vanke



2021

vanke

SUSTAINABILITY REPORT

About this Report

Introduction

Vanke Group has continuously issued 14 corporate social responsibility reports since 2007. Based on the original social responsibility report, this report is an iterative update of the 2021 Sustainability Report of China Vanke Co., Ltd. (the "Report"). It provides detailed disclosure of Vanke's practice and performance in responsible areas such as operation, environment and society in 2021 based on the principles of objectivity, normativity, transparency and comprehensiveness.

Reporting period

This report covers the period from 1st January, 2021 to 31st December, 2021. To make this report more comparable and complete, some parts of it may trace back to previous years as appropriate.

Release cycle

This is an annual report. The most recent report was released in June 2021.

Reporting scope

This report covers China Vanke Co., Ltd., all subsidiaries of Vanke in the People's Republic of China and Vanke's businesses in the United States, the UK, Malaysia, and Hong Kong, China.

Preparation basis

- The Ten Principles of the UN Global Compact
- *Guidance on Social Responsibility (ISO 26000:2010)* issued by International Organisation for Standardisation (ISO)
- *GRI Sustainability Reporting Standards (GRI Standards)* issued by Global Sustainability Standard Board (GSSB)
- The Chinese Social Responsibility Standard GB/T36001-2015 *Guidance on Social Responsibility Reporting*
- Real Estate Industry Standards issued by SASB (Sustainability Accounting Standards Board)
- *Environmental, Social and Governance Reporting Guide (HK-ESG)* in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
- Task Force on Climate-related Financial Disclosures (TCFD)
- *The Self-Regulatory Guidelines for the Companies Listed on the Shenzhen Stock Exchange No. 1 – Standardised Operation of the Companies Listed on the Main Board*
- *Guidelines on the Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR4.0)* 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

Sources of data and reliability guarantee

This report follows the principles of Materiality, Quantitative, Balance and Consistency in the Environmental, Social and Governance Reporting Guide. Sources of data used in this Report include data made public by governmental bodies, Vanke's relevant internal statistical reports, third-party questionnaire surveys, administrative documents and reports and third party evaluations and interviews. This report has been reviewed by the Board of Directors before its release. Vanke guarantees that this report is free of any false information, misleading statements or major omissions.

References of names

To facilitate presentation and reading, "China Vanke Co., Ltd." in this report is also referred to as "Vanke Group", "Vanke", "the Group", "the Company" or "We".

Unless otherwise specified, the currency referred to in the report is Renminbi (RMB).

Report access

You may download the Chinese and English editions of this Report from Vanke's website at www.vanke.com. In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail. For any questions or suggestions concerning this Report, please send an email to p-vkesg@vanke.com, or call us at (0755) 25606666.

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Message

2021 was a significant year for Vanke's management in respect of environmental, social and governance ("ESG") issues.

Vanke established the ESG governance structure in 2019. In 2021, with the authorization of the Board of Directors, we reviewed and improved the governance structure. The chairman of the Board of Directors will serve as the chairman of the ESG Management Committee of the Company, raising the management of ESG affairs to the highest level of concern of the Group. In addition, the ESG Management Committee and ESG executive team members will be further expanded from the relevant functions of the headquarters to all business groups (BG) and business units (BU) of the Group, so as to build a systematic ESG management system throughout the Group. We believe that the improvement of the organisational structure will provide basic support and help for the improvement of the ESG management level of Vanke.

In 2021, based on the collection, research and evaluation work in previous years, we put forward more than 50 sustainable development goals, covering emission reduction, waste reduction, energy use, climate change, customers, employees, suppliers and other aspects, setting goals and charting the course for sustainable development in the future.

This year, we conducted the first climate change risk analysis. We classified the risks based on the framework of Task Force on Climate-related Financial Disclosures ("TCFD"), identified the risk items applicable to Vanke according to the risk types and the business sectors of Vanke, carried out research and policy analysis to identify the entity and transformation risks at the industry and enterprise operation level, developed the list of climate change risks, carried our risk ranking from two dimensions of occurrence probability and influence degree, and created a climate risk matrix. In the future, we will improve our climate risk scenario analysis based on the *Climate Disclosure Guidelines* of The Stock Exchange of Hong Kong Limited, identify the climate risks and potential opportunities faced by different businesses of the Company in different scenarios, improve the effectiveness of climate risk management and grasp climate opportunities.

We care about harmony between people. We always treat customers and address their needs honestly, provide them with good products and services to their satisfaction, and deliver real value. We hold fast to the customer service standard of "Honest Marketing with No Trickery" to ensure marketing in good faith of 100% new development projects. The Group also carried out 2021 "5+3+2", a total of 10 good service programs internally, added four new programs, including delivery service upgrade, in an effort to lift the quality of Vanke products and services. We have provided a communication and training platform for our allies and relevant parties to strengthen the ability of the partners in the supply chain to fulfil their commitments in good faith and take the initiative to shoulder their social responsibilities, and organised a spring tea party and quality related training for partners of the Group, covering more than 210 suppliers. We care for the physical and mental well-being of every employee, and carry out colourful club activities to enhance the cohesion and sense of belonging of employees. We create opportunities for our employees to challenge themselves and continue to learn and develop, and guide them to pursue a better life in a healthy and sustainable way.

We also put a premium on the harmony between mankind and nature. We seek a green and low-carbon development path starting from residence industrialisation, green supply chain and green building. Vanke has gradually discovered a proven path in the field of industrialised construction. We team up with like-minded parties to continually promote the "China's Real Estate Industry Green Supply Chain Action (GSC)" and have formulated the *Vanke Guideline for Green Building Standards* to vigorously drive green building development. As of the end of 2021, buildings of 289 million square meters met the green building standard.

Adhering to prudent operation, we have built a sound risk management system, and carried out risk identification, assessment and improvement work. In 2021, we continued to carry out compliance audits and supervision, with a total of 13 comprehensive audits and 26 special audits completed. In key risk areas such as marketing, we carried out 223 internal control inspections and strictly dealt with violations of the red line with a tough stance.

In 2021, we made considerable achievements in ESG related ratings. We were continuously included in the Hang Seng Sustainable Enterprise Benchmark Index and the Hang Seng ESG50 Index, and rated BBB in MSCI ESG ranking.

For over three decades, Vanke has forged ahead against hardships, stayed true to its original aspiration, always held on to the sustainable development concept, pursued the mission of making a better life for all, and proactively fulfilled its corporate social responsibility. *In 2022, we will stay focused and work hard to achieve high-quality and sustainable development goals*.

Board Statement

Based on the requirements of the *Listed Company Governance Standards* issued by the China Securities Regulatory Commission and the *Environmental, Social and Governance Reporting Guidelines* issued by the Stock Exchange of Hong Kong, the Company and the Board of Directors will 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 of Directors reviewed and clarified the ESG management system and the ESG work responsibilities to ensure that sustainable development issues facing Vanke will be gradually incorporated into the Company's agenda.

As the highest decision-making body, the Board of Directors is responsible for determining our ESG management structure and management strategy, ensuring that appropriate and effective ESG risk management and internal monitoring systems are in place, and reviewing and approving the ESG annual report of the Company. In addition, the Company set up an ESG Working Committee chaired by the chairman of the Board of Directors. The ESG Working Committee is responsible for confirming the results of internal and external importance assessments, determining the ESG management objectives, policies and implementation paths, and confirming significant ESG management issues such as the risks and opportunities related to ESG assessed and identified. 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 of Directors and released in the ESG report of the Company.

The 2021 Annual Sustainability Report of the Company was reviewed and approved by the Board of Directors on 30th March, 2022.



About Vanke

Figures of 2021

Operation

Total Assets
RMB1,938.64 billion

Net Assets
RMB235.95 billion

Revenue
RMB452.80 billion

Net Profit Attributable to Vanke's Equity Holding
RMB22.52 billion

Sales Area
38.078 million m²

Sales Amount
RMB627.78 billion

Ranking of Fortune Global 500
160th

Credit Rating
S&P Moody's Fitch
BBB+ Baa1 BBB+

ESG Ratings of MSCI
BBB

Daily Taxes Paid on Average
RMB220 million

Total "good service" programs carried out
10

Customer Satisfaction
91 points

Social

Number of Total Employees
139,494

Safety Training Coverage Rate for Employees and Construction Contractors
100%

External Donation Amount
RMB285 million

Environmental

Gross Floor Area (GFA) of Green Building
58.26 million m²

The ratio of Residential Industrialisation to Total Construction Commencement
83%

Number of Community Waste Management Projects
195

Company Overview

Company profile

China Vanke Co., Ltd. (hereinafter "the Group" or "the Company") was established in 1984. After 30 years of development, it has become a leading city and town developer and service provider in China. The Group focuses on the three most vibrant economic circles nationwide and key cities in Midwest China. In 2021, Vanke ranked 160th on the Fortune Global 500 companies.

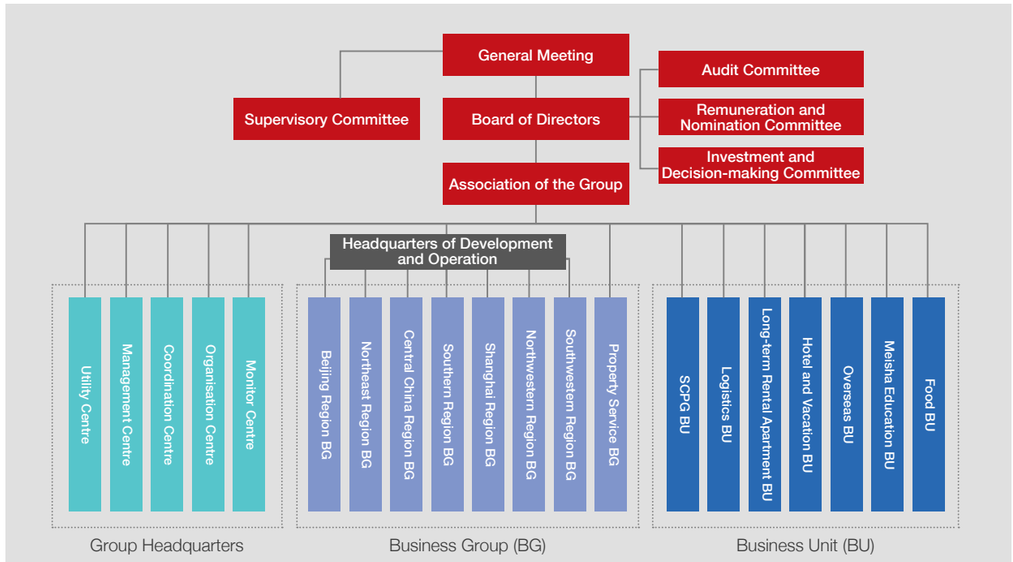
Vanke has been persistently providing good products and good services to the general public, satisfying people's various demands for a good life with its best efforts. Up till now, the ecosystem it has been constructing is getting into shape. In the property area, Vanke has always upheld the vision of "building quality housing for ordinary people to live in". While consolidating its existing advantages of residential property development and property service, the Group's businesses have been expanded to areas such as commercial development, rental housing, logistics and warehousing services, SKI resorts, and education. This has laid a solid foundation for the Group to better satisfy people's needs for a good life and to achieve sustainable development. In the future, with "people's needs for a good life" as the core and cash flow as the basis, the Group would continue to "follow the fundamental rules of the world and strive for the best as a team" while executing the strategy of "city and town developer and service provider". The Group would constantly create more true value and strive to be a respectable enterprise in this great new era.

Corporate governance

In compliance with the *Company Law of the People's Republic of China* and other relevant laws and regulations, Vanke has formed a corporate governance structure with checks and balances among a wide range of functions, and formulated policies and rules in line with its development pursuits. The General Meeting, Board of Directors, Board of Supervisors and 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, to effectively perform corporate governance, and protect the interests of shareholders and the Company, with a view to sustain the Company's long-term healthy development.

In 2021, the Company was honoured with the "Best Board of Directors on the Mainboard" and the "Best Investor Relations Management" of the 12th Tianma Award; included in the list of "2021 All-Asia Executive Team" and among the top three on the lists of "Best CEO", "Best IR Professional", and "Best ESG" published by Institutional Investor; and selected as the New Fortune "Best Listed Company" for the 3rd consecutive year, etc. For details of the awards, please refer to *2021 Annual Report of China Vanke Co., Ltd*.

Organisational Structure



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

The Board of Directors 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 & nomination, and investment & decision-making. Of its 11 directors, 4 are independent directors, including 1 woman. These independent directors are responsible for the convening of the specialised committees and hold a majority in the audit committee and the remuneration & nomination committee in order to play a better role as independent directors.

The Supervisory Committee reports to the General Meeting. It conducts financial checks and oversees directors and executives in performing jobs according to law. It also organises patrol inspections of subsidiaries to tighten oversight and safeguard the interests of the Company, shareholders, and employees. In 2021, Vanke had 3 supervisors, including 1 woman.

The senior management is accountable for the production and operations, implementing the resolutions of the Board of Directors, annual plans and investment proposals, formulating corporate policies and rules, and exercising other powers as granted by the *Articles of Association* or the Board. Of the 4 senior executives in the Company, 2 were women.

The diversity of Board members is one of the important elements to maintain the advantages of the Company and promote sustainable corporate development. *The Rules for the Implementation of the Board of Directors Remuneration and Nomination Committee* specify that the remuneration and nomination committee shall fully consider the diversity requirement of the board of directors, including but not limited to gender, age, culture, and educational background, professional experience, skills, knowledge and service tenure, when it reviews the structure and composition of the board of directors, studies the selection criteria and procedures of directors, and senior executives. In the meantime, the remuneration and nomination committee shall consider the contribution of candidates to the qualifications, skills, experience, independence and gender diversity of the board of directors in combination with the business model and development plan of the Company.

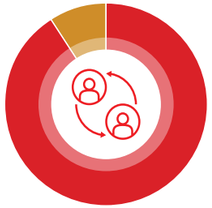
Composition of Board of Directors

Position



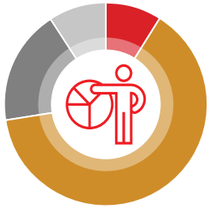
- Independent non-executive director 4
- Executive director 3 (including 1 staff representative director)
- Non-executive director 4

Gender



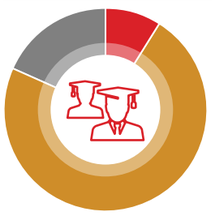
- Male 10
- Female 1

Age



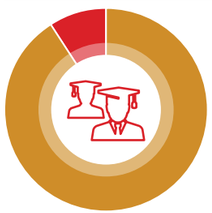
- 40-49 1
- 50-59 7
- 60-69 2
- 70-79 1

Educational background



- Bachelor or below 1
- Master 8
- Doctor 2

Service tenure



- More than 10 years 1
- Less than 5 years 10
- 5-10 years 0

Business landscape

To cater to people's needs for a better life while building on strengths in core businesses – residential property development and property services, Vanke has extended into rental housing, retail property development and operations and logistics & warehousing, etc.. We have strategically positioned ourselves as a "city and town developer and service provider", and aims to become a lifestyle creator, a mainstay of the real economy, an innovator and pioneer, and an advocate of man-nature harmony.

• Property development

The Property development business of Vanke focuses on "good products and services", 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 renewal, and TOD, we are committed to continuously improving urban living quality and pursuing synchronous development with the city and common growth with customers.

In 2021, Vanke realised

A total sales area of **38.078** million m^2 and a total sales amount of RMB**627.78** billion, and held a market share of about **3.5**%.



• Property services

Onewo Space-Tech Service Co., Ltd. ("Onewo") operates three business modules, which are "Space", "Tech" and "Grow", sets up subsidiaries including Cushman & Wakefield Vanke Service and City Up. It is committed to propelling digital upgrade of space services through technology, walk hand in hand with industrial partners toward superior service, and render everlasting space technological services. Cushman & Wakefield Vanke Service is specialised in the commercial property and enterprise property (administrative) service. City Up concentrates on the integrated services for municipal engineering and amenity in new districts and sub-districts of cities, environmental sanitation and greening, parks and rivers, and old communities. Space V undertakes the home service in the communities under Onewo, Vanyu Securepro is committed to security and electromechanical services for enterprises, Xiangying Enterprise Service accommodates the blue-collar recruitment and financial sharing outsourcing needs based on enterprises, and Vanrui Intellitech engages in integrated services of design, construction and operation based on intelligent communities, parks, properties, sites and cities.

Onewo operates and manages **3,930** residential property service projects, and more than **1,600** commercial and enterprise property service projects in **172** medium-sized and large cities, and makes its presence known in **43** urban space projects across **29** cities.



• Rental housing

Port Apartment is a brand of Vanke's long-Rent apartment which provides one-stop living solutions for urban young customers. According to the diverse living demands of young customers, Port Apartment delivers "convenient, reassuring, healthy and energetic" high-quality living space and creative fashion life.

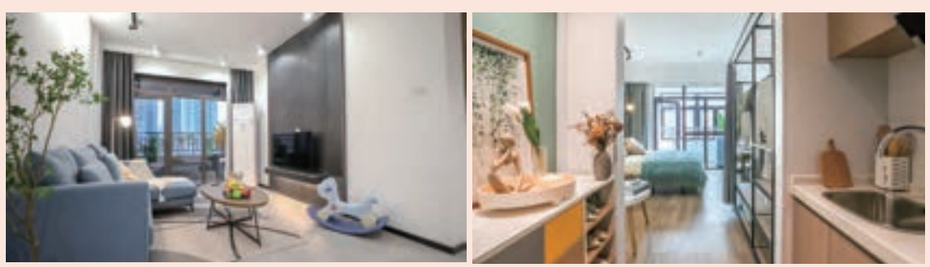


As of the end of 2021,

Port Apartment has been launched in **33** cities across the country, offering nearly **160,000** high-quality rooms, serving more than **600,000** urban youths. **15** projects of the Port Apartment were officially included in the indemnificatory housing system, making available **12,912** rooms with a GFA of some **530,000 m²** in total.

Case: Indemnificatory rental housing of Port Apartment Wuhan Tiangong Project

The Wuhan Tiangong project is the first indemnificatory rental housing project the government commissioned Port Apartment to manage, and the first rental housing project built by means of land grant. Port Apartment endeavours to build the project into a premium brand apartment in Wuhan, creating a community combining life and social activities and allowing more people to live peacefully, safely and comfortably.



Port Apartment | Wuhan Tiangong Project (Jiangguo City Apartment)

• Retail property development and operations

With an international vision, SCPG focuses on the investment, development and operation of shopping malls, and extends the business activities across the whole value chain of commercial real estate. Upholding the "customer-centric" philosophy, SCPG continues to create real value for consumers and merchants, provide a quality experience for the better life of mainstream urban households, and contributes to the promotion of urban and rural development and consumption upgrading. As of the end of the Reporting Period, Vanke operated and managed more than 100 projects in over 50 cities across China, with the assets value of nearly RMB90 billion and a managed area of close to 10 million m².



Following Shanghai Qibao Vanke Plaza received LEED Gold certificate, in 2021, Songjiang Incity passed the LEED GOLD pre-certification, received the Golden Censer Prize of China Commercial Property, and the honour of New City Landmark of the Year; Shanghai Nanxiang Incity Mega received the LEED Platinum green building certificate, and Wenzhou Incity Mega passed the LEED GOLD pre-certification, and won the Best Commercial Building China Award.

Case: Songjiang Incity builds an example of multi-dimensional green mall

Shanghai Songjiang Incity is located at the core area of Songjiang New City. The project is designed and constructed on the basis of LEED, integrating the concept of energy and environmentally sustainable design and stressing on "energy conservation and environmental protection" across the entire shopping centre. For air quality optimisation, different measures are taken in various aspects, including water systems, heating and ventilation systems, and interior decoration materials, with full consideration of the green environmental protection and the health of tenants and customers. The project has passed the international certification, namely LEED BD+C CS GOLD pre-certification and the national green building "two stars" certification.



Shanghai Songjiang Incity Mega

• Logistics and warehousing

Adhering to the original aspiration of “making society more efficient”, VX Logistic Properties is committed to providing enterprises with high standard, diversified multi-temperature zone integrated logistics services. Thus far, VX Logistic Properties has formed a nationwide high-standard warehouse network with its core logistics nodes in China, serving more than 1,100 customers in e-commerce, courier services, manufacturing, food & beverage service, retail and supermarket industry. In 2021, VX Logistic advanced its business development through the business strategy of “Service + Technology”. It operates 152 logistics and warehousing projects in 46 cities, including a total of 125 high-standard warehouses and 38 cold chain warehouses (including 11 dry and cold combined projects).

In 2021, VX Logistic Properties was honoured with titles such as “China Top 20 Warehousing Properties” awarded by the China Association of Warehousing and Distribution, “China Top 10 Logistics Parks”, “China Outstanding Logistics Service Provider”, and “China Intelligent Logistics Model Enterprise” awarded by China Federation of Logistics and Purchasing and other honorary titles.

Case: High-quality cold chain logistics empowers food enterprises

On 30th July, 2021, VX Jiaxing Pinghu Cold Chain Park was officially opened, which was committed to completing the cold chain infrastructure construction in the Yangtze River Delta and providing and high-efficiency professional cold chain logistics guarantee for food enterprises. The Cold Chain Park has a capacity of 25,000 pallets, consists of one two-floor cold chain warehouse and one single-floor automatic multi-dimensional cold chain warehouse, with a storage capacity of over 40,000 tons, and provides supporting services integrating multi-temperature storage, processing and transportation for customers. The project is the first automatic multi-dimensional cold chain warehouse of VX in China, and the first high-standard, automatic cold chain industry park in Pinghu.



Opening Ceremony of VX Jiaxing Pinghu Cold Chain Park

• Hotel and vacation

Vanke operates in the hotel and vacation business in China, including projects Banyan Tree China, Zanyee, Zanyee Collection, Youxiong and V · SKI Resorts, in an effort to offer scenarios of better life and holiday for customers.

In 2021, the hotel business segment involved 29 hotels (including self-operated hotels, hotels managed by commission and franchising hotels) in 18 cities, with a total of 4,498 rooms.

The V · SKI Resort is an important part of Vanke’s hotel and vacation business, and is also the largest mountain and SKI Resort management group in China. It is managing and building five resorts, which are Songhua Lake Resort, Beijing Shijinglong SKI Resort, Beijing Xishan SKI Resort, Hohhot Mazongshan SKI Resort, and Beijing Lianhuashan SKI Resort. Among them, Lianhuashan and Mazongshan were two new SKI Resorts added in 2021, with completed and operating SKI area of 251 hectares, and 67 SKI tracks of 48 km long in total.

Case: Supporting Beijing Winter Olympics, creating a better life scene

As a modern enterprise in the current era and a city and town developer and service provider, Vanke has been actively involved in creating a better life scene. In August 2018, Vanke Consortium won the bidding of the PPP project in Yanqing Area of Beijing Winter Olympic Games. After nearly three years of overcoming arduous engineering difficulties and pandemic prevention challenges, the construction of Yanqing Winter Olympic Village was completed in 2021, and gradually moved to the stage of operation testing and competition support.

The core area of Yanqing Area of the Beijing 2022 Winter Olympic Games is located in Xiaohaituo area of Yanqing, Beijing. It is connected to Beijing and Zhangjiakou by Beijing-Zhangjiakou high-speed railway, Beijing-Tibet Expressway, Beijing-Urumqi Expressway and Beijing-Chongli Expressway. The area has beautiful scenery and a beautiful ecological environment. The National Alpine Skiing Centre, National Bobsled Centre and Yanqing Winter Olympic Village will be built here. After the Winter Olympics, Xiaohaituo will be opened to the public as an Olympic legacy.



Yanqing Winter Olympic Village

• Education

Vanke has forged specialty education brands such as Meisha Education and Dare To Dream (DTD) Education, and has actively explored various education paradigms, striving to cultivate future leaders who possess strong learning abilities, international mindset, and specific passions.

The Meisha Education business has expanded to a number of cities, including Shenzhen, Guangzhou, Dongguan, Foshan, Xiamen and Nanning, covering K-12 full-time schools, preschool education, outdoor education, curriculum research and development, and other areas. Under Meisha Education are 10 full-time schools, 19 kindergartens, and 4 outdoor camps, with over 14,600 students. Meisha Academy under Meisha Education has been included in *Hurun Education Top International Schools in China* for four consecutive years. In 2021, Meisha Education offered another 5 new programs, and added some 3,000 planned vacancies, with a total planned capacity of 21,000 students.

DTD Education covers three education systems: quality-oriented education, state-run education and private education. It has substantially participated in the teaching management of 15 schools and kindergartens, with accumulative over 8,000 active students enrolled and a full capacity of nearly 10,000 students, covering school-age children aged from 2 to 18. Shanghai DTD Academy under DTD Education was included in the *2021 Hurun Education Top International Schools in China and the 2021 Forbes China Outstanding International Schools Annual Selection*. In 2021, DTD Education was officially authenticated by the International Baccalaureate Organisation for the international baccalaureate diploma programme.



The rowing course independently developed by DTD has become one of the first batch of quality education courses in Shanghai. The Junior Rowing Team of DTD has trained 111 rowers who have won the top three places in national competitions, including the champion of the China Open Junior Rowing Division and the runner-up of Asian Indoor Rowing Championship (ARIC).



DTD Education

• Overseas

Vanke Group 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 businesses in many major international cities.



• Food

Under the mission of “providing the public with safe and healthy daily meals at prices affordable by ordinary households”, with pig breeding as the bedrock of its food BU, Vanke Group seeks “long-standing sustainable breeding models” in line with the trend of the time, mobilises more farmer to achieve prosperity together, in a bid to support rural revitalisation. It also explores catering and planting businesses with an aim to provide more scenarios and quality options for people’s better life.

Topic:

Build a Better Life Wholeheartedly



Helping Rural Vitalisation

2021 marks the kick-off of the 14th Five-Year Plan and the year for accelerating the rural revitalisation process. To actively support the national strategy, continually solidify and expand its achievements in the poverty alleviation and difficulty overcoming, and effectively link them to rural vitalization, Vanke has vigorously devoted itself to the rural revitalisation, making a contribution to the revitalisation and development in multiple areas such as rural education, infrastructure, industrial development and culture succession in an effort to build the beautiful countryside.

➢ Regional revitalisation

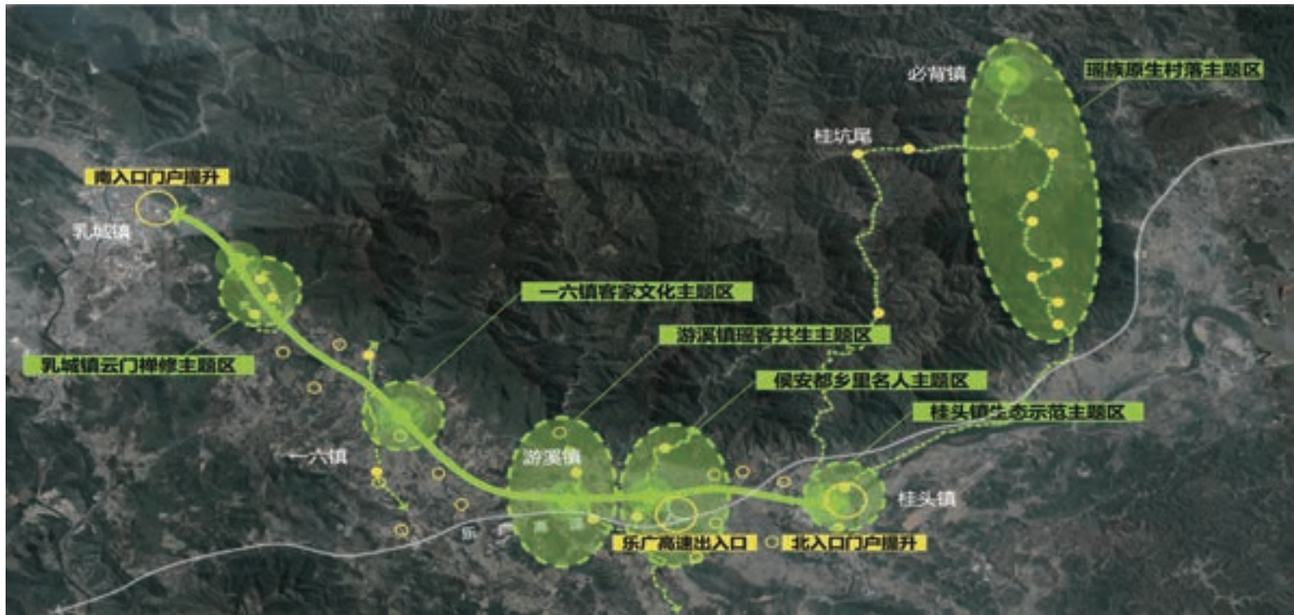
– Multi-town rural revitalisation demonstration belt in Ruyuan County, Shaoguan

In 2021, Vanke supported rural revitalisation in ethnic minority areas in Guangdong Province and launched the multi-town rural revitalisation demonstration belt project in Ruyuan Yao Autonomous County, Shaoguan City. For the first time, the revitalisation project was carried out on a county scale. Focusing on Rucheng, Yiliu, Youxi, Guitou and Bibei along Rugui Highway in Ruyuan County and the villages under their jurisdiction, with the positioning of “the most beautiful Yao-Hakka symbiosis and revitalisation corridor”, the project adopted the strategy of “integrating greenway with multi-town resources”, to change the expressway into a slow “vitality belt” by integrating the landscape into a recreation system, in a bid to revitalise the villages, comprehensively improve the living environment and rural style, create six theme areas through the structure of connecting lines and points, and achieve the goal of “revitalising multiple towns, and jointly developing the areas”.

The project is planned to be completed by the end of 2022. After completion, it will improve the tourism foundation and rural appearance of towns and districts along Rugui Highway, promote the development of industries along the road, and promote hometown entrepreneurship and employment. The project was commenced on 28th September, 2021. The construction of the greenway demonstration section, Yao-Hakka symbiosis theme demonstration area, wetland park, and Guitou Primary School was fully started and partially completed by the Spring Festival, and is planned to be completed by the end of 2022.







➢ Education invigoration

– Persistently help and support Zundao School in Sichuan for thirteen years

After the earthquake in Wenchuan on 12th May, 2008, Vanke provided assistance with the construction of the nine-year system Zundao School with nine degrees of seismic fortification in Mianyang, Sichuan Province, which was the first permanent building delivered after the earthquake. Over the thirteen years since the completion of the assisted project, Vanke has been paying attention to the development of the school and the growth of the children there together with numerous caring people and injecting new vitality into the development of the school.

Vanke's

Rural revitalisation investment in 2021: RMB**150** million

Total amount of charitable donations: RMB**85** million

Donation for Henan flood: RMB**50** million

In 2021, Vanke exert every effort to help the school carry out the quality-oriented education in five domains simultaneously. Other than giving support to the introduction of chief teachers to the school and continuously rewarding excellent teachers and students, Vanke pushed forward the implementation of "Shine Art Class", "Student Fitness Improvement Special Program", etc. to enhance students' artistic accomplishment and improve the physical fitness of teachers and students, and gradually built Zundao School into a model rural school.

Case: Cultivating health awareness of children and improving physical fitness of students

Facing the challenge of the pandemic, Vanke worked with the school to improve children's health awareness and improve students' physical fitness and launched a special program to improve students' physical fitness. The program was officially launched in 2021, and implemented in three stages, namely, "awareness promotion", "foundation consolidation" and "annual competition", with rope skipping as the starting point. Skipping ropes were provided for all the teachers and students through the program. By providing guidance to the PE teachers and the coordinators, the coaching team developed the daily exercises and tasks for the students, who needed to punch in and make records every day, in order to constantly consolidate the students' basic rope skipping skills and the teachers' teaching level. This year, Zundao School organised the first campus staff rope skipping fun games.







The special program to improve students' physical fitness

Case: "Shine Art Class" – supporting quality-oriented education and building a model rural school

During 25th-29th October, 2021, the "Shine Art Class" co-organised by Vanke Foundation and Green and Shine Foundation invited four professional artists to Zundao School and offered the one-week painting themed Shine art course, which attracted 579 primary students. With the perspective of aesthetic enlightenment, the program enabled the students in Zundao to discover, create and enjoy beauty, and stimulate their aesthetic appreciation and passion.





Shine Art Class in Zundao School

– Employee volunteer – communication ambassador for rural children

Volunteerism has always been part of Vanke's culture. In 2021, Vanke launched the group-level volunteer action of "Blue Envelope Communication Ambassador". The project mainly covered 219 rural children from Zundao School in Sichuan Province and Dahu Middle School in Heyuan, Guangdong Province, focusing on left-behind children, single-parent children and orphans. By matching them with Vanke staff volunteers one to one, creating effective long-term companionship for the children through letters, and building a social network with peer support, we aimed to set an example for them to study, encourage them to be positive and motivated, pay attention to the confusion and psychological problems faced by the children in the process of growing up, and guide them to grow up healthily and happily. Currently there are 219 Blue Envelope Communication Ambassador volunteers.





Rural children received "blue envelope" letters

– Vanke Green and Shine (G&S) Rural Teachers Support public welfare program

Launched in 2016, “Vanke G&S Rural Education Program” is designed to pay attention to and support the professional capability development, physical and mental health, and vocational cognition of the rural teacher group, and boost the rural education development through teaching facility endowment and teaching practice support in combination. Over five years, Vanke has invested cumulative RMB15.38 million in Zhenfeng County, Guizhou Province, directly benefiting more than 120,000 rural teachers and students. From 2021 onwards, Vanke Foundation would invest RMB15 million in Yongshun County, Hunan Province, and would run G&S Mini Library, G&S Science Class, and G&S Rural Teachers Support series programs during the program period from 2021 to 2025. So far, the construction of G&S Mini Library project in 40 rural schools in Yongshun County has commenced.



G&S Rural Education Program

– “Teach for China” – Rural education support

Founded in 2008, “Teach for China” aims to allow all Chinese children to receive equally quality education regardless of their family background. In 2021, in an active response to the state’s call for rural revitalisation, Vanke Foundation and Teach for China jointly established the 2021-2022 Teach for China program, donating RMB2 million to deliver quality education to rural students in Guangdong Province. Vanke supported Teach for China in dispatching 27 program teachers to 11 program schools in Shantou and Shaoguan, Guangdong Province. The program teachers conducted “student-centric” quality class and interest-oriented activities in the project schools, deeply got involved in local education and integrated into local communities, to influence more people to pay attention to and recognise education.



“Teach for China” in support of rural education

➢ Beautiful countryside

– Improving the rural infrastructure in Pingfu Village and Changjiang Village

Pingfu Village in Renhua County, Shaoguan City boasts natural tourism advantages. However, restricted by its poor infrastructure for years, the tourism sector in Pingfu found it hard to get started. In 2019, Vanke donated RMB4 million as the poverty alleviation fund specifically used for the construction of Huangnitang in Pingfu Village. In March 2021, the Huangnitang Project in Pingfu commenced officially, by which the sports facilities, lighting, and buildings were uniformly repaired and upgraded, and the overall scene of the village was significantly improved.

Changjiang Village in Xinfeng County, Shaoguan City is one of the sources of Xinfeng River Reservoir, with the ecological protection as its top priority. Due to the ultimate pursuit of ecological environment, the engineering construction in Changjiang Village has long lagged behind. There were no sites for collective activities in the village, the main roads lacked sufficient lighting, and the road surfaces were bumpy. In 2020, Vanke donated RMB6 million in two instalments to support Changjiang Village in carrying out the living environment renovation project and landscape improvement project with Meikeng River as the axis and the landscape zones and villages on the riverbanks as the carrier, for the building of a beautiful countryside by river.

Awards received in 2021 related to rural revitalisation	Awarded by
11th China Charity Award	The Ministry of Civil Affairs of the People's Republic of China
Advanced Individual for Targeted Poverty Alleviation in Guangdong (Yu Liang)	Guangdong Provincial CPC Committee and Guangdong Provincial People's Government
2020 Caring Enterprise	China Charity Federation
Outstanding Responsible Enterprise of the Year, 2020 Real Estate Enterprise List for Social Responsibility	China CSR Research Centre, Southern Weekly



Caring for the Healthy Growth of Children

In 2021, Vanke Foundation worked with Aiyou Foundation to run the Aiyou Young Heart, Humanistic Care and children assistance program against other serious diseases excluding congenital heart disease.

➢ "Aiyou Young Heart" Program, Surgery and Treatment of Poverty-stricken Orphans with Congenital Heart Disease

Since 2009, Vanke Foundation and Aiyou Foundation have jointly run the charity program for poverty-stricken children with congenital heart disease, with an aim to help the children of poor families aged from 0 to 18 who suffer the congenital heart disease. Relying on online platforms, the "Aiyou Young Heart" program adopted the form of working with designated hospitals, selecting hospitals with sound medical treatment conditions as its designated partners to provide medical treatment for children with congenital heart disease.

In 2021,

Vanke Foundation donated RMB**1 million** to cover the medical examination and surgery expenses of poverty-stricken children and orphans with congenital heart disease, benefiting 46 patients.





➢ Inpatient Care Centre for Children

In 2020, Vanke started the cooperation with Shenzhen Children's Hospital and Aiyou Foundation to roll out the "Hospitalised Children Care Space" humanistic care program, with the expectation to make the medical care environment for child inpatients and their families friendlier, the treatment process more amicable, and the inpatient life more colourful, thereby relieving the psychological burden of the disease, the treatment process and medical environment on them.

In 2021, Vanke Foundation donated RMB1 million to provide professional medical social workers for hospitalised children, and by various means such as theme activities, medical adaptation support, and case work to provide professional medical social worker services focusing on children and families. At present, the Care Space in children's hospitals in Shenzhen, Taiyuan and Hangzhou have been completed and put into service.

Case: Wuhan Inpatient Care Centre for Children

The "Aiyou Vanke Children's Playground" in the Paediatric Cardiac Surgery Department of Wuhan Union Hospital, which was set up with donations from Vanke Foundation, was completed at the end of April 2021. At present, it has established a comprehensive service model. Based on the characteristics and needs of the department, the project has carried out a series of service contents embedded in the medical scene and several large-scale activities. From the completion of the project to the end of December 2021, a total of 75 follow-up visits were carried out, 472 medical procedures were handled, and 3,665 patients were served.





Paediatric Cardiac Surgery Department of Wuhan Union Hospital of China

➢ Surgery and Treatment of Children with Haematological Diseases and Tumours

Childhood leukaemia is the most common malignant tumour among children in China, accounting for about 1/3 of all malignant tumours in children. In China, the incidence of childhood leukaemia (under 15 years old) is about 4-5/100,000, and each course of treatment lasts 2-3 years on average. The treatment cost of childhood leukaemia ranges from more than RMB100 thousand to RMB800 thousand depending on the type and danger of the disease. Under existing medical conditions, although the cure rate of leukaemia has been as high as 80%, many families still find it very difficult to bear the high medical costs. Due to the repeated and lengthy treatment process, the final treatment cost is enough to crush many families.

In addition, the annual incidence of birth defects in China is about 5.6 percent. Under current medical conditions, most children with birth defect diseases, such as Hirschsprung's disease, congenital biliary atresia, congenital esophageal atresia and other serious diseases, can recover their health through surgery and postoperative rehabilitation assistance if they can get timely treatment. The cost of treatment for such serious diseases usually ranges from tens of thousands to hundreds of thousands. Although it can be partially reimbursed under the medical insurance policy, it is still unaffordable for some families in need.

Since 2020, Vanke has provided subsidies for children with blood diseases and congenital birth defects, aiming to help children aged 0-18 who suffer from leukaemia, solid tumours and congenital birth defects and whose families are in financial difficulties.

In 2021,

Vanke Foundation donated RMB**2 million** to help 88 children from poor families and suffering from hepatopathy and solid tumour diseases.

Operational Practices

- ☑ Sustainability Management
- ☑ Compliance Management
- ☑ Good Products
- ☑ Good Services



OPERATIONAL PRACTICES

Targets

Customer satisfaction

In 2022, the Company will continue to deepen the AI automatic warning platform, get access to the Company's businesses, realise the automatic identification and advance handling of risk problems, promote the problem solving and improve the customer experience.

Port Apartment	Keep NPS (Net Promoter Score) rate at 70% taking 2021 as the base year.
Logistics	Continue to keep the customer satisfaction at above 95% taking 2021 as the base year.

Customer service

SCPG	At present, 100% pedestrian passageways on the construction site of shopping malls are provided with barrier-free design, connected with the pedestrian passageways outside the mall without barriers. In the future, the barrier-free facilities and experience will continue to be optimised.



Sustainability Management

Vanke has been actively pursuing the concept of sustainability and continuously improving the management of environmental, social and governance (ESG) performance. We review the performance of Vanke ESG regularly, formulate ESG strategies and policies and implements studies on specific ESG topics on a regular basis to gradually enhance the ESG management level and responsible practices.

In 2021, Vanke was once again included in the Hang Seng A-Share Corporate Sustainability Index, the Hang Seng Corporate Sustainability Benchmark Index, the Hang Seng A-Share Corporate Sustainability Benchmark Index and Hang Seng ESG 50 Index; was rated BBB for the MSCI-ESG Index.

Philosophy and strategic positioning

Core Values	Vision	Mission	Operation & Management Compass
Sticking to fundamental principles in operation: People-oriented and market-oriented principles **Striving with like-minded partners:** Consensus, cocreation, joint undertaking and sharing	To take improving the living quality of people as our duty, lead the industry with high-quality development, and become an outstanding enterprise in the great new era	To create true value of longer term for the vast majority of stakeholders	To create true value, be customer-centred, prioritise the interests of shareholders, and value strivers

Vanke has strategically positioned itself as a "city and town developer and service provider", and aims to become a lifestyle creator, a mainstay of the real economy, an innovator and pioneer, and a contributor to harmony. We are committed to becoming an ecological platform that contributes to the harmonious growth of both urban and rural areas, and meets customers' needs for a better life.

Lifestyle creator: Centring around people's needs for a better life, we have given full play to our strength and advantage in scenario adaptation, and provided high-quality products and services applicable to diverse life and workplace scenarios.

Mainstay of the real economy: We remain steadfast in developing industries, and always provide genuine products and services at fair prices for true customers and true needs. We work diligently in our domain, keep a low profile and create true value with our integrity, pragmatism and expertise.

Innovator and pioneer: We stay in a leading place in the independent development and application of technologies in our business domains, and are bold to seek constant institutional innovation in corporate governance and management.

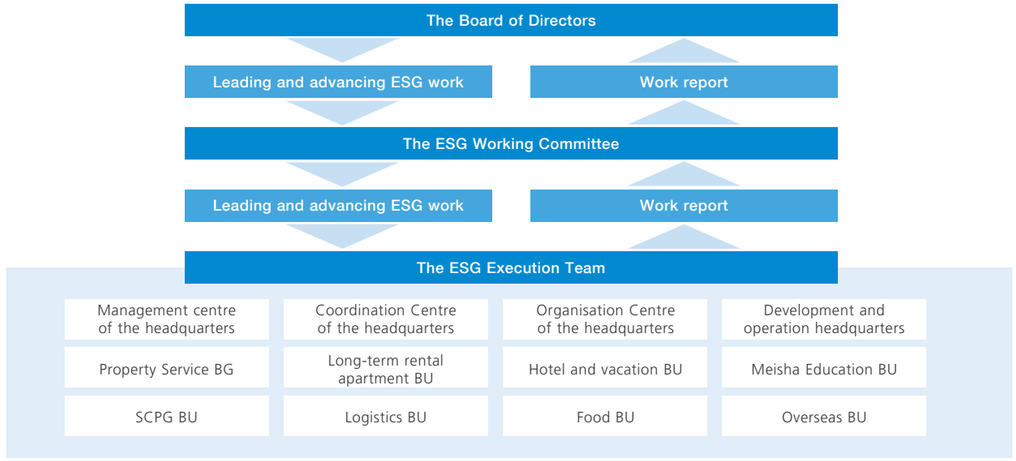
Contributor to harmony: We value harmony not only between man and nature but also among people. Committed to green and sustainable growth, we have fully incorporated ecological conservation into our business activities and CSR efforts. Based on the business partnership mechanism, we form a win-win collaborative community with extensive stakeholders, to jointly build a society for all.

Management structure

ESG governance

In 2019, Vanke's Board of Directors deliberated and clarified the environmental, social and governance (ESG) management system, and established the ESG working organisations in order to gradually incorporate sustainability issues into the corporate agenda. In 2021, we sorted out and adjusted the management structure based on the corporate ESG management demands.

Organisation	Role	Composition	Responsibilities
The Board of Directors	Decision-making body	Members of the Board of Directors	1) decide the ESG management framework and management strategy of the Company; 2) ensure that Vanke establishes appropriate and effective ESG risk management and internal monitoring system; 3) review and approve the ESG annual report of the Company.
The ESG Working Committee	Management body	The Chairman of the Board of Directors 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	1) confirm the results of internal and external materiality assessment; 2) decide the management objectives, policies and implementation approaches of ESG; 3) acknowledge the assessed and identified ESG related risks and opportunities; 4) determine the relevant ESG management system and workflow; 5) decide on the ESG work plan and evaluate the completion of the work; 6) conduct a preliminary examination of the annual ESG report and submit it to the Board of Directors for review; 7) manage other ESG related matters of the Company.
The 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	1) conduct internal and external materiality assessment; 2) be responsible for preparing the annual ESG report of the Company; 3) assess and identify ESG-related risks and opportunities; 4) assess the gap between ESG work and standard requirements of the two stock exchanges, and the advanced peer companies' excellent practices, make improvement plans and promote their implementation; 5) implement annual work content according to ESG management objectives; 6) implement resolutions of and other tasks assigned by the ESG Working Committee.



ESG Management Structure Chart

Vanke Foundation

Founded in 2008, the Vanke Foundation is a national non-public foundation initiated by China Vanke Co., Ltd., approved by the State Council and the Ministry of Civil Affairs which also acts as its supervising authority. In 2017, it was recognized as a charity organisation.

Based on professional management, the Vanke Foundation concerns itself with issues that have a profound influence on the future and aims to create "sustainable communities". It joins hands with stakeholders such as employees, the government, community residents, experts, volunteers, and suppliers, to address problems with environmental protection and community development, and create sustainable, responsible communities with mutual support.

Relevant data of Vanke Foundation

In 2021, the Vanke Foundation spent a total of RMB**119,922,998.39** on the public welfare with the investment areas including community waste management, green and environmental protection, community development, special support, flood assistance and others. During the reporting period, we have initiated **3** volunteer projects and **16** charity volunteer activities, in which **499** employees participated with average volunteer service time reaching **4** hours.



Public welfare strategy and development

In 2018, Vanke Foundation released the *Vanke Foundation Strategic Plan 2018-2022* and charted the course for future development and priorities. The public welfare actions have been planned from four aspects: supporting research, network building, capacity building, and policy advocacy. Vanke would give full play to its professional capabilities, leverage the superior resources of stakeholders, release public interest influence, and commit to creating long-term social benefits.

In 2021, Vanke Foundation continued to make efforts in environmental protection and community development. On the basis of constantly improving the community waste management and strengthening biodiversity conservation, Vanke Foundation actively responded to the national policy of "carbon dioxide peaking and carbon neutrality", innovatively led and took actions and initiatives to address the climate change, and promoted the development of the climate action in the real estate industry.

Urban Scenarios

Zero-Waste Campus	Zero-Waste Offices	Zero-Waste Community
• 8 zero-waste carnival programs in the campus, 11 class hours of the teaching course on waste of kindergarten version, 12-lesson learning and teaching works themed by zero waste, and 6 typical cases of zero-waste school construction were added; • In 2021, the "zero-waste campus" was implemented in Chongqing second pilot city following Beijing.	• The monthly zero-waste series activities were conducted in Vanke 9 times in total, with 120 people joining the zero-waste communities in Shenzhen, and about 250 Vanke employees and family members participating in the activities. Zero-waste culture building in branches were promoted during the year, and 19 branches carried out the Vanke zero-waste culture building actions.	• The project covers almost 90,000 urban households of 49 urban communities in 7 cities across China. More than 1,200 core resident volunteers participated in the publicity and mobilisation activities related to the community waste classification.

Platform empowerment

Planet Partnership Plan	• Initial-stage community social organisations were given restrictive financial support and empowerment by systems in the sustainable community field; 161 organisations nationwide have submitted applications, and 10 organisations were successfully shortlisted as "Planet Partners".
Star Partnership Plan	• Growth-stage social organisations were given non-restrictive financial support and system empowerment in the sustainable community field; 10 organisations were shortlisted as "Start Partners" and 9 organisations shortlisted as "Star Trainees".
Community Educator Plan	• Continuously providing a learning and communication platform on sustainable community building for different stakeholders in community building nationwide through online and offline course research and development, case studies, community practice and industry exchange organisation.
Dandelion Plan for Household Garbage Classification in Shenzhen	• Train voluntary lecturers on garbage classification for the general public and train teachers in primary and secondary schools in Shenzhen to carry out school education on garbage classification. Continuously support the training of 180 volunteer lectures and 50 dandelion teachers for the "Dandelion Plan".

	Work conducted in 2021	Project content
Think Tank Platform	"Xirang Scholars" Support Program	• Support young scholars in the social science field to focus on the research on the subject of "domestic waste". 10 scholars were shortlisted as the first "Xirang Scholars" upon assessment finally.
	Waste classification boosted by big data	• Deepen the data information of "garbage map", strengthen the online and offline operation of garbage map of "taking a picture of garbage classification readily", showing 27,107 communities in 323 cities of 31 provinces, autonomous regions and municipalities directly under the central government in total, with 55,369 snapshots.
	Promote the research on social organisation policies	• Support the preparation of *Handbook for Capacity Building of Public Policy Advocacy by Social Organisations* implemented by Guangzhou Zhuwan Renhe Ecological Environmental Technology Service Co., Ltd. • Cooperate with Rock Environment and Energy Institute in Shunyi District, Beijing to implement the project "From the Concept to Methods: Help the Social Organisations of Urban Solid Waste Participate in the Implementation of Carbon Neutrality Strategy", in which 25 social organisations and enterprises participated.
	Public advocacy	• **The Fourth Zero-Waste Day:** Themed by "emission reduction, low carbon and light life", there are 173 participants from nearly 70 cities in 26 provinces of the Zero-Waste Day activity in total, including 122 social organisations. • **The Third Community Waste Management Forum:** The Forum was themed by "Looking into the Future with Carbon Dioxide Peaking and Carbon Neutrality Promotion", and consists of two sections: "Our Communities" and "Our Actions". Through simultaneous live streaming on six online platforms, the Forum received more than 6.64 million views online.

Specific Scenarios

Zero-waste Imperial Palace	• The waste management of the Imperial Palace is prioritized on waste recycling and environmental protection publicity and advocacy. In 2021, the waste classification and recovery rate of the Imperial Palace reached 45%, per capita garbage reduction rate reached 89% and the annual total carbon reduction was equivalent to the carbon sink absorbed by 7,719 trees in a year.
Zero-waste in islands action	• Explore the paths and methods for the in-situ recycling of kitchen wastes, waste classification and experience in establishing the sustainable community development mechanism in the island scenario.





Stakeholder management

We have always insisted on building diversified communication mechanisms and close relationships with the stakeholders for exchanges and communication through more channels and methods.

Stakeholders	Expectations & Requirements	Vanke Response
The Government	• Legal compliance • Tax payments according to law • Support of economic development	• Compliance management • Proactive tax payment • Responding to the call of national policy
Shareholders	• Corporate governance • Returns and growth • Risk control	• Establishing a scientific and reasonable governance structure • Regular disclosure of business information • General meetings • Continued growth to ensure shareholder returns
Employees	• Wage and benefit security • Health and safety • Smooth communication • Fair promotion and development opportunities	• Timely full wage payment and social insurance payment • Establishment of occupation health and safety management system • Carrying out physical examination and fitness testing for employees • Establishment of 12 communication channels • Smooth career development channels
Customers	• Product quality assurance • Quality management service	• 5+2 industrialised construction • Providing quality service • Protecting customer privacy
Partners	• Honoring commitments • Fair, just and open procurement • Experience sharing	• Contract execution according to law • Open bid invitation, issuance of *List of Qualified Suppliers* • Establishment of “A-UPUP” E-commerce Platform • Project cooperation • Promotion of sound industry development
Environment	• Effective use of resources • Emission reduction • Addressing climate change • Biodiversity conservation	• Responding to carbon neutrality goals • Housing industrialisation, green building, energy management, water resources management, waste management (including community waste management) • Participation in United Nations Climate Change Conference • Engaging in environmental governance, vegetation conservation, snow leopard conservation, porpoise conservation, mangrove wetland conservation and coral conservation
Communities and the public	• Support of social development • Care for disadvantaged groups • Health culture	• Supporting rural vitalisation strategy • Charity undertakings • Volunteer services

Management of material topics

We attach great importance to the identification and management of sustainability topics, and conduct surveys on stakeholders regularly to understand the opinions of the government, shareholders, employees and customers and their feedback in a comprehensive manner, and thus identify material topics of sustainable development, and disclose relevant information in this Report. In 2021, we reviewed and evaluated the material topics, and further sorted out the materiality matrix for 2021 based on the actual business conditions and development planning. We reported the material topics identified to the Board of Directors, reviewed and assessed the sustainability risks of the Group and made suggestions regarding the final result of material topics determination.

1. Identifying topics and developing a topic list

- We sorted out major sustainability issues as well as concerns of stakeholders, benchmarked ourselves against peer companies at home and abroad and eventually defined key material topics in the real estate industry.

- Through consolidating the assessment requirements of ESG ratings and indexes such as MSCI, DJSI and GRESB in the capital market and reviewing the industry standard SASB related to sustainability management, we identified frontier objectives and potential risks of sustainability in the industry.

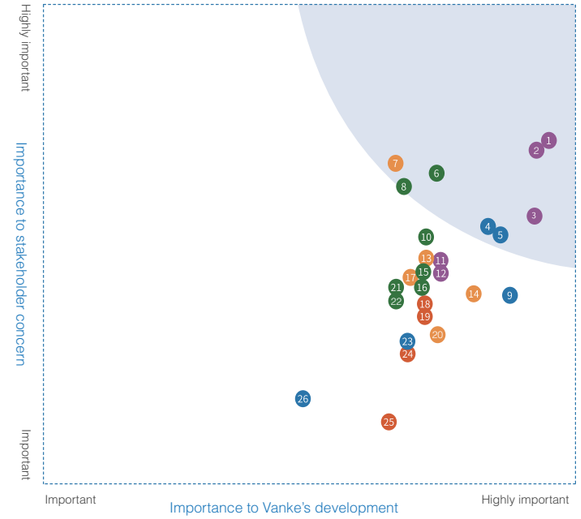
2. Conducting a stakeholder survey

- We researched on the evaluation results regarding material sustainability topics of Vanke from our internal and external stakeholders, including directors, senior executives, employees, customers, investors, partners, media, industry associations, regulatory authorities, academic institutes and the general public.

3. Prioritising the topics

- We followed the materiality principle to prioritise topics from two dimensions - “importance to Vanke’s development” and “importance to stakeholders”. The shortlisted topics were reviewed and confirmed by Vanke’s Board of Directors and external experts.

4. Matrix of Important Issues



Environmental protection · Customer management · Community prosperity · Employee care · Business operations

Topics:

1	Guaranteeing the safety and health of customers	14	Protecting the rights and interests of employees and employee diversity
2	Protecting customer privacy and information security	15	Coping with climate change risks and opportunities
3	Improving customer service quality	16	Improving environmental awareness and participation ability of stakeholders
4	Promoting green and sustainable supply chains	17	Providing training and career development opportunities
5	Preventing and combating corruption and unfair competition	18	Increasing energy efficiency and using renewable energy
6	Adopting green and sustainable building design	19	Improving community infrastructure and supporting services
7	Ensuring the well-being of employees and creating a decent employment environment	20	Enhancing employee participation and satisfaction
8	Reducing and properly managing waste and sewage discharge	21	Biodiversity conservation
9	Establishing enterprise supply chain behavior standards	22	Reducing greenhouse gas (GHG) emissions
10	Reducing water waste	23	Protecting intellectual property rights
11	Perfecting customer opinion and satisfaction management	24	Promoting community integration and coordinated development, and building a people-centred new town
12	Fair hospitality and marketing	25	Serving rural revitalization and boosting common prosperity
13	Protecting the occupational health and safety of employees and labours	26	Promoting industry exchange, cooperation and innovation

Compliance Management

Risk management

Vanke has developed *Internal Control Management System of China Vanke Co., Ltd.* and *Risk Management Manual of China Vanke Co., Ltd.* to clarify the Company's objectives and principles for internal control management and risk management, risk identification, risk assessment, risk response, risk management monitoring and supervision and other content.

Vanke has strengthened the functions to identify, monitor and guard against risks at the Board level and internal management level on an ongoing basis, and examines and assesses the effectiveness of the Company's risk management system. The Headquarters is responsible for the identification, prevention and control of risks at the company level, gradually establishing the risk-management functional department in business groups/units and front-line companies for risk identification and assessment.

Based on the risk management mechanism, we focus on the environmental risk, project development risk, new business risk, talent risk, compliance risk, information security risk and fraud risk from a holistic perspective of the Group. Each specialised department will carry out risk identification and continuously make rectification to establish a long-term mechanism.

In 2021, we carried out risk self-examination and self-correction actions covering the Group to strictly prevent the occurrence of incidents violating the red line and the bottom line. For more information about internal control and risk management, please refer to *Vanke 2021 Annual Report*.

Business ethics management

We undertake that all our employees will resolutely defend the business ethics of the Company, take a "zero-tolerance" stance towards fraudulent behaviours, insist on "zero fraudulence, zero corruption and zero bribery" as baseline requirements for all Vanke employees, and actively mobilize internal and external resources to create a favourable environment for fair competition, honesty and integrity.

Integrity management

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 function is directly responsible for the integrity management of the Group. We have established a supervision mechanism involving the headquarters, business groups/units (BGs/BUs) and frontline companies to play a major role in the management of audit supervision and corruption risk screening.

Prevention and control of corruption risk

The Headquarters and business divisions of Vanke carried out audits and inspections to promptly close integrity loopholes. We invited all employees and partners to evaluate our integrity environment, compiled *Letter of Reminder for Integrity Risks* according to the evaluation results, and issued it to front-line management teams.

In 2021,

We carried out compliance audits and inspections on an ongoing basis. **13** comprehensive audits and **26** specialised audits were organised; **223** internal control inspections and **17** red-line and bottom-line risk control visits were conducted on high-risk areas such as marketing, finance, cost, and procurement, so as to deal with violations of the red line in a high-handed manner.

Incident reporting and handling

We have opened up whistleblowing channels such as the Vanke Fraudulence Reporting Website (http://5198.vanke.com/), the whistleblowing email box and "Integral Vanke" WeChat official account to handle complaints and reports against employees or units engaging in malpractice, fraudulence and other violations of professional ethics. The whistle-blower's information will be kept confidential, priority will be given to tipoffs filed in real name, and rewards will be provided for the whistle-blower after the tipoff is verified to be true. Suppliers, contractors, and other partners may report any potential violations to Vanke through open reporting channels. Upon receiving the confirmed reported cases, Vanke's supervision and audit function department seriously handles the reported cases of fraudulence and corruption according to the seven procedures: judgment and analysis, establishment of verification team, carrying out verification, issuance of preliminary verification report, feedback to the informant and soliciting the opinions of the investigated object, issuance of formal verification report, and notification. In addition, we have established regulations on the protection of informants' information, strictly controlled the scope of information within the Company, strictly kept confidential the materials involved in the investigation, and required the investigated units and persons reported against not to retaliate against the informants. Once acts of retaliation are found, we will deal with such acts seriously.

Cultivating integrity culture



We conduct "Red Line" training every year for all employees including members of the Board of directors, and carry out normative management of the duties of all employees. Through classroom interaction, we regularly carry out integrity publicity activities, and thanks to the establishment of a dedicated integrity website, the posting of a series of integrity posters, the delivery of integrity publicity lectures, release of integrity files and warning cases for all employees, etc., we promote integrity laws and regulations and internal standards of the Company. In 2021, the Company interviewed 10 general managers who spoke for integrity and set a good integrity example; we also published integrity posters, integrity columns and other publicity content more than 160 times.



We designate the *Sunshine System – Vanke Red Line Requirements for Employees* as the compulsory course for all new employees 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 2021, Vanke organised 52 training sessions for 4,600 new employees.



In 2021, the directors, supervisors and senior executives of the Group attended several training sessions to strengthen the awareness of clean performance of duty. Seven directors, three supervisors and two senior executives of the Group participated in the 2021 training course for directors, supervisors and senior executives of listed companies organised by the regulatory authorities to continuously learn regulatory laws and regulations and strengthen the awareness of diligence, loyalty and honesty in performing their duties.

Enhancing partner integrity

Vanke joined forces with several well-known enterprises to initiate the establishment of the enterprise anti-fraud alliance, calling on all members to "be honest and not to bribe", and sharing the blacklist to improve the social cost of dishonest personnel and dishonest units. At present, the enterprise anti-fraud alliance has developed 900 members, including more than 30 of the Fortune Global 500 companies and more than 110 of China's top 500 enterprises. It becomes the most influential enterprise anti-fraud and mutual-assistance organisation in China, making due contributions to a clean society.

In 2021, there were 0 cases of anti-competition behaviours in which the Company was considered to be a participant; and there were 0 cases of violating the antitrust law in which the Company was considered to be a participant.

The signing rate of the Letter of Integrity and Self-discipline Commitment is **100%**.

The coverage rate of Red Line training is **100%**.

The signing rate of Sunshine Cooperation Agreement is higher than **99%**.

Information Security and Privacy Protection

Vanke strictly complies with the *Cybersecurity Law of the People's Republic of China, Personal Data (Privacy) Ordinance* and other laws and regulations, and has formulated the *Vanke Group Information Security Inspection and Audit Management Standards, Personal Information Compliance Management Outline, Personal Information Security Incident Emergency Plan, Personal Information System Data Security Management Standards, Mobile Application Security Compliance Management Standards, Data Security Management Outline* and other systems, that apply to all personnel, suppliers and third parties involved in data security and personal information compliance, and define the compliance requirements for collection, storage, use, processing, transmission, provision, disclosure and deletion of personal information to protect the security and privacy of customers' personal information. For customers' personal internal and external information security management risks, we put forward security management requirements from the three dimensions of system development, system operation and maintenance, and permission management in the *Personal Information System Data Security Management Standards*.

System development

- Sign confidentiality agreements and commitment letters to clarify the data protection and security responsibilities of employees and partners in the operation and maintenance, development testing, and production operation of customer business systems;
- Carry out background investigation and security qualification examination of partners related to data opening and sharing, data analysis, and entrusted system construction and maintenance.

System operation and maintenance

- Standardise backend personnel's application system access permissions, check the batch export and copy of personal information, and take anti-leak measures;
- Properly keep paper media, electromagnetic media and other carriers that record users' personal information, and take corresponding safe storage measures;
- Perform access examination on customer systems that store users' personal information and business information;
- The export of customer data requires permission control and data desensitization according to business requirements.

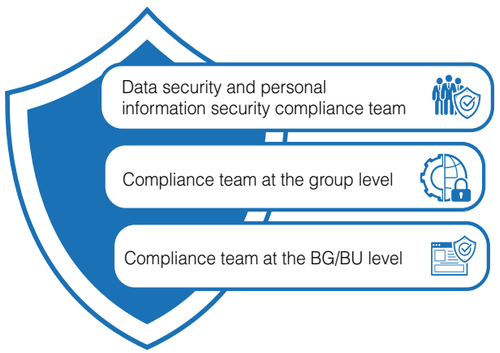
Permission management

- Use the IT privilege management platform to manage privileged accounts, and establish a business system permission management mechanism based on actual business conditions and the principle of minimum permission.

Information security and compliance management

In 2021, in order to strengthen the Group's data security and personal information security compliance management, the Group established a data security and personal information security compliance teams through the "Dragon Wakening Program", which are divided into two levels: the compliance team at the group level and the compliance team at the BG/BU level, taking charge of the compliance management of the Group's data security and personal information security.

In the meantime, the Group carried out the special project of "Data and Personal Information Compliance", invited third-party institutions to conduct a comprehensive assessment on the management status of the Group's data security and personal information compliance and assist in the establishment of the Group's policies and mechanism for data security and personal information compliance, conducted compliance detection for 52 personal information-related mobile applications and push forward problem rectification. A default privacy by design (PbD) mechanism throughout the development life cycle has been established to control personal information compliance risks in the first place, and was already implemented in the Port Apartment App, Yixuanfang Mini Program, and hotel and vacation Mini Program in 2021.



Structure of the "Dragon Wakening Program" compliance team

Cyber security inspection

We have established a red-and-blue confrontation and attack-defence drill mechanism, and provide real-time security protection for all terminal computers of the Group against ransomware, mining viruses, information leakage and unknown threats, continuously improving the security and anti-attack capabilities of each business system, and safeguarding the normal business operation. We urge each BG and BU to implement the "Operation Woodpecker" information security self-inspection on a quarterly basis. Through the self-developed audit inspection system, we have realised the automation, digitisation and process of BG and BU audit inspection, and established 58 key audit items, covering more than 110 frontline business units.

Signing confidentiality agreements

We strictly abide by the requirements of data security and personal information laws and regulations, conduct self-inspection and self-correction of compliance risks in a timely manner for sales scenes, shopping malls, project sites and other places, sort out and promote rectification of existing risks and potential risks of the Group's data and personal information compliance, enhance the compliance awareness of partners in each business department, and protect the personal privacy of customers. We require all parties to sign confidentiality agreements, including Vanke employees, partners, suppliers, etc., and confirm the implementation of each frontline business unit through regular and special audit inspections.

In 2021, the signing rate of confidentiality agreements among all current employees reached 100%.

Information security incident emergency response

Based on relevant requirements such as the Data Security Law, Vanke Group has formulated the *Emergency Response Plan for Personal Information Security Incidents*, established an effective security protection and emergency response mechanism, clarified the requirements of data security management including data classification and grading, data life cycle management, data security incident response, etc., and specified the personal information security incident monitoring and early warning mechanism and emergency response process, so as to improve incident emergency response capabilities and protect the interests of personal information subjects.

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

In 2021, we fixed a total of 148,650 vulnerabilities and bugs by means such as patches. In 2021, no major information security incident occurred.

Information security certification

Vanyi Technology passed the certification of the ISO 27001 Information Security Management System in 2018 and has passed annual reviews ever since, thus ensuring the continuous operation of the information security management system. In 2021, we completed the annual certification review and obtained the certificate. Currently, Vanyi Technology has 4 systems that have passed Level 2 classified protection certification and 4 systems that have passed Level 3 classified protection certification, and continues to receive reviews every year. In 2021, the 8 systems of Vanyi Technology all passed the annual classified protection assessments.



Vanyi Technology's ISO 27001 certificate

Information security training

Every year, Vanke implements information security and compliance training and awareness publicity on an on-going basis for all employees by means such as offline training, online training, publicity posters and videos, and Information Security Experience Day.

- **Offline training:** In 2021, Vanke organised data security and personal information protection compliance training, Information Security and Personal Information Protection Compliance Empowerment Training Conference and other training, promoted the implementation of information security training for all employees of all frontline business units, and included the implementation of training work in audit inspections.



Vanke Group's 2021 Information Security and Personal Information Protection Compliance Empowerment Training Conference

- **Online training:** We released 12 information security awareness videos for Vanke employees and partners to enhance the information security awareness of all employees. In addition, the Company holds an all-staff information security-related certification examination every year, covering the Group's important information security provisions and requirements. All current employees are required to participate in online learning and pass the online certification examination.

- **Information Security Experience Day:** In 2021, the Group implemented information security publicity through the "Information Security Experience Day" offline activity, and created five security attack and defence experience scenarios, an information security game experience area and ten publicity posters. This activity enabled employees to understand the information security risks that they faced in work and life in a relaxing, interesting and easy-to-understand manner, in a bid to continuously and effectively implement information security management work, and positively enhance employees' information security awareness.

In 2021, 100% of the Group's current employees passed the *Information Security and Compliance Certification Exam*, and the average annual duration of information security training per employee was about 3 hours.

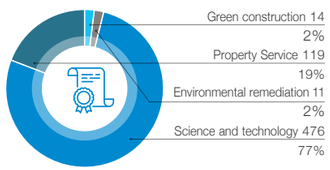


Vanke Group's 2021 Information Security Experience Day

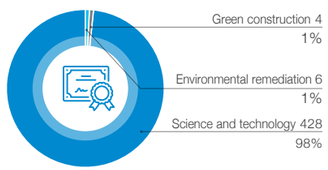
Protection of intellectual property rights

We strictly comply with the *Trademark Law of the People's Republic of China, Copyright Law of the People's Republic of China, Patent Law of the People's Republic of China and Anti-Unfair Competition Law of the People's Republic of China* and other governing laws and regulations in China and take legal actions to manage and protect the patents, copyrights, trademarks, and other intellectual property rights of Vanke. In addition, we fully respect the intellectual property rights of others, encourage, and protect fair competition, prevent, and prohibit infringement in any form, and strive to protect the legitimate rights and interests of Vanke and others from being infringed upon.

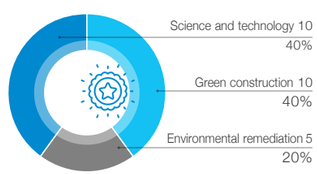
Number of patents



Number of patents for invention



Number of patents for utility models



Good Products

Vanke builds houses for people to live in, not for speculation. We always put quality, health and performance at the core of residential products, and conduct full life-cycle management and control of engineering quality to deliver quality products to customers.

Guided by 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 Construction of Vanke Group*. The inspection system consists of the safety inspection system, quality inspection system and delivery inspection system to ensure the quality and safety of Vanke's residential products. Meanwhile, we actively invite external and internal experts in each specialty to organise regular training on product quality and safety in combination with actual case study, so as to improve the professional ability of our employees. During the reporting period, the special training covered more than 7,000 people.

Design – return to healthy living environment

Vanke complies with national standards and WELL standards, with a focus on hardware guarantee, customer commitment and actual implementation. We have formulated *Vanke Evaluation Criteria for Healthy Residential Areas, Vanke Group Star Evaluation and Control Measures for Healthy Residential Area Projects,* and *Vanke Operating Guidelines for Evaluation Criteria for Healthy Residential Areas. Vanke Evaluation Criteria for Healthy Residential Areas* fully draws on the existing domestic and foreign standards related to healthy buildings, and takes into account Vanke's product system, to make comprehensive evaluation on air, thermal comfort, water, lighting, sound, sports, spirit, materials, community mobility, intelligence, property operation and service, innovation and other aspects of general residential area projects.

Module value propositions and technical points

Value Propositions and Technical Points		Actions Taken
Provide cleaner indoor air, and stay away from PM2.5, formaldehyde and indoor air pollutants.	Air	Comprehensively upgrade the panel material standards, improve the customer experience of the fresh air system, formulate the research, testing and technical requirements of the basement ventilation system, and the design requirements of the kitchen exhaust fan.
Provide a more comfortable indoor and outdoor temperature and humidity environment, and ensure warmness in winter, coolness in summer, and appropriate humidity.	Thermal comfort	Specify the design requirements on condenser location for central air conditioning, air conditioning outlet, kitchen air conditioner, temperature and humidity dual control air conditioner, dehumidifier, underfloor heating, etc.
Provide cleaner water and more hygienic and safe drainage.	Water	Put forward requirements on ensuring water quality, improving water purification equipment, drainage system safety, and functional design of kitchen and bathroom.
Make full use of natural light to provide customers with more comfortable indoor lighting and good outdoor ambient lighting.	Lighting	Conduct research on pleasant light environment and healthy lighting.
Provide quieter interior spaces, and a tranquil life without being disturbed by noise.	Sound	Iteratively upgrade the sound insulation of building components, optimise equipment and pipes, and carry out noise acceptance monitoring.
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.	Sports	Provide design guidelines for healthy runways and children's playground, and apply them to the projects.
Create a green, picturesque park-like landscape.	Spirit	Enhance the healing function of the landscape to meet customers' spiritual needs for solitude and relaxation; provide a pleasant place for conversation and a public space of friendly neighbourhood.
Provide safer, more durable, low-maintenance materials and parts.	Material	Promote the development and application of structural insulation materials, mildew resistance and easy-to-clean parts, durable waterproof materials, etc.
Create barrier-free, contactless, more hygienic, safer, more convenient, and more comfortable community mobility and logistics system for customers by providing multi-dimensional design guidelines, methods and measures.	Community mobility	Carry out studies on emergency protection, contactless mobility, community comfort and other aspects.
Visualize the data of healthy environment through the linkage of intelligent devices to realised the connected control of household equipment.	Intelligence	Build a smart home platform and connect to all kinds of performance devices.
Provide more comprehensive healthy environment operation and health protection services.	Property operation and service	Provide event planning, illumination assurance, noise control, garden maintenance, value-added services, etc.

Case: Vanke's Healthy Life Model – Wuhan Park No. 5 Project

Wuhan Park No. 5 Project is one of the first healthy community pilot projects designed in accordance with Vanke Evaluation Criteria for Healthy Residential Areas. It has created "Vanke's Healthy Life Model" from the perspective of customer experience, integrating the concept of health into the real scene and completing a full display of the health system around 12 modules for urban, community and home scenes.

- Urban scene: Connected with an urban street park, create a dynamic park with sports and leisure functions composed of a noise reduction forest, running tracks, outdoor sports venues, environmental monitoring and other functions on the west side of the site to, and actively build a healthy and vibrant urban image.
- Community scene: Functions such as face recognition, automatic doors, intelligent voice-control lifts, and contactless lift buttons isolate the path of transmission of bacteria, viruses and other matters through the contact of handles in public areas to the maximum degree. The park is designed with seasonal plants for four seasons, theme gardens, comfortable double-track runways, multi-functional corridors and other configurations, creating a garden-style oxygen-rich community that presents four distinct seasons, vibrant community landscape, and a pleasant environment for residents.
- Home scene: With dehazing fresh fans, imported water purifiers, and kitchen fans combined with the whole-house wireless intelligence, as well as the indoor air quality detection module, we help home owners understand and adjust the indoor air quality in real time, flexibly control the lighting of the whole house, and enjoy full Wi-Fi signals anywhere in the house without dead angles. We also adopt door and window solutions with better sealing and lower wind noise.





Wuhan Park No. 5 Project

Materials – rigorously standardising the access conditions

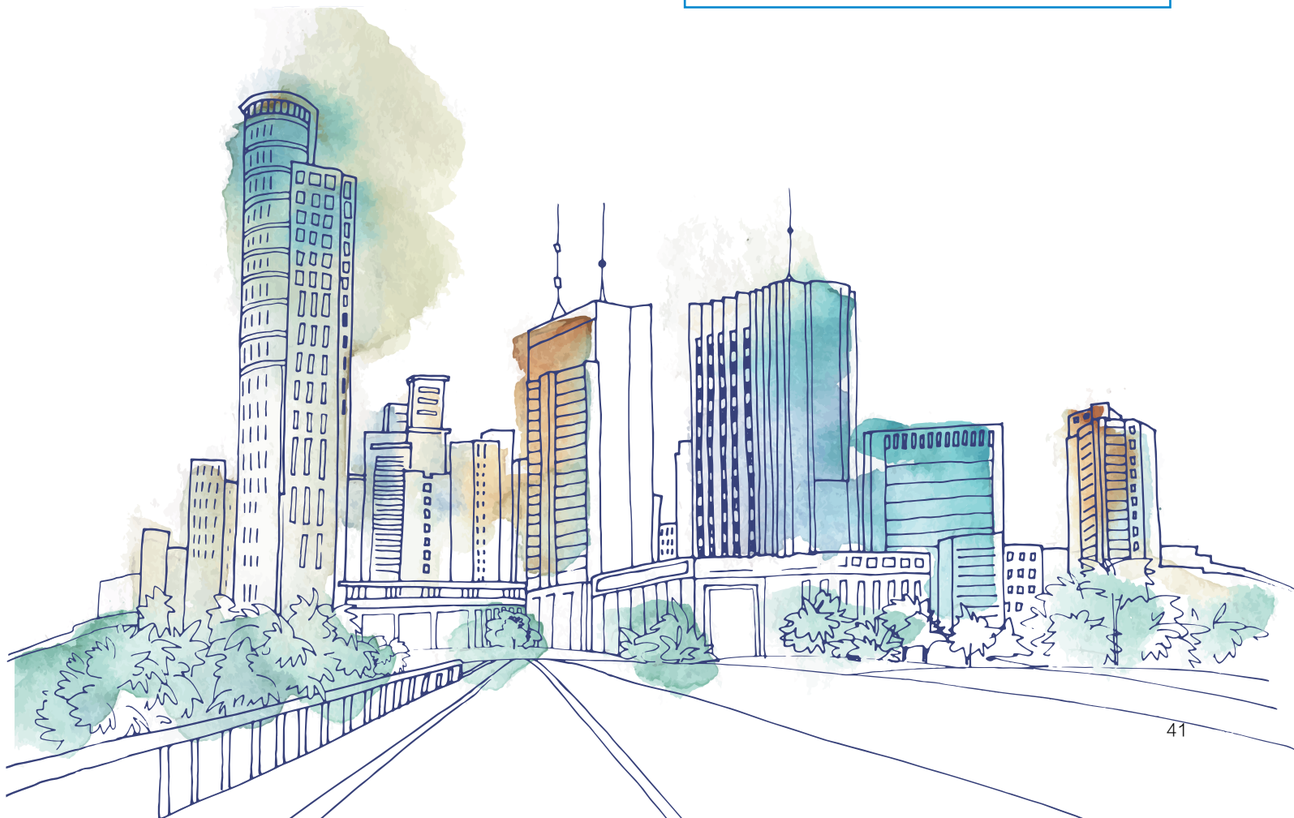
We have persistently tightened management and control from the source and comprehensively ensured the quality of products through unannounced inspections on materials and components and project site inspections. Vanke has rolled out the "Operation Skynet" on an ongoing basis to manage and control Vanke products from all perspectives and ensure good products and services.

Operation Skynet

Since 2015, we have implemented "Operation Skynet" across the Group, and have formulated and continuously updated the *Administrative Measures for Vanke Skynet Inspection Implementation, Vanke Implementation Plan for Skynet Inspection on Projects*, and *Vanke Skynet Inspection Standard for Products under Centralised Procurement*, to verify the quality compliance of construction materials in order to prevent counterfeit and inferior materials and components from entering Vanke's project construction sites. In 2021, Vanke's "Operation Skynet" covered a total of 180 cities and regions, and several business sectors such as real estate, long-term rental apartments, and hotels, and conducted a number of tests on material quality, project site quality, indoor air quality, on-site contract performance, mismatched goods, etc. We carry out unannounced inspection throughout the whole life cycle of materials, and take management actions such as third-party quality inspection, supervision of rectification to strictly control material quality and improve project quality.

- **Source control:** Fully utilise the advantages of centralised procurement, focus on the quality testing control on production source raw materials, semi-finished products and finished products and reduce the probability of unqualified products shipped out of the factories;
- **Product testing:** Perform random testing of different categories of products on monthly, quarterly, semi-yearly, and yearly bases;
- **Supervision and rectification:** Establish a closed-loop inspection mechanism for nonconformities, and realise 100% closure of nonconformity problems, develop nonconformity rectification plans based on on-site project inspection and air quality inspection, talk with suppliers that fail to pass inspections, analyse failure causes in factory production and urge rectification.

Coverage rate of Skynet inspection items: **100%**



Construction – intelligent technology integration and assurance

Vanke's smart construction platform boasts a holistic architecture of "1+1+N" and establishes a solution with 1 platform, 1 command centre, and N extended business systems. It makes full use of the IoT technology, 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 smart construction sites.

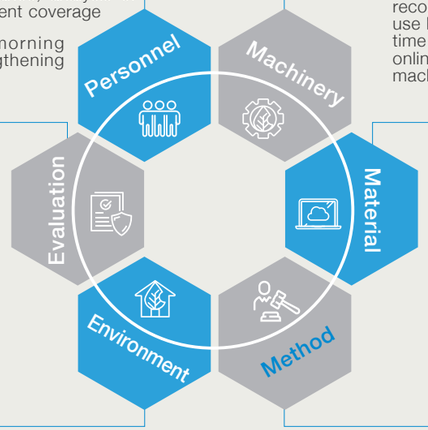
Vanke applies drones to conduct earthwork measurement on construction sites and collect on-site information. The design team can comprehensively optimise the underground engineering scheme based on the on-site earthwork information, and projects can reasonably arrange the underground construction period and track the process according to the earthwork progress information to ensure efficient and high-quality construction.

Personnel management:

- Real-name registration of workers, worker shift information collection and analysis, statistical analysis and tracking of worker permit holding, safety training, age/native place/blacklist records, site entry and exit
- Statistical analysis of management personnel's site entry and exit and attendance, analysis of safety management duty fulfilment coverage
- Pre-shift training, safety morning meeting management, strengthening workers' safety awareness

Machinery management:

- Tower crane hoisting operation visualisation, no dead angle for tower crane operators
- Real-time information about crane hoisting load, torque, etc.
- Monitoring lifts with facial recognition to ensure dedicated use by specified persons; real-time monitoring of load information; online management of large machinery



Evaluation:

- Regular online evaluation, quality and safety risk control
- Regular routine inspection and unannounced inspection to prevent safety risks before they materialise
- Enterprise, project, and personnel evaluation based on processes and results. Data-driven rectification, optimisation, and improvement

Material management:

- Online management of material inspection, traceable material inspection data (3-day range)
- Material supply chain management, material entry-exit management
- Building materials requisition via online platforms

Environmental management:

- Monitor core data such as dust and noise on construction sites to ensure compliance with green construction requirements
- Linkage between sprinkling system and environmental system to implement intelligent sprinkling and dust fall purification
- Comprehensive monitoring and early warning of 10 major environmental elements

Routine management (method):

- Video surveillance and AI early warning system to realise 24-hour monitoring of projects without dead angles
- Routine inspection recorder to meet the demand for high-frequency online evaluation
- Foundation pit monitoring, high-formwork monitoring, and routine monitoring of hazardous or large projects
- Standardised work procedure acceptance inspection management, quality and safety evaluation system, and personnel access criteria

Data collection on personnel, machinery, material, environmental risk, and management behaviour → Risk monitoring, early warning and prevention of hidden risks, routine inspection and control → Evaluation of personnel, behaviour, main structure quality and safety, and management action results

Online remote evaluation system



Design sketch of smart construction site

Delivery – full construction cycle assessment assurance

In order to ensure project quality, Vanke has formulated the *Administrative Measures for Safety and Quality Inspection of Projects Under Construction of Vanke Group*, which clarifies the guarantee system consisting of the safety inspection system, quality inspection system and delivery assessment system, of which the safety and quality inspection systems include three parts: internal mutual inspection, external professional inspection and special inspection, and the delivery assessment system is divided into three parts: regional self-inspection, HQ sampling inspection and customer perspective evaluation, and included pre-delivery assessment, delivery assessment and post-delivery assessment. We entrust a third-party professional evaluation agency to carry out the full construction cycle assessment of 100% of the projects under construction, covering all construction dimensions from the foundation to the final delivery, to eliminate the delivery of faulty projects. In addition, we conduct spot checks on delivered projects, focusing on projects with bottom-line risks. After delivery, we review, from the customer's perspective, indicators such as the average repair rate and quality complaint rate per customer after the centralised delivery of products, to ensure the delivery of high-quality products.



Good Services

We adhere to the "customer-centric" philosophy, maintain self-request awareness with the highest standard in the industry, and are committed to delivering good products and services that customers are willing to pay, while making continuous innovation on products and services based on the customer demands.

Baseline – guaranteeing the basic rights and interests

We have established a comprehensive customer service system integrating the whole process of the pre-sale, sale and after-sale services to attach great importance to customer demands and guarantee the rights and interests of customers with practical actions.

Safeguarding customer safety

We always put the customers' health and safety first. We strengthen health and safety management in property services, commercial services, logistics, hotel and vacation to provide customers with safe and stable services.

Property safety:

Vanke Property Service has established a sound safety management system, formulated the Emergency Handling Standards for Meteorological Disasters and Sudden Water and Power Outages and the Guidelines for Flood and Fire Emergency Handling, and strengthened the defence and emergency handling mechanism for meteorological disasters, to make clear the key points of emergency handling and avoid personal casualties and property losses caused by improper emergency handling.

Hotel safety:

In extreme weather, we intensified the patrols around the hotel, examined 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.

Food safety:

We formulated the VX Cold Chain Food Safety Management System in line with the requirement of ISO 9001 to uphold the baseline of food safety, ensure food without being polluted, ensure the cold chain in the whole process, guarantee the hygiene of the working environment and regular cleaning, etc., fully ensuring food safety in all links of cold chain logistics and implementing food safety prevention and management.

Leisure safety:

To protect the personal safety of customers, Vanke has built a VSKI safety management system covering equipment safety, safety surveillance, safety inspection, personnel safety, medical care security and safety protection, and will continue to strictly observe the hygiene requirements of pandemic prevention as well as to protect customers' life and property.

Shopping safety:

We have strengthened commercial safety management and established a safety management system for commercial projects. We have also strengthened the rectification to eliminate potential safety hazards, ensure that all equipment and facilities are in good conditions and working, and improve the safety management level of commercial projects.

Upholding the baseline of marketing

In compliance with laws and regulations such as *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 *Notice on Standardising Operations Relating to Earnest Money/Subscription Money, Requirements of Strictly Prohibiting Illegal Collection of Money in the Sales Process*, and *Special Administrative Requirements for the Sale of Office Buildings, Commercial Properties and Residential-Commercial Hybrids, and Risk Warnings Regarding Customer Payment*. 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.

Adherence to the standard of "Honesty with No Trickery"

Vanke displayed the reality to customers through sunshine declaration, adverse conditions and other ways. We always adhered to the service standard of "Honest Marketing with No Trickery". On the basis of the true-to-scale display requirements of new location sand table and sofa and mattress in model room in 2020, we insisted on a true-to-scale publicity display of location sand table and model room for of 400 projects, to practice responsible marketing, and continue to ensure 100% compliance with honest marketing requirement of newly launched projects.

Vanke launched CO · Life Experience Centre

Launched in Vanke Shanghai Region, "CO · Life" converted the sales office into a life experience place where customers can establish emotional connection, which created an experience centre different from the previous sales offices. It is encouraged to present the life experience after delivery to customers in a real scenario, so as to ensure the authenticity without trickery in the selling stage.

Unannounced inspections for newly launched projects

In 2021, we launched unannounced inspections for new projects within the company again to ensure the projects are compliant with relevant laws and regulations and our internal policies concerning marketing, product display, and undertakings to customers, etc., and we supplemented the evaluation standards for the sensitive items of the project field. In addition, to further prevent risks, we set up an early warning information flow according to the experience summary of historical risk cases, so as to accurately capture the high-level sales risk issues that need to be focused on when dealing with customer problems, and ensure that the project sales commitment meets the Company's compliance requirements.

Responsible marketing training

Vanke conducted background investigation on employees engaging in marketing team to prevent potential risks, and persisted in carrying out training for front-line sales personnel and management team. Meanwhile, we pushed legal tips involving citizens' basic civil rights and basic legal knowledge including advertising law on a regular basis, with the aim to raise the risk prevention awareness of marketing personnel. Every year, all front-line members of the marketing team are required to participate in the examination, which involves legal knowledge, sales risk pitch, customer information security and management requirements of primary responsibility. In 2021, responsible training for marketing team covered 100%, with a total of 16 marketing related examinations completed and 20,957 persons taking part throughout the year.

Standards – standardising service requirements

With well-developed and standardised service standards put in place, every service we provide is orderly and traceable. We understand, respond to and resolve customer demands in a timely manner with intimate and heart-warming service. In terms of system standardisation, Onewo and all 33 property service companies in China of Vanke have been certified by ISO 9001, ISO 14001 and OHSAS 18001.

Onewo **100%** certified by ISO 9001, ISO 14001 and OHSAS 18001.



Customer service standard

In 2021, on the basis of the good service actions initiated in 2020 under the slogan "Customers are willing to pay", Vanke, guided by the goal of leading the industry and becoming a champion, launched a total of 10 ("5+3+2") good service actions within the Group, adding four new actions, namely Delivery Service Upgrade, Setting of the Delivery Standard Model Room, Certificate Delivery upon House Delivery, and Online Contract Signing Service, to improve the quality of Vanke's products and services.

"5+3+2" Actions

Service Standard	Action	Progress in 2021
Launch the Beautiful Community Initiative to continuously create a good residence experience for owners.	Build a Beautiful Community with the Owners	The Beautiful Community Initiative has been launched in 42 cities nationwide, involving 356 projects and completing 1,210 items of transformation and upgrade, with the total expense amounting to RMB258 million.
In order to effectively solve the problem of service interruption in customers' after-sales stage, Vanke's property housekeeper service has been moved up to start providing customer services after the completion of contract signing; after project delivery, housekeepers in advance are converted into life housekeepers to continue serving customers.	Housekeeper Service in Advance	In 2021, 1,077 housekeepers in advance were assigned to all of Vanke's projects on sale, and customers' after-sales satisfaction rate reached 95%.
Carry out maintenance service upgrades, and property personnel undertake maintenance business and adopt joint management with real estate personnel to continuously improve maintenance efficiency.	Maintenance Service Upgrade	In 2021, customers' overall maintenance satisfaction rate was 92.8%, up 2.9% from 2020; 6 city companies explored the work mode of maintenance-management integration and started to form self-maintenance teams, laying the foundation for providing more diverse and more professional maintenance services.
Open and upgrade online construction sites to build homes with customers, invite professional representatives of customers to visit the projects under construction every month and put forward construction questions and suggestions.	Build a Home with the Owners	In 2021, within the scope of the whole Group, 213 pilot projects were carried out in 56 cities; 1,728 quality joint building and inspection operations were carried out with owners, and accumulatively 48,000 owner representatives participated; among them, 67 projects were the first development projects of joint building with owners in their respective areas, and 16 projects obtained support or full participation from government departments.
Comprehensively practice the "three ones" delivery service: "one-stop" handling of customer experience delivery procedures, "one-face" reception by the customer service ambassador throughout the whole process, and "one-person" accompanying experience by a professional house inspector throughout the house inspection process.	Delivery Service Upgrade	In 2021, within the scope of the whole Group, 498 projects were delivered, and 448 projects were implemented throughout the year, with an implementation rate of 91.06% and an immediate satisfaction rate of 94.12 points for delivery, an increase of 5 points over the whole year of 2020.
Projects need to set up delivery standard model rooms and display them to customers, in order to present the genuine product delivery picture through the standardised indoor display.	Delivery Standard Model Room	In 2021, the Group completed 131 delivery standard model rooms for 144 newly opened projects, and 261 delivery standard model rooms for 271 on-sale projects; the overall setting rate was 95%.
Join hands with the government to rebuild the property ownership certificate issuing process and move up the time for starting this issuing process.	Certificate Delivery upon House Delivery	In 2021, property ownership certificate delivery was completed upon project completion for 117 projects of 42 companies. The on-site certificate delivery rate was 48%.
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, which are in line with the characteristics of green office.	Online Contract Signing Service	In 2021, within the scope of the whole Group, 48 companies opened and launched online contract signing service, the overall coverage reached 86%, accumulatively about 198,000 contracts were signed online, and the customer satisfaction rate reached 99%.

In 2021, Vanke upgraded the site opening action to "Building a Home with Owners", inviting some professional prospective owners to participate in the project construction process, who will regularly visit the site with project personnel, and spot-check the key nodes such as structural construction, concealed works and component installation. We provide timely answers and feedback to the owners' questions. If any quality problems or construction irregularities are found, the project will be immediately adjusted and accept the customer's on-site inspection again. We allow customers to truly witness the construction process of their homes, and feel at ease about the quality.

Case: Vanke Wuhan builds homes with owners

With the help of science and technology, Wuhan Vanke integrated house seeing with an intelligent construction platform to enable customers to participate in the construction of their homes in a more diversified and vivid way. In addition to participating in on-site project inspection, customers can also check the material acceptance records of the housing construction process through the intelligent construction platform, and check the acceptance files of concealed works, so that owners can visit the site "with one code for one house" and know the housing construction process at any time. In addition, the sales site is connected to the big screen of "Sky Eye System", which directly shows the construction site to customers, demonstrating Vanke's open and transparent attitude, and greatly enhancing customers' confidence in the quality of housing.



Construction site open day of Vanke Wuhan

Port Apartment upgraded the bottom line service standard "SOP1+8" to the service standard "SOP1+12", adding the management requirements for non-room space such as shops and warehouses, thus further strengthening the hardware service of "one product basis"; meanwhile, on the basis of "eight contactor services", it added four new contactor services: "lift taking standards, door knocking for home entry, circling key points, handing over the pen for signing", which shows that Port Apartment puts "customer experience first and foremost" in all aspects, to provide better services for tenants.

Response to customer complaints

The Group has formulated the principles and guidelines for the handling of customer complaints. For customer complaints, we will immediately record them in the CRM system, adhere to the 30-minute response mechanism, and complete the first response within 24 hours. Group complaint problems are strictly handled in accordance with the "1-4-24 hours" information feedback mechanism, that is, 1 hour to achieve the Company's information transmission to key personnel and resources that can solve the customer problem, 4 hours to judge the problem to form customer communication approaches, and no more than 24 hours to formulate a detailed solution to the customer problem.

We continuously upgrade and optimise the online customer service product "Serving Home" to save customer reporting time and issue handling time, and provide customers with transparent and convenient after-sales service experience. Also, we built a 400 customer service centre, which features regional centralisation, to implement customer reporting and order-sending intensification; by inputting fault reporting and complaint data into AI algorithm models in real time, for high risks and long-time unsolved problems that have been identified, we generate early warning information to be released by Vanke's internal instant communication tool, and then Serving Home will send emails regularly to urge handling, thus ensuring that customers' demands are addressed in an efficient manner.

Customer satisfaction survey

To have a more comprehensive understanding of customers' feelings, we have conducted satisfaction surveys on important nodes such as one month after signing, six months after signing, one year after signing, one month after delivery, six months after delivery, one year after delivery, two years after delivery and more than two years after delivery, and carried out real-time online evaluation to understand and improve customer satisfaction in real time after customers complete the immediate experience in 6 key links: house seeing, subscription, contract signing, site opening, delivery, maintenance, customer activities. Aside from quantitative indicators, we also introduced the original voice of customers in the survey, collected the open voice of customers, obtained and analysed suggestions and demands, and transferred them to the front end of the business for consideration and business improvement.

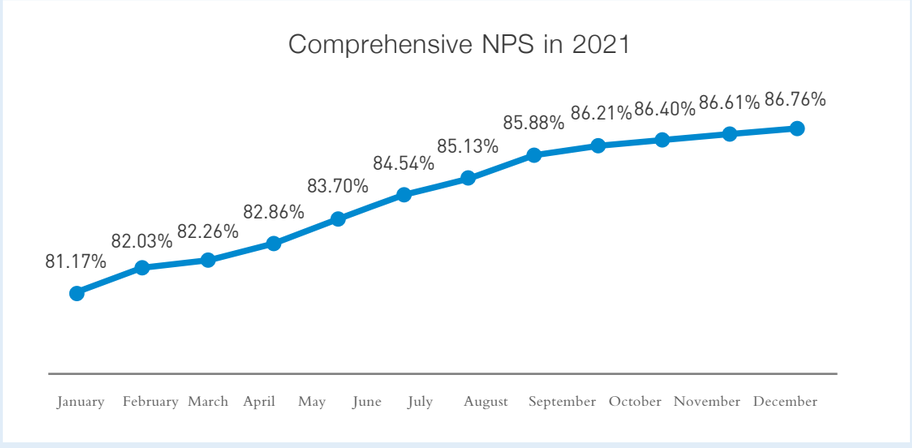
In 2021, Port Apartment conducted 40 customer interviews on a national scale, and explored advanced services in the industry such as "zero deposit", "household cleaning" and "new environment maintained after residence" based on customer requirements. For complaints on property service, Onewo, taking customer satisfaction as the first assessment condition, has established a full-stage and full-contact satisfaction survey system according to different business characteristics, taking customer satisfaction assessment as an important part of the management performance evaluation for all services and areas. The logistics BU launched the customer service year in 2021, comprehensively upgrading from five dimensions of "idea-hardware-mechanism-system-care", and achieved improved customer satisfaction. The hotel business team carried out customer satisfaction surveys, ranked hotels according to customer feedback, and carried out business improvement according to the problems and pain points identified in the hotel customer feedback.

In 2021, the Company implemented a KPI-based assessment mechanism on operation targets, in which property development for sale took region BG as the unit, determined the annual customer satisfaction target, and linked results of customer satisfaction to annual KPI performance.

As of the end of 2021, the overall customer satisfaction of property within the Company covered 28.00%, with overall scores of 91.00, after-sales customer satisfaction of 95.00%, and real-time delivery satisfaction of 94.12 points.

Case: Port Apartment service evaluation

The Port Apartment headquarters conducts weekly review and examination of customer response, check-in and check-out standards and other indicators to ensure meeting the basic needs of customers. It has effectively improved the on-site service quality of stores by means of double inspection through internal management personnel inspection and external mystery visitor inspection. In 2021, the score of mystery visitor inspection was raised from 73 to 88, indicating customers' recognition on the improvement in the sanitary environment and reception service. In 2021, the NPS value of both City Port Apartment and Vanke Village Port Apartment reached more than 75%.
NPS value in 2020: 68.00%
NPS in 2021: 86.76% (including: NPS of City Port Apartment and Vanke Port Apartment were 87.14% and 86.12%, respectively.)



Comprehensive NPS[1] of the long-term rental apartments in China in 2021

[1] NPS adopted by long-term rental apartment BU refers to net promoter score, which is an index to measure the possibility that a customer will recommend Port Apartment to others in the two links of signing and check-out.

Upgrading – delivering intelligent services

By virtue of technology, Vanke empowers diversified services by means of digitalization. Committed to more efficient management, Vanke also creates a satisfactory and reassuring intelligent experience for customers.

Smart community

Empowered with AIoT technology, we build application scenarios of community safety, digitization, informatization, health and comfort. We launched smart community pass solution, self-registration machine for visitors and other series products so that users can enjoy safe and convenient experience with touchless pass.

We optimise safety management of service space applying smart technologies gradually. We establish two mechanisms, namely digital management of Internet of Things and regular accurate adjustment, while rolling out three instruments, including installation of sensing-based elevator control devices in the elevator, self-developed cleaning tool for elevator floor as well as AI camera for early warning. We adopt smart surveillance system for throwing objects from heights to prevent accidents caused by objects thrown from heights. Meanwhile, we put urban e-control device and other equipment into service in stages. Through urban e-control centre, the projects can be checked through the back-stage smart screen to know about safety dynamic of the community at any time, and offer immediate online management such as security monitoring and service quality supervision, in a bid to provide customers with safe life experience.

Case: "Vanke Smart Manufacturing" created smart living scenarios

On the basis of three core technologies of artificial intelligence, mobile Internet and new energy, "Vanke Smart Manufacturing" created 22 smart systems. "CITY NEXT" project, the first product launched by "Vanke Smart Manufacturing" in Shanghai with "AI + property" as core design direction, focused on overall solution of smart manufacturing community in the scenarios of access for owners and visitors, stranger management, care for the elderly and children, objects thrown from heights and smart home.

Intelligent business

On the basis of the Retail property development and operations platform of SCPG, Vanke has built four platforms such as shared service platform in terms of digitisation for increasing efficiency in the internal operation, asset management service platform + data service platform focusing on assets operation, and consumer-centred digital marketing platform.

Case: "Digital Twin" Shopping Centre – Huizhou Incity

On 28th April, 2021, Huizhou Incity became the first shopping centre incubated with the concept of "Digital Twin" in Huizhou. Customers can use "indoor 3D reality map" to achieve 360-degree VR reality navigation in the mall, as well as to obtain real-time information about mall events, resumable navigation and other humanistic services. With the support of smart parking lot system, the whole process of services such as appointment or payment for parking space, automatic parking space lock, automatic lifting or settlement are available in the mall. In the meantime, AI precise customer flow system was introduced, in an attempt to realise multi-dimensional analysis of site, commercial activities and brand, and provide scientific and reliable data support for the shopping centre.



Customers using intelligent system in the mall

Intelligent logistics

Leveraging the intelligent park platform, supply chain management platform and intelligent algorithm platform, VX Logistic Properties empowers logistics business with more technological possibilities. Through 13 product modules, the intelligent park platform improves the safety, quality and efficiency of VX Logistic Properties parks, while reducing energy consumption; the supply chain management platform integrates various management systems such as orders, warehousing, transportation, etc., to achieve integrated management from orders to settlement, reducing costs and increasing efficiency for customers; the intelligent algorithm platform performs modelling, forecasting, and optimisation of the customer supply chain through algorithms, providing a decision-making basis for enterprise operation and management.

Case: Intelligent vaccine storehouse of VX Logistic Properties' Beijing Yizhuang Park

VX Logistic Properties' Beijing Yizhuang Park is a vaccine storehouse transformed under the leadership of VX Logistic Properties. It was upgraded to an intelligent vaccine storehouse by VX Logistic Properties in accordance with the vaccine management standards of the Beijing Institute of Biological Products Co., Ltd. of Sinopharm, and the temperature control capacity of the storehouse passed the strict stress tests of 2,600 temperature measurement points. The temperature data in the storehouse is connected with the National Medical Products Administration and the Beijing Institute of Biological Products Co., Ltd. of Sinopharm all day, and the storehouse applies large amounts of advanced temperature control, security defence, consumption, and automated operation equipment to enhance temperature and safety assurance of vaccine throughout each link of the storage and operation process.



VX Logistic Properties' Beijing Yizhuang Park

Intelligent building

We continuously improve the intelligent experience of employees, visitors, property services, administration and other users, and use AIoT+ big data technology to empower the scenarios of staff access, energy consumption management, equipment monitoring and security management, creating eight intelligent scenarios.

Intelligent health	Sensors are adopted to monitor the use of treadmill equipment. The gym environment is automatically monitored through environmental sensors, and a comfortable exercising environment is established by linking the environmental sensors with air conditioning equipment. Moreover, AI algorithms are adopted for automatic correction of running posture.
Intelligent space	Through body infrared sensors and environmental sensors, real-time monitoring of office space equipment parameters and environmental indicators is conducted and connected with the equipment to improve the comfortable experience of office space.
Intelligent conference	The sensor linkage between the conference display screen and human bodies indoors makes the functions of the automatic release of conference timeout, automatic start and stop of conference equipment, and automatic adjustment of thermal comfort environment possible.
Intelligent access	The linked access control system: gate system, access control system and elevator call system, are connected via face recognition and license plate recognition, improving the user experience of smooth access.
Intelligent operations management	We independently researched and developed a multi-industry intelligent mechanical and electrical operation and maintenance solution based on AIoT and other digital technologies, and it has been widely used in intelligent power distribution, intelligent water supply and drainage, intelligent lighting, intelligent firefighting, intelligent elevator and other scenarios, which can greatly save energy and reduce operating costs while improving management efficiency and production efficiency.
Intelligent energy	On the basis of energy consumption data metering and real-time monitoring, the multi-dimensional analysis and prediction of energy consumption data are accomplished. Timely diagnosis and identification of leakage in the electricity system help with the control of energy consumption quota and energy-saving optimisation.
Intelligent visitor management	Visitor information can be inputted in advance to reduce the time of site information collection and thus guarantee fast access. Meanwhile, the visitor information is connected with the conference room resources and the security system to improve the visitor experience and ensure the security environment in the building.
Intelligent security	Through the video perimeter and regional layout, real-time monitoring and linked alarm are realised. The track of suspicious persons can be checked to ensure the safe office environment.

Environmental Practices

- ☑ Climate Change Response
- ☑ Green Design Commitment
- ☑ Advancing Green Construction
- ☑ Practicing Green Operation



ENVIRONMENTAL PRACTICES

Goals

Green building certification

Property development	• **Increase the green building label certification rate:** For new buildings designed in accordance with the *Green Building Evaluation Standards* GB/T 50378-2019, the Group aims to achieve 100% certification of two-star and three-star projects in 2025 and 100% certification of one-starred projects in 2030. • **Develop high-star and high-quality green buildings, and gradually increase the star-level standard of new buildings by stages and types:** The Group aims to achieve a total of 6 new LEED-certified projects and 4 new WELL-certified projects by 2025, and the construction and operation of new large-scale commercial and office projects will not be lower than the two-starred standard for green buildings by 2030. • The coverage of newly acquired land "with third-party environmental impact assessment reports, including analysis of biodiversity" will be increased year by year.
Logistics	• Ensure that all new cold storages are covered by LEED/green warehouses, and input the LEED/green certification standard 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.
SCPG	• We will ensure that 100% of Incity MEGA will obtain LEED certification in the future, and that all new buildings achieve the green building two-starred certification in the next five years/in the future. Benchmarking against the *General Plan for Green Life Creation Action*, SCPG continues to promote green management of shopping malls to gradually meet the requirements of green shopping malls.

GHG emissions and carbon neutrality

Property development	• total of 5 ultra-low-energy, near-zero-energy or low-carbon demonstration projects are certified by 2025.
SCPG	• In 2025, the carbon intensity of at least 20 SCPG shopping centres (covering an area of more than 2 million square meters) will be reduced by 9.26% compared with 2021.

Energy efficiency improvement

Property development	• Continue to improve the operational energy efficiency indicators of commercial office projects: For new standard commercial office projects using centralised cold source systems, the average comprehensive energy efficiency ratio (EER) of cold source systems increases by 30%. New commercial office projects in the core areas of first-tier cities achieve the EER excellence goal of 5.0. • For commercial office projects in operation using centralised cold source 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.
Hotel and vacation	• For projects under construction, if conditions permit, the central air-conditioning system adopts a high-efficiency machine room, and the COP value of 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. • Energy saving renovation will be carried out for projects in operation, if conditions permit, to reduce operating energy consumption.
Port Apartment	• 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, we will also ensure that 100% of our self-held projects adopt variable frequency air conditioners and water heaters with first-class energy consumption.
Logistics	• Take refrigeration energy consumption as an important indicator of power consumption in the park: The energy costs of ammonia refrigeration parks account for no more than 15% of warehousing revenue, and the energy costs of HFC refrigeration parks account for no more than 25% of warehousing revenue. It is promised that professional research and optimisation will be carried out for parks that do not meet the standards. • Examine the existing types of refrigerants used, transition to low-GWP refrigerants, accelerate the phase-out of hydrochlorofluorocarbons (HCFCs), and limit the use of hydrofluorocarbons (HFCs).
SCPG	• The energy efficiency ratio of air-conditioners of new projects will be increased by 30% or more over the current average. • New or large-scale renovation projects are coordinated by the product centre, and projects in operation adopt technical and management energy-saving measures, and thereafter the electricity intensity of 20 shopping malls will be reduced by 10% by 2025, covering a GFA of more than 2 million square meters. • We 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.
Property Service	• Cushman & Wakefield Vanke Service: For commercial office projects under management whose service scope includes energy management, we will collect operational energy efficiency indicators such as power consumption/water consumption per GFA and power consumption/water consumption per turnover of RMB10,000, and establish energy consumption benchmark information according to the business type of the project. In addition, no less than eight benchmark projects in energy consumption and water conservation will be set up nationwide in 2022.

Use of renewable energy

Logistics	• In 2021, we conducted multi-faceted demonstrations and R&D discussions on distributed photovoltaic power plants and building integrated photovoltaics (BIPV) in the logistics park, and will gradually coordinate the research and implementation plans in the future.
SCPG	• By 2025, at least 18 shopping malls will realise photovoltaic power generation, and the power generation 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 photovoltaic power generation in the future.

Water resource management

Property Service	• For residential projects, greening, clean and sanitary water consumption will be reduced by 1% compared with the previous year. • City Up: We will improve the management and maintenance effect of municipal facilities (such as water supply and drainage pipe network, pump stations, etc.), reduce leakage, damage and other problems, reduce water resource losses, and use intelligent platforms on a trial basis to monitor the energy consumption curve of municipal infrastructure, optimise the operation mode and reduce energy consumption.
SCPG	• From 2022 to 2025, we will reduce the water intensity by area of 7 shopping malls by 9%.
Hotel and vacation	• 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. • 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.

Green leasing

Port Apartment	• In 2022, Port Apartment will incorporate energy conservation-related initiatives into the rental contract, and formulate the clause "Port Apartment encourages tenants to conserve energy and reduce unnecessary energy waste" and incorporate it into the tenant agreement. It is expected that more than 15,000 new contracts will be substituted by the end of 2022.

Green construction

	• Referring to the *Ministry of Housing and Urban-Rural Development's Guidebook for the Reduction of Construction Waste at Construction Sites (Trial)*, 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. • We advocate and encourage projects under construction to install intelligent water and electricity data collection equipment, and gradually increase the coverage rate.

Green procurement

	• We integrate biodiversity considerations into our procurement procedures and avoid biodiversity damage and natural environment degradation. • We ensure that 100% of the purchased aluminium alloy profiles use a chrome-free passivation process, 100% of the purchased wood is sourced and 100% of our materials come from Green Supply Chain Action whitelisted suppliers.

Garbage classification

Property Service	• In 2022, at least 100 residential projects will pilot garbage classification, and garbage classification will be comprehensively promoted in the future. • Cushman & Wakefield Vanke Service: We will establish a nationwide data ledger for the treatment of kitchen waste and hazardous waste in commercial office projects, and ensure 100% compliance.
Hotel and vacation	• In 2022, all self-operated hotels will implement the "zero-waste" project and become "zero-waste hotels". • We will vigorously carry out more pilot projects of "zero-waste" recycling and organic cultivation in the hotel and vacation business.
SCPG	• 100% of kitchen waste and hazardous waste will be handed over to qualified institutions for treatment. By 2025, 15% of renewable resources and dismantled materials will be recycled, 10% of construction waste will be reused, and 15% of kitchen waste will be reused. By 2030, 35% of renewable resources and dismantled materials will be recycled, 25% of construction waste will be reused, and 35% of kitchen waste will be reused.

Housing industrialisation

Property development	• The proportion of Vanke's housing industrialisation in the total construction volume will be steadily increased year by year. In 2021, Vanke's housing industrialisation accounted for 83% of the total construction volume.

Climate change response

	• Vanke will take energy efficiency, carbon emissions, water resources, ecology and other environmental goals as tracking goals and indicators related to climate change. • 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.

Climate Change Response

As a pioneer enterprise in tackling climate change and promoting green development, Vanke has been actively exploring the possible opportunities and challenges brought by climate change. In response to China's commitment to reach carbon neutrality by 2060, Vanke has integrated 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.

This year, we conducted our first climate change risk analysis. In the future, based on the *Guidelines for Climate Information Disclosure* of The Stock Exchange of Hong Kong Limited, we will improve the scenario analysis of climate risks, identify the climate risks and potential opportunities faced by the Company's different businesses under different scenarios, improve the effectiveness of climate risk management, and grasp climate opportunities.

TCFD disclosure index

TCFD recommendations	Section index
Governance	
a) Describe the Board of Directors' oversight of climate-related risks and opportunities.	ESG Management Governance and Management System
b) Describe the management's role in assessing and managing climate-related risks and opportunities.	ESG Management Governance and Management System
Strategy	
a) Describe the short-, medium – and long-term climate-related risks and opportunities identified by the Company.	Climate Risk Management
b) Describe the impact of climate-related risks and opportunities on the Company's business, strategy and financial planning.	Governance and Management System
c) Describe the Company's strategy, taking into account different climate-related scenarios.	Climate Risk Management
Risk management	
a) Describe the Company's process for identifying and assessing climate-related risks.	Climate Risk Management
b) Describe the Company's process for managing climate-related risks.	Climate Risk Management
c) Describe how the identification, assessment and management processes for climate-related risks can be integrated into the Company's overall risk management system.	Risk Management and Control Climate Risk Management
Indicators and goals	
a) Disclose the indicators that the Company uses to assess climate-related risks and opportunities following its strategy and risk management process.	Climate Risk Management Environmental Data
b) Disclose Scopes 1, 2 and 3 GHG emissions and associated risks.	Environmental Data
c) Describe the goals the Company uses in managing climate-related risks and opportunities, and its performance in implementing the goals.	Approach to Environment – Goal Table

Governance and Management System

We have established an ESG management structure with the Board of Directors as the highest decision-making level. The Board of Directors 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 of Directors has integrated climate change-related risks and opportunities into ESG management.

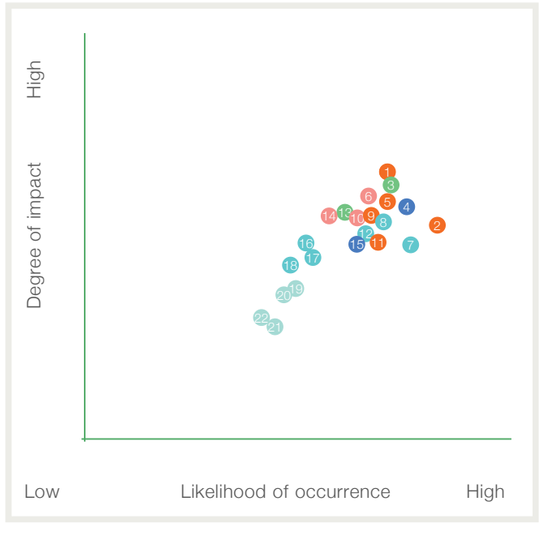
Climate Risk Management Measures

Risk Identification and Ranking

We identify risk items applicable to Vanke based on the type of risk and Vanke's business segments with reference to TCFD's classification of risks. We carry out research and policy review to identify physical and transitional risks at the industry and corporate operation levels, and clarify the list of climate change risks.

Based on Vanke's business, we have identified eleven key departments that are highly related to climate risks and opportunities. Based on interviews with key departments and expert judgment, we conducted an assessment and survey on 22 risks, ranked them from the two dimensions of likelihood of occurrence and degree of impact, and formed a climate risk matrix.

During the survey, different business departments assessed the risks based on their own business characteristics and business understanding. Acute risks such as extreme precipitation and floods have a great impact on engineering-related departments, while departments engaged in environmental restoration-related businesses believe that the likelihood of occurrence of various risks is great.



The Group's climate risk matrix

1	Policy & legal risk	Carbon pricing
2	Policy & legal risk	Environmental information disclosure
3	Market risk	Raw material cost and supply
4	Technology risk	Green building technology
5	Policy & legal risk	Energy structure and energy use
6	Other stakeholder impact	Investor
7	Acute risk	Typhoon
8	Acute risk	Extreme precipitation
9	Policy & legal risk	Green building goals and standards
10	Other stakeholder impact	Supply chain (upstream and downstream)
11	Policy & legal risk	Waste management standards
12	Acute risk	Flood
13	Market risk	Shift in customer preferences
14	Other stakeholder impact	Local community
15	Technology risk	Energy technology
16	Acute risk	Extremely hot weather
17	Acute risk	Drought
18	Acute risk	Extremely cold weather
19	Chronic risk	Temperature rise
20	Chronic risk	Water stress and supply instability
21	Chronic risk	Sea level rise
22	Chronic risk	Land desertification



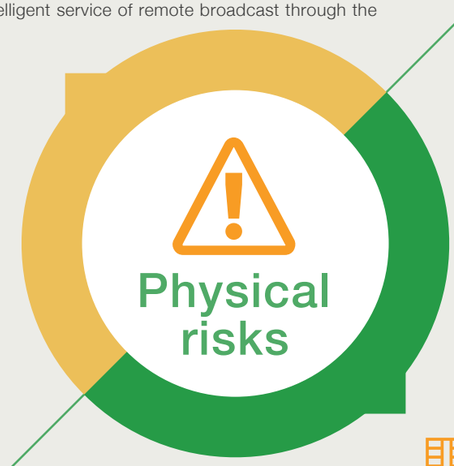
Climate risk heatmap

Climate Risk Response

Acute risks

We have formulated the *Guidelines for Emergency Handling of Meteorological Disasters* and the *Natural Disaster Prevention Regulations*, 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 in order 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. In addition, the accumulated water in all projects can be detected by the camera and no on-site notification is required, realising the intelligent service of remote broadcast through the camera.



Chronic risks

In response to chronic risks such as sea level rise, we use various means to reduce our external environmental risks and improve our climate resilience.

We promote the construction of urban inner lakes which are mainly in the form of ecological artificial lakes. A large number of aquatic plants such as emerging plants and submerged plants are used, which play a significant role in carbon sequestration through their photosynthesis. For more information on measures to improve our own climate resilience, see the section of Improving Climate Resilience.





In the context of carbon dioxide peaking and carbon neutrality, we study and judge the policy, proactively formulate measures for the policy, and improve the climate risk management process to achieve effective management of our own climate risks.

This report is the 14th sustainable development report of Vanke. We attach great importance to the expectations of various stakeholders for Vanke, and continue to strengthen the disclosure of sustainable development information to respond to the concerns of all parties.

In 2021, we built the Vanke ESG data system, and expanded the scope of data collection this year to include logistics, hotel and vacation, retail property development and operation and other business sectors, in order to do a good job in the underlying construction of carbon emission data collection and lay a solid foundation for further carbon reduction actions in the future.

Explore energy structure upgrades:

At present, China's development is also aimed at transitioning to non-fossil energy sources by vigorously promoting alternative energy sources that replace coal and oil, as well as renewable energy sources such as solar energy and wind power. We continue to explore the application of renewable energy sources. In 2021, we used dry-hot rock heating technology for some new residential projects, and conducted multi-faceted demonstrations and R&D discussions on distributed photovoltaic power stations and building integrated photovoltaics (BIPV) in the logistics park. We will gradually coordinate and study the implementation plan, going forward. SCPG plans to realise solar photovoltaic power generation in at least 10 shopping malls by 2025, and continues to promote the application of solar photovoltaics.

Near-zero energy building exploration:

Vanke continues to promote the implementation of ultra-low energy, near-zero energy, low-carbon buildings. The Oriental One project, which is based on the "passive + active + renewable energy" technical strategy and whose external wall thermal insulation system and material selection are optimised, minimises heating and air conditioning needs. The performance of mechanical and electrical equipment is improved and photovoltaic power generation systems are fully configured to reduce more than 60% of building energy consumption compared with the national standard. The implementation of the project provides an economically rational and technically feasible near-zero energy building implementation path for buildings with higher difficulty and complex structure in the future.

Low-carbon community construction:

Actively exploring the construction of low-carbon communities, Vanke is committed to building a leading globally low-carbon and partially near-zero carbon emission community demonstration project, and the per capita carbon emission intensity in the project design scheme is lower than the benchmark scenario by more than 20%. We carry out environmentally responsive design in the project and make full use of horizontal shading to actively reduce solar heat gain. The building layout design makes full use of the dominant wind direction to maximize the city's ventilation potential. The addition of roof-integrated photovoltaic panels and exemplary facade-integrated vertical photovoltaics has the potential to offset 10% of the annual operating energy consumption, and sustainable water resource management is carried out.

Continuously promoting the TOD model:

TOD refers to transit oriented development. The TOD model effectively drives the formation of large-scale residential areas, concentrated commercial areas and urban resource belts through the "rail transit + real estate" composite development system, so that various urban resources can be optimised and redistributed in an orderly and efficient manner, land, energy and resources can be used more efficiently, and the consumption of oil and gas and the increase of motor vehicles be reduced. It has the advantages of high-density development, large environmental capacity, small footprint, low energy consumption and low environmental pollution, which are unmatched by traditional urban development models. We continue to build on the TOD model, and actively participate in large-scale communities and comprehensive development projects led by rail transit to promote efficient and sustainable urban development.

In addition to energy, steel, cement, wood, etc. are also important building material supply chains in the real estate industry. Various types of building materials are energy-intensive and carbon-intensive industries that are also subject to the physical risk of climate change. During the low-carbon transition, the supply and price of traditional building materials are susceptible to fluctuations due to a number of factors. On the one hand, in the face of the impact of typhoons, floods and other risks on the supply chain, we identify affected supply chain products in advance, give early warnings, purchase in advance, and make stockpiles. On the other hand, with national standards as the bottom line, we build a green supply chain system, carry out commodity procurement in a responsible manner, and then promote the reduction of the environmental and social impact of the value chain.

Improving Climate Resilience

In 2021, at the 26th United Nations Climate Conference Corporate Climate Action 2021 Initiative, we put forward ten action strategies such as “setting ambitious and implementable carbon neutrality goals and implementation strategies” to actively respond to climate change.

Ten action strategies of China’s Corporate Climate Action Initiative 2021:

- Set ambitious and implementable carbon neutrality goals and implementation strategies;
- Strengthen corporate GHG accounting management and support the industry to develop and improve carbon management standards and tools;
- Improve energy efficiency by adopting energy-saving, green and low-carbon production technologies and management methods;
- Expand the use of renewable energy, and explore the development of energy storage and negative emission technologies;
- Strive to provide healthy, environmentally friendly and climate-friendly products and services;
- Fulfil the environmental responsibility of the whole product life cycle, and reduce the waste of resources and pollutant discharge in each link;
- Promote upstream and downstream business partners to jointly reduce emissions and build a green supply chain;
- Use trading mechanisms and carbon sink products to offset carbon emissions that are difficult to reduce;
- Actively participate in and support the development of green finance and climate investment and financing;
- Drive the industry to improve the practice of standards in environmental, social and governance (ESG) areas.

- **Biodiversity Protection**

  Biodiversity is the foundation for the survival and development of human society, and its loss is the common challenge of humanity. Vanke collaborates with government departments and specialised institutions to protect biodiversity and safeguard the balance of the ecosystem.

- **Mount Everest Snow Leopard Protection Plan:** In 2021, we assisted the Mount Everest National Nature Reserve Administration to design patrol lines for the entire 33,800 square kilometres of Mount Everest National Nature Reserve covering the jurisdiction of 20 management stations in 4 counties, and supported the Yunnan University team to carry out 3S analysis and optimisation of the patrol lines; assisted the Mount Everest National Nature Reserve Administration Dingri Branch to hold a special training on bird rescue, and trained about 50 professional management and protection team members of grass-roots farmers and herdsmen, helping the Mount Everest National Nature Reserve Administration improve its protection and management capabilities.

  As of July 2021, we have contributed a total of approximately RMB11 million to the Mount Everest Snow Leopard Protection Plan. 2021 was the final year of the second phase of the strategic agreement of the Mount Everest Snow Leopard Protection Plan. The plan ranked among the top three in the “2021 China’s Public Welfare Project Brand List (Enterprises)”, and was selected as one of the “100+ Global Typical Biodiversity Cases” at the 2021 Kunming United Nations Biodiversity Conference.



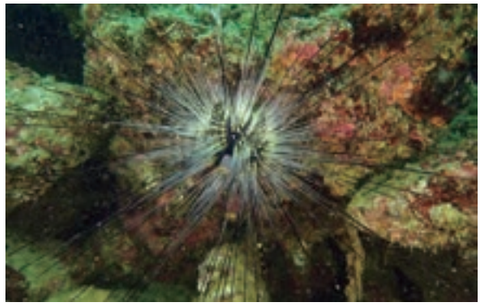
Raptor at the foot of Mount Everest



Patrol in the Cho Oyu

- **Sousa chinensis protection:** SCPG and SCPG Foundation supported One Earth in the completion of the preliminary research on underwater recorders, and cooperated with scientific research institutes to carry out a research project on underwater recorders in the waters of the Pearl River Estuary. The project organised experts and scholars to carry out workshops on sousa chinensis, and carried out nearly 2-months publicity through the independent research and development of sousa chinensis environmental education courses. It carried out several vivid sousa chinensis environmental education courses, and brought the courses to more than 10 primary and secondary schools and communities through volunteer environmental education lecturers, directly affecting more than 1,000 persons in total.

- **Carrying out urban biodiversity protection:** Teamed up with several partners, Vanke Foundation launched several projects to protect urban biodiversity and popularise science in Meisha Subdistrict, Yantian District, Shenzhen City. At present, with the launch of the Meisha Nature Observation Challenge, 23 teams of the local public have been actively guided to participate. Through the online and offline interaction, the public has uploaded 5,743 observation records, and experts have carried out online identifications more than 4,000 times. A total of 6,669 species images have been uploaded, and more than 1,427 species of animals and plants have been identified. In addition, through the offshore marine survey, plant background survey and wetland ecological restoration of the Meisha inner lake, the biodiversity background data of Meisha area has been gradually enriched. Up to now, more than 100 offshore marine species and more than 700 plant species have been recorded.



Biophotography of diadema setosum, Crown Sea Urchin Genus, Crown Sea Urchin Family, Pipe Teeth Order, Sea Urchin Class, Echinoderm Phylum, Diadema Setosum



Condylactis sp1, Anemone Family

- **Climate change action**

  The 26th United Nations Climate Change Conference (COP26) was held in Glasgow, UK, and Vanke Foundation, together with C Team, hosted the “China Corporate Pavilion”. This was the first time that a Chinese social organisation had hosted an independent pavilion at the COP. In two weeks, the pavilion held 39 multilateral conferences on topics such as carbon neutrality in urban communities, climate investment and financing, energy transition, green manufacturing, green transportation, sustainable supply chain, climate adaptation and resilience, South-South cooperation, climate education and youth action, with more than 200 speakers invited, strongly conveying to the international community the leadership and action of Chinese enterprises and social sectors to actively engage in climate change issues. In addition, we funded C Team to continue to carry out the 2021 Chinese Enterprise Climate Action Project, deepen the work from three perspectives of industry/enterprise climate empowerment, international exchange, and communication and advocacy, and release the *Climate Change Action Guide for Real Estate Enterprises*.



COP26 conference site



C young people’s saying

In 2021, in order to raise the awareness of citizens, Vanke Foundation, in cooperation with Guangdong Qianhe Community Public Welfare Foundation, launched the "Peili Climate Pioneers – Climate Adaptation Awareness Improvement Plan for Urban Community Residents in the Pearl River Delta" in Guangzhou, Foshan and Shenzhen, which aims to initially establish a community-based climate change governance mechanism with community residents as the mainstay and multi-participation through the mining and cultivation of community climate pioneers and identification of community climate change risks, continuously take actions to improve community resilience, and gradually promote the popularity of community responses to climate issues in the field of environmental protection. Through community research, the project released the *Investigation and Analysis on Climate Change Cognition of Community Residents in the Pearl River Delta Region – Taking Guangzhou, Foshan and Shenzhen as an Example*.



Investigation and Analysis on Climate Change Cognition of Community Residents in the Pearl River Delta Region – Taking Guangzhou, Foshan and Shenzhen as an Example



Preliminary inspection and visit in Yile Community, Haizhu District, Guangzhou



Planting flowers in a community garden

Green Design Commitment

Vanke attaches great importance to the R&D and innovation of green and eco-friendly technologies, and continuously cultivates innovators. We delve into the industrialised construction system, green building, smart operation and maintenance, ecological environment, renewable resources and waste treatment to enhance sustainability of human habitat, lifestyle and environment with the concept and fruits of innovation. In the future, Vanke will strive to build a more open platform for R&D, commercialisation and implementation, and jointly promote technological innovation and landing application with high-quality R&D resources, relying on its business.

Vanke research progress and achievements of building technology in 2021

Established a basic quality system for building anti-leakage, anti-hollow, and anti-cracking, and developed new products such as encapsulated anti-sag polyurethane waterproof coating, integrated waterproof and thermal insulation non-dismantling formwork, large-size decorative brick mortar, and flexible caulking mortar.
Established cost-effective aluminium alloy doors and windows and their quality control system, which includes architectural design, material selection, processing, installation, construction acceptance control measures, etc.
Established a green, healthy and durable architectural finishing coating system.
Established a sound insulation system for residential household-separating floor slabs, developed sound insulation coatings and sound insulation self-levelling mortar, which will replace floating floor slabs, sound insulation pads and traditional sound insulation mortar and be used for green and healthy residential buildings in the future.
Established a standard scheme system for basement garage traffic signs and floor facilities, which includes a traffic parking sign system, garage entrances and exits, and unit entrances and exits.

Vanke's contribution to international, national and industrial standard formulation in 2021

Name	Type
Construction and Quality Acceptance Regulations for Prefabricated Concrete Structure Engineering (DB11T 1030-2021)	Local standard
Sichuan Province Housing Construction Standards (DBJ51/168-2021)	Local standard
Healthy Housing Evaluation Standard (T/CECS 462-2017)	Group standard
Smart Office Building Evaluation Standard (T/CSUS 16-2021)	Group standard
Technical Standard for the Application of Fireproof and Thermal Insulation Composite Panels of Concrete Exterior Walls (CABEE 009-2021)	Group standard
Technical Requirements for Coating Products for Architectural Finishing Engineering – Interior Wall Coating System (T/CSTM00632.1-2022)	Group standard
Technical Requirements for Coating Products for Architectural Finishing Engineering – Exterior Wall Coating System (T/CSTM00632.2-2022)	Group standard
Technical Requirements for Coating Products for Architectural Finishing Engineering – Inorganic Architectural Coating System (T/CSTM00632.3-2022)	Group standard
Technical Requirements for Coating Products for Architectural Finishing Engineering – Floor Coating System (T/CSTM00632.4-2022)	Group standard
Technical Specification for the Application of Non-metallic Connectors for Prefabricated Exterior Walls (T/CCPA 39-2022)	Group standard
Standards for Testing Methods of Hexabromododecane for Thermal Insulation Materials in Construction Engineering (T/CABEE-JH2021015)	Group standard
Technical Guidelines for the Application of Hexabromocyclododecane Alternative Thermal Insulation Materials for External Wall External Thermal Insulation System (T/CABEE-JH2021016)	Group standard
Proportional Fire Source Test Method for Structural Fire Resistance of External Thermal Insulation Systems of Buildings	Group standard
Risk Identification and Assessment Standards for External Wall External Thermal Insulation Engineering of Existing Buildings	Group standard
Mortar for Door and Window Frame Caulking	Group standard
Polymer Decorative Cement	Group standard
Technical Regulations for Construction of Polymer Decorative Cement	Group standard

Green building concept

Developing green buildings is an urgent need for transforming the growth mode of the construction industry, and an inevitable choice for building an eco-friendly and energy-saving society. We are an active advocate of green building. While complying with *national and industrial standards* such as Assessment Standard for Green Building, we have formulated and promoted the *Vanke Guideline for Green Building Standards* within the Group. We have rigorously conducted environmental management in the entire lifecycle of building from design to operation. While ensuring quality and safety, we do our utmost to save resources and reduce negative impact on the environment to truly realise harmonious coexistence between buildings and nature.

Green building standard and technology

On the basis of *Assessment Standard for Green Building* (GB/T 50378-2019), Vanke has formulated the *Vanke Guideline for Green Building Standards*, and established a "people-centric" green technology system to provide customers with a safe, healthy and comfortable building environment. In combination with the climate, environmental and resources characteristics of the area where the building is located, Vanke has specified requirements for the architectural design from safety, durability, health and comfort, convenience of life, resource -saving and liveable environment.

• Green building design

Energy conservation design

Vanke adopts the standards that are higher than the current industry standards. It sets high requirements for the heat transfer coefficient of the main parts of enclosing structures such as external walls, roofs, external windows and curtain walls, and heat gain coefficient of solar energy, and specifies guidelines for the water use efficiency of sanitary appliances and the application proportion of green building materials. After analysing and comparing the existing integrated insulation structure systems, we believe that the existing system still has large room to improve in terms of anti-falling and durability. Therefore, we have jointly developed a new integrated system of thermal insulation structure with cooperative enterprises. The new integrated system can effectively solve the problem of maintaining and repairing the thermal insulation layer throughout the life cycle of the building.

Adaptive design for climate change

Vanke has included greening rate, green area per capita and the total amount of rainwater drainage into the *Vanke Guideline for Green Building Standards* as required technologies, and promoted the use of rooftop greenery, recessed green spaces and rain gardens in the design to enhance the liveability of green building environments and the resilience of buildings to the risks of climate change.

Green Building Certification

Vanke is committed to promoting the development of the Group's green buildings and taking customers as the centre to create safe, healthy, efficient and intelligent green buildings that are good throughout the life cycle.

In 2021, we added an area of **58.26 million** square meters that meets the green building standards, including a project area of **55.98 million** square meters that meets the one-starred and two-starred green standards and a project area of **2.28 million** square meters that meets the three-starred green standards.

As of the end of 2021, we had a total of **289 million** square meters that meets the green building standards.

During the reporting period, we obtained 7 Leed gold or above certifications.

Vanke's certified three-starred green projects in 2021

Project name	Building type (Residential/public)	GFA (10,000 square meters)	Identity type
School and Kindergarten Project at Lot G2, Cluster G, Rongdong, Xiongan	Public	4.35	Design
Tianjin Light of Ecology Project	Residential	16	Operation
Beijing Emerald Academy	Residential	26.5784	Design
Buildings 1-7 in Xinjiang Metropolitan Community	Residential	10.25	Design
Office Buildings 8-9 in Xinjiang Metropolitan Community	Public	9.19	Design
Commercial Office Project on Plot 18-03 in Shanghai Qibao Ecological Business District	Public	7.11	Design
Buildings 1-3 and 5-7 on East Area of Plot I, Central Mansion, Hefei	Residential	8.75	Operation
Buildings 66 and 74 on Plots 4 and 5 in Jintan Ideal City, Changzhou	Residential	1	Operation
Xuzhou Passenger Transport North Plot B Commercial	Public	1.01	Pre-evaluation
Xuzhou Zhouzhuang Plot (Plot 2019-58) Residential Project	Residential	8.39	Pre-evaluation
Xuzhou Zhouzhuang Plot (Plot 2019-58) Public Construction Project	Public	4.86	Pre-evaluation
Vanke Binhai Landmark	Public	8.16	Operation
Vanke Light of City	Residential	45.2	Operation
Dongguan Vanke Banyan Tree Resort	Public	5	Pre-evaluation

Vanke's certified three-starred green warehouse projects in 2021

Project name	Building type (Residential/public/ logistics warehousing)	GFA (Square meters)	Identity type
VX Jinan Jiyang Park	Logistics warehousing	137,178	Evaluation
VX Chengdu Tianfu Park	Logistics warehousing	10,990	Operation
VX Chengdu Airport Park	Logistics warehousing	95,000	Operation
VX Chongqing Airport Park	Logistics warehousing	99,000	Operation
VX Chongqing Donggang Park	Logistics warehousing	52,000	Operation

Vanke's other certified projects in 2021

Project name	Building type (Residential/ public)	GFA (10,000 square meters)	Project certification
360-meter Super High-rise Plot A-1 (South Plot) in Jinan Central Business District	Public	14.27	LEED Gold Pre-certification
Wuhan Future Centre T1 Office Building	Public	8.1	LEED Gold Pre-certification
Haimen Peninsula International East (CR20015 Hanyuan)	Residential	9.24	National Healthy Housing 2 Star
Yuli Future Community— Kindergarten	Public	0.52	Zero Energy Certification, LEED Gold Pre-certification
Dongguan Vanke Banyan Tree Resort	Public	5	Earth check
Wenzhou Incity MEGA	Public	23.58	LEED BD+C Gold certification
Songjiang Incity	Public	15.3	LEED BD+C Gold certification
Nanxiang Incity MEGA	Public	33.69	LEED O+M Platinum certification

Case: Explore near-zero energy buildings



"The Oriental One project" is jointly built by Rongxin Group and Shanghai Vanke. On the basis of meeting the requirements of Shanghai's current ultra-low energy consumption guidelines, the project further responded to the national "carbon dioxide peaking and carbon neutrality" policy and carried out an innovative pilot project of near-zero energy buildings in Shanghai.

Based on the technical strategy of "passive + active + renewable", the project optimised the external wall thermal insulation system and material selection so that the average heat transfer coefficient of the external wall reached 0.35 W/(m^2*K). External windows with a heat transfer coefficient as low as 1.0 W/(m^2*K) are selected, and movable external shading was set for indoor and outdoor windows to reduce the heat gain from the sun in summer, minimizing the heating and air conditioning demand. In addition, by improving the performance of mechanical and electrical equipment and fully configuring photovoltaic power generation systems, the project reduced the building energy consumption level by more than 60% compared with the national standard. In December 2021, the project successfully passed the evaluation of Shanghai near-zero energy consumption pilot projects and was supported by the 3% floor area ratio award for ultra-low energy buildings in Shanghai.

Case: Vanke Wuhan Future Centre T1 Office Building built a green and low-carbon landmark building that was LEED gold pre-certified



Vanke Future Centre's LEED certification

Vanke Future Centre is located in Hanyang District, Wuhan, Hubei. The project takes measures from materials, water saving, energy saving and other aspects to improve its performance in sustainability, green and low-carbon aspects, and has become a green and low-carbon landmark building in Hanyang District, Wuhan. It has finally achieved the US green building LEED gold pre-certification.

- Materials and resources: 75% of construction/demolition waste is recycled during construction.
- Water saving: Through rainwater recycling, reclaimed water utilisation, and planting of local adaptive plants, 100% water saving in outdoor irrigation is achieved. Indoor water appliances achieve 35% water savings compared to the US LEED water benchmark by using water-saving fixtures.
- Energy and atmosphere: According to the US ASHRAE standard 90.1-2010, 62.1-2010 and 55-2010 standards, and Chinese standards GB50189-2015 and GB50034-2013, the project adopts high-efficiency envelope structure, low-LPD lighting fixtures, energy-saving control strategies, and high-efficiency HVAC equipment, and is equipped with fresh air units with heat recovery function, and CO sensors to control the start and stop of underground garage exhaust fans, so that the project saves energy by 13% compared with the benchmark building specified in the US ASHRAE standard 90.1-2010 and 20% compared with the benchmark building specified in China's GB50189-2015.
- Indoor air quality: The filtration efficiency grade of air conditioning and ventilation systems reaches the minimum filtration efficiency reporting value (MERV) 13, and the fresh air volume is increased by 30% compared with the requirements of ASHRAE62.1.

Case: Jiaxing Yuli Future Community obtained zero-energy building certification (design) and LEED gold pre-certification with low-carbon design

Jiaxing Nanhu Yuli Community is the second batch of future community pilot innovative projects in Zhejiang Province. The project integrates functions such as office, business, residence, leisure and entertainment and supporting services, and is committed to creating a pilot demonstration of near-zero energy consumption with convenient life, convenient transportation, digital intelligence empowerment, green and low carbon, with a GFA of 5,310 square meters.

As a pilot demonstration of near-zero energy consumption buildings, the community kindergarten of the project is designed to use photovoltaic solar power generation and full recycling technology to meet the energy consumption requirements of the project's heating and cooling, lighting, domestic hot water and elevators. In the end, the project design achieves a building body energy saving rate of 39% and a comprehensive building energy saving rate of 103%, and has obtained the zero energy building certification. The project forms a miniature waterscape through an umbrella-shaped "catchment wind pavilion" design to maximize the recycling of rainwater, and is committed to allowing children to develop the "green" awareness, encouraging and promoting them to advocate thrift and frugality in their daily lives, thus promoting the harmonious development of man and nature.







Jiaxing Yuli Kindergarten design



Zero energy building certification

Advancing Green Construction

We incorporate the concept and practice of environmental protection throughout materials procurement, design and construction in an effort to save energy and resources, reduce pollution, and promote green lifestyle with green human habitat.

Green environmental governance

We attach importance to the environmental issues in the land development stage, and promote land development and consolidation, river pollution control, lake and reservoir ecological restoration process environmental protection, and ecological landscape building. All these efforts are to maximise the land resources and ecological value.

In 2021, we carried out a total of 5 soil pollution investigation and remediation projects and **8** water treatment projects, and accumulatively treated more than **120** urban inner lakes.

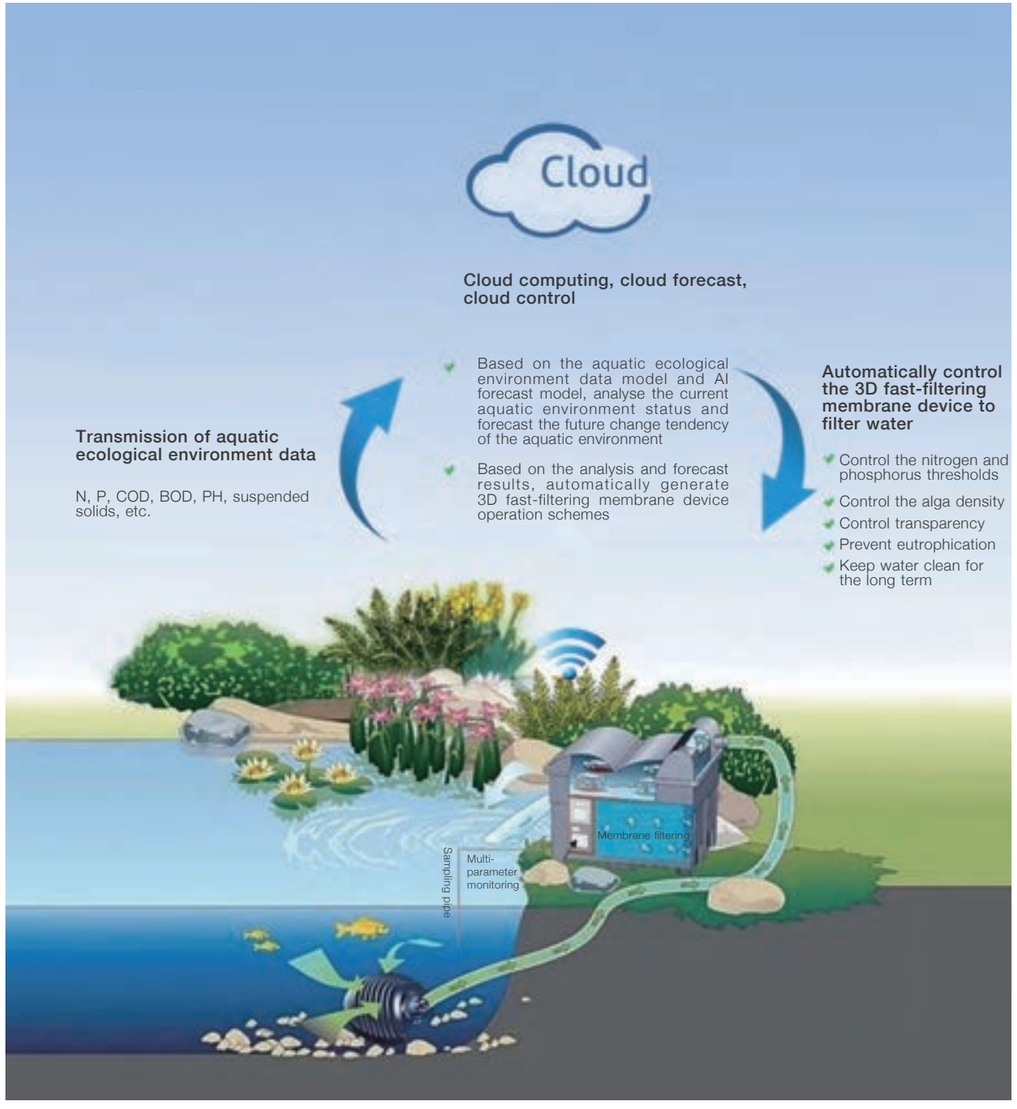
• Soil remediation

In response to the state's call to strengthen soil pollution prevention and control efforts, Vanke has actively undertaken its social responsibility as a real estate development enterprise. We conduct a preliminary survey and assessment on the soil environmental quality of the plots previously used industrially to ensure that the soil quality of the project meets relevant national standards and to eliminate soil environmental quality risks.

In the process of soil remediation, we strictly follow the Company's plan to prevent secondary pollution of remediation engineering, ensure that strict anti-seepage and anti-leakage construction is carried out in the construction area, and deploy environmental spray equipment to prevent secondary pollution caused by the spillage of polluted soil dust. A special group for the prevention and control of secondary pollution is established for each project to carry out regular on-site monitoring in and around the project to ensure that no secondary pollution accidents occur during the construction process.



Contaminated soil treatment and monitoring in the plot



Three-piece lake operation and maintenance set

• Carrying out the treatment of the inner lake

Due to the poor fluidity and exchangeability of the water body, urban inner lakes face three problems: the discharge of foreign matter into the rainwater pipe network, the turbidity after rain, and the outbreak of blue-green algae. We have designed and developed a three-piece lake operation and maintenance set based on our experience, and conduct lake operation and maintenance management according to the methods of water quality monitoring, AI analysis and control, and circular filtration.

- ## Promoting intelligent environmental protection management

We continue to promote intelligent environmental protection with the power of science and technology. In 2021, we cooperated with Guangming District, Shenzhen City, Guangdong Province to complete the development of atmospheric and water environment topics in project research, system design, data warehouse development, data docking and cleaning, and ecological window, preliminarily realised the integrated application of data resources, built one file for each source for pollution sources and environmental quality, and realised one-picture overview and analysis and judgment of water and air environment.



Ecological environment window of Guangming District, Shenzhen City, Guangdong Province

- ## Advancing the EOD model

In September 2020, the Ministry of Ecology and Environment of the People's Republic of China, the National Development and Reform Commission and the China Development Bank jointly issued *the Notice on Soliciting Pilot Units for the Eco-environment-Oriented Development (EOD) Model*. Actively involved in the piloting of the EOD model, we applied for the EOD model pilot project in the riverside of Yingjiang District, Anqing City in 2021. The pilot project adopts the method of "ecological protection and restoration + industrial introduction" in order to create a comprehensive demonstration area with efficient integration and linkage of ecological environment governance and industrial green, ecology and sustainable development.

Green material selection

On top of fair, just and open procurement, we have added the environmental protection principle for supplier management. Meanwhile, we pair up with likeminded companies to promote "China's Real Estate Industry Green Supply Chain Campaign Action (GSC)". We reduce adverse environmental impacts generated by raw materials procurement, production, processing and end user consumption, improve resource efficiency, and realise green upgrade of the supply chain, so as to provide green and healthy products for end consumers.

China's real estate industry green supply chain campaign action

China's Real Estate Industry Green Supply Chain Campaign Action (GSC) was jointly launched by Vanke, the Alxa Society of Entrepreneurs & Ecology (SEE), China Urban Realty Association and the China Real Estate Chamber of Commerce in 2016. The purpose is to promote market-oriented green production and green supply chain management via an industry alliance, and strengthen the competitiveness and cohesion of the industrial chain as a whole. As one of the initiators, Vanke will strictly follow the initiative of the GSC, strengthen its own supply chain management and promote the development of a green supply chain in the industry.

We follow the *Green Procurement Guidelines for China's Real Estate Industry*, improve procurement standards and systems, comprehensively consider energy conservation and environmental protection factors in product design, procurement, production, packaging, logistics, sales, service, recycling and reuse, and work with upstream and downstream enterprises to implement social responsibilities such as environmental protection and energy conservation and emission reduction to create a green supply chain.

- ## Whitelist expansion

We released 3 new categories, including 16 rock wool enterprises, 17 air source heat pump enterprises, and 12 stone wood plastic (SPC stone crystal) wall and floor material enterprises. The whitelist categories expanded from 10 in 2020 to 13.

In 2021, Vanke established a chrome-free passivation production process certification system for aluminium alloy profiles through AUPUP Certification Alliance, and standardised the management of the whitelist of aluminium alloy chrome-free passivation enterprises through certification. Currently, 12 companies have obtained this certification.

- ## "Greenlist" debut

In 2020, in cooperation with the Public Environment Research Centre, we established a "Greenlist" online application platform, which has been officially launched, to include supply chain enterprises with outstanding performance in energy conservation and emission reduction in the "Greenlist" and make priority purchases from them. In 2021, there were already 22 "Greenlist" enterprises. At present, the greenlist standards for rock wool, air source heat pump, and stone have been formulated, and it is planned to continue to empower real estate enterprises and suppliers in the future to promote actual procurement.

Advancing green construction

Vanke strictly abides by the *Environmental Protection Law of the People's Republic of China*, and has formulated the *Green Construction Standards for Architectural Engineering*. During the entire construction process, we will take into account the environment and surrounding neighbourhoods' needs, and focus on the conservation and utilisation of materials, water, energy, and land to reduce the impact on the air, water and land, to create a clean, tidy, comfortable and safe construction environment.

• Pollution control



Bare soil and concentrated earthwork at the construction site are covered.

Covering measures are strictly required for earth-moving vehicles, and the vehicles must be cleaned before driving out.
Fog cannons combined with spraying are used in the construction site and regularly started and shut down to automatically start the dust suppression equipment to reduce the dust concentration.

Wastes on the construction site are required to be collected in hazardous, non-hazardous, recyclable and non-recyclable categories. Construction waste is centrally collected and stacked and timely transported. Special warehouses are set up on site to store fine-grained construction materials in a closed manner. High-altitude waste is transported vertically. The construction unit is urged to dismantle the construction enclosure and other temporary facilities within the agreed time and conduct a comprehensive cleaning of the surrounding environment to ensure that the site is cleared after the work is completed.

Large-scale lighting fixtures such as on-site tower chandeliers adopt directional searchlights to prevent strong light from leaking.

Noise sources in the production area of the construction site are identified. Targeted noise reduction measures are formulated according to the characteristics of the project and the surrounding environment, and the noise reduction goals and requirements are clarified.

• Resource saving

In accordance with the ISO 14000 environmental management system, *Environmental and Hygiene Standards for Construction Sites (JGJ146-2004)*, and *Green Construction Guidelines (Notice Jian Zhi [2007] No. 223)*, we have formulated *the Site Safety, Health and Environmental Protection Management Standards* applicable to all projects under construction developed within the Group, prepared water and electricity conservation plans, and appointed persons in charge to implement them, so as to standardise the site management of environmental protection during construction.

Water saving	Energy saving	Resource recycling
Water in construction areas and domestic water are measured separately. On-site water points are checked regularly to detect running, dripping and leaking in time and deal with them as soon as possible. Three-stage sedimentation tanks are used on the construction site, and the water used for car washing is recycled after three-stage sedimentation. Water-saving appliances are used in the living area, and the water-saving appliance configuration rate of some projects reaches 100%.	Integrated automatic copying and printing machines with automatic sleep energy saving function are used in public areas. In the living area of workers, each household is equipped with an electric meter and a current limiting device, and an air energy water heater is used to provide hot water to the living area.	Abandoned old formwork is recycled for outer frame stair treads, water pipe protectors, etc., and steel waste is used to make horse stools.

Housing industrialisation

Housing industrialisation refers to housing construction in the industrialised way. It can effectively reduce energy and material consumption during construction and has become an important way for the construction industry to go green. We are always committed to environmental protection, and have worked on the industrialised construction system for nearly two decades and gradually figured out a mature path for its promotion and application.

We continue to iteratively upgrade the "5+2" construction system, implement Vanke's practices related to industrial and standardised construction in accordance with *the 2018-2021 Vanke industrialisation System Promotion Measures*, and compile *the Industrial Quality System Standard* to contribute to the green and healthy development of the construction industry. In 2021, we gradually promoted the application of prefabricated decoration and moderate prefabricated quick-installation content based on the basic requirements of all-concrete exterior walls, prefabricated inner partition walls, system formwork, climbing frames, and interspersed efficiency improvement, and cultivated design, construction, components, and parts production resources, actively and steadily promoting prefabricated construction and full dry construction.

In 2021, Vanke's housing industrialisation accounted for 83% of the total construction volume.

Case: The Hangzhou Future Unicity project

Hangzhou Vanke's Future Unicity project has complicated basement pipelines. We realised the orderly arrangement of pipelines though BIM technology, and independently developed telescopic fasteners for frame columns, focusing on anti-leakage, fire prevention, thermal insulation, air tightness and other problems and solving them in the drawing deepening stage.

The project won the 2021 Semi-annual Silver Star Award for Technology Empowerment in Shanghai in 2021. It is the fourth batch of provincial-level future community creation pilot projects in Zhejiang Province and the third batch of candidate projects for the 10th Guangsha Award.



Practicing Green Operation

Vanke actively practices the green development concept and makes good use of resources and energy. Vanke has formulated and implemented *Administrative Measures for Energy Conservation and Consumption Reduction*, and introduced green technologies such as the intelligent energy system and the reclaimed water and rainwater utilisation, to enhance energy and water resource management from various aspects. We have further taken the lead to promote "zero waste" management in the industry and facilitate the construction of a resource-efficient and eco-friendly society.

Energy efficiency management

• Shopping mall

Vanke has formulated *the Energy Conservation and Emission Reduction Management System* and *the Energy Conservation and Consumption Reduction Methods and Measures*, makes clear energy conservation and consumption reduction management requirements for projects that have opened, are under construction or planned, and stipulates that all projects that are owned or operated by or whose energy costs are borne by the Group should achieve energy efficiency improvement through intelligent analysis of energy use and promotion of the use of new energy on the basis of continuously improving the construction of the energy management platform.

Energy management platform

In 2021, we launched and operated the energy management platform, which realises the collection and monitoring of energy consumption data in the whole process from the high-voltage power distribution room to the terminal energy-consuming equipment, to help shopping malls achieve fine energy management. The energy saving rate of the public area of shopping malls has reached more than 4.3%. As of the end of the reporting period, SCPG has connected the energy data of 3 shopping malls to the platform. At the same time, we are committed to connecting the data of 25 eligible operating shopping malls to the energy management platform by 2025.

Energy use analysis and improvement

We conduct statistics calculation and year-on-year analysis by collecting monthly electricity and water consumption data in the public areas of operating shopping malls. For shopping malls whose electricity consumption in the public area exceeds the standard year-on-year, we will trace the source of the excess, require the shopping mall that exceeds the standard to analyse the month-on-month difference of actual electricity consumption, organise the relevant responsible unit to conduct a comprehensive investigation and rectify the existing problems in a timely manner, effectively doing a good job in energy saving and consumption reduction.

New energy utilisation

We actively promote the use of micro-grid technology (photovoltaic power generation). By signing the *Roof Distributed Photovoltaic Power Generation Contract – Contract Energy Management Agreement with our partners*, we install photovoltaic power generation equipment on the available roofs and parking lots of shopping malls to convert solar energy into electricity which is connected to the power grid in the factory area, so that we can enjoy preferential electricity prices, save energy costs and reduce energy consumption. By the end of 2021, we had 8 shopping malls that had installed photovoltaic power generation equipment, and the proportion of electricity consumption in public areas reached 2%. From 2025 to 2030, we are committed to having at least another 10 shopping malls that achieve photovoltaic power generation, and the power generated will account for 5% of the electricity consumption in the public areas.

Energy-saving renovation goals and expectations

We have actively participated in the campaign of striving to be a "zero" runner initiated by the Paulson Institute and China International Economic Exchange Centre, and formulated energy saving renovation plans and energy saving goals. We carried out energy saving renovation for 6 self-held shopping malls that opened before January 2018. In 2021, a total of 22 shopping malls completed energy saving renovation, and are expected to achieve a 10% energy-saving rate in 2022-2025. In addition, we plan to promote energy saving renovation in 12 new operating shopping malls by 2030 to achieve an overall energy saving of 15%.

• Property operation

Under the national "carbon dioxide peaking and carbon neutrality" goal, digitalization plays a prominent role in enabling green and low-carbon transformation. Onewo has introduced digital technologies such as intelligent operation and maintenance to continuously improve the intelligent property management system. By carrying out the identification and analysis of key energy-consuming equipment and key energy-consuming areas, Onewo and its service customers can grasp energy consumption data in real time, fully tap the energy saving potential and realise the digitalisation and intelligence of energy consumption management.

In terms of commercial property and facility services, Cushman & Wakefield Vanke Service plans to set up an energy management team to promote the digital construction of the "carbon dioxide peaking and carbon neutrality" strategy, and will gradually carry out the collection, statistics and analysis of energy monitoring data, complete the construction of an energy management system, and set a reasonable energy consumption management target value based on the data.

Case: Green operation of Phoenix International Media Centre



Completed in 2013, Phoenix International Media Centre is a cultural complex integrating TV program production, office and commerce. Onewo started to provide fully-commissioned property management services for the project after its completion.

We strengthen the management of HVAC, lighting, water supply and drainage and other facilities by optimising the energy consumption system and using digital technology, and solve the high temperature problem caused by the all-glass curtain wall through continuous professional energy audits and building equipment debugging, so that air conditioners in high temperature areas save energy by more than 50%. In addition, by making full use of renewable resources, using solar energy to heat buildings in winter, and cooling with cooling water in summer, we have saved over RMB1 million in energy costs over the past three years.

Onewo follows the concept of green operation, and helps Phoenix Centre to reduce energy consumption and save resources in an all-round way. At present, the building has obtained LEED platinum certification.

Case: Vanke Building Energy Consumption Management Platform

The energy consumption management platform of Vanke Building (Meilin Vanke Centre) realises digitalisation and intelligence of energy consumption management by introducing digital products such as intelligent operation and maintenance and innovating in the intelligent property management system. It visualizes the consumption information of electricity, gas, heat, water and other energy and resources through energy monitoring, energy statistics, energy consumption analysis, etc., and can timely learn and master scientific and accurate data and tap energy-saving potential through the identification and analysis of key energy-consuming equipment and key energy-consuming areas.

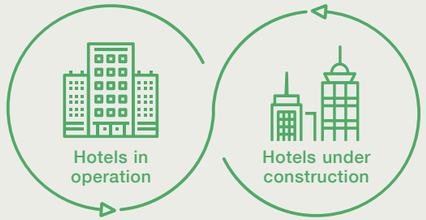


Interface of the energy consumption management platform

• Hotels

For hotel energy consumption management, we actively expand the utilisation and development of new energy fields on the basis of strictly implementing lighting management, air conditioning, heating and cooling management and power distribution standards, saving energy and reducing consumption in multiple ways.

We upgrade the hot water system, and gradually adopt the heating method combining solar energy and air energy heat pump to achieve energy saving.



In the early design stage, the main engine, water pump, cooling tower and other equipment of the pre-installed central air-conditioning system are all controlled by frequency conversion, and the air-conditioning heat recovery system is preferentially used for central heating. The air energy heat pump is used as the auxiliary heat source to optimise the overall energy consumption structure of the hotel to achieve reduction from the source.

• Logistics

In terms of logistics business, we select high-efficiency transformers, air conditioners, water pumps, fans and other equipment in accordance with the national energy efficiency standards, and use the Internet of Things (IoT) platform to aggregate and count energy consumption data in each park and monitor and horizontally compare energy savings in real time. As of the end of the reporting period, the IoT platform has been optimised and iterated repeatedly to form a special energy-saving plan to collect real-time equipment operating parameters and temperature conditions in the warehouse, collect operational data in the park and guide the park to improve equipment use efficiency to achieve energy conservation and emission reduction.

As of the end of the reporting period, 13 of the 18 cold chain parks in operation have been launched on the IoT platform.



IoT energy consumption monitoring of Shanghai Seaport Park

Water management

Vanke emphasizes water conservation and recycling in every link of its operation, and takes concrete actions to improve the water efficiency.

Rainwater recycling: Research, develop and build green infrastructure for sponge city; design the rainwater garden, green roof, and rainwater recycling system to collect rainwater and filter and disinfect it for reuse to improve the water efficiency. By the end of 2021, in terms of commercial operation, 6 shopping malls in operation had implemented a rainwater recovery system, which collects rainwater through the roof and ground to the reservoir. The collected rainwater is used for watering, greening and cleaning the ground, reducing the water intensity by 9%.

Reclaimed water system: In the property operation and management, through the optimisation of the reclaimed water system, the water from the sink is treated and then used for toilet cleaning. In the hotel business, we consider water-saving plans for hotels under construction, select water-saving bathrooms in guest rooms and public toilets, and gradually improve and upgrade the reclaimed water system for hotel guest rooms. In terms of commercial operation, we fully use reclaimed water for cleaning and greening.

Water-saving publicity: We set up water-saving reminders and publicity signs at water points in our business and office areas. For the hotel business, we gradually carry out water-saving renovation, increase publicity for in-house customers, and introduce water-saving incentive policies for projects in operation.

Platform monitoring: In terms of commercial operation, by applying the energy management system, we continue to monitor operational energy efficiency indicators such as water consumption per GFA and water consumption per turnover of RMB10,000.

Waste management

Vanke has been actively implementing China’s garbage classification policy, and comprehensively promoting garbage classification in the residential communities, commercial office buildings and offices of the Company. Vanke has begun to explore “zero-waste” management since 2005. Based on the project management experience and public welfare resources of the Vanke Foundation, Vanke collaborates with the governments, NGOs, enterprises and other stakeholders to explore and promote new technologies and new methods for domestic waste management of urban and rural communities, and make “zero-waste” communities a reality in China.

Zero-waste Office

In 2021, Vanke Foundation released *the New Office "Zero" Sense – Zero-waste Office Action Guide*. At the same time, within Vanke Group, we carried out a series of zero-waste cultural cultivation and construction activities, play low-carbon life advocacy videos, and took other cultural publicity actions to enhance the awareness of "zero-waste office" among all employees.

Case: "Zero-waste Office Action Guide" empowers the construction of China's waste-free cities

In 2021, Vanke Foundation, together with Shenzhen Xiaoyagaga Public Welfare Culture Promotion Centre and Business Ecology Studio, continued to develop courses and a series of empowerment tools based on *the New Office "Zero" Sense – Zero-waste Office Action Guide*. We promote and empower through a variety of channels and methods, promote more enterprises and institutions to understand and practice zero-waste office, cultivate a benchmark for office zero-waste action, and contribute to China's construction of waste-free cities with waste management actions in office scenarios.

Zero-waste Community

Taking the participation of multiple subjects in the community to respond to organic waste treatment as the core, and with communities in Beijing and Shenzhen as the core area, we re-export the action experience formed by the foundation's flagship projects to promote the scale effect of the foundation's project influence in the region.

As of the end of the reporting period, the urban zero-waste community projects covered nearly 90,000 urban households in 49 urban communities in 7 cities, and more than 1,200 backbone resident volunteers are active in the community and participate in sustainable community environment construction such as waste sorting publicity and mobilisation, nature education activities, community garden construction, etc.

Case: "Towards the Future, Help Carbon Dioxide Peaking and Carbon Neutrality" The 3rd Community Waste Management Forum

In November 2021, Vanke Foundation held the 3rd Community Waste Management Forum online. With the theme of "Towards the Future, Help Carbon Dioxide Peaking and Carbon Neutrality", setting up two sections of "Our Community" and "Our Actions", the forum focused on relevant policies, actions, technologies and special topics to discuss how to help achieve the carbon dioxide peaking and carbon neutrality goal in the field of community waste management.

Through the 3rd Community Waste Management Forum, while allowing more stakeholders to participate, Vanke Foundation further expanded the Foundation's partner resources and network on the issue of community waste management, and joined hands with various stakeholders to make further exploration and practice in terms of community zero waste.



3rd Community Waste Management Forum

Zero-waste hotel

In 2021, Vanke Hotel and Vacation BU began to implement zero-waste management, and carried out the pilot work of "zero-waste hotel" in The Yun Resort Shenzhen Longcheer. Based on the successful pilot experience, the Hotel and Vacation BU has formulated *the Zero Waste Hotel Management System*, established a sound zero waste organisational structure, and appointed chief environmental protection officers in major hotels. We plan to implement the "zero-waste" program in all our hotels, create more zero-waste hotels, and carry out more pilot projects of recycling waste and organic farming in 2022.

Case: "Zero-waste hotel" pilot project

In May 2021, The Yun Resort Shenzhen Longcheer became the first pilot unit of Vanke Group to carry out the "zero-waste hotel" project. Following the 3R principles (reducing, reusing and recycling), the hotel has planned and implemented a series of processes and measures.

In terms of management, the hotel has set up a "Yun Resort Shenzhen Longcheer Zero Waste Team" headed by the general manager and working groups of various departments to promote the concept of zero waste and provide relevant professional knowledge training. In terms of practice, from the perspective of "weight reduction at the source" and "environmentally friendly treatment", the hotel has implemented a series of measures such as reducing disposable products, reducing food waste, recycling and composting of kitchen waste, building ecological farms, establishing waste ledgers, and promoting zero waste content online and offline. It has achieved phased results, taking the "zero waste hotel, better experience" a step further.



Pilot operation of "zero waste hotel" of The Yun Resort Shenzhen Longcheer

Zero-waste Campus

In order to further promote the participation of more schools in the construction of "zero-waste schools", in 2021, Vanke Foundation updated *the Zero-waste School Construction Guide* through trial by teacher partners and R&D co-creation, with the addition of 8 school zero-waste carnival activity plans, 11-course hour kindergarten version waste teaching courses, 12 zero-waste-themed project-based leaning teaching works and 6 typical cases of zero-waste school construction. At the same time, we actively cooperated with our partners to promote *the Zero-waste School Construction Guide*, with a total of more than 1,500 readings and more than 400 people applying for use.

Case: Waste-free Campus Action

Chongqing is the second national "waste-free campus" pilot city after Beijing. Through the construction of "waste-free campus", the course of solid waste pollution prevention and control is incorporated into the ecological civilisation education system to promote the penetration of low-carbon and green lifestyles in school, study and life, and to attract the participation of families, communities and more social groups in the construction of a waste-free city.

In September 2021, we developed the Waste-free Campus Construction Toolkit to promote Chongqing to upgrade the 2020 *Waste-free School Evaluation Standards*. In November, we held the launching ceremony of the Waste-free Campus Action 2021 (Chongqing) activity online, and experts from Chongqing, Beijing and Shenzhen shared their experience and practices in building a Waste-free Campus. The live broadcast of the online conference was viewed more than 1.29 million times.



Chongqing Waste-free Campus Action

Encouraging the public to engage in Zero-Waste Management

The construction of an environmentally friendly urban space requires active public engagement. By comprehensively promoting garbage sorting and continuously spreading the concept of “Zero-Waste Management” to the public, we have made everyone an advocate and activist of garbage sorting. We encourage the public to engage in “Zero-Waste Management”, cultivate sustainable community leaders and organisations, enhance the public’s understanding of zero-waste living, and engage the public in the advocacy and dissemination of waste separation and zero-waste living.

In 2021, the Vanke Foundation continued to make further efforts to empower the platforms by rolling out the Multi-entity Empowerment Plan and Project. It offered systematic support for different stakeholders such as the government, schools, property service companies, public welfare organisations, and community residents.

Case: Dandelion Plan

- **Dandelion volunteer lecturer project – special action for deep cultivation of community waste sorting**

In 2021, Vanke Foundation funded Shenzhen Longhua District Zero-waste Promotion Association to launch the Special Action for Deep Cultivation of Community Waste Sorting. During the period, a total of 39 projects were collected. After the preliminary project review, expert review and result announcement, a total of 12 community waste sorting projects were funded. As of the end of December 2021, project experts completed on-site visits to 12 funded projects, organised 1 online training, and project partners carried out more than 50 waste sorting activities, affecting more than 2,500 people.



(Initiation conference of the Deep Cultivation project)

- **Dandelion teacher team training project (Phase II)**

In 2021, Vanke Foundation funded the Phase II of the Dandelion Teacher Training Project. It formulated a standard training course system and complete management methods, set up a 40-member Shenzhen Municipal Dandelion Teacher Training and Evaluation Expert Group for Domestic Waste Sorting, and recruited and confirmed 56 Phase II junior Dandelion teacher trainees from Shenzhen by organising campus waste sorting course seminars.



(Phase II of the Dandelion Teacher Training Project)

Case: Phase II of the Soil-piling Action – Community Waste Sorting Action Cultivation Project:

In 2021, Vanke Foundation funded Beijing He Yi Institute to carry out the Phase II of the Soil-piling Action, which helps backbone residents to change their will and improve their knowledge through the “empowerment + action” model and will eventually be transformed into the practice of driving neighbours to participate in waste sorting.

In 2021, the project recruited 418 formal trainees, carried out 9 online training sessions and 1 offline training camp for the rejuvenation of old things, and developed a toolkit for the community action of waste sorting and rejuvenation of old things, which includes courses, publicity materials, action guides and activity tools, and 3 community-building learning and exchange activities for the soil-piling action. A total of 14,775 people participated in the learning or used the “community waste sorting toolkit”.



(Market poster of environmental protection of the soil-piling action)

Case: Jilin Province Community Senior University Waste Sorting and Reduction Empowerment Project

In August 2021, Vanke Foundation launched the “Jilin Province Community Senior University Waste Sorting and Reduction Empowerment Project”, which aims to enhance the awareness and ability of community senior university colleges to participate in waste sorting and reduction by developing courses on waste sorting and reduction, carrying out empowerment courses on waste sorting and reduction, discovering and cultivating public welfare promotion groups for waste sorting and reduction and organising public welfare promotion groups into communities.

At present, the project has built and implanted a set of curriculum system consisting of online theoretical courses and offline practical courses in the teaching points of the community senior university, tapped a team of senior volunteers and empowered them with the basic knowledge and skills of waste reduction and sorting in order to explore the path of how to effectively promote the participation of the elderly in sustainable community construction in the context of an aging society.



(Waste sorting and reduction empowerment project at the senior university)

Releasing the social influence of “Zero Waste”

In 2021, while implementing “the Palace Museum Zero Waste project”, Vanke Foundation continued to explore specific scenarios of zero waste, and explore projects such as “Zero Waste on Islands”, “Meisha Carbon Neutral Community”, etc. In addition, we broadened the Foundation’s think tank platform to undertake the functions of waste issue identification, policy research and promotion, public advocacy, etc. so as to expand the social influence and coverage of the “Zero Waste” initiative.

• Palace Museum Zero Waste

In 2021, the Palace Museum Zero Waste project entered the second-year cooperation period. In this year, the project conveyed the zero-waste concept of waste sorting and waste recycling through the Blessing Ox’s Farewell to Old Year waste recycling sculpture, ecological compost flower bed, tour guide zero-waste advocacy, environmental protection cultural innovation update, Environmental Protection “Food” Catering Culture Week, and 2nd Anniversary Palace Museum Summary Meeting. The project achieved a waste sorting and recycling rate of 45% in the Palace Museum, a per capita waste reduction of 89%, and an annual total carbon emission reduction equivalent to the annual carbon sequestration of 7,719 trees.

Case: Blessing Ox’s Farewell to Old Year waste recycling sculpture

In 2021, Vanke Foundation, the Palace Museum and Han Meilin Art Foundation jointly launched the Blessing Ox’s Farewell to Old Year waste recycling sculpture. Located in the Cining Palace in the Palace Museum, the sculpture is made of 3,000 mineral water bottles, 2,000 mineral water bottle caps, 8,000 straws, 500 fast food boxes and other wastes from the Palace Museum.



(“Blessing Ox’s Farewell to Old Year” waste recycling sculpture in the Palace Museum)

Case: Palace Museum environmental protection cultural innovation update

On the Zero Waste Day in August 2021, we and the Palace Museum launched 8 zero-waste Palace Museum environmental protection cultural innovation products made from recycled waste plastic bottles through the process of “turning plastic into silk”.



(Comprehensive picture of the Palace Museum’s cultural innovation)

• Island Zero Waste Action Exploration:

Case: Weizhou Island kitchen waste recycling project

In October 2021, Vanke Foundation supported the Guangxi Beihai Civilian Volunteer Association to launch the “Island Zero Waste Action Exploration: Weizhou Island Kitchen Waste Recycling Project” in Weizhou Island tourist resort. With Weizhou Island as a pilot project, we laid the foundation for promoting the construction of a zero-waste island in Weizhou Island by creating and continuing to operate compost demonstration sites in different scenarios, cultivating compost technical teams, and conducting publicity and public education for islanders and tourists.

At present, we have established a backbone team composed of island village committee members, homestay owners and local businesses and residents to gradually promote the recycling of kitchen waste in four different scenarios: island villages, public attractions, island families, and island homestays.



Publicity photo of Island Zero Waste

• Public advocacy

Case: “Zero Waste Day” public advocacy

The theme of the 4th Zero Waste Day in 2021 is “Reduction, Low Carbon, and Light Life”. Vanke Foundation invited Wang Shi, Du Xiangwan, Jane Goodall, Hu Ge and other zero waste advocates to participate in online advocacy activities and released a series of advocacy videos, and the total number of online views of the videos reached 2.4885 million; released the electronic version of *the Zero-waste Life Report for Generation Z* that shows the zero-waste practices and attitudes of young people in an all-round way; and held offline the 4th Zero Waste Day “Reduction, Low Carbon, and Light Life” report conference and organised roundtable discussions on “From Zero Waste to Carbon Neutrality: Youth in Action”. In addition, in conjunction with the 2021 National Energy Conservation Awareness Week and the National Low Carbon Day, we, together with Lens and Little Red Book, launched the online activity of “Let’s Live a Low-carbon Life Together”, released the stop-motion animation *What Is Low-carbon Life*, which shares 10 little things about “low-carbon life” with humorous copywriting and lively pictures. The total dissemination data on the entire network has accumulated to more than 49 million.

A total of 173 participants in the 2021 Zero Waste Day activity came from nearly 70 cities in 26 provinces, including 122 social organisations. The partners carried out a series of activities including waste creation, zero waste market, and online check-in all over the country.



Publicity poster of 2021 Zero Waste Day

Social Practices

- ☑ Striving with Like-minded Partners
- ☑ Win-win Partnership
- ☑ Shared Development

SOCIAL PRACTICES



Objective

Employee engagement and satisfaction survey

Hotel and vacation business	• We will conduct a large-scale satisfaction survey among all employees in 2022 and will continue to do so in the future.

Employee health and contractor safety

Group	• After an all-round review of the previous year's workforce, we determine the physical test program and set targets for the year. The physical test bottom-line requirement for all divisions and frontline entities in 2021: participation rate ≥ 95% and excellence rate ≥ 90%.
SCPG	• Ensure that the excellence rate of annual physical test reaches 90%.
Group	• Enhance production safety capacity and ensure a reduction in the casualty of safety incidents. • Ensure safety training covers all Group employees and all contractors.

Supply chain management

- Vanke currently has 100% due diligence coverage over suppliers and will keep it that way in the future.



Striving with Employee Partners

Human resources are the core competitiveness of a company. Following the concept of striving with employee partners based on the principles of "Consensus, cocreation, joint undertaking and sharing", the Company has nurtured employees with a transparent and healthy culture, provided a stage and a platform for them to show their talent and realise their dreams, and encouraged employees to progress with the Company, so as to create and share a better life and value together.

Protection of employees' rights and interests

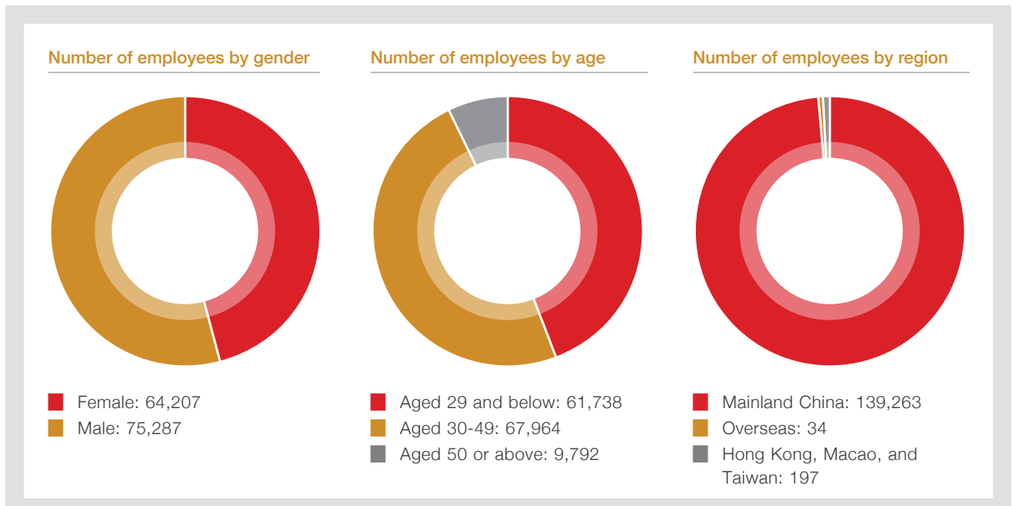
We strictly abide by various laws and regulations and employment policies. The human resources policies and procedures formulated by Vanke, such as the *Code of Conduct for Employees* and the *Vanke Human Resources Manual*, are to fully protect employees' legitimate rights and interests in the principle of fair, just and open employment. What's more, we strive to create a positive, excellent and healthy employment platform and a diverse and inclusive working environment where employees can give full play to their talent. In 2021, Onewo issued the *Protection of the Rights and Interests of Female Employees*, assigned a person responsible for the protection of the rights and interests of female employees in Onewo, and set up a dedicated telephone line and an email address.

Fair and diversified recruitment

We strictly abide by *the Company Law of the People's Republic of China, the Labour Law of the People's Republic of China* and other Chinese laws and regulations as well as world-recognised conventions, such as labour standards of *the International Labour Organisation*. In recruitment and employment, we treat all employees as equals and oppose discriminated treatment based on gender, age, ethnicity or religion. While providing every employee with fair employment and development opportunities, we continue to diversify our employee structure by taking into account their genders, cultural backgrounds, experiences and other professional backgrounds, and improve workplace diversity and sustainability of corporate development.

We developed *Recruitment Manual* and other training manuals to regulate the recruitment process from all aspects. We also carried out training activities such as school recruitment interviewer empowerment. Through detailed training for interviewers to explain the recruitment process, structured interview requirements and other content, we established recruitment principles for interviewers in line with Vanke's talent idea, standardised the interview process, and took seriously the interview feelings of candidates throughout the interview process.

Employment situation of Vanke in 2021[2]



[2] Labour dispatched employees are not included in employees signed contracts with Vanke and its subordinate holding companies. The number of employees in 2021 does not include the 51,057 employees of the associate, Shenzhen Wanyu Security Technology Co., Ltd.

Prohibition of child labour and forced labour

Vanke prohibits child labour and forced labour, and extends the employee rights throughout the value chain to our suppliers and contractors. Our suppliers and contractors are mandatorily required to prohibit the employment of child laborers under 16 years old. In 2021, Vanke had no operations or suppliers that employed child labour, arranged young workers to engage in hazardous work, or were at significant risk of forced employment or forced labour. There were no violations of laws or regulations relating to child labour and forced labour throughout the year.

Fair performance-based remuneration and benefits

We have formulated the remuneration and benefits system in accordance with national laws and regulations and Vanke *Employee Handbook* and the principles of (market – and post-based salary, pay raise for excellence and pay secrecy) and advocate equal pay for equal work. Meanwhile, we continue to improve the salary growth mechanism and diversify the types of benefits.

In terms of salary and performance management, 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 employees' abilities; we also regularly review the salary scale and specific remuneration of employees every year. Besides, we standardise the performance evaluation levels and criteria for employee tenure, remuneration and development to improve performance management. We stimulate the creativity and motivation of employees by closely aligning their performance with that of the Company.

In terms of performance-based remuneration, Vanke rewards employees based on individual performance and corporate performance. To ensure that the performance evaluation of the employees is fair and just, and consistent with their actual performance, Vanke will 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 will provide one-on-one feedback on their work performance and offer work guidance. Meanwhile, the human resources department has put in place the performance appeal process to ensure that the ideas of employees can be effectively fed back and promptly replied.

Employee training and development

Upholding the philosophy of "highly consistent cultural inheritance and diversified talent cultivation", we have built a general training system for the headquarters and BG/BU-based distributed training systems, linked by the "Joyful Learning" platform. We encourage all staff to explore their own learning opportunities, support their further study and pursuit of higher academic degrees, and create learning and development opportunities for each and every striver.

Joyful Learning: A mobile knowledge sharing platform

The Vanke "Joyful Learning" Online Mobile Learning Platform has continuously provided high-quality learning resources for employees. It has provided employees with precise learning courses, and more empowerment opportunities. The "V Joyful Learning" online mobile learning platform has undergone continuous optimisation in 2021, with the lightweight V Joyful Learning module launched on the internal WeV App and the WeCom App; the standalone APP was updated simultaneously, with such new functions as live courses, libraries and learning maps added.

Employee training coverage rate **100%**

In 2021, more than **1,400** new video courses were uploaded to the V Joyful Learning Platform, with an accumulated user number of over **170,000**.

Headquarters' training system

Based on the Group's vision, Vanke has established the Strivers University and regularly organises programs such as the "Mount Everest Action", plan for building "A Vanke Ecosystem" culture value system and Headquarters Learning Day, to continuously improve employees' professional skills and expand their vision and ways of thinking.

Mount Everest Action:

It is a leadership development project of the Headquarters. In 2021, Vanke carried out 3 intensified trainings, focusing on Vanke's management ideas and tools, leadership improvement and management skills.

Headquarters Learning Day:

The Headquarters Learning Day is a training course focused on working principles and methods for all partners in the Group Headquarters. In 2021, all staff members of the Vanke Headquarters took the courses, such as *29 Working Principles of Vanke, Five Steps* and *Principles of Vanke Work and Vanke OKR*.

The "A Vanke Ecosystem" culture value system construction plan:

This plan is a cultural values construction project led by the Group headquarters in the face of the transformation and development, under the guidance of the *Business Partner Agenda*. In 2021, the headquarters organised the BGs and BUs to compile the Group's culture value courses, and 16 additional Vanke culture value courses were updated by a partnership team consisting of 10 senior course partners and 23 frontline key staff.

Operation Grain Rain:

This program aims to strengthen fundamental professional capabilities through collective training, project visits, research on competitive products, exchanges, and reviews, etc. In 2021, the Development and Operation Division organised four "Operation Grain Rain" training sessions, covering engineering, design, cost and marketing systems. Three of the training sessions involved the marketing system, and five high-quality courses were launched on the V Joyful Learning platform, covering more than 1,000 people online and offline through regional BG distributed training and V Joyful Learning online courses, effectively consolidating and improving the basic skills of salespersons. Employee training coverage for professional lines reached 100%.

Distributed training system

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

In 2021, all BGs and BUs carried out training programs in line with the Group's requirements on "cultural values, professionalism, specialisation and work culture". For example, in 2021, the Property Service BG updated eight courses on cultural values and professionalism and eight courses on general business knowledge, covering 294,716 employees. Differentiated professional empowerment and competency certification such as "Market Academy" and "Professional Certification for Resident Managers and District Directors" have been carried out, and quantitative tracking and closure of employee behaviour were realised through the V Joyful Learning platform.

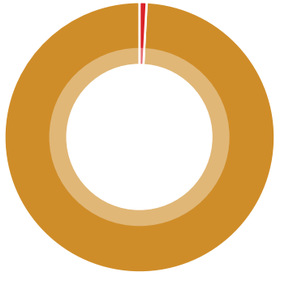
Vanke's employee training in 2021

Number of trainees by gender



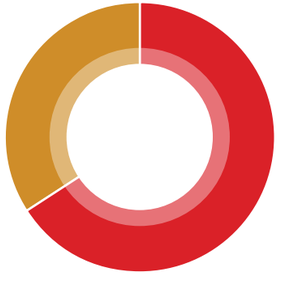
- Female: 64,207
- Male: 75,287

Number of trainees by employment type



- Management: 1,213
- Non-management: 138,281

Number of trainees by training type



- New employee training: 91,847
- Other special training: 47,647

Employee involvement and communication

Employees are the master of the Company. Vanke offers “12 communication channels” and launches the “Forefront Voice” Program and Battlefield Report Program as a bridge of communication between employees and the management to fully guarantee employees’ rights to know, participate, express and oversee. They also allow the management to listen to the voice of front-line employees and learn about the front-line situation.



“Forefront Voice”

Front-line employees are encouraged to e-mail their business development suggestions and comments to the senior management of Vanke.

“Battlefield Report”

Headquarters employees who have exchanged with front-line workers or gone on a business or fact-finding trip voluntarily share what is going on at the front-line directly to the senior management of Vanke.

We always keep in mind that it is our employees who make Vanke what it is. Therefore, we strive to ensure that our employees are highly satisfied with their career development and have a sense of achievement. We listen to the voices of our employees through employee opinion surveys, so that they can provide guidance on the direction we should take.

Property Service BG

In 2021, Onewo conducted an employee satisfaction survey and produced an employee survey analysis report; the survey results provided an important reference for the management of all divisions. Among the 81,525 samples, the employee satisfaction was 87%, with an organisational culture index of 4.32 (out of 5).

Hotel & Vacation BU

The Hotel & Vacation BU plans to conduct an employee satisfaction survey in the first half of 2022, requiring a coverage rate of over 90% of the employees. The survey will cover working conditions, remuneration and benefits, corporate culture, teamwork, learning and development, systems and processes, and sense of achievement.

Occupational health and safety

Employee health and safety is the top priority in our business management. We strictly abide by the Work Safety Law of the *People’s Republic of China and other governing laws* and regulations, and the safety and health management requirement of OHSAS 18001 Occupational Health and Safety Management Certification. Accordingly, we continue to improve corporate policies concerning occupational health and safety management, carry out daily supervision and inspection, foster a culture that prioritizes safety and health, and cultivate employees’ safety and health awareness by training and assessment, so that they can live a healthy life and work happily.

Employee health and well-being

We care about employees’ health and have formulated annual goals to promote employee health and well-being and linked employees’ health to the bonus of the management. We not only provide a free physical examination for all contract employees every year, but also collect the physical fitness and health data (BMI index) of employees by organising physical fitness tests, to be concerned about the health conditions of our employees.

In 2021, we hired professional third-party institutions to perform physical tests for all employees of the Group. Test objectives are set based on four 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 actual physical test participation rate was 98.7%, with an excellence rate of 97.1%. 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.

Construction safety

We always treat employee safety as the top priority and keep improving our safety management structure and system. At the same time, to strengthen project safety operation management and construction safety management, the Group carries out various safety hazard investigation and management, and staff safety awareness skills training to ensure staff safety in all aspects.

Safety management mechanism:

The Group established a Production Safety Management Team in 2021, comprising senior safety experts from both the Group and regional BGs. The Team has a lead partner served by the safety experts of all regional BGs on a rotating basis. In terms of regional safety, we have put in place safety management organisations. The regional and first-line companies have established the production safety management committee, and employed safety experts and full-time safety engineers to take full charge of work safety management. We have put each stage of the project under full-cycle safety management and performance management, and clarified the responsibilities, obligations and rewards and punishments of project personnel, project supervisors and general contractors. We have further released the *Measures for the Control of Production Accidents* to define the liability for production safety accidents and adopted the one-vote veto mechanism for responsible management personnel and responsible cooperative units.

Safety risk evaluation: We continuously update and apply safety management tools such as the *Safety Rating Scale* and the *Traffic Light Mechanism Checklist* to encourage the implementation of work safety measures. We conduct safety evaluation of all projects every quarter and full-coverage inspection on major risk points and on the implementation of safety management in the construction process. We also hire professional third-party organisations to conduct science-based assessment of different risk points at stages of construction and delivery, and urge rectifications of any risk identified. In 2021, Vanke organised more than 5,000 unannounced third-party safety evaluations on 100% projects under construction to guarantee safety.

In 2021, we iterated and updated the safety and quality inspection management standards and systems for projects under construction. In terms of inspection content, we have reshaped and adjusted the Group’s safety inspection system. In terms of inspection format, we completed safety cross-inspection on a pilot basis and promoted the sharing of excellent practices among regions through exchanges on safety cross-inspection between city companies. Besides, Vanke developed and piloted a smart platform to make the on-site safety inspection more efficient and standardised.

Safety training and assessment

After the revision of the *Work Safety Law of the People's Republic of China* in 2021, we have updated and iterated our safety management requirements and held a work safety conference in the Group for safety experience sharing and safety training. We also set safety theme months at the regional level to implement training on work safety. We promote Japanese-style safety morning meetings among the construction units. The workers' safety morning meeting has been held every day in all projects under construction to publicize the site safety hazard sources on that day. Meanwhile, weekly training has been conducted to identify safety issues and corrective recommendations. Special training on project safety management and safe production certification programs for all safety management personnel of relevant organisations have specified the project management code and bottom-line requirements. All staff members are required to participate in the training and pass the safety code examination before working.

In terms of assessment, Vanke has formulated the Vanke Group's *Work Safety and Quality Incident Management Regulation of Projects under Construction*, which sets out the assessment criteria for the relevant responsible persons and suppliers in case of accidents. The system specifies the bottom line of accountability for production safety and quality accidents in the Group, and the corresponding punishments in the annual assessment based on the grade of production safety accidents; for instance, an aggravated punishment mechanism (incremental punishment grade) is applied if accidents occur constantly. Based on the actual impact caused by the accident, the scope of punishment will be expanded and accountability will be increased as appropriate in the implementation of the final accountability results of the assessment.

100% coverage of safety training for employees and contractors of construction entities

In 2021, Vanke's production safety has been improved, with a decrease in safety accidents as well as casualty, and achieved the target of zero major safety accidents.

Employee care and well-being

Vanke advocates the idea of "alternating work with rest", pays attention to the physical and mental well-being of each employee from such aspects as material, mind and culture, and carries out a variety of team building activities to enhance the cohesion and sense of belonging of employees and guide them to pursue a better life in a healthy and sustainable way.

In respect of benefits, Vanke provides employees with practical benefits beyond salary in addition to statutory benefits. For instance, we purchase commercial insurance against serious illness and accidental injuries for all employees and offer discounted group commercial medical insurance for their family members. Employees could voluntarily purchase insurances and enjoy extra paid leave; marriage leave and funeral leave.

Employee social insurance coverage **100%**

Vanke constantly enriches the content of the internal health culture by setting employees upon cultural and sports activities, and encourages employees to participate in various sports activities by establishing sports associations/clubs, releasing club activities on a monthly basis, providing free gymnasiums, building fitness stations in office buildings, conducting health lectures and physical tests, etc. to strengthen employees' physique, enrich their lives, and help them develop a healthy lifestyle. By the end of 2021, the 14 clubs at Vanke's headquarters alone had carried out 771 activities with 10,783 participants.



Vanke Regatta Association participated in an invitational



Vanke Cycling Association



Vanke Reading Association's parent-child reading activity



Vanke Yoga Club

We create a better communication platform for employees with disabilities, develop their vocational and work-related skills, and ensure that they are treated impartially and equitably. In terms of remuneration, we also ensure that employees with disabilities are treated in a non-discriminatory manner and strive to create a democratic and fair environment that respects individual differences and provides new impetus for the growth of our employees and the sustainability of the Company in a diversified and inclusive environment.

Vanke actively supports employees in need. We have established the Vanke Fraternal Society under the principle of "keeping an eye out for each other, all for one, one for all, and enhancing Vanke employees' capabilities in resisting catastrophic incidents through teamwork". It provides consolation and material support for employees hit by misfortune. Since its inception, the Vanke Fraternal Society has donated RMB30.048 million to 396 members in the face of major catastrophic events. In 2021, the Vanke Fraternal Society donated RMB7.695 million to 79 members.

Win–win Partnership

We have developed our internal policies such as *Supplier Management Measures, Sky-Net Action Management Measures*, and *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 and establish a standardised, fair and unified supplier management system.

Meanwhile, we work with excellent companies across sectors to build the VVUPUP E-commerce sharing platform based on consultation and joint contribution. The platform holds the practice results of Vanke in new product R&D, quality control and supply chain management over the past 30 years, and realises scale effect and complementarity among partners, and enhances the competitiveness of the supply chain.

In 2021,

Vanke had **14,190** suppliers.

By the end of 2021, VVUPUP had attracted **5,614** registered suppliers, with **380,081** SKUs (stock – keeping units) in **142** product categories.

In 2021, we revised our *Supplier Management Measures* to expand the scope of control and evaluation of suppliers by conducting all-round audits against factories prior to cooperation, and further enhanced the management of suppliers by checking the quality of each factory's products during the cooperation process.

Managing the safety and social risks of the supply chain

We are committed to minimizing environmental, social and governance risks in our supply chain. We have clearly defined supplier screening, access and assessment criteria so that all our suppliers meet our expectations for compliance, environmental safety and quality management systems as set out in our policies under the premise of fully protecting their interests.

Review dimensions	Judging indicators
Environmental protection requirements	• Availability of environmental impact assessment documents, government approval documents, and inspection opinions • Availability of discharge permits • Post-pollution treatment capability • Availability of pollutant testing stations at discharge stations
Safety requirements	• Annual fire drills and training as required • Fire-fighting facilities • Physical examination for occupational disease screening
Quality management requirements	• Acquisition of management system certificates (including but not limited to ISO 9001 system certification, ISO 14001 system certification, and ISO 45001 system certification) • Establishment of an effective document control system

In addition, we have clear requirements for contractors' safety management and labour rights protection to enhance the supply chain's awareness and ability to fulfil their responsibilities.

Safeguarding worker safety:	Protecting labour rights
• We require contractors to use more than ten new technologies to ensure the health and safety of workers, such as facial recognition system, intelligent voice broadcasting system and other intelligent management systems, to reduce accidents on construction sites and improve the health of construction workers	• We strictly abide by national laws and regulations, require EPC contractors to implement a wage security system for contract workers, and provide social insurance for employees in accordance with the law • We forbid child labour in any construction unit or partner and protect the rights and interests of minors and female workers • We require EPC contractors to provide regular safety and health training for employees, and each new recruit must receive physical examinations before reporting to work at the construction site • The employer must document the safety status of workers

Supplier management and risk evaluation

We adhere to the objective and quantitative evaluation system for our suppliers. Suppliers are evaluated based on multi-dimensional indicators such as online intelligent site evaluation performance, third-party unannounced inspection evaluation performance, Skynet material inspection qualification rate and after-sale repair rate. The evaluation indicators cover the business performance of suppliers throughout the whole cycle, making the evaluation quantifiable, comparable and traceable.

We regularly assess and manage the operation, safety and quality, environmental and social risks in suppliers, and publish a list of high-risk suppliers. We lower supplier performance risks by interviewing suppliers of high-risk key resources and reviewing the quarterly assessment and improvement plan submitted by suppliers. In addition, we have developed a supplier exit mechanism. Suppliers' safety incidents, shoddy work and inferior material, frauds, concrete risks and other poor quality or contract breaching behaviours are reviewed regularly, resulting in varying degrees of punishment such as the yellow card, red card or blacklist.

Clean procurement

"Prohibiting all acts of soliciting, offering and accepting bribes" is the bottom line of business we have long implemented and adhered to and unconditionally followed. Taking the *Sunshine Cooperation Agreement* as part of the contract, Vanke requires all suppliers, including contractors, to sign the Sunshine Cooperation Agreement, specifies 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:

If a supplier violates the relevant regulations, we will hold the units and individuals involved criminally and civilly liable in accordance with the provisions of laws and regulations and the *Sunshine Cooperation Agreement*, and implement punitive measures such as suspension/termination of cooperation in accordance with the *Supplier Management Measures*. In addition, we strictly regulate the behaviour of our employees in the procurement process, abide by the principle of recusal, and maintain fair competition. We are committed to building and implementing ethical business practices with high standards by accepting supervision from a wide range of stakeholders, providing open telephone numbers and email addresses for reporting corruptibility, and treating whistle-blower information as confidential.

Supplier communication and training

We provide a communication and training platform for partners and related parties to strengthen the ability of our supply chain partners to perform responsibilities with honesty and to take social responsibility. In 2021, a letter on the principles of sunshine cooperation was sent by email, a group level Partner Spring Tea Party and four quality-related training sessions were held, involving over 210 suppliers, covering such categories as cabinets, sanitary ware and hardware, lamps, tiles, handrails and shutters, doors and windows, etc. The total number of participants from suppliers was 281.

Case: Supplier Anti-fraud Alliance

The establishment of the supply chain "Anti-fraud Alliance", based on the establishment of a supply chain assessment system and a sharing platform for risk control in the real estate industry, is to share blacklist and risk list information among member companies in the Alliance. VVUPUP, as the initiator of the Alliance, also the secretariat of the Alliance, summarizes industry risk warning information in quality, public opinion, operation and personnel through the industry information crawling every month, and shares it with the Alliance members, so that they can focus on information in the project locations and offer risk warning in advance.

In "A Visit to China Merchants Shekou Holdings" to visit China Merchants' product workshops in March 2021, the first station of the Alliance's exchange visits, 24 Alliance members shared their experience in product management and procurement management, and VVUPUP shared its research and application of the group standard. Further work was done to discuss the direction of the industry and the supply chain blacklist, to jointly establish a mechanism to oppose the access of blacklisted suppliers, raise the operating costs of unscrupulous enterprises in the industry and promote the healthy development of the industry.

Promotion of industry development

We have built the VVUPUP which focuses on collaboration among suppliers, and explores the formation of new ecosystems in the industrial chain to realise scale effect. We have further shared professional knowledge such as bid invitation and procurement practices and innovative technologies to support the optimisation and improvement of the industry's bid invitation and procurement system.

VVUPUP – Communication Meeting on Chromium-free Process Requirements

In 2021, VVUPUP held a communication meeting on the chromium-free process requirements for suppliers nationwide, to which the leaders of the State Administration for Market Regulation and all suppliers were invited. At the meeting, it was announced that Vanke would increase the quality attribute requirements related to green building materials when bidding for some categories in 2021, making it clear that suppliers would undertake to pass the certification of chromium-free passivation process for aluminium alloy materials, and further standardise the management of the whitelist of chromium-free aluminium alloy passivation enterprises by increasing the certification requirements for suppliers. 12 enterprises have obtained this certification by now.

Shared Development

Vanke is committed to continuous innovation-driven development through diversified strategies, aiming to meet the people's ever-growing needs for a better life, and striving to become a "lifestyle creator".

Prosperous urban development

Positioned as an "urban and rural developer and life services provider", we pay attention to cities' historical and cultural heritages and respect their historical and cultural relics while leading urban renewal projects. We aim to create a convenient, cosy and safe living environment, and promote prosperous urban development.

Empowering urban revitalisation

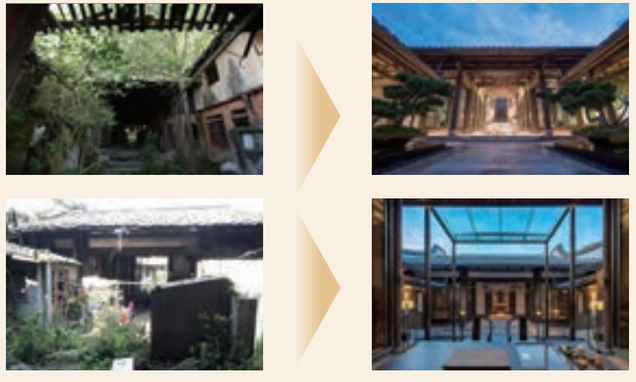
Urban renewal and regeneration are expected to not only trace and extract the architectural treasures left in history, but also give priority to the experience of local users. More importantly, the future should be taken into account to bring new vitality to the community and city. In the organic renewal of the old towns and the protection of historical landscape, the Company pays attention to maintaining the city's historical and cultural legacy, thus keeping the historical and cultural elements alive and revitalising urban development.

Case: Continuing the history of Yantai Mountain and awakening the rebirth of architecture

Since 2016, Vanke has gathered the architectural wisdom of the pluralistic era at home and abroad to create new pluralistic values for Yantai Mountain. After ingenious reconstruction, No. 2 Patriotism Road was open to the public as the Yantai Mountain History Museum in Fuzhou. Behind the context of urban renovation is the respect for the historical memory attached to each piece of land. As an "urban and rural construction and life service provider", Vanke is committed to the revitalisation of urban space and functions, and strives to extend urban harmony and culture.

Under the concept of "preservation, inheritance and innovation" and by reference to the design techniques of famous historical buildings such as The Alters Painting Gallery in Munich and the New Museum in Berlin, and on the principle of safety and reversibility, Vanke strove to protect the diversity of architecture with minimal intervention. The functional positioning and building repair scheme were considered in the early stage in combination with the interior design and exhibition design, and approved and accepted by the provincial cultural relics expert team. We offered another way of thinking for the regeneration of the old building.

In cooperation with internationally renowned design companies, Vanke used unique colours and bold materials to outline the story marks in the architectural space, and integrated the new and the old, the modern and the classic design, turning the context of the hill and the house into a perceptible mood, creating a modern oriental courtyard with "three yards and three scenes".



Comparison of Yantai Mountain before and after renovation

In 2021, we established Shanghai Urban Renovation Fund with Shanghai Real Estate Urban Renovation Investment Management Co., Ltd. The fund scale is about RMB10 billion, which will be invested in urban renovation projects such as old city reconstruction, preservation of historical features and rental housing in Shanghai urban area, in order to improve the urban functions of Shanghai, ensure people's wellbeing, improve its quality and protect its distinctive features.

Vanke has been practicing urban renewal in many cities across the country, and has built such landmark projects as Guangzhou Yongqingfang, Shenzhen Nantou Ancient Town, Suzhou Huaihai Street, Chengdu Mengzhuiwan and Fuzhou Yantai Mountain. Focusing on the historical and cultural heritage of cities, Vanke respects the historical heritage in leading urban renewal projects, creating a convenient, comfortable and safe space and environment, and awakening the urban development vitality.

Empowering community management

Concerned with sustainable urban development, Vanke hopes to transfer the best practices of its own space operation to urban operation service scenarios, develop "urban space integration service", and promote the "innovation and transformation of urban service. "City Up" is first urban service-oriented brand in China launched by Vanke. Based on the special practices in urban service, four product solutions of infrastructure management, "ecological environment service, "community collaborative governance" and "public service for residents", and "urban micro-renewal" are preliminarily offered to meet the needs of major urban basic service scenarios.

Case: A new ecosystem of whole-area governance built by City Up and Shatou Sub-district of Futian District

In 2021, City Up and Shatou Sub-district Office signed a cooperation agreement to explore the "1+4+N" model of property city reform and build a new ecosystem of whole-area governance. According to the principle of "intelligence, integration and specialisation", business lines of the existing resources of the government were integrated. As of July, businesses undertaken by City Up include urban environment management, attendance mode, "three-no community" management, intensive trusteeship of urban villages, etc. The overall amount of investment is more than RMB92 million, saving the government financial expenditure of RMB1.65 million.

The Sub-district Intelligent Command Centre initially realised the intelligent cloud-based management of communities in Shatou Sub-district. There was a total of 33,306 reports of matters, including 27,493 inspection problems, 5,400 sanitation problems, 2,761 small and scattered engineering inspection problems, and 41 municipal facilities and equipment maintenance problems. The timely response rate is 87%, and the timely completion rate is 91%.

In 2021, City Up explored the integrated operation mode of urban space and discussed with the government over exploring and building a new cooperation mode of "property city". With the BIM + Geographic Information System (GIS) capability, City Up builds a digital 3D city space that is connected by all kinds of municipal sensors and cameras. With the smart spatial management capability of City Up for years, real-time data of city components are collected through 5G, Narrow Band Internet of Things (NB-IOT) and other wireless communication technologies, thus building the digital 3D cities into digital twin cities.

Happy and harmonious communities

To continue to meet people's ever-growing needs for a better life, we are committed to building beautiful cities and villages, promoting the harmonious, happy neighbourhoods, and advancing our Rural Vitality Program and Green Village Program. We have established a cooperation mechanism involving governments, enterprises, social organisations, and community residents to create and share a better life together.

Building beautiful communities

We create harmonious and happy communities for residents, making them harbours for families to have a rest. We make the community model of harmonious co-existence and community atmosphere of friendly neighbourhood the characteristics of the blocks, developing a more relaxed and abundant community ecosystem, and creating a warm city whole-heartedly.

Implementing the Beautiful Community Plan to build sustainable human care and ecosphere of communities

"The Beautiful Community Plan" is Vanke's care action for old communities, intended to create warm and growing communities and deliver a companion living experience through continuous community renewal, customer care and community cultural development. In 2021, Vanke's Beautiful Community Plan continued to create a harmonious and healthy environment and atmosphere for the grassroots community, and to preserve and increase the value of property owners' assets.

Case: Vanke Chunheli Garden "Beautiful Community" and "Friendly Neighbourhood Plan"

In July 2021, Vanke Chunheli Garden "Beautiful Community" plan was launched to renovate the plastic floor of the "Jiele Park", restore the sandpit, and add uneven bars and children swings with the "Friendly Neighbourhood Plan".

Before the renovation, the ground was worn out and the entertainment facilities could no longer meet the daily needs of the property owners due to their long-term use and play in park. We renovated the park by repaving the ground with plastics, painting beautiful patterns and adding leisure and entertainment facilities for the property owners, which improves the quality of the park and enriches the entertainment life in the community.



Renovation of "Jiele Park"

Celebrating the Please Day and creating a beautiful home

To give back to owners and promote the harmony of the neighbourhood, Vanke Service has been fostering the community culture for many years, mainly through a large-scale community charity event – the "Please Day." From the perspectives of public welfare and care transmission, community environment beautification, community and neighbourhood get-together, and residents' rights and interests, these activities created a beautiful and liveable home for owners.

The theme of the Please Day in 2021 was "Go Forward with Neighbours". Under the challenges of the external environment and the uncertainty of the pandemic, it is even more important for neighbours to help each other. To avoid offline gatherings, we tried for the first time the Real-Time Virtual Simulation Virtual Production DEV. With realistic visual effects, excellent cultural programs, full participation of owners, rich interactive games and lucky draws, we brought a unique online party and interactive technology experience for all Vanke and Rui Alliance owners.



Live effect of virtual AI host Keke

Rolling out the Friendly Neighbourhood Plan to support micro-community renewal

"Friendly Neighbourhood Plan" is an initiative launched by Vanke Service to "support the community renewal and cultural construction through consumption", with the aim of creating humanistic and liveable communities and developing communities sustainably, and promoting community hardware renewal and software enhancement. This plan is to realise the dream of harmony-among-all by creating a better home through joint efforts with residents. As of December 31, 2021, Friendly Neighbourhood Plan has raised funds of over RMB26 million, covering more than 2,330 residential communities, with more than 850,000 residents participating in the project; it has also helped nearly 100 communities complete hundreds of renovations, benefiting more than a million owners.

Case: Friendly Neighbourhood Plan – revitalisation of roads through restoration

There are more than 900 residents in the second phase of Shenzhen Gongyuanli. When it was first built, the main road was only about 1.5 meters wide, which could only allow two people to pass simultaneously. Since the third phase was launched in 2016, more than 1,400 households have been added, which makes the road more inconvenient during peak hours. The owners complained constantly due to the crowded conditions.

After collecting the opinions of the owners, the property service company used the "Good Neighbourliness Fund" of RMB10,100.6 to launch the road widening project, helping to widen the 198-meter-long pedestrian path by 1 meter, enabling the "Good Neighbourliness Program" to be implemented, and improving the satisfaction rate of the owners of Gongyuanli phase two by 3 percentage points.



Road widening for Shenzhen Gongyuanli

Cultivating sustainable community builders

As early as in 2018, the Vanke Foundation set building sustainable communities as its strategic goal in its five-year plan, which is in line with the Sustainable Development Goals 11 of United Nations: Sustainable Cities and Communities, and echoes the Vanke Foundation's idea of "future-oriented and pioneering actions".

– Building a curriculum system

Vanke's Attraction Sustainable Development Program inspires youth learning

Vanke Foundation has partnered with the Guangzhou Yuexiu District Weileyi Public Welfare Growth Centre (Vloveit) to launch the "Vanke's Attraction – Sustainable Development Youth Learning Incentive Program". The program provides financial support for students from universities in China who have an inherent passion and long-term willingness to do something for sustainable development within the framework of the United Nations Sustainable Development Goals. Overcoming the impact of the pandemic, the program has supported five students from Yunnan University, Guangzhou University, Beijing Institute of Fashion Technology for their studies, researches and practice in such areas as waste sorting, nature education and sustainable design.

– Implementing community practice

Social organisation support projects help build sustainable communities

Vanke Foundation has cooperated with the Jilin Association of Social Workers to launch the "Changchun Community Social Organisation Support Project", which provides financial support and systematic empowerment for small projects to enhance their organisational management and business practices, helping them to play a sustainable and effective role within and across communities. After recruitment, field visits and evaluation, 18 community-based social organisations from six districts in Changchun City, including Nanguan District, Chaoyang District and Jingyue District, have been shortlisted to receive financial support and systematic empowerment.

– Advancing industry exchange

Ecological Partner Workshop builds a strong ecology for the public benefits

In September 2021, the Foundation invited 20 representatives from organisations with which it has in-depth cooperation to Dameisha, Shenzhen, to participate in the "Ecological Partner Workshop" established in collaboration with Guangzhou Shandao Social Work Service Centre. The workshop highlighted the topic of "Sustainable Communities" and allowed for an in-depth exchange and dialogue between partners, helping the Foundation and its partners to deepen their understanding of each other and build a strong ecology for the public benefit.



Promoting fitness-for-all program

The warm and healthy culture has always been the gene of Vanke as well as the brand connotation of Vanke. In 2013, Vanke launched and hosted the Run for Fun series of activities aiming to create non-competitive mass sports activities with the target of "Run for health, run for happiness, and run for friendship". Vanke has gradually developed the Run for Fun into a series including Urban Run for Fun which injects health and vitality into cities, the Community Run for Fun which promotes family harmony, the University Run for Fun for university students, and the runner-cantered full marathon.

Due to the pandemic, we brought Run for Fun to the cloud in 2021, and carried out offline activities in various cities, attracting 1.95 million participants from 347 cities across China, with a total mileage of 28.13 million kilometres, injecting vitality into the great action of "working together to fight the pandemic and build a healthy China".

Vanke has been committed to promoting the concept of national fitness and sunshine and healthy life, attracting more and more enterprises, families and groups of different ages to participate in the Run for Fun, and enabling them to enjoy the fun of sports, cultivate a positive attitude towards life, light up dreams with a healthy body and spread positive energy in the society.

Online Run for Fun Competition

In May, the summer online Run for Fun was launched with the theme of "Spare No Power and Run across the City", which combined independent music and game experience, as well as running, listening, playing and show awards, to bring immersive real online experience for runners. More than 780,000 people all across the country participated in the event, with a total mileage of 9.61 million kilometres. The Run for Fun IP continued to make breakthroughs in scale, competition system and technology, so that more people could feel and share the happiness brought by sports.

In August, on the occasion of Vanke's 37th anniversary, the autumn online Run for Fun was held with the theme of "Brave Forward, Nothing Is Impossible", attracting 530,000 runners from all over the country to light up the city through running, so as to continuously promote all people to run for fun and practice the concept of healthy China.



2021 Vanke Run for Fun Series – West Lake, Hangzhou



2021 Vanke Run for Fun Series – Shuangyong Park, Dalian

Vanke New Year Marathon

In 2022, with the theme of "Take the Lead for Running in Winter", the 2022 Vanke New Year Marathon built up the recognition of the race with customized running songs. Thanks to the combination of online and offline efforts, the race broke the space restraint and delivered the strongest voice of the spirit of Run for Fun. Vanke New Year Marathon created a passionate, energetic and colourful national fitness atmosphere for runners with a relaxed and pleasant race mode, attracting more runners to feel happy in running, love life, and embrace a beautiful life every day with a positive attitude.



New Year's Run – Binjiang, Xuhui, Shanghai

Supporting investor education

In 2015, Vanke established an investor education base, which was awarded the title of "National Securities and Futures Investor Education Base" in 2016. In this year's investor education, we innovatively focused on the investor education needs of young people and cooperated with several investor education bases in Shenzhen to bring teaching classes and products into the youth community. For example, Meet Port Apartment (Shenzhen CITY UP flagship store) held a special investor education activity of "Take you to understand current financial hot issues" to publicize the prevention of illegal financial activities and financial risks, invited professional lecturers from financial institutions to share knowledge on the two themes of the new regulations of BSE and fund management, and organised investors to enter the business scene of Vanke's long-lease apartment to understand the strategic transformation and business philosophy of listed companies, so as to improve the rational investment awareness among young people, and fulfil the social responsibility publicity obligations in investor education.

In 2021, the base was granted the "Special Contribution Award" by Shenzhen Securities Industry Association.



Investor Protection Awareness Day on May 15th, 2021



The distinctive investor education activity of "Take you to understand current financial hot issues" held in November 2021

Investor education products



Investor protection publicity posters on March 15th



Investor Protection Awareness Day posters on May 15th

Appendix

ESG Key Performance

Environmental performance

Indicator No.	Unit	Property development in 2021	Property Service in 2021	Hotel and vacation in 2021	Logistics in 2021			SCPG in 2021	
					Headquarters offices	High-standard logistics park	Cold chain logistics park and offices (including transportation)	Headquarters, shared area, common equipment	Tenant
A1 Emissions									
A1.2 Greenhouse gas emissions and intensity									
Total greenhouse gas emissions	ton	10,815.975	3,833.0528	36,697.7212	125.7806	128,164.0393	54,822.1963	190,627.2808	15,948.4105
Greenhouse gas emission intensity	Property development, property service, logistics, SCPG: kg (CO_2 equivalent)/construction area; hotel and vacation:kg (CO_2 equivalent)/guest checking into a hotel room per night	65.3	58.1	54.3	25.2	15.1	97.3	72.1	63
Direct carbon dioxide emissions (Scope 1) [4], [1]	ton	2,173.0754	247.4091	5,709.5424	15.3209	945.337	381.7157	11,153.8928	
Carbon dioxide emissions from gasoline	ton	1,167.3508	153.3036	87.2557	15.3209	7.3077	15.5484	31.3309	
Carbon dioxide emissions from diesel	ton	0.4307	4.8278	450.0621	0	457.7727	366.1673	10.7428	
Carbon dioxide emissions from natural gas for heating	ton	590.5218	0	758.255	0	473.107	0	10,260.0361	
Carbon dioxide emissions from natural gas for domestic use	ton	402.3791	89.1585	4,413.269	0	7.1496	0	851.783	
Carbon dioxide emissions from pipeline gas	ton	12.393	0.1192	0.7006	0	0	0	0	
Indirect carbon dioxide emissions (Scope 2) [5], [2], [3]	ton	8,642.8996	3,585.6436	30,988.1787	110.4597	127,218.7024	54,440.4826	179,473.388	
Carbon dioxide emissions from purchased electricity	ton	7,717.6039	3,429.8666	30,988.1787	110.4597	127,218.7024	54,440.4826	174,736.849	
Carbon dioxide emissions from purchased heating power	ton	925.2957	155.777					4,736.539	
Indirect carbon dioxide emissions (Scope 3) [4], [1], [2], [3]	ton								15,948.4105
Carbon dioxide emissions from gasoline	ton								0
Carbon dioxide emissions from diesel	ton								0
Carbon dioxide emissions from natural gas for heating	ton								170.2307
Carbon dioxide emissions from natural gas for domestic use	ton								0
Carbon dioxide emissions from pipeline gas	ton								0
Carbon dioxide emission from purchased electricity	ton								15,778.1798
A1.3 Total hazardous waste produced and intensity									
Office – hazardous waste	kg	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, SCPG: kg/construction area; hotel and vacation: kg/guest checking into a hotel room per night	0.3308	0.0254	0.2271	0	0	0	1.0951	0

Indicator No.	Unit	Property development in 2021	Property Service in 2021	Hotel and vacation in 2021	Logistics in 2021			SCPG in 2021	
					Headquarters offices	High-standard logistics park	Cold chain logistics park and offices (including transportation)	Headquarters, shared area, common equipment	Tenant
A1 Emissions									
A1.4 Total non-hazardous waste produced and intensity									
Total non-hazardous waste	ton	80,380.468	930.746	32,948.158		34,395.54	11,055.7788	166,324.92	4,812.6
Non-hazardous waste intensity	Property development, property service, logistics, SCPG: ton/construction area; hotel and vacation: ton/guest checking into a hotel room per night	0.485	0.0141	0.0488	0	0.004	0.0196	0.0629	0.019
Office – recyclable waste	ton	15,526.5674	702.335	1,164.823	0	3,531	10,336.8438	516.42	0
Office – other waste	ton	64,205.1716	127.802	18,052.866	0	29,222.73	681.415	137,479.65	1,800
Kitchen – kitchen waste	ton	648.729	100.609	13,730.469	0	1,641.81	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 [6], [4]	ton (standard coal)	3,225.459	907.8321	9,991.147	30.7743	27,422.1713	11,693.0847	45,326.4896	3,442.4054
Energy consumption intensity	Property development, property service, logistics, SCPG: ton (standard coal)/construction area; hotel and vacation: ton (standard coal)/guest checking into a hotel room per night	0.0195	0.0138	0.0148	0.0062	0.0032	0.0207	0.0171	0.0136
Gasoline consumption	litre	513,572.73	67,445.485	38,387.92	6,740.37	3,215	6,840.47	13,783.95	0
Diesel consumption	litre	165	1,849.74	172,437.57	0	175,391.84	140,293.97	4,116	0
Total natural gas consumption	m^3	459,676.3388	41,277.1	2,394,224.1		222,341		5,144,360.73	78,810.52
Natural gas consumption for heating	m^3	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	186,286.6258	41,277.1	2,043,180.1	0	3,310	0	394,344	0
Pipeline gas consumption	m^3	54,691.26	526	3,092	0	0	0	0	0
Electric power consumption	10,000 kWh	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	8,411.7791	1,416.1546					43,059.4453	
A2.2 Water consumption in total and intensity									
Water consumption	ton	164,450.14	60,926.83	867,324.5	10,493	2,132,811.951	205,293.9	3,941,773.02	268,611
Water consumption intensity	Property development, property service, logistics, SCPG: ton/construction area; hotel and vacation: ton/guest checking into a hotel room per night	0.9923	0.9238	1.2839	2.0986	0.2505	0.3642	1.4907	1.0608

Data Statistics Scope

Property development	Property Service	Hotel and vacation	Logistics	SCPG
• Headquarters offices • Urban/regional offices	• Headquarters offices of property service company • Regional front-line offices	• Hotel	• Headquarters offices • High-standard logistics park • Cold chain logistics park and offices (including transportation)	• Headquarters offices, shared area, common equipment • Tenant

Notes

a) Scope I carbon dioxide includes direct emissions from petrol, diesel, natural gas, pipeline gas, etc.;

b) Scope II carbon dioxide includes indirect emissions from purchased electricity and purchased heat;

c) Scope III carbon dioxide includes emissions from petrol, diesel, natural gas, pipeline gas, purchased electricity, etc. used by tenants;

d) Total energy consumption is the total usage of gasoline, diesel, natural gas, pipeline gas, purchased electricity and purchased heat.

Reference standard for data calculation

1) Direct 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 General Office of 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 General Office of the National Development and Reform Commission. The power emission factors in Mainland China referred to the standard of the *"Guidelines for Accounting and Reporting of Greenhouse Gas Emissions of Enterprises Power Generation Facilities (2022 Revision)"*, 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) The purchased heat was calculated according to the *Energy Saving Design Standard for Residential Buildings in Freezing Cold and Cold Areas (JGJ26-2010)* issued by the Ministry of Housing and Urban-Rural Development;

4) The total energy consumption was converted into standard coal according to the Chinese standard GB/T 2589-2020 *General Rules for Comprehensive Energy Consumption Calculation*.

Social performance

ESG Indicator	Unit	2021
B1. Employment		
B1.1 Total workforce by gender, employment type, age group and geographical region		
Total number of employees	Person	139,494
Gender		
Male	Person	75,287
Female	Person	64,207
Employee category		
Full-time employees	Person	139,494
Part-time employees	Person	0
Age		
29 years old and below	Person	61,738
30 to 49 years old	Person	67,964
50 years old or above	Person	9,792
Region		
Chinese Mainland	Person	139,263
Hong Kong, Macao and Taiwan	Person	197
Overseas	Person	34
B1.2 Employee turnover rate by gender, age group and geographical region		
Rate of employee turnover	%	26.07%
Gender		
Male employee turnover rate	%	27.19%
Female employee turnover rate	%	24.71%
Age		
Turnover rate of employees aged 29 and below	%	32.30%
Turnover rate of employees aged 30 to 49	%	20.90%
Turnover rate of employees aged 50 or above	%	15.31%
Region		
Turnover rate of employees in Chinese Mainland	%	26.09%
Turnover rate of employees in Hong Kong, Macao and Taiwan	%	1.01%
Turnover rate of overseas employees	%	22.73%
B2. Health and safety		
B2.1 Number of work-related fatalities		
Number of work-related fatalities	Person	0
Number of work-related injuries	Case	18
B2.2 Lost days due to work injury		
Total number of days lost due to work-related injury	Day	760
B3 Development and training		
B3.1 Trained employees by gender and employee category		
Total number of trained employees	Person	139,494

ESG Indicator	Unit	2021
Gender		
Number of trained male employees	Person	75,287
Number of trained female employees	Person	64,207
Employee category		
Management staff	Person	1,213
Non-management staff	Person	138,281
Training type		
New employee training	Person	91,847
Other special training	Person	47,647
B3.2 Employee training hours by gender and employee category		
Total training hours of workforce	Hour	3,887,896.94
Gender		
Total training hours of male employees	Hour	2,382,681.42
Total training hours of female employees	Hour	1,505,215.52
Employee category		
Management staff	Hour	33,071.57
Non-management staff	Hour	3,881,597.21
Training type		
New employee training	Hour	650,222.45
Other special training	Hour	3,237,674.49
B5 Supply chain management		
B5.1 Number of suppliers by geographical region		
Region		
Beijing region	Supplier	2,447
Southern region	Supplier	3,440
Central China region	Supplier	1,750
Northwest region	Supplier	1,021
Shanghai region	Supplier	4,318
Southwest region	Supplier	1,399
Northeast region	Supplier	1,562
Category		
Product	Supplier	70
Supply-chain management product (SKU)	Supplier	85,685

ESG Indicator	Unit	2021
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	N/A
B6.2 Number of products – and service-related complaints received		
Number of customer (products or service) complaints	Complaint	3,727
Product and service satisfaction		
Customer satisfaction about after-sales services	%	95.00
Real-time satisfaction upon delivery	Score	94.12
NPS value of Port Apartment business	%	86.76
B6.3 Description of practices relating to maintaining and protecting intellectual property rights		
Number of applications for registration of intellectual property submitted during the reporting period	Application	180
Number of authorized intellectual property rights during the reporting period	Case	23
Number of accumulated intellectual property rights held	Case	476[3]
Number of accumulated software copyrights held	Copyright	119[4]
Number of accumulated trademarks held	Trademark	49[5]
B6.5 Description of how to implement and monitor information guarantee for consumers		
Average hours of information security training	Hour	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 anti-competitive practices	Case	0
Number of cases in violation of the anti-monopoly law	Case	0
Lawsuits regarding corruption, bribery, extortion, fraud or money laundry	Case	0
B7.3 Anti-corruption training		
Number of board members and senior managers participating in anti-corruption training	Person	12
B8 Community Investments		
B8.2 Resources contributed to the focused area		
Amount invested in rural vitalisation	RMB'0,000	15,000
Public welfare donations	RMB'0,000	8,500
Amount invested in the pandemic prevention and control	RMB'0,000	5,000[6]
Total amount invested by the Vanke Foundation for public charity	RMB'0,000	11,992[7]
Number of participants in voluntary activities	Participant	499
Hours spent on voluntary activities	Hour	1,996

3 It referred to the total number since the establishment of Wanyi Technology.

4 It referred to the accumulated number held by Onewo.

5 It referred to the accumulated number held by Onewo.

6 It was the amount donated for flood control and disaster relief in Henan and mainly for ensuring the personal safety of local people, purchasing emergency relief supplies and post-disaster reconstruction.

7 It was the total expenditure of the Vanke Foundation for public charity.

ESG Index

Environmental, Social and Governance Scopes and General Disclosure and Key Performance Indicators (KPI)			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.**		P76, P82-87
	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	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P108
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P108
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P109
	A1.5	Description of emission target(s) set and steps taken to achieve them.	P54
	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.	P57
A2: Use of Resources	**General Disclosure** **Policies on the efficient use of resources, including energy, water and other raw materials.**		P67-81
	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).	P109
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P109
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	P55
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	P81 (The Group's daily business does not have the problem of obtaining suitable water sources.)
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging materials are not required for the finished products of the group business.
A3: The Environment and Natural Resources	**General Disclosure** **Policies on minimising the issuer's significant impacts on the environment and natural resources.**		P67-87
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P67-81
A4: Climate Change	**General Disclosure** **Policies on identification and mitigation to significant climate-related issues which have impacted, and those which may impact, the issuer.**		P58-66
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	P58-66
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 welfare.**		P90-94
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	P111
	B1.2	Employee turnover rate by gender, age group and geographical region.	P111
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.**		P95-97
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P111
	B2.2	Lost days due to work injury.	P111
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P95
B3: Development and Training	**General Disclosure** **Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.**		P92, 93
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P112
	B3.2	The average training hours completed per employee by gender and employee category.	P112
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.**		P92
	B4.1	Description of measures to review employment practices to avoid child and forced labour	P92
	B4.2	Description of steps taken to eliminate such practices when discovered.	P92

Environmental, Social and Governance Scopes and General Disclosure and Key Performance Indicators (KPI)			Corresponding Section
Social			
B5: Supply Chain Management	**General Disclosure** **Policies on managing environmental and social risks of the supply chain.**		P98-100
	B5.1	Number of suppliers by geographical region.	P112
	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.	P98, P112
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P98-100
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P75
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.**		P36-38
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	–
	B6.2	Number of products and service related complaints received and how they are dealt with.	P113
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	P38, P113
	B6.4	Description of quality assurance process and recall procedures.	P38-43
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	P36-38
B7: Anti-corruption	**General Disclosure** **Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.**		P34, P35
	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.	P113
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	P34, P35
	B7.3	Description of anti-corruption training provided to directors and staff.	P35, P113
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.**		P14-23, P30-31, P101-107
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P14-23, P30-31, P101-107
	B8.2	Resources contributed (e.g. money or time) to the focus area.	P113

Index to SASB Indicators

Theme	Indicator	Code	Corresponding section
Energy management	Energy consumption data coverage rate by real estate type (percentage of GFA)	IF-RE-130a.1	P109
	(1) Total energy consumption of the portfolio with data coverage; (2) percentage of purchased grid electricity to the total energy consumption; and (3) percentage of renewable energy consumed to the total energy consumption by real estate type	IF-RE-130a.2	P109
	Change in the percentage of regional energy consumption of the portfolio with data coverage by real estate type	IF-RE-130a.3	P109
	Percentage of qualified portfolios with (1) energy ratings and (2) identified as ENERGY STAR by the real estate segment	IF-RE-130a.4	P69
	Description of how to incorporate the considerations of architecture energy management into the property investment analysis and operation strategy	IF-RE-130a.5	P55, P78-80
Water management	(1) GFA and (2) percentage of GFA where the baseline water pressure is high or extremely high to the GFA by real estate type	IF-RE-140a.1	N/A
	(1) Total regional water intake of portfolios with data coverage; (2) percentage of water intake in the regions where the water pressure is high or extremely high to total water intake by real estate type	IF-RE-140a.2	P109
	Change in regional water intake of portfolio with data coverage by real estate type	IF-RE-140a.3	P109
	Description of water management risks, and discussion about the strategies and practices of reducing such risks	IF-RE-140a.4	P56, P81
Management of sustainable impact of lessees	(1) Grid electricity consumption and (2) percentage of lessees getting water, separately measured or measured by real estate type	IF-RE-410a.2	P109
	Discussion about how to measure, stimulate and improve the sustainable impact of lessees	IF-RE-410a.3	P55, P78-80
Adaptation to climate change	Description of analysis of exposure to climate change risks, degree of exposure to system portfolio and strategies of mitigating risks	IF-RE-450a.2	P58-65



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