

vanke



2018

Corporate Social Responsibility Report

About this Report

Introduction

The 2018 Corporate Social Responsibility Report of China Vanke Co., Ltd. is the 12th CSR report issued by the Vanke Group since 2007. It provides detailed disclosure of Vanke's practice and performance in areas such as operation, environment and society in 2018 based on the principles of objectivity, normativity, transparency and comprehensiveness.

Reporting period

From January 1 to December 31, 2018. To make the report more comparable and complete, some parts of it may trace back to previous years.

Release cycle

This is an annual report. The most recent CSR report was released in March 2018.

Reporting scope

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

Preparation basis

- The Ten Principles of the UN Global Compact
- *ISO 26000:2010 - Guidance on social responsibility* issued by the International Standardization Organization
- *GRI Sustainability Reporting Standards (GRI Standards)* issued by the Global Reporting Initiative
- The Chinese social responsibility standard *GB/T 36001-2015 Guidance on Social Responsibility Reporting*
- *Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises* (CASS-CSR4.0) issued by the Chinese Academy of Social Science
- *Guidelines of the Shenzhen Stock Exchange for the Standard Operation of Listed Companies*
- *Environmental, Social and Governance Reporting Guide(HK-ESG)* issued by Hong Kong Exchanges and Clearing Limited
- *Corporate Social Responsibility Guidelines of Real Estate Enterprises in Guangdong Province* issued by the Guangdong Real Estate Association

Date sources and reliability guarantee

Sources of data 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. The report was reviewed by the board of directors. Vanke guarantees that the report is free of any false information, misleading information or major omissions.

References

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

Report access

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 (86)(0755) 2560 6666.

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Message

Improving the Better life of People is Our Duty

To Vanke, 2018 was an extraordinary year. Facing the ever-changing and unstable external environment and the sluggish market, all Vanke staff united as one and fought ahead hand in hand to write a splendid new chapter of development—we delivered breakthroughs in key performance indicators, and made it to the Fortune Global 500 for the third consecutive year, ranking 332nd. We are deeply indebted to the government, customers, investors and partners for supporting us all the way, and to all our employees for their hard work and commitment!

In 2018, we continued to dig deeper into our positioning as an "urban and rural developer and life services provider", fully honoring our responsibility and mission of meeting people's demand for a better life. The future is bright, and the goal is clear. In the new era, no matter how the outside world changes, we will unswervingly strive to meet people's ever-growing demand for a better life and fulfill our social responsibilities.

We continued to deliver good products and services to meet people's demand for a better life. In terms of products, we proceeded from the true demand of customers, continuously trying to identify, understand and meet customers' ever-changing demand, and developed benchmark products that could be widely applied. First, we targeted a niche market, continued to "build quality houses for common people, and build houses that are truly applicable", and kept most of our residential apartments of a medium or small size. Second, we enforced strict quality control. While making full use of our "two tools and one form", we comprehensively promoted the use of the engineering management app, and carried out the "Sky-Net Action" across the board to improve engineering quality. Third, we highly valued the creation of a healthy environment. Through the research and development of the Green Research and Development Center, we continuously led the industry in the innovation and upgrading of green technologies, strictly conducted ecological management throughout the whole life cycle of buildings from design to operation, practically saved energy and reduced consumption, and thus created a comfortable and healthy environment. In terms of services, we put customers first and at the center of our services and strive to "deliver more comprehensive, better services for more customers". Concerning residential building development, we continued to upgrade the "6+2" CRM approach, enrich the content of customer services, and widely applied the Mobile Home Inspection app and other new technologies to deliver a more efficient, better customer experience. Thanks to these efforts, our overall customer satisfaction was improved for the third consecutive year. Concerning property management services, we upheld the values of "reassurance, engagement, trust and co-existence", continued to improve the customer service, created a safe and comfortable living environment, organized multi-level and high-quality community exchange activities, and built a community featuring man-nature harmony, mutual help and trust.

Apart from residential buildings and property management services, in 2018, we also tried to "deliver good products and services" in other business lines. Through Port Apartment, we offered a variety of rental products to meet the needs of different customers, trying to tackle problems such as difficulty in renting houses, the poor quality and low cost-effectiveness of rental products. We enriched our commercial product lines to provide customers with high-quality experience, listened to customers' voices through the "Listen to Customers" project, "Chief Experience Officer" and other activities, and made commercial complexes social platforms and living centers for local residents. We set up a logistics and cold chain system that covers all first-tier cities and core inland port cities in China, and continued to promote "intelligent" warehousing services to improve operational efficiency and customer services. We continued to explore the development of ski resorts to meet the emerging needs of people for a healthier and better life, and improve customers' well-being in a safe environment. Based on our deep industrial services and extensive business services, we offered comfortable office services and differentiated office experience to truly meet the needs of customers. Vanke's "good services" have been extended to all scenarios of living and working, and proved to be a good boost of people's quality life.

To bring a better and happier life and to share its development fruits with more people, in 2018, Vanke continued to respond to the call of the CPC Central Committee and the State Council for targeted poverty alleviation and rural rejuvenation, introduced innovative poverty relief patterns, and gave back to society with its expertise. In terms of targeted poverty alleviation, Vanke helped over 230,000 poor people in Tashkurgan Tajik Autonomous County in Xinjiang, Baise in Guangxi, and Nujiang in Yunnan. Vanke assisted the construction of Tibet Intangible Cultural Heritage Museum, a building of Vanke design and Tibetan colors and art on the roof of the world. We also supported the development of Shouning Eastern District Middle School in Fujian, Taheman School in Xinjiang, Zundao School in Sichuan, and many other schools in poverty-stricken villages in Guizhou and Gansu in the form of aided construction or donation. We contributed to the "Beautiful China" education support program and rural teacher support program to sow seeds of advanced education on the barren land. In terms of rural rejuvenation, we supported the rejuvenation of Xinghua in Jiangsu, Heyuan and Shanwei in Guangdong by using our expertise in design, planning and construction. We thus improved the look and infrastructure of local villages, created a more civilized and healthier environment, attracted migrant workers to come back to start their business, and helped locals increase income.

2018 is the first year for Vanke to implement the strategy of becoming an "urban and rural developer and life services provider", and to "stay converged and keep focused to consolidate and improve the fundamentals". Through convergence and concentration, we aim to build up our strategic edge; through consolidating and improving the fundamentals, we want to deliver more good products and services to meet the multi-level and differentiated demands of customers, and thus win the trust and support of customers in the era of word-of-mouth marketing.

Our vision is to take up improving the living quality of people as our duty, lead the industry with high-quality development, and become an outstanding enterprise in the great new era. Looking back on Vanke's 34-year glorious history, there have been hard times, but we always stay true to our original aspirations and dreams and bravely fight forward. In the new era, we will continue to work hard hand in hand and fight for more glories!

We will keep running because we are all dream chasers!

About Vanke

Our Performance in 2018

<div>Sales Amount</div> <div>RMB 606.95 billion</div> <div>14.5%</div>	<div>Sales Area</div> <div>40.377 million m²</div> <div>12.3%</div>	<div>Fortune Global 500 Ranking</div> <div>332th</div> <div>25</div>
<div>Operating Revenue</div> <div>RMB 297.68 billion</div> <div>22.6%</div>	<div>Daily Taxes Paid on Average</div> <div>RMB 209 million</div> <div>34%</div>	<div>Contract Residential Project</div> <div>1,971 Communities</div> <div>683</div>
<div>Customer Satisfaction</div> <div>89 Points</div> <div>2 points</div>	<div>Green Floor Area</div> <div>35.016 million m²</div> <div>19.9%</div>	<div>Ratio of Residential Industrialization to Total Construction Commencement</div> <div>77%</div> <div>8.4%</div>
<div>Number of Qualified Suppliers</div> <div>1,075</div> <div>14%</div>	<div>Number of Total Employees</div> <div>104,300</div> <div>34.2%</div>	<div>External Donation Amount</div> <div>RMB 312 million</div> <div>201.4%</div>

Company Overview

Company profile

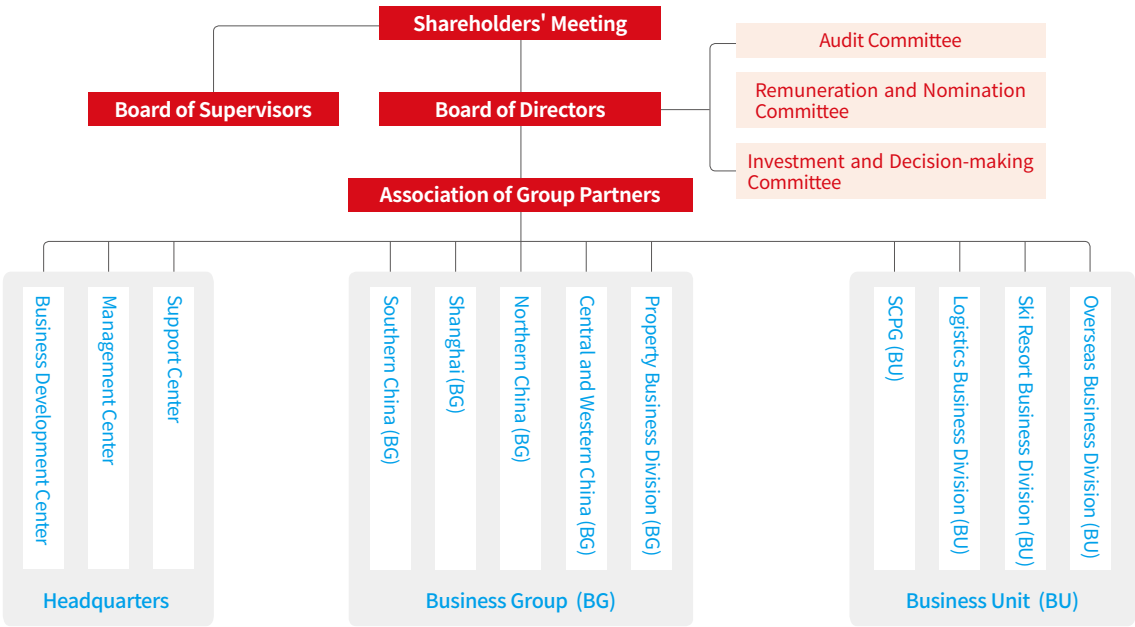
Founded in 1984, Vanke entered the real estate market in 1988. Now it has grown into a leading domestic urban and rural developer and life services provider over the past three decades. The Company focuses its business operations on China's three most economically vibrant areas and key cities in central and western China. In 2016, Vanke was listed into the Fortune Global 500 companies for the first time and ranked 356th; in 2017 and 2018, Vanke ranked 307th and 332th respectively in the list.

Vanke has always insisted on providing good products and services to common people and made its best contribution to satisfying the people's ever-growing needs for a better life in all aspects. The Company's core business includes residential development, property management services, and rental housing. In the field of housing, the Company has always adhered to the residential attributes of housing, and continued to "build quality houses for common people, and build houses that are truly applicable". In 2018, Vanke positioned itself as an "urban and rural developer and life services provider", and the corresponding ecosystem has basically taken shape. On the basis of consolidating the inherent advantages of residential development and property services, our business has extended to commercial development and operation, logistics warehousing services, rental housing, industrial towns, ski resorts and other fields. At the same time, we actively participate in the mixed-ownership reform, which has laid a good foundation for better serving the people's needs for a better life and achieving sustainable development.

The core values of Vanke

Together, Never Stop

Organizational structure



Business layout

Over the past 34 years, Vanke's business in the Mainland China has covered four major regions: the Southern China, Shanghai, the Northern China and the Central and Western China (Core development business focuses on China's three most economically vibrant areas—the Yangtze River Delta, Pearl River Delta and Beijing-Tianjin-Hebei Region as well as key cities in Central and Western China), and has entered the Hong Kong and overseas markets.

Corporate Governance

Overview of corporate governance

Complying with the *Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, Code of Corporate Governance for Listed Companies in China, Guiding Opinion on the Establishment of an Independent Director System in Listed Companies, Guidelines of the Shenzhen Stock Exchange for the Standard Operation of Listed Companies, Appendix XIV Corporate Governance Code and Corporate Governance Report of Stock Exchange of Hong Kong Listing Rules* and other laws, regulations and rules, Vanke has established a standardized corporate governance structure and scientific rules of procedure, formulated rules and systems that meet the requirements of the Company's development, clarified the responsibilities and powers of decision-making, execution and supervision, and formed a scientific and effective mechanism of division of responsibilities and checks and balances. The Shareholders' Meeting 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; The Board of Directors is accountable to the Shareholders' Meeting, exercising the right of decision-making regarding business operations; The Board of Supervisors is accountable to the Shareholders' Meeting, strengthening the supervision of their operations. Authorized by the board of directors, the management is responsible for organizing and implementing the resolutions adopted by the Shareholders' Meeting and the Board of Directors, and presiding over the daily operation and management of the Company. Detailed information on corporate governance structure, corporate governance mechanism, Vanke's ownership structure, controlling shareholders and actual controllers can be found in the 2018 Annual Report of Vanke.

To enhance operating efficiency, the Board of Directors established three committees on audit, remuneration & nomination, and investment & decision-making. There are 11 directors in the Board with 4 independent non-executive directors (including one female director). The independent non-executive directors serve as the conveners of committees, and hold a majority in the audit committee and the remuneration & nomination committee. Technical proposals shall be approved by the committees before being submitted to the Board of Directors for review, which enables the independent non-executive directors to play a better role in decision-making. Detailed information on the composition and performance of the Board of Directors, the responsibilities of the Board and the management, the composition and division of labor of the specialized committees, and the performance of independent directors can be found in the 2018 Annual Report of Vanke.

The Board of Supervisors adheres to the Company's culture and values in accordance with the relevant provisions of the *Company Law* and the *Articles of Association*. In addition to checking and supervising the Company's financial affairs and Executives' performance, it also organizes inspection tours to tighten oversight over subsidiaries' business performance, and safeguard the interests of the Company, shareholders and employees. In 2018, The Company had three supervisors (including one female supervisor). Detailed information on the composition and performance of supervisors and inspection can be found in the 2018 Annual Report of Vanke.

Shareholder communication and participation

Following the *Measures for Information Disclosure Management of Vanke*, Vanke 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 2018, Vanke continuously strengthened the management of information disclosure, and published 591 announcements in and beyond Mainland China to protect investors' right to know. Apart from timely and efficient information disclosure, we also kept our communication and interaction with investors through various channels. In 2018, we conducted and received over 500 visits and calls from investors, attended 40 investor meetings organized by domestic and foreign organizations, organized 12 monthly sales and business meetings, organized 4 performance presentations in and out of China, launched 2 online roadshows targeting medium and small investors, and provided more than 130 answers to medium and small investors through Shenzhen Stock Exchange's interactive online platform. In order to further expand the investor communication channels, the Company launched the "Vanke Investor Relations" WeChat public account at the beginning of 2018 to facilitate investors to access information such as temporary announcements, periodic reports and monthly sales at any time. The page views of WeChat push in 2018 reached 190,000 times. In addition, we also continued to communicate with investors through telephone, email, and online interactive platform, trying to maintain long-lasting trust relationships with our investors. Detailed information on Shareholders' Meeting and investors' engagement in corporate governance can be found in the 2018 Annual Report of Vanke.

Case

Vanke Investor Education Base helps deepen the development and ensure healthy operation of the capital market

Protecting small and medium-sized investors is the cornerstone of the long-term and prudential development of China's multi-level capital market. To meet the requirement of investor protection raised by the China Securities Regulatory Commission (CSRC), Vanke took the initiative to establish an investor education base in 2015 that integrates the functions of knowledge popularization, risk warning, consulting service, and achievement exhibition, and uses modern and interactive equipment to present the development results of the capital market, give lectures, and popularize knowledge about securities and futures. It was licensed as a "National Investor Education Base" by CSRC in 2016. In 2018, Vanke Investor Education Base received 738 delegations and 8,730 visitors, and launched the official website to broaden the publicity channels of investor education. The Base also actively participated in special activities on investor education carried out by CSRC and CSRC Shenzhen. In the investor education and publicity activity themed on "Knowing about Risks, Making Proper Investment Choices, Securing Benefits for Elder Life" in September 2018, the manual *ABC about Listed Companies for Elderly Investors*, designed and compiled by Vanke Investor Education Base, was recognized and distributed by CSRC Shenzhen for its novel design, plain language, and relevant content, effectively popularizing investment knowledge.



▲ Stadium of Vanke Investor Education Base



In 2018, Vanke Investor Education Base received **8,730** visitors

from **738** delegations, including **7,265** investors from **710**

delegations and **1,465** common people from **28** delegations.

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, in an effort to ensure legal and compliant operations, asset safety, and the authenticity and completeness of financial reports and relevant information. We adhere to the risk-oriented principle and further strengthen the three-tiered self-assessment system covering headquarters, business groups/business units and front-line subsidiaries, and continuously organize the headquarters functions and front-line subsidiaries to systematically self-evaluate their design and implementation of internal control. In line with the requirements of the *Code of Corporate Governance* issued by Hong Kong Stock Exchange, we have set up a risk management committee, established a three-tiered risk management framework covering headquarters, business groups/business units and first-line subsidiaries, and issued a risk management manual. We conduct risk investigation and risk visits to headquarters, business groups/business units and first-line subsidiaries, with an aim to identify and evaluate the main risks from the external environment and within the Company, continuously monitor the soundness, rationality and effectiveness of the risk management system, and improve the ability of risk control and prevention. Detailed information on internal control and risk management can be found in the *2018 Annual Report of Vanke*.

Anti-corruption and anti-fraud

We continue to improve the anti-fraud system in three aspects. First, we strengthen anti-corruption education and case study through integrity publicity, red line education and integrity certification to ensure that every employee receives red line education at least once a year to prevent any intention to defraud; second, we strengthen internal control and fix management loopholes to prevent the same problem from repeating, leaving no room for employees to cheat; third, we combine internal and external resources to work together against fraud, strengthen investigation and punishment, verify every complaint filed in real name, and crack down on every violation of rules and laws to thwart any attempt to cheat.

Vanke holds the "zero tolerance" attitude towards fraud. We establish the Vanke Fraud Reporting Website (<http://5198.vanke.com/>) to promote the Company's anti-fraud policy, including reporting confidentiality, real-name priority, and rewarding policies, and also accept complaints and reports against employees or units engaging in malpractice, fraud and other violations of professional ethics. According to the three types of sunshine policy, the information of the whistleblowers is strictly confidential, and we give preference to real-name complaints, handle them first, and inform the whistleblowers of the investigation progress and results. At the same time, regardless of the internal staff or external personnel, once verified, we reward them based on the nature and influence of the incident, and their contribution, and also keep them confidential.

In addition, Vanke has set up the audit and supervision function with full-time staff, to perform internal anti-fraud functions, conduct special investigations, and play a supervisory role; through conducting regular application of employees' potential conflict of interest, integrity certification, integrity investigation, signing integrity commitment, etc., as well as signing the *Sunshine Cooperation Agreement* with partners and other means, we continue to improve the establishment of Vanke's integrity system, create a healthy and clean business environment, and promote the healthy business development. We have joined forces with several well-known enterprises to launch the China Enterprise Anti-Fraud Alliance which had attracted over 300 enterprises by the end of 2018 and has become an important driving force in purging China's business environment.

Intellectual property protection

We continue to protect and build up our brand. From the group level, we unify strict and standardized management of patents, copyrights, trademarks and other intellectual property rights and employ various means such as dynamic monitoring, investigation and evidence collection, complaints and suggestions, and legal proceedings to protect our brand image and reputation. In 2018, Vanke took the initiative to launch nearly 100 rights protection campaigns against infringement of Vanke's brand in China in accordance with the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and other laws and regulations. In order to protect the rights and interests of Vanke brand abroad, we have promoted the overseas registration of trademarks such as "Vanke", "万科 (Vanke in simplified Chinese)", "萬科 (Vanke in traditional Chinese)" and the "Window Paper-Cut Logo". Vanke's trademarks have been registered and protected in nearly 100 countries under the Madrid Agreement Concerning the International Registration of Marks and through registration in individual countries. While safeguarding its own intellectual property rights, Vanke also fully respects the intellectual property rights of others. In addition, Vanke encourages and protects fair competition, prevents unfair competition and tries its best to protect the legitimate rights and interests of others from being infringed upon in accordance with the *Anti-Unfair Competition Law of the People's Republic of China* and other relevant requirements.

Responsible marketing

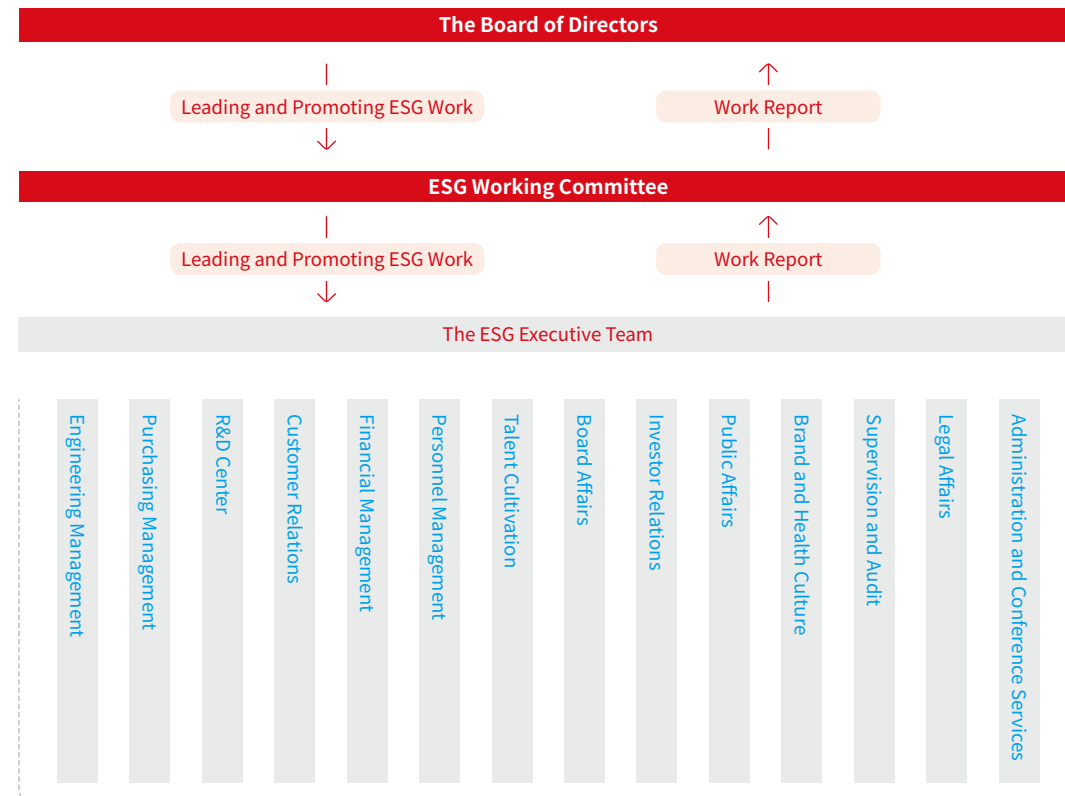
In compliance with *Measures for the Administration of Advance Sale of Urban Commodity Houses*, *Regulatory Measures on the Sale of Real Estate*, *Advertising Law of the People's Republic of China* and *Provisions on the Release of Real Estate Advertisements*, Vanke tries its best to provide customers with complete and genuine information to protect their right to know in the process of sale and marketing.

CSR Management

Governance for sustainable development

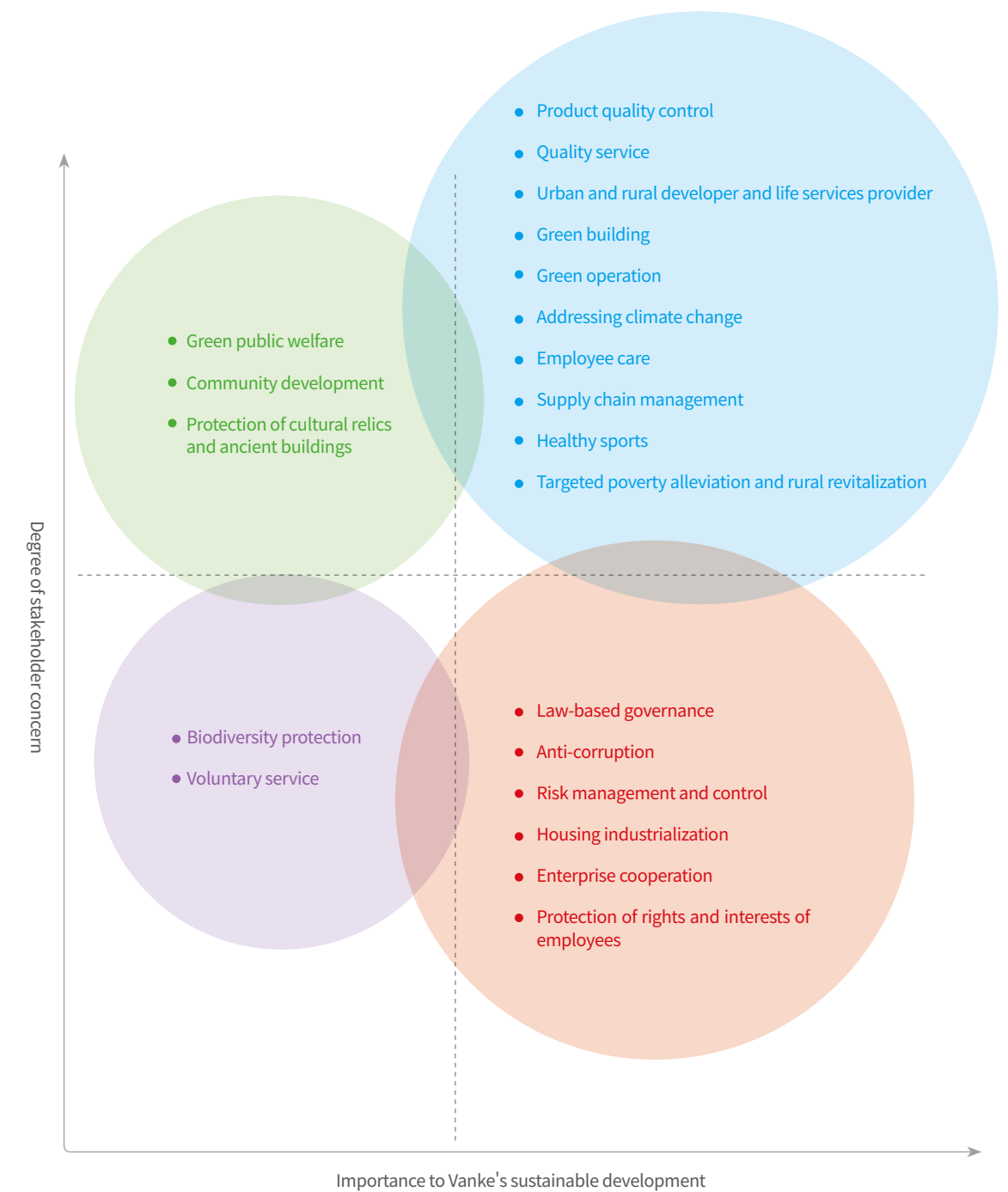
In 2019, Vanke's Board of Directors deliberated and clarified the environmental, social and governance (ESG) management system, and established the ESG working organization, further improving the Company's ESG management level.

- The Board of Directors is the highest decision-making body of ESG management. It decides the ESG management framework and management strategy of the Company, ensures that Vanke establishes appropriate and effective ESG risk management and internal monitoring system, and is responsible for reviewing and approving the ESG annual report of the Company.
- The ESG Working Committee is composed of senior executives of the Group and relevant leaders of functions. Its work includes: deciding the management objectives, policies and implementation approaches of ESG; identifying the ESG risks and opportunities as assessed; determining the relevant ESG management system and workflow; deciding on the ESG work plan and evaluating the completion of the work; conducting preliminary examination of the ESG report and submitting it to the Board of Directors for review.
- The ESG Execution Team is composed of contact personnel of related functions/departments of Vanke ESG management. It is mainly responsible for assessing and identifying ESG-related risks and opportunities, assessing the gap between ESG work and standard requirements, and excellent practices of advanced peers, making improvement plan and promoting the implementation, implementing annual work content and preparing annual ESG report according to ESG management objectives.



Identification of material topics

We identify the main material topics in order to better understand the expectations and needs of stakeholders and improve the pertinence and responsiveness of this report. Through analysis of Vanke's internal materials and external stakeholders' concerns, the key material topics are identified and included in a topic bank and would be highlighted in the report.



Stakeholder communication and rights protection

The values and achievements of Vanke originate from numerous stakeholders. We have always insisted on building diversified communication mechanisms and close relationships with the stakeholders for more active and extensive exchanges and communication through more channels and methods.

Stakeholders	Expectations & Requirements	Communication & Response Measures
Government	<ul style="list-style-type: none"> Legal compliance 	<ul style="list-style-type: none"> Compliance management
	<ul style="list-style-type: none"> Tax payments according to law 	<ul style="list-style-type: none"> Proactive tax payment
	<ul style="list-style-type: none"> Support of economic development 	<ul style="list-style-type: none"> Implementation of national policies
Shareholders	<ul style="list-style-type: none"> Returns and growth 	<ul style="list-style-type: none"> Regular disclosure of business information
	<ul style="list-style-type: none"> Risk control 	<ul style="list-style-type: none"> Shareholders' meetings, reports and notifications
	<ul style="list-style-type: none"> Corporate governance 	<ul style="list-style-type: none"> Continued growth to ensure shareholder returns
Employees	<ul style="list-style-type: none"> Wage and benefit security 	<ul style="list-style-type: none"> Timely full wage payment and social insurance payment
	<ul style="list-style-type: none"> Health and safety 	<ul style="list-style-type: none"> Establishment of occupation health and safety management system, employee physical examination and fitness testing, and Vanke Sunshine Associations
	<ul style="list-style-type: none"> Smooth communication 	<ul style="list-style-type: none"> 12 communication channels
	<ul style="list-style-type: none"> Fair promotion and development opportunities 	<ul style="list-style-type: none"> Career development channels and employee training
Customers	<ul style="list-style-type: none"> Product quality assurance 	<ul style="list-style-type: none"> 5+2 Industrialized production, Sky-Net Action, Two Tools and One Table, Engineering management app
	<ul style="list-style-type: none"> Quality management service 	<ul style="list-style-type: none"> Quality service, customer satisfaction surveys and customer privacy protection
Partners	<ul style="list-style-type: none"> Honoring commitments 	<ul style="list-style-type: none"> Contract execution according to law
	<ul style="list-style-type: none"> Fair, just and open procurement 	<ul style="list-style-type: none"> Open bid invitation and issuance of <i>List of Qualified Suppliers</i> and establishment of A-UPUP E-commerce Platform
	<ul style="list-style-type: none"> Experience sharing 	<ul style="list-style-type: none"> Project cooperation
		<ul style="list-style-type: none"> Promotion of sound industry development
Environment	<ul style="list-style-type: none"> Effective use of resources 	<ul style="list-style-type: none"> Housing industrialization, green building
	<ul style="list-style-type: none"> Emission reduction 	<ul style="list-style-type: none"> Energy management, water resources management, waste management (including community waste management)
	<ul style="list-style-type: none"> Addressing climate change 	<ul style="list-style-type: none"> Participation in United Nations Climate Change Conference
	<ul style="list-style-type: none"> Biodiversity conservation 	<ul style="list-style-type: none"> Vegetation conservation, Snow Leopard conservation, Porpoise conservation, Mangrove Wetland conservation and Coral conservation
Community and the Public	<ul style="list-style-type: none"> Poverty alleviation 	<ul style="list-style-type: none"> Targeted poverty alleviation and rural revitalization
	<ul style="list-style-type: none"> Support of social development 	<ul style="list-style-type: none"> Charity undertakings
	<ul style="list-style-type: none"> Care for disadvantaged groups 	<ul style="list-style-type: none"> Volunteer services
	<ul style="list-style-type: none"> Health culture 	<ul style="list-style-type: none"> Run for Fun, Rowing

Awards

Date	Award	Issuing Authority
—	332th on the Fortune Global 500 list	Fortune
—	447th among the World's 500 Most Influential Brands	World Brand Lab
—	Pengcheng Gold Prize for Charitable Donation Enterprises	Organizing Committee of the Fourth Pengcheng Charity Awards
March 2018	Top 100 Outstanding Chinese Real Estate Developers	Guandian Real Estate
March 2018	Top 30 Listed Real Estate Enterprises of China	Guandian Real Estate
March 2018	Top 100 Listed Companies on the Hong Kong Stock Exchange	Finet HK
May 2018	China Blue Chip Real Estate Enterprises in 2018	The Economic Observer
May 2018	No. 1 among China's Top Ten Listed Housing Enterprises in 2018	EH consulting & china.com.cn
June 2018	No. 1 among China Green Real Estate in 2018	Institute of Standard Ranking
July 2018	Social Contribution Enterprises in 2018	21 st Century Economic Report
July 2018	China's Most Responsible Private Enterprises in 2017	Southern Weekend
August 2018	Influential Chinese Real Estate Enterprises in 2018	Guandian Real Estate
September 2018	Valuable Real Estate Corporate Citizens of the Year 2018	National Business Daily
October 2018	2018 Listed Companies with Distinguished Brand Value	CNFOL.com
November 2018	Golden Bull Award of Most Valuable Investment 2017	China Securities Journal
November 2018	2018 Most Social Responsibility Award for Listed Companies in China	JRJC
November 2018	Outstanding Brand Award of Chinese Listed Companies in 2018	JRJC
December 2018	Annual General Award in Selection of Best Corporate Citizens of China in 2018	21 st Century Economic Report
December 2018	Outstanding Enterprise Award of 2018 China Corporate Social Responsibility List	CBN Daily
December 2018	2018 CCTV Top Ten Listed Companies in China	CCTV2
December 2018	Pay Tribute to the New Era in 2017-2018 · Respected Enterprises	The Economic Observer
December 2018	China's Innovative Enterprises in 2018	Economic Media Association of China
January 2019	Sustainable Development Contribution Award	CAIJING Magazine

CSR Feature

Targeted Poverty Alleviation and Rural Rejuvenation

As a responsible enterprise, Vanke feels grateful, always actively honors social responsibility, cares about the development of stakeholders, strives for a better life for people, and dedicates itself to sharing the fruits of development with more people. Vanke vigorously carries out targeted poverty alleviation and rural rejuvenation. It has continuously explored in various fields such as relocation poverty alleviation through cultural development, education, medical services and industrial development, as well as rural revitalization, introduced innovative modes of poverty alleviation and rural revitalization, and given back to the society with its expertise.

In 2018, Vanke and China Foundation for Guangcai Program jointly launched the "Guangcai-Vanke Special Fund for Targeted Poverty Alleviation and Rural Rejuvenation" to scale up poverty alleviation efforts in the "Three Regions and Three Prefectures" (Tibet, the Tibetan-inhabited regions in Qinghai, Sichuan, Yunnan and Gansu provinces, the four regions (including Kashi Prefecture, Hotan Prefecture, Kizilsu Kirghiz Autonomous Prefecture and Aksu Prefecture) in southern Xinjiang, Liangshan Yi Autonomous Prefecture in Sichuan Province, Nujiang Lisu Autonomous Prefecture in Yunnan Province, and Linxia Prefecture in Gansu Province), and gradually increased investment to support the country's targeted poverty alleviation, and to continuously contribute expertise to national poverty alleviation and rural rejuvenation. By the end of 2018, Vanke had helped more than 230,000 poor people.

"Poverty eradication is one of the toughest among all tough battles. We must increase our efforts a hundredfold. The Party and the whole society should work harder and be determined to win the tough battle against poverty, and make new achievements in the process of building a moderately prosperous society in all respects."

—Chinese President Xi Jinping on poverty alleviation



Targeted Poverty Alleviation

Targeted poverty alleviation is an important guarantee for building a moderately prosperous society in all respects and realizing the great Chinese Dream. Vanke Group has been actively exploring patterns of poverty alleviation in recent years, and has carried out a series of practices in this regard in many national poverty-stricken counties and regions, to help them shake off poverty and become rich.

Alleviating poverty through relocation

Donating daily necessities for the relocation program in Nujiang, Yunnan

Nujiang Lisu Autonomous Prefecture is one of the "three prefectures and three districts of extreme poverty" receiving national key support for poverty alleviation. Vanke, in cooperation with China Foundation for Guangcai Program, donated RMB 80 million to equip 97,339 relocated poverty-stricken residents in Nujiang Lisu Autonomous Prefecture with furniture and home appliances such as dining tables, wardrobes, sofas and electronic appliances, to allow them to live more comfortably, mobilize them to fight for a better life, and improve their life quality.



▲ On October 12, 2018, Yu Liang, Chairman of the Board of Directors, addressed the launch ceremony of "The Visit of China Foundation for Guangcai Program to Nujiang".



▲ The relocation site for poverty alleviation in Nujiang

Donating public facilities for the "Shenzhen Town" relocation program in Baise, Guangxi

The "Shenzhen Town" project in Baise, Guangxi is a demonstration project of the east-west cooperation in poverty alleviation and relocation, and a model project of the Guangdong-Guangxi collaboration in poverty alleviation. To build the "Shenzhen Town" into a fully functional, well-equipped, green, beautiful and livable relocation for poverty alleviation community, Vanke donated RMB 100 million to support the construction of the kindergarten, community hospital, day care center, Party-mass service center, cultural activity center, garbage transfer station and other public facilities. Vanke also donated teaching equipment and facilities for the town's nine-year-education school, making up for the shortage of the town in public services, education, medical care and other fields, improving the life quality of local residents, bringing high-quality education to young people, and enabling poor senior citizens to "be looked after properly and enjoy happy lives". After completion, the project will benefit 30,000 poor local people.



▲ Architectural rendering of the community kindergarten of "Shenzhen Town" in Baise, Guangxi

Developing the public facilities scheme and model projects for "Shenzhen New Village" in Tashkurghan Tajik Autonomous County, Xinjiang

Remotely located on the Pamirs Plateau and poorly endowed with natural resources, Tashkurghan Tajik Autonomous County is one of the poorest areas in Xinjiang. Worse still, it was hit by a 5.5-magnitude earthquake on May 11, 2017, affecting 26,486 people in nine villages and towns, and rendering many homeless. Shenzhen and Tashkurghan Tajik Autonomous County discussed and agreed to rename the original "Seabuckthorn Community" as "Shenzhen New Village", and Shenzhen would finance the building of a comfortable and beautiful new home for the poor households affected by the disaster. Vanke offered to produce the overall design, planning and construction of public facilities in "Shenzhen New Village" for free, and assisted in the decoration of two model homes, to provide professional reference for local construction units, which all were completed by September 30, 2018.





▲ Tibet Intangible Cultural Heritage Museum

Poverty alleviation through cultural development

Assisting the construction of Tibet Intangible Cultural Heritage Museum

Vanke responded positively to Shenzhen municipal government's call for assisting the development of Tibet, and co-sponsored Tibet Intangible Cultural Heritage Museum with the latter and acted as the constructor. The museum is located in the Tibetan Culture and Tourist Creative Park, Cijuelin Village, Lhasa, including a museum of 8,000 square meters and an exhibition park of 25,000 square meters. After completion, tourists can not only enjoy exhibitions here, but also experience different intangible cultural heritage activities, including traditional Tibetan songs and dances, Tibetan opera, traditional sports and games, festivals, etc.

The project site is located in the Himalayan seismic belt where the air is thin and dry, extreme convection frequent and the diurnal temperature range up to 30 °C . November to March is Lhasa's winter fallow and the temperature can drop to -15 °C . The weather is also harsh and changeable in April and May, with frequent heavy snow that affects outdoor construction. Altitude sickness and the transportation of many building materials from outside Tibet also add to the challenges facing the project team. In response, Vanke organized a strongest design team and construction team to give full play to its expertise and stick to the "old Tibet" spirit of perseverance and hard work. Via the Qinghai-Tibet Highway and Sichuan-Tibet Highway, we transported steel structures, aluminum plates, stone materials, steel bars and decoration materials from many other cities across the country, scientifically scheduled the construction, overcame challenges of cold weather, harsh plateau climate and lack of resources, and efficiently completed the construction work. To ensure that the main building meets the standard of 8-level seismic fortification, the rigid framed concrete technology was used for the first time in Tibet, and about 567 tons of steel structures were processed in Chongqing and then transported to the construction site. The project was started in September 2016, basically completed in March 2018 and formally delivered in June 2018. Excluding the winter fallow, the actual construction period was 349 days.

In design, the project shows full respect to Tibetan traditional craft and techniques. The walls on both sides of the plank road are recycled from local Tibetan stones and built by Tibetan craftsmen. The facade design makes full use of local materials and construction logic, with the color combination following Tibetan customs—with white as the ground color and red, blue, yellow, green and other colors interspersed. The whole project not only borrows traditional Tibetan techniques, but also uses the most advanced construction techniques, to preserve the national characteristics while adding a modern touch. As an important platform for inheriting and developing intangible cultural heritage, Tibet Intangible Cultural Heritage Museum has far-reaching significance in protecting and promoting the excellent traditional Chinese culture, in enriching tourism resources, generating cultural and economic benefits, and promoting the prosperous development of the cultural tourism industry in Lhasa and even the whole Tibet.



▲ Chen Biao, member of the leading Party Group of Shenzhen municipal government, and Zhu Jianhong, Vice Mayor of Lhasa attended the hand-over ceremony and unveiled the Tibet Intangible Cultural Heritage Museum.



Poverty alleviation through education

Vanke pays close attention to the education and growth of teenagers in poor areas, committed to supporting the development of basic education in poor areas in a pragmatic, sustainable and in-depth way, so as to develop rural education, cultivate the talent of local children, and inject new impetus into the development of poor areas.

Assisting the construction of Xinjiang Taheman Boarding School

Vanke started to build a boarding primary school in Taheman County, Xinjiang in September 2015. Despite challenges such as cold and dry weather, lack of materials, high altitude hypoxia and tight construction schedule, Vanke transported construction materials from 10 other cities across the country, and completed the construction of a comprehensive teaching building, an outdoor playground and a rubber playground of national characteristics in an eco-friendly way in 188 days, with a total investment of RMB 23 million. On May 11, 2017, the school buildings, up to the standard of 9-level seismic fortification, stood safe and sound amid a magnitude-5.5 earthquake, protecting the life of all teachers and students. But a good building alone doesn't make a good school. To alleviate poverty, education should be first improved. Only by continuously improving the education quality can children and their families be truly lifted out of poverty. Vanke has jointly carried out education promotion activities with education experts in Shenzhen and Xinjiang to promote the education reform in Taheman Primary School. Each year, Vanke invests RMB 150,000-200,000 to set up scholarships and teaching grants to continuously motivate teachers and students and jointly build a famous school in Kashgar.



Assisting the construction of Shouning Eastern District Middle School Phase 1 Project

Shouning County is in Ningde city, northeast of Fujian Province, and suffers from a lack of educational resources. In 2018, Vanke and China Foundation for Guangcai Program invested RMB 120 million into the first phase of the Eastern District Middle School project, including the construction of teaching buildings, multi-purpose buildings, laboratory buildings, and a 300m playground, which will be built by Vanke Fuzhou. The school has a total of 30 classes to accommodate 2,000 students.

During construction, Vanke's team fully considered the topography of the mountainous area in Shouning County, adapted to local conditions, kept the mountain intact to the maximum extent, and closely combined the building with the base. The construction team borrowed typical features of Shouning's timber arch lounge bridge in the architectural style, included the patio and cuocheng (a raised terrace) typical in traditional Shouning residential buildings in the spatial design, and used timber and stone common in local bridges as well as gray tiles and lattice windows common in local ancient residential buildings. They also learned from the local construction concept and integrated local culture with innovative technology in school buildings. By so doing, they aim to not only improve the local education infrastructure and teaching level, but could also attract more high-quality education resources, create a favorable learning atmosphere, and provide more advanced hardware facilities to children, and thus fundamentally stop the intergenerational transmission of poverty.



▲ Architectural rendering of Shouning Eastern District Middle School

Supporting the basic education in five counties in Guizhou and Gansu

In 2018, Vanke and China Foundation for Guangcai Program launched an initiative to support the development of basic education in five counties, namely, Qinglong County, Sandu County, Wangmo County and Hezhang County in Guizhou, and Jishishan County in Gansu. It will donate RMB 5 million per year to each county for three consecutive years, with the total of RMB 75 million, to support local kindergartens and primary schools to improve basic teaching conditions, mainly teaching buildings, student dormitories and canteens, and supporting facilities such as libraries, audio-visual classrooms and playgrounds, so as to improve the basic learning and living conditions for students and reduce local poverty.

Ten-year support for the development of Zundao School

From 2008 to 2018, Vanke continued to support Zundao School's development. In 2008, following the Wenchuan earthquake on May 12, Vanke donated RMB 120 million to post-disaster reconstruction, and Zundao School, with the capacity of 1,000 students, was one of the first permanent buildings delivered after the earthquake. After the construction completed, Vanke volunteers, together with local education experts, continued to push forward the educational reform of Zundao School. They set up a special education fund to recruit outstanding teachers, award head teachers who truly cared for students, and encourage innovation and development of teaching. Over the past ten years, Zundao School continued to see its graduates perform better and better in high school entrance examination, and over 100 of its graduates have been admitted into college. In order to help these students better adapt to university life, Vanke launched the "Mentor Program", selected more than 200 employees to serve as mentor volunteers, and assigned two mentors to every Zundao graduate to inspire and encourage them along the way of personal development. Education development brings hope to the town, and makes Zundao School full of vitality.

The year 2018 turned out to be a harvest year for Zundao School—its high school enrollment rate reached a new high, it won the title of Model Education Unit in Sichuan Province, and it upgraded the school development plan and teacher incentive mechanism. This year, Wang Shi, Honorary Chairman of Vanke's Board of Directors, was appointed as the Honorary Principal of Zundao School; the school's Education Development Committee held a general election, and Xie Dong, Chairman of Vanke's Board of Supervisors, was elected as the director. In this year, it received more donations from entrepreneurs including Wu Jiangang, Zhang Qi, Zhou Jin, Wang Gui, Ding Fuyuan and Xie Dong; Vanke School in Pudong New Area of Shanghai donated RMB 50,000 to help build a mini-library for teachers; Du Xiangwan, former Vice President of the Chinese Academy of Engineering, and Professor Mao Jianqin from Beijing University of Aeronautics and Astronautics came to the school to share science stories with the children.



On May 17, 2018, Yu Liang, Zhu Baoquan, Li Xing and other Vanke volunteers went back to Zundao School to visit the students and teachers.



Du Xiangwan, former Vice President of the Chinese Academy of Engineering and Professor Mao Jianqin from Beijing University of Aeronautics and Astronautics shared science stories with children in Zundao School.



Xie Dong, Chairman of the Board of Supervisors of Vanke and Peng Bo, Director of Mianzhu Education Bureau granted awards to outstanding teachers.

Vanke-Green & Shine rural teacher support program

Vanke continuously cooperated with Beijing Green & Shine Foundation to support rural education in Zhenfeng County in Guizhou province, a national level poverty-stricken county. In 2018, Vanke-Green & Shine Rural Teacher Support Program was carried out in an orderly manner with focus on Green & Shine Reading Room, Green & Shine Science Class and care for rural teachers. Till the end of December 2018, Green & Shine Reading Room had covered a total of 45 rural schools and donated 136,000 books in total; Green & Shine science experiment tool kits were distributed to 42 rural schools; and nearly 1,300 rural teachers received health and accident insurance, and 19 children of rural teachers received scholarship. The core of rural education is teachers. As materials donation continued to flood in, the facilities of beneficiary schools were greatly improved. During 2017-2018, the project team organized trainings and exchange visits on reading and science for teachers in Zhenfeng county, and conducted 11 training sessions for teachers and principals, benefiting 531 teachers with a total of 252 hours of high-quality training. In addition, 12 online science classes were organized, involving 3,753 audiences. The program directly benefited 16,064 teachers and students in 2018 alone, and 29,833 teachers and students accumulatively from 2016 to 2018. In total, 40,524 people have benefited from the program directly and indirectly.



"Beautiful China" Vanke Education Support Project

To address the lack of good teachers in less developed regions in China, Vanke participated in "Beautiful China" education support project, invested RMB 6 million in five poverty-stricken counties in Yunnan and Lianping County in Heyuan city, Guangdong to recruit 69 college students from renowned universities as volunteer teachers, benefiting 12,316 students. These volunteer teachers delivered 53,400 high-quality lectures, over 52% of which were about the Chinese language, math and comprehensive English, the three most important subjects. They also helped train local rural teachers, and introduced advanced teaching concept and methods, to benefit more local students.

Vanke-Ai You VC Program—a platform to support left-behind and boarding children in rural areas

Vanke pays close attention to the capacity building of charity organizations. In 2018, "Vanke-Ai You VC Plan" financed Beijing Growing Home Foundation to carry out a series of activities focusing on the mental health, growth and education of rural boarding students in poor areas, aiming to build a multi-scenario, multi-period, multi-media domestic support platform for rural left-behind boarding children with rich contents. As of December 31, 2018, Growing Home's brand project "New One Thousand and One Nights—Bedtime Stories for Left-behind Boarding Children in Rural Areas" had covered more than 1.8 million rural left-behind and boarding children in 6,544 schools nationwide, which accounted for 6.2% of rural boarding schools and 6.03% of boarding students in China, and directly provided 600 million service hours.



Poverty alleviation through healthcare improvement

Vanke has actively promoted charity programs for children in need, and has cooperated with various parties to pool strength and weave a network of support for the treatment and recovery of children in need, and allow them to enjoy a healthy and beautiful life as their peers.

Sponsoring the surgery and treatment of poverty-stricken children with congenital heart disease

Since 2009, Vanke, together with Ai You Foundation, Beijing Chunmiao Charity Foundation, Shenzhen Charity Federation, Tencent Foundation and Hainan Medical Aid Foundation, has supported poverty-stricken children with congenital heart disease (CHD), to offer timely assistance and relieve the huge economic burden on their families. In 2018, Vanke sponsored the surgery of 69 children with CHD. So far it has donated over RMB 30 million and benefited 3,050 child patients in total.



Supporting poverty-stricken children with birth defects

Affected by various factors such as economic conditions, medical level, and the level of health knowledge popularization, birth defects have become an increasingly prominent concern of public health and society. Vanke donated RMB 10 million and cooperated with Ai You Foundation to help 300 poverty-stricken children in over 10 provinces including Hunan, Jiangxi and Sichuan and with 20 kinds of birth defects including premature delivery, neuroblastoma, congenital intestinal atresia, congenital megacolon, congenital choledochal cyst, and congenital hydrocephalus by sponsoring their treatment, and preventing their family from falling into poverty again due to expensive medical treatment.



Caring for orphans with severe illnesses

To help orphans with severe illnesses, starting from 2014, Vanke and Ai You Foundation successively set up orphan care centers in Wuhan, Kunming and Nanchang to provide professional medical care for them. In 2018, with the support of Vanke's special funds, Ai You-Vanke Children's Care Center admitted 365 new orphan patients and a total of 372 orphans had completed the care program. Since the start, the project has offered professional care to 1,725 orphans with severe illnesses and given them a second chance to live. Vanke also cooperated with Tencent Foundation to launch a jogging campaign to support children with severe illnesses, attracting 1,393 teams from around the world, with a total of 133.6 billion steps donated.

Caring for children with autism

Vanke launched a community running competition themed "Every Step of Love", combining physical exercise with public welfare and donating all registration fees to local autism treatment agencies to help alleviate the stress of families with autism children and raise public awareness of autism. In 2018, a total of 46,877 home owners signed up for the competition and donated RMB 1.3694 million to 33 public welfare organizations nationwide. Since the competition was launched, Vanke has donated RMB 7.32 million to 48 autism treatment agencies to improve the capacity building of teachers for children with autism, the mental health of parents, and community integration for children with autism, to build a strong support network for children with autism.



Poverty alleviation through industrial development

Marketing agricultural and tourism products in Shouning and Nujiang

Vanke helped Shouning County in Fujian and Nujiang County in Yunnan to plan, package and promote their specialty agricultural products. Subsidiaries of Vanke spent RMB 2.6 million on purchasing agricultural products from the two counties, to increase the income of local farmers. Vanke also cooperated with China CYTS Tours Holding Co., Ltd. to help Shouning with holistic tourism planning, promoting Shouning's natural landscape and historical and cultural resources to more people, thus enhancing the popularity of Shouning as a tourist city, boosting the development of local tourism, and driving local economic growth. The cultivation of the late-maturing Kyoho grape is a pillar industry in Shouning to increase farmers' income and promote targeted poverty alleviation. Vanke thus cooperated with native college graduates who returned to start business to upgrade the local grape industry, and help build high-standard green production and integrated innovative technology system and expert support system, so as to increase the yield of grapes and increase farmers' income.

An exquisite box of specialty agricultural products of Shouning, Fujian



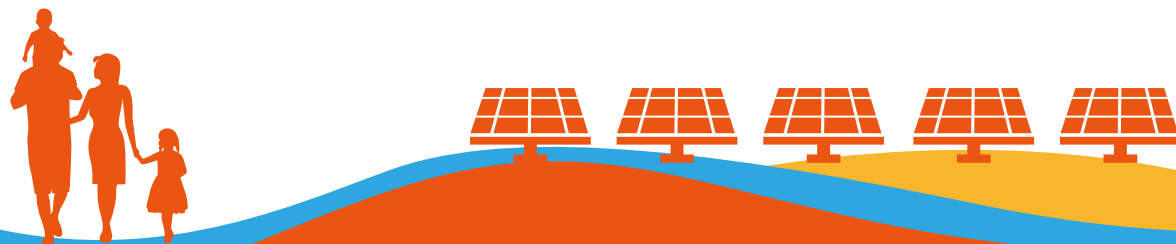
An exquisite box of specialty agricultural products of Nujiang, Yunnan



Building PV Power Stations in Zhangbei, Hebei

Developing an industry that combines local resource endowment and sustainable operation is the foundation to steadily facilitate poverty alleviation. Zhangbei County is located in Bashang area of Zhangjiakou, Hebei. The hollowing-out problem is pretty severe in poor villages in this county. People who don't have or lose the ability to work accounts for a relatively large proportion of the poverty-stricken population. In response, Vanke gave full play to the region's natural resources, since it's a core area of a national renewable energy demonstration zone, and adopted the approach of "enterprise donation + government leadership + benefits shared by poverty-stricken households". It donated RMB 28 million to Zhangbei county government to plan and build 300-kilowatt PV power stations in 12 poverty-stricken villages with sufficient lighting and grid access, and distribute the income from power generation to local poor households and poverty-stricken villages. In 2018, these 12 PV power stations generated 5,500 MWh of electricity, and generated RMB 3.15 million in income.

In addition, Vanke funded the construction of 15 distributed rooftop PV power stations in nine administrative villages in Zhangbei County in 2018, with a total capacity of 450 kilowatts. The power stations were completed and connected to grid on June 30, 2018. In 2018, they generated 309 MWh of electricity in total, generating RMB 115,000 of income.



Rural Rejuvenation

Implementing the strategy of rural rejuvenation was a major decision and deployment made by the 19th CPC National Congress, and an inevitable choice to solve the contradiction between unbalanced and inadequate development and people's ever-growing needs for a better life. As an urban and rural developer and life services provider, Vanke responded to the arrangement of the Guangdong Provincial Party Committee and the provincial government regarding Shenzhen's pairing assistance to Heyuan and Shanwei, and has started to implement the rural rejuvenation strategy in these two areas since 2018. It is committed to improving the look and infrastructure of villages, creating a more civilized, healthier environment, attracting migrant workers to return home to start business, increasing local farmers' income, and thus setting a model of rural revitalization for poverty-stricken areas in Guangdong.

Supporting the rejuvenation and development of Jinxiang town in Shanwei

Jinxiang town is located by the Jieshi Bay in the southeast of Lufeng, Shanwei city, Guangdong province, and has red tourism "genes" as well as excellent marine resources and idyllic scenery. But it also faces problems such as lack of public facilities, backward living environment and insufficient industrial development. After making a comprehensive evaluation of the Jinxiang town, Vanke provided assistance to improve the living environment, promote the red culture and drive the rural economy, and started from Xiapu, Gongqian and Huangcuoliao villages to boost the overall rejuvenation of Jinxiang town.

In July 2018, Vanke began to plan and design Huangcuoliao and Xiapu village. During the construction of Xiapu Phase 1 and Huangcuoliao project, Vanke proceeded from the actual needs of local villagers, made full use of local resources, synchronized protection and renovation, effectively improved the life quality of villagers, and promoted the overall sustainable development of the villages for the ultimate purpose of rural rejuvenation.

To practically improve the living conditions

To improve the living environment, Vanke made reasonable use of existing public space such as open space, squares and public buildings, connected attractions and public facilities such as Zhou Enlai's Former Residence Memorial Hall, villagers' activity center, villagers' square and ancestral hall, and the wetland center with paths and public utilities to develop tour routes and activity routes, and improve the village planning, which has preserved the original features of the village to the maximum extent, protected the local history and memory, and brought new vitality to the village. At the same time, Vanke used local materials to build public buildings and structures such as villagers' square and villagers' activity center, and made full use of natural building materials in the local area such as stone and bamboo strips, to preserve the original features and tradition of the village. By applying modern techniques in construction, Vanke also gave buildings new characteristics and functions.

▲ Architectural rendering of the villagers' center

Promote red culture and coordinate unique tourism resources

To promote the red culture, based on Zhou Enlai's Former Residence, Zhou Enlai's Retreat and stories of revolutionary martyrs in Xiapu Village, Vanke designed a red tourism demonstration zone of a T-shaped layout consisting of Zhou Enlai's Former Residence, Zhou Enlai's Sea-crossing Route, and Zhou Enlai Sea-Crossing Monument as the vertical axis, and Jinxiang beach as the horizontal axis. At the same time, Vanke renovated supporting facilities including shops, leisure areas, public toilets, sightseeing greenways, the garbage collection system and roads to help improve the life quality of villagers, and drive the development of holistic tourism by starting from red tourism.



Phase-by-Phase Construction of Tourist Facilities and Supporting Facilities in Xiapu Village, Jinxiang Town



Developing Xiankeng village in Heyuan to build an example of "beautiful village" in Guangdong

Xiankeng village is located in Kanghe town, about 60 kilometers east to the seat of Dongyuan county government, Heyuan city, and is a provincial-level poverty-stricken village supported by Yantian District of Shenzhen. Xiankeng village was founded in the Ming Dynasty, and has a history of more than 400 years. It has rich historical, cultural and natural resources. Hakka ancient octagon and quadrangle buildings with a history of over two hundred years are found in the village. In January 2012, the village was granted the title of "Ancient Village in Guangdong Province".

In the process of assistance, Vanke gave full play to its own strength to make coordinated arrangements in ancient architecture protection and repair, inheriting history and culture, creating cultural and natural landscape, improving local infrastructure, and digging cultural value, and explored a way of rural rejuvenation in line with the actual conditions of Xiankeng village.



Repair and protect cultural relics and historical sites to bring back the glamour of traditional buildings

Concerning the repair and protection of cultural relics in Xiankeng village, Vanke aims to bring back the glamour of traditional buildings, and inherits traditional techniques to reinforce the structure of provincial-level cultural relics—octagon and quadrangle buildings, and repair tiling, walls, floors, attics and wooden components, to represent their old look, and build the quadrangle building into an attraction for experiencing Hakka culture, and octagon building into an attraction for enjoying Hakka architecture and art. Vanke rebuilt the Dengyun Academy and the ruins of the octagon building, which had a history of several hundred years, to preserve the history and memory. The classrooms and toilets of Xiankeng Primary School were also renewed, presenting an interesting contrast between modern buildings and historical sites. Vanke fully respects Hakka people's culture of "passing on the tradition of studying and helping with farm work at the same time", and uses buildings to carry forward education and cultural inheritance.



Octagon building before renovation



Architectural rendering of the octagon building after renovation



Renovating the Academy for cultural inheritance and education revival

Improve infrastructure and build a landscape system to change the backward appearance of the village

Vanke took the initiative to improve local infrastructure for waste treatment, public toilets and sewage treatment. In terms of local landscape, Vanke, while maintaining the original appearance of villages, has "slightly modified" the building facades, entrances and exits, farming pathways, cultural squares and spring water systems, and highlighted the overall style and features of Hakka architecture and preserved the spatial layout of traditional Hakka dwellings by means of renewal, protection and decoration.

Explore the value and connotation of Hakka culture

The village chronicle is an important carrier of the outstanding village culture and a precious historical legacy. In order to fully explore the essence of Hakka culture, Vanke invited experts and scholars, cultural relics authorities, distinguished villagers and Xiankeng Village Committee to jointly set up a village chronicle compilation committee to help Xiankeng Village compile chronicles as a way to inherit and carry forward the Hakka culture. On this basis, Vanke also helped introduce business forms such as tourist centers, bed & breakfast, and boutique shops, to turn Xiankeng village into a famous scenic spot in Heyuan.



Hakka customs

OPERATIONAL PRACTICES

Residential
Business

Property
Services

Rental
Housing

Commercial
Business

Logistics
Warehousing

Ski
Resorts

Standard Office and
Industrial Park



Good Products and Services

Following the development trend of the new era, Vanke strives to meet the needs of the people for a better life and constantly consolidates its dominance in the core businesses of residential development and property services. It has actively been expanding the business layout and has entered commercial development and operation, logistics warehousing, ski resorts, long-term rental apartment, etc., so as to keep providing good products and services for the healthy life of the people.

Residential development

Building quality houses for common people, and building houses that are truly applicable

91.4% of ordinary residences with a floor area no more than 144 m²

Property services

"Reassurance, engagement, trust and co-existence", being a pacemaker in China's property management industry

Serving **4.8** million households with over **15.84** million residents

Commercial business

Serving most families in China to provide the best shopping malls to consumers and commercial tenants

Running over **210** commercial projects in operation and management

Logistics warehousing

Becoming a logistics infrastructure provider, and structuring the "big ecology" of logistics

42 cities, **118** projects acquired with a total rental area of about **9.24** million m²

Standard office and industrial park

Clustering, sharing, and crowdsourcing; connecting industrial elements and empowering companies

Running and managing over **100** projects with a total area of nearly **7** million m²

Rental Housing

A vigorous home of urban youth

Covering **35** major cities in China with **55,000** apartments in total

Ski Resorts

Popularizing ice and snow sports and building an international ice and snow resort

Receiving over **600,000** visitors in total in snow seasons

Statistics about "ski resorts" cover only the 2018-2019 snow season and other statistics is as of December 31, 2018



Residential Business

Vanke builds houses for people to live in. Starting from customers' demands, Vanke provides customers with better and more comfortable houses that are of high quality, pro-health and high-performing. In terms of real estate development and operation, we strictly comply with laws and regulations such as *Urban Real Estate Administration Law of the People's Republic of China and Administrative Ordinance on Development and Management of Urban Real Estate*, and provide high-quality and compliant products and services to customers.

Building quality houses for common people, and building houses that are truly applicable

Building quality houses for common people and building houses that are truly applicable is Vanke's target for its mainstream products. In 2018, Vanke residential products kept focusing on small and medium-sized commercial houses as usual; 91.4% of the products sold throughout the year were ordinary residences with a floor area no more than 144 m².

	2016	2017	2018
≤ 144m ²	95%	93%	91.4%
> 144m ²	5%	7%	8.6%




Excellent quality

For rigorous quality control, we carry out field testing and measurement, quality risk inspections and special inspections on leakage on a quarterly basis to ensure construction quality from the perspective of professionalism and in the shoes of the customer. To assure delivery, we provide customers with quality products through carrying out delivery evaluation, including indoor, public area, facade and landscape inspections. Meanwhile, since 2018, we had started to carry out special assessment of underground projects to further inspect and ensure the quality of the pile foundation, foundation pit, and basement, and safeguard the bottom line of engineering quality.

Two Tools and One Table

"Two Tools and One Table" includes the tools of field testing and measurement and project delivery assessment and the Home Inspection Guide Table, which helps us comprehensively guarantee product quality from three perspectives—process monitoring, results control and customers. Believing that "customers have the final say about product quality", we iterate and upgrade "Two Tools". For the quarterly evaluation, we have increased the proportion of the evaluation of concealed works, and added a special on-site inspection on leakage. For the delivery assessment, we try to be in the shoes of our customers and add a defect detecting test concerning the product's functions to reduce inconvenience to customers after they move in.

In 2018, when there were significant increase in sales and delivery scale, the Group's overall customer satisfaction and quality satisfaction increased by **3** and **4** percentage points respectively over the previous year.

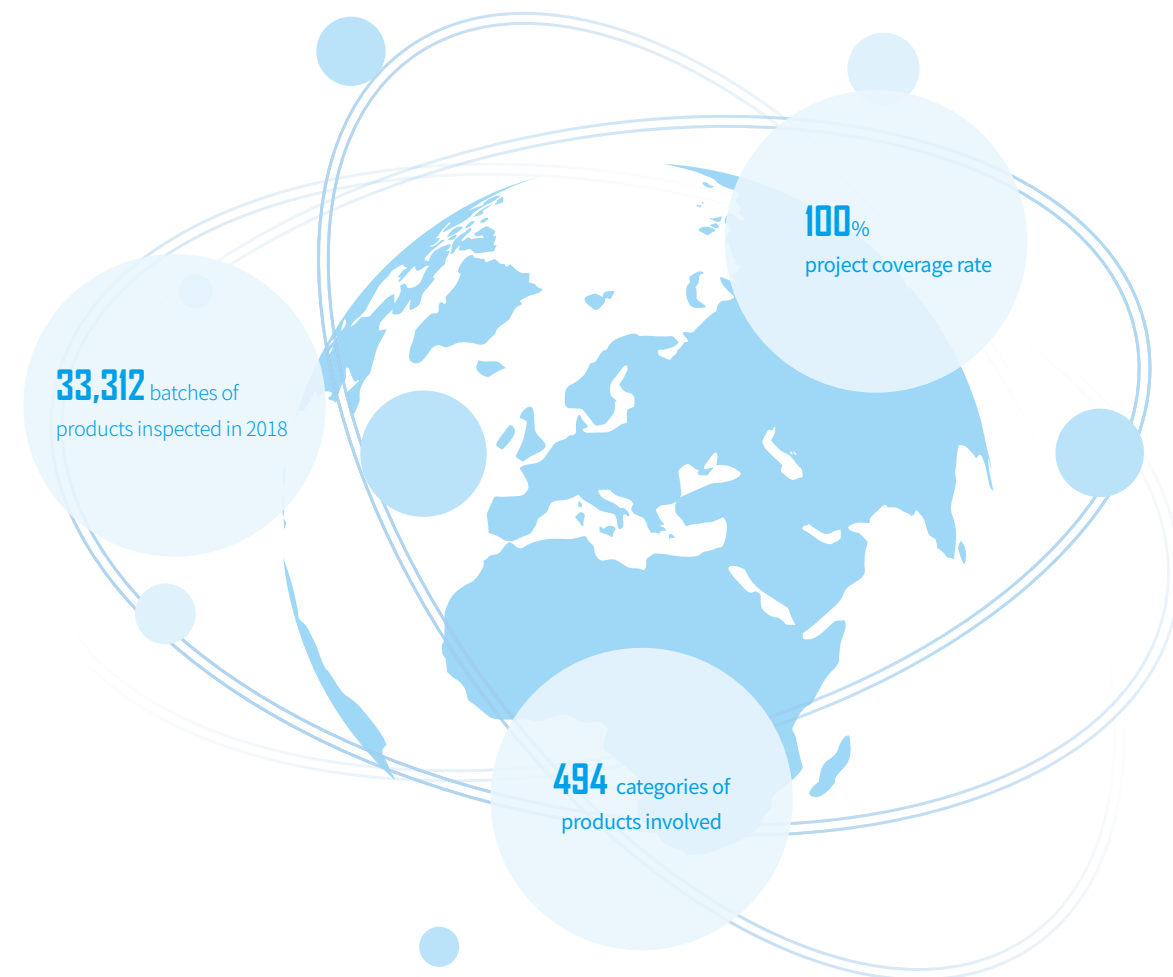
Field testing and measurement	Delivery assessment	Home Inspection Guide Table
We commission the third-party assessment agencies to implement field testing and measurement for all projects under construction every quarter to ensure project quality through regular evaluations.	All projects must pass the delivery assessment on buildings' facade, public area, and landscape conducted by the commissioned third-party assessors before delivery.	With the list of basic inspection standards, the Vanke Home Inspection Guide Table can help customers who do not have professional knowledge to inspect the delivered house effectively, and thus avoid missing issues in delivery inspection.
		
Rating of the field testing and measurement in 2018	Rating of the delivery assessment in 2018	Qualification rate of delivery inspections according to the Vanke Home Inspection Guide Table in 2018
88.87%	78.98%	94.0% on average

Engineering management app

In 2018, Vanke's engineering management app "Ingenuity" was continuously upgraded and improved. New user-defined features like Ingenuity overseas version, safety morning meeting statement, problem feedback (new version) and other modules have constantly helped enhance lean management. By the end of 2018, "Ingenuity" had been put into use by 963 Vanke projects through 48 city-level subsidiaries in 4 major regions, and by over 73,000 users.

Sky-Net Action

In order to eliminate fake and poor quality materials and components in construction sites, Vanke has rolled out the "Sky-Net Action" since 2015 to check the quality of building materials used in residential buildings, Port Apartment, logistics and commercial business. The inspection range includes factories and construction sites, and unannounced inspection is conducted for the full life cycle of materials. In 2018, the "Sky-Net Action" added a part of engineering inspection, to manage and control Vanke products from all perspectives, and thus ensured good products and services for customers.



Healthy architecture

Vanke has a profound insight into customers' needs for indoor health. We integrate green residence philosophy into the whole process of product design and construction, and introduce advanced ecological governance technologies to improve the indoor environment, so that every customer can "take a deep breath freely" in houses, allowing them to live a happy, healthy and quality life in a green and livable ecological environment.

Low indoor formaldehyde

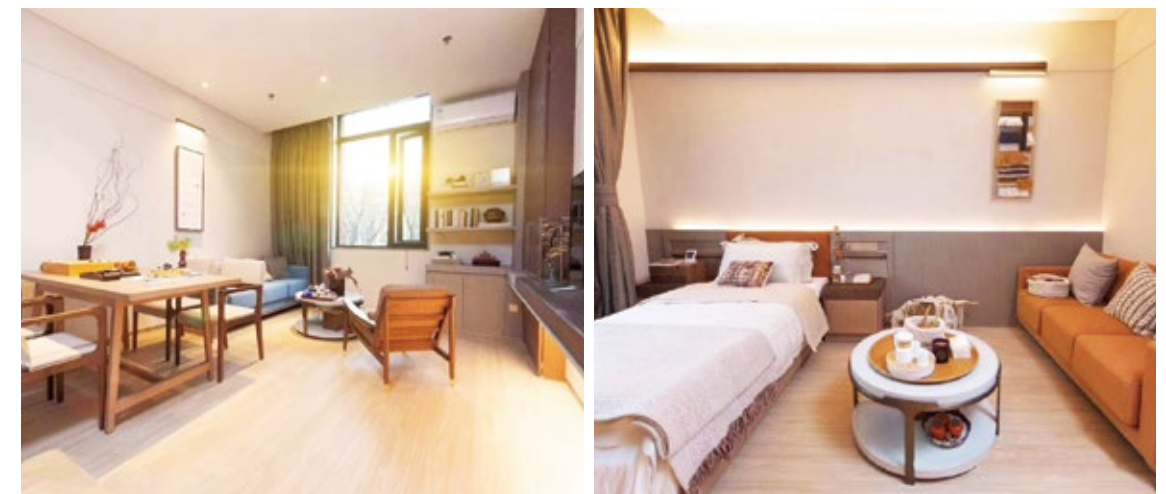
Vanke has strict requirements for indoor air quality. Through research and experiment, we try to keep strict control over the quality of raw materials, production technique, construction and other links, and the core indexes of formaldehyde and TVOC. We have developed low-formaldehyde product sets, which keeps the proportion of formaldehyde and TVOC in indoor air lower than 0.03 mg/m³ and 0.5 mg/m³ respectively, and meets the air quality needs of sensitive people.

Case

BIT Suiyuan Home Project

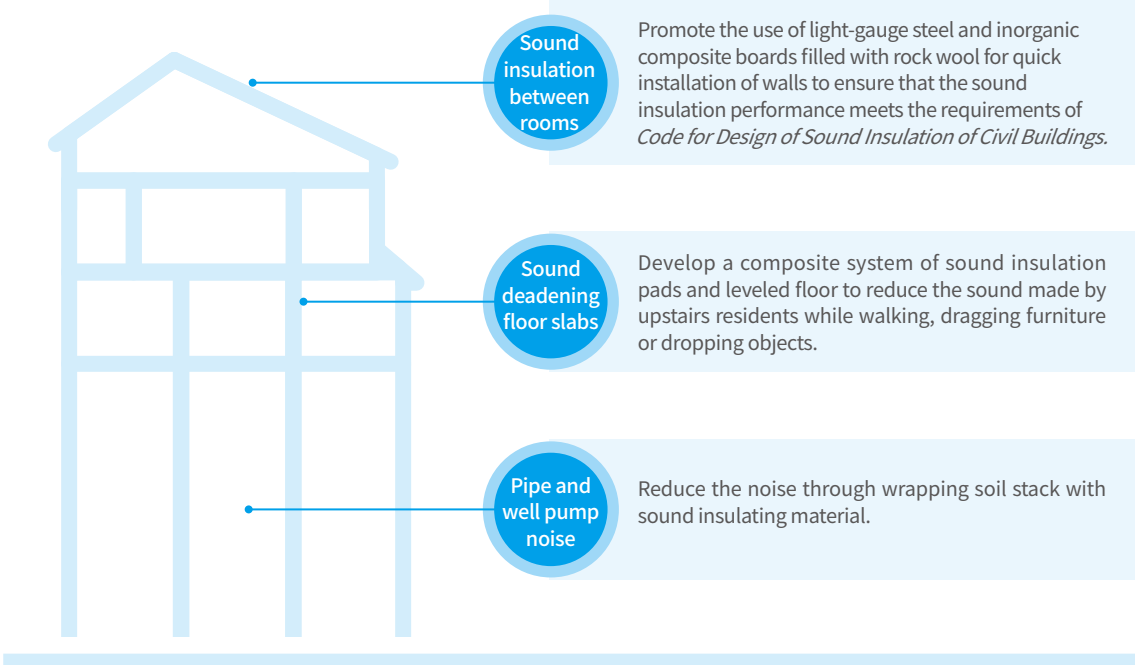
Beijing Institute of Technology (BIT) Suiyuan Home is Vanke's first benchmark elderly care project equipped with low-formaldehyde product sets, and consists of seven buildings. Through installing low-formaldehyde components, setting up an entrance WeChat inspection mechanism, and the inspection system on the innovative supplementing of indoor air quality, we fully inspect, report and give feedback on problems in every key node of refined indoor decoration, to ensure the project meets living requirements upon delivery.

In November 2018, Center for Building Environment Test, Tsinghua University carried out air quality monitoring and test over No. 7 Building, one of the first batch of delivery in Suiyuan Elderly Care Project. Results showed that the average concentration of formaldehyde was 0.015 mg/m³, realizing the goal of meeting living requirements upon delivery, and effectively avoiding operational risks caused by poor indoor air quality.



Sound insulation system

Vanke pays close attention to the real needs of customers in Rental Housing market and studies problems such as sound insulation between rooms, sound deadening floor slabs, pipe and well pump noise. We provide corresponding solutions and thus ensure more comfortable and private living space for young people.



Customer services

Being customer-centered, we firmly believe that "1% of our mistake will lead to 100% of customer loss". Customer service is our first corporate mission. Committed to creating true value for customers, we develop our business activities centering on customer demands, learn from customers for continuous improvement, and have established customer-friendly channels for them to communicate with us. Attaching great importance to customer experience and evaluation from pre-sales to sales and after-sales, we have established a professional customer service system to provide customers with a thoughtful service experience.



"6+2" CRM Approach

Initially put forward by Vanke in 2005, the "6+2" Customer Relationship Management (CRM) approach is the only CRM approach in China protected by national copyright. The approach emphasizes putting customer needs first, identifying customer needs and providing active services.

In 2018, we continuously iterated the "6+2" CRM approach around diverse dimensions like effectiveness and accessibility, and further strengthened third-party field evaluations to continuously enrich services as per customer demands. Throughout the year, we iterated 67 services standards and organized the evaluation of 268 projects, further expanding the scope of this endeavor.



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 reminder	Clear terms& conditions; transparent information	Open construction site; progress report	Convenient delivery of high quality homes; convenient steps	Moving in ; fitting in community	Reliable maintenance services
Vanke services and methods	Publicity on standards and contents; model room open-day visit and pre-sale risk assessment; secret customer visits, etc.	Explanation of Home Buyer Guidance; display of processes and techniques, construction materials and components; introduction of the Quasi-Owner Service Plan, etc.	Issue of Vanke's Letter to Owners; customer visits to construction sites; property services meetings, etc.	Sending delivery materials in advance; preparing the on-site delivery; home inspection guide, etc.	Assistance in access to supporting facilities; convenient moving-in channels; welcoming parties, etc.	Refined maintenance and repair process; monthly follow-up on maintenance satisfaction; quality inspection one year after moving in, etc.

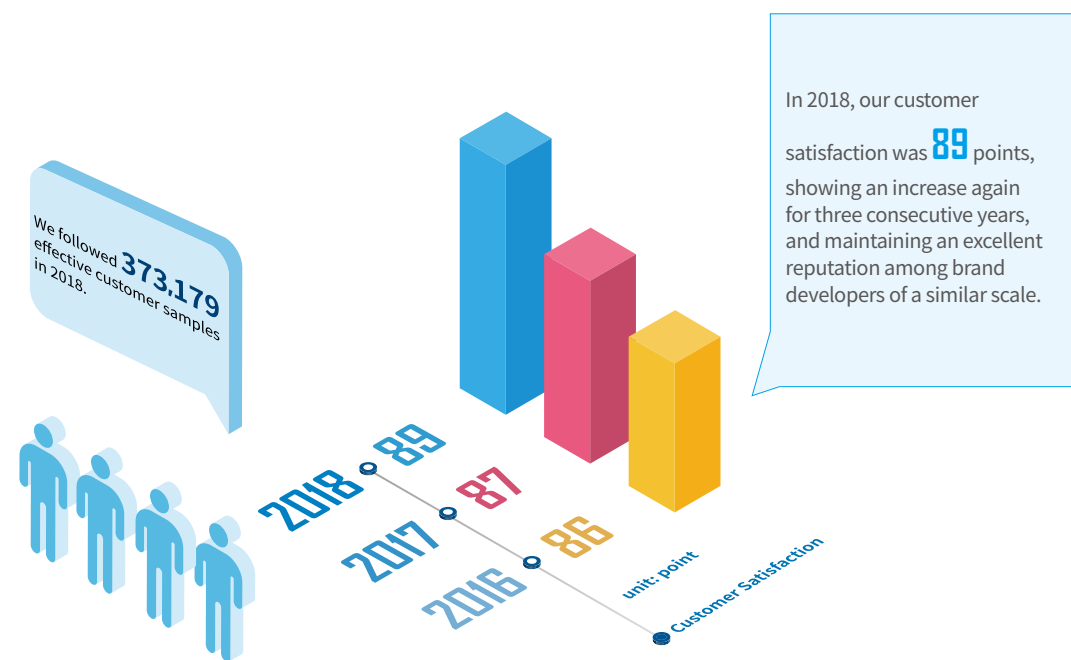
Continuous services 1 2		
6+2 Approach	Always with you	Continuous service
Customer concerns	Well-equipped facilities and harmonious neighborhood	Hardware improvement and old community reconstruction
Vanke services and methods	"2341" response to customer demands, publicity of standards on property management and home maintenance charge, implementation of Neighborhood Convention, etc.	Old community renovation, improvement of community convenience, community hardware investment, etc.

Mobile Home Inspection app

Based on the perspective of customers, Vanke developed the mobile home inspection app to effectively connect the home delivery on-site records with customer home records. After home acceptance, customers can view the home delivery inspection results and maintenance progress on WeChat, and give real-time comments on our services. In 2018, the mobile home inspection app covered all delivery projects, and was gradually used in the construction site visits. The app has been used to inspect 421,000 houses. Besides, "from the first click to the last click by customers", Vanke continuously strengthens its online services, provides functions like "click to remind" and "click to activate" for online home inspection and online request for repair, further deepens customer interaction and improves the efficiency and experience of services.

Customer satisfaction

By 2018, Vanke had conducted customer satisfaction surveys for 17 consecutive years. To better understand customers' experience throughout the whole life cycle, based on following up key nodes such as one month, half a year and a year after contract signing, or one month, half a year, one year, two years and more than two years after delivery, we also add six real-time surveys at the time of home purchase, contract signing, construction site visit, delivery, repair and customer activities, to allow customers to give real-time comments online at every service received.



Instant evaluation

In 2018, Vanke continued to expand customer communication channels, and introduced the WeChat survey approach. The survey will be automatically triggered when a business step is over. We also improved the online instant evaluation on six main services to acquire more feedback from customers. The reachability rates of the instant evaluation surveys on construction site visits, official delivery and after-sales repair were respectively 64%, 70% and 78%.

In 2018, the total real-time comments from customers reached **258,000** times.

Customer feedback

Customer feedback channels have been established and continuously improved to quickly and conveniently deliver true customer feedback, guide Vanke's improvement and allow customers to experience the delightful Vanke service.



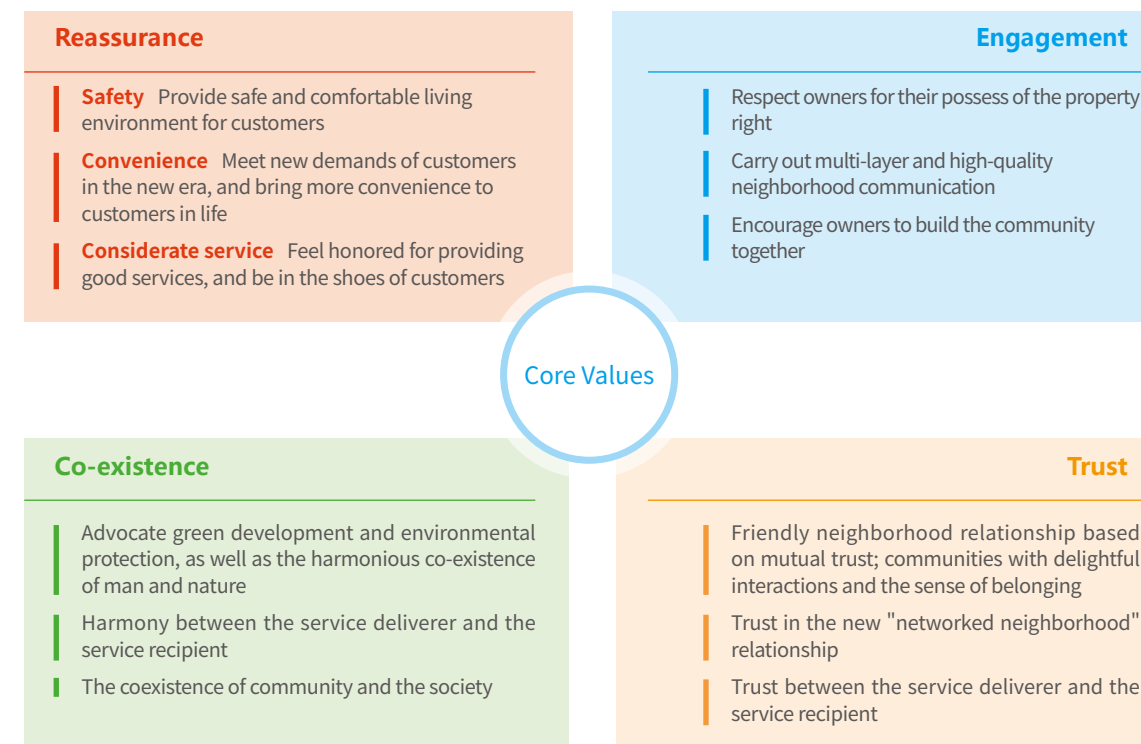
Customer privacy protection

Personal information, including personal phone number, address, real estate property, income, etc., is personal privacy and shall be protected by laws. Vanke regards the customer information protection as an important management task, and is compliant with the requirements specified in the *General Principles of the Civil Law of the People's Republic of China* and other laws on the protection of personal information. We have formulated *Vanke Group Information Confidentiality Regulations* to strictly keep confidential the customer information collected in property services, housing sales and other businesses.



Property Services

As a leader in the property management industry of China, Vanke Service practices the core values of "reassurance, engagement, trust and co-existence" to provide owners with full lifecycle service and allow more users to experience delightful property service.



Entering **83** large and middle-sized cities with the highest development potential in China

Contract signed involves a total of **0.53** billion m² area

Serving **4.8** million families with over **15.84** million people

Providing a total of **2,482** service projects



Vanke Service stayed TOP 1 among "**Top 100 Chinese Property Service Providers**" for nine consecutive years

Vanke Service reached a brand value of RMB 9.501 billion, winning "**Most Influential Property Developer in 2018**"

Excellent community

Communities are cell units of the society. A harmonious and happy community is the foundation for a harmonious and happy society. Vanke Service is committed to creating a platform of happy communities, fulfilling the pledge of providing "safer and more convenient services", and encouraging community co-building. It hopes to create harmonious relationship in the neighborhood and between the service deliverer and the service recipient, thus creating "excellent communities".

Living Here

The Living Here app is an interactive platform developed independently by Vanke Service for all Vanke owners, connecting community residents, property service companies and professional life service provider. Community life is the major service scenario of this app. In 2018, Living Here had over 3 million registered users, and Vanke Service responded to about 8.46 million owner service requests (16 requests per minute on average).

Friendly Neighborhood Program

The "Friendly Neighborhood Program" is a consumption-supported community renewal plan initiated by the Living Here app of Vanke Service. When users buy products or services from the "Neighborhood Market", the stores will donate a certain portion of the income for hardware update of the community, aiming to maintain and increase the value of homes of owners and boost sustainable development in the community. In 2018, the Program funded over RMB 10 million in total; 1,353 entrance guard devices in 23 communities were renovated by using the fund, proving the program feasibility in communities.

In 2018, Guangdong and other places suffered from a straight attack from Typhoon Mangkhut, causing severe loss in communities. Following the typhoon, the Friendly Neighborhood Program immediately opened an express channel for application review and implementation in support of disaster relief. It provided financial support for post-disaster seedling and tree-planting and renewal of damaged floor mats in the children's park in Shenzhen Golden Mansion, Shenzhen The Park and Shenzhen Wonderland, benefiting more than 300,000 home owners.



A total of 330,000 owners participated in the "Friendly Neighborhood Program", covering 1,411 residential communities, and raising RMB **10.47** million.



By using the fund raised through the "Friendly Neighborhood Program", **171** renovation projects were carried out with investment of RMB two million, covering 157 communities with RMB one million benefiting our owners.

Case

HSQ high-end property management certification service

Vanke Service officially released the HSQ high-end property management certification system in October 2018, marking that Vanke Service could provide products in high-end property management. The HSQ system includes three major modules: health, safety and high-quality service. Based on more than 240 scoring items and 48 system documents, a new set of high-end property service standards has been set up. Through the HSQ system, the service process and quality can be divided into three star-levels to reflect differences in service content, result and quality. By the end of 2018, 224 staff members of Vanke's HSQ high-end property management service served 1,396 households, covering an area of about 660,000 m².

Please Day

Please Day is a large-scale community activity jointly organized by Vanke Service communities and Farsighted Alliance Community, aiming at "building simple and friendly neighborhood relations and advocating virtue and comity in the community". In 2018, Vanke's Fourth Please Day, themed with "Neighbors, Let's Run for Health Together", held a number of activities together with the "Community Run for Fun", such as Mid-autumn Festival Gala and Hundred-Family Banquet. Over 2,500 activities covered 67 cities and more than 2,200 residence communities in the country, affecting more than 6 million people. In addition, Vanke Service, jointly with street offices in the community, released the Please Convention on "Living Here" app, to advocate users across the country to jointly protect their homes by signing the Convention.



▲ Please Day—Lightening up the city



Old community renovation program

Forty years after the launch of the reform and opening up, China's urbanization has been accelerating, and the old communities increase. Problems such as backward living environment, outdated facilities and hidden dangers in "aging communities" are becoming challenges affecting urban planning and people's life. In order to promote the old community renovation in an orderly way and improve our professional renovation capability, Vanke Service has established a complete work system for the renovation program with a team of experts, and vigorously promoted the renovation progress.

In 2018, Vanke Service, after communication and coordination with the Owners Committee and the relevant government departments, raised funds for the renovation through government investment, special maintenance funds and owner self-raised funds on the premise of legal compliance. 269 renovation programs were implemented in old residence communities throughout the year, which received wide acclaim from owners, the Owners Committee and the local government.

Case Wuhan coastal Silo City Project

Vanke Service took over Wuhan's Silo City in 2017. Before that, property management problems of the Silo City were prominent, and there were some hidden safety hazards such as unattended entrance and exit, walls without electronic fences and infrared alarm system, and damaged or malfunctioning elevators. The satisfaction rate was always low.



Since "entrance safety" is the bottom line of the neighborhood's security protection, Vanke Service immediately conducted a public poll and launched a "close-door action" to restore the access control systems at the block entrance and entrance of unit buildings, and closed fire doors to ensure the community's security. In addition to the improvement of hardware facilities, Vanke Service housekeepers also promote safety knowledge in the residential area and inspect the use of access control system to continuously improve the safety level of the residential area and ensure the normal use of access control system. According to statistics, after the "close-door action" was landed, the theft rate in the community has decreased significantly, and the public order of the community and the personal and property safety of the owners have been well guaranteed.

Pulin

In 2018, Vanke Service's "Vanke Rental and Sale Center" was upgraded and officially renamed as Pulin Vanke Service Second-Hand Housing Franchise. Based on residential brokerage services, the upgraded "Pulin" provides customers with home custody, management, trading and supporting services, helping owners to maintain and increase the value of real estate, and bringing heartwarming and trustworthy brokerage services for customers. By the end of 2018, Pulin's business covered more than 100,000 customers in 192 pan communities served by about 2,000 asset managers from 368 stores across 48 cities in China, including Beijing, Shanghai, Guangzhou, Shenzhen, Wuhan, Chengdu and Hangzhou.



Business Enterprise Services

As one key part of Vanke Service, the Business Enterprise Services offers the property management of business office buildings, and government and enterprise facility management. It is committed to providing management and operation plan through the full life cycle of real estate in the business space with a large quantity of assets, and helping owners to improve core business competitiveness. By the end of 2018, Business Enterprise Services had covered 52 cities with 511 projects, involving a total area of 39.74 million m².

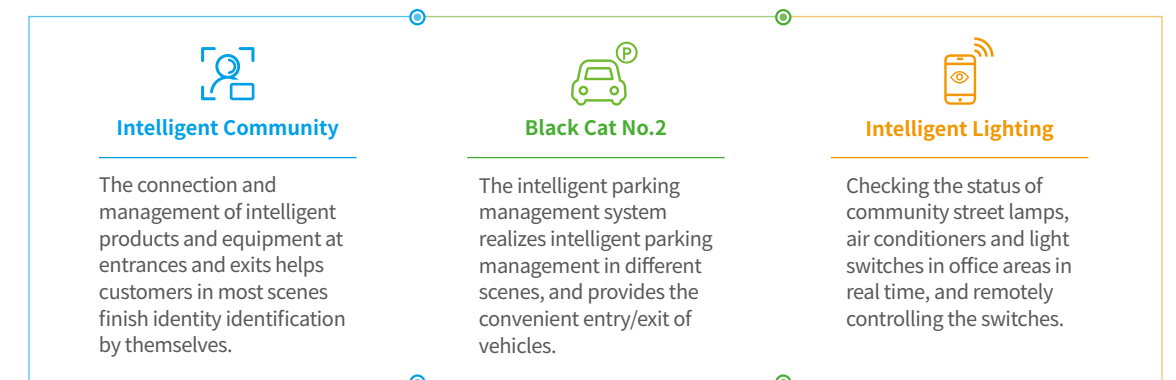
Case Tencent Binhai Mansion Project

As Tencent's global headquarters, Tencent Binhai Mansion in Shenzhen is a super-high-rise complex integrating the functions of corporate headquarters, Class A office and commercial services. Vanke Commercial Property Service adheres to the customer-centered principle, implements the concept of managing equipment and facilities throughout the full life cycle, and provides "diamond quality" property management services such as fire control of high-rise buildings, operation and maintenance of building facilities, equipment and systems, and meeting customer service requirements for an enterprise headquarters. At the same time, Vanke Service has designed service flows based on customer experience and continuously iterated and improved services, so as to make Tencent Binhai Mansion a new benchmark for building services for headquarters of Internet enterprises.



VANRY Intelligent Technology

VANRY Intelligent Technology, a wholly-owned subsidiary of Vanke Service, is a complex solution provider for intelligent buildings based on intelligent product research and development, system integration and maintenance services. Committed to the technological research and development for community public platforms, the company uses the Internet, Internet of Things (IoT), cloud computing, big data analysis and other technological means to create a modern property management model and intelligent life plan. At present, the company has formed a complete industrial system integrating "intelligent IoT, intelligent building development and electromechanical operation and maintenance within buildings" to help customers create modern intelligent space for a better life. By the end of 2018, VANRY business had covered 55 cities across the country.





"Urban Property Management" in Hengqin New Area, Zhuhai

The Urban Property Management is a new pattern of urban management. By applying a market-oriented mechanism and "professional services+ intelligent platform + administrative power" model, urban public space, resources and projects can realize the whole-process "management + service + operation".



In May 2018, Vanke Service and the Administrative Committee of Hengqin New District cooperated to create a governance model guided by the principle of "urban property management". The two parties planned to manage, serve and operate the public space and resources in Hengqin through combining "property management services, intelligent platform and administrative power", so as to build a "five-star city", establish a social governance model based on collaboration, participation and common interests, and make urban life better, more attractive and competitive.

Public space management	<ul style="list-style-type: none"> Operation and maintenance management of Maliuzhou traffic tunnel in trial operation stage Garbage classification management in Yinxin Garden, New Home and Hongqi Village Auxiliary public services in 9 natural villages in Hengqin New Area
Public resources operation	<ul style="list-style-type: none"> Operation and management of all public dumping sites in Hengqin Operation and maintenance management of No.18 Parking Lot at Hengqin Port
Public projects services	<ul style="list-style-type: none"> Property management and security services for 20 government organs in Hengqin

We must not forget that housing is for living in, not for speculation. With this in mind, we will move faster to put in place a housing system that ensures supply through multiple sources, provides housing support through multiple channels, and encourages both housing purchase and renting. This will make us better placed to meet the housing needs of all of our people.

—The report to the 19th CPC National Congress

Rental Housing

In the new era of "Equivalent Focus on Rental and Purchase", Vanke aims to provide a complete living solution for the people, and provides youth apartments, family apartments and serviced apartments to the public. Meanwhile, Vanke has been actively working with the government and signed strategic cooperation agreements with Shenzhen Talents Housing Group in Shenzhen and Xiamen to help establish rental platforms and support the comprehensive renovation and operation model of urban villages.

Port Apartment

Port Apartment is a Vanke brand of Rental Housing for young people. The target customers are 18-40-year-old white-collars. By the end of 2018, Port Apartment has opened over 55,000 apartments in 35 major cities across China.

Brand assurance

High price-performance ratio

Port Apartment is committed to building apartment homes for young go-getters away from their hometowns, and providing products and services with high price-performance ratio through sharing the public space and improving spatial design.

Service first

More attention to customer concerns in the whole process

By integrating high-quality internal and external resources, we provide Port Apartment dwellers with full-process supporting services, and release innovative and convenient auxiliary facilities step by step to bring more convenience to dwellers.

Neighborhoodness

A new model of neighborhood relationship

Heartfelt and considerate atmosphere in the community can better connect Port Apartment dwellers with each other, allowing them to have more interactions and common language. Apart from building friendship and neighborhoodness among housekeepers and dwellers, Port Apartment uses the mobile Internet technology to establish new-type neighborhood relationship featuring voluntary mutual assistance.

Intelligent platform

Solving rental problems efficiently

Intelligent hardware, together with an online information management platform, serves dwellers throughout the full renting process from house hunting, contract signing to moving in, improving the living experience of dwellers while ensuring living safety.

Case

Buji Port Apartment in Longgang, Shenzhen

Buji Port Apartment in Longgang, Shenzhen, with 3,718 apartments, is Vanke's largest single Port Apartment park in China. The entire park has a construction area of about 90,000 m², and provides as many as 11 apartment types, including single room, one room and one hall, and two rooms and one hall, meeting the various demands of different customer groups. At the same time, the park is close to Shenzhen's east transportation hub—convenient transportation and abundant commercial facilities make it a best choice for young people who need to rent houses in key areas in Shenzhen, including Futian, Luohu and Longgang. Due to its outstanding advantages, Buji Port Apartment has established cooperation with Shenzhen Talent Housing Group, providing local talent housing resources to create a warm harbor for thousands of urban go-getters away from their hometowns.



Quality services of Port Apartment

Vanke's long-term rental apartment business adheres to the concept of "work hard, and live better", and continuously improves Port Apartment dwellers' satisfaction and experience through improving customer services, brand building and community development.

Customer services

Through the online management system, Port Apartment app, WeChat official account and other channels, we have realized the system rebuilding and digital operation of rental businesses, and provided over 50,000 renters nationwide with full-process rental services, including making an appointment to check the house, reservation and contract signing, check-in, repair request and complaint.

Brand building

Every graduation season, Port Apartment launches "Harbor Program" for fresh graduates to help them find suitable homes. In 2018, Port Apartment organized a program themed "Supporting Fresh Graduates on the Path of Pursuing Dreams", and provided the top prize of "renting one year for free".

Community development

Port Apartment organizes competitions and activities irregularly, such as King of Glory and billiards games, and holds parties on sports, gourmet, game or other topics young people are interested in, during festivals, to care for go-getters far away from hometowns.

▲ Port Apartment's Mid-Autumn Festival Party

Commercial Business

Serving the residents, Vanke Business focuses on creating a high-quality consumption experience for customers. By the end of 2018, Vanke Group had managed over **210** business projects, with a total gross floor area of over **13** million m².

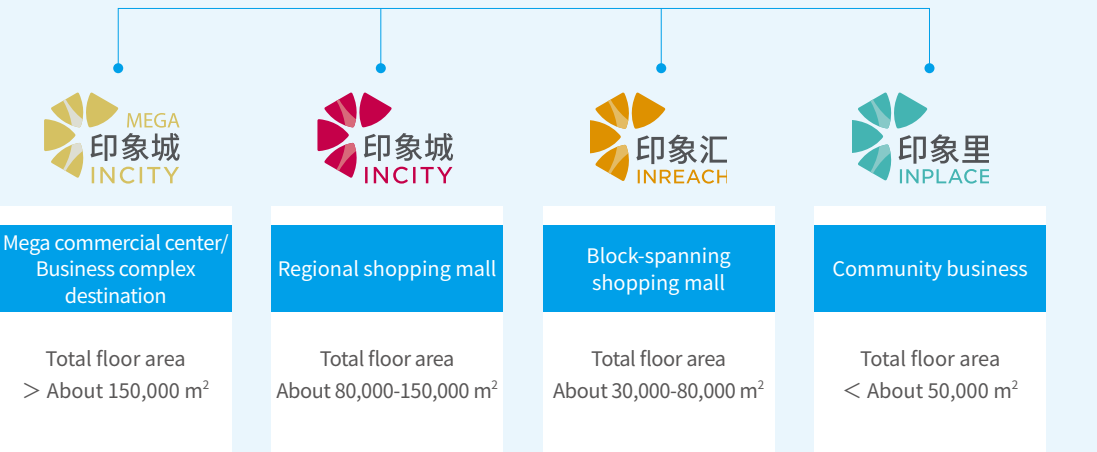
🏆 SCPG's honors in 2018

- No.1 in Top 30 Innovative Commercial Real Estate Developers in China in 2018
- No.3 in Top 10 Chinese Commercial Real Estate Developers with Highest Brand Value in 2018
- No.3 in Top 100 Chinese Commercial Real Estate Developers in 2018

As a business development and operation platform of Vanke, SCPG upholds the mission of "A Happy Shopping Venue, a Journey of Enjoyment and a Source of Vitality". Explorations in commercial service innovation, stock asset management and digital experience improvement have been made to optimize scenario-based urban space experience, and support urban renewal and upgrade. In January 2018, SCPG made a joint acquisition of over 20 CapitaLand shopping centers, further completing the business layout. In October 2018, the 20 projects all had been delivered.

IN-Series

In 2018, in light of Vanke's ecosystem resources, SCPG, based on diversified industrial forms and brand mixes, enriched the "IN-series" commercial product lines with "INCITY" as the center, and further developed a complete matrix of all products, continuously building true value for customers and commercial tenants.

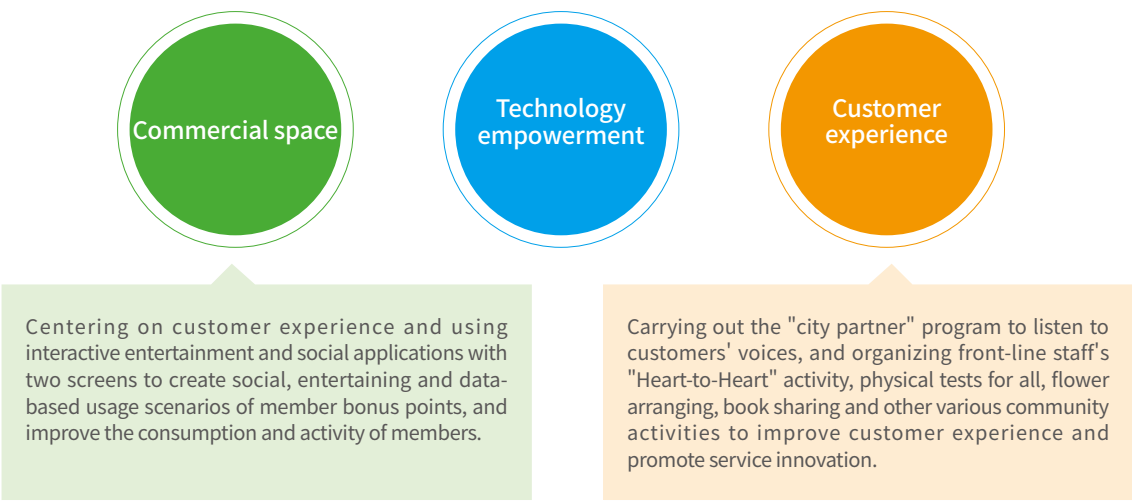


Case SCP Plaza upgraded to SCPG Center to revive stock assets

On December 24, the former SCP Plaza in Futian District, Shenzhen was upgraded to SCPG Center. The upgraded center has become a social platform and living center for families in surrounding communities.



Turning the member experience center located in the atrium on the first floor into a multifunctional and complex scenario experience center integrating member space, brand display center, art exhibition, flash mob launch activities and interactive experience.





▲ Wenzhou MEGA INCITY

MEGA INCITY

MEGA INCITY is a shopping center brand newly released by SCPG in 2018. It is positioned as a super large commercial complex destination. With its leading architectural appearance, flagship scale, colorful and diverse business forms and fascinating scenarios and space, MEGA INCITY allows customers to explore, travel, experience and get together, and becomes an attractive destination for customer experience.

Wenzhou MEGA INCITY

As a brand-new flagship product in SCPG's INCITY series, Wenzhou MEGA INCITY is close to the political and cultural center. It is a giant business project of 250,000 m² in southern Zhejiang, and aims to be a "central park" and "central living room" of Wenzhou city. Giving full play to the local water and parks, the project connects the two green banks by building a bridge, creates a strong waterfront trail, and thus realizes the connection between parks and various commercial spaces. In addition to the waterfront landscape zone, innovative experience such as the swimming pool with green-planted wall and the 3D light and shadow waterdance show has been added to enhance people's interaction with water and parks, creating commercial projects that coexist harmoniously with nature.



INCITY

INCITY is a regional comprehensive shopping center brand. INCITY projects are mainly in the sub-business circle, core regional area and new urban center of first and second-tier cities, providing diversified consumption scenarios such as one-stop retail, catering, leisure and entertainment, business and social activities. From a more diversified, vigorous and fashionable perspective, they bring higher quality consumption experience to families and young people.

Hangzhou Xixi INCITY

The Xixi INCITY Phase II takes "fashion, trend and sports" as its orientation, bringing together Zhejiang's first small theater inside shopping center, first rooftop infinity swimming pool, Hangzhou high-end sports brand, late-night gourmet block "The Same Street" and "Eat Here", a brand gathering tasty snacks around the world, and many other instafamous brands that have first entered Hangzhou, which provides more better experience for urban life.



INREACH

INREACH is a block-spanning comprehensive shopping center, which mainly provides a shopping destination for families gathered in large communities while balancing fashion, leisure and social activities. Through gathering various elements needed for high-quality life, INREACH is colorful and convenient in providing residents with quality family shopping. It also improves the life quality of urban communities, and thus becomes a trustworthy and popular destination for family shopping.

Huiyang INREACH, Huizhou

Huiyang INREACH is located in Chongya Business Circle, the most prosperous area in Huiyang district, Huizhou, Guangdong. It aims to be a community shopping center and serve residents living within three kilometers from it. The project has a gross floor area of 39,000 m², a leasable area of 29,000 m² and 353 rooftop parking spaces. The project opened on December 28, 2007, with a compound growth rate of 14% over the past ten years. The project has successively won honors such as Guangdong (Excellent) Integrity Enterprise, Golden Coordinates Award of Top 30 Chinese Shopping Center, CCFA Golden Lily Award, etc.



INPLACE

INPLACE is positioned as a community shopping center that serves surrounding communities, and acts as a bond connecting residents' day-to-day consumption with social gatherings through providing adhesive, diversified and rapidly updating business services. It injects the sense of quality and graceful scenarios into daily needs, and creates a quality and convenient experience for community residents, thus being a good life helper of every community.

Wuhan Jiayuan INPLACE

Jiayuan INPLACE is located in the east of Wuhan Optics Valley, with a business area of more than 17,000 m². It is a comprehensive shopping center integrating five major business functions—shopping, leisure, gourmet, entertainment and children's playing facilities. The project introduces Jinyi Film City, which is scarce in the block, and Zhongbai Storage Green Label Store, greatly improving the life quality of residents in the block, and reshaping the new benchmark community shopping center by creating an all-round life circle in the eastern Optics Valley.

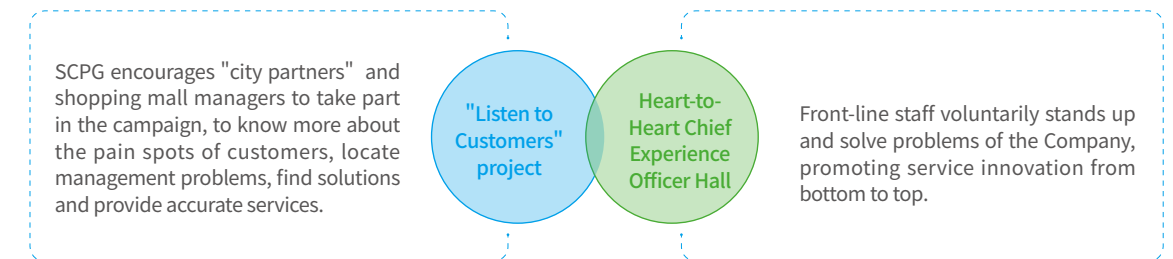


Special business services

SCPG adheres to be customer-oriented and quick response to customer demands, aiming to continuously provide high-quality products and services to consumers and create better life experience.

Customer Experience Year

Under the guidance of the brand-new "service provider" positioning, SCPG has defined 2018 as the Customer Experience Year. Through carrying out "Listen to Customers" project, "Heart-to-Heart" Chief Experience Office activity and customer satisfaction survey, SCPG listened to customers' voices fully, understood customers' evaluation of SCPG's products and services, and thus supported continuous improvement in project content and operation and management.



IN-Star

IN-Star is a brand-new digital marketing platform created by SCPG. After the platform was built, SCPG uses Miniprogram and WeChat official account to run the platform, further improves sales contact points, breaks the space and time constraints of stores, thus greatly enhancing the interaction with customers and the shopping convenience. In addition, relying on the accumulated visualized member data, IN-Star can further tap the potential needs of customers and then provide targeted services. By the end of 2018, IN-Star had covered 28 shopping malls of SCPG's six major city-level subsidiaries, attracting 1.26 million members and integrating 13 service providers, including Koubei and Dianping, by adopting an open platform mode.

IN-AMP

"IN-AMP" platform focuses on asset management across the full life cycle around four dimensions: customers, products, operation and employees. Through income and expense control, the platform promotes the realization of business objectives and promotion plans, ensures the maintenance and appreciation of assets value, and ultimately helps gain premium. In 2018, "IN-AMP" platform realized online visual management of tenants during the operation period in terms of tenant-centered service management, providing assistance for daily operation management.

Logistics Warehousing

The development of a modern e-commerce and logistics network urgently demands renewal and upgrade of logistics facilities. Cities also demand transformation and improvement of land and product functions. Seizing the development opportunity brought by new retail and scientific and technological innovation, Vanke steps into the field of logistics warehousing, and positions itself as a provider of logistics infrastructure to offer basic warehousing facilities to e-commerce, retail, third party logistics firms, express delivery, cold chain and other types of customers.

Logistics warehousing business

Vanke Logistics focuses on China's three major economic circles and key cities in central and western China with the highest vitality. Its business scope includes investment and site selection, development and construction, investment attraction and operation of high-standard modern warehousing, and has rapidly expanded the scale through networked layout. In 2018, Vanke acquired Swire Cold Chain Logistics asset package under Swire Industrial, including seven cold storage warehouses in Shanghai, Guangzhou, Nanjing, Chengdu, Xiamen, Langfang and Ningbo. After the merger and acquisition was completed, Vanke logistics and cold chain will cover all first-tier domestic cities and inland core port cities, with national and professional storage, arteries, distribution and other professional service capabilities. According to the latest report from DTZ, Vanke has taken up about 6% of the market share, ranking high in the country.



Case VS Logistic Properties Hangzhou Dajiangdong Project

VS Logistic Properties Hangzhou Dajiangdong Project is located at an important traffic node connecting Shanghai, Hangzhou and Ningbo, and has convenient transportation thanks to dense high-speed network around. The project has a total land area of 100,000 m² and a gross floor area of about 110,000 m², including four multi-storey warehouses (including property and equipment rooms), one six-storey shift duty building and one fire control room. After completion, JD.com contracted the entire park on a rental basis. After JD.com entered, Vanke actively guided and assisted JD.com to register and pay taxes, making the project the only high-standard rental warehouse where JD has registered and paid taxes.



Case VS Logistic Properties Shanghai Seaport Cold Chain Logistics Park

VS Logistic Properties Shanghai Seaport Cold Chain Logistics Park is located in Shanghai Seaport Comprehensive Economic Development Zone of Fengxian District, which is 60 km away from the downtown area of Shanghai, and 15 km away from Shanghai Free Trade Zone. The logistics park occupies 43,000 m², with seven warehouses and a capacity of over 10,000 layer boards. It has passed the ISO9001: 2008 certification and the certification of storing imported frozen meat and frozen seafood. Currently, the logistics park serves 45 customers, including Zespri, Fonterra and IKEA. On the basis of cold storage and transport services, it also undertakes labelling, product quality inspection, secondary packing and other services, and provides full-chain solutions including tailored product quality inspection, purchase and sales principle setting and order content management, so as to help customers effectively reduce the supply chain costs.



Intelligent warehousing services

Vanke Logistics always sticks to the customer-centered principle, continuously facilitates "intelligent development" of warehousing services, increases the operation efficiency and further improves customer service quality. In 2018, Vanke and SIASUN Robot & Automation Co., Ltd. signed a strategic cooperation agreement, intending to carry out in-depth cooperation in intelligent logistics equipment and relevant fields, and comprehensively strengthen the implementation of "intelligent manufacturing" and "smart life" in logistics and real estate industries.

"We should vigorously develop mass winter sports, improve the competitiveness of winter sports, accelerate the development of winter industries, promote sports and exercise in winter, and build up people's physical health."

—Instructions of Xi Jinping on preparing Beijing 2022 and developing ice and snow sports

Ski Resorts

Developing the ice and snow sports industry is of great significance to meet the needs of people for a healthy and better life. Vanke, based on its insights, has explored the development path of ski resort business to meet the needs of multi-level and diversified demands of people for ice and snow sports. By the end of 2018, Vanke VSKI had become the largest ski resort management group in China, and has two major ski resorts, Songhua Lake Resort in Jilin and Shijinglong Ski Resort in Yanqing District, Beijing.

Songhua Lake Resort

Songhua Lake Resort, located in southeastern Jilin, covers a land area of about 20 km². The national AAAA resort is advantageously located, and is only 15 km away from Jilin's downtown area. It is both a ski resort and urban ski resort destination. The percentages of elementary, intermediate and advanced snow tracks are 4:4:2, meeting the demand of the current and long-term demands of Chinese skiers in accordance with the group structure. Songhua Lake Resort can accommodate 15,000 skiers at the same time, and is one of the largest ski resorts in China.

Vanke has introduced the world's advanced mountain resort design concept and installed top hardware facilities to create a ski resort based on a double-wheel-driven development model combining skiing/mountain tourism and the perennial holiday resort. The resort area has Songhua Lake Ski Area, Songhua Lake Mountain Sports School, Panda Snowman Children' Ski School, Snow Park, five-star Songhua Lake Xiwu Prince Hotel, North American style resort hotel-- Qingshan Inn, Baihua Inn, Qingshan Holiday Apartment, V-Fun Kids Village, Little Red Riding Hood Inn, Forest Stage and various catering and supporting facilities on the commercial street of the ski town, thus providing a true international ice and snow paradise and mountain outdoor sports resort for skiing and outdoor sports enthusiasts. While meeting the various demands of the public on sports and culture consumption, the resort also boosts the development of China's ice and snow industry, and contributes to "300 Million Skiers".

During the 2017-2018 snow seasons, Songhua Lake Resort received 469,000 tourists. In the summer of 2018, the mountain sports holiday resort received 76,000 tourists.

- 34 quality ski tracks with a total length of 31 km
- A skiing area of 175 hectares, the largest in China
- 6 high-speed cableways and 8 magic carpet lifts, with a total transport capacity of 22,000 people per hour
- Advanced snow tracks A2 and A5 are FIS certified
- Annual average snow period of over 150 days with average snow depth of about 1 meter
- 5 snow tracks open at night, the highest number in China
- China's longest elementary alpine ski track of about 4 km
- China's most challenging giant slalom course with a total length of 1,883 m and a maximum mountain drop of 500 m

Awarded "China's Best Ski Resort" in the Fifth and Sixth "World Skiing Awards"

TOP 10 Chinese Ski Resorts in 2018 WS TOPS (World Winter Sports Tops Awards)

High-quality Sports Tourism Resort in 2018 China Sports Tourism Expo

Top 10 Ski Resorts in 2018 China Snow and Ice Tourism Development Report





Shijinglong Ski Resort

Shijinglong Ski Resort was founded in 1999 and is located in Yanqing District, Beijing. It is the first large-scale ski resort with snowmaking systems and sound facilities in surrounding areas of Beijing.

In 2016, Vanke renovated and upgraded the former Shijinglong Ski Resort. After that, the ski area was increased by 70%, and the capacity was increased to 250,000 tourists, with a maximum daily capacity of 5,000 tourists. The ski resort, after upgrading, has also added a terrain park and a ski resort for children, equipped with a specific lighting system to improve the skiing experience at night. During the 2017-2018 snow seasons, the Shijinglong Ski Resort received 90,000 tourists.



A ski area of **200,000** m²

A capacity of **250,000** tourists

10 snow tracks
including 1 advanced
4 intermediate
4 elementary
1 accessible snow tracks

2 cableways
providing four-person and
two-person cable cars

5 magic carpet lifts
including an accessible magic
carpet lift for the disabled

Safe and considerate services

Vanke's skiing business holds "create value through heart-warming services" as the core operation concept, and has formulated three-level service standards to provide safe and considerate services and bring a strong sense of happiness to customers on the basis of customer safety.



VSKI safety management system

Ice and snow sports are challenging. Unstable factors in the snow tracks and skiing environment and nonstandard practices of skiers may cause safety accidents. Centering on the personal safety of customers, Vanke builds a VSKI safety management system based on the safety management system provided by Bureau Veritas in French as well as its own operating experience, to ensure customers' life and property security.

Equipment safety	Safety monitoring	Safety inspection
Completing safety inspection and maintenance of cableways, snow groomers, snowmobiles, snowmakers and other equipment before using every day.	Ensuring that the fire control center and the security department are on duty around the clock, and key areas follow a sign-in mechanism for patrols.	Organizing a special safety inspection at least once a month and reporting the existing problems or hidden dangers to responsible departments to urge rectification and ensure that rectification is 100% completed.
Personnel safety	Medical care safety	Safety protection
Organizing personnel to receive training on cableway rescue, snow road rescue, stampede prevention during peak passenger flow, fire evacuation drills and first aid, and making them all qualified before working.	Ensuring that medical personnel from cooperative hospitals are stationed on site to provide 24-hour medical care.	Installing snow road safety net, safety signs and bumpers according to the standard, and ensuring that safety officers have inspected all snow tracks, and the tracks have all met standard requirements before opening every day.

Standard Office and Industrial Park

Vanke's industrial park and standard office business aims to provide "considerate services for your success". Through providing in-depth industrial services and extensive enterprise services, Vanke addresses the real needs of customers in the current era, and provides customers with premium services and differentiated office experience.

By the end of 2018, Vanke had engaged in the construction, operation and management of standard office buildings and industrial parks in over 20 cities, managed over 70 standard office projects, over 30 industrial park projects and nearly 7 million m² area in total.

Office buildings

Vanke builds high-quality office buildings in downtown area for efficient enterprises to match the quality and high-end business image and office experience for enterprises.

Hongqiao Vanke Center, Shanghai

Hongqiao Vanke Center, with a total floor area of 197,000 m², consists of seven diamond-shaped buildings and enclosed sunken squares. It is a comprehensive office building integrating a Grade A modern office building as well as commerce, entertainment and education functions. It has also passed LEED Gold certification and China's three-star green building certification. At present, the project has attracted some Fortune Global 500 companies to settle in.



Co-working space

Co-working space offers flexible office space rental options for tenants and shared comprehensive high-quality office facilities for flexible and sharing startups in the mobile Internet era, which can reduce the operating costs of enterprises.

Xiamen Entrepreneurship Commune

Xiamen Entrepreneurship Commune is located in Xiamen Software Park. It mainly aims to be an industrial cluster for "new Internet and new media", with a total gross floor area of about 13,000 m². The project integrates software development and outsourcing, animation, games and Internet new media, creative design, brand planning and film and television media against the backdrop of "Internet Plus" and aims to create a new serviced industrial office platform, and provide flexible office space and multiple services for enterprises at different development stages.



Industrial parks

The industrial park focuses on seven core industries: artificial intelligence, software technology, creative design, intelligent manufacturing, trade and e-commerce, life and health, and financial services. It gathers upstream and downstream enterprises in the industry, creates an industrial ecological service system, and provides enterprises with an office park and an innovative, healthy, and sustainable community environment.

Shanghai Jinqiao VI Hub



Shanghai Jinqiao VI Hub is located in the Jinqiao section of Shanghai Free Trade Zone. The total gross floor area is about 80,000 m². By introducing well-known enterprises and key projects in the industry to guide the industrial cluster and stimulate innovation vitality, the hub strives to build a new business highland that integrates advanced intelligent manufacturing and high-end productive services.

Professional and high-quality services

Vanke builds its core capabilities in service, industrial cluster and science and technology. Through providing quality products, we facilitate enterprises to improve work efficiency. With service upgrading, we create better experience for enterprises and employees. We also help enterprises reduce operation costs by gathering upstream and downstream resources in the industrial chain.



We are building a RST service system to meet multi-level and multi-dimensional needs of enterprises throughout the full development cycle of "start-up, growth, stable development and expansion", and spare no efforts to create good products and services for customers in accordance with enterprises' needs in capital, talents, space, operation and market.

ENVIRONMENTAL PRACTICES

Housing
Industrialization

Green
Building

Green Technology
Innovation

Green Operation

Green Supply
Chain

Vegetation
Conservation

Addressing Climate
Change

Environmental
Protection Data



Housing Industrialization

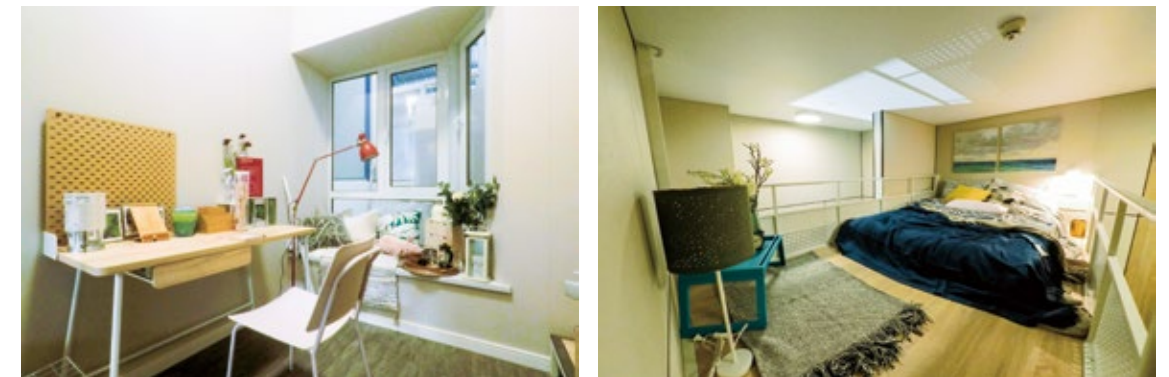
Housing industrialization has become one of the best practices of green and low-carbon development in the construction industry. Since it started research on standardization and industrialization from 2004, Vanke has been exploring green development and housing industrialization for 14 years and come to find an industry-leading construction industrialization path that both satisfies market demands and follows the development trend of this industry.

In order to improve quality and efficiency, reduce dependence on manual labor, and lower energy consumption and emission, Vanke continued to improve its "5+2" construction system in 2018. To promote industrialization, we formulated the *2018-2021 Vanke Industrial System Promotion Measures* in light of past industrial construction practices and China's standard for assessment of prefabricated building.



Case Long-term rental apartment model rooms with prefabricated decoration

As long-term rental apartment projects spring up nationwide, how to finish indoor decoration fast and with minimal harm to human health while ensuring good indoor air quality upon delivery has become an important issue for Vanke Port Apartment. To solve the problem, in 2018, Vanke created two long-term rental apartment model rooms with prefabricated decoration at Xiongan Vanke Green Research and Development Center. The model rooms used different integrated materials on ceilings, floors and walls to replace the traditional mortar leveling, puttying and coating, avoiding wet construction during decoration. That method decreased about 30% manual labor, saved around 35% time and enabled Vanke to finish decoration within ten days with deliverable conditions and realize formaldehyde emission 90% lower than the national standard, providing a feasible sample for the fast decoration of Rental Housing.



Case Vanke "5+2" construction system introduced at the observation meeting of the MOHURD

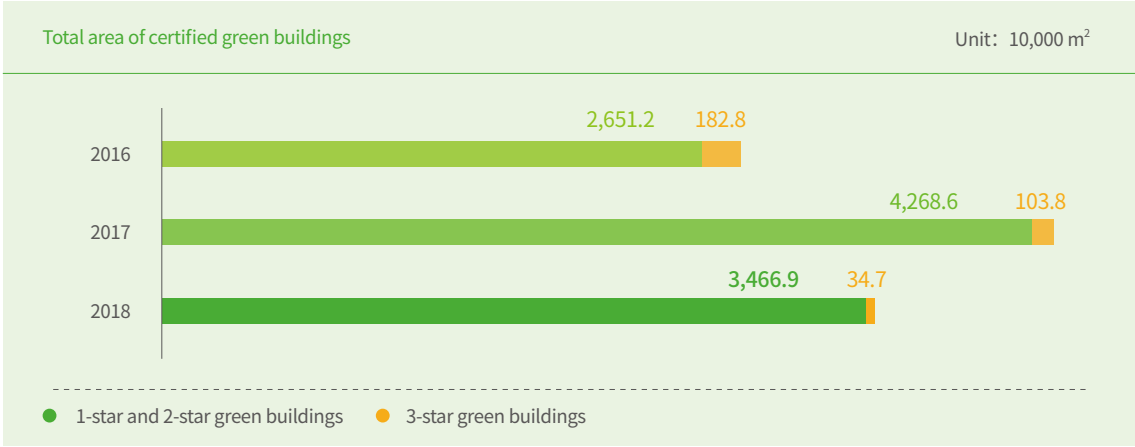
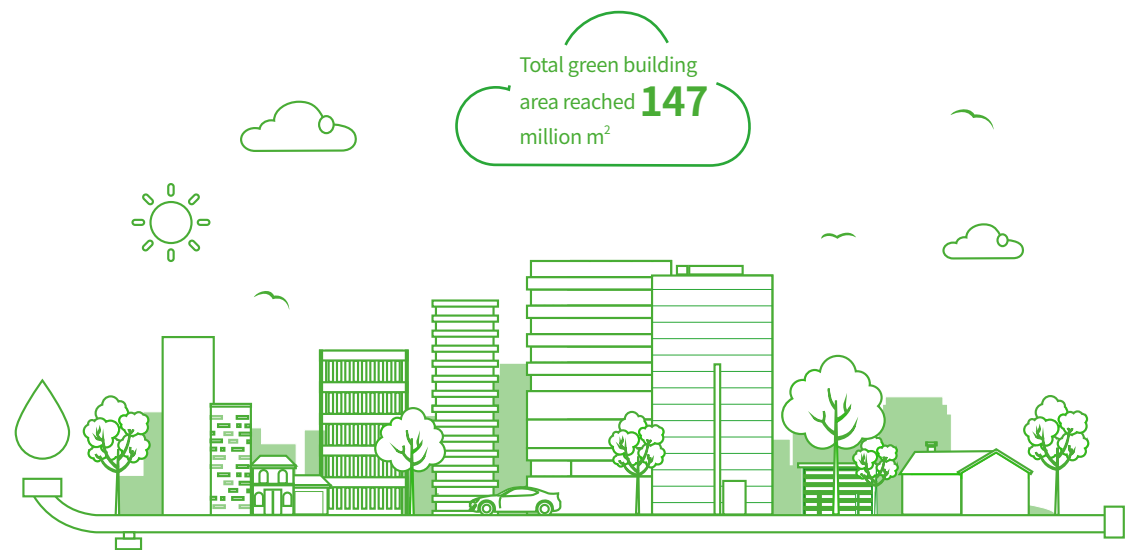
On August 24, 2018, Vanke organized the national meeting on the quality and efficiency of prefabricated construction projects and the introduction to the *Standard for Assessment of Prefabricated Building* hosted by the Ministry of Housing and Urban-Rural Development (MOHURD). Taking the Vanke W-Mansion project in Shenyang as an example, Vanke demonstrated its "5+2" prefabricated construction system highlighting "improvement in quality and efficiency, and reduction in consumption and cost". Vanke "5+2" construction system broke the bottleneck of quality improvement with its new technologies, materials and processes such as five construction systems, moderate prefabrication for main buildings and prefabricated decoration. By referring to *Standard for Assessment of Prefabricated Building*, it is a fruit of Vanke's prefabricated construction practice over the past years and widely recognized by the MOHURD and other business insiders. Besides, Vanke also introduced its intelligent and green construction site standard, and how to make construction sites more intelligent to ensure work safety and greener to make the city better. The meeting showed Vanke's consistent exploration and efforts in promoting prefabrication, and resolution to deliver good products and services for everyone.



Green Building

Green buildings are buildings that minimize the consumption of resources to protect the environment and reduce pollution throughout their entire lifecycle, create healthy, suitable and efficient spaces for people and co-exist harmoniously with nature. In *National Urban Ecological Protection and Development Plan (2015-2020)* jointly released by MOHURD and Ministry of Ecology and Environment, it is specified that "green buildings should account for more than 50% of all new buildings in urban areas".

Enthusiastically responding to the government's call, Vanke keeps exploring the application of *Assessment Standard for Green Building (GB/T50378-2014)*, and has imposed strict green requirements on buildings throughout their entire lifecycle from design to operation. All of Vanke's new projects have met local requirements for green star building. In 2018, Vanke built 35.016 million m² of green buildings, bringing its accumulative total to 147 million m², including 34.669 million m² of 1-star and 2-star green buildings and 347,000 m² of 3-star green buildings. Vanke's green buildings focus more on user experience and actual operation effect. In 2018, Vanke's projects with green building operation labels reached 467,000 m², 138% higher than that in 2017.



2018 Vanke three-star green projects

City	Project	Total construction area (10,000 m ²)	Three-star type
Shenzhen	First and second phase of Mangrove project	10.00	Design
Shenzhen	Coastal Land	7.00	Design
Guangzhou	Guangzhou Vanke Ocean Rainbow Building	4.19	Design
Hefei	Vanke Central Park Land Parcel I Project	15.04	Design
Hefei	12-22 buildings of Vanke Cheng North Part Phase II, Wuhu	11.30	Design
Yantai	Emerald Park Land Parcel B	8.79	Design
Chengdu	The Fifth City school and kindergarten	2.21	Design



Vanke City Garden, Zhuhai

Greening Rate:
43.77%

Underground area ratio:
22.16%

Building energy efficiency rate:
53.11%

Water-saving appliance utilization rate:
100%

Recyclable material ratio :
7.75%

The property management passed ISO 14001 certification assessment

Case Vanke Costal Land, a project with three-star green building label

Located at Futian district, Shenzhen, Vanke Costal Land Building covers an area of 5,775.05 m² and 81,629.64 m² gross floor areas. To meet the requirements for a 3-star green building, the project applied several advanced technologies to save energy consumption, build a sponge city and create a healthy and comfortable environment. It was certified a Three-star Green Building and achieved LEED-CS Gold pre-certification in May 2018.

Sponge city

It combines designs of rain garden, permeable overhead platform, rooftop greening and rainwater harvesting and recycling, and manages to keep the rainwater runoff control rate above **80%**, thus turning a small public project in downtown Shenzhen into a top sponge zone.

Water conservation

It uses top-level water-saving appliances and brings the water conservation rate to over **10%**; and uses micro-irrigation techniques and rain sensors for **100%** of its greening operations to improve water utilization.

Rainwater utilization

The 200 m³ rainwater harvesting station is set up to recycle A/C condensate water and rainwater from collecting wells. The water is then used, after disinfection, for greening on floor and podiums, water replenishing for landscape purpose and for some cooling towers. The station is designed to recycle a total of **13,070.33 m³** of rainwater every year, saving about RMB **39,211** per year.

Energy conservation

Thanks to the double silver LOW-E laminated hollow glass used in curtain walls, the exterior window's SHGC (solar heat gain coefficient) is **10%** higher than the bar set in *Design Standard for Energy Efficiency of Public Buildings (GB 50189-2015)*.

Its top-level high-efficiency air conditioning system and chilled water storage system can save around RMB **312,700** of electricity bills each year. The incremental investment recovery period is **4.3** years.

Its variable frequency air conditioning system can save **712 MWh** and RMB **712,000** of electricity every year.

Its LED lighting can save **197.3 MWh** and RMB **197,300** of electricity per year.

The eQUEST results show its annual power consumption per unit floor area is about **80 kWh/m²**.

Carbon dioxide sensors are installed in the underground garage so that vent systems can be switched on/off according to the actual carbon dioxide concentration detected to save energy.

Healthy and comfortable environment

The air change flow in the lobby is controlled according to carbon dioxide content to create a healthy indoor environment.

The make-up air units are equipped with electrostatic precipitator to maintain good air quality in offices.

Office areas are equipped with raised network floor to absorb sounds indoors.

Green Technology Innovation

Vanke attaches great importance to the research & development and innovation of green and eco-friendly technologies, drives the green development of the real estate industry with eco-friendly practices and the sustainable development of human habitat and environment with innovative ideas and ground-breaking technologies.

Research platform

Vanke values independent technological research and development, and is dedicated to boosting quality products and services with technologies. We now have 25 post-doctoral researchers working on construction related research and development in Vanke.

As an innovation-driven research center focusing on technological innovation, R&D, environmental governance and green building, Xiongan Vanke Green Research and Development Center is the first green technology R&D laboratory put into operation in Xiongan. Based on the center, Vanke launches joint research on industrial construction system, ecological environment, intelligent technology application and renewable energy with other research platforms to form a circle of like-minded businesses. In the future, Vanke is going to develop this R&D platform into an open platform integrating research, commercialization and implementation, promoting technological innovation and application along with high-quality R&D partners.

Research projects of Xiongan Vanke Green Research and Development Center in 2018

Project	Status
Research on Prefabricated Low-rise Concrete Structures	In progress
Assessment Standard of Full Decorated Housing	Finished
Research on Indoor VOC Control Technology	In progress
Research on the Inspection Methods of Prefabricated Buildings	In progress
Research on Indoor Air Quality and Smell	In progress
Research and Practice of Passive Ultra-low Energy-consuming Building	Applied
Utilization of Reed	In progress
Research on Sewage Treatment Using Water Hyacinth	In progress

Utilization of Reed

Reeds → Home Decoration Boards

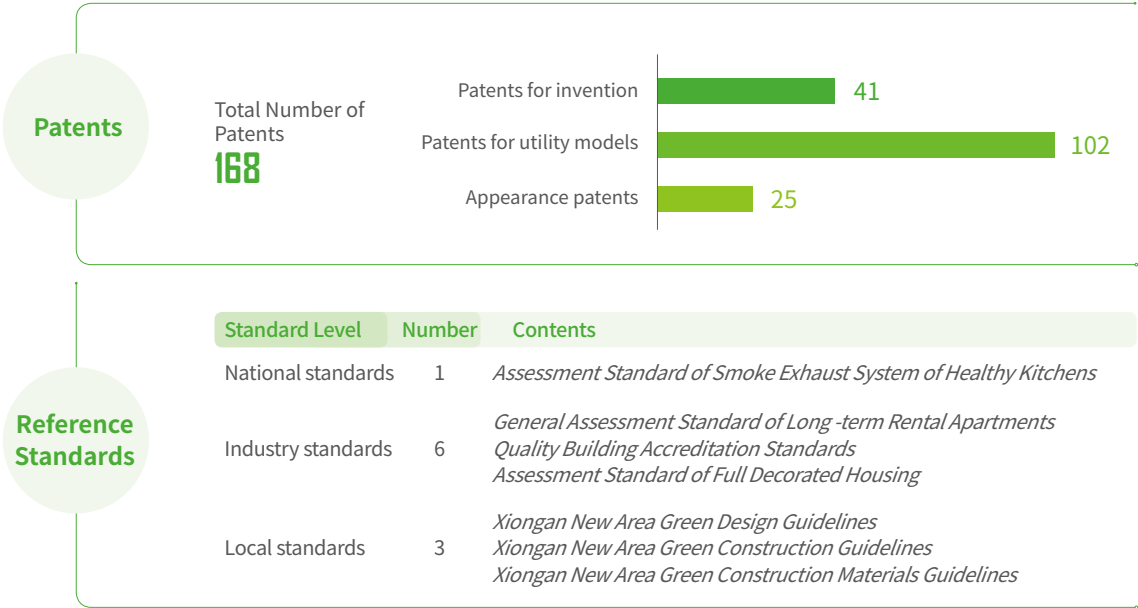
- Reduce environmental pollution caused by disposing or burning reeds

- Replace timber to protect the environment

- Enhance both physical and chemical properties of decoration boards

- Be capable of phase change thermal storing and of temperature and humidity conditioning, thus good for creating a comfortable living space

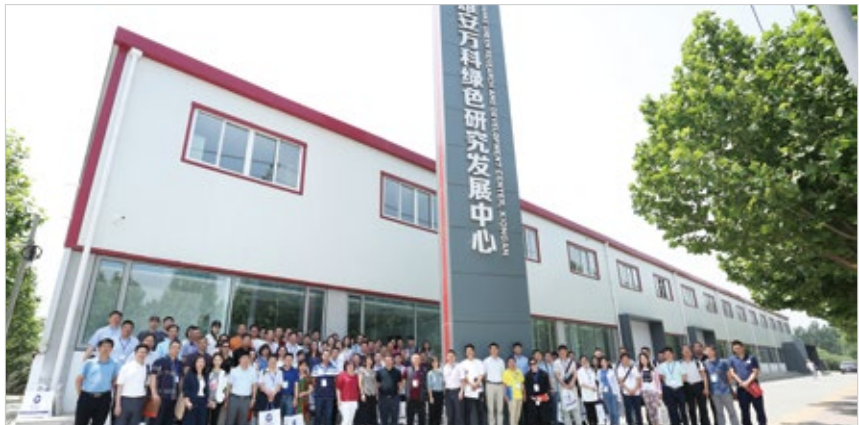
Research achievements



Case

A new era for passive ultra-low energy buildings

Chinese energy-saving building industry will enter the ultra-low-energy era by 2030. It is estimated that ultra-low-energy buildings will cover an area of over 100 million m² by 2020 with a market value of RMB 100 billion. In close cooperation with institutes specialized in passive ultra-low-energy building like Passive House Institute (PHI), Deutsche Energie-Agentur (DENA), Kang-Ju Center of the MOHURD and China Academy of Building Research, Vanke Research and Development Center has formulated "Vanke Passive Ultra-low-Energy Building Solution" targeting efficiency improvement and cost reduction. Besides, Vanke has co-developed passive ultra-low-energy construction materials and five-component suite with partners, including Passive Window, Door and Curtain Wall System, Systematic Wall Solution, Efficient Heat Recovery and Make-up Air System, Water Proof Roof System and Exterior Shading System, which have been utilized in projects such as Beijing Yongfeng Emerald College, Beiqijia New Park, and Shijiazhuang New Park.



▲ A delegation of the National Technical Innovation Strategic Alliance of Passive House and Low Energy Building Industry visits Xiongan Vanke Green Research and Development Center.

Note: The passive ultra-low-energy building (also known as "passive house" for short) is a high-performing building that creates a high-quality quiet, smoke-free indoor environment with constant temperature, humidity, and oxygen content without any traditional heating or active air conditioning methods. Meanwhile, its energy efficiency ratio should reach over 90% of the standard for buildings in China's severe cold regions.

Green Operation

The Outline of the 13th Five-Year Plan requires us to focus on creating a better environment, strengthen environmental protection, enhance resource utilization efficiency and actively deal with global climate change. To practice green development, Vanke formulated and implemented *Administrative Measures for Energy Conservation and Emission Reduction*. Specifically, Vanke introduced many green technologies such as the intelligent energy system, utilization of reclaimed water and rainwater, garbage classification, and waste recycling to enhance energy management, water resource management and waste management, and promote the sound and steady development of green supply chain, become a green company in this great era.

Energy efficiency management

Vanke values high-quality project development and operation. While creating a comfortable and healthy living and shopping environment for customers, Vanke has adopted a variety of measures to save energy, reduce emission and buildings' impacts on cities and climate, and constantly improve energy utilization.

To help front-line property management staff correctly understand the actual operation and energy consumption of various equipment and systems, and identify energy problems and solutions, Vanke Group (including SCPG) demands that all the projects it owns, operates or whose energy costs it pays should establish the energy management system so as to track and keep energy consumption under control.

Energy conservation and emission reduction in commercial real estate

To lower energy consumption of self-owned properties and achieve true green operation, Vanke Research and Development Center and SCPG have co-developed an energy management system to collect energy consumption data of projects in operation and conduct real-time energy monitoring and analysis, which has strongly promoted green operation.

In 2018, SCPG, Vanke's commercial real estate arm, conducted an energy survey on its 12 held commercial projects to determine adoptable energy-conserving measures, and set a specific carbon-emission reduction goal for each project and the general 2020 goal based on the survey results. It introduced energy-saving renovation and lean management to pilot projects Foshan SCPG INCITY and Xi'an SCPG INCITY, which saved around 1.72 GWh of electricity in 2018, and the energy conservation rate was over 15% in public areas.

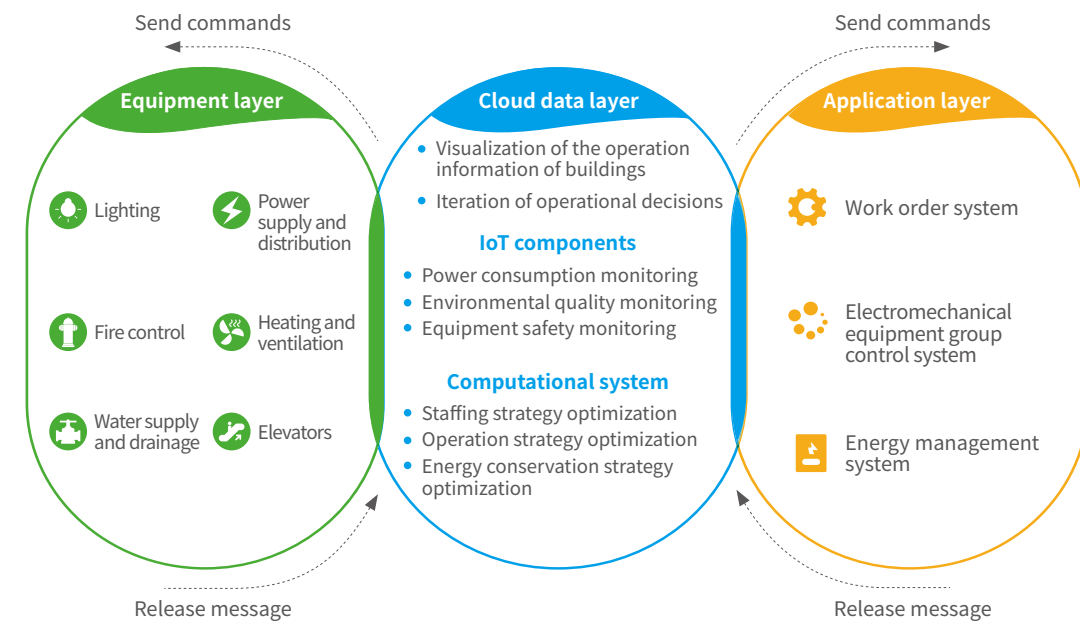
10%

To cut the energy budget of 12 held commercial projects by 10% step by step by 2020

- Build an energy management system to improve the energy efficiency of electromechanical equipment through the efficient and optimized operation control system.
- Replace lighting in the underground garage and the logistics corridor with more energy-efficient and eco-friendly LED lamps.
- Introduce roof greening and green space into new, renovated and refurbished projects to reduce urban heat island effect.
- Raise tenants' awareness of energy conservation and provide them with energy audit services for free to guide them to save energy and reduce emission.

Case Intelligent management of mechanical and electrical equipment and energy in Dongguan Vanke Plaza

Embracing technological advance, Dongguan Guancheng Vanke Plaza actively applies technologies such as Internet of Things and Big Data to the management of mechanical and electrical equipment and energy for buildings. Based on the intelligent operation and maintenance platform, the Plaza promotes data collection and digital management of mechanical and electrical equipment and energy in areas of work order management, energy management, cold station control, environment, health and security monitoring, etc., truly realizing visualized tracking, management and control of energy, equipment and staff.



Energy conservation and emission reduction in property management

According to *Administrative Measures for Energy Conservation and Emission Reduction*, Vanke Service carries out lighting renovation and daily energy management in an orderly manner, produces energy data analysis reports on a regular basis, and accordingly improves energy efficiency in property management to realize the energy conservation and emission reduction goal.



Water management

Vanke emphasizes water conservation in every link of its operation, and takes a variety of actions to improve the water utilization efficiency.

Water conservation

Vanke incorporates water conservation and water utilization efficiency in daily operation and project design, and promotes the installation and application of water-efficient devices to guarantee the buildings' performance in water conservation and sewage disposal during the whole life cycle. Engaged in the innovation and R&D of green technology, Vanke Building Research Center provides technological support and services regarding the standard design and construction of green buildings for the frontline companies, to improve water utilization efficiency.



Reuse of rainwater

Vanke is actively developing and building green infrastructure for sponge city that is natural, requires low input, low maintenance and produces low impact. It combines designs like rainwater garden, green roof and rainwater recycling system to collect rainwater, which is then, after disinfection, be used for watering landscape, cleaning roads, and water pouring test. These measures have improved water utilization efficiency and are in line with the development trend of sponge city.

Case Rainwater collection technology from Eco-Rain Garden

Vanke is actively developing sponge garden technologies. In March 2018, Vanke's Eco-Rain Garden was landed in Xiongan. It is a solution suitable for neighborhoods, parks and blocks that span from 10,000 to 100,000 m² and have higher ecological and cultural demands. As an upgrade of the traditional "Rain Garden", it filters rainwater through plants and sandy soil, and allows it to penetrate into soil to replenish underground water which can then be used for watering landscape and for toilet use. It is an ecologically sustainable facility for storm-water and flood control and rainwater recycling. With the passive rainwater collection technology, Eco-Rain Garden can not only improve the look of the neighborhood, but also save water and enhance the utilization rate of water on a massive scale.

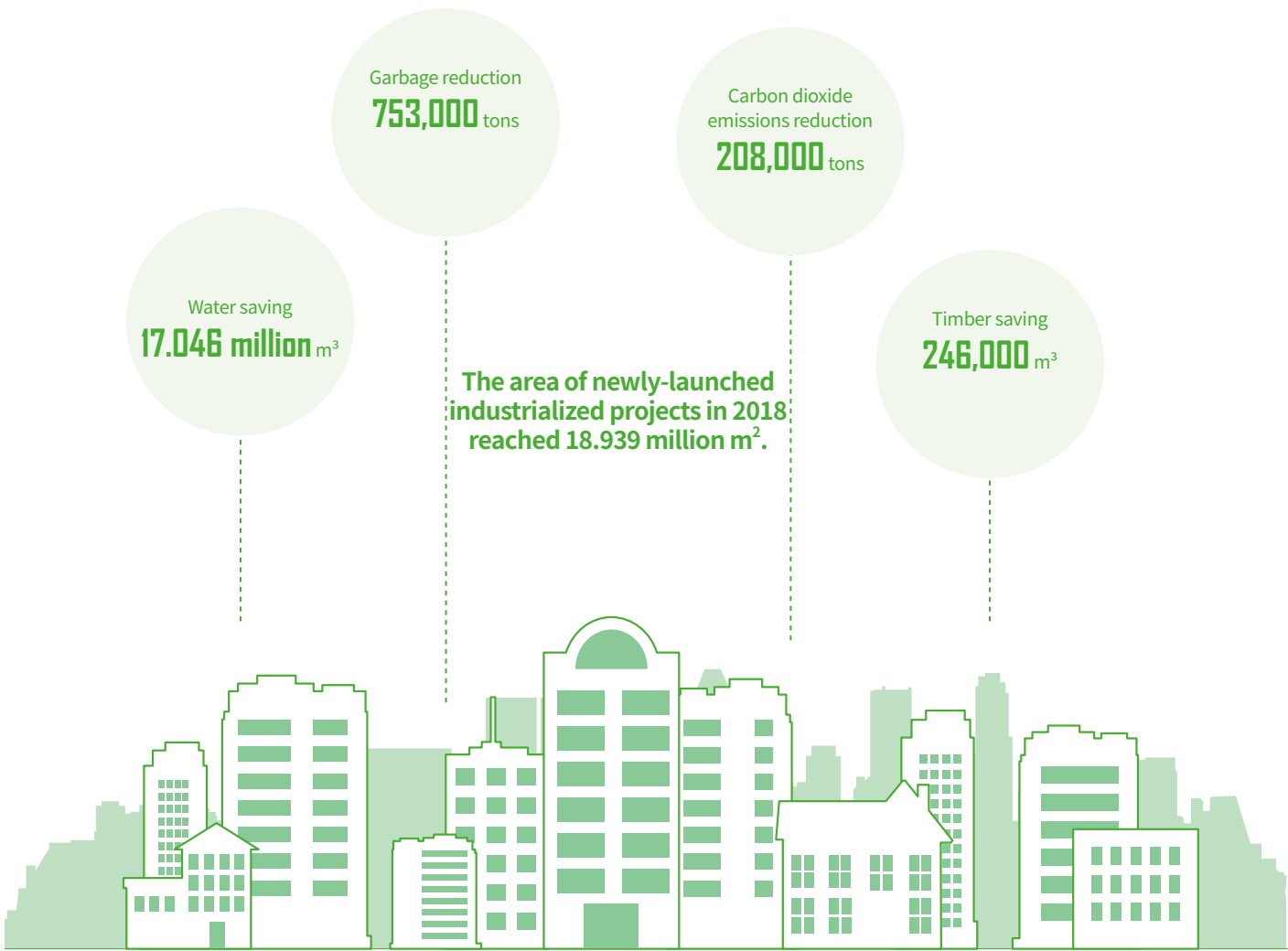


Waste management

Conforming to *Urban Appearance and Environmental Sanitary Management Rules* and *Urban Construction Waste Management Regulations*, Vanke actively responds to the national requirements of waste reduction by conducting in-depth study of the whole waste-producing processes in real estate development and recycling materials to reduce both harmful and harmless waste as well as environmental impact.

Reduction of waste

To further reduce the waste generated, Vanke vigorously promotes large-scale, intensive and industrialized housing construction and standard construction procedures to reduce the use of building materials and improve construction quality and efficiency. Meanwhile, interior decoration is promoted among housing projects to realize the integrated design and construction of civil engineering and decoration, avoid any damage caused by decoration to the existing building structure and reduce material and building waste.



Proper disposal of waste

In March 2017, the National Development and Reform Commission and the MOHURD issued the *Implementation Plan for Household Garbage Sorting*, demanding mandatory household garbage sorting in 46 pilot cities by 2020. As early as over 10 years ago, Vanke started to sort garbage in Beijing, Shenzhen and Shanghai by establishing household garbage sorting and recycling systems in communities. Through owner participation and social supervision, we have continuously refined community garbage sorting criteria to enhance community garbage sorting rate, reduce the garbage generated and recycle garbage, promoting community harmony and improving the community environment. In 2018, Vanke Foundation set "building a sustainable community" as the general goal, and upgraded community waste management to a flagship project to tackle the "garbage crisis" in communities. For detailed information, see page 94-95.

Case Vanke "Great Dreamer Plan" explores waste recycling

In the second phase of "Great Dreamer Plan" held by Dongguan Vanke in 2018, 70 kids were invited to visit Dongshi Education Base on Circular Economy and Environmental Protection and Yuanmei Community, a pilot community in garbage sorting. There they learned about the eco-friendly lifestyle and the garbage sorting technology, and were asked to think about how to reduce daily waste, thus enhancing their sense of social responsibility and better equipping them to contribute to the city.



Green Supply Chain

In 2016, Vanke, the Alxa Society of Entrepreneurs & Ecology, China Urban Realty Association and China Real Estate Chamber of Commerce jointly launched the "Real Estate Industry Green Supply Chain Campaign" to drive market-oriented green production, practice green supply chain management via an industry alliance, and give suppliers with good performance in environmental protection bigger market space.

Enterprises that have joined the campaign all promise that: they would manage their own supply chain according to a common procurement guide and action scheme, practice green procurement, and develop a green supply chain covering raw material procurement, production and end-user consumption, to enhance the environmental benefits and resource utilization efficiency, and assume their own responsibilities for China's social development and environmental protection.

The Campaign has attracted a total of **98** real estate enterprises, with combined sales reaching **20%** of the industry's total.

The Campaign has a white list of **575** suppliers and is about to develop the "green list" and "black list".

Green procurement training has been conducted for over **100** purchasing managers and directors in real estate enterprises.

The green procurement scheme has been extended to **7** categories.



Green Purchases Only

Green Procurement Guide and Action Scheme of the "Real Estate Industry Green Supply Chain Campaign"

- | | |
|---|--|
| <ul style="list-style-type: none"> ● Environmental Compliance Review Rules for Suppliers
to eliminate haze | <ul style="list-style-type: none"> ● White List Review Rules for Aluminum Chromate-free Passivation Control
to avoid water pollution caused by hexavalent chromium |
| <ul style="list-style-type: none"> ● The Real Estate Industry's Green Procurement Action Plan (for Stone Products)
to control dust, wastewater and noise | <ul style="list-style-type: none"> ● Harmfulness Control of Polystyrene Thermal Insulation Materials and HBCD Fire Retardant
to reduce environment pollution and harm to human body |
| <ul style="list-style-type: none"> ● White List Review Rules for Legal Timber Sources
to protect forest resources | |
| <ul style="list-style-type: none"> ● Water Paint APEO (alkylphenol ethoxylates) Control
to alleviate the damage of toxic substance to ecological environment | <ul style="list-style-type: none"> ● White List Review Rules for Formaldehyde Control of Interior Decoration Panels and Products
to protect consumers' health |

Vegetation Conservation

Vanke has upheld the values of sustainability and respect for nature and life while seeking business development. For years, Vanke has been studying plant diversity conservancy, developing and improving key horticultural technologies such as plant introduction, breeding and cultivation, and promoting the research and application of local plants, rare plants and new varieties in gardens to contribute to urban ecological gardens.

Botanic Garden of 2019 Beijing Expo

Beijing International Horticultural Exhibition 2019 (2019 Beijing Expo) is the high-profile largest specialized world exhibition held by China following Kunming International Horticultural Exhibition 1999 and Shanghai World Expo 2010. It is also a key platform to show China's achievements in ecological conservation and push ahead international exchange and cooperation in the green industry. In November 2015, Vanke Group signed a contract with Beijing International Horticultural Exhibition Business Management Co., Ltd., and became a global strategic partner of 2019 Beijing Expo responsible for building and running the Botanic Garden. It's the first time ever for a private enterprise to build and operate a key venue in the history of International Horticultural Exhibition in China.

As one of the five main projects of 2019 Beijing Expo, the Botanic Garden is located in the core area of the expo site, covering an area of 3.9 hectares with a floor space of about 10,000 m². It is the only display greenhouse of 2019 Beijing Expo, not only beneficial for the local ecological environment, but also of great values in aesthetics, spirit, education and recreation. Different from other botanic gardens, the core greenhouse of the Botanic Garden aims to illustrate the wisdom of plants in an artistic way through sequencing and allow visitors to have a better understanding of and connect with plants. The Botanic Garden is planned to be completed by April 2019.





Addressing Climate Change

Climate change has become a severe challenge for mankind. As a pioneer enterprise and foundation in tackling climate change and promoting green development, Vanke and Vanke Foundation are active in climate-related activities at home and abroad. The platform for Chinese companies to fight climate change attracted more participants in 2018, and moreover started to call for joint actions to facilitate low-carbon and green development.

Global Climate Action Summit, San Francisco, California

During September 12-14, 2018, the Global Climate Action Summit co-organized by the Department of Climate Change of the Chinese Ministry of Ecology and Environment (MEE) and the California government was held in San Francisco, and the US. Government representatives, renowned entrepreneurs, financial institutions, research institutes, NGOs and media joined together to discuss how to implement the solution committed in the *Paris Agreement*.

Chairman of Vanke Foundation Wang Shi attended the event as the head of the Fighting Climate Change Entrepreneur Alliance delegation, to make Chinese practices heard. Guided by the Department of Climate Change of MEE, Vanke Foundation held a discussion with C Team, Alxa SEE Foundation, and Energy Foundation on the topic of "Dialogue between Chinese and Foreign Entrepreneurs: Climate Innovation for Enterprises". It also co-initiated the China Business Climate Action (CBCA) and signed the action proposal, showing the resolution of Chinese entrepreneurs to address climate change.

The COP24, Katowice, Poland

From December 2 to 14, 2018, the 24th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP24) was held in Katowice, Poland. The "Building a Business Climate Action Platform Together" organized by CBCA was successfully held as a Chinese Pavilion side event. It attracted 32 Chinese and foreign guests from industry associations, enterprises, think tanks and environmental protection organizations to discuss how to enhance the influence of the business climate action platform.

Since 2013, Vanke Foundation has hosted or co-hosted the China Pavilion side events at the UN Climate Change Conference for six consecutive years. In 2018, Wang Shi, Chairman of Vanke Foundation, addressed the conference and mobilized representatives from the 21 founding members of CBCA to form a steering committee and implement the eight action strategies proposed on Global Climate Action Summit in California in September, as an active response to fight climate change.



Community Adaptation to Climate Change

On August 11, 2018, "Community Climate Adaptation and Practice", the first climate adaptation seminar in Pearl River Delta region sponsored by Vanke Foundation and co-organized by Harmony Community Foundation and C Team took place in Guangzhou. Government officers in charge of environmental protection, scholars in the climate field and public welfare practitioners gathered around to discuss the climate challenge faced by Pearl River Delta and seek the sustainable development path for communities that is adaptive and adjustable with low danger and loss, thus pushing forward community-based climate adaptation practices.

Vanke not only works on its own green development and ability to address environmental and resource problems, but also leverages its influence to expand its green activities to more fields. By so doing, Vanke has become a big player in, contributor to and leader of ecological conservation. In 2018, Vanke Foundation continued to prioritize green development and environmental protection. For more details of green activities in fields other than fighting climate change, see page 93-100.

Environmental Protection Data

Reporting scope

The disclosure scope of Vanke real estate system covers:

- ① The headquarters of Vanke Group
- ② The headquarters of four regional business groups
- ③ The office and operation scope of front-line subsidiaries

The disclosure scope of Vanke property management system covers:

- ①The headquarters of Vanke Service
- ② City-level subsidiaries
- ③ The office and operation scope of city-level subsidiaries



Energy Consumption	Unit	Real Estate System	Property Management System	Total
Diesel	Liter	13,395.3	10,542.2	23,937.5
Gasoline	Liter	1,510,211.2	318,350.1	1,828,561.3
Purchased Electricity	10,000 kWh	2,319.8	514.0	2,833.8
Purchased Heating Power	100MJ	87,669.0	29,984.0	117,653.0
Energy Consumption Density	100MJ/m²	6.1	3.6	—



Greenhouse Gas Emission	Unit	Real Estate System	Property Management System	Total
Direct Greenhouse Gas Emission (category I)	Ton	3,599.1	778.9	4,378.0
Indirect Greenhouse Gas Emission (category II)	Ton	15,588.7	3,345.6	18,934.3
Greenhouse Gas Emission Density	kg/m²	127.7	68.8	—

Note: Vanke Group is constantly improving its data collection system. As the related system becomes more mature, we will gradually expand the scope of disclosure with more details.

Note:

1.Environmental data calculation:

(1) Outsourced heat = building heat consumption coefficient * building area * average urban heating supply duration. The coefficient is based on Design Standard of Energy Efficiency for Residential Buildings in Cold Areas (JGJ26-2010).



Water Consumption	Unit	Real Estate System	Property Management System	Total
Total Water Consumption	Ton	444,900.0	79,888.0	524,788.0
Water Consumption Density	Ton/ m²	3.0	1.3	—



Disposal of Harmless Waste	Unit	Real Estate System	Property Management System	Total
Kitchen Waste	Ton	1,019.3	87.0	1,106.3
Paper	Ton	200.8	51.4	252.2
Recycled Magazines and Books	Ton	22.1	4.6	26.7
Harmless Waste Density	kg/m²	8.3	2.4	—

(2) Greenhouse gas emissions = energy consumption * greenhouse gas emission coefficient, of which greenhouse gas emission coefficient of fuel is based on the Reporting Guidelines on Environmental Key Performance Indicators by Hong Kong Stock Exchange and the diesel is 2.614 kg / liter, gasoline is 2.36 kg / liter. The emission coefficient of outsourced electricity and thermal greenhouse gas is based on the Guidelines on Preparation of Provincial Greenhouse Gas Inventories.

(3) The density calculation indicators are the total/corresponding areas (square meters).

SOCIAL PRACTICES

Urban Context
Protection

Charity

Fitness
Activities

Care for
Employees

Win-win
Cooperation



Urban Context Protection

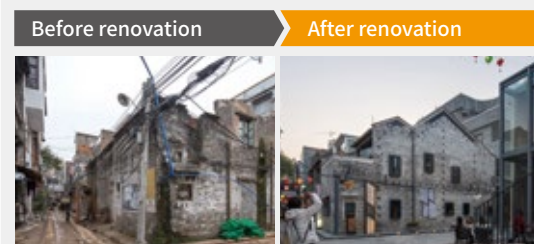
The historical and cultural context is the root and soul of a city. While contributing to urban renewal, Vanke keeps exploring solutions to the balance of innovation and preservation through unremitting practices so as to not only retain the traditional culture and memory of the city, but also give it more functions and vitality.

Mild renovation of Yongqing Fang, Guangzhou

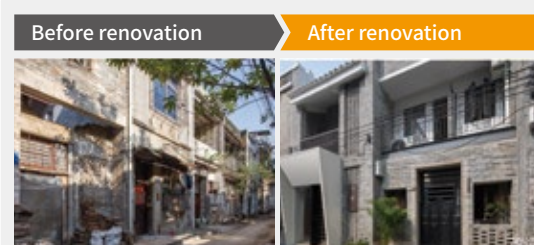
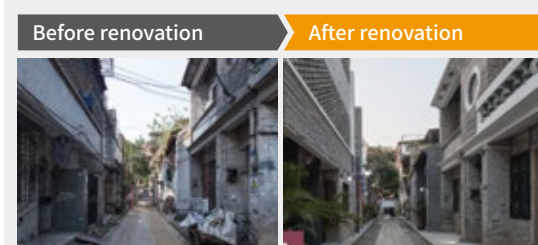
Located on Enning Road, a century-old street in Guangzhou, Yongqing Fang was built in 1931 and is so far the best preserved and longest street flanked with Qilou buildings in Guangzhou. The old alleyway, which is thought to be the epitome of Guangzhou, carries the cultural memory of the city as an economic center for over one thousand years. Although the residents treasure it very much, they have no choice but to watch it decline and lose its former glory. Before the mild renovation project launched by Vanke, dilapidated buildings could be seen almost everywhere in the area. Thirty out of the forty-three buildings requisitioned but not demolished were "seriously damaged" and some had already collapsed. Many of the old houses that had been built for more than 80 years, and the inconvenience brought by the uncompleted "demolition and reconstruction" project ten years ago had become a true headache for the residents.

Under the guidance of the local Party committee and government, Vanke explored the mode of mild renovation that is under the centralized leadership of the Party committee, led by the government, undertaken by enterprises and contributed by other walks of society. We "embroidered" Guangzhou's most famous historical and cultural district to give it a new look. Instead of total "demolition and reconstruction", the mild renovation renewed the building façades while preserving the original external outline, so as to fully combine the "old" with the "new".

Community square



Alley space



▲ Yongqing Fang, after the facelift, becomes a must-go place of Guangzhou

In August 2018, Vanke undertook the Enning Road phase-II project, which is 10 times larger than the first phase. Larger area means longer operation time and greater challenges. After a city-wide name solicitation campaign, public votes and expert review, the project was officially named "Xiguanli" and designed to be a modern urban life circle in a neighborhood rich in history and culture under the theme of "Old City, New Vitality". The project was named a key project of Guangzhou and was written into the 2019 city government work report. The renovation of its demonstration area will be completed by the end of September 2019, and that of the whole district by the end of June 2021.



In the old city of Guangzhou, Yongqing Fang has transformed from a dilapidated residential community into a modern community full of cultural, commercial and tourist activities. The renovation project has kept the original layout, introduced businesses, and increased the traffic. With the youngsters back, the old alley is also back to life.

—Xinhua News Agency

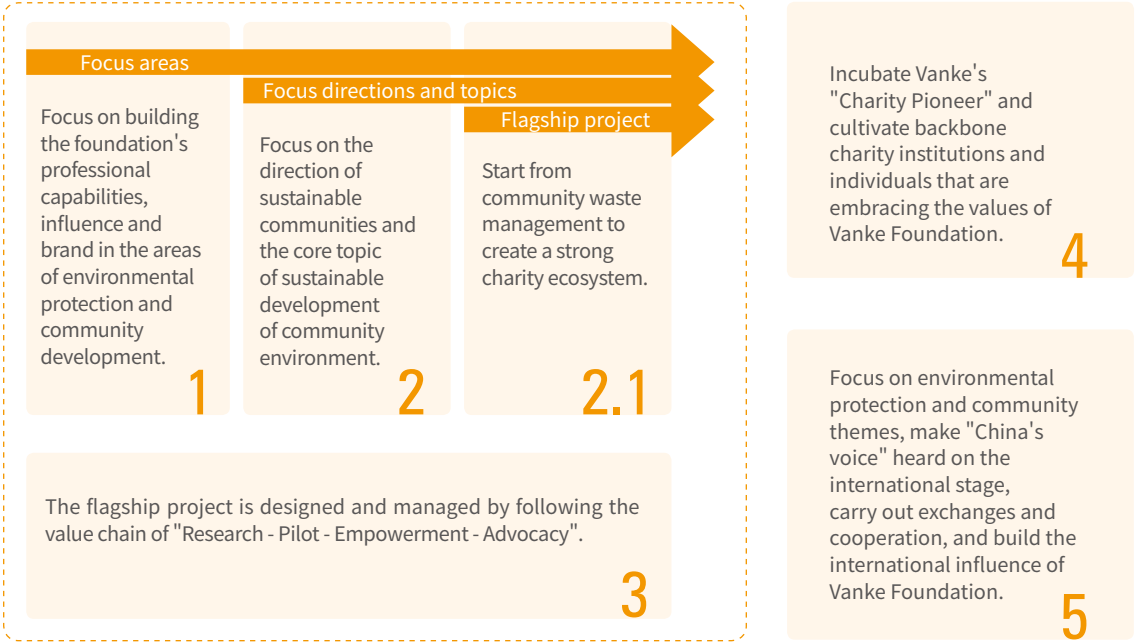
Charity

Vanke Foundation

Founded in 2008, Vanke Foundation is a national non-public fundraising foundation initiated by China Vanke Co., Ltd., approved by the Ministry of Civil Affairs and the State Council, and administered by the Ministry of Civil Affairs. In 2017, it was recognized as a charity organization. Since its establishment, Vanke Foundation has achieved fruitful results in many fields such as environmental protection, ancient building protection, children's health, education development, and targeted poverty alleviation. It has cooperated with more than 120 non-profit organizations nationwide and joined hands with employees, property owners, experts, volunteers, suppliers and partners in public welfare projects in order to give back to the society through concrete actions and jointly create a bright future.

In 2018, the tenth anniversary of its founding, the Foundation released the *2018-2022 Strategic Plan for Vanke Foundation* to re-plan the focus of its future work and its development direction, with a view to developing more and better charity projects and making more noticeable and universal changes. In the next five years, the Foundation will focus on "sustainable communities" to promote environmental protection and community development.

Expenditure of Vanke Foundation in 2018:
RMB **74.82** million



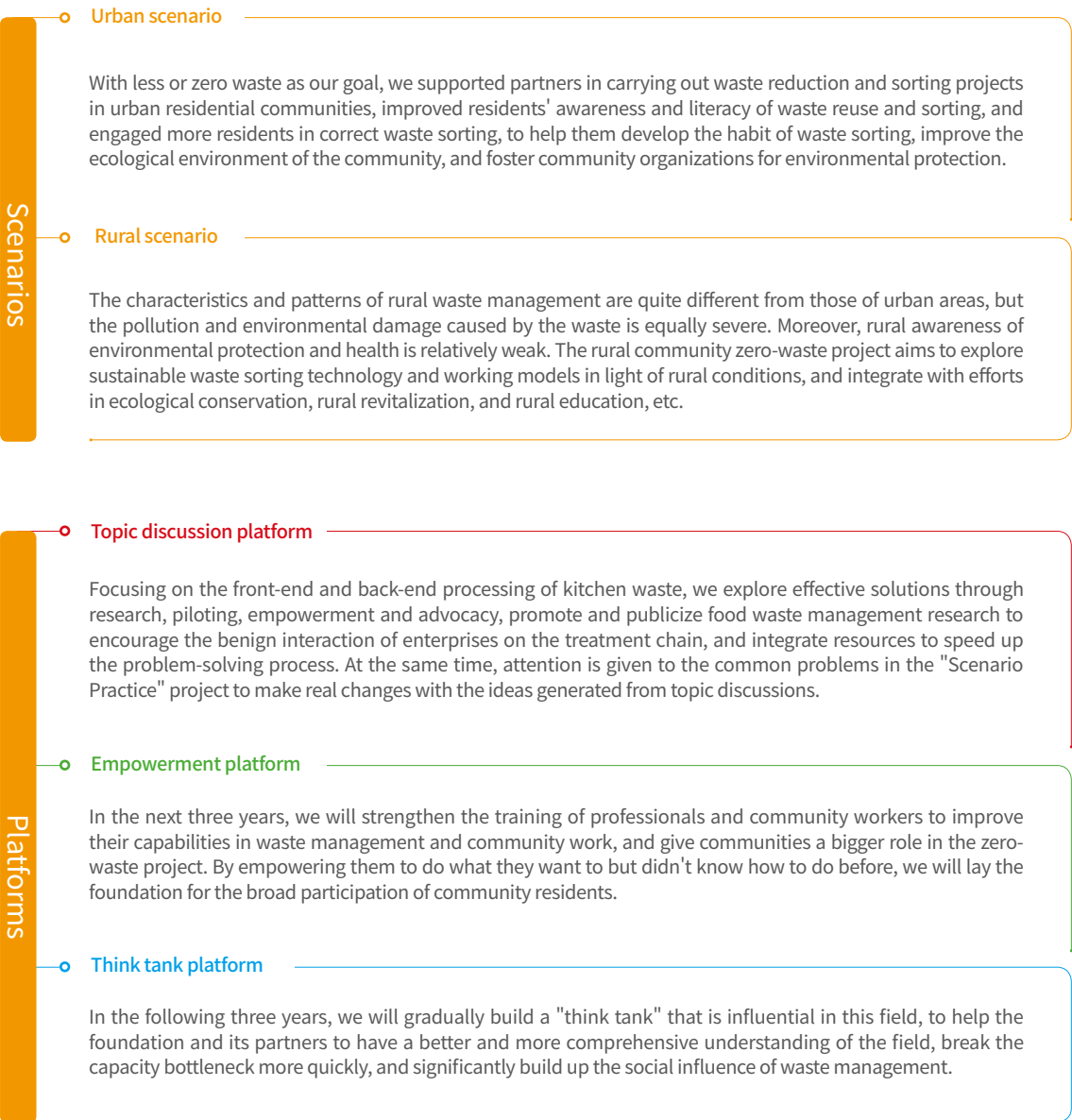
Going green and environmental protection

Going green and environmental protection have always been important aspects of Vanke Foundation's efforts. In 2018, Vanke Foundation focused on putting forward systematic strategies and solutions in this regard, and explored ways to better manage community waste and conserve biodiversity, contributing to building a beautiful and livable ecological environment through professional and sustainable charitable practices.

Community waste management

In recent years, China has included waste sorting, ecological conservation, and other community governance affairs into the national development strategy. Vanke had begun piloting waste sorting in Beijing, Shenzhen, Shanghai and other cities as early as more than a decade ago to promote environmental protection, improve the community environment, and spread its corporate culture valuing environmental protection and health to communities.

According to the *2018-2022 Strategic Plan of Vanke Foundation*, the Foundation will, via the flagship project of community waste management, sponsor five initiatives, namely urban scenario practice, rural scenario practice, the topic discussion platform, the empowerment platform, and the think tank platform, to explore and promote large-scale management models of urban and rural community waste and realize "zero waste" in Chinese communities and people's daily life. By the end of 2018, the Foundation had funded 19 projects, and initially established the first charity platform for systematically addressing community waste in China.



Case The first "Zero Waste Day" starts a lifestyle with zero waste and reduced plastics

On August 18, 2018, Vanke Foundation, One Foundation and China Zero Waste Alliance jointly launched the first "China Zero Waste Day" in Beijing. Under the theme of "Reduce the use of plastics by everyone", the campaign was designed to promote the idea of zero-waste lifestyle among the public through online and offline activities as well as a low-carbon lifestyle featuring waste sorting, recycling of used materials, energy saving and emission reduction. It attracted the participation of more than one hundred charitable organizations and social organizations from more than 50 cities including Beijing, Tianjin, Shanghai and Shenzhen, organized more than 200 activities such as movie screening, salons, lectures, waste collection, and summer camps and received more than 14 million responses on the Twitter-like platform Weibo.



Case Learning from the waste management experience of Bangalore, India

Faced with the problems of waste and pollution caused by rapid industrialization and swelling population, India is also exploring its own way of waste disposal. The most representative city in this regard is Bangalore, known as the "Oriental Silicon Valley". In August 2018, Wang Shi, Chairman of Vanke Foundation, led five people to Bangalore to learn from the local composting technology and distributed waste management model, shared what he had learned with experts and scholars interested in waste management and sorting, and communicated the concept of waste sorting and waste disposal to more people.



Biodiversity protection

Biodiversity is the foundation for the survival and development of human society, and an important indicator of the environmental quality and ecological conservation of a region. In 2018, Vanke Foundation joined hands with more social forces in carrying out biodiversity protection practices in a professional manner.

● Snow leopard

In 2014, the Mount Qomolangma National Nature Reserve Administration and Vanke Foundation jointly established the Mount Qomolangma Snow Leopard Protection Center and launched the Snow Leopard Protection Plan. After three years of successful cooperation, the Foundation and the Forestry Department of Tibet Autonomous Region signed a memorandum of cooperation for 2017-2020 to guide snow leopard protection.

▼ Snow leopard image captured by Vanke's infrared camera in Mount Qomolangma National Nature Reserve



Snow Leopard Protection Plan Progress in 2018

Goal 1

Study and monitor snow leopards and their habitats, and cooperate with the Wildlife Research Institute of Beijing Forestry University in setting up about 120 infrared cameras in the 900-square-kilometer Dingri county of the Mount Qomolangma National Nature Reserve; cooperate with the Institute of Zoology of the Chinese Academy of Sciences for remote sensing monitoring, covering an area of 33,800 square kilometers.

Goal 2

Carry out community protection projects, and cooperate with Rural Development Research Center, Yunnan University to sort out the baseline data of four counties; work with Guizhou Normal University to launch community protection cultural and creative projects to develop innovative use of the snow leopard culture image.

Goal 3

Cooperate with the Mount Qomolangma Nature Reserve Administration in organizing three capacity building trainings, and invite the giant panda management and protection team from Wanglang Nature Reserve in Sichuan and the grassroots management and protection team of Yunlong Tianchi National Nature Reserve in Yunnan to provide training for the staff of Mount Qomolangma National Nature Reserve.

Goal 4

Publish the illustrated book *Little Snow Leopard - Friends on the Snowy Mountain*; organize four expert teams from the Mount Qomolangma Nature Reserve Administration and the Mount Qomolangma Snow Leopard Protection Center to attend the International Conference for Snow Leopard Conservation and raise public awareness of protecting snow leopard.

● **Finless porpoise**

The Yangtze finless porpoise is the only remaining Yangtze freshwater dolphins and is listed as "extremely endangered" species by the International Union for Conservation of Nature (IUCN). In 2017, Vanke Foundation started to support the WWF Yangtze Dolphin Conservation Project to save the finless porpoise. In 2018, the project team continued to explore solutions to conserve finless porpoise and made initial progress.



▲ Survey on Yangtze finless porpoise



▲ Drone patrol test at the Swan Sandbar on the Yangtze River

A survey on the Yangtze finless porpoise shows that the rapid population decline was alleviated in 2018, showing promise for in situ conservation.

We built and tested the Smart Patrol System in the Yangtze Finless Porpoise Conservation Area, set up infrared thermal sensors in the Swan Sandbar Conservation Area, and carried out drone patrol tests to collect information of finless porpoise and human activities and water level changes and provide real-time data and scientific basis for the protection work.

We have basically established the Yangzhou Yangtze Dolphin Conservation Base to carry out patrol work, explain protection measures for the finless porpoise to primary school students, provide fishermen with feasible alternatives for income generation, and publicize the importance of porpoise protection.

We strengthened cooperation with other countries along the Belt and Road on the protection of freshwater dolphins, and invited freshwater porpoise experts from Cambodia, Pakistan and Myanmar to participate in the Yangtze dolphin protection scientific investigation. We inspected the off-site conservation area in the middle and lower reaches of the river and carried out the cooperation and exchange on freshwater porpoise protection.

● **Coral**

Coral reefs are the cornerstone maintaining the marine ecosystem because they are the habitat for one fourth of marine organisms. However, we have seen mass coral bleaching in recent years due to the irrational use of marine resources and human activities. Vanke Foundation sponsored the Coral Conservancy Volunteer Association of Dapeng New District in Shenzhen to carry out the "Diving to Protect the Reefs" project to conserve coral through subsea operation maintenance, developing maritime tourism in fishing villages and the construction of coral reef protection area. The project aims to build a 100-meter-long coral tourism belt, set up a system that engages divers in coral protection, and increase fishermen's income through coral tourism, thus mobilizing them to take the initiative to protect corals.

In 2018, the project involved divers in submarine operations and maintenance, including coral remnants cultivation, habitat maintenance, and coral reef survey, and trained ordinary divers into amateur specialists in the conservation of seabed coral reefs through a series of certifications and training programs,. The Foundation also cooperated with the local government to build two offshore pilot coral protection areas, planting 5,606 corals and saving 131 coral remnants, and clear fishing nets at the seabed regularly.

▲ Temporary care of coral remnants (Photo by Mei Ge)

	Clean-up	Survey	Nursery garden	Exchange
2018 "Diving to Protect the Reefs" coral conservation action	Cleared 952.11 kilograms of marine litter in 14 subsea clean-up operations	One subsea survey and patrol along the 100-meter-long coral belt	Two underwater operations to build two new coral nursery gardens	Attending seven conferences and exchange activities

● Mangrove wetland

Over the past 50 years, about 73% of China's mangrove wetlands have been lost, and the conservation work still has a long way to go. Vanke Foundation has been supporting the Shenzhen Mangrove Conservation Foundation since 2012 to carry out charity projects such as mangrove wetland protection and nature education, and mobilizing entrepreneurs and the public to support and contribute to mangrove conservation.

- ✓ Completed the environmental improvement of **4.1** hectares of *Sonneratia apetala*
- ✓ Completed the management of waterfowl habitats 2-4 in the experimental area of the Mangrove Wetland Reserve
- ✓ Started to restore the **1,000** square meters wetland of the old course of Xinzhou River



Source: Shenzhen Mangrove Wetlands Conservation Foundation

The restoration of Xinzhou River old-course wetland proved to be a great success. From January to April 2018, black-faced spoonbills (only 3,491 of them in the world) were found there every day, with the maximum of 18 found in one day, less than 30 meters away from tourists.

Community development

As pointed out in the report of the 19th CPC National Congress, it is necessary to establish a social governance model based on joint contribution and governance and shared fruits. By building a cooperative mechanism that engages the government, enterprises, non-governmental organizations and community residents, Vanke Foundation promotes the benign interaction between government actions, social coordination and residents' self-governance, and helps build the social governance model based on joint contribution and governance and shared fruits to sustain community development.

Rural community - Green Village Program

Rural revitalization is underpinned by pleasant living environments, social etiquette and civility, effective governance and prosperity. Therefore, poverty alleviation is the prerequisite for everything. Support by Vanke Foundation and Vanke Honorary Chairman's Office and initiated by the C Team in Shenzhen, the Green Village Program is committed to building an R&D and promotion platform focusing on rural poverty alleviation, environmental protection, clean energy and environmental health. Vanke Foundation hopes to join hands with local governments and non-governmental forces to provide a comprehensive solution for rural green and coordinated development and create a more harmonious, orderly, livable and greener rural environment by focusing on the use of rural clean energy, improving environmental awareness, and establishing a rural governance system.



▲ The launching ceremony of the Science and Technology Laboratory of Yan'an University

Vanke has successively promoted the usage of clean cookstove equipped with secondary air supply technology in 500 pilot rural households of eight natural villages in Yan'an, Baoji and Xi'an, Shaanxi Province. The clean cookstoves are expected to reduce air pollution caused by unreasonable stove structure and insufficient fuel combustion, and eradicate the risk of carbon monoxide poisoning. Through the community-based participatory training and mini-funds provided by specialized organizations, the Nangoumen Village of Ganquan County in Yan'an established an autonomous organization to improve the community livelihoods. What's more, all these efforts were combined with the environmental protection lectures of Sannong (agriculture, rural areas and rural residents) Society of Yan'an University to raise the villagers' awareness of health and environmental protection and encourage them to jointly improve the village environment. At the same time, the Yan'an Clean Heating Solution Solicitation Campaign was launched to introduce more technological innovation and resources to villages in Yan'an, and develop cases of comprehensive application.

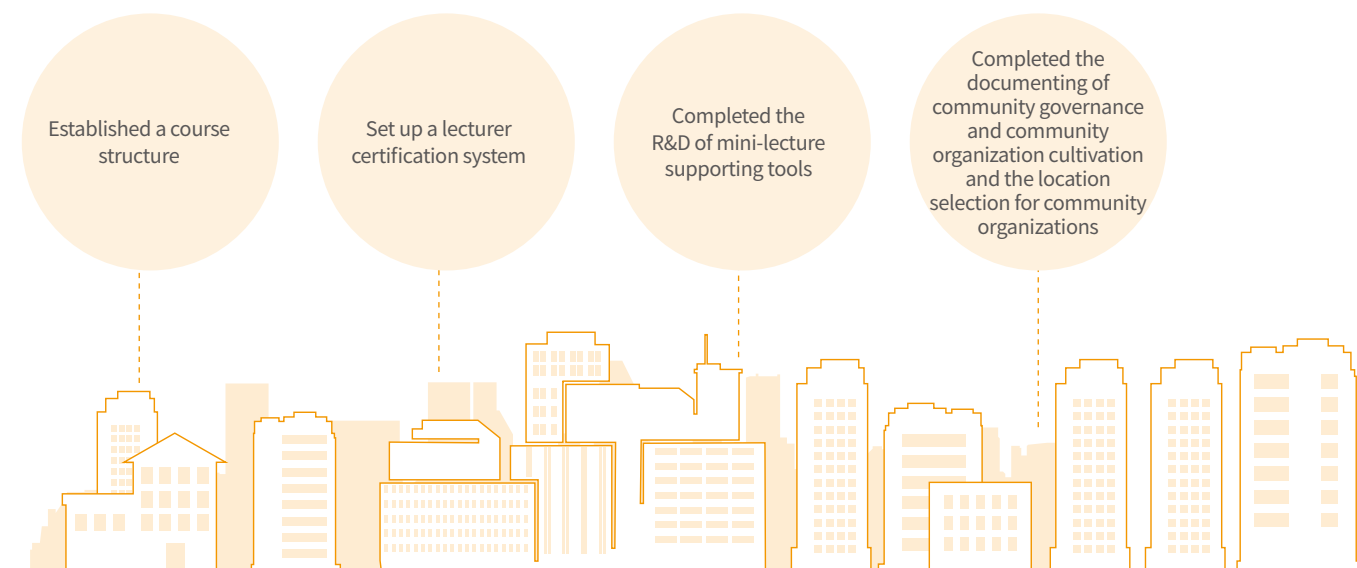


▲ Entrepreneurs from Shenzhen and Yan'an introduce clean cookstove to villages in Yan'an

Urban community - the cultivation and support program for community builders

To establish a community governance model based on joint contribution and governance and shared fruits, the community residents as the main force play a key role. Vanke Foundation and the Shanghai Wulixiang community service center jointly initiated the cultivation and support program of for community builders. Through offline courses and online learning platforms, and the community builders' exchange platform, we offered stakeholders easy access to diversified learning resources on community building, and encouraged and supported residents to foster an enabling environment that let more community residents pay attention to and participate in community affairs and contribute to the sustainable development of the community.

Progress of the cultivation and support program for community builders



▲ Offline course: Team and Event Management

South-South Cooperation - Mekong River Sun Village Project

The Lancang-Mekong Cooperation (referred to as the LMC) is a new sub-regional cooperation platform jointly initiated and constructed by China and the five countries (Myanmar, Laos, Thailand, Cambodia and Vietnam) along the Mekong River. It aims to deepen good-neighborly friendship and cooperation, promote economic and social development of the "Belt and Road" sub-region, narrow the development gap between these countries and promote the building of a community with shared future for mankind.

Vanke Foundation funded the Shenzhen Foundation for International Exchange and Cooperation and cooperated with leading local NGOs in Cambodia in initiating the "Deep Roots in Lancang and Mekong River - Mekong River Sun Village" project, which is one of the second batch of cooperation projects of the Ministry of Foreign Affairs of China. The project aims to solve the long-standing problems of household electricity shortage, high electricity cost, unsafe electricity usage and undiversified access to resources by introducing photovoltaic power generation technology in some parts along the Mekong River Basin. The project also promotes the notion of clean energy and sustainable development, and tries to improve local livelihood and productivity. It demonstrates the enthusiasm of Shenzhen's non-governmental organizations for the "Belt and Road" sub-regional cooperation and is one of the model projects showcasing the pragmatic fulfillment of social responsibilities by the municipal government and the business community of Shenzhen as global citizens.



Volunteer services

In 2018, Vanke launched a total of 177 charitable volunteer activities in areas such as poverty alleviation, disability assistance, elderly care, rural education, and environmental protection, involving 1,351 volunteers to give back to the society with their hard work, knowledge and love.



▲ Vanke volunteers teach children with autism how to paint

Historical building conservation

Every ancient building preserved is priceless and some even can be dated to more than one thousand years ago. Vanke Foundation has been carrying out historical building conservation in order to preserve their historical, artistic and scientific value and contribute to the inheritance of the Chinese culture.

Cultural heritage conservation of the Palace Museum

Founded in 1925, the Palace Museum is known for its massive wood structure architectural complex and rich collections and as China's largest museum of ancient culture and art. Witnessing the passage of time for centuries, some of its ancient buildings are yet to be restored. To protect historical relics and carry forward traditional Chinese culture, Vanke Foundation joined hands with the Palace Museum and Palace Museum Cultural Relics Protection Foundation in 2016 and sponsored the cultural heritage preservation and development of the Palace Museum. In 2018, with the support of Vanke, the early-stage survey for the research-based conservation of the Hall of Ancestral Worship went smoothly.



▲ Wengcheng, the enclosure for defense outside the Zhonghua Gate

Nanjing historical building conservation

As the world's longest, largest and best preserved ancient city wall, the City Wall of Nanjing has a history of more than 600 years and is an extremely important landmark of Nanjing, one of the four ancient capitals of China. Vanke actively participated in its conservation and repair, tourism development and application for the world heritage status. Adhering to the principle of "conservation as inheritance", we integrated traditional urban civilization with modern urban civilization and insisted to make the Wall an important part of the urban layout and the cultural life of the citizens. Vanke has become a council member of the City Wall of Nanjing Conservation Foundation.



▲ The bridleway of the Nanjing City Wall

Reproduction of artifacts

Historical building survey

Artifacts repair

Determined the winning bidder for the reproduction of furniture relics, and signed the reproduction contract for the chair decoration and the dragon-pattern pad of the wooden gold-lacquer throne in the Hall of Ancestral Worship.

Carried out five historical building survey projects, including the investigation of the timber condition of the historical buildings around the Hall of Ancestral Worship, and the information collection of the colored eave paintings of the east and south courts of the Hall of Ancestral Worship.

Promoted the 3D digital service of copper clepsydra and filmed the historical evolution and restoration of copper clepsydra.

The original image of the front hall of the Hall of Ancestral Worship

The original image of the rear hall of the Hall of Ancestral Worship

1

We signed the *Strategic Cooperation Agreement with China Wall Research Institute*, carried out "City Wall Brick Standardization Research", "Nanjing City Wall Moat System Research", "Urban City Walls - World Heritage" and other research projects on Chinese Ming and Qing city walls, published the collection of Chinese City Walls, and held the International Forum on Technological Conservation of the City Wall of Nanjing and other lectures.

2

We jointly carried out the scattered city brick recycling demonstration project with the City Wall of Nanjing Conservation Foundation and built a charity space for the preservation and display of collected city bricks.

3

We organized the annual Nanjing Urban Run for Fun activity on the City Wall which was built more than 650 years ago in Ming and Qing Dynasties to raise funds for conservation and restoration while displaying the City Wall culture and supporting the fitness for all initiative.

Fitness Activities

The love for fitness is in the gene of Vanke people who constantly go beyond limits and pursue excellence. Over the years, Vanke has been committed to popularizing the fitness-for-all program, and has always adhered to the healthy and positive corporate culture, spread positive energy across the society and tried to guide numerous households to live a healthy and fruitful life, thus contributing to the realization of a "healthy China".

Vanke Run for Fun Series

Vanke initiated and sponsored the five-kilometer urban run for fun race in 2013, aiming to raise the awareness of employee health and promote a positive work style and lifestyle. In order to attract more participants, Vanke gradually enriched the contents of the Run for Fun, including the Urban Run for Fun for common residents, Community Run for Fun for parents and children, Campus Run for Fun for university students and Full Marathon for runners.



Urban Run for Fun

The Urban Run for Fun is a five-kilometer running activity for urban workers. Featuring the involvement of enterprises and public institutions under the theme of "Run for Health, Happiness and Friendship", it is a non-commercial and non-competitive fitness-for-all activity. It is Vanke's hope that through running, we can feel the beauty of the city and pay more attention to the health of employees. With the official approval and guidance of the Public Sports Department of the General Administration of Sports of China, the Urban Run for Fun has become one of the key projects supported by China's national fitness strategy.

Community Run for Fun

The Community Run for Fun is targeting families who love charity and embrace a healthy lifestyle and aims to spread the message of health and happiness in the community, build good neighborly relations, and sow the seeds of sunshine and fitness in communities. In 2018, Vanke launched the "Run for Fun Lights up the City" online interactive activity to encourage property owners to participate in the activity. Besides, Vanke continued to launch the "Every Step of Love" project to support families with autism patients. The total registration fee for the 34 Community Run for Fun activities of RMB 1.37 million was donated to charity programs for autistic children.

Campus Run for Fun

The Campus Run for Fun is a non-commercial and non-competitive fitness activity organized for university students, and an extension of the Run for Fun spirit to the campus. It encourages college students to actively engage in fitness activities, foster the exercise habit, improve their physical fitness and spread positive energy.

Feature | Joining hands with "Run for Fun Ambassadors" from all walks of life to promote the fitness-for-all program

The report of the 19th CPC National Congress proposes to carry out extensive fitness-for-all activities and speed up efforts to build China into a sports powerhouse. In 2018, Vanke invited celebrities from all walks of life in different cities to be "Run for Fun Ambassadors", to leverage their social influences and serve the national fitness-for-all program.



"No matter young or old, exercise is the best way to health preservation. I hope more friends can join in the Run for Fun and enjoy a healthy and happy life."

— Zhong Nanshan, "Run for Fun Ambassador" in Guangzhou, "Anti-SARS Hero" and former president of the Chinese Medical Association

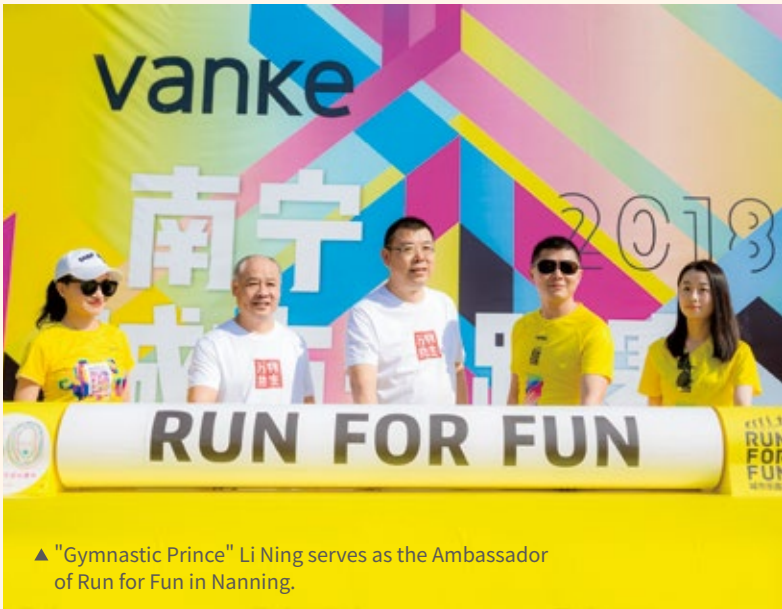
"What matters in sports is not just the championship, success or failure. The process is what matters most, during which your courage, boldness, persistence, resolve and the spirit of pursuit and never giving up are all demonstrated."

— Li Ning, "Run for Fun Ambassador" in Nanning, Olympic Champion and the "prince of gymnastics"



"As a professional athlete, I might know more about sports than you. Now I want to offer my help to teach you how to run healthily. As long as you care about your health, you will find time to do it no matter what."

— "Run for Fun Ambassador" in Xiamen, Olympic Champion and the "Oriental Reindeer"



▲ "Gymnastic Prince" Li Ning serves as the Ambassador of Run for Fun in Nanning.



▲ Wang Junxia leads the Run for Fun activity in Xiamen.



New Year Marathon

On January 1, 2019, the Vanke New Year Marathon was held along the Fuxian Lake in Yunnan. The picturesque event attracted nearly 2,000 marathon fans from home and abroad, a memorable way to celebrate the first morning of the New Year.

Since its inception in 2014, the Vanke New Year Marathon has always been "runner-centered". There is no bonus, and it is not for the purpose of competition. Instead, it aims to make the runner run for health, happiness and friendship. In order to create a top-level high-quality boutique event in China, Vanke continues to improve the runner experience when organizing the event, and is committed to continuously bringing the service of domestic marathon to a higher level, so that runners can focus on the fun of running. Vanke's efforts were highly praised by the participants. Committed to environmental protection, the 2019 New Year Marathon Organizing Committee worked with "Friends of Nature", a non-governmental environmental protection organization, to call for all participants to help develop a "zero waste" event by following the 3R (reduce, reuse and recycle) principle.

Rowing

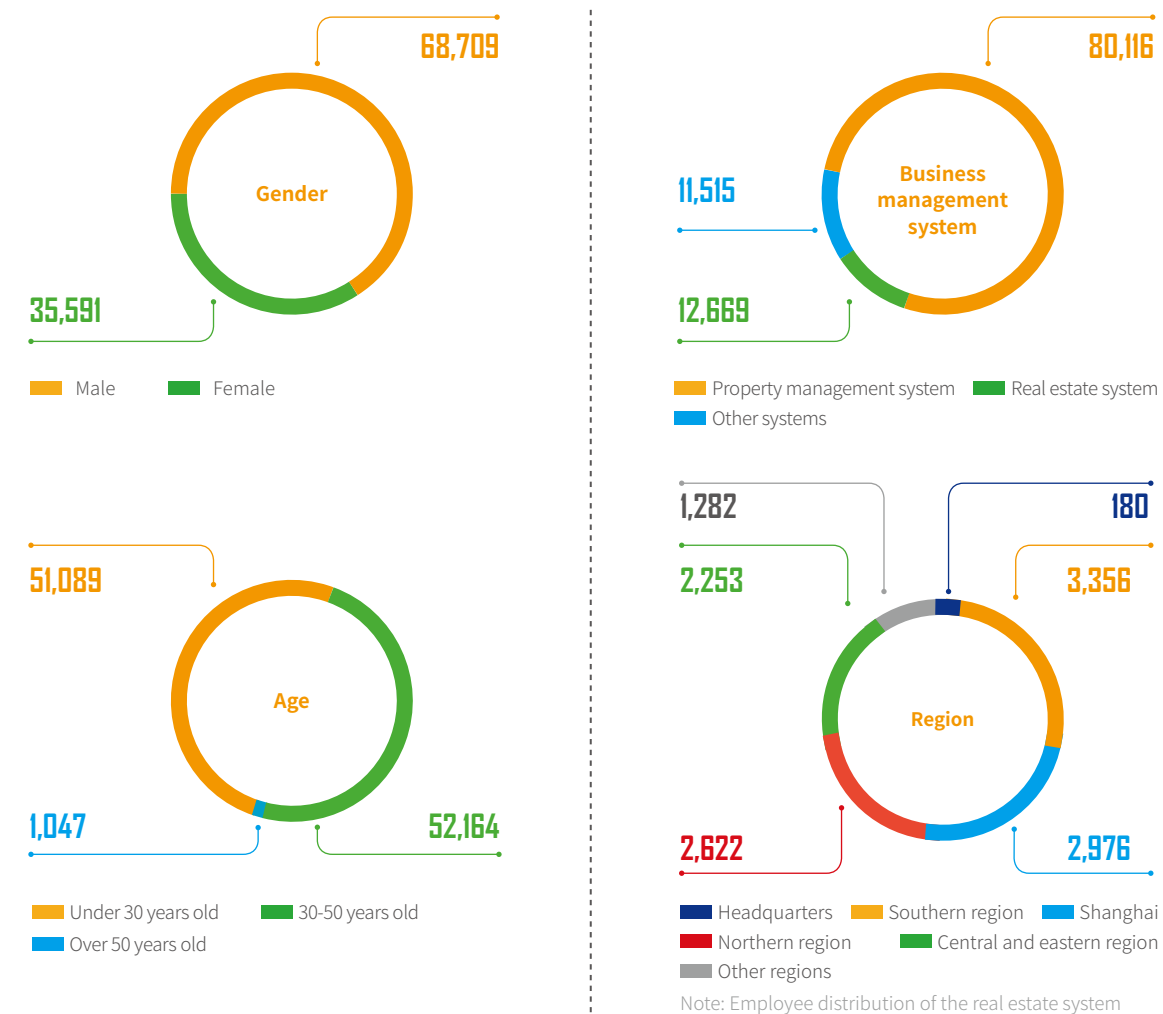
Rowing is an elegant international water sport that is pollution-free and requires team-spirit. Wang Shi, Honorary Chairman of the Board of Directors of Vanke, has actively promoted rowing in more than 30 universities in Asia and the rest of the world, and helped form more than 300 rowing teams in China. In August 2018, Wang Shi was awarded the title of Lifetime Honorary President by the Asian Rowing Federation, in recognition of his tremendous contribution to the popularization of rowing in Asia.



Care for Employees

Employees are Vanke's most valuable asset and represent our core competitiveness. Vanke actively builds a partnership culture featuring "consensus, joint contribution and shared responsibility and fruits" and a "sunshine system" to create space and opportunities for the sustainable development of every employee and encourage them to work together and grow together with the Company.

Employee structure



Employees' rights and interests

Vanke attaches great importance to the protection of employees' rights and interests. The *Employee Handbook* contains a comprehensive framework and detailed human resources management policies and clearly prescribes the eight-hour work system. Vanke provides guidance to employees on work environment, remuneration and benefits, training and development, and health and safety. In 2018, Vanke reported zero serious violation of employees' human rights or legitimate rights and interests.

Fair employment

Vanke strictly abides by the *Company Law*, the *Labor Law* and other relevant laws and regulations and respects the core labor standards of the International Labor Convention, an internationally-recognized norm on human rights. In order to provide employees with fair and reasonable employment and competition opportunities, we forbid any form of discrimination. In recruitment, we show no preference of gender, age or place of birth, focusing on the diversity of our employees, and recruits talents from different cultures and backgrounds; male and female candidates are equally treated; in the work arrangement, all employees must be treated equally and personal discrimination is banned. At the same time, we make it clear not to recruit minors under the age of 16.

Vanke strictly complies with the Labor Contract Law of the PRC and local labor law, to ensure that there is no forced labor. The labor contract is terminated under any of the following circumstances: the employee is proved disqualified during the probation period; the employee seriously violates the labor discipline or company policies; the employee is found guilty of dereliction of duty, favoritism and fraud, and has severely damaged the Company's interests; or the employee is investigated for criminal responsibility according to the laws.



Remuneration and benefits

Following a market-oriented principle, Vanke provides a competitive salary in the industry. We have regulated the management and payment of remuneration and benefits to protect the interests of employees and retain and attract excellent talents. In strict accordance with relevant national laws and regulations, we pay our employees based on their performance and positions in a market-oriented and confidential way. We also offer statutory welfare and other benefits and subsidies as per state provisions and standards, to secure a decent job and life for our employees.

The statutory holidays of the *Labor Law* apply to the Vanke Group. Employees can apply for leaves by going through standardized procedures to ensure the normal operation of the Company while safeguarding the legitimate rights and interests of employees.

Proportion of females managers at middle-level or higher
37.72%

In 2018, the average paid leave per employee was
6 days

 <p>Statutory benefits</p>	<ul style="list-style-type: none"> Statutory pension insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance, and housing provident fund Statutory holidays, marriage and funeral leave, maternity leave, breastfeeding leave, allowance for high temperatures, only-child allowance, heatstroke prevention subsidy, etc.
 <p>Extra benefits</p>	<ul style="list-style-type: none"> Extra paid annual leave and wedding and funeral gifts We purchase commercial insurance against serious illnesses and accidental injuries for all employees, and offer voluntary medical insurance options for their family members.

Occupational health and safety

Vanke attach great importance to employee safety and strictly abide by the laws and regulations, including the *Work Safety Law of the People's Republic of China* and emphasizes occupational safety of employees and strictly monitors and manages health hazards in all working sites under the guidance of OHSAS18000 safety and hygiene management system. All subsidiaries are required to carry out daily supervision and inspection; Vanke organizes sports activities, physical fitness tests, and physical examinations on a regular basis in order to help employees stay healthy and do sports.

0 workday lost due to work injury in 2018

Note: Statistics cover only the headquarters of Vanke

Physical examination

Vanke provides annual medical examination for all contract employees. In principle, we require all employees to take the examination. Those who didn't take the test organized by the Company can do it afterwards, and certain amount of the fees can be reimbursed by the Company. If employees are found to have occupational diseases, they will receive timely treatment.




Healthy sports

As an "athlete company", Vanke continues to promote a fitness culture in the Company. We organize various types of sports activities to enhance employees' health and teamwork. By the end of 2018, Vanke had established 20 sports clubs, including 13 at the headquarters. The headquarters organize 485 activities involving 5,637 participants.



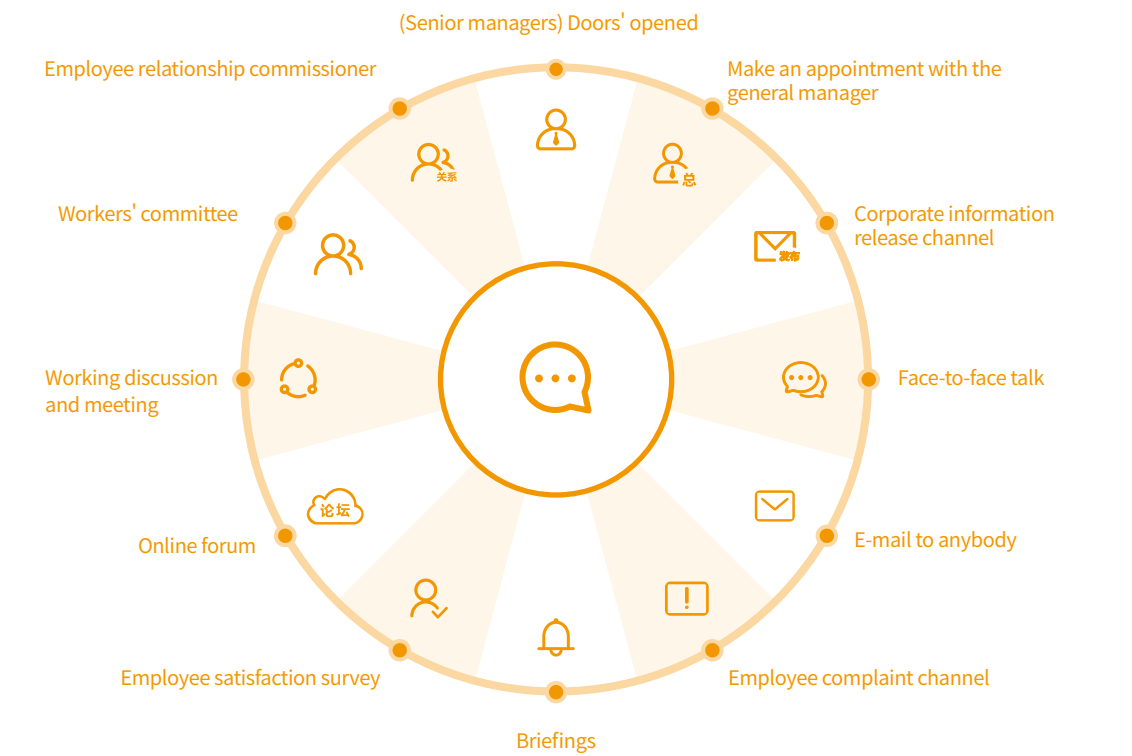
Physical fitness test

Vanke is the first enterprise to link employees' physical fitness to the management bonuses. Each year, we invite a professional third-party organization to carry out physical fitness tests for the employees. If the stamina or health status of employees (BMI indicators) has declined or they fail to pass the test, certain management bonuses will be deducted.

 2018 Physical Fitness Test	 Type	 Test Indicator
Participation Rate 99%	Shape	Height, Weight, BMI score
	Function	FVC, Step Test
Excellence Rate 96%	Fitness	Grip strength, Sit and reach, Vertical jump, Standing on one foot with eyes closed, Push-ups (male)/Sit-ups (female)

Democratic communication

We offer 12 communication channels for employees to reach the management of the Company in the most transparent, smooth and effective way so that employees can protect their legitimate rights and interests and file complaints and appeals.



Forefront Voice

To help the management better listen to the true voice of employees, Vanke initiated the Forefront Voice Plan. Front-line employees can voluntarily send emails regarding business development suggestions and comments to the senior management of Vanke to express their true thoughts and voice.

A total of **363** invitation letters were sent, attracting **237** responses of about **390,000** characters in total.

Battlefield Report

In order to better practice the "customer-centered and striver-oriented" corporate culture, Vanke launched the "Battlefield Report" program along with the "Forefront Voice" program. Headquarters employees who have exchanged with frontline workers or gone on a business or research trip can voluntarily update what is going on in the frontline businesses directly to the senior management, which is considered a supplementary channel for the management to know about the situation in the frontline.

A total of **129** reports were submitted, totaling **190,000** characters.

Employee development

The new era is an era of the strivers. Advocating the "Striver Culture", Vanke fully motivates promising strivers. We have in place a scientific and systematic training system to help employees integrate into the Company and make continuous progress. With fair and open recruitment procedures and internal talent flow, Vanke offers diverse channels for employees to develop and to cultivate outstanding business partners.

Headquarters training system



Mount Qomolangma Action Phase III

The Vanke Headquarters Talent Training Project aims to unite and arm a group of business partners with a spirit of striving and special training. They are active participants and promoters of change, a seamless brigade and a test field of business partners. Mount Qomolangma Action Phase III has enrolled 56 trainees in a two-year study period, starting from March 2017 to May 2019. By the end of 2018, the two classes had completed eight training sections.



Striver Training Camp

We offer employees who are willing to work hard a rotational cultural training base for learning business partner theories, a platform for networking, and a fertile ground for personal growth. We have altogether eight classes named after eight Chinese characters which are expected to complete a one-year rotational trainings. In 2018, the training camp was carried out in three phases. Among them, Class Guang's second intense training covered 189 trainees and and third training 150 trainees, while Class Kuo's first training session attracted 462 trainees.



Discover Vanke (Orientation training)

Discover Vanke program is designed to help newcomers to get to know the Company's corporate culture, direction, career red line, etc., find their own goals, and lay down their own career plans. In 2018, we organized nine orientations for 1,872 new employees.



Vanke Lecture Hall

Vanke Lecture Hall is a platform to broaden employees' horizon and improve their competency. In 2018, we invited leading guest speakers to give six lectures, and organized six New Business Carnival lectures and four Science and Technology Lectures in cooperation with the Science and Technology Academy, reaching an online and offline audience of 26,073.



Weekend Recharging

It is an empowerment platform designed for the Vanke Headquarters employees. In 2018, we conducted four Weekend Recharging programs, coving 138 employees.



Dandelion Program

It is a program to improve the competency of internal trainers. We organized two sessions of Dandelion Program in 2018 for 35 internal trainers.

In 2018, Vanke Headquarters developed seven standard courses for orientation training, including three compulsory courses: Vanke Group Introduction, Vanke Values and Professional Requirements and the Red Line of Vanke Staff. We have accredited 166 lecturers in total at the headquarters.

Distributed training system

Vanke's distributed training system includes Jiayi Academy in the Northern Region, Pujiang Academy in Shanghai, the Central & West China Academy in the central and western regions, the South China Academy, School of Property Knowledge, Business Academy, and Logistics Academy. Together, we discover and cultivate strivers who have the spirit of partnership, share the same value and follow the same direction with us, so as to inherit and practice the culture of business partners, achieve and share best practices of the business partner system, allow cross-organizational flow of talents, and create synergy between organizations and talents.

The average training period per employee of Vanke	The average training period per employee of Vanke real estate	The average training period per employee of Vanke property
Headquarters was 29 hours	system was 37.4 hours	management system was 23 hours



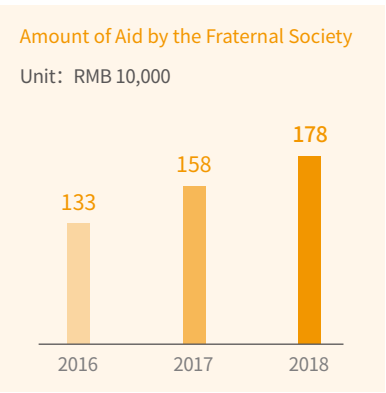
Employee care

Vanke's care for employees goes beyond work. Special assistance plans have been launched to provide essential financial and emotional support for employees in need.

Vanke Fraternal Society

Initiated and managed by the Employees' Committee of Vanke, the Vanke Fraternal Society is aimed at "keeping an eye out for each other, all for one, one for all, and enhancing Vanke employees' capabilities in resisting catastrophic incidents through team work". The Fraternal Society has set up the Assistance Fund composed of member fees and Employees' Committee funds and commissioned a specialized organization to make investment for value appreciation.

Since its establishment in 1988, the Fraternal Society has tided 188 members over catastrophic events, and provided a total amount of RMB 10.96 million in subsidies. In 2018, 25 Vanke employees were aided with RMB 1.78 million. These aids from the Fraternal Society have provided enormous emotional comfort and financial support for employees hit by catastrophes.



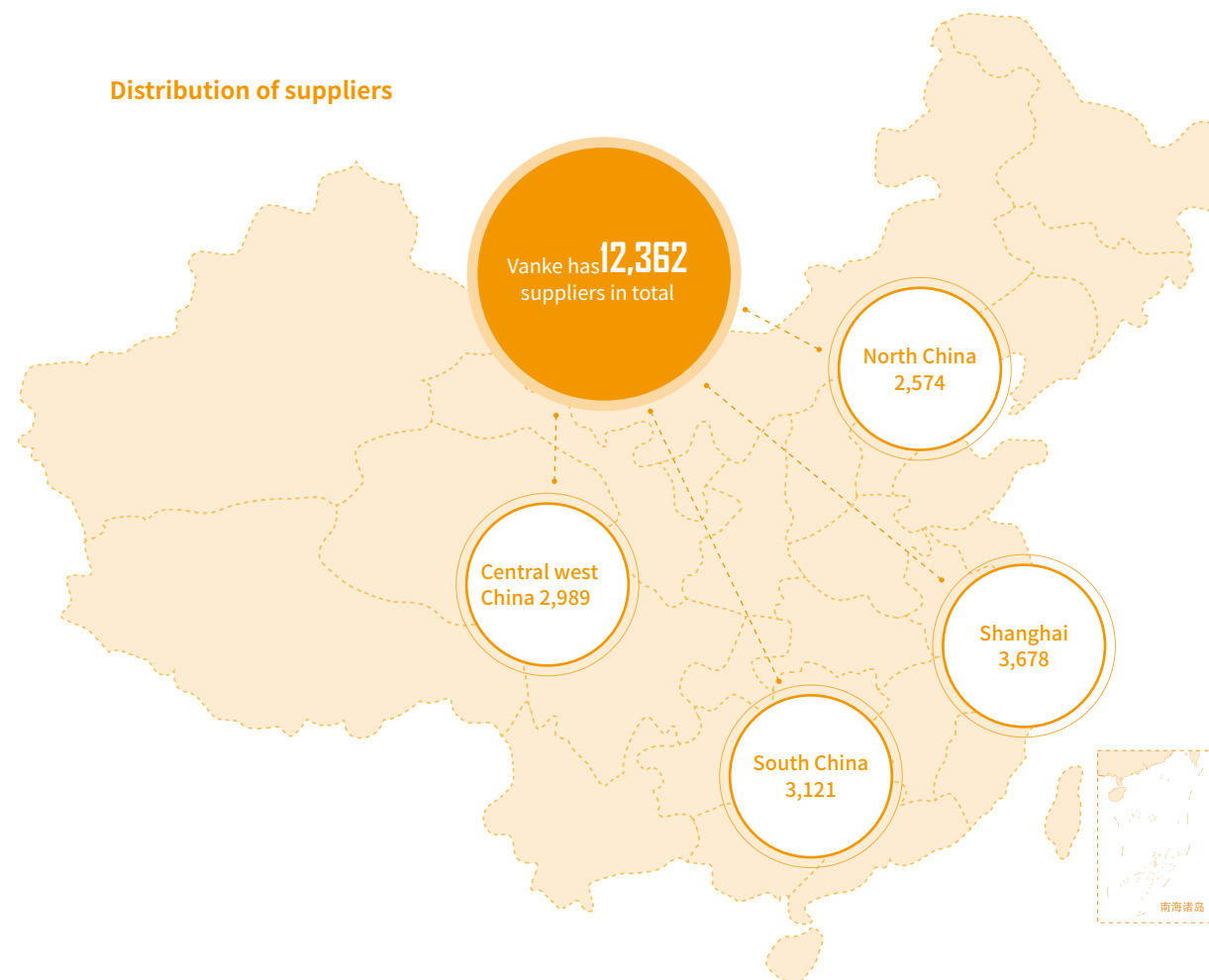
Win-win Cooperation

As an urban and rural developer and life services provider, Vanke has gradually expanded its business from construction to service, and actively builds an open and win-win platform to work with enterprises inside and outside the industry for a better future

Supplier management

We strictly abide by the various supplier management measures for the construction industry issued by the General Office of the State Council, the National Development and Reform Commission, and the Ministry of Housing and Urban-Rural Development (for example, the *Regulation on Strengthening the Safety Control at Construction Sites of Dangerous and Major Projects*). We also develop our internal systems such as *Supplier Management Measures*, *Sky-Net Action Management Measures*, and *Sunshine Cooperation Agreement*, which serve as the basis for the annual rating of suppliers. We review our cooperation with suppliers at the end of each year. The 2018 annual evaluation covered 1,553 suppliers in ten categories, among which 1,075 were rated qualified, and 184 A-level suppliers.

Distribution of suppliers



VVUPUP

In order to further improve the service of the supply chain, Vanke, Cura Investment and Zhongtian Holdings Group jointly launched the VVUPUP e-commerce platform. Based on Vanke's more than 30 years of experience in fields such as product development, quality control and supply chain management, VVUPUP offers a new model for the coordinated development of real estate supply chain with services such as standard setting, joint bidding and quality inspection to promote transparent procurement and the implementation of green procurement standards, and enhance the competitiveness of the supply chain. By the end of 2018, VVUPUP had attracted 3,604 registered suppliers, covering 1,471 product categories with 117,977 SKUs (stock keeping units).

Red & yellow cards

In order to further standardize supplier management and prevent defaults of non-performing suppliers, Vanke launched the red & yellow card management system in 2012. Punishments such as the yellow card, red card or blacklist will be issued based on the severity of suppliers' quality problems or breach of contract and such behaviors will be notified across the board in a real-time manner. In 2018, Vanke blacklisted six suppliers.

Contractor management



Standardized safety management

Vanke has established and continuously perfected its management procedures and standards for safe construction, incorporating the respect and awe for life in each link in the construction process. In 2018, we added on-site testing to the unannounced safety inspection and upgraded the hidden quality inspection standards. We also added underground and nighttime construction assessment and seven quality and safety risk inspections to the special project assessment.



Labor rights protection

Vanke strictly abides by national laws and regulations and requires EPC contractors to implement a wage security system for contract workers. We forbid any construction unit or partner to employ minors under 16, protect the rights and interests of minors and female workers, and provide social insurance to employees in accordance with the law. Meanwhile, we require EPC contractors to provide safety and health training to employees, and accident insurance for workers in high-risk positions, so as to protect the rights and interests, and the health and safety of the dedicated front-line workers.

Enterprise cooperation

Entering the new era, Vanke endeavors to contribute to urban development and create a better life for the people. To this end, we join hands with partners to extend our service scope and improve our service quality, striving to be the designer for a better life in the new era.

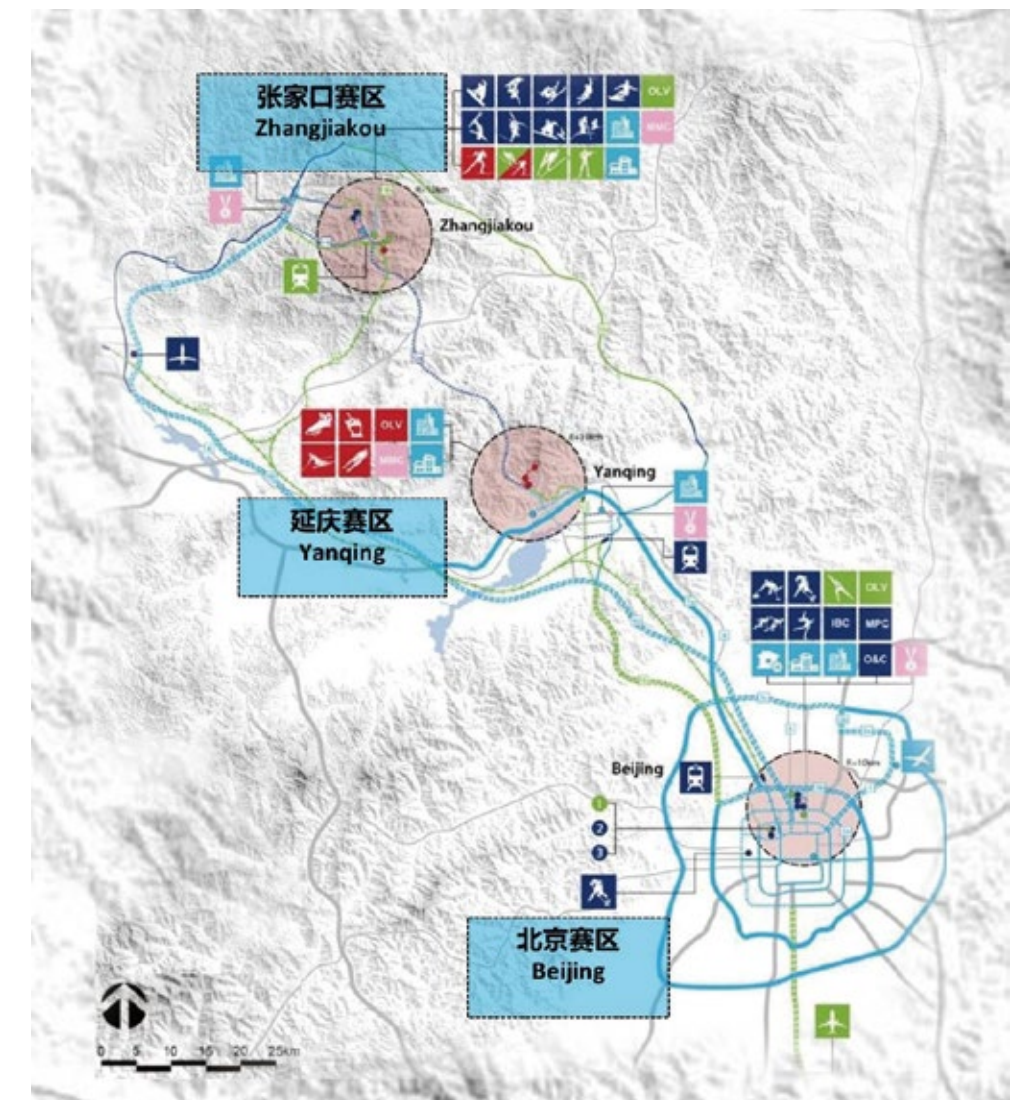
Working with Microsoft to apply new technologies in the whole business system

In September 2018, Vanke and Microsoft (China) signed a strategic cooperation memorandum to build a sustainable collaboration mechanism and platform. With the help of Microsoft technology, Vanke introduced artificial intelligence, Internet of Things, big data, cloud computing and other cutting-edge technologies into the Company's whole business scenarios such as smart logistics, smart home, smart elder care and technology incubators, to deliver better products and services for the better life of common people



Serving the Beijing 2022 -- Vanke Consortium won the bid for the project in the Yanqing Competition Zone of Beijing 2022

On August 30, 2018, the consortium of Vanke, Beijing Uni.-Construction Group and China Construction First Building (Group) Corporation Limited won the joint bid for the public-private partnership project in the Yanqing Competition Zone of the 2022 Olympic and Paralympic Winter Games(Beijing 2022) . The consortium will build an alpine ski resort for the Olympic Games in Xiaohaituo Mountain, Yanqing District, Beijing, and after the Games, turn it into a world-class alpine skiing and snow sports base equipped with high-quality hotels and bed & breakfast services, and a popular tourist destination in suburb Beijing with diverse functions such as international sports events, leisure & vacationing, winter and mountain sports and outdoor education activities, and engage more people in winter sports.



▲ Yanqing Competition Zone of the Beijing 2022

ESG Index

Environmental

Aspect	Indicator No.	Indicator Description	Pages/Remarks
A1: Emissions	General Disclosure	relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and nonhazardous waste: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	P67/P69/P81-82/P94
	A1.1	The types of emissions and respective emissions data.	N/A. Pollutant gas emissions are not an important area for the Group's operations
	A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P87
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	N/A. No significant hazardous waste was generated during the reporting period
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P88
	A1.5	Description of measures to mitigate emissions and results achieved.	P67-72/P75-78/P81-82
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	P81-82/P94-95
	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	P67/P71-72/P76/P78-79
	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).	P87
	A2.2	Water consumption in total and intensity (per unit of production volume, per facility).	P88
A2: Resource Utilization	A2.3	Description of energy use efficiency initiatives and results achieved.	P69-72/P76-78
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	P71/P79-81
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A. No packaging material is used in the business of Vanke Group
A3: Environ-ment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	P84/P96-100
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P84/P96-100

Social

Aspect	Indicator No.	Indicator Description	Pages/Remarks
B1 Employ-ment	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.	P111-112
	B1.1	Total number of workforce by gender, employment type, age group and geographical region.	P111
	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.	P112-113
	B2.1	Number and rate of work-related fatalities.	/
	B2.2	Lost days due to work injury.	P112
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	P112-113
B3 Develop-ment and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	P115-116
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P115
	B3.2	The average training hours completed per employee by gender and employee category.	P116
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	P111-112
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	P112
	B4.2	Description of steps taken to eliminate such practices when discovered.	P112
B5 Supply Chain Man-agement	General Disclosure	Policies on managing environmental and social risks of the supply chain.	P83/P117-118
	B5.1	Number of suppliers by geographical region.	P117
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	P117-118
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.	P6/P33-37/P40-41
	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.	P40
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	P6
	B6.4	Description of quality assurance process and recall procedures.	P34-35
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	P41
B7 Anti-corrup-tion	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	P6 extortion and money laundering have no impact on Group generation
	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.	P6
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.	P11-28/P91-94
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P11-28/P91-110/P116
	B8.2	Resources allocated (e.g. money or time) to the focus areas.	P11-28/P91-110/P116

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 more information about Vanke's sales, product and service quality, please contact our customer relations department:

tousu@vanke.com

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

ir@vanke.com

For more information about Vanke's corporate citizen strategy, please contact our corporate citizen office:

csr@vanke.com

For more information about the Vanke Foundation, please click on the link:

www.vankefoundation.org

For suggestions on the CSR report, please contact:

csr@vanke.com

For more information about the CSR report, please click on the link:

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



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