

vanke 万科



GLOBAL

2016

CORPORATE SOCIAL
RESPONSIBILITY REPORT

About the Report

Introduction

The 2016 Corporate Social Responsibility of Vanke Co., Ltd. is the 10th CSR report issued by the Vanke Group since 2007. It provides a detailed disclosure of Vanke's practice and performance in areas of social responsibility such as operation, environment and society in 2016 based on the principles of objectivity, normativity, transparency and comprehensiveness.

The report is compiled under the *Environmental, Social and Governance Report Guidelines* issued by the Hong Kong Stock Exchange in 2015, and conforms to the general disclosure requirements of the *Guidelines*. Targeting the key performance data specified in "Main Category A. Environment" of the *Guidelines*, we will create relevant systems in 2017 by the time nodes specified in the *Guidelines* to collect, compute and manage the data and begin to disclose our environmental performance starting in 2018.

Period

From January 1 to December 31, 2016. To make the report more comparable, some parts of it may trace back to previous years.

Release cycle

This is an annual report. The last report was released in March 2016.

Report scope

The report covers China Vanke Co., Ltd., operating subsidiaries of Vanke in the People's Republic of China and Vanke businesses in the US, the UK, Singapore and Hong Kong.

Preparation Basis

- The Ten Principles of the UN Global Compact
- The *ISO26000: Guide to Social Responsibility (2010)* issued by the International Standardization Organization
- The *Sustainability Report Guidelines (G4)* issued by the Global Reporting Initiative
- The national standard *CSR Report Guidelines (GB/T36001-2015)*
- The *Chinese CSR Report Guidelines* issued by the Chinese Academy of Social Science (CASS-CSR3.0)
- *Guide to Standard Operation of Listed Companies on the Shenzhen Stock Exchange*
- *Guide to Environmental, Social and Governance Reports* issued by the Hong Kong Stock Exchange
- *Corporate Social Responsibility Guidelines of Real Estate Enterprises of Guangdong Province* issued by the Guangdong Real Estate Association

Data sources and reliability guarantee

Data sources used in the report include data made public by governmental bodies, relevant Vanke internal statistical reports, third party surveys, administrative documents and reports and third party comments and interviews. Vanke guarantees that the report is free of any false information, misrepresentation or major omissions.

Notes on terminology

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

Access to report

You may download the Chinese and English editions of this report from Vanke's website at www.vanke.com. For the WeChat version, please follow the WeChat public account of Vanke Weekly. For any questions or suggestions concerning the report, please send an email to csr@vanke.com, or call us at (0755) 2560 6666.

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Message

2016 was a special year for Vanke. Facing a complex equity battle, all of our employees stuck to their posts and fought together to raise every performance indicator to a new level. In the middle of the year Vanke was listed in the "Fortune 500" for the first time, ranking 356th. Since it was established in 1984, Vanke has grown along with China's economy on the fertile land of the Shenzhen Special Economic Zone through the historic opportunities brought by the implementation of the reform and opening-up policy. We owe our gratitude for today's success and glory to the support from our clients, investors, partners and employees.

2016 was a year of changes in the industry. However, the development direction of Vanke remains clear and definite regardless of any changes. Our fourth 10-year mid and long-term development plan involves building an ecological platform to serve our clients and cities. To realize this plan, we have two main approaches. One is to grow at the same pace as our clients, for example, expanding our business in elderly care, vacationing and education, the other is to develop at the same pace as our cities. We will provide whatever is needed by cities, such as commerce, logistics and industry offices.

On the path to building up this ecological platform, we have always focused on environmental sustainability. In 2016, Vanke launched a green supply chain program along with organizations such as the Society of Entrepreneurs & Ecology and the China Urban Realty Association. We identified the first batch of key product categories (steel, cement, aluminum alloy sections, flooring, artificial boards and related products), formulated and perfected a green procurement action plan for each category and promoted them in the real estate industry. Thus far, 70 real estate enterprises have joined this supply chain program. In the future, we will expand the scope of the supply chain to cover more products and attract more real estate enterprises and up and downstream enterprises to our green supply chain & procurement initiative.

In 2016, Vanke was fully engaged in the national target of poverty alleviation. We cooperated with

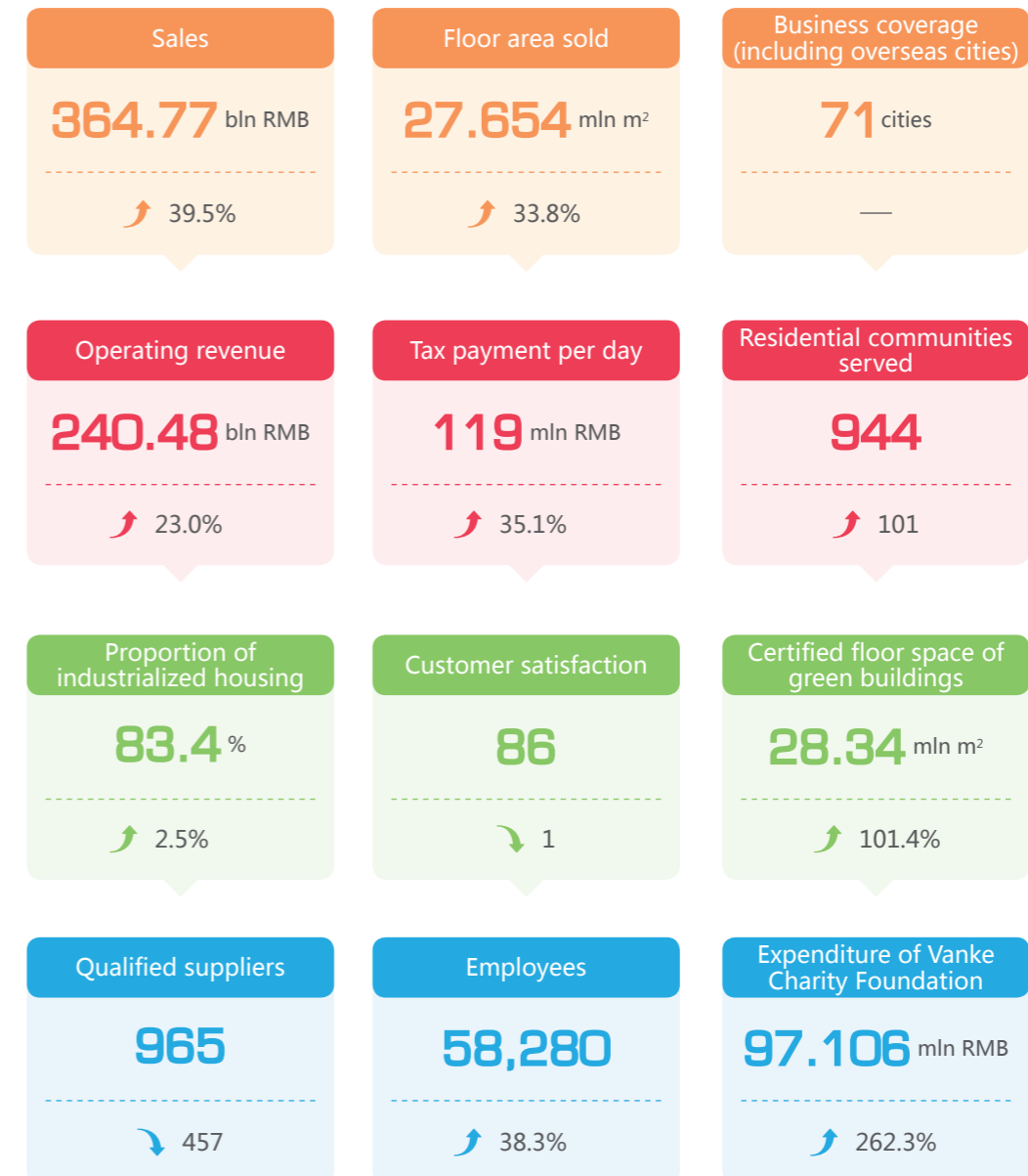
vocational schools in several poverty-stricken counties to jointly open classes and provide local needy students with chances of stable employment at Vanke. We paid for the construction of twelve 300kw photovoltaic power stations in Zhangbei County, Hebei and allocated the income from electricity charges to poverty-stricken households and villages, which solved the issue of sustainable income for local households and villages. We also participated in a fixed-point assistance program launched by Shenzhen City for Xinjiang by building a school at Taheman Town in Tashkurgan County. We prepared for the project by fully considering the needs of the ethnic minority region in the design. After overcoming difficulties such as high altitude, long distance and a tight schedule, we completed the project in 188 days with guaranteed quality and quantity. The school was officially delivered for use in September 2016. In the next phase, we will draw on the experience of Zundao School in Sichuan to help improve the school's teaching quality and help the kids fulfill their dreams. Previously, Vanke promoted educational reform at Zundao School, another one of our construction projects. Zundao School has moved from the bottom of the rankings up to No. 1 among similar schools based on the admission rate of key senior high schools for five years in a row.

Ten years ago, we released the first Green Book on Corporate Social Responsibility and became the first real estate enterprise to take the initiative to release its social responsibility report. Looking forward into 2017, Vanke will continue to uphold the philosophy of sustainable development and its positioning as an urban ancillary service provider. We will build good houses for ordinary people and houses that are needed. We will continue to be devoted to providing our customers with good houses, good services and good communities, respond to the national call for revitalizing the real economy and continuously create real values for the society. In the face of hardships and in the tide of the times, let's move ahead to another brighter ten years together.

All Employees of the Vanke Group

About Vanke

Our Performance in 2016



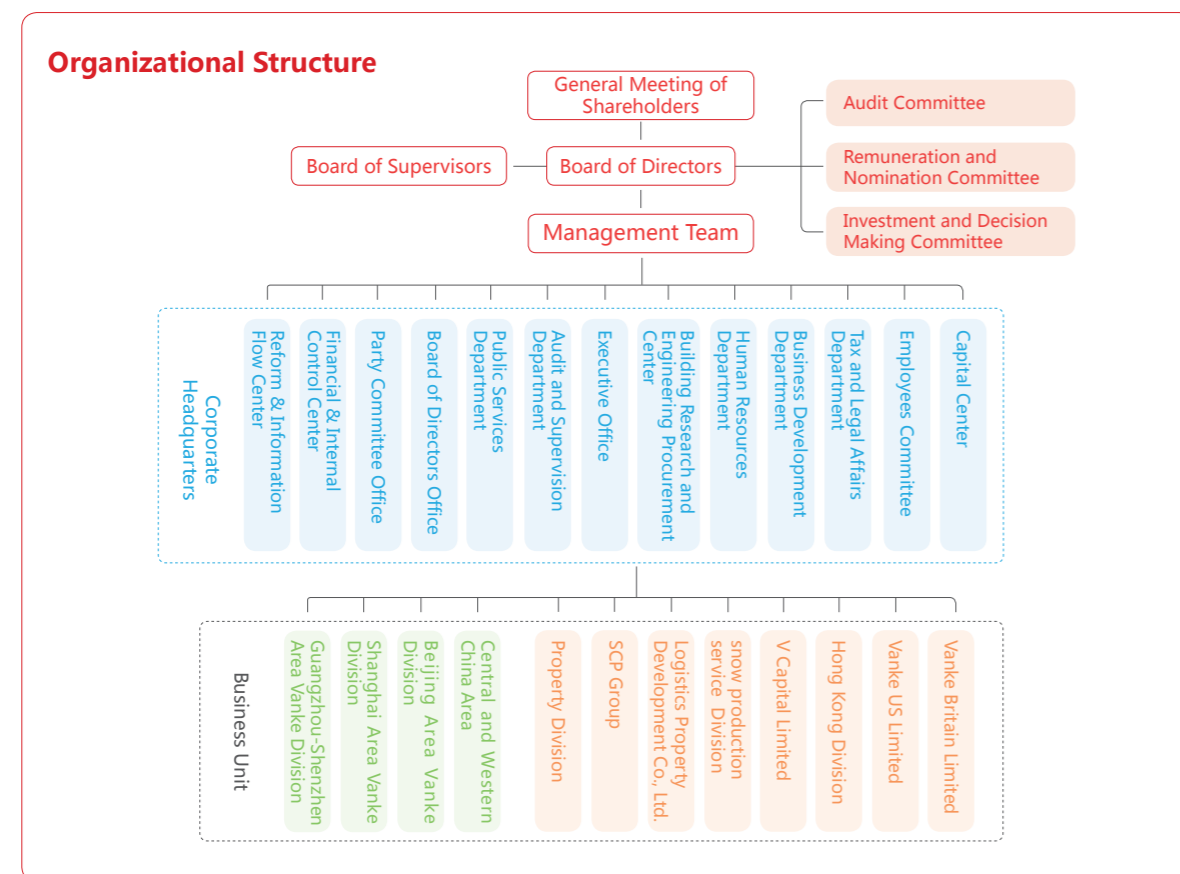
Company Profile

Introduction

Located in Yantian District, Shenzhen, Vanke Co., Ltd. (listed company stock codes 000002 and 2202) was founded in 1984. In 1988, we entered the real estate industry. We became the second company listed on the Shenzhen Stock Exchange in 1991 and were listed on the Stock Exchange of Hong Kong Ltd. in 2014. During years of operation and development, with the commitment to the principles of "hoarding no land, putting off no residence sales and not bidding for land with an excessively high price", Vanke continues to uphold a responsible business strategy by drawing an ethical baseline, rejecting the temptation of corruption, obtaining a fair market return and improving ourselves continuously through our professional competence.

Based on a normative and transparent corporate culture and robust and dedicated development pattern, Vanke has grown into a popular and respectable corporation recognized by customers, investors, employees, partners, the public and other stakeholders.

In July 2016, Vanke Co., Ltd. was listed among the "Fortune 500" for the first time, ranked 356th.



Business Layout

After 32 years of development, Vanke's business covers four areas: the Circum-Bohai Sea area, Yangtze River Delta area, Pearl River Delta area and Midwest area. In addition, our business has also entered overseas markets. By the end of 2016, Vanke's business covered 65 large and medium sized cities in mainland China and 6 other cities including Hong Kong, Singapore, San Francisco, New York, Seattle and London, among which Seattle is the newest market.

Corporate Governance

In accordance with the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, and other relevant Chinese laws and regulations, Vanke has developed a normative governance structure, and formulated rules and regulations for corporate development. It also established effective responsibility division and check-and-balance mechanisms through specific definition of responsibilities and authorities regarding decision-making, execution and supervision. The group sets up the General Meeting of Shareholders, Board of Directors and Board of Supervisors which are the highest decision-making, executive and supervisory bodies of Vanke respectively.

General Meeting of Shareholders

The General Meeting of Shareholders exercises the right of decision-making specified in relevant laws and regulations, and the Articles of Association of Vanke, deliberating and deciding important issues such as business guidance, financing, investment, and profit distribution.

Board of Directors

The Board of Directors is accountable to the General Meeting of Shareholders, exercising the right of decision-making regarding business operations. To enhance operating efficiency, the Board established three committees on audit, remuneration & nomination, and investment & decision-making. There are 11 directors in the Board with 4 independent directors (including 1 female director). The independent directors serve as the conveners of committees. Technical proposals shall be approved by the committees before being submitted to the Board for review, which enables the independent directors to play a better role in decision-making.

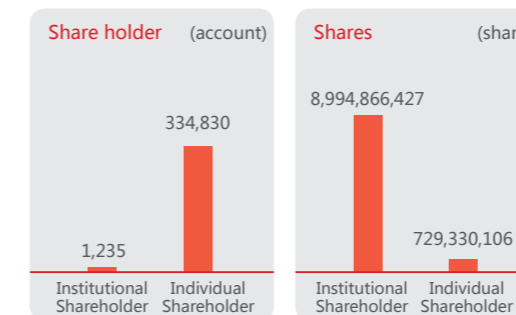
Board of Supervisors

The Board of Supervisors is accountable to the General Meeting of Shareholders. In addition to inspecting and supervising financial affairs and senior management's duty fulfillment, the Board also organizes inspections to the subsidiaries, strengthening the supervision of their operations. There were three supervisors (including one female supervisor) in the Board in 2016.

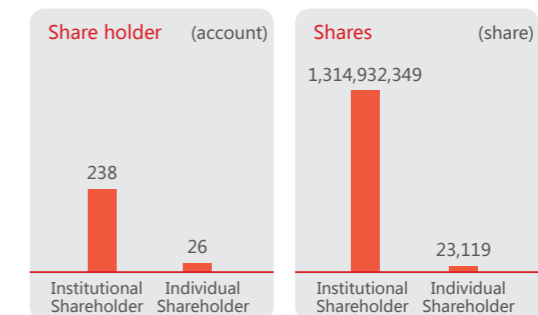
Communication with Shareholders

We always value our relationships with investors. In 2016, we amended the information disclosure management regulations, and further specified the responsibilities of the Board of Directors and information disclosure departments, in a bid to maximize the functions of the Information Disclosure Committee, enhance information disclosure management, and improve transparency. In 2016, we published more than 200 announcements in China and beyond, and were again rated as "excellent" by Shenzhen Stock Exchange (SZSE) in information disclosure.

Vanke A-Share



Vanke H-Share



Given the changes related to shareholders, apart from timely and efficient information disclosure, we also kept our communication and interaction with investors through various channels. In 2016, we received over 500 visits and calls from investors, attended 47 investor meetings organized by domestic and foreign organizations, organized 4 performance presentations in and out of China, paid 2 visits to investor groups, held 2 internet roadshows aiming at medium and small investors, and provided more than 350 answers to medium and small investors through SZSE's interactive online platform. We also continued to communicate with investors through telephone, email, and internet interactive platform, trying to maintain long-lasting trust relationships with our investors.

Legal Risk Control

We ensured the legal compliance of business activities by introducing regulations, guidelines, demo documents, and so on. In 2016, we made active efforts to build a risk control system at group, regional and tier-one company level, which has basically taken shape. To implement the "urban ancillary service provider" strategy, and ensure legal, compliant and steady operations, aside from substantially supporting traditional business areas like investment and financing, we also progressed in the Boyu long-term apartment lease project, logistics, education and aging care, along with the amendment of corporate regulations and guidelines, training organization, and other activities.

In 2016, we further enhanced the establishment and maintenance of group brands. This mainly includes amending the group's trademark management regulations, for the purpose of firstly, consolidating the market position of the main brand through renewing famous trademarks registered in Guangdong, and cracking down on infringement of famous trademarks, and secondly, gradually establishing new brands while protecting mature trademarks through registration at the proper time. Through a series of actions, the brand strategy of "Vanke as main brand and new businesses as sub brands" has been established gradually and implemented continuously, improving the images and reputation of the group's brands.

Audit Inspection

Following the "Three-No Principles" of "No Courage, No Access and No Motivation", we continued to improve our anti-fraud system, including built a supervision and reporting network which features open and convenient reporting channels, and covers employees, partners, and customers. We achieved "No Courage" through conducting special investigations on real-name and authentic anonymous reports, seriously punishing verified fraud in vulnerable areas, and transferring suspected crimes to judicial organs. Based on an improved internal risk control system, auditing and supervising forces at various levels cooperated with external forces to perform audits for risk control, publish systematic risk warnings, close management loopholes, and reduce the chances of fraud, cutting off the "access" to fraud. In addition, through building an "honest and righteous" cultural environment where employees are encouraged to develop a healthy and multi-angle outlook on life, and establishing the "Sunshine System", and mechanisms regulating criterion training, clean management certification test, and clean environment questionnaire, we controlled resources for the "motivation" of fraud.

Internal Control and Risk Management

We have established a complete and effective internal control system in which corporate management and business operations are controlled and supervised systematically. From the perspectives of environmental control, risk assessment, activity control, information & communication, and internal supervision, we reinforced the internal control base, specified the direction of internal control, implemented internal control measures, widened communicate channels, and enhanced internal supervision, in an effort to ensure legal and compliant operations, asset safety, and the authenticity and completeness of financial reports and relevant information. In 2016, to realize enhanced and long-acting internal risk control, we built a risk management system at the headquarters, business division, and tier-one company levels, and established the Risk Management Committee to identify and assess risks, and continuously monitor the completeness, rationality and effectiveness of the risk management system.



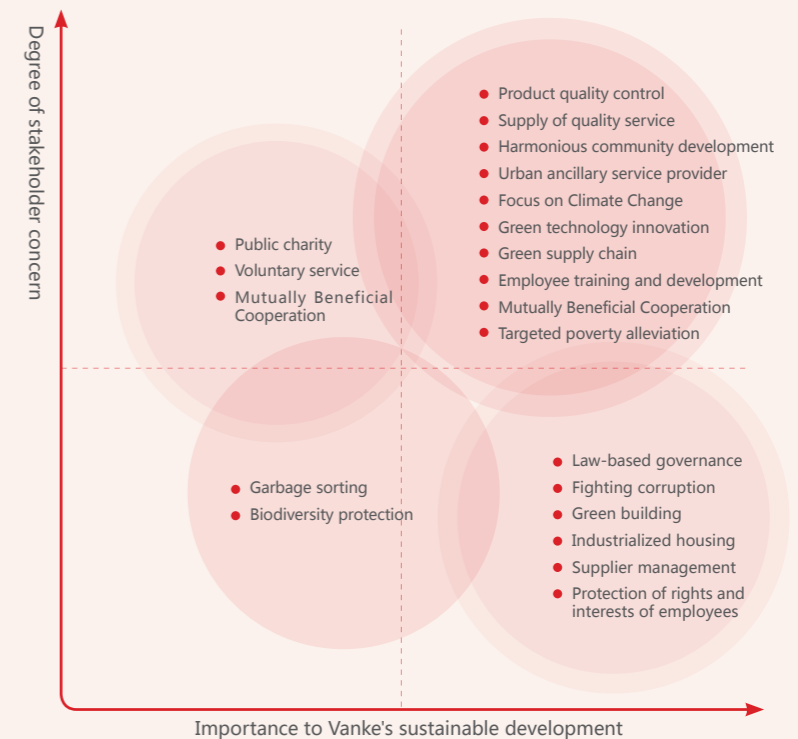
Responsibility Management

Corporate Culture



Identification of Material Issues

In order to better understand the expectations and needs of stakeholders and improve the pertinence and responsiveness of this report, we identified the material issues. Through analysis of Vanke's internal material and external stakeholders' concerns, we chose topics to form a topic bank and highlight them in the report.



Communication with Stakeholders

The support and trust of stakeholders lay a foundation for Vanke's sustainable development. We have built diversified stakeholder dialogue mechanisms through which we communicate with the government, shareholders, employees, customers, partners, communities, the public and other stakeholder groups.

Expectations and requirements	Stakeholders	Our responses
Comply with laws, Taxation Economic and green sustainable development support	Government	Compliance management Tax payment in a timely manner National policy implementation
Returns and growth Risk control Corporate governance	Shareholders	Regular disclosure of operational information General meeting of shareholders, Reporting and information sharing Continuous growth and returns for shareholders
Remuneration and benefits Health and safety Open communication channels Fair promotion and development opportunities	Employees	Paying wages and social security in full and on time Establishing occupation health safety management system, Employees' health check-ups and physical fitness tests "12 communication channels" Career development channel and employee trainings
Quality product provision First-rate management service	Customers	Sky-Net Action, "Two Tools and One Table", project management app Satisfaction survey of Vanke Property Customers Club, Proprietors' committee and customers
Keeping commitments Fair, open and just procurement Experience sharing	Partners	Enforcing contracts according to law Open tender, Release Qualified Suppliers' List, Project cooperation Sound industrial development promotion
Energy conservation and emissions reduction Climate change solutions Ecological protection	Environment	Participation in Paris Climate Change Conference, Green supply chain campaign, Industrialized housing, Green building, Snow leopard protection, Plant diversity protection, Garbage classification
Poverty alleviation Social development support Care for vulnerable groups Healthy culture	The society and public	Participation in targeted poverty alleviation Charity activities Volunteer service Run For Fun

Awards

Group Awards

Date	Award	Issuing Authority
July 2016	Ranked 356th on the "Fortune 500"	Fortune
March 2016	"Top 10 in Overall Strength among the 100 Best Real Estate Enterprises in China in 2016"	Research group for Top 10 real estate enterprises in China
March 2016	"Top 10 Real Estate Development Enterprises of China in 2016" among 500 Best Real Estate Enterprises of China	China Real Estate Association, China Real Estate Appraisal Center
March 2016	"Demonstrative Real Estate Organization for Integrity on March 15"	China Consumer Journal
March 2016	"Top 30 Listed Real Estate Enterprises of China in 2015"	Guandian Real Estate New Media
March 2016	"Top 100 Outstanding Real Estate Developers of China in 2015"	Guandian Real Estate New Media
April 2016	"Best Innovative Trademark" in the First Shenzhen Wutong Gold Award for Intellectual Property Rights	Shenzhen Intellectual Property Association
August 2016	Ranked 4th among "Top 100 Chinese Private Enterprises of Service Sector in 2016"	All-China Federation of Industry & Commerce
August 2016	Ranked 10th among "Top 100 Chinese Private Enterprises in 2016"	All-China Federation of Industry & Commerce
September 2016	Ranked 3rd among "Top 100 Private Enterprises of Guangdong Province in 2016"	Guangdong Federation of Industry & Commerce
November 2016	"Outstanding Cooperation Award for Operation of Urban Rail Transit Resources"	Urban Rail Transit Resources Operation & Coordination Committee
December 2016	CSR Report of Vanke 2015 won "GoldenBee Award for Customer Responsibility Information Disclosure in Excellent CSR Reports of 2016"	WTO Economic Herald
December 2016	"Annual General Award in Selection of Best Corporate Citizens of China in 2016"	South Finance All-media Group, 21st Century Economic Report

Operational Practices



"Triple Excellence"
Residences

Urban Ancillary Service Provider

Sales
364.77 bln RMB

Floor area sold
27.654 mln m²

Communities managed
944

🏠 "Triple Excellence" Residences

Excellent housing products carry families' dreams and connect people together. "Triple Excellence" consists of "excellent houses, excellent service and excellent community". It is Vanke's comprehensive expression for ideal residences, reflecting our commitment to design and build excellent houses, offer and maintain excellent services and advocate excellent communities. "Triple Excellence" is a product value system as well as a habitat philosophy, and reflects the true significance of restoring habitat with products.

Triple Excellence

Excellent houses

Spiritual home with high quality, health and excellent performance at the core

Excellent service

Providing customers with professional, intensive and active services through customer-oriented processes

Excellent community

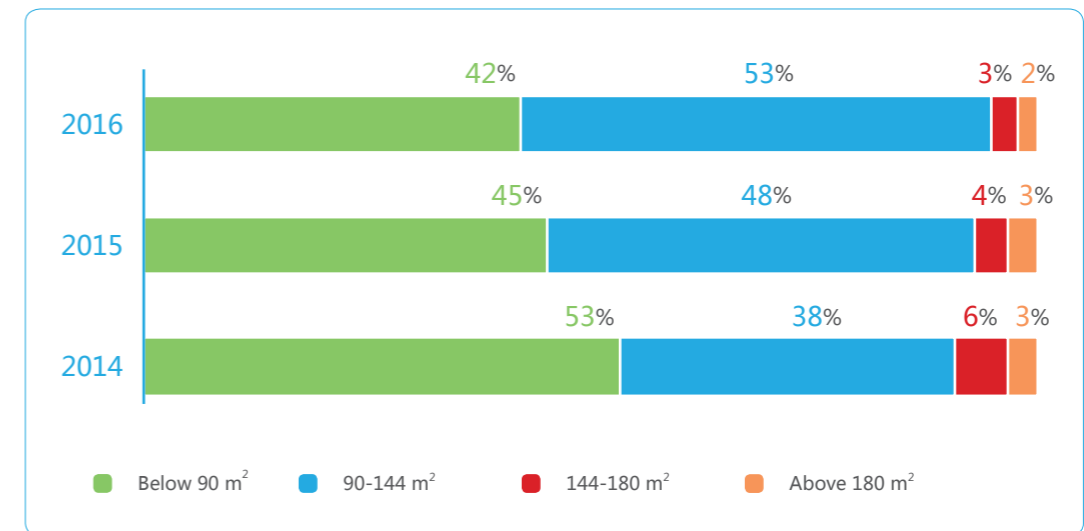
Seek a new pattern of neighborhood relations and promote the resurrection of "harmonious community" traditions

Excellent Houses

With "high quality, health and excellent performance" at the core, Vanke's excellent houses provide residents with safe and comfortable homes. Starting from the demands of our customers, we are building high-quality and green housing products that meet their requirements.

Building excellent houses for ordinary people

Fully considering the housing demands of ordinary people, we maintain the product positioning of "building excellent and affordable houses" and "building livable houses". In 2016, our home sales continued to contain mostly medium or small sized houses, with over 95% of the products sold being common residences and around 42% being small sized residences under 90 m².



Excellent Quality

Product quality is the precondition of comfortable housing. We have constructed a complete management system and maintain strict standards for building materials and construction and to guarantee housing quality. In 2016, we delivered a total of 214,000 houses. The level of owner approval of our products has risen for three years running.

Engineering management app

In 2016, Vanke rolled out an information platform for business management throughout the construction period based on business scenarios and known as "Ingenuity".

"Ingenuity" is comprised of the App end and backend, with five core functions that cover 19 functional modules (274 functional points) and three basic supporting modules. The platform can carry out data recording without increasing the workload of frontline leadership. It can enhance on-site efficiency and avoid repetitive work and also track on-site management status and create a big data analysis, which can be used by the management team for decision making.



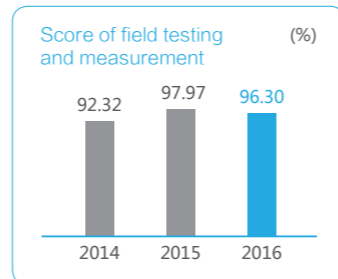
At present, the app has been put into use in our business in Foshan, Guiyang, Zhuhai, Zhongshan and Nanning, which covers 45 installment projects, 6.23 million square meters under construction, 182 partnering units and as many as 1,700 users. The "Ingenuity" app is now being promoted and is planned to be put into full operation in local Vanke Group companies by May 2017.

Two Tools and One Table

"Two Tools and One Table" includes the tools of field testing measure mentand project delivery assessment and the Home Inspection Guide Table. With this management tool, we comprehensively guarantee product quality from three perspectives--process monitoring, results control and customers' view points.

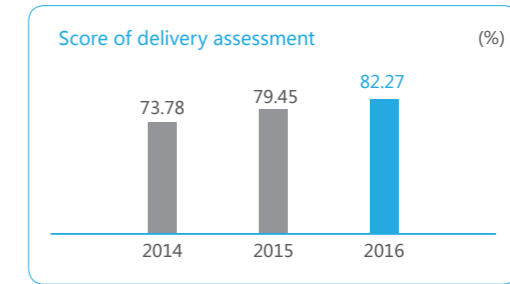
Physical measurement

We commission third party assessment agencies to implement field testing and measurement for all projects under construction. We implement data driven management, control and quarterly field assessment so as to ensure project quality through regular evaluations. The assessments include house size qualification ratio, leakage, hollowing and cracks, centralized processing and sample management and production and construction safety. In 2016, our assessment score infield testing and measurement was at the high level of 96.30%.



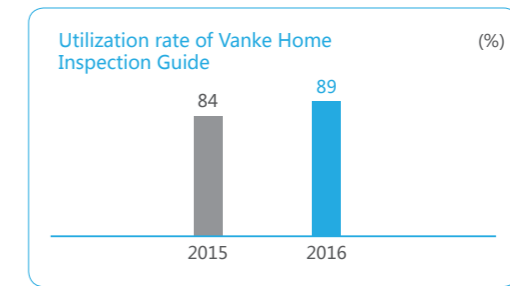
Delivery assessment

All projects must pass the delivery assessments conducted by the commissioned third-party assessors before delivery, which comprises outdoor impressions, public impressions, facade impressions and landscape impressions. We strive to provide the customers with satisfactory products by eliminating delivery of defective products. In 2016, our comprehensive score in delivery assessment witnessed a steady rise to 82.27%.



Home Inspection Guide

We promote the Vanke Home Inspection Guide Table as an important checklist upon delivery of homes to our customers. With the list of basic inspection standards, the Guide can help customers who do not have professional knowledge to inspect the delivered house effectively and exhaustively. The list is comprised of 9 major categories, 43 minor terms and 99 sub-minor terms.



Sky-Net Action

In order to eliminate sloppy work in construction, we continue to carry out "Sky-Net Action" in 2016. The group joined hands with local companies to inspect the delivered products. The group inspected the performance, parameters and other quality requirements, while the local companies checked on the contract enforcement on specifications and models, etc.



"An excellent house is a house with attention paid to each brick and tile."

-- Vanke City Mr. Xu, 37



"I am from the School of Mechanics and Engineering of China University of Mining and Technology. I have always wanted to use my own skills to build residential homes that I would want myself. Now, as a civil engineer on the Vanke Beichen project, I believe more in concentration and skills, pursuit of perfection and patience rather than gifts. I will convey my ideas through architecture."

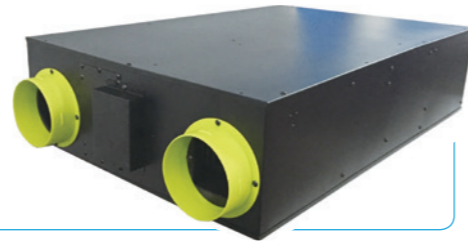
--Mr. Zhao, a civil engineer with Vanke Group



Healthy architecture

In recent years, pollution has become an increasingly serious environmental and social problem in cities. Starting with the "Haze Removal Action" in 2014, the Building Research Center of Vanke is committed to providing indoor air environment solutions.

In 2016, we developed a double-circulation ventilation system, which is suitable for Northern regions with severe haze conditions and can quickly remove indoor pollutants and achieve intelligent control.

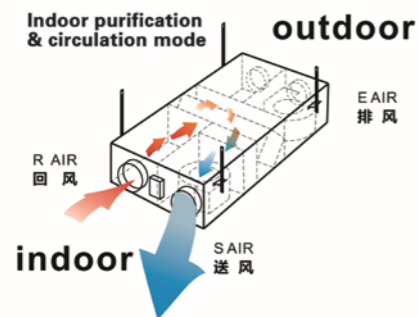


The double-circulation ventilation system runs on two operation modes

Indoor purification & circulation mode

Outdoor ventilation and haze removal mode

To guarantee that indoor air can be purified quickly under poor weather conditions, the system has the functions of internal circulation and filtering. In automatic mode, the system can automatically judge and switch its operating state by monitoring the indoor air data. When the concentration of indoor pollutants is high, it will automatically start the internal circulation function to quickly filter and purify the indoor air and guarantee that the indoor air quality is at an excellent level.



The two-way ventilation set is equipped with an efficient filtering module. When outdoor air passes the system, the filtering efficiency can reach above 95%. The set has a built-in efficient heat exchanger, which can achieve a heat exchange between the incoming outdoor air and emitted indoor air within the device, thereby improving how people feel and reducing building energy consumption.



Excellent Service

Vanke's excellent service is provided throughout the entire service lifecycle from initial customer contact, product purchase, product delivery, to long-term product occupancy. We strive to proactively provide customers with professional, intensive and thoughtful services covering customer management, property management and supporting hardware & software management, meeting the real needs of our customers.

Professional client service

Vanke believes in customer-centered growth which reflects our brand new understanding and definition of customer relationship and customer management in the silver age of the real estate market. From pre-sales, sales, to after-sales, we provide customers with professional services to satisfy their real needs in the process of buying and using our products.

"6+2" Customer Relationship Management (CRM) Approach

As the only CRM approach in China protected by national copyright, the idea of "6+2" CRM was initially put forward by Vanke in 2005. Covering the entire lifecycle of services provided by Vanke, the approach focuses on creating customer perceptions on the basis of information transparency and customer delight, interpreting the concept of "customer-centered growth" graphically.

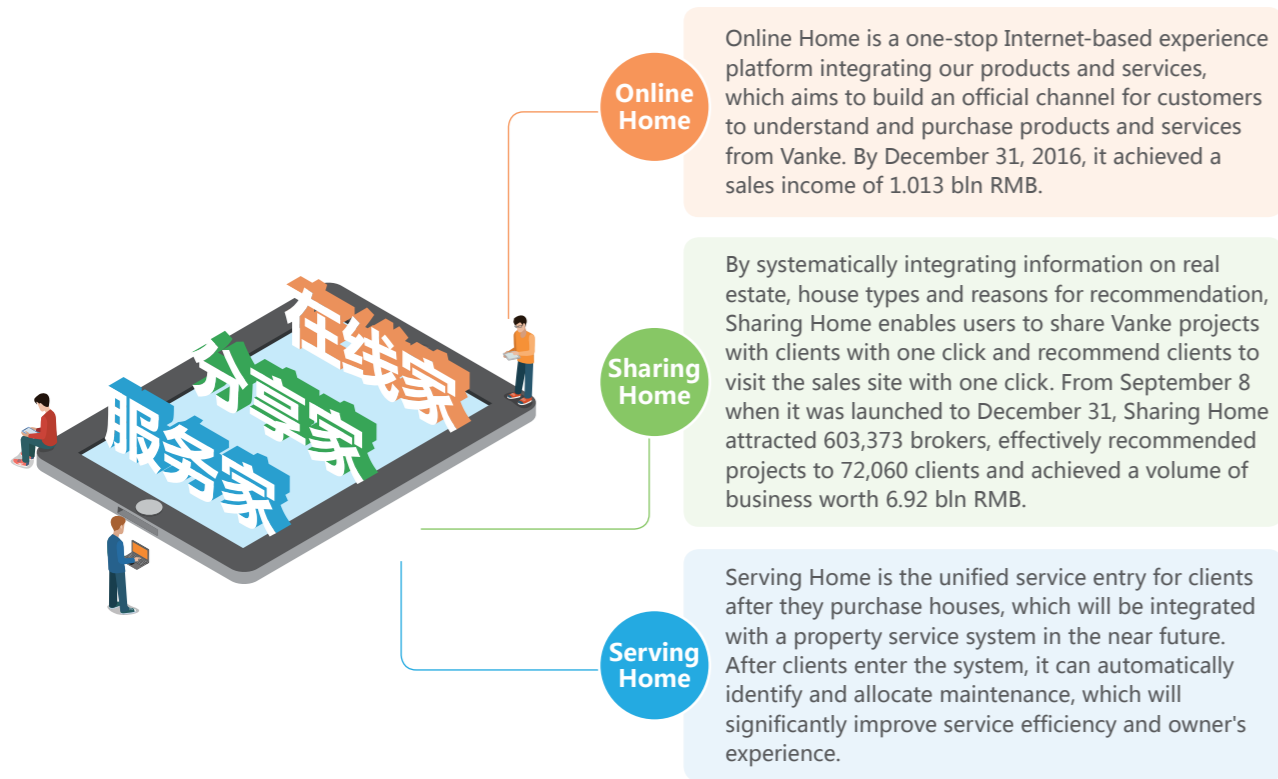
In 2016, we comprehensively amended the "6+2" approach, and introduced Customer Touchpoint Management (CTM) involving third-party field evaluation, so as to ensure that CTM activities were conducted in accordance with unified standards, creating a CRM environment in which excellent customer experience is provided to the customers. In the whole of 2016, we organized the evaluation of 140 projects, with execution rate reaching 90%.

	1	2	3	4	5	6
From selecting to moving in	1	2	3	4	5	6
6+2 approach	Intention declared	Contract signed	Contact maintained	Home completed	Moving in	Residing
Customer touchpoints	Home selecting	Contract signing	Waiting	Home delivery	Moving in	Residing
Customer concerns	Open purchase and risk informing	Clear terms & conditions and transparent information	Open construction site and project progress informing	Convenient delivery of high-quality homes	Moving in and fitting in the community	Reliable maintenance service
Services	Standard and content exposure, Visiting to display homes, Risk assessment before sales, Secret visits by mysterious customers	Explanation of Home Buyer Guidance, Presentation of processes, Construction methods and part of the construction materials, Introduction to the Quasi-Owner Service Plan, etc.	Issue of Vanke's Letter to Owners, Customer visits to the construction site, Property management meetings, etc.	Sending of delivery documents in advance, Site delivery preparation, Home inspection guidance, etc.	Assistance in access to facilities, Provision of convenient moving-in channels, Holding of welcome parties, etc.	Careful maintenance, Monthly satisfaction investigation, Quality inspection one year after moving in, etc.

	1	2
Continuous service	1	2
6+2 approach	Always with you	Continuous service
Customer concerns	Well-equipped facilities and harmonious neighborhood	Hardware improvement and old area reconstruction
Services	"2341" response to customer claims, Publicity of property management and home maintenance charge standards, Development & implementation of the Neighborhood Convention, etc.	Old community reconstruction, Community convenience improvement, Community hardware investment, etc.

Internet service platform

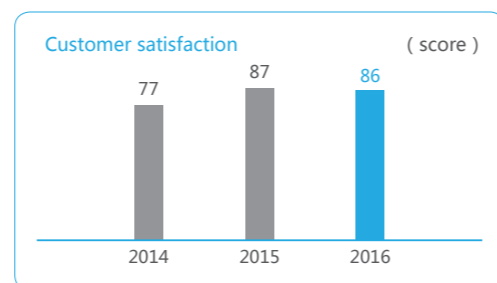
As one of the earliest enterprises to embrace the internet in the real estate sector, Vanke has always actively striven for breakthroughs and innovations to provide more convenient and excellent services and experiences. With the development trends in the real estate sector featuring diversified types of business and big data support, Vanke had taken advantage of internet devices to roll out our "Online Home" "Sharing Home" and "Serving Home" service platforms, providing clients with more convenient and diversified services.



Customer satisfaction

In 2016, Vanke continued to conduct customer satisfaction surveys among owners by means of mobile Internet. By following up at key nodes in the customer lifecycle such as one month, half a year, a year after contract signing, one month, half a year, one year, two years and more than two years after delivery, we focus on customer feedback and service response on key aspects of our management.

Throughout the year, a total of 160,033 effective customer samples were tracked, systematically depicting the specific evaluations of Vanke's products and services by the owners. In 2016, the overall customer satisfaction with Vanke Group was 86 points, maintaining an excellent impression in our customers among brand developers with a similar scale.

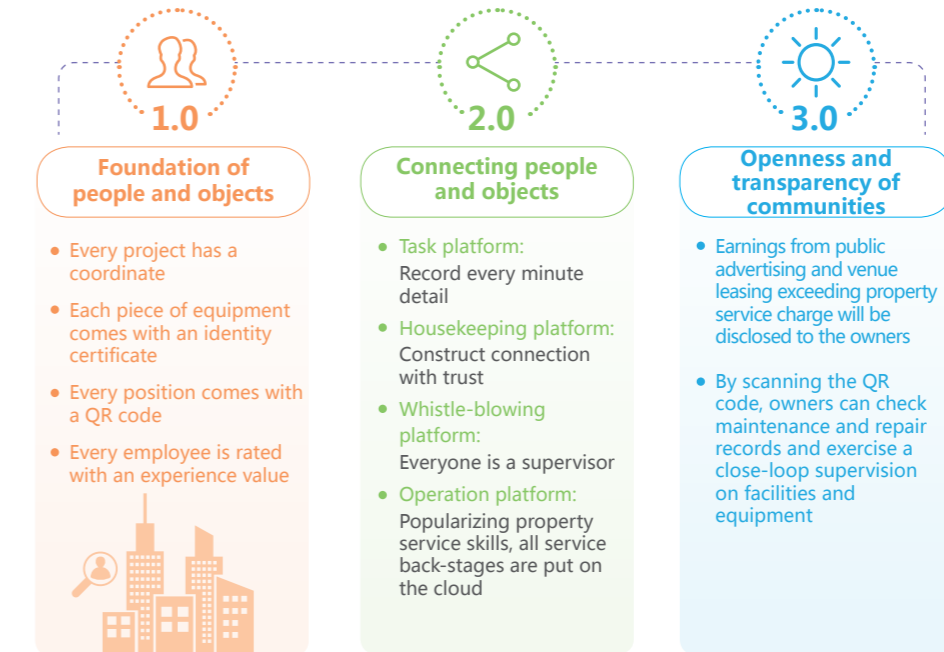


Wholehearted property service

Property services influence the lifestyle of customers after they move into a house. We provide customers with thoughtful services and excellent public management, and do our best to offer a high quality of life for customers so that they agree our products are worthwhile. With the core values of "reassurance, engagement, trust and co-existence", we will continue to provide our customers with property services beyond their expectations.

Farsighted Service

Farsighted Service is a solution launched by Vanke Property, which applies Internet technologies to improve the production mode of property management, enhance the operating efficiency and improve the experience of related stakeholders. In 2016, Vanke launched Farsighted Service 3.0 on the basis of Farsighted Service 1.0 and 2.0 to activate the community ecology.



"Communities should be geared to the needs of owners. The essence of property management is not collecting money, but making a good use of the money. In this way, owners will be willing to pay for our service."

--Zhu Baoquan, Senior Vice President of Vanke Group and CEO of Property Division

Farsighted Service 2016 Data

2,917 grid housekeepers deployed

Housekeepers have become WeChat friends with 1.81 million customers, which covers 92% of the houses managed

With the Living Here App, employees reported 2.37 million incidents on behalf of residents or after patrols, responded to 3.72 million requests for service from customers, and achieved 93% satisfaction in the evaluation of tasks and incidents reported and handled.



Case Robots--Black Cat One and Black Cat Two

"Black Cat One" is the first smart door independently developed by Vanke Property. It features an excellent facial recognition system. When owners stand at the entrance, Black Cat One can confirm the owner's identity with the intelligent facial recognition feature and open the door automatically. Compared with traditional community entrances, "Black Cat One" offers owners several ways to enter the community, such as the "Shake It Off".



"Black Cat Two" is an upgrade of "Black Cat One". Through the application of new technologies, it makes it convenient for customers to pass, but also can reduce operating cost and the risk of fraud through remote authorized control and increase operating revenue from the parking lot. As to the experience of owners, it can fulfill functions such as card-free access, visit reservation, convenient payment and one-click car locking. For community management costs, it can reduce toll collecting, backend costs and management cost and effectively save community resources.

Excellent Community

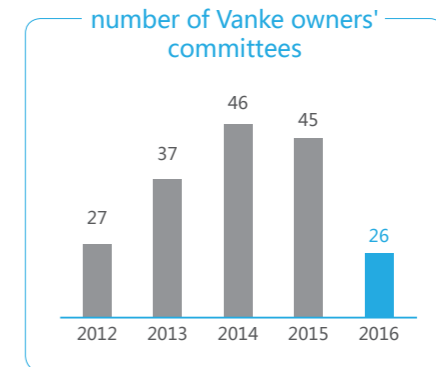
Stressing product quality and starting from the residential experience of residents, Vanke enhances the convenience of supporting services for life and builds a harmonious community atmosphere. The company tries to cultivate harmonious and warm neighborhood relations by including senior care and children's education and entertainment into the community system and actively promoting a community of harmony and mutual help.

Harmony and culture

Community is the extension of families. A harmonious community can enhance the level of quality and culture of life. We advocate neighborhoods of mutual trust by building harmonious relations between service providers and recipients, good neighborhood relations between resident families and new neighborhood relations of mutual help and protection based on mobile internet technologies.

Owners' committee

Vanke Property has consistently attached importance to community building and owners' voices. Since the first national owners' committee was established Tianjing Garden in 1991, Vanke Property has upheld an attitude of respecting owners' rights and interests and supervising the operation and management of property companies, while maintaining a proactive, equal and neutral stance and focusing on increasing the number of Vanke owners' committees.



Community discussion

To guide the owners to participate in supervision of public issues, promote the community's democratic discussions and common governance and strengthen the transparency of property services, Vanke Property has promoted the establishment of a community discussion mechanism in all residential quarters under its management. It covers the bulletin boards placed at the crowded areas and entrances of units, buildings, compounds and communities, the community discussion hall located in the Happy Post House and the hot issue discussion hall and WeChat circle established on the "Living Here" app. The online and offline discussions will be announced on the "Living Here" app to guide owners to express their opinions and appeals.

In order to allow the owners to better participate in community discussions, Vanke Property has also compiled a Guide to Community Discussions, which specifies the related duties of community service personnel and scope and rules of community discussions.

Happiness and warmth

As the ultimate reflection of the customers' dreams, happiness and warmth are the key indicators of an individual's quality of life as well as the highest standards of customer experience in terms of property value. We advocate more neighborhood interaction, create a distinctive community culture, and work together to build happy communities where the elderly will be taken care of properly and children can enjoy themselves.



Friendly Neighborhood Program

On September 25, 2016, Vanke Property officially unveiled its "Friendly Neighborhood Program" at the release event of Farsighted Service 3.0, with the aim of building a platform for owners and stores. When neighbors buy products or services from the neighborhood market, the stores will donate a certain portion of the income to the "Friendly Neighborhood Program". The "Neighborhood Market" promises zero profit. The "Friendly Neighborhood Program" will use the donated funds for hardware renewal and cultural improvements of the residential quarter. The program will gather the strength of neighbors to help preserve and increase the value of the owners' property assets. The neighbors have begun to actively "buy articles of daily use from the Neighborhood Market". After three months, nearly 30,000 owners participated in the "Neighborhood Market", which collected a construction fund of nearly 3 million RMB for the residential quarter.



Please Day

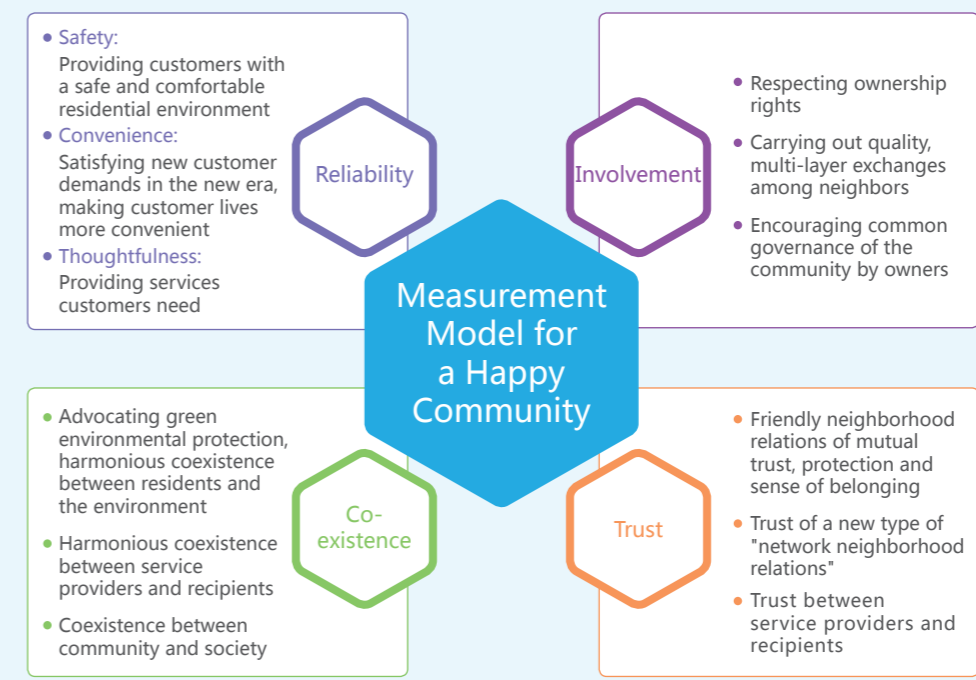
A friendly neighborhood is a warm place of mutual help and trust. In 2015, with the marketization of Vanke Property, Please Day was launched in Vanke's Farsighted Alliance communities, occurring on the last Sunday of September each year. Vanke Property stages community activities for a month around Please Day to advocate the most natural and simple neighborhood relations and civilized and polite community life.

On Please Day 2016, Vanke Property unveiled Farsighted Service 3.0 in Shenzhen. Meanwhile, diverse activities were staged across the country such as parties, dinners and signing of Neighborhood Conventions. During the month, more than 2,400 activities were held by Vanke Property in 64 cities across the country, in which nearly 400,000 owners participated and many times more followed along on WeChat and the Living Here app. The signing of Neighborhood Conventions involved over 140,000 owners online.



Feature Measurement Model for a Happy Community

To better build happy communities, a survey was conducted by Vanke Property and the Institute of Sociology of the Chinese Academy of Social Sciences, which surveyed more than 30 communities in 17 cities. The survey report specified five indices for happy communities, namely, quality of life, neighborhood relations, community involvement, community recognition and community governance, which were further segmented into 17 specific indicators such as property service quality, livability and involvement in public issues of the community. Finally, based on the survey results, Vanke Property developed a "monitoring model for happy communities" and began to monitor the communities from four dimensions, "reliability, involvement, trust and co-existence".



From the first "three magic weapons" of Vanke Property--no cigarette butts on the floor, green carpet of grass, no loss of bikes, to today's values of "reliability, involvement, trust, coexistence", Vanke Property's ideas for a Happy Community have undergone a process of constant evolution from sensibility to reason.

Urban Ancillary Service Provider

We contribute to the further development of urban areas by proactively meeting the needs of urban business and public utilities development.

Senior Care

Since 2009, Vanke has begun to study the senior care field, proactively engaging in the senior care industry and exploring a socialized elderly care path suitable for the national conditions of China.

Based on excellent nursing service and a core competitiveness in special rehabilitation, the senior care business of Vanke aims to create a garden of life for the elderly to enjoy their lives. The senior care project of Vanke will provide the elderly with a dignified, warm and decent daily life, cooperating with rehabilitation and chronic illness experts of well-regarded hospitals in different areas to offer special rehabilitation services. It will offer special recreational activities to revitalize the lives of the elderly based on the living habits of local elderly people and local history and culture.



By the end of 2016, Vanke had opened and operated over 80 senior care projects in cities such as Beijing, Shanghai, Guangzhou, Shenzhen, Tianjin, Hangzhou, Qingdao, Chengdu, Jinan and Hefei.



Beijing Yiyuan Guangxi Elderly Apartment

The apartment is located in the core area of the Northeastern Third Ring of Beijing, and features a supporting area of 3,000 m², a residential area of 3,000 m² and a garden of 2,000 m². Meanwhile, the project has built an all-round service system covering "medical treatment, nursing, eating, entertainment and accommodation", based on professional medical care and characterized by rehabilitation, which will tailor service schemes for the elderly and provide the elderly with professional and individualistic nursing services.



Guangzhou Rongyue Urban Senior Care Center

Situated at the core location of Yuexiu District of Guangzhou, it was the first urban elderly care center built by Vanke Senior Care in Guangzhou. The project provides 311 beds for senior care and nursing. With two core functions, rehabilitation and nursing, and relying on the natural environment and fresh air, it provides the elderly customers with all-round services such as one-stop medical care, rehabilitation nursing, healthy diet, fitness resort, elderly college, day care and residential service and is committed to building a representative benchmark brand of senior care. The project has won the title of "Brand Senior Care Demonstration Base" from the Guangzhou Senior Care Industry Association.



Logistics Real Estate

The development of a modern e-commerce and logistics network urgently demands renewal and upgrade of logistics facilities. Cities also demand reconstruction and improvement of land and product functions. Stepping into the field of logistics real estate, Vanke positioned itself as a provider of logistics infrastructure and mainly provides basic warehousing facilities to e-commerce, retail, third party logistics firms, express delivery and cold chain clients. Its business scope covers investment and site selection, development & construction, investment attraction and operation of first-rate modernized warehouses. It will expand its scale rapidly through network deployment.



By the end of December 2016, Vanke Logistics had acquired 18 projects covering core cities such as Beijing, Shanghai, Guangzhou, Hangzhou, Nanjing, Chengdu, Wuhan, Tianjin, Foshan and Ningbo and had basically reached an industry leading level.



In the future, Vanke Logistics will expand from the level of infrastructure business to the level of logistics operation and value-added services and build a great logistics ecology by means of construction, M&A and investment. By building a logistics real estate platform with core capabilities, it will achieve a rapid development based on diversified cooperation.

Vanke Mall

Vanke Mall, a shopping center brand of Vanke, is one of the two product lines of Vanke's commercial real estate. At present Vanke Mall is focused on family customers and provides customers with quality of life and services by upholding the commercial planning principles of "Focused on family consumption, characterized by popular fashions, highlighted by catering, leisure and recreation".

In 2016, Vanke and its partner jointly acquired the majority of stock rights of SCP Group through extensive M&A. In the future, Vanke will work with SCP Group to build the best, most competitive and popular commercial platforms for customers at home.

Newly opened Vanke Mall projects in 2016

City	Project	Floorage area(m ²)	Opening time
Beijing	Beijing BUCC Vanke Mall	82,528	May 2016
Guiyang	Guiyang Metropolis Vanke Mall	91,953	September 2016
Ningbo	Vanke 1902 Mall	76,043	October 2016
Shanghai	Qibao Vanke Mall	236,075	November 2016

Qibao Vanke Mall



On November 19, 2016, Vanke's largest shopping center, Shanghai Qibao Vanke Mall was opened, positioned as a one-stop entertainment and family consumption complex and following a core philosophy of "building for families". On that day, the Vanke Mall attracted as many as 260,000 customers, receiving over 30,000 applications for membership and an opening rate of 85.16%.

Community Business

Vanke's community businesses mainly serve residents within 3 km, aim to bring convenience and benefit to residents and satisfy and promote consumption while providing commercial services such as catering, retail, community education and living facilities. Differentiated business attraction and careful operation, it aims to enhance customer loyalty and build one-stop community business for families.

In 2016, Vanke opened **22** community business projects in **11** cities, managing an area of approximately **302,500** m².

By the end of December 2016, Vanke had opened a total of **43** community business projects in **15** cities, managing an area of approximately **735,000** m².

Case Jiangyan Road Vanke Neighborhood

Jiangyan Road Vanke Neighborhood was positioned as a neighborhood center for high-frequency consumption within 1.5 km, integrating daily shopping, socializing and leisure with primary businesses such as education products, living facilities and catering brands, and committed to providing community residents with quality products and services close to their life.



Corporate Offices

Vanke kept a close watch on industrial development and enterprise demands and provided space and services for enterprises under different development stages. Meanwhile, it also followed up the changes and development direction of urban industries, deployed industrial factors for selected industries and restructured the industries by means of concentration, sharing and out-sourcing. By the end of 2016, Vanke operated 23 projects in 11 cities, managing an area exceeding 633,000 m².



Brand office buildings

Vanke spared no efforts to build brand office buildings to serve excellent and mature enterprises by providing office space and business services. Taking the Guangzhou-Shenzhen Area as an example, Vanke built 4 new office buildings in 2016 with a total area of 156,100 m², occupied by 168 enterprises. Representative projects include Shenzhen Qianhai Enterprise Mansion, Foshan Financial Center and Fuzhou Fuwan Project.

Sharing service style office

Internet development has brought constant changes to the organizational structure of enterprises. Enterprises have shown a distinctive tendency toward small-size and people have been active in starting up businesses. With the abrupt increase of medium and small-sized enterprises, Vanke rolled out an office sharing service and provided medium and small-sized enterprises with shared office space to meet their demands for cutting office costs and for a community of sharing, collaboration and mutual help. Representative projects include Xiamen Creativity Commune, Guangzhou Cloud Workshop, Guangzhou Maker Town, Fuzhou Binbei Commune, Fuzhou Wanchuang Commune.



Xiamen Creativity Commune

Industrial clusters

With the urban renewal and industrial development, Vanke has restructured the industries selected, provided space suitable for the industries, invited and gathered industrial elements. It has made a more efficient use of space and resources in the form of sharing, and enriched the services through outsourcing. With the Internet as a tool to connect people, objects and events, the information can flow, be combined, blended and coordinated more freely, providing a brand new model of real estate industry featuring "space" and "service". Its representative projects include: Xiamen Creativity Commune, Shenzhen Spark Online, Dongguan 769 Cultural Creativity Park.



Shenzhen Spark Online

Long-term Rent

With rapid urbanization, the urban floating population has increased gradually. Vanke proactively coordinated the needs of urban transformation and development. It rolled out long-term rental apartments to meet the housing rental demand of residents. By the end of 2016, Vanke had opened 44 projects in 18 key cities such as Shanghai, Shenzhen, Guangzhou, Xiamen, Dongguan, Xi'an, Chongqing, Jinan and Shenyang winning public praise among customers and attaining market influence with the Vanke "Boyu" Brand.

An atmosphere of sharing and socializing

The operation and management team of Boyu organizes community activities from time to time, such as opening parties, Internet start-up exchanges and self-driving travel on weekends. Through internal business system cooperation and analysis of external market feedback, they jointly enhance the rental experience of the tenants.

Information based management

The Boyu App online platform is preliminarily finished, and offers daily rental functions such as appointments, visits, rental and charge payments and requests for repair, greatly improving the convenience and service experience of the tenants. The app had gone online in 20 cities nationwide, covering all opened Boyu projects.

Quality residential conditions

Each apartment offers IKEA style private space, and public space such as public lobbies and kitchens. Tenants can share the cinema and fitness equipment.

Characteristics of Vanke's long-term rental apartments



Case Beijing Changyang Peninsula Boyu

This is a project owned by Vanke Group and was officially opened for business in October 2016. The project introduced three types of rooms, couple, standard and mini, to meet different residential demands of youth, students and white-collar workers. With a floorage area of approximately 3,752 m², it provides over 100 rooms (suites). By the end of 2016, its occupancy rate was above 92%. Most tenants were students who would soon graduate from college and white-collar workers working around the headquarters base, of whom 92% didn't have a Beijing residence permit and over 90% were young people born in the 1980s and 1990s.



Vanke Holiday Resort

Based on the multi-dimensional demands of the holiday market and relying on its geographic advantages such as natural resources, environment and climate, Vanke has developed industries related to leisure holidaying, creating a better urban life and lifestyle and meeting the demands of families for in-depth leisure travel on weekends and holidays.

Holiday Resort Projects of Vanke

City	Project	Opened Time
Sanya	Sanya Vanke Forest Breeze Resort	January 2015
Jilin	Jilin Prince Hotel	December 2014
Jilin	Jilin Qingshan Inn	December 2014
Shenzhen	Longcheer	May 1998
Shenzhen	Shenzhen Twin-Moon Bay Resort	July 2013
Shenzhen	Shenzhen Twin-Moon Bay Platero Hotel	June 2014
Dongguan	Dongguan Songhu Central Hotel	December 2014
Guangzhou	Qingyuan Vanke White Swan Spring Hotel	December 2014
Guangzhou	Forest Breeze Resort	January 2015
Guangzhou	Tian'ao Bay Vanke Inn	August 2015
Suzhou	Ascott Hotel	September 2014
Hangzhou	Narada Resort Spa Liangzhu	March 2008
Wuhan	Mingyue Hotel	July 2014
Wuhan	Narada	May 2015

In 2016, Vanke continued to develop its skiing and mountain resort business. At present, it operates three ski resorts, Jilin Songhua Lake, Beijing Shijinglong and Qiaoshan Beidahu and supporting hotels. Ranked No. 1 nationwide in snow trail area, snow production service area and number of cableways, it has become one of the top three ski and mountain resort groups in Asia. In the snowy season of 2016, it received over 370,000 tourists.



Lake Songhua Resort Area



Vanke Shijinglong Ski Resort



Beidahu Ski Resort

Vanke Education

Vanke put a lot of effort into the education industry, with an aim to become a provider of full-time quality education solutions based on excellent teaching, evaluation and service systems and provide urban residents with diversified quality education solutions. Based on the resource advantages of Vanke Group, Vanke Education has developed four product lines, namely, community, urban and outdoor camps and full time school.

Full time schools

Vanke's full time schools aim to build a complete system of quality and subjects and open up a new fashion of quality education in China. By the end of 2016, a batch of full time schools had been put into operation, including the Vanke Bilingual School, Vanke Meisha Academy, Lucheng Foreign Language Primary School and Tianyu Experimental School.



Vanke Bilingual School



Lucheng Foreign Language Primary School

Outdoor camps

Vanke outdoor camps aim to provide kids aged 3-18 with professional outdoor education, cultivate their strong willpower and bodies and allow them to master an outdoor sport which they can stick with for life. Vanke operates several complete outdoor bases for adolescents and children and independently develops and operates outdoor sports such as sailing, diving, mountaineering and skiing. By 2016, Vanke had constructed and put into operation 4 urban camps and 10 outdoor camps.



Community camps

Vanke community camp is a one-stop quality education platform near the homes of residents, which provides kids aged 1-12 with quality education needed for each growth stage. By organizing colorful activities and opening different courses, community camps enrich after-school life and enhance children's comprehensive qualities. By the end of 2016, Vanke had completed and put into operation 66 community camps, recruiting over 50,000 students.



Alpha School parent-kid picture book class of Vanke Neighborhood



Dancing class of Vanke Neighborhood camp



Parent-child carpentry class of Vanke Neighborhood camp

Environmental Practices



Focus on Climate Change

Wetland Conservation

Green Technology Innovation

Green Supply Chain

Green Building

Bio-diversity Protection

Sustainable Urbanization

Housing Industrialization

Garbage Sorting

Certified floor space of green buildings reached **28.34** million square meters

Garbage sorting in **282** communities across the country

70 real estate enterprises joined the green supply chain action

Focus on Climate Change

Witnessed strong efforts in global climate change prevention, Paris Agreement was reached by 200 contracting parties and came into force on November 4, 2016. As a pioneer in climate change prevention and green development, Vanke actively participated in climate change meetings held in and out of China, discussing how to promote low-carbon urban development with other parties.

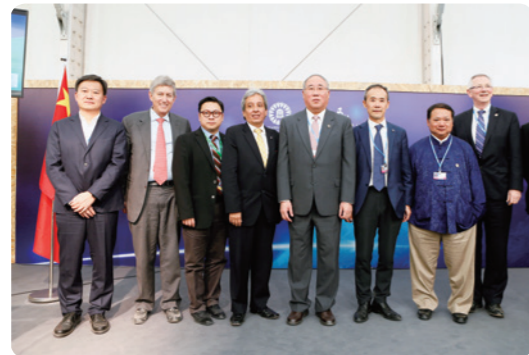
UN Climate Change Conference in Marrakech

The UN Climate Change Conference 2016 was held in Marrakech. Government, NGO and business representatives from China participated and reached a consensus on procedural issues concerning the Paris Agreement with representatives from other countries, and reiterated their determination to support and implement the Paris Agreement.



2016 was the fourth consecutive year which Vanke participated in the UN Climate Change Conference. Meanwhile, Vanke organized nearly 100 representatives from SEE Foundation, China Urban Real Estate Development Association, Shenzhen General Chamber of Commerce, China National Textile and Apparel Council, and Committee 2005 to attend. On November 17, "Efforts of Businesses in Sustainable Urbanization" Multilateral Meeting was held during the Conference, attracting 524 government and NGO representatives and environmental protection experts from 25 countries around the world to attend.

At the meeting, dozens of Chinese real estate companies, including Vanke and China Urban Real Estate Development Association, jointly launched the China Real Estate Industry Green Supply Chain Action. Seventy enterprises participating in the Action undertook to shoulder their responsibilities in China's social development and environment protection by managing their supply chains, and purchasing green materials under the guidance of the Purchase Guidance and Action Plan, building a green supply chain covering material purchase, product manufacture, and consumption. Through the green supply chain, more environmental benefits will be created, and resource efficiency will be increased.



International Cooperation Conference on Green Economy and Climate Change

On June 13 and 14, 2016, the 2nd International Cooperation Conference on Green Economy and Climate Change jointly organized by China Center for International Economic Exchanges, US's Climate Reality Project, and Vanke Foundation was held in Beijing. The theme of the conference was "Low-Carbon Innovation for a Green Future – the Power of Role Models". At the conference, representatives from China and abroad conducted in-depth discussions concerning issues like low-carbon innovation, global climate governance, and international cooperation on climate change and green economy.



Climate Reality Leadership Corps

On June 16 and 17, 2016, Vanke Foundation and Climate Reality Project jointly organized the first Climate Reality Leadership Corps training in China, in a bid to help government officials, business leaders, academic institutions and the public to understand the effects of climate change, and national and regional solutions. Joining the training were 540 guests concerned about climate change.

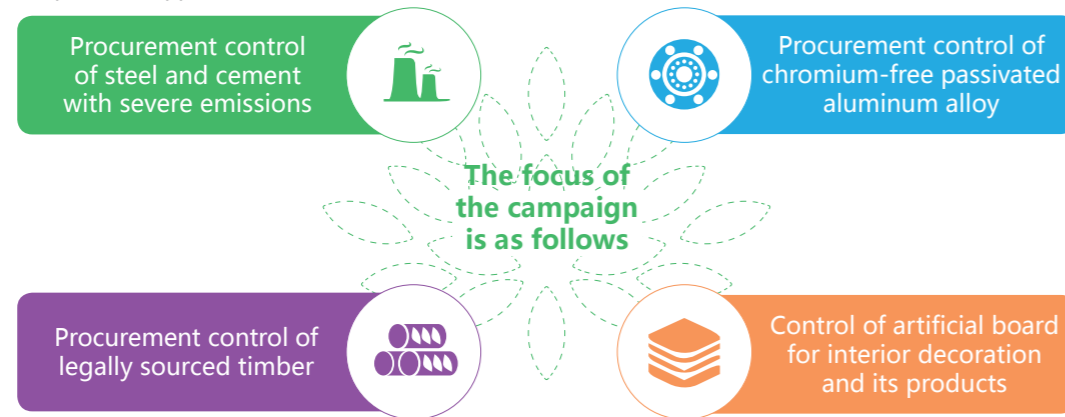


Green Supply Chain

On June 5, 2016, a "Real Estate Industry Green Supply Chain Campaign" was jointly launched by the Society of Entrepreneurs & Ecology, the China Urban Realty Association, the China Real Estate Chamber of Commerce, Landsea and Vanke. All the enterprises joining the campaign reached a unanimous commitment: they would manage their own supply chain under a common procurement guide and action scheme, insist on green procurement, green the whole supply chain from perspectives such as the source of raw materials, production process and terminal consumption, enhance the environmental benefit and resource utilization efficiency, and assume their own responsibility for social development and environmental protection in China.



The real estate industry green supply chain campaign is being implemented in three stages from 2016 to 2025. The first stage will control procurement of five categories of products, namely, steel, cement with severe emissions, chromium-free passivated aluminum alloy, legally sourced timber and artificial boards for interior design. After the campaign has been implemented for a time, it will work with third party assessment institutions to issue a white list of qualified suppliers as well as a black list of disqualified suppliers.



By December 31, 2016, the campaign had been joined by 70 real estate enterprises, accounting for around 12% of China's real estate sector, covering over 2,000 related enterprises in the industrial chain.

The Green Supply Chain aims to promote green production with a marketing mode. It marks the first time an industrial alliance in China has promoted green supply chain management. The campaign will enable suppliers with a good environmental record to occupy a larger market space, creating a virtuous cycle and helping solve environmental problems such as air pollution on the way to green transformation.

Sustainable Urbanization

As a sponsor of the "China-US CEO Council for Sustainable Urbanization" jointly launched by the Paulson Institute and China Center for International Economic Exchange, Vanke continued to promote sustainable urbanization in 2016.

In May 2016, Vanke, the World Wildlife Fund and Apple Inc actively promoted the procurement of sustainable timber and wood fiber and shared their best practices with member companies of the Council such as Wal-Mart, Hyatt, Busch InBev, Fosun Group and China Construction Fangcheng Investment & Development. In July 2016, Vanke invited 19 Chinese and American enterprises of the Council to visit its LEED platinum certified headquarters and convened a conference of contact representatives of the Council.



Wetland Conservancy

The Vanke Public Welfare Foundation supported the Mangrove Foundation in carrying out seaside wetland conservancy with mangroves as its representative. In 2016, conservancy work was undertaken to protect birds at Shenzhen Bay following the example of Hong Kong Mai Po Natural Reserve and Hong Kong Wetland Park, which is one river apart. The work tried to reduce the disturbance of tourist activities to the birds through scientific popularization and education.



Photo: Qing Tian

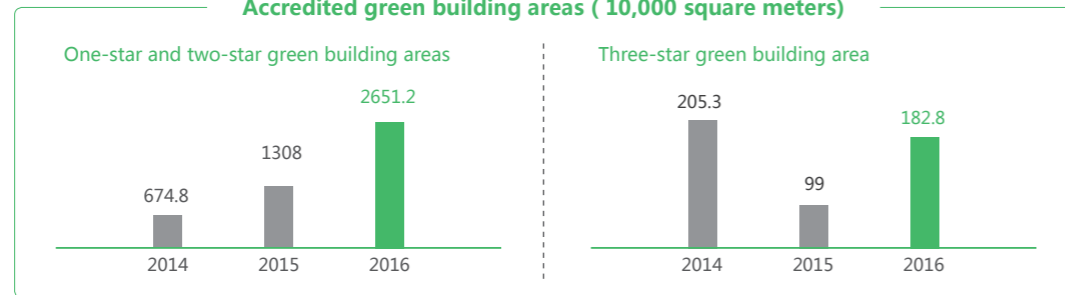
Green Building

We actively promote the development of green building, saving resources, protecting the environment and reducing pollution to the greatest extent possible during the entire lifecycle of our buildings to provide customers with healthy, suitable and efficient space and architecture co-existing harmoniously with the nature.

During the one year after the new edition of national standard Assessment Standard for Green Building (GB/T50378-2014) was fully implemented, Vanke actively explored the promotion and application of the new standard and constructed green buildings that meet higher standards.

In 2016, the accredited green building area of Vanke was 28.34 million square meters, among which one-star and two-star green building areas were 26.512 million square meters and three-star green building area was 1.828 million square meters.

Accredited green building areas (10,000 square meters)

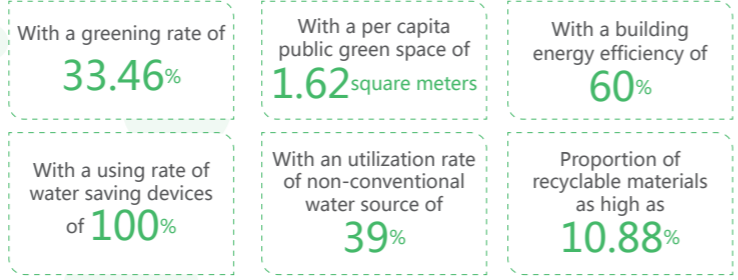


In 2016, **3** projects with operation identification were newly added, with an area of **918,000** square meters

The area of projects with operation identification was accumulated to **1.431** million square meters.

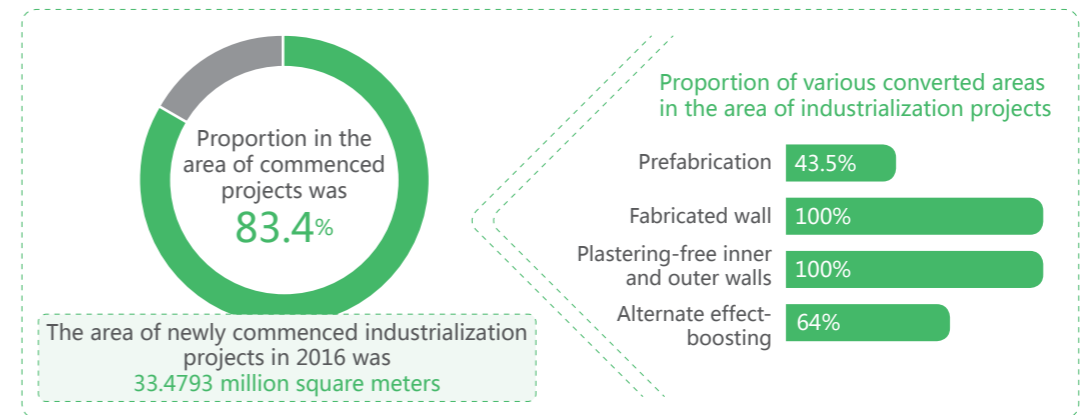


Vanke Wulongshan Park project is a residential project located in Xindu District of Chengdu. The project was design, constructed following a three-star standard and was operated and used strictly in accordance with the design, applying technologies in six areas, namely, land saving, energy saving, water saving, material saving, indoor environment and operation management.



Housing Industrialization

Vanke took the initiative to promote housing standardization and industrial process and form large house space that can be split freely by optimizing structural system. Construction methods of industrialization and dry operation were adopted to provide complete interior solutions based on products, modules and installation. Alternate construction management mode was adopted to ensure that construction was completed as scheduled, guarantee construction quality and reduce building waste and noises effectively.



Reducing energy consumption

Housing industrialization has innovated claddings and has an energy consumption far lower than conventional housing; meanwhile, the concentrative production during its construction also makes its energy consumption lower than conventional manual ways.

Saving water resources

Industrialized production has changed the maintenance method of concrete members, realized a cyclic use of maintenance water and greatly saved water resources.



The factory-based concentrated production can reduce the consumption of major building materials; the assembly construction can reduce the consumption of auxiliary building materials.

Compared with conventional construction modes, on-site assembly can greatly reduce the amount of building waste, discharge of waste water, generation of building noises and emission of harmful gases and dusts.

Reducing consumption of building materials

Reducing construction pollution

Calculated by the industrialized housing area of 33.4793 mln square meters in 2016, it equaled to saving energy by approximately 147,000 tons of standard coal, reducing CO₂ emission by 368,000 tons, saving water by 30.135 mln cubic meters, saving timber by 436,000 square meters and reducing garbage discharge by 1.331 mln tons.



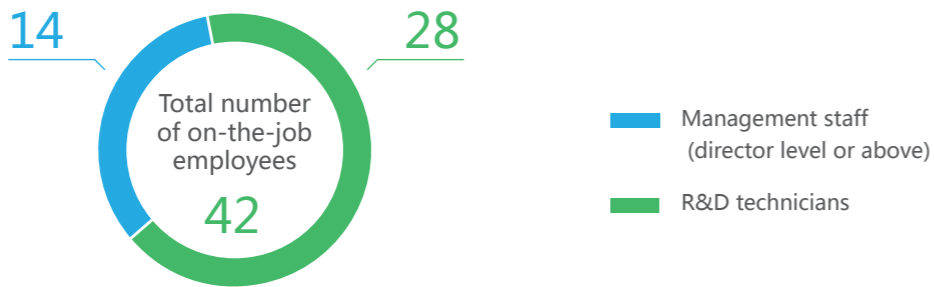
Green Technology Innovation

Upholding an artisan's spirit, we kept innovating green technology and working hard for sustainable development of habitat, life and environment.

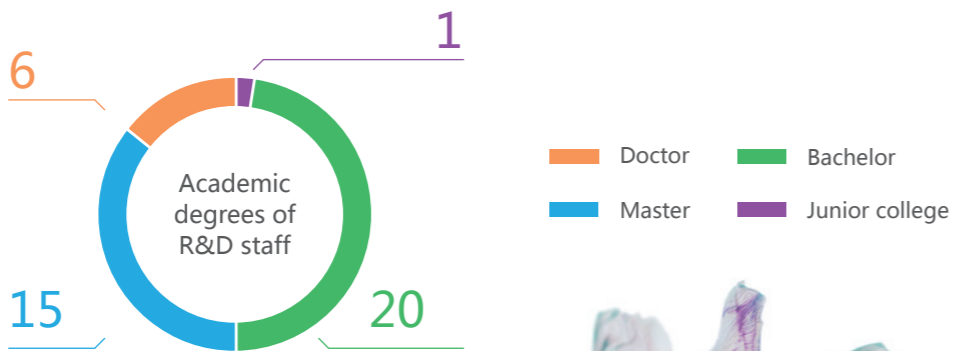
Scientific Research Team

Talent is power of development. We valued building of multi-tier innovative talent teams.

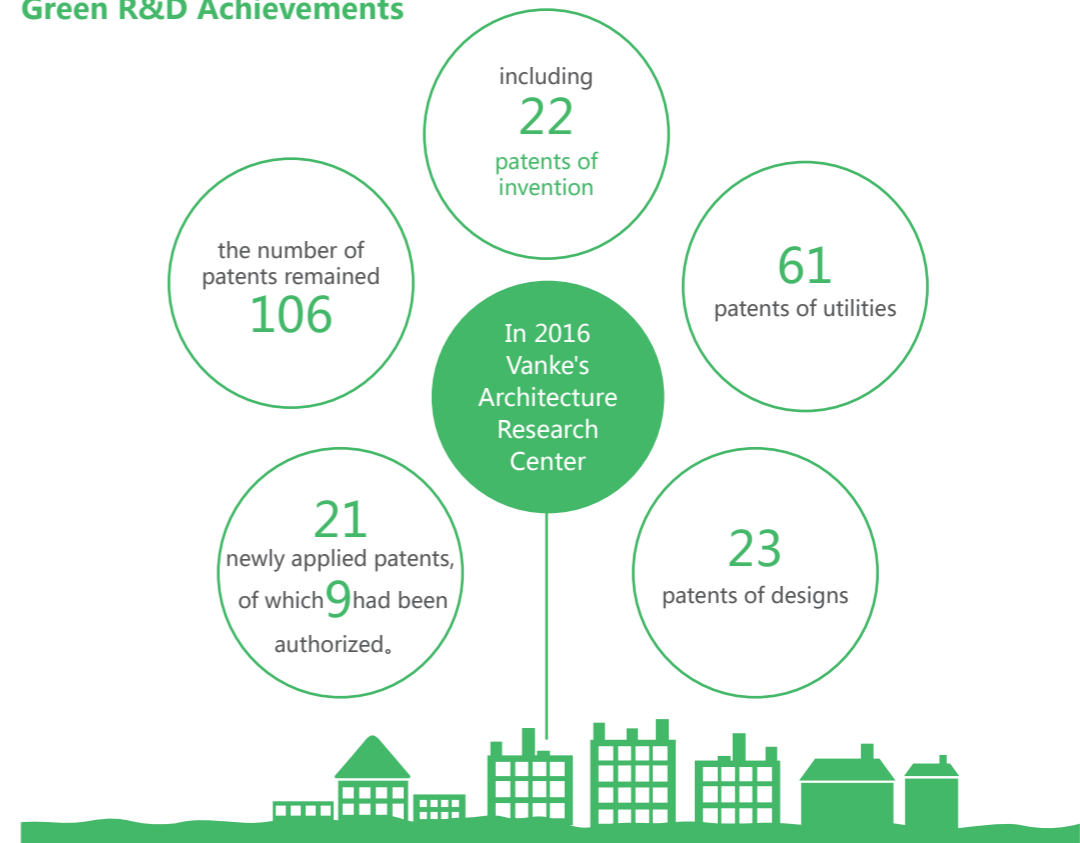
Proportion of R&D staff



Academic degrees of R&D staff



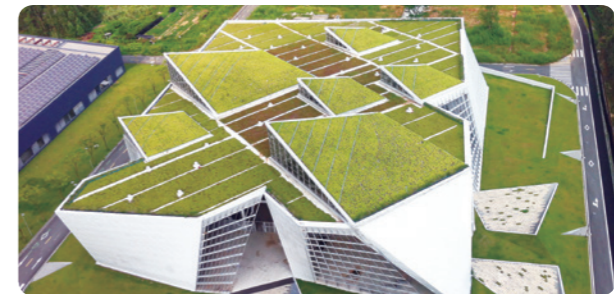
Green R&D Achievements



Case Roof greening made the cities greener

Roof of 4th phase workshop of Vanke's Architecture Research Center

With the accelerated urbanization, greening space had been dwindling. In the forest of reinforced concrete, various architectures have become increasingly dense, as a result of which it is difficult to increase areas for greening. With the worsening of environment, more and more urban residents called for returning to the nature.



Riding on the trend, Vanke's Architecture Research Center had developed "prefabricated" light roof greening product: roof greening soil-free composite planted turf. This kind of turf is composed of five parts, which are filter cotton root layer, hydration layer, filter cotton root fixing layer, light cultural media and the grass, which is characterized by convenient construction, rapid effect, light load, high-temperature resistance, resistance to barren land and no requirement of later maintenance. With functions such as beautifying, heat insulation, leakage proofing, energy saving and emission reduction, it is suitable for roof greening and vertical wall greening of residences, commercial and municipal facilities and workshops.

Biodiversity Protection

Biodiversity has an important influence on mankind's existence and development. Vanke has always adhered to the philosophy of sustainable development and protected the ecological environment.

Snow Leopard Protection

2016 marked the third year of the research and protection of snow leopards and their habitat launched by the snow leopard protection project of Vanke Foundation in Tibet's Qomolangma Conservancy Area. The project focuses on four objectives: scientific research, public education, community development and personnel training.

Under the great support of Department of Forestry of Tibet Autonomous Region, Qomolangma National Natural Reserve Administration Bureau and Beijing Forestry University, the 2016 "Snow Leopard Protection" project embarked on an 82-day expedition of sampling at the wilderness, in which officers of the project and local volunteers had hiked for around 900 km and visited 173 villages in a scientific research on the living conditions of snow leopards. At present, the project had fully inspected 4 frequent activity areas of snow leopards in the said natural reserve, and developed basic knowledge on density, survival threats and food conditions of snow leopards.

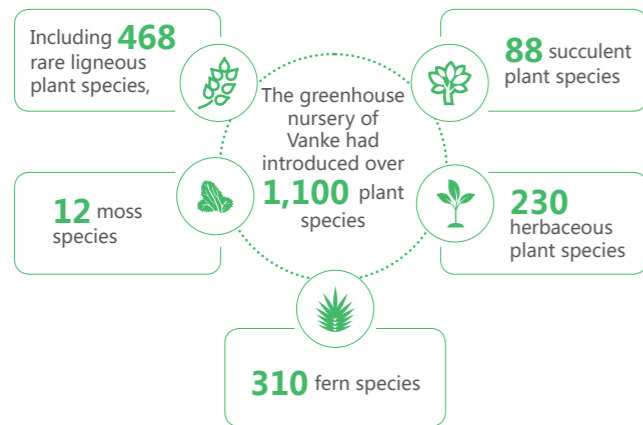


Photos of snow leopards taken by Mr. Geng Dong, a special natural cameraman for Snow Leopard Protection Project in the Qomolangma natural reserve

Plant Diversity Protection

In recent five years, we have continuously carried out researches on plant diversity conservancy, focused on protection of natural vegetation and explored the construction of urban ecological gardens. We tried to accumulate and perfect key horticultural technologies for introduction, reproduction and cultivation of plants, and actively promoted the researches of garden applications of indigenous plants, rare plant species and new superior species, thereby forming a model of plant diversity conservancy going from introduction, reproduction, breeding to application.

In 2016 over 700 new plant species were introduced, which were mainly tropical and sub-tropical plants such as fern, Leguminosae, Lecythidaceae, Melastomataceae, Dipterocarpaceae, Bromeliaceae, Zingiberaceae and Orchidaceae. Starting from the ecological habit and ornamental feature of plants, over 120 plants bred and cultivated successfully were deployed and applied in the landscape projects, including a batch of rare species and ingenious plants such as Cibotium barometz, Selaginella uncinata, Camellia chrysantha, broadleaf holly, Antidesma bunius, Caryota urens and Alpinia oxyphylla.



Cases: Landscape standardization

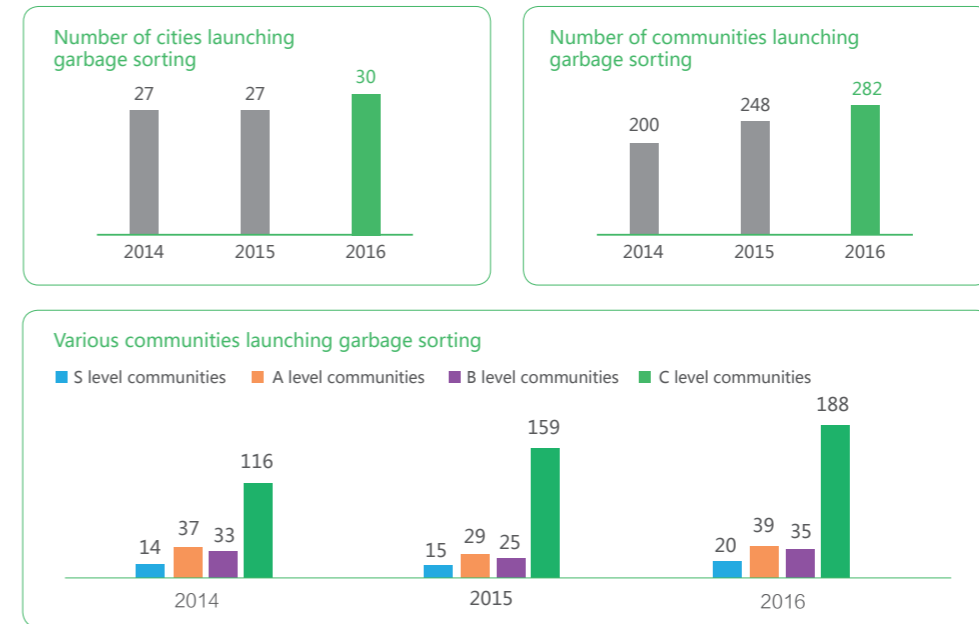
Excellent urban natural environment requires diversified combinations of plant landscapes. Employing an idea of modules, we deployed fixed plant communities to form a plant module base that covers six landscape divisions. We deconstructed community landscape scenes from the angle of functions, set modules that met the functional requirements of scenes and took into account practice and costs in order to completed a module base of standard scheme packages. Through selection and combination of modules, we realized a fast output of community scene schemes and construction drawings and provided a strong support to the improvement of landscape design.



In 2016, we completed the central axis park project of Vanke Xuhui Center in Shanghai. The project's greening construction was based on the concept of special botanical garden, with an aim to convey the philosophy of plant diversity conservancy and stress the plant conservancy function of urban parks. The project completed four special botanical gardens, namely, rock herbal plant garden, aquatic plant garden, grass plant garden and vanilla garden, which cultivated and exhibited around 400 plant species.

Garbage Sorting

Vanke continuously promoted garbage sorting in its communities and office buildings, practiced and advocated the environment protection philosophy of green and low carbon.



In 2016, Vanke paid constant attention to the domestic rubbish disposal of cities. While maintaining the tradition of garbage sorting in each new project and community, we had made researches and practice on how to reduce domestic rubbish. At our architecture research base in Dongguan, we experimented a domestic rubbish carbonization treatment equipment which was co-developed with our partners. The equipment could convert organic matters into steam, non-condensable gases and carbon through dry distillation and pyrolysis, without generating any harmful gases in the process, thus suitable for communities. According to the tests, the equipment could reduce garbage by 75-85%.



Social Practices



Charity

Health Campaign

Care for Employees

Mutually Beneficial Cooperation

Vanke Foundation
expenditure
97.106 mln RMB

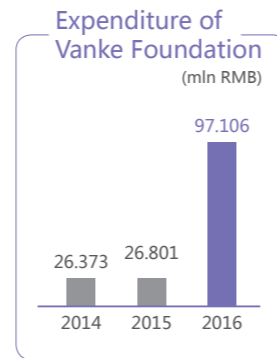
165,000
participated in
Run For Fun

With a workforce of
58,280
employees

Charity

Vanke Foundation

Founded by China Vanke Co., Ltd. in 2008, the Vanke Foundation is a national non-public foundation approved by the Ministry of Civil Affairs. We have built close corporation with over 80 charity organizations in targeted poverty alleviation, education development, childhood disease, the health movement, and environmental protection. We encourage volunteers, Vanke employees, property owners and community groups to participate in charity projects and join hands with more stakeholders to contribute love and warmth to the society.



Fifth China Charity Fair



Vanke Group won "Gold award for enterprises donating for charity of Pengcheng"



In September 2016, Vanke attended the fifth China Charity Fair held in Shenzhen.



On the charity project match-making ceremony of the Charity Fair, to pay back to the care of government and society and respond to the call of the government to offer aid and support to Tibet, Vanke and Shenzhen Municipal Government co-donated to establish a museum of intangible cultural heritages of Tibet in Lhasa, Tibet.

Targeted Poverty Alleviation

Targeted poverty alleviation is an important guarantee for comprehensively building a well-off society and realize "The Chinese Dream". As a responsible corporate citizen, Vanke fully unleashed its advantages in funds, market and management to participate in targeted poverty alleviation from dimensions such as education, industry and employment and played a role of stimulus and driving.



Xinjiang Taheman Primary School

As an enterprise of Shenzhen, Vanke actively followed the call of Shenzhen Municipal Government by devoting its advantageous resources to support the unified deployment of the Tajik Autonomous County. Vanke signed up to aid the construction of Xinjiang Taheman Primary School and launched measures such as promoting qualities of teachers and students.

Founded in 1960, the Primary School was lying at the foot of snow-clad "Muztag Ata". Before the construction aid, due to the old building and scarce teaching resources, sports facilities and safe drinking water, children did not have access to an excellent education.

To improve the above conditions, Vanke organized construction workers to overcome difficulties such as high altitude anoxia, coldness and dryness, lack of materials and long haul transport, who had built a comprehensive teaching building of 2,697 square meters, an indoor playground of 680 square meters, a standard outdoor plastic playground of 1,500 square meters and perfected teaching support facilities such as the gate, enclosure wall, teaching tools and office supplies. After the construction aid, the school had expanded into a six-year complete primary school consisting of three kindergarten classes and Grade One to Six of Primary School.

Functional layout

An activity room and noon break room were offered to low-grade students, and specialized classrooms for science, music and fine arts were offered to high-grade students.

Green and environment friendly

The passive design adopted by the project based on local climatic conditions such as coldness and high altitude, dry air and, huge temperature difference between day and night. It makes use of natural conditions to the largest extent to create a comfortable interior environment.

Ethnic style

The colors and patterns of architectures were from extraction of folk costume elements of Tajik, which highlight the ethnic characteristics of Tajik and displays the atmosphere of a modern school.

Highly quake-proof

33 rubber shock isolators were set at the empty space between the upper structure of architectures and the foundation to prolong the natural vibration period of architectures and reduce the damage of earthquake to upper structure.



On September 10, 2016, the Primary School (which was named Taheman Town Boarding Primary School after the construction aid) was officially delivered and opened.

Zhangbei County in Zhangjiakou City

Located in northwest Hebei Province, Zhangbei County forms a part of Bashang Area on the Inner Mongolian Plateau where the living environment is very harsh due to high altitude and low temperature. Currently, Zhangbei County is home to 110 impoverished villages and 47,089 poverty-stricken people. At the end of 2016, to help Zhangbei promote its economic development, Vanke and Zhangbei People's Government signed a Targeted Poverty Alleviation Cooperation Agreement, promising to donate RMB30 million in the industry development, education and job creation of Zhangbei.

Zhangbei features long sunshine hours as a result of its high altitude. Given this, Vanke donated twelve 300 KW distributed PV power stations (3,600 KW in total) in 12 administrative villages suited for the construction of grid-connected PV power stations. After the completion of these stations, part of the income from selling electricity will go to poverty-stricken families with RMB3,000 per year for each family. The remaining income will be distributed among poverty-stricken villages to build infrastructure, provide public services, and support local industry development.



This is a diagrammatic picture.



Population health promotion forms an important part of Vanke's targeted poverty alleviation program. In 2016, Vanke built a playground for Zhangbei Tianlu Middle School (Zhangbei No. 1 Middle School Branch), an effort to promote the education of Zhangbei. The project comprises the construction of sports facilities and a grandstand according to the latest national environmental protection standards, aiming at creating a safe and well-equipped sports venue for the students. Upon its completion, a 2,465 m² playground with a 458 m² grandstand will be available for the students.

Vanke Property established partnership with Zhangbei Vocational Education Center. According to the talent demand of Vanke, the center offered property management courses to students from poverty-stricken facilities which match the conditions. After graduation, they can directly work at Vanke Property, helping their families get rid of poverty.

School-business cooperation to create jobs

Education plays a key role in poverty alleviation. According to the characteristics of the real estate industry and itself, Vanke developed the targeted poverty alleviation model of "vocational education + job creation". It cooperated with vocational schools in poor areas to open "Vanke Property Classes", offering vocational education to needy students of corresponding school age. Students graduating from such classes can find jobs at Vanke or related enterprises, increasing individual, family and regional income.

At present, Vanke has carried out school-business cooperation projects in a number of places, such as Taijiang County and Danzhai County in Guizhou Province, Huichang County in Jiangxi Province, and Shunping County and Zhangbei County in Hebei Province, creating jobs related to property steward service, property customer service, safety management, and water & power supply system maintenance.

▼ Property steward service



◀ Property customer service

Water & power supply system maintenance ▶



▲ Safety management

Educational Development

Education is an important component of Vanke's charity. All the time, Vanke has care about the education and growth of adolescents in poverty-stricken areas. By measures such as donating to building schools, promoting fruits of education reforms and awarding excellent talents, it helped implementation and popularization of quality oriented education, better promoted a balanced deployment of cultural resources and spread knowledge to more children.

Sichuan Zundao School

In the Wenchuan earthquake in 2008, Zundao School in Mianzhu, Sichuan Province was severely damaged. Immediately after the earthquake, Vanke rebuild the school and designed the buildings based on a 9-year school. Zundao School became one of the earliest rebuilt, completed and delivered schools after the earthquake.

Education reform

Vanke understands that only when a school exhibits educational excellence will its architectures have values. Vanke established an education development committee in Zundao School, which worked with local education experts to promote the education reform of the school. By setting up special fellowship and incentive funds for excellent teachers, it has definitely improved the education quality of the school. Before the earthquake, its educational performance was far behind other schools, while after the reconstruction, it had ranked top among similar schools for the admission rate of key senior high schools for five years in succession.



Sustained attention

Since the Wenchuan earthquake eight years ago, Vanke has always closely watched and supported the development of Sichuan Zundao School and the growth of its students. By 2016, 50 junior high school graduates from Zundao School had been admitted into colleges. In 2016, Vanke recruited 100-plus volunteers from employees to guide the students in analyzing and solving problems, perceiving social changes, establishing values and thinking of their future development to help them grow up better.

During the May 12 earthquake, He Ciping was in the second year of junior high school in Zundao School. After he graduated from with a computer science major from Xizang Minzu University in 2016, he worked as an intern with the Fertile Land Program of the process & information department of Vanke's head office and he now works for Vanke Property Service, Chongqing.



Among the 62 students who took the senior high school entrance exam

9 reached A level

33 reached B level

The proportion of students at A, B levels among all the students taking the exam was 67.74%



Photos provided by the Teach for China program

Supporting Education in Rural Areas

Vanke's "Teach for China" Program

In major developed cities of China, nearly 80% of the students can be enrolled into colleges; however, in the poverty-stricken rural areas, only 5% of excellent students achieve the same goal.

To tackle the serious shortage of excellent teachers, the Vanke Foundation established cooperation with the Beijing Lead the Future Foundation by donating 2 million RMB to support the "Teach for China" program and recruiting excellent volunteer teachers to provide 17 schools of Yunxian County of Lincang City, Yunnan with high-quality classes and help every child enjoy quality education.

Rural teacher education support program jointly launched by Vanke and the Green & Shine Foundation

In 2016, the Vanke Foundation and Green & Shine Foundation launched an education support program for rural teachers with an aim to follow up and support the improvement of the basic education environment and level of rural schools in Zhenfeng County, Guizhou.

The program bought accident and health insurance to 1,298 rural teachers to improve their physical and mental health. Green & Shine libraries were set up for 15 rural primary schools in Zhenfeng County, which donated 50,000 books in total. All the books were put onto the shelves by December 2016. In the spring term of 2017, a teachers' reading and training program and Green & Shine science class program will be launched. The Vanke Foundation will continue to work hard with the Green & Shine Foundation so that teachers and students in rural areas of Zhenfeng County will be stronger with the support of public charity and boost the development of local education.



Children's Health

For years, Vanke has worked with all segments of society to launch special help, rescue and support actions for special children's groups to allow them to grow up healthily and happily.

Ai You Children's Care Center



452 newly admitted sick children

437 children finish their therapy here and go home

Limited by the poor medical conditions in the remote areas and funding shortage of local welfare centers, some local orphans with serious illness don't have access to good medical assistance or professional medical care before and after surgery. The Vanke Foundation joined hands with the Ai You Foundation to establish Ai You Children's Care Centers in Wuhan, Kunming and Nanchang.

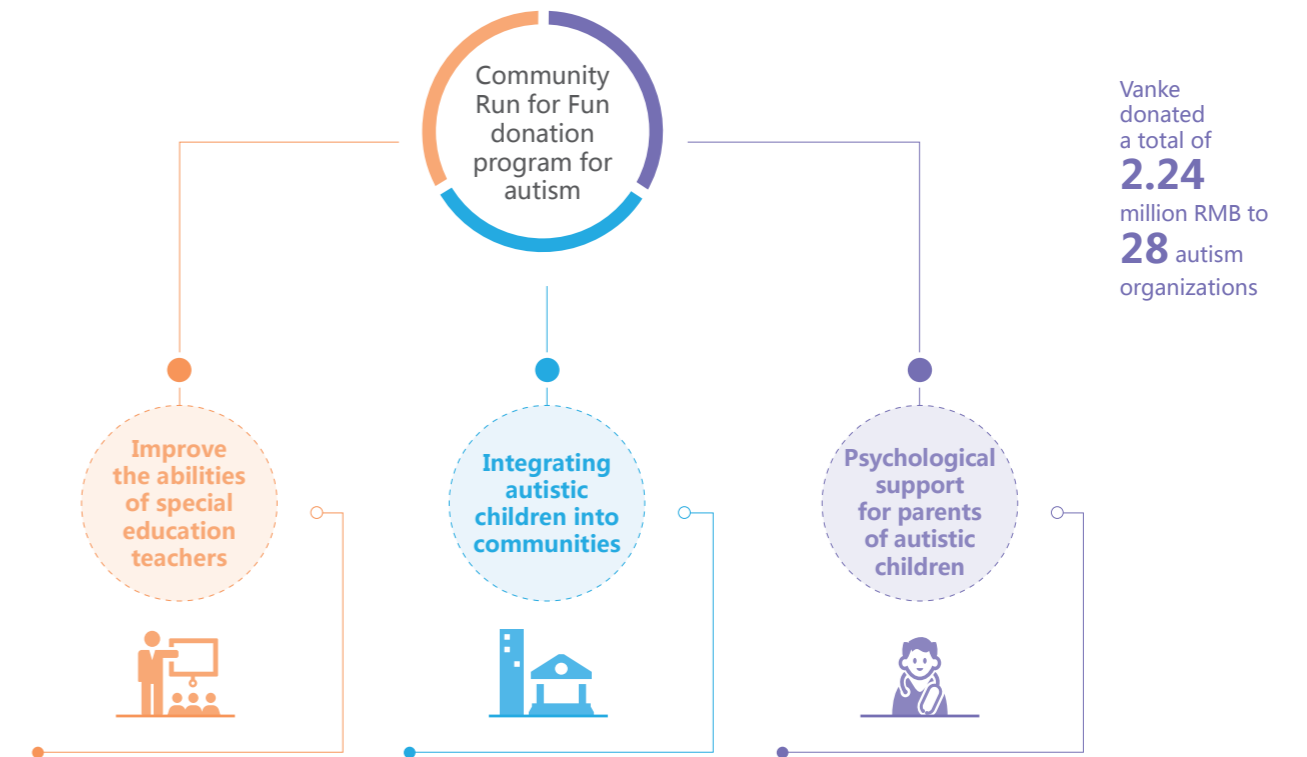
Care for Children with Autism

As a severe worldwide infantile disorder, autism can lead to children lacking social abilities and being unable to take care of themselves. They can only be helped through scientific behavioral intervention and professional rehabilitation training, which requires considerable time and efforts from the family as well as guidance and help from more professional institutions.

Since 2013, the Vanke Foundation has paid attention to and launched activities to care for children with autism and raised money through charity marathons to support the families of children with autism.



In 2016, Vanke held "Community Run for Fun" events in 41 cities nationwide and launched activities with the theme of "Each Step with Love". The entry fees of participants and matching donations by Vanke Foundation (with a ratio of 1:1) were all donated to autism organizations. By the end of 2016, Vanke donated a total of 2.24 million RMB to 28 autism organizations.



Children with Congenital Heart Disease

According to the data released by the National Health Department, about 7-11% of babies born in China each year are born with a congenital heart disease, which is a higher percentage than in economically undeveloped regions. With the progress of modern medical technology, most infants and children with congenital heart disease can be cured through an operation in a large specialized medical center. However, the shockingly high surgical fees prevent many children from poverty-stricken families from receiving treatment.

The Vanke Foundation, together with Ai You Charity Foundation, Beijing Chunmiao Children's Relief Foundation and Hainan Medical Relief Foundation, carried out charitable activities to help poor children with congenital heart disease. In 2016, we assisted a total of 138 sick children with congenital heart disease from Guangdong, Jiangxi, Guangxi, Shanxi, Liaoning, Anhui, Inner Mongolia, Shandong, Hebei, Chongqing, Hainan, Sichuan, Heilongjiang, Hubei and Henan. Since the program was launched in 2010, it has helped a total of 2,832 sick children.

Health Campaign

With the core value of "Create a Healthy and Enriched Life", we have tried our best to build a corporate culture of optimism, healthiness and vitality. By promoting different forms of healthy sports, we have led the health movement in cities and conveyed a healthy and joyful sports philosophy to the society.

Run for Fun

The Urban Run for Fun is a 5-kilometer running activity for urban white collar workers. Featuring the involvement of influential enterprises and themed as a "Run for Health, Happiness and Friendship", Run for Fun is a non-commercial and non-competitive national fitness activity.

With the support of the Public Sports Department of China's General Administration of Sport, the Urban Run for Fun has become one of the key projects supported by China's national fitness strategy.

"Sports are a good method to alleviate the pressure. Take running as an example, running can make you more optimistic and reduce your negative emotions, and enable you to make more friends."

-Yu Liang, president of Vanke Group



Urban Run for Fun

Community Run for Fun

Campus Run for Fun

With a focus on families, the 3-kilometer Community Run for Fun also features participation by the elderly and children. We hold interesting games along the way. Through healthy running, we promote good neighborhoods and strengthen family relations.

The Community Run for Fun joined hands with Vanke's "Each Step with Love" to launch fundraising for autistic families. In addition to the entry fees of all participants, Vanke Foundation also launched matching gift program at a 1:1 ratio for participants. All donations will be used to support charity programs for autistic families.

Launched and hosted by Vanke with universities as the setting, the Campus Run for Fun is a non-commercial and non-competitive fitness activity organized for graduating students. Vanke expects to encourage youngsters who will enter society soon to actively participate in a fitness campaign, develop bright and active sports habits, improve their physical quality and convey positive energy.

98 Run for Fun events held throughout the year

165,000 individual participants

Run for Fun events sweeping **44** cities nationwide

Attracted over **10,000** families

Participated in by over **5,300** enterprises

Campus Run for Fun in **14** famous universities



Urban Run for Fun



Community Run for Fun



Campus Run for Fun

Dapeng Marathon

On January 1, 2017, over 3,000 Marathon lovers from 17 countries greeted the dawn of the New Year on the sea and mountain track in Dapeng, Shenzhen. With the company of sunshine, beaches and other runners, they finished the 42.195-kilometer marathon.

Initiated by Vanke in 2014, the Shenzhen Dapeng New Year Marathon has been successfully held for four years. With the spirit of "Run for Health, Run for Happiness, Run for Friendship", and the theme of "Run to Usher in the New Year", the event aims to focus on the running experience of runners without prizes or pursuing a good placement. As one of the hosting parties, Vanke brought into a play its rich project management experience and nationwide influence to publicize the event, with an aim to influence and stimulate more people to engage in group sports and enjoy the charm of sports.

A popular race most
looked forward to by
runners

3,000 runners from
17 countries



It's more than a
marathon

870,000 runners
donated 12.9 billion
steps for charity

All-round protection

20 medical points were set
throughout the marathon

100 professional doctors recruited
for first-aid care

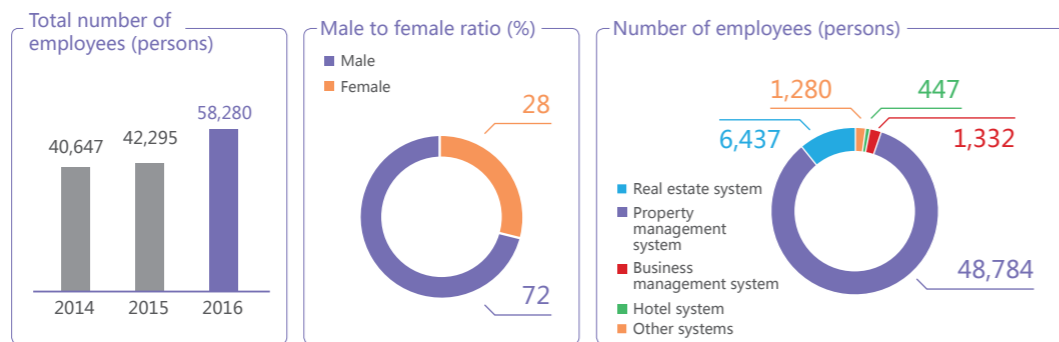
Having insisted on the philosophy of combining charity and sports from its inception, the event not only attracts many participants, but also actively practices charity with actual actions. This time the Vanke Foundation joined hands with Tencent Charity. On the day of the marathon, people using WeChat sport and Mobile Q Health across the world donated their steps. Vanke Foundation donated a corresponding amount by the ratio of 10,000 steps: 1 RMB. The step donation page of the marathon generated 5.98 million views, a total of 870,000 runners participated in step donation, donating a total of 12.9 billion steps. All the donations were offered to the coral conservancy volunteer association of Dapeng New District, which would be used for charity programs such as coral conservancy on Dapeng Peninsula and to promote marine ecology restoration and protection. In 2017, the marathon also actively coordinated the "No Garbage on the Floor" action launched by Shenzhen and charity activities such as coast line protection and cleaning marine garbage to actively build a platform for spiritual and ecological civilization.



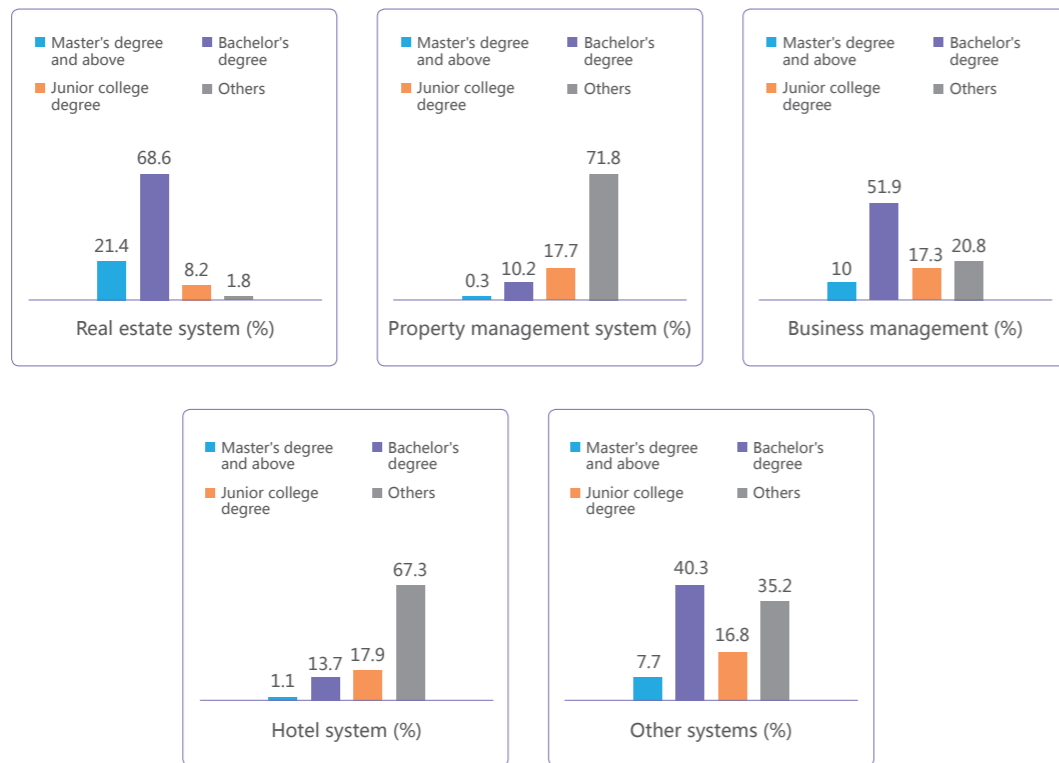
Care for Employees

Vanke's continuous development depends on employees' work and efforts. We continue to provide employees with a healthy and positive working environment and implement a series of policies to protect their health and legal interests as much as possible. We also provide the optimal conditions for employees to show their talent and grow with the company.

Employee Structure



Education degree of employees in all divisions



Employees' Rights and Interests

Vanke attaches a high importance to protection of employees' rights and interests, recruits talented prospects in accordance with applicable laws and regulations, promotes democratic management, keeps perfecting its incentive, payment and welfare system, strengthens occupational health management and effectively guarantees the legal rights and interests of employees.

Fair employment



Vanke strictly abides by laws and regulations of the People's Republic of China such as the *Company Law* and *Labor Law*. The company bans the employment of children and all forms of forced labor in all business. Meanwhile, to fulfill our goal for the fourth 10-year mid and long-term development plan, we recruit and manage talent with an open and inclusive attitude, fully respect employees from different backgrounds and guarantee that there is no discrimination against age, gender, race or skin color to create a working environment of equal opportunities for each employee.

Payment and welfare

Vanke respects the efforts each employee puts into its development. While strictly carrying out the national policy on income distribution, we implement the philosophy of "providing competitive salary in the industry to retain and attract excellent talent following market-oriented principles". We pay our employees based on their positions, abilities, performance and market level. When achieving a performance superior to the average level of the industry, the employees will be able to receive a salary and reward higher than the average level of the industry.



We keep promoting the establishment and perfection of the employee benefit guarantee system. In addition to the basic guarantees required by the state, Vanke also provides its employees with extra benefits and assistance so as to improve their working and living quality.

 Statutory benefits	 Extra benefits
<ul style="list-style-type: none"> • Five statutory types of insurance and a housing allowance (pension, medical care, unemployment, occupational injury, maternity insurance, housing allowance) • Legal holidays, marriage and funeral leave, maternity leave, breastfeeding leave, allowance for high temperatures, only-child allowance, heatstroke prevention subsidy, etc. 	<ul style="list-style-type: none"> • Including extra paid annual leave and various wedding and funeral ceremonies • In addition to the medical insurance required by the state, the company purchases commercial insurance for treatment of serious illness and accidental injury for all employees. The company also provides their families with access to medical insurance. Employees can get insurance voluntarily based on the health of their families.

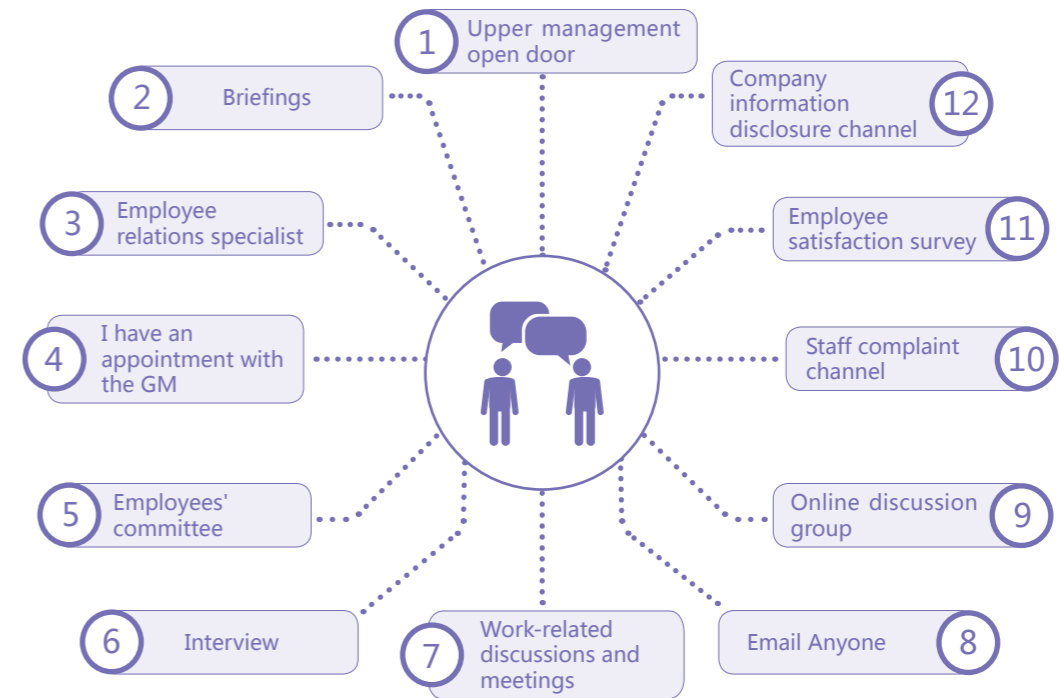
Case Open day for families

On November 27, 2016, Vanke held an "Open day for families". Over 330 families of Vanke's employees walked into Vanke to visit its suspended office building and museum and participate in a fun sports meet for families. Through this activity, the families of employees developed a knowledge of Vanke's history and its core values of "Create a Healthy and Enriched Life". It thus shortened the distance between employees and between employees and their families.



Smooth communication

We offer 12 communication channels for employees to communicate with the management of the company in the most transparent, smooth and effective way. Through these channels, our employees can express their views, make complaints and state their rights and interests. We have also set up an employee committee by democratic election among the staff so that the representatives of the staff can propose valuable advice to ensure employees' rights and interests.



Case Headquarters WeChat Group

In October 2016, Vanke established a headquarters WeChat Group, which was used to expand the communication channel between employees and the company.

In an atmosphere without any bosses, the employees can voice whatever is on their mind freely on topics such as office environment, company benefits and current affairs. Meanwhile, targeting the various inquiries and complaints filed by the employees on WeChat, the company's departments such as the group office, HR department and trade union of the group quickly respond to solve various tough issues encountered by the employees in their work. The establishment of the WeChat Group was another new attempt of Vanke to expand the internal communication channels in the era of new media, and it has become another popular communication channel in addition to the original 12 communication channels.

Occupational safety

Vanke emphasizes occupational safety for its employees and strictly monitors and manages health hazards in all working sites under the guidance of OHSAS18000 safety and hygiene management system requirements. The company designates specific personnel and positions to monitor the safety status of employees, popularizes health knowledge among the employees through different channels, launches safety training and emergency drills on a regular basis and spares no efforts to guarantee the health and safety of employees.

Employees' health

Care for employees' health is closely related with the efficiency and long-term development of the enterprise. Vanke is the first enterprise to link bonuses for management with the health of employees. Each year, we invite a professional third party institution to carry out physical fitness tests for the employees. If the stamina or health status of employees (BMI indicators) has declined or failed to pass the test, certain management bonuses will be deducted.

Types

Body shape, body function, fitness

Test items

Height, weight, BMI values

FVC, Step index

Grip strength, sit and reach, choice reaction time, Vertical jump, standing on one foot with eyes closed, Push-ups (male)/sit-ups (female)

Physical fitness test in 2016

Rate of excellent and good scores in the test **85%**

Test participation **89%**



Employees' Development

The staff is the most important force for the development of the company. With an aim to attract and cultivate an excellent staff, Vanke provides its employees with valuable training courses and bright career prospects while creating the broadest platform for the growth of employees.

Employee training

In 2016, with an aim to cultivate the best business partners, we established Vanke's Alliance of Management Schools comprising eight regional and business unit management schools. Through the form of this "alliance", we concentrated our wisdom, paid attention to business and regional differences and built a diversified eco-system for talent cultivation.

Leadership training

Combined with the group's talent development system, we established an Everest quality course system and a "Wisdom and Action" common leadership course system to cultivate leaders. In 2016, the Everest Action launched training around "business partners" starting from the spirit of business partnership and struggle and joined hands with regions to build a leadership training system.

Specialized training

We established complete quality courses in professional fields and a "Wisdom and Action" common professionalism training system to continuously supply professional talent. To cultivate core business aspects, we designed and introduced our "Hundred Generals Plan" to cultivate leading figures for our business in the future.

Corporate culture training

We established a complete business partnership course system and carried out new power/new employees training programs. In 2016, we updated the new employee training and formed two training brands NE and NP. Throughout the year, we completed 8 sessions of NE16 training for 1,035 new employees and finished 3 sessions of NP17 intensified training for 209 new power employees.

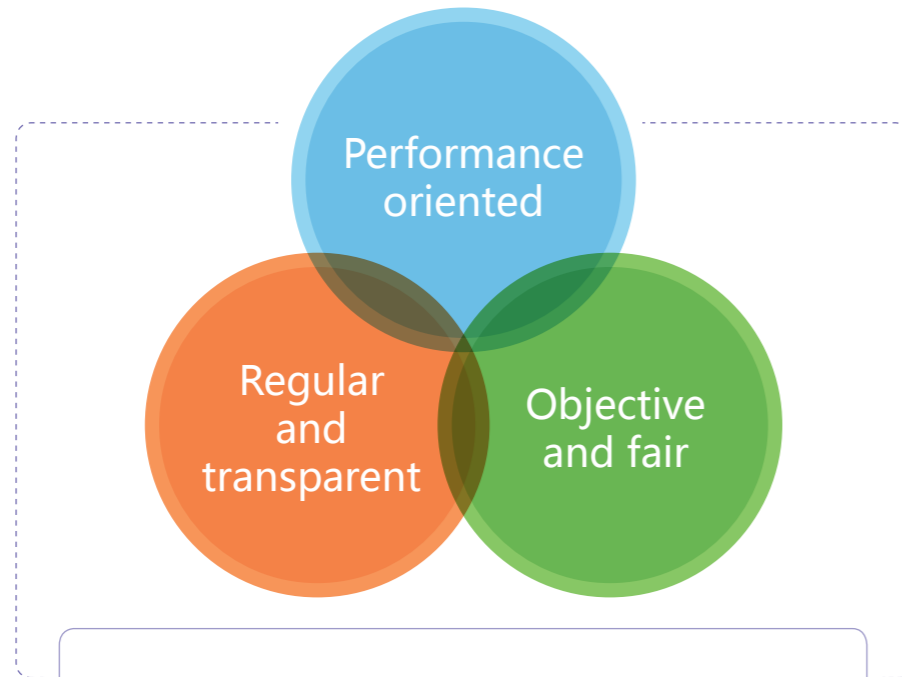


Online learning platform

On the basis of the existing "Mobile App" and "WeChat Service Account", we fully promoted the electronic daily management of training, with which our employees across the country can select courses online and enjoy convenient learning modes such as sharing of the same lecture at different places and live online broadcasts. In October 2016, we launched the construction of a new generation of online learning platforms and provided our employees comprehensive learning channels covering PC and mobile phone terminals.

Fair growth & development

Based on the principles of respecting efforts and individuality, we promote our employees based on their performance and full consideration of their intentions and thus create an open and fair growth environment for our employees.



- A regular performance management system is the basis for decision making in areas such as talent selection and promotion, position adjustment and team deployment.
- Based on the nature of positions, employees participate in quarterly or annual assessments and enjoy a full right to know and a complaint mechanism during the assessments.
- The salary and nomination committee of the Board of Directors is responsible for supervising the evaluation and stimulus of senior management of the company. Through annual work briefing, the company assesses senior management's performance, fulfillment of position values and performance.



In 2016, Vanke was ranked 6th among the top 10 best employers of China.

--Zhilian Zhaopin



"Vanke offers a sufficient space to every employee and helps every employee perfect him or herself and enrich his or her life based on his or her characteristics. The people and environment around me help me to work happily."

--Ms. Guo, Business Manager of Vanke Capital Center



Staff Assistance

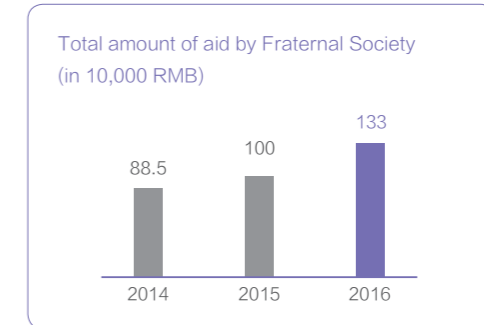
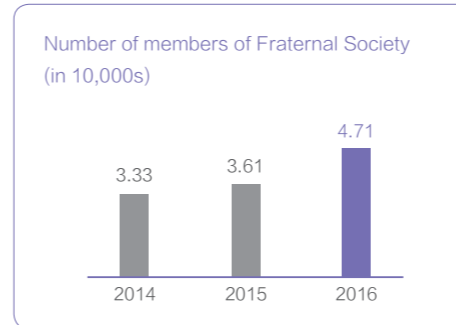
While creating a good working environment for employees, we emphasize humanistic care for our employees, pay attention to their demands and implement special aid programs to help needy employees.

Fraternal Society

Vanke's Fraternal Society was initiated and managed by the Employees' Committee of Vanke. Its aim is to "keep an eye out for each other; all for one, one for all; and enhance Vanke employees' capability in addressing emergencies through team work".

Since 1988 when the Fraternal Society was established, we have helped 138 members who suffered from major catastrophic events, with a total amount of 7.60 million RMB.

In 2016, 21 people were aided with 1.33 million RMB. By the end of 2016, 47,092 members had joined the Fraternal Society, accounting for 80.8% of all employees.



Employee Care Program

As a beneficial supplement to the "Fraternal Society", we launched the "Employee Care Program" at the end of 2008 to better help employees that suffered sudden changes in their family and lives. By providing needy employees with financial aid or interest-free loans, we reduced their economic difficulties and alleviated their psychological stress. In 2016, the Employee Care Program aided five employees with interest-free loans of 200,000 RMB. As of the end of 2016, we had aided 88 people with a total amount of 1.9987 million RMB.

Mutually Beneficial Cooperation

One will go fast if travelling alone, but go far when travelling with others. Vanke is committed to building an open and mutually beneficial cooperation platform to connect enterprises inside and outside the industry and joining hands with them to create and share values.

Supplier management

As a benchmark real estate enterprise, Vanke has continuously explored a supplier management mechanism. From 2013, Vanke took the initiative to promote a supplier evaluation and rating system in the industry. Based on industry standards, it established a strict, transparent and regular reviewing procedure for suppliers and issued a list of qualified suppliers to the society, thereby stimulating the suppliers to promote their product quality management and driving "the whole real estate industry to do its best".

Rating of suppliers

In 2016, Vanke updated its supplier evaluation method once again by combining several evaluation dimensions to establish an all-dimension evaluation system that can be measured, assessed and traced. On the basis of this, five major categories of suppliers were accessed by Vanke, namely, general contracting, decoration contracting, landscape and greening, doors, windows and curtain walls, and materials & equipment. 965 suppliers were qualified, 117 of whom were rated as Class A.

Evaluation of suppliers

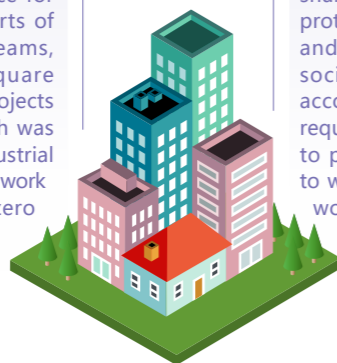
- Third party evaluation of quality and performance
- Materials qualification rate in Sky-Net Action
- Cooperation feedback from branches
- Customer repair rate

Red & yellow cards

In order to regulate supplier management and put an end to breach of contract by supplier partners, we began to implement the red & yellow card and blacklist system in 2012. Based on the system, we punish suppliers to different degrees with a yellow card, red card or blacklist in accordance with their quality problems or breach of contract and implement real-time sharing of the breach throughout the group. In 2016, three suppliers received a yellow card and one supplier received a red card.

Standardized safety management

Vanke has established and continuously perfected its management procedures and standards for safe and civilized construction while treating each link in the construction process with an attitude of respect and reverence for life. In 2016, through joint efforts of Vanke and the construction teams, the mortality rate per 100 square meters of under-construction projects of Vanke declined to 0.28, which was significantly lower than the industrial average of 1.5. We will continue to work towards the safety target of "zero deaths and zero fire accidents".



Contractor safety management

Vanke strictly abides by national laws and regulations and requires general contractors to implement a wage security system for contract workers. We stipulate that no construction unit or partner shall employ children under 16, so as to protect the rights and interests of minors and women workers, and shall provide social insurance to their employees in accordance with the law. Meanwhile, we required general construction contractors to provide training on safety and health to workers, and accident insurance for the workers in high-risk positions, so as to ensure all rights and interests, and the health and safety of the dedicated frontline workers on the sites.

Labor rights protection

Enterprise cooperation

With the constant update and enriching of urban supportive service providers, Vanke joined hands with excellent brands in different fields as a brand IP to unleash the vitality and create more and more wonderful and fresh living experiences for our customers.

Joining hands with Shenzhen Subway to promote the "transit + property" model nationwide

On June 12, 2016, the "2016 High-end Forum on Transit Traffic and Urban Development" was co-hosted by the Vanke Group and Shenzhen Subway Group in Shenzhen. At the forum, Vanke signed four memoranda with Shenzhen Subway, Chongqing Urban Traffic Development & Investment Group, Dongguan Industry Investment Holdings Group and China Transit Group, which further concentrated the consensus on deepening the strategic cooperation between Vanke and Shenzhen Subway on the fourth phase of the subway transit network, exploring a PPP new model for urban transit construction and promoting the model of "transit + property" nationwide.



Joining hands with BYD to solve urban problems with a new model

On December 13, 2016, Vanke and BYD signed a strategic cooperation agreement. Both parties planned to establish a diversified cooperation model based on the philosophy of openness and sharing and through sharing of resources. Vanke will cooperate in depth with BYD in the development of urban transit traffic, opening of industrial parks and development of overseas business. They will jointly solve the urban traffic congestion and environmental pollution problems and promote the healthy and sustainable development of urbanization in China.



ESG Index

Environmental

Aspect	Indicator No.	Indicator Description	Pages/Remarks
A1: Emissions	General Disclosure	Information on the policies and 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 nonhazardous waste.	P35-36/P39-40/P46
	A1.1	The types of emissions and respective emissions data.	/
	A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	/
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	/
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	/
	A1.5	Description of measures to mitigate emissions and results achieved.	P37/P39-40/P46
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	P37/P39-40/P46
A2: Resource Utilization	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	P37/P39-40
	A2.1	Direct and/or indirect total energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (per unit of production volume, per facility).	/
	A2.2	Water consumption in total and intensity (per unit of production volume, per facility).	/
	A2.3	Description of energy use efficiency initiatives and results achieved.	P39-40
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	P39-40
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	/
A3: Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	P35-46
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P37-38/P41-46

Social

Aspect	Indicator No.	Indicator Description	Pages/Remarks
B1: Employment	General Disclosure	Information on the policies and 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.	P62-63
	B1.1	Total number of workforce by gender, employment type, age group and geographical region.	P61
	B1.2	Employee turnover rate by gender, age group and geographical region.	/
B2: Health and Safety	General Disclosure	Information on the policies and 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.	P64-65
	B2.1	Number and rate of work-related fatalities.	P69
	B2.2	Lost days due to work injury.	/
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	P66-67
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P66
	B3.2	The average training hours completed per employee by gender and employee category.	/
B4: Labour Code	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	P64/P69
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	P64/P69
	B4.2	Description of steps taken to eliminate such practices when discovered.	P69
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	P69
	B5.1	Number of suppliers by geographical region.	/
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	P69
B6: Product Liability	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	P16-17
	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.	/
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	P5
	B6.4	Description of quality assurance process and recall procedures.	P13-14
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	/
B7: Anti-corruption	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	P5
	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.	/
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	P5
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities to take into consideration the communities' interests.	P20-P22/P49-60
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P49-60
	B8.2	Resources allocated (e.g. money or time) to the focus areas.	P49-60

Feedback

For reporting behavior of Vanke employees or units in violation of the code of professional ethics, please contact our audit and supervision department:

5198@vanke.com

For sales, product and service quality, please contact our customer relations department:

tousu@vanke.com

For relations with investors, please contact the office of Vanke's Board of Directors:

ir@vanke.com

For corporate citizen strategy, please contact our corporate citizen office:

csr@vanke.com

For details on the Vanke Foundation, please log onto:

www.vankefoundation.org

For suggestions on the corporate report, please contact:

csr@vanke.com

For more corporate social responsibility report, please log onto:

<http://www.vanke.com/citizenship.aspx>



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