47	53	34
B1.2 Employee turnover rate by gender, age group and geographical region				
Rate of employee turnover	%	29.8	30.1	26.07
Gender				
Turnover rate of male employees	%	29.7	29.9	27.2
Turnover rate of female employees	%	29.9	30.4	24.7
Age				
Turnover rate of employees aged 29 and below	%	34.3	36.2	32.3
Turnover rate of employees aged from 30 to 49	%	25.8	24.3	20.9
Turnover rate of employees aged 50 or above	%	27	32.9	15.3
Region				
Turnover rate in Chinese Mainland	%	29.8	30.2	26.1
Turnover rate in Hong Kong, Macau and Taiwan	%	14.1	21.4	1
Turnover rate overseas	%	18.2	19.7	22.7
B2 Health and safety				
B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year, total number of days lost due to work-related injury, and LTIR				
Number of work-related fatalities ³	Person	2	2	0
Number of days lost due to work-related injury ⁴	Day	536	234	760
LTIR	%	0.0099	0.0061	0.0129
B3 Development and Training				
B3.1 Percentage of employees trained by gender and employee category				
Total number of employees trained	%	100	100	100
Gender				
Male	%	55.4	54.7	54.0
Female	%	44.6	45.3	46.0
Employee category				
Management	%	0.8	0.9	0.9
Non-management	%	99.2	99.1	99.1
Training type				
New employee training	%	38.8	42.9	65.8
Other special training	%	61.2	57.1	34.2
B3.2 Average training hours completed per employee by gender and employee category				
The total training hours of workforce	Hour	25.63	25.26	27.87
Gender				
Male	Hour	24.11	24.05	31.65
Female	Hour	27.52	26.72	23.44

ESG Indicator	Unit	2023	2022	2021
Employee category				
Management Staff	Hour	40.35	31.30	27.26
Non-management Staff	Hour	25.51	25.20	28.07
Training type				
New employee training	Hour	6	6	7
Other special training	Hour	37.87	39.43	67.95
B5 Supply Chain Management				
B5.1 Number of suppliers by geographical region				
Region				
Beijing Region	Supplier	3,646	3,511	2,447
Southern Region	Supplier	4,846	6,117	3,440
Central China region	Supplier	2,381	2,139	1,750
Northwest region	Supplier	1,484	1,296	1,021
Shanghai Region	Supplier	6,392	6,332	4,318
Southwest region	Supplier	2,455	2,226	1,399
Northeast region	Supplier	1,716	1,619	1,562
B6 Product Responsibility				
B6.1 Percentage of products sold or shipped subject to recalls for safety and health reasons totally				
Number of products sold or shipped subject to recalls for safety and health reasons	Time	0	0	0
B6.2 Number of product- and service-related complaints received				
Number of customer (product or service) complaints	Complaint	1,702	2,082	3,727
Product and service satisfaction				
Customer satisfaction about after-sales services	%	97	97	95
Real-time satisfaction upon delivery	Score	97	98	94
Overall customer satisfaction of Port Apartment business	Score	92.81	91.24	86.76
B6.3 Description of practices relating to maintaining and protecting intellectual property rights				
Number of newly obtained patents in the reporting period	Patent	69	100	180
Number of accumulated intellectual property rights held	Case	97	319	23
Number of accumulated software copyrights held	Copyright	261	172	119
Number of accumulated trademarks held	Trademark	832	776	49
B6.5 Description of how to implement and monitor information guarantee for consumers				
Average hours of information security training hours	Hour	3	3	3
B7 Anti-corruption				
B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period				
Number of cases where the Company is regarded as a participant in unfair competition	Case	0	0	0
Number of cases in violation of the anti-monopoly law	Case	0	0	0
Lawsuits regarding corruption, bribery, extortion, fraud or money laundry	Case	0	0	0
B7.3 Anti-corruption training				
Number of board members and senior managers participating in anti-corruption training	Person	22	17	12
B8 Community Investments				
B8.2 Resources contributed to the focused area				
Amount of external donations	RMB'0,000	11,696	12,000	28,500
Including: Amount invested in rural vitalisation	RMB'0,000	8,000	10,000	15,000
Total amount invested by the Vanke Foundation for public charity	RMB'0,000	12,499	7,283	11,992
Number of participants in voluntary activities	Person-times	3,192	10,557	499
Hours spent on voluntary activities	Hour	100,380	108,750	1,996

³ The number of work-related fatalities does not include injuries or deaths not caused by work, such as traffic accidents on the way to and from work or sudden illnesses.

⁴ The statistics on total number of days lost due to work-related injury cover property development, logistics and warehousing, rental housing, retail property development and operations (consolidated), hotel and resort, and overseas business.

ESG Index

Environmental, Social and Governance Scopes and General Disclosure and Key Performance Indicators (KPIs)			Corresponding Section
Environment			
A1: Emissions	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 air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		Advancing Green Construction; Practicing Green Operation
	A1.1	The types of emissions and respective emissions data.	The emission of gaseous pollutants is not an important category for the operation of the Group.
	A1.2	Total greenhouse gas emissions (in tonnes) and intensity (e.g. per unit of production volume, per facility).	Appendix: ESG Key Performance
	A1.3	Total hazardous waste produced (in tonnes) and intensity (e.g. per unit of production volume, per facility).	Appendix: ESG Key Performance
	A1.4	Total non-hazardous waste produced (in tonnes) and intensity (e.g. per unit of production volume, per facility).	Appendix: ESG Key Performance
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Practices - Our Strategy
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Practices - Our Strategy
	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.		Green Design Commitment; Practicing Green Operation
	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).	Appendix: ESG Key Performance
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix: ESG Key Performance
	A2.3	Description of energy use efficiency plan(s), target(s) set and the steps taken to achieve them.	Environmental Practices - Our Strategy
	A2: Use of Resources	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, plan(s) to improve water use efficiency and the results achieved.
A2.5		Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Packaging materials are not required for the finished products of the group business.
General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.		Green Design Commitment; Advancing Green Construction; Practicing Green Operation	
A3: The Environment and Natural Resources	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Design Commitment; Advancing Green Construction; Practicing Green Operation
	General Disclosure Policies on identification and mitigation to significant climate-related issues which have impacted, and those which may impact, the issuer.		Climate Change Response; Climate-related Risk and Opportunity
A4: Climate Change	A4.1	Description of the significant climate-related issues that have impacted and are likely to impact the Issuer, and the actions taken to manage them.	Climate Change Response; Climate-related Risk and Opportunity
	Social		
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 charity.		Striving for The Best as a Team
	B1.1	Total workforce by gender, employment type, age group and geographical region.	Appendix: ESG Key Performance
	B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix: ESG Key Performance
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.		Striving for The Best as a Team
	B2.1	Number and rate of work-related fatalities occurred in the past three years including the reporting year.	Appendix: ESG Key Performance
	B2.2	Lost days due to work injury.	Appendix: ESG Key Performance
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Striving for The Best as a Team
B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		Striving for The Best as a Team
	B3.1	The percentage of employees trained by gender and employee category.	Appendix: ESG Key Performance
	B3.2	The average training hours completed per employee by gender and employee category.	Appendix: ESG Key Performance

Environmental, Social and Governance Scopes and General Disclosure and Key Performance Indicators (KPIs)			Corresponding Section
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.		Striving for The Best as a Team
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Striving for The Best as a Team
	B4.2	Description of steps taken to eliminate such practices when discovered.	Striving for The Best as a Team
B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.		Win-win Partnership
	B5.1	Number of suppliers by geographical region.	Appendix: ESG Key Performance
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Win-win Partnership
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Win-win Partnership
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Advancing Green Construction
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.		Compliance Operation; Good Products; Good Services
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	No product or service recall events that had a significant impact on the Group's operations occurred during the reporting period, so it is not applicable
	B6.2	Number of products and service related complaints received and how they are dealt with.	Good Services; Appendix: ESG Key Performance
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Compliance Operation
	B6.4	Description of quality assurance process and recall procedures.	Good Products
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Compliance Operation
	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.		Compliance Operation
B7: Anti-corruption	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.	Appendix: ESG Key Performance
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Compliance Operation
	B7.3	Description of anti-corruption training provided to directors and staff.	Compliance Operation; Appendix: ESG Key Performance
B8: Community Investments	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.		Building a Beautiful and Shared Future Home; Sustainability Management; Shared development
	B8.1	Focus areas of contribution.	Building a Beautiful and Shared Future Home; Sustainability Management; Shared development
	B8.2	Resources contributed to the focus area.	Appendix: ESG Key Performance

Index to SASB Indicators

Theme	Indicator	Code	Corresponding section
Energy Management	Energy consumption data coverage as a percentage of total floor area, by property sector	IF-RE-130a.1	Appendix: ESG Key Performance
	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property sector	IF-RE-130a.2	Appendix: ESG Key Performance
	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property sector	IF-RE-130a.3	Appendix: ESG Key Performance
	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property sector	IF-RE-130a.4	Green Design Commitment
	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	IF-RE-130a.5	Practicing Green Operation
Water Management	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property sector	IF-RE-140a.1	N/A
	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property sector	IF-RE-140a.2	Appendix: ESG Key Performance
	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property sector	IF-RE-140a.3	Appendix: ESG Key Performance
	Description of water management risks and discussion of strategies and practices to mitigate those risks	IF-RE-140a.4	Climate-related Risk and Opportunity; Practicing Green Operation
Management of Tenant Sustainability Impacts	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property sector	IF-RE-410a.1	Practicing Green Operation
	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property sector	IF-RE-410a.2	Appendix: ESG Key Performance
	Discussion of approach to measuring, incentivising, and improving sustainability impacts of tenants	IF-RE-410a.3	Environmental Practices— Our Strategy; Practicing Green Operation
Climate Change Adaptation	Area of properties located in 100-year flood zones, by property sector	IF-RE-450a.1	N/A
	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	IF-RE-450a.2	Climate-related Risk and Opportunity

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