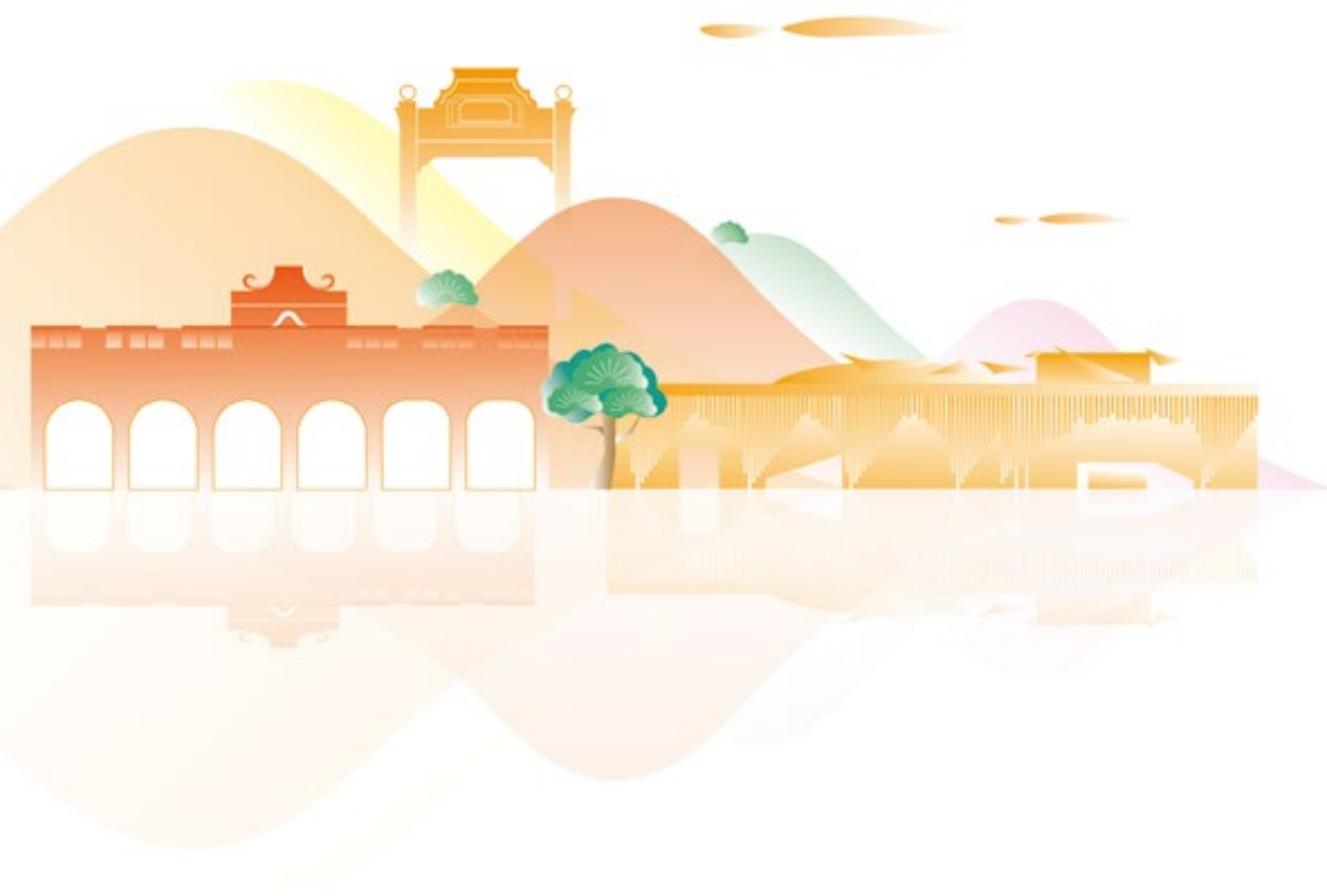


vanke



2019

**Vanke**

Corporate Social  
Responsibility Report

# About this Report

## Introduction

The 2019 Corporate Social Responsibility Report of China Vanke Co., Ltd. is the 13th corporate social responsibility report (the “CSR report” or “Report”) issued by the Vanke since 2007. It provides detailed disclosure of Vanke’s practice and performance in responsible areas such as operation, environment and society in 2019 based on the principles of objectivity, normativity, transparency and comprehensiveness.

## Reporting period

The Report covers the period from January 1 to December 31, 2019. 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 June 2019.

## Reporting scope

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

## Preparation basis

- The Ten Principles of the UN Global Compact
- *Guidance on Social Responsibility (ISO 26000:2010)* issued by International Organization for Standardization (ISO)
- *GRI Sustainability Reporting Standards (GRI Standards)* issued by Global Sustainability Standard Board (GSSB)
- The Chinese social responsibility standard GB/T36001-2015 *Guidance on Social Responsibility Reporting*
- *Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 4.0)* issued by Research Center for Corporate Social Responsibility of the Chinese Academy of Social Sciences
- *Guidelines of the Shenzhen Stock Companies for the Standard Operation of Listed Companies*
- *Environmental, Social and Governance Reporting Guide (HK-ESG)* issued by Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited Appendix 27
- *Corporate Social Responsibility Guidelines of Real Estate Enterprises in Guangdong Province* issued by the Guangdong Real Estate Association

## Sources of data and reliability guarantee

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

## References of names

To facilitate presentation and reading, “China Vanke Co., Ltd” in this report” 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](http://www.vanke.com). In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail. For any questions or suggestions concerning the Report, please send an email to [csr@vanke.com](mailto:csr@vanke.com), or call us at (86)(0755) 25606666.

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# Message

The year 2019 marked the 35th anniversary of Vanke. Looking back, from a startup struggling for survival to a prospering comprehensive group, from the golden age to the silver age, from instinctive growth to rapid development and then to overall upgrade, we have been forging ahead in the wind and rain, always advanced with the times and continued to create true value for stakeholders. Our compound annual growth rates of annual revenue and net profit attributable to shareholders since listing in 1991 have maintained at 27.35% and 29.78% respectively. We report one of the longest years of sustained profitability and paid cash dividend among Chinese A-share companies.

In 2019, we focused on main businesses while consolidating our fundamentals. Whilst resolutely building ourselves into a city and town developer and service provider, we made further progress in core businesses and key capabilities, and strengthened operation and management to lay a solid foundation for excellent performance and high-quality growth. In 2019, Vanke made the Fortune Global 500 list for the fourth year in a row, rising from 332nd to 254th, increased 78 places compared with previous year.

We know deeply that enterprises which suit their actions to the time succeed. Being grateful to the era, we continue to deliver more benefits to society and people, protect lucid waters and lush mountains, and fully devote to embracing sustainability. In 2019, we were once again included as one of the constituent stocks in the Hang Seng Corporate Sustainability Benchmark Index, obtained an ESG Rating of “BB” by MSCI, and covered by Global Real Estate Sustainability Benchmark for the first time and rated as Asia-Pacific leader in residential property development. To further enhance our capacity for sustainability management, in 2019, we consummated the corporate social responsibility (CSR) management framework and developed a three-tier management structure led by the Board of Directors, and continued to improve sustainable practices.

To cater to people’s needs for a better life, we have been strengthening safety and quality control to deliver high-quality products and services. For our products, we always uphold that houses are for living in, not for speculation, and put quality, health and functions as the core of products. By adopting innovative and state-of-the-art construction technologies as well as scientific and rigorous quality management methods, we conduct full life-cycle management and control of engineering quality to deliver high-quality products to customers. In regard to services, besides consolidating our strengths in core businesses, namely residential property development and property management services, we have extended to commercial development, rental housing, logistics and warehousing services, ski resorts, etc. We are providing more diverse and better services to an increasing number of customers, to help deliver a better life.

Guided by the conception that lucid waters and lush mountains are invaluable assets, we actively contribute to environmental protection by resolving around the development of an industrialized construction system, waste treatment, management of resources and energy, environmental governance, and biodiversity protection. In 2019, 85.83% of our newly launched projects were industrialized construction projects. We landed waste sorting projects in 52 cities nationwide, involving 378 residential communities, 263 office buildings and 52 “zero-waste office” projects. We built and operated the Botanic Garden of International Horticultural Exhibition, which had received over 2.53 million visitors and called for the public to pursue a green life and build a beautiful homeland together.

Based on the business partnership mechanism, we promoted organizational restructuring and position-person match at the headquarters and all business units (BUs) so that corporate organization can better serve corporate strategies, and corporate management can better serve corporate business. Striver-centered, we offer equal career development opportunities to every employee. We have built a science-based and systematic talent fostering and promotion system, to unleash the full potential of our team. We host a wide range of cultural and sports activities for employees, to create a cozy and comfortable workplace.

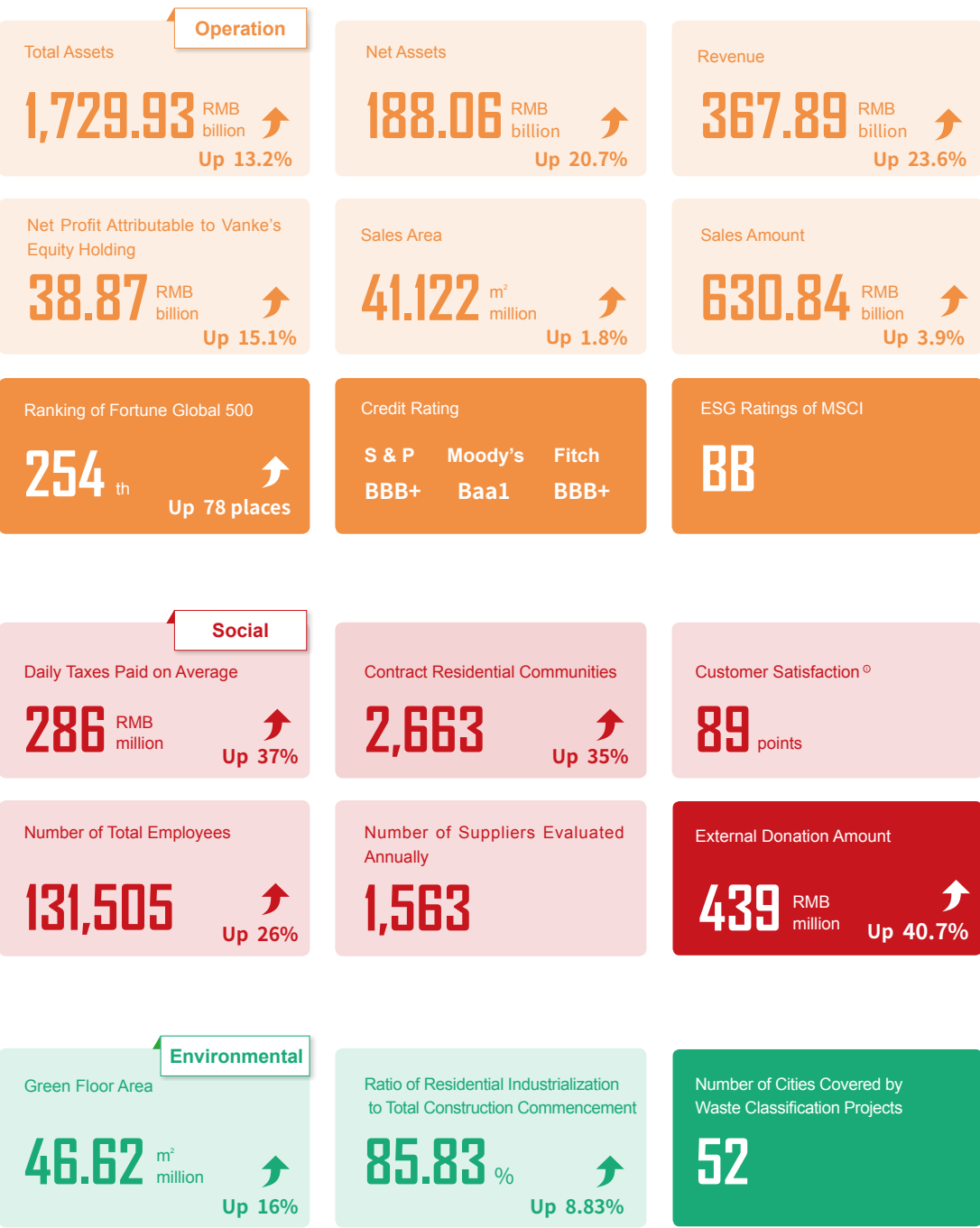
Guided by corporate citizenship, we dedicate ourselves to creating a better life for more people. In 2019, we continued to contribute to targeted poverty alleviation and rural vitalization. We devised the “one product for one village” strategy, to explore a sustainable, replicable and transferable model for targeted poverty alleviation and rural vitalization. We donated RMB 120 million to build Shouning Dongqu Middle School, and relocate 25,000 households from four counties (cities). Zundao School, a school we’ve been supporting for 11 years, marked its 100th anniversary and pulled itself from bottom to top of Mianzhu in terms of the performance in high school entrance examination. We are glad to see that an increasing number of graduates from Zundao School pay back to the school and society and sow the seed of love and goodwill.

As China is waging an all-people war against the COVID-19 outbreak, we, a city and town developer and service provider serving 3.19 million households and over 10,000 commercial tenants, have worked actively with governments at all levels to fight the pandemic and resume production and work. Shortly after the outbreak, Vanke Foundation donated RMB 100 million to relief efforts, and VX Logistic Properties opened 59 logistics parks in 27 cities across the country for free. We also reduced rents in some malls, Vanke hotels put in full efforts for accommodating medical assistance teams, and Vanke Service, while safeguarding the health and safety of community residents, organized a team to Wuhan Huoshenshan Hospital to provide property management services. All our employees, regardless of their field and post, are fulfilling social responsibility with passion and concrete actions to support the fight against the pandemic and the resumption of work and production, and serve people’s everyday life.

Looking back on the past 35 years, there were moments when the sea was calm, wind in our favor and sailing easy and smooth, and there were also moments when we were caught in the teeth of the wind and tossed by formidable waves, but we have always stayed true to our original aspirations and dreams and striven forward with like-minded partners. Standing on a new starting line, Vanke will continue to create a better life for the people as a city and town developer and service provider , thus become a leading, model enterprise in the new era with high-quality growth.

# About Vanke

## Figure 2019



Note:°Property sales



# Company Overview

## Company profile

Founded in 1984, Vanke 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 on the *Fortune* Global 500 companies for the first time and ranked 356th; in 2017, 2018 and 2019, Vanke ranked 307th, 332nd and 254th respectively on the list.

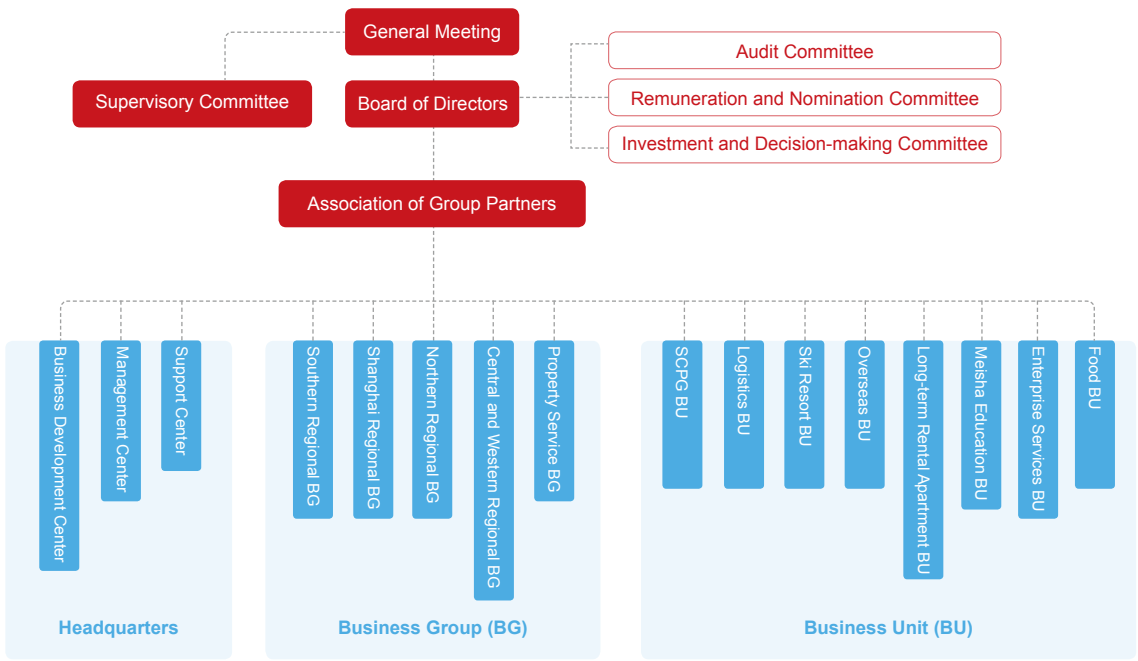
Vanke has always insisted on providing good products and services to common people and made its best contribution to satisfy the people's ever-growing needs for a better life in all aspects. In 2014, Vanke has extended its position of “a three-good housing supplier” to “urban supporting service provider”. In 2018, Vanke positioned itself as an “urban and rural developer and life services provider”, and the establishment of the corresponding ecosystem has basically taken shape. 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”. At the same time, on the basis of consolidating the inherent advantages of residential development and property services, our business has extended to commercial properties, long-term rental apartments, logistics & warehousing, ski resorts, education and other fields, continue to create real value, better serve the people's needs for a better life, and strive to become a good enterprise worthy of the great new era.



## Corporate governance

In compliance with the *Company Law of the People's Republic of China* and other relevant laws, administrative regulations and rules, Vanke has formed a corporate governance structure with checks and balances among a wide range of functions, and formulated policies and rules in line with its development pursuits. The General Meeting, Board of Directors, Supervisory Committee and senior management exercise rights and fulfill obligations strictly in line with the *Articles of Association*, and give full play to the role of specialized committees and independent directors, to effectively perform corporate governance, and protect the interests of shareholders and the Group, with a view to sustain the Group's healthy development. Vanke won a number of awards in 2019, including “Best A-Share Listed Company of Real Estate Industry Award” granted by *Asiamoney*, and “Gold Quality” Corporate Governance Award 2019 for Listed Companies granted by *Shanghai Securities News*. For more information, please refer to *Vanke 2019 Annual Report Announcement*.

## Organizational structure



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

The Board of Directors reports to the General Meeting and exercises the rights of operation and management over the Company. It sets up three specialized committees on audit, remuneration & nomination, and investment & decision-making to enhance operating efficiency. Of its 10 directors, four are independent directors, including one woman. These independent directors are responsible for the convening of the specialized committees and hold a majority in the audit committee and the remuneration & nomination committee. In order to make independent directors play a better role, matters within the functional scope of each specialized committee should be voted by the latter before they are submitted to the Board for deliberation.

The Supervisory Committee reports to the General Meeting. It conducts financial checks and oversees Board directors and executives in performing jobs. It also organizes patrol inspections to subsidiaries to tighten oversight and safeguard the interests of the Company, shareholders and employees. In 2019, Vanke had three supervisors, including one woman.

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



## Business layout

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

### Property management services

We adhere to our core values of “reassurance, engagement, trust and co-existence”, bringing delightful property management services to more customers.

Vanke has launched **3,302** property service projects in **99** large and medium-sized cities across the country, serving **3.19** million households.

### Residential property business

Vanke believes houses are for living in, not for speculation, and continue to “build quality houses for common people, and build houses that are truly applicable”.

**91.2** %

Proportion of medium- and small-sized housings under 144 m<sup>2</sup>

### Commercial property development and operations

Vanke is devoted to delivering the best customer experience in line with the philosophy of building for families.

SCPG is operating and managing **108** projects in over **50** cities.

### Logistics and warehousing

Centering on customer service, Vanke aims to become a trustworthy strategic partner in logistics.

Vanke operates **138** logistics projects in **44** cities, with leasable properties amounting to over **10.86** million m<sup>2</sup> in construction area.

### Ski resorts

Vanke has been vigorously promoting winter sports, and has created truly world-class ski resorts for skiing lovers.

Vanke has built and operated a total ski area of **208** hectares equipped with **51** ski tracks, stretching a total of **38** km.

### Rental housing

“Port Apartment” is our main long-term rental housing project aimed at young tenants. We also explore different long-term rental solutions for different types of customers, and continue to deliver “reassuring, worry-free, happy and considerate” services for customers.

**34**

Number of major cities covered in China

**110,000**

Total long-term rental apartments in operation





## CSR Feature | Targeted Poverty Alleviation and Rural Vitalization

Targeted poverty alleviation and rural vitalization are major initiatives to address issues concerning agriculture, rural development and the wellbeing of farmers in China. Properly aligning the two strategic initiatives is crucial to the steady transition of rural priorities, and the realization of Two Centenary Goals. Committed to creating a better life for people, Vanke plays an active role in both initiatives, and has contributed to rural education, infrastructure construction, industry growth, and cultural inheritance, and thus to the building of beautiful countryside.

At the Seventh China Charity Fair from September 20 to 22, 2019, Vanke showed its targeted poverty alleviation and rural vitalization efforts and outcomes, winning praise from the State Council Leading Group Office of Poverty Alleviation and Development as well as Shenzhen municipal leadership.

### Targeted Poverty Alleviation

Targeted poverty alleviation is a crucial guarantee for building a moderately prosperous society in all respects and realizing the Chinese Dream of national rejuvenation. The year 2019 was particularly crucial for winning the decisive victory against poverty. Under the guidance of the United Front Work Department of CPC Central Committee, All-China Federation of Industry and Commerce, Guangdong Provincial Government and Shenzhen Municipal Government, Vanke made continuous efforts and built on its strengths to create applicable models for poverty alleviation.



In June 2019, to mark Guangdong's "Poverty Alleviation Day" on June 30, Vanke donated RMB 200 million for targeted assistance programs inside and outside the province.

In June 2019, Vanke won Gold Prize of "Red Cotton Cup for Poverty Alleviation in Guangdong Province"; Vanke's targeted poverty alleviation team won Guangdong Labor Day Award.

In September 2019, Chairman of the Board of Vanke was granted the National Award of Poverty Alleviation by the State Council Leading Group Office of Poverty Alleviation and Development.



### Poverty alleviation through education development

Education development is the permanent cure of poverty. Vanke, based on the reality of poverty-stricken areas, introduces advanced teaching experience and practices in a practical, continuous and in-depth manner, and helps address the lack of educational infrastructure, facilities and seasoned teachers, so as to broaden children's horizons, boost rural education and cultivate talents for the future of rural areas.

### Shouning Dongqu Middle School Project Phase I

Shouning County, located in Ningde city, east of Fujian Province, suffers from a severe shortage of education infrastructure. Vanke, together with China Foundation for Guangcai Program, set up "Guangcai-Vanke Special Fund for Targeted Poverty Alleviation and Rural Vitalization" and planned to invest RMB 120 million in the first phase of the Dongqu Middle School project. Once finished, the school will be able to accommodate nearly 2,000 students.

In the face of multiple disadvantages, such as heavy rain and lack of flooring resources and labor force in the mountainous area, Vanke fully considered local steep slopes, and designed buildings in such a way to integrate into local landforms so as to prioritize safety. Vanke also actively communicated with the local education authority on the post-construction use and education concepts, and introduced diversified teaching models, advanced teaching facilities and education concepts, to build it into a model project of targeted poverty alleviation and rural vitalization, and boost rural education. By the end of December 2019, the project had completed the construction of the complex building, teaching building, main laboratory building and adjacent sloping and shoring.



### Funding the basic education of the five counties in Guizhou and Gansu

With regards to educational resources, Guizhou and Gansu are among the most deficient region in China with extremely poor education infrastructure. In partnership with China Foundation for Guangcai Program, Vanke plans to invest RMB 75 million to support the basic education of the five poverty-stricken counties, namely Qinglong, Sandu, Wangmo and Hezhang in Guizhou, and Jishishan in Gansu. The Company will build teaching buildings, student dormitories and canteens in three years, to improve learning and living conditions for local students.

In 2019, Vanke contributed to the construction of Datu Village Kindergarten (160 students), Chama Town, Qinglong County, Guimo Village Kindergarten (180 students), Guangzhao Town, Qinglong County in Guizhou Province, the expansion of Dayu Minzu Primary School (623 students), Dujang Town, Sandu County, the relocation of Central Primary School (1,200 students), Dayi Town, Wangmo County, the construction of No. 2 Primary School (810 students), Pingshan Township, Hezhang County, and the expansion of Chuimatan Primary School (1,168 students), Jishishan County, Gansu Province. Among them, the first phase of Chuimatan Primary School Project has been completed and delivered, and the main buildings of five other schools have been completed.

#### Case Improving the conditions of Chuimatan Primary School

Situated at elevation 2,264 meters above sea level, Chuimatan Primary School in Jishitan County, Gansu Province, now with 1,168 students, used to suffer from outdated school buildings and equipment, insufficient classrooms and incomplete functions. To address these problems, Vanke cooperated with China Foundation for Guangcai Program to build a 3,500 m<sup>2</sup> complex building for the school. The building is equipped with 12 regular classrooms, two computer classrooms, one library, one classroom for science & technology activities, one music classroom, one art classroom, one multimedia classroom, one conference room, six teaching and research offices, and washrooms, etc. The project allows more nearby school-age children, including left-behind children, the access to education, and is conducive to consolidating the foundation for promoting compulsory education and improving the educational level of local people.







## Supporting Zundao School

In 2008, in response to the Wenchuan earthquake on May 12, Vanke assembled a team for disaster relief and helped rebuild Zundao Elementary and Middle School ("Zundao School") and participated in school management to improve the education quality. The Company sent volunteers to the school, set up an Education Development Commission together with local education experts, and worked with like-minded individuals to launch teacher incentives schemes and student scholarships to promote the education reform. By the end of December 2019, it had granted over 500 awards to teachers and nearly 400 scholarships to students. In 2019, Zundao School achieved record-breaking results in high school entrance examination: 39 graduates were admitted to national- and provincial-level key senior high schools; 54% of graduates entered key senior high schools.

An increasing number of graduates from Zundao School have engaged in charity activities after joining the workforce, as they hope to pay back to the school and society. Seeing former beneficiary students use what they have learnt to help spread love and kindness further, our efforts have paid off. In 2019, to mark the 100th anniversary of Zundao School, Vanke and Zundao jointly compiled The History of Zundao School, and held a celebration to inspire teachers and students to continue to go from glory to glory.



## Supporting fundamental education for the relocation project in Nujiang, Yunnan

The two largest cross-county relocation for poverty alleviation projects in China are located in Jing'an Village of Zhaoyang District and Maojawan Village, of Ludian County, Zhaotong City, Yunnan Province. To provide high-quality preschool education to both project sites, Vanke donated RMB 100 million to build eight kindergartens there, with a planned area of 42,846 m<sup>2</sup> and capacity of 3,274 children. The project is scheduled to be completed by August 2020. After completion, it will serve as a safe and comfortable living and playing environment for over 3,200 children in both project sites, meeting diverse needs of children for all-round development.

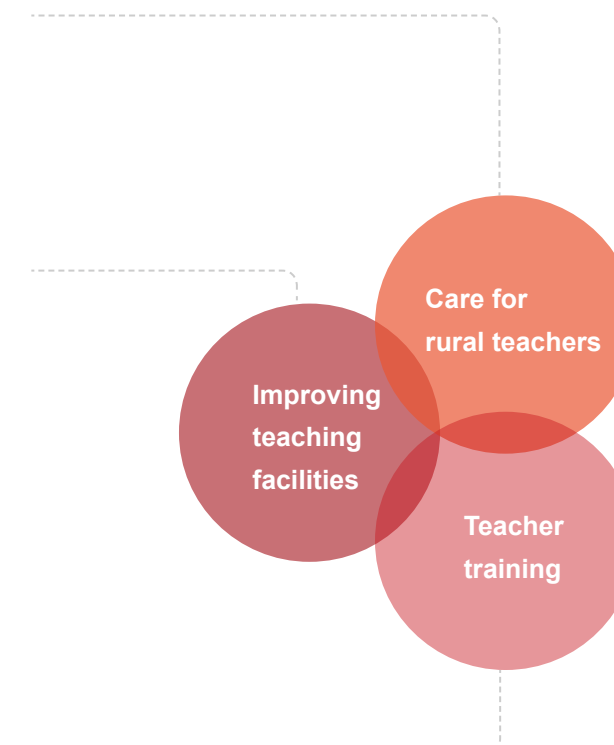
## Vanke-Green & Shine rural teacher support program

In November 2016, Vanke cooperated with Beijing Green & Shine Foundation to launch the five-year Vanke-Green & Shine Rural Teacher Support Program, worth over RMB 15 million, in Zhenfeng County, Qianxinan Prefecture in Guizhou. In 2019, the program substantially improved local educational software and hardware, benefiting 40,524 teachers and students in the County.

Vanke donated RMB 240,000 in lump sum to eight rural teachers with severe illnesses in the county, and RMB 120,000 scholarship in lump sum to 24 students who are children of rural teachers and have been admitted to undergraduate degree in college.

As of December 2019, Vanke had donated 180,000 high-quality books to Green & Shine Reading Rooms in 60 schools across Zhenfeng County, basically covering all primary schools in the county. The Company also donated science experiment tool kits to 82 schools in the county, addressing the shortage of experiment supplies for science courses.

Vanke organized two training sessions on reading courses, attracting 93 participants, three activities – an offline themed training program, study tour and workshop for science teachers, attracting 106 participants, and a month-long study tour themed on science teaching and research for six backbone science teachers in Zhenfeng County to Zhejiang.





### Case Vanke-Green & Shine Joyful Reading Space – the loveliest corner of rural schools

On the eve of Children's Day in 2019, Mr. Yu Liang, Chairman of Vanke, presided over the panel board for assessing 16 "Joyful Reading Space" proposals developed by Vanke staff. The winning proposal was titled Dream Terraces. In November, Vanke-Green & Shine Joyful Reading Space was landed in Yunpan Primary School and Zhexiang No.1 Primary School in Zhenfeng County.



The diversified, heart-warming and refreshing spatial design and atmosphere creates a rich reading experience for children. In addition to books donated by Green & Shine, Vanke also donated around 3,500 books on 2019 World Reading Day in accordance with the schools' demands. These books allow students and teachers access to sufficient educational content.

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

In 2019, Vanke continued to support Ai You VC Program, a platform to support left-behind and boarding children in rural areas, in channel and product development, community development, research in niche areas, and the development and application of information technology.

With Vanke's support, by the end of December 2019, the "New One Thousand and One Nights" program had covered 9,538 rural schools and served 2.04 million boarding students, 1.79 million day students, as well as 1.28 million primary students. According to the *Final Evaluation Report of the "New One Thousand and One Nights" Program*, bedtime stories have positive impact on the psychological health and interpersonal relations of the left-behind and boarding children, as manifested in the reduced proportion of bullied students and depression risk, increased resilience, and reading habits, thus expanding the scope of reading and benefiting children's physical and psychological wellness.



### Case Vanke-Ai You VC Program supports the Non-Profit Organization Growing Home

Growing Home focuses on growth and education issues facing 32 million rural boarding and left-behind children in China. It is dedicated to utilizing various informational approaches to provide boarding and left-behind children with professional and diversified psychological education content and products such as stories/music/video psychology lectures/reading. Vanke-Ai You VC Program helps Growing Home scale up and expand the path of scale development, improves the soft environment for more rural boarding schools, benefits the psychological health and growth of more boarding and left-behind children, and provides better conditions to disadvantaged students.



## Poverty alleviation through relocation

We fund the relocation of people in poverty-stricken areas, donate money and essential facilities and supplies, and improve local public services, education, medical care and other infrastructure, to meet the basic production, household and education needs of relocated residents.

### Donating daily necessities for the relocation program in Nujiang, Yunnan

Nujiang Prefecture, Yunnan Province is defined as one of the "three regions and three prefectures" of extreme poverty. Vanke has cooperated with China Foundation for Guangcai Program to launch the "New Era, New Life" public welfare project under the "Guangcai Program in Nujiang" campaign, and donated RMB 80 million to Lushui, Fugong, Lanping and Gongshan in Nujiang Prefecture, providing necessary furniture, such as beds, dining tables, closets and sofas, for 97,339 relocated residents in poverty to maintain a fundamental quality of life.

### Case Vanke bought furniture for relocated poverty-stricken households in Nujiang to improve their life quality

Zhang Zhongjian is one of the beneficiaries of Vanke's poverty alleviation project through relocation in Nujiang. Zhang and his family finally moved from the traditional shabby house on the mountaintop with bamboo walls, firewood-made door and thatched roof, and with rooms upstairs and a sty downstairs to a spacious bungalow at the foot of the mountain at Fenshuiling Relocation Site. Moreover, Vanke purchased sofas, beds, stools, end tables and dining tables for relocated residents, meeting their basic living needs and winning high praise from them. Zhang said, "We are truly grateful for what Vanke has done for us strangers."

### 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 through 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 model community for poverty alleviation through relocation, Vanke donated RMB 100 million to support the construction of Shenzhen Town. The kindergarten, community health center, Party-mass service center and cultural activity center in Shenzhen Town phase I Project were built and put into service in 2018. For the second phase, the sewage treatment facility, township kindergarten, waste compression and transfer station and other infrastructure are still in progress. To bring high-quality education to local youngsters, Vanke has donated teaching equipment and facilities for the town's nine-year-education school, and made up for the deficiencies in public services, education and medical care, improving the life quality of local residents. After completion, the project will benefit 30,000 local poverty-stricken people.







## Poverty alleviation through cultural development

To fight poverty, efforts should be made on not only the material front, but also ethical, intellectual and cultural fronts. Vanke actively responds to Shenzhen Municipal Government's call for assisting the development of Tibet, and has co-sponsored the construction of Tibet Intangible Cultural Heritage Museum with the Shenzhen Municipal Government's, to facilitate the promotion on the intangible cultural heritage of Tibet.

The Museum is located in the Himalayan seismic belt where the air is thin and dry, frequent extreme convection frequent and the diurnal temperature difference can reach up to 30°C. In the face of various challenges including a tight construction schedule, altitude sickness and difficulty in transporting construction materials, Vanke completed and delivered the project in two years, and for the first time, adopted the reinforced concrete rigid frame technology in Tibet.

The project borrows traditional Tibetan features and techniques: Walls on both sides of the plank road are recycled from local Tibetan stones; the facade design makes full use of local materials and construction logic, with a color combination following Tibetan customs: white as the ground color and red, blue, yellow, green and other colors interspersed. The project consists of an 8,000 m<sup>2</sup> museum and a 25,000 m<sup>2</sup> expo park, allowing tourists to not only appreciate the exhibits but also enjoy local intangible cultural heritage activities, such as traditional Tibetan dances and songs, Tibetan opera performance, traditional sports and games, and ritual activities. Now, the museum has become a new cultural landmark and popular tourist attraction of Lhasa and Tibet.

## Poverty alleviation through industrial development

### Helping with the yield increase and marketing of agricultural products in poverty-stricken areas

In the Shouning County of Fujian, the cultivation of the late-maturing Kyoho grape is considered as an important way to increase farmers' income and reduce poverty in a targeted manner. Supported by a professional agricultural team, Vanke has upgraded the local grape industry, helped build a high-standard green, integrated and innovative technology system and an expert support system, and applied technology to increase the yield of grapes and promote high-quality, efficient and sustainable development. Specifically Vanke's major contribution includes the following:

**Assisting in the construction of a central kitchen for agricultural products (accurate grapevine fertilization center):** The center focuses on comprehensive soil management and accurate fertilization management, and serves the soil testing and fertilization of 3,000 mu of vineyard.

**Developing standardized cultivation and management procedures for Shouning grapes:** The expert team helped revise and develop the new version of *Standardized Cultivation and Management Procedures for Shouning Grapes (Green Product Grade-A)*, to further upgrade the green production of grapes. Agricultural microbiology, agricultural internet of things, regulation of photosynthesis for crops, and other frontier agricultural technologies are integrated into the new procedures.

Besides, Vanke helps Leishan County in Guizhou Province, Shouning County in Fujian Province, Shanwei City and Heyuan City in Guangdong Province to design exquisite boxes of special agricultural products as gifts for traditional Chinese festivals. Purchase of such products is encouraged to substitute for donations so as to help local poverty-stricken households to increase income.





## Poverty alleviation through healthcare improvement

Vanke is concerned about the health of children, and cooperates with public welfare partners to support children from poverty-stricken homes and with special needs, and help them access to medical treatment and recover as soon as possible.

### Ai You Infant Care— Caring for orphans with illnesses

In 2014, to meet orphans' needs for recovery, early education, and social integration, Vanke joined hands with Ai You Foundation to provide them with early education and rehabilitation courses, support "group homes" in institutions and provide more healthcare, education and nurturing services to improve their life quality and increase the adoption rate of orphans with illnesses. At the same time, based on children's welfare homes' advantageous resources, the project team has drawn on stakeholders' experience in children's care and services, to provide temporary shelter, protection and support for children in special need.

From January 1 to December 31, 2019, Vanke Foundation funded the medical care of 142 orphans with illnesses and 20 de-facto orphans at Ai You Infant Care Center. Since the project was launched in 2014, Vanke has supported 1,887 orphans (including de-facto orphans).



#### Case Fuqi, a kid who has recovered and started a new life at Ai You Infant Care Center

Fuqi, or known as "Little Luck" which is pronounced in Chinese the same as his name, with a slight difference in intonation, was diagnosed with biliary atresia when he first arrived at Ai You Infant Care Center. He was hanging by a thread and his whole body was stained yellow. But thanks to the attentive care at the center, he was transferred to Renji Hospital for liver transplantation when a match was found, with the companionship of Ai You's mother. He has recovered and is now a healthy kid, opening a new chapter of his life.

### Ai You Child Care - Surgery and treatment of poverty-stricken orphans 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 2019, the 10th year of this initiative, Vanke sponsored 75 children with CHD to gain a second life. Over the past 10 years, Vanke has sponsored 3,125 children with CHD in total, helping them recover and grow healthily and happily in sunshine.





## Rural Vitalization



Party leadership should be strengthened in issues relating to agriculture, rural areas, and rural people. We must prioritize the development of agriculture and rural areas. To build rural areas with thriving businesses, pleasant living environments, social etiquette and civility, effective governance, and prosperity, we need to embark on a socialist path toward rural vitalization with Chinese characteristics, put in place sound systems, mechanisms, and policies for promoting integrated urban-rural development, and promote the economic, political, cultural, social, ecological and Party building progress in rural areas as a whole, to speed up the modernization of the rural governance system and governance capacity, as well as the modernization of agriculture and rural areas.

—The report to the 19th CPC National Congress



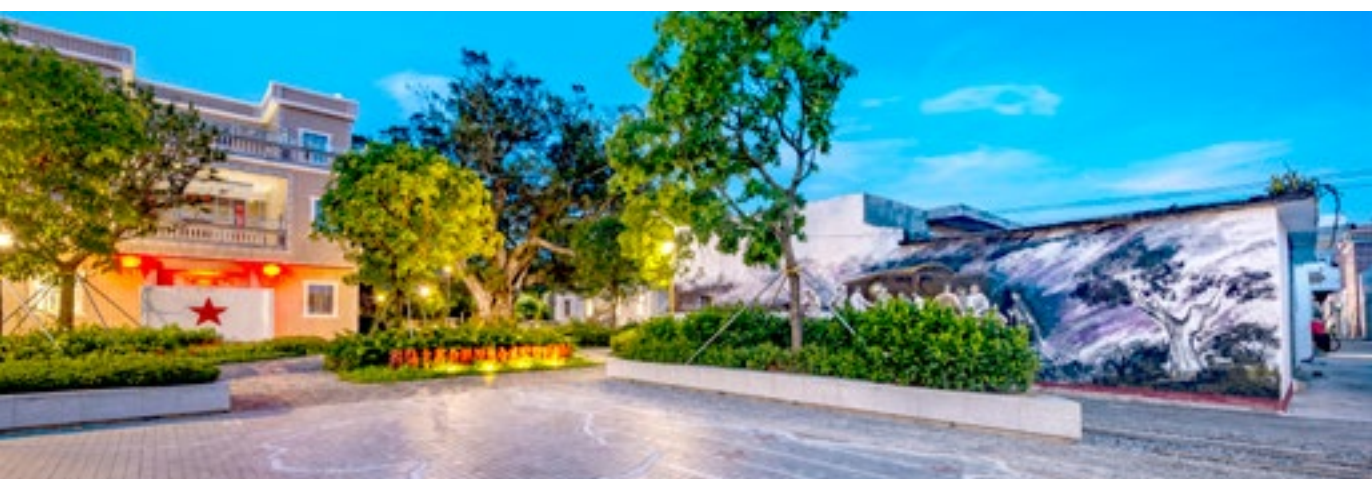
Rural vitalization is underpinned by pleasant living environments, social etiquette and civility, effective governance and prosperity. Therefore, poverty alleviation is the prerequisite for everything. Vanke responds to the arrangement of the Guangdong Provincial Party Committee and Government regarding Shenzhen's pairing assistance to Heyuan and Shanwei, with the intention to improve the look and infrastructure of villages, driving the economic, social and cultural growth of rural areas in a sustainable way, and building "beautiful countryside".

### Building a livable Jinxiang town

Jinxiang town is located by the Jieshi Bay in the southeast of Lufeng, Shanwei city, Guangdong province, and has red tourism "genes", excellent marine resources and idyllic scenery. But it also faces problems such as lack of public facilities, backward living environment and insufficient industrial development. We thus have tasked a professional planning team with a systematic investigation and analysis of the Jinxiang town, and strive to improve the rural environment by renovating the public space and promoting red culture. We have developed the "one product for one village" strategy in light of the differences of its 13 villages, and put forward an implementation path for the long-term growth of Jinxiang town, so as to build it into a place suitable for living and working with well-developed agriculture, beautiful rural environment and well-off farmers.

### Promoting red culture and coordinating unique tourism resources

Capitalizing on red tourism resources, wetland parks and folk culture of Xiapu and Zhouzhu villages, we design a red tourism demonstration zone of a T-shaped layout, with Jinxiang Red Revolution Corridor as the central axis – Zhou Enlai's Former Residence, Zhou Enlai's Sea-crossing Route and Zhou Enlai's Sea-crossing Monument as the vertical axis, and Jinxiang beach as the horizontal axis. By promoting red tours as well as red education and training, we have driven the development of red tourism and formed Jinxiang Revolution Corridor.



While designing red tourism routes, Vanke have repaired and renovated supporting facilities including Sea-crossing Road, Sea-crossing Square, grocery stores, rest areas, public washrooms, sightseeing greenways, and the waste collection system, for the convenience of tourists and local villagers.

### Substantially improving rural living conditions

Based on the village's history, culture and architectural features, Vanke preserves the original landscape and scenes to the maximum extent in the traditional way. To meet villagers' needs, we redesign the public space to improve rural life quality. By applying "needle-like" micro renovation to activity space, we have contributed to the improvement of rural living environment, the construction of the beautiful and livable countryside, and facilitate healthy rural development.



#### Carrying out a bottom-up survey to identify actual needs

- Sorting out existing tourism and public resources of the villages
- Understanding villagers' needs through observation and interviews

#### Preserving history and memories through "needle-like" micro renovations

Making proper "needle-like" micro renovations at existing open space, squares and public buildings, and stringing scattered spaces to form an organic whole

#### Using prefabricated structures to reduce interruption to normal life

Using components to achieve easy and fast installation and construction as well as spatial diversity



#### Restoring the original look by extracting local features

- Using stones and bamboo strips as the primary construction materials to preserve the local architectural features
- Studying local traditional construction techniques and applying them to newly-designed public buildings and structures, including villager activity centers and villager squares
- Adopting modern techniques in design and developing new structures, to preserve the traditional styles while adding new features and functions





## Xiankeng – the crown jewelry of Hakka culture

Xiankeng village is about 60 kilometers east to the seat of Dongyuan county, Heyuan city of Guangdong province. With a history of more than 400 years, it has rich cultural heritage, well-preserved Hakka buildings, and a premium ecological environment. Vanke fully leverages its expertise in preserving and repairing ancient buildings, and contributes to inheriting history and traditional culture, creating cultural and natural tourist attractions, and incorporating artistic elements, with Hakka culture at the core of all these efforts. The Company aims to attract the inflow of labor, resources and technologies, increase local income by developing culture and tourism, and explore a sustainable, replicable and promotable path toward rural vitalization. In September 2019, Xiankeng village was voted among the “Top Ten Most Beautiful Villages of Guangdong Province” by the Rural Affairs Office of the Guangdong Provincial Party Committee.

### Repairing and preserving ancient Hakka buildings to restore their traditional look

In repairing and preserving ancient buildings, we follow the guiding principles of “repairing the old buildings while maintaining the original appearance, keeping the styles of new buildings in line with the old ones, protecting and repairing historical sites, and mobilizing resources to improve the overall appearance and style, inherit the cultural heritage, and unleash vitality”. While fully maintaining original architectural features, we incorporate architecture with local culture and history so as to inject new vitality to the Hakka buildings we are repairing and preserving. Thus, over 20 Hakka square walled buildings have been well-preserved in Xiankeng village, and become new popular tourist attractions.

#### ● Renovating ancient Hakka octagonal buildings and four-corner buildings

We adopt traditional techniques to repair tiling, wooden component, walls, and floors, and use three-component concrete and paper strip mixed lime mortar to reproduce the traditional architectural style and inject new vitality into the ancient structures. We strive to build the four-corner building into a tourist window to the domestic scenes of Hakka people, and the octagonal building into an attraction for Hakka vernacular architecture and art. Thanks to Vanke’s efforts, the four-corner building has been elevated from a cultural heritage site under municipal protection of Heyuan to one under provincial protection of Guangdong, and the octagonal building is applying for the status as a cultural heritage site under state protection.



The octagonal building



The four-corner building

#### ● Rebuilding the Dengyun Academy

To preserve the history and memory of Dengyun Academy, and carry forward the Hakka culture of “passing on the tradition of studying and helping with farm work at the same time”, we dig deep into the history of Dengyun Academy, and have rebuilt it based on blueprints drawn by senior and distinguished villagers by hand. In addition, a square in front of the academy is built for regular exhibitions and to serve as a mobile library of Heyuan city.



The rebuilt Dengyun Academy

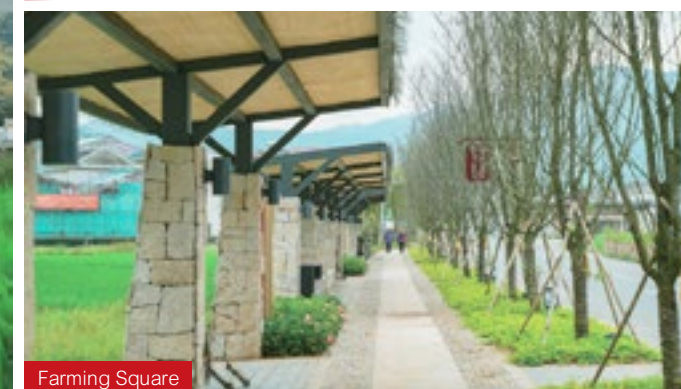




A multi-function square



Old-style private school in the octagonal building



Farming Square



Renovated spring water system

## Making minor improvements without damaging the original landscape and perfecting local infrastructure

Catering to villagers' actual needs for better production and life, we have made minor improvements to the landscape and appearance of the village, and designed the layout of the village as a whole, to make it a more convenient place to live and work in and enhance the benefits for and wellbeing of villagers.

### Improving the rural environment.

We actively facilitated waste treatment, washroom renovation, and sewage treatment initiatives to improve the sanitary environment of the village.

### Increasing public space.

We built the Xiankeng cultural square, multi-function square, exhibition center for achievements of rural vitalization, and pavilions on abandoned land, to create more public space for cultural and sports activities and other leisure purposes.



**Highlighting Hakka architectural features.** We took the initiative to improve local infrastructure by means of renewal, protection and decoration, to highlight Hakka architectural style.

**Repairing and improving infrastructure.** We repaired and improved the original infrastructure, including the entrance look, the Farming Corridor, spring water systems, the old-style private school in the octagonal building, and Xiankeng Primary School, for the convenience of villagers.



## Exploring the value and connotation of Hakka culture

Considering the profound Hakka cultural heritage in Xiankeng, we dig into the local history and cultural resources while repairing and protecting ancient buildings, to help carry forward the Hakka culture, tradition and spirit.

### Introducing educational tours to popularize Hakka culture.

We took the initiative to work with outside study tour agencies to develop programs around the four-corner building and octagonal building in Xiankeng village, to attract tourists, especially high school and primary school students to the architectural elegance and cultural heritage of Hakka traditional houses, so as to promote traditional Hakka culture and spirit.

### Integrating culture and tourism to drive industrial prosperity.

Capitalizing on Xiankeng's ancient buildings, Hakka history and culture and agritourism, we designed in-demand tourism programs such as study tours, parent-child tours, and self-driving tours, to drive the growth of rural tourism.

### Revising and compiling village chronicles to provide cultural support.

We invited Hakka culture experts to revise and compile village chronicles by reviewing historical literature, and making field visits and interviews, to provide cultural support for Xiankeng's development into a famous destination of cultural tourism in Heyuan.



Chronicles of Xiankeng Village



Students from Donghua School, Dongguan go on a study tour to Xiankeng village.



## Improving the appearance and environment of Pingfu and Changjiang villages

Improving the appearance of rural areas as soon as possible is important for the realization of building a moderately prosperous society in all respects. Vanke actively responds to the arrangement of the United Front Work Department of the Guangdong Provincial Party Committee regarding "accelerating the improvement of rural living environment and infrastructure construction, to build beautiful countryside that boast livable ecological environment, infrastructure and conditions suitable for doing business and holistic tourism". Under the latter's guidance, Vanke supported Pingfu village, Renhua county and Changjiang village, Xinfeng county in comprehensively renovating the living environment, exploring new paths of rural vitalization, and promoting the integrated growth of culture and tourism.

### Pingfu village, Renhua county

Surrounded by verdant mountains, Pingfu village is a place with exceptional natural beauty, located in Zhoutian town, Renhua county, Shaoguan city, Guangdong province. Under the guidance of the Poverty Alleviation Working Group of the United Front Work Department of the Guangdong Provincial Party Committee, Vanke supports the village in improving overall appearance and environment and developing specialty industries, thus exploring a path towards poverty eradication and prosperity.

#### Improving the overall village appearance and environment.

Along Huangnitang section of National Highway 106, we built by the giant banyan a cultural complex building (including an exhibition hall for the nai plum industry) and service stations (with a concrete parking lot) for self-driving and cycling tourists, in addition to pollution control of water ponds. We also strengthened traffic flow design, built one parking lot (bringing the total to two) and formed a traffic flow line featuring "an outer ring and an inner network".

#### Improving the living environment inside the streets and alleys.

Focusing on improving the dwelling environment of villagers, we dredged drainage ditches and covered them with boards, paved lanes with slates, and painted on walls of the village elements themed on Party building, united front work, core socialist values and code of conduct for villagers, to enhance villagers' sense of fulfillment and happiness.

#### Driving the growth of Pingfu's nai plum industry.

To boost the local nai plum industry, we built a highway encircling the village and a nai plum-themed exhibition hall in the cultural complex building, and put up multiple display boards at Nai Plum Orchard and along the highway, aiming to guide the formation of an industry cluster integrating culture and tourism. Meanwhile, after pulling down brick houses, we opened up vegetable gardens in the residential quarters to engage villagers in vegetable planting.



### Changjiang village, Xinfeng county

Changjiang village is in the mountainous area in northwestern Meikeng town, Xinfeng county. It is about 26 km away from Xinfeng county seat, and has 55 households living in relative poverty, totaling 150 villagers. In active response to the government's call upon poverty alleviation, Vanke helps improve local infrastructure and living environment, contributing to local poverty alleviation.

#### Building the multi-function square and villagers activity spaces.

Benchmarking against the standards of demonstration projects for rural vitalization and building new socialist countryside, we built a multi-function square for cultural and sports activities in Luowu area, Qingguidong, a Party building and publicity square in Huangnitang area, and a Hakka culture display and promotion square by Sanhuai Building, Banling area. We plan to renovate the surroundings, and set up new publicity walls, bulletins and cultural and sports facilities, to meet the needs of exhibition and leisure cultural & sports activities.

#### Improving rural living environment and infrastructure.

In line with requirements specified in the , we have gone to great lengths to improve the living environment and infrastructure of Changjiang village. We have been actively advancing the full-coverage tap water pipeline network project, the village road lighting project, rural domestic waste treatment project and so on.



# OPERATIONAL PRACTICES

Prudential Operations

Good Services

Sustainability Management

Good Products





# Sustainability Management

Vanke has been actively pursuing sustainable development by improving the management of environmental, social and governance (ESG) performance on an ongoing basis. We organize regular training sessions on ESG to promote our ESG management concepts, measures and the latest regulatory rules. In the meantime, we value CSR information disclosure, and have released CSR reports for 13 consecutive years (since 2007).

In 2019, **Vanke was once again included as one of the constituent stocks in the Hang Seng Corporate Sustainability Benchmark Index.**

In 2019, we organized two rounds of Group-wide survey that covered over 30 functional and business units, including engineering management, research and development, customer relations management, supervision and audit, human resources, marketing, and IT application, to sort out the sustainable managerial divisions and optimize sustainability management.

## Philosophy and Strategic Positioning

### Core Values

Sticking to fundamental principles in operation:  
People-oriented and market-oriented principles

Striving with like-minded partners: Consensus, co-creation, joint undertaking and sharing

### Mission

To create true value of longer term for the vast majority of stakeholders



### Vision

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

### Operation & Management Compass

To create true value, be customer-centered, prioritize the interests of shareholders, and value strivers

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

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

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

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

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

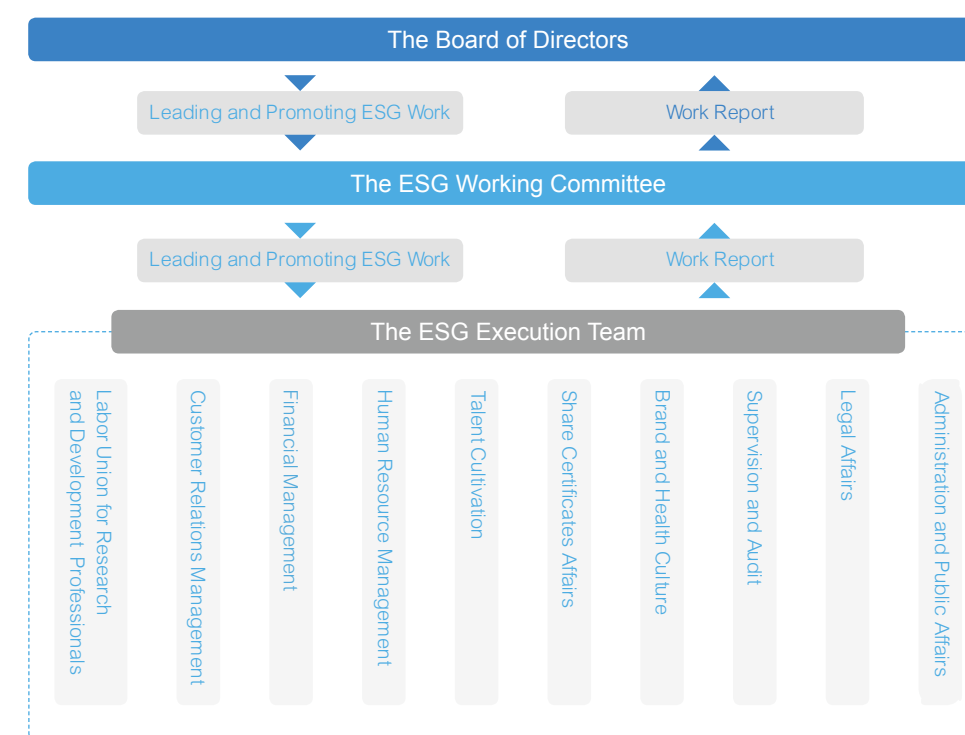
## ESG Management Organizations

In 2019, Vanke's Board of Directors deliberated and clarified the environmental, social and governance (ESG) management system, and established the ESG working organizations, 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 annual 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 the differences between advanced peers companies towards excellent practices, making improvement plan and promoting the implementation, implementing annual work content and preparing annual CSR report according to ESG management objectives.





## Management of Material Topics

We attach great importance to the identification and management of sustainability topics, and communicate with stakeholders regularly to understand the opinions of the government, shareholders, employees and customers and their feedback in a comprehensive manner, and thus identify material topics of sustainable development, and disclose relevant information in this Report. By so doing, we hope to effectively improve the pertinence and responsiveness of the Report, and enhance the sustainability management of Vanke on an ongoing basis. In 2019, we conducted offline group interviews with online surveys on stakeholders, and updated the materiality matrix according to the results.

### Identifying topics and developing a topic list

- We sorted out major sustainability issues as well as concerns of stakeholders, and benchmarked ourselves against peer companies at home and abroad, to define key material topics in the real estate industry.
- Through gathering and studying ESG ratings or index evaluation reports in the capital market, we identified frontier objectives and potential risks of sustainability.
- Based on the thorough research, we developed the 2019 list of sustainability topics.

### Conducting a stakeholder survey

- We divided topics into five dimensions, namely environmental protection, care for customers, business operations, care for employees, and community prosperity.
- We handed out online questionnaires to ask internal and external stakeholders to prioritize sustainability topics, and collected their needs and advice concerning the topics.
- We received a total of 1,211 valid copies from our stakeholders, including directors, senior executives, employees, customers, investors, partners, media, industry associations, regulatory authorities, academic institutes and the general public.

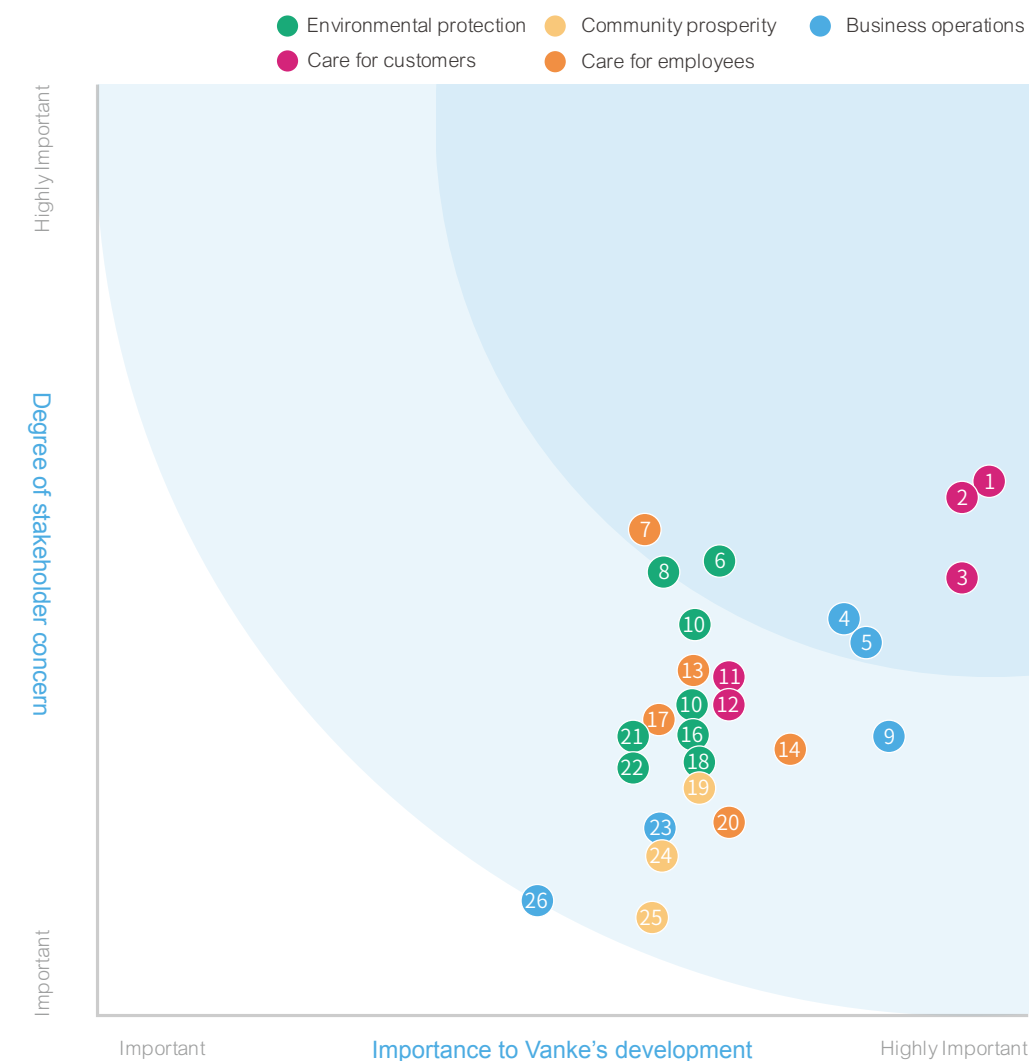
### Prioritizing the topics

- Based on our development situation, stakeholders' appeals, pursuant to the survey results, we followed the materiality principle to prioritize topics from two dimensions – “importance to Vanke's development” and “degree of stakeholder concern”.

### Reviewing and validating material topics

- The shortlisted topics were reviewed and confirmed by Vanke's Board of Directors and external experts.

## Materiality matrix



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

\*Note: The bold topics in the table are high importance topics.

Stakeholder Communication

Only by taking responsibility for stakeholders can we establish the deepest foundation and gain the longest vitality for our business. We have always insisted on building diversified communication mechanisms and close relationships with the stakeholders for exchanges and communication through more channels and methods.

Stakeholders	Expectations & Requirements	Communication & Response Measure
The Government	<ul style="list-style-type: none"><li>Legal compliance</li><li>Tax payments according to law</li><li>Support of economic development</li></ul>	<ul style="list-style-type: none"><li>Compliance management</li><li>Proactive tax payment</li><li>Responding to the call of national policy</li></ul>
Shareholders	<ul style="list-style-type: none"><li>Corporate governance</li><li>Returns and growth</li><li>Risk control</li></ul>	<ul style="list-style-type: none"><li>Establishing a scientific and reasonable governance structure</li><li>Regular disclosure of business information</li><li>General meetings</li><li>Continued growth to ensure shareholder returns</li></ul>
Employees	<ul style="list-style-type: none"><li>Wage and benefit security</li><li>Health and safety</li><li>Smooth communication</li><li>Fair promotion and development opportunities</li></ul>	<ul style="list-style-type: none"><li>Timely full wage payment and social insurance payment</li><li>Establishment of occupation health and safety management system</li><li>Carrying out employee physical examination and fitness testing</li><li>Establishment of 12 communication channels</li><li>Smooth career development channels and employee training</li></ul>
Customers	<ul style="list-style-type: none"><li>Product quality assurance</li><li>Quality management service</li></ul>	<ul style="list-style-type: none"><li>5+2 Industrialized production</li><li>Providing quality service</li><li>Protecting customer privacy</li></ul>
Partners	<ul style="list-style-type: none"><li>Honoring commitments</li><li>Fair, just and open procurement</li><li>Experience sharing</li></ul>	<ul style="list-style-type: none"><li>Contract execution according to law</li><li>Open bid invitation, issuance of List of Qualified Suppliers and establishment of A-UPUP E-commerce Platform</li><li>Project cooperation</li><li>Promotion of sound industry development</li></ul>
Environment	<ul style="list-style-type: none"><li>Effective use of resources</li><li>Emission reduction</li><li>Addressing climate change</li><li>Biodiversity conservation</li></ul>	<ul style="list-style-type: none"><li>Housing industrialization, green building</li><li>Energy management, water resources management, waste management (including community waste management)</li><li>Participation in United Nations Climate Change Conference</li><li>Environmental Governance</li><li>Vegetation conservation, Snow Leopard conservation, Porpoise conservation, Mangrove Wetland conservation and Coral conservation</li></ul>
Communities and the Public	<ul style="list-style-type: none"><li>Support of social development</li><li>Care for disadvantaged groups</li><li>Health culture</li></ul>	<ul style="list-style-type: none"><li>Supporting targeted poverty alleviation and rural vitalization strategy</li><li>Charity undertakings</li><li>Volunteer services</li></ul>

Case Fulfilling CSR by taking the initiative to educate investors

Protecting the interests of small and medium-sized investors is the cornerstone of the long-term and robust 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. The base integrates the functions of knowledge popularization, risk warning, consulting service, and achievement exhibition, and also displays the achievements of the capital market, gives themed lectures, and popularizes knowledge about securities and futures to investors with the support of modern and interactive equipment. In 2019, under the guidance of CSRC and CSRC Shenzhen, Vanke held eight investor education activities at the base and compiled the handbook *An Introduction to the SSE Star Market*, as well as relevant publicity materials. In the meantime, the Group joined hands with China Southern Fund Management Co., Ltd., Shenzhen Asset Management Association, CITIC Securities and other organizations to promote investor education by leveraging their resources and complementary advantages, in order to raise investors' awareness of market risks, guard against risks, and avoid irrational investment behaviors.

On May 15, 2019, the National Investor Protection Day, upon the invitation by CSRC Shenzhen, Vanke set up an exhibition booth at the "Promotion of Investor Education and Open Day of Investor Education Bases" on Shenzhen Stock Exchange Plaza. The Group shared the latest information about investor education and answered questions from investors on that day.

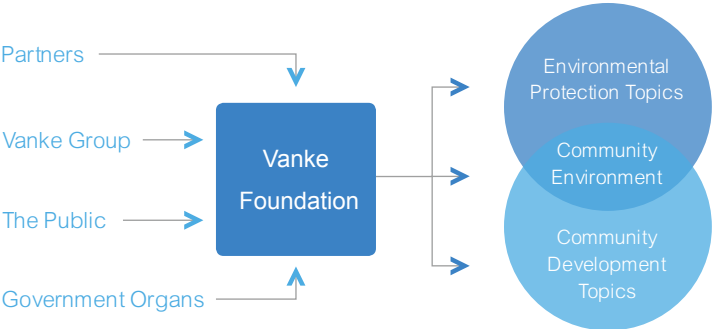




Vanke Foundation

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

Based on professional management, Vanke Foundation concerns issues that have profound influence on the future and aims to create “sustainable communities”. It joins hands with stakeholders such as employees, the government, community residents, experts, volunteers and suppliers, to address problems facing environmental protection and community development, and create sustainable, responsible communities with mutual support. In 2018, the *Vanke Foundation Strategic Plan 2018-2022* was released to chart the course for future development and priorities.



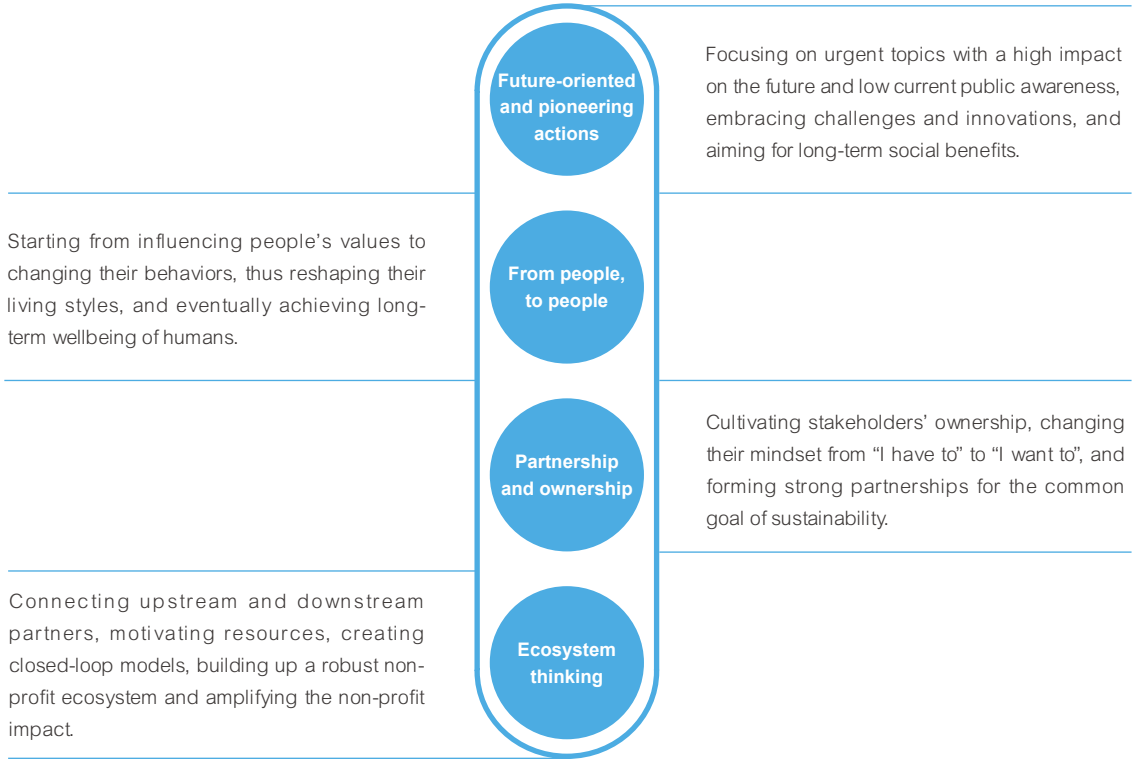
71.6578 RMB million  
Total spending

377  
zero-waste community  
vanguards incubated

69  
charity organization partners

+100  
charity events organized

Vanke Foundation's Values



Vanke Foundation's Actions



Prudential Operations

Risk management

Vanke has strengthened the functions to identify, monitor and guard against risks at the Board level and internal management level on an ongoing basis. The Board authorizes the Audit Committee to assess and determine the Company's maximum exposure to risks in achieving its strategic objectives and the nature of such risks, and examine and assess the effectiveness of the Company's risk management system. The Internal Risk Management Committee is responsible for the identification, prevention and control of risks at the company level, gradually establishing the risk management function in business groups/units and front-line companies, as well as risk identification and assessment.

Meanwhile, the Board is responsible for establishing, improving and effectively implementing internal control in accordance with the requirements of internal control standards as well as assessing its effectiveness. The Audit Committee under the Board is responsible for risk management, reviewing the internal control of the Company, supervising the effective management and self-assessment of internal control, guiding and coordinating the internal audit and other related matters. For more information about internal control and risk management, please refer to *Vanke 2019 Annual Report*.



## Intellectual property rights protection

We strictly comply with the *Trademark Law*, *the Patent Law*, the Anti-Unfair Competition Law and other governing laws and regulations in China, strengthen the management of patents, copyrights, trademarks and other intellectual property rights, and take legal actions against violations. In addition, we show full respect to others' intellectual property rights, encourage and protect fair competition, prevent unfair competition and try our best to protect the legitimate rights and interests of others from being infringed upon.

## Integrity culture

We take a zero tolerance stance towards fraud and mobilize internal and external resources to create a favorable environment for fair competition, honesty and integrity.

**Fostering the awareness of integrity.** We provide red line education to all employees, including directors. Each year, we organize Sunshine Month for Integrity Building, and require employees to take integrity certification exams to strengthen the awareness of integrity. We set up a website on integrity to publicize integrity-related laws and regulations and our code of conducts, release latest news on integrity building, and launch a column for the publicity of integrity-related regulations and typical cases.

**Standardizing integrity systems.** We have improved the financial management system and auditing and supervision system, and compiled internal management and control policies such as *Code of Conduct for Employees at Different Positions*, *Internal Home Purchase Regulation for Employees*, and *Guidelines for Employees to Report Potential Conflicts of Interest*. We regulate employees' integrity behaviors in such aspects as staff behaviors and activities, utilization of company resources, confidentiality obligations, norms for internal and external exchanges, handling of conflicts of interest, complaint & whistleblowing, and accountability. We insist on "zero fraud, zero corruption and zero bribery" as bottom-line requirements for all Vanke staff, and stick to the principle of avoiding hiring family members of employees and preventing conflicts of interest to promote simple, straight interpersonal relations across the Group.

**Conducting multi-dimensional monitoring and supervision.** The audit and supervision function is directly responsible for integrity management of the Group. We have formed a supervision mechanism involving the headquarters, business groups/units (BG/BU) and frontline companies, to carry out regular audits and inspections and timely close integrity loopholes. Besides, we hold special meetings to promote education on integrity risks. We have invited all employees and partners to rate our integrity environment, and compiled *Letter of Reminding Integrity Risks* according to the feedback to hold front-line management teams accountable for integrity building. Furthermore, we have opened up whistleblowing channels such as the Vanke Fraud Reporting Website (<http://5198.vanke.com/>) and the whistleblowing email box to handle complaints and reports against employees or units engaging in malpractice, fraud and other violations of professional ethics. The whistleblower's information will be kept confidential, priority will be given to tipoffs filed in real name, and rewards will be provided for the whistleblower after the tipoff is verified to be true.

**Enhancing partner integrity.** Through offering integrity training, signing Sunshine Cooperation Agreement, and publicizing the name list of dishonest suppliers, we have built an anti-fraud defense line together with suppliers to create a healthy and clean environment. We have joined forces with Alibaba, Midea and other companies to launch the China Enterprise Anti-Fraud Alliance, to share anti-fraud experience and blacklists, and ramp up social costs of dishonesty.

## Responsible marketing

In compliance with laws and regulations such as *Measures for the Administration of Advance Sale of Urban Commodity Houses*, *Regulatory Measures on the Sale of Real Estate*, *Advertising Law* and *Provisions on the Release of Real Estate Advertisements*, Vanke formulated and promulgated several internal policies, including Notice on Standardizing Operations Relating to Earnest Money/ Subscription Money, Requirements of Strictly Prohibiting Illegal Collection of Money in the Sales Process, and Special Administrative Requirements for the Sale of Office Buildings, Commercial Properties and Residential-Commercial Hybrids, to effectively safeguard rights and interests of customers. When a product is launched for sale, we will set up a sunshine declaration bulletin to disclose key information, such as adverse conditions, parking space, house types, educational uncertainties, and payment risk alerts. We will also formulate standards for the production and display of signboards for sand tables, and the application of relevant production techniques, and demand key decisions to be handwritten for double verification, in order to provide accurate, complete and comprehensible information to customers, and raise customers' awareness of key information about the product on sale. We strictly ban misleading and ambiguous information to effectively secure customers' right to know and lead to rational consumption. For newly launched projects, we carry out random inspections to ensure the projects are compliant with our internal policies and relevant laws and regulations concerning marketing, product display, and undertakings to customers, etc.

## Good Products

Vanke builds houses for people to live in, not for speculation. We always put quality, health and performance at the core of residential products, and conduct full life-cycle management and control of engineering quality to deliver quality products to customers. In 2019, Vanke was covered by Global Real Estate Sustainability Benchmark for the first time and rated as Asia-Pacific leader in residential property development.



## People-oriented design

In the process of engineering design, we take into full consideration the diverse needs of customers, and interview sales champions and conduct customer surveys on an ongoing basis, with a view to discover, understand and meet customers' changing needs. We have compiled *Vanke Check List of Baseline Requirements for Residential Design*, to calibrate our design to avoid customers' bottom line concerns, and deliver high-quality, well-performing and healthy residential buildings. Based on our insights into the genuine needs of customers, we completed the upgrade of the C standard for furnishings and decoration in 2019.

**Making full use of space.** We strive to make the most of space and landscape to meet owners' needs, balance resources for large and small housing units, and open good resources in communities to all owners.

**Ensuring accessibility.** Considering the needs of disadvantaged groups such as the disabled, the aged and expecting mothers, we regard accessibility as the bottom line for residential design, including accessible ramps leading towards all entrances and exits, accessible design of busy traffic flow lines heading home and main sidewalks in the residential compound, anti-skid materials in public space, and safety heights of balcony railings and corridor handrails.

**Increasing convenience.** Through the "homecoming traffic flow lines" solution, we have created smooth "last mile" experience for home owners and visitors. We have lived up to customers' expectations for home living scenarios with diverse unit types and detailed decorations.

### Case Developing the 9+X Ideal Life Scenario System to improve product performance

Vanke attaches great importance to product performance and dedicates itself to building "good communities" for customers. The 9+X Ideal Life Scenario System, newly developed by Vanke Southern Region BG in 2019, is neighborhood friendly to all age groups. It's developed based on over 1,000 questionnaire responses, 14,000 pieces of customer feedback, and over 100 hours of follow-up phone calls for feedback, observation and record. It features nine life scenarios, including "orderly garden", "community living room", "children's dreamland", and "footpaths to fitness", in addition to green, healthy community landscape, diverse and practical functions, and colorful neighborhood activities, to build healthy and cozy communities. In the meantime, Vanke has gone to great lengths to create a greener and healthier community life, and has developed and upgraded vegetative landscape modules on an ongoing basis. These vegetative landscape modules are configured in an aesthetic, eco-friendly and science-based manner, and given certain themes to enhance the functionality, narrative and visual effect of landscape. For example, in areas where children play, plants mentioned in *The Book of Songs* and *The Songs of Chu*, fragrant and edible plants, and interesting character-like plants may be introduced to educate and entertain children at the same time, so that children could learn more about nature while having fun.



## Case Creating a healthy living environment

Vanke has always been committed to creating a healthy living environment. Building on the existing system of healthy products, Vanke has garnered forces to develop the technology system for a healthy living environment. So far technical indicators and sound solutions have been put forward from six dimensions – air, water, comfort, light, sound and lifestyle. For example, Shanghai Wansheng Office, a case in point, has met all the health indicators.

### Air

Abide by rigid air quality standards, and install high-efficiency make-up air and purification systems, to ensure fresh, smog-free air at all times.

### Water

Adopt multiple levels of purification to ensure water quality and improve water use experience.

### Thermal comfort

Control temperature, humidity, wind speed and spatial temperature difference in a comprehensive manner, and adapt to spontaneous day-night changes of temperature and humidity.

### Lighting

Enable smart adjustment of the color temperature of lighting according to the rhythm of natural lighting changes, and improve the CRI score to prevent glare.

### Sound

Build a comprehensive vibration attenuation and noise reduction system to create a quiet, noise-free and healthy acoustic environment.

### Lifestyle

Promote a healthy lifestyle that advocates exercises, balanced diet, love of art, and closeness to nature through community planning, landscape design, and property management services.



## Strict control of materials

We take a zero-tolerance stance toward misconducts such as delivering products that do not match the agreed sample, cheating on workmanship and materials, and delivering fraud products, and also impose Operation Skynet rules on all projects in progress, so as to tighten management and control from the source and ensure the quality of building materials.

**100 %**  
project coverage  
of building  
material testing

**24,113**  
Sets of building  
materials tested  
in 2019



### In-factory monitoring

Give full play to our strength in bulk purchasing and monitor the production process of raw materials, to reduce substandard raw materials.



### Ex-factory test

Set up a three-time test mechanism for raw materials, and check the quality and compliance of finished building materials through laboratories and on-site testing, to prevent substandard materials and components from entering construction sites.



### Monitoring the rectification progress

Establish a high-risk product trigger mechanism, communicate with suppliers of raw materials with high complaint rates, urge them to make improvements and monitor the progress.

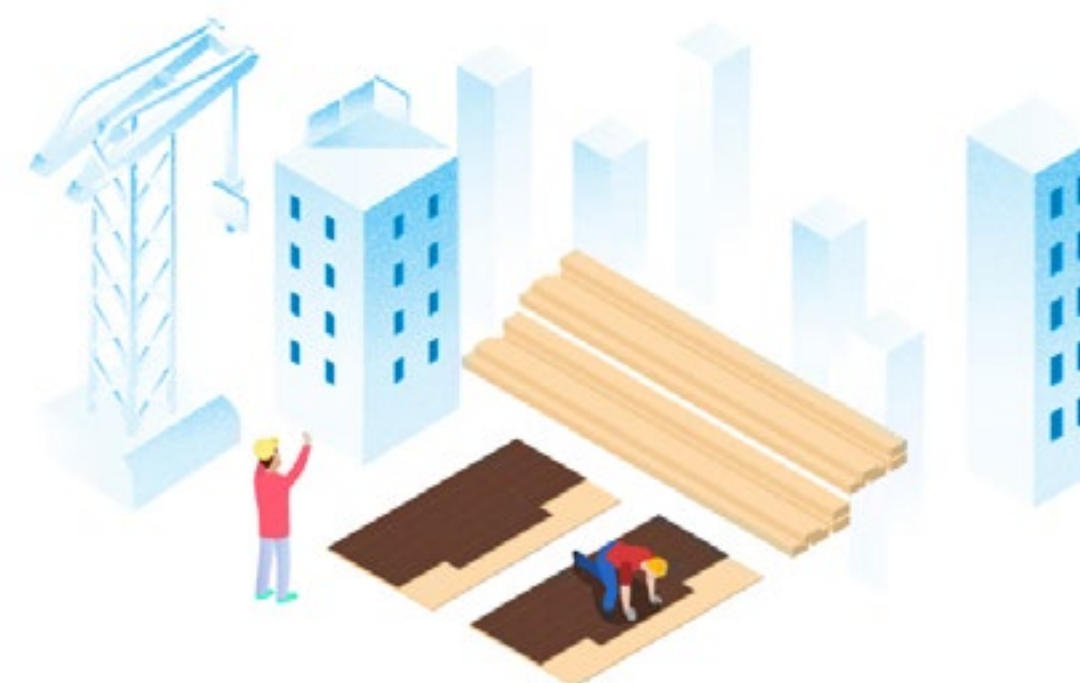
## Operation Skynet

To prevent fake and shoddy materials and components from entering construction sites, Vanke has rolled out the Operation Skynet since 2015 to check the quality and compliance of building materials used in residential buildings, Port Apartments, logistic and commercial properties. Random inspections will be conducted in factories and on construction sites throughout the life cycle of materials, so that we can manage and control Vanke products from all perspectives, and thus ensure good products and services.

## Case Strictly managing indoor air quality to deliver low-formaldehyde buildings

Vanke manages indoor air quality rigidly, and keeps key indicators such as formaldehyde and TVOC emissions under strict control in the sourcing of raw materials and delivery of housing projects. When purchasing raw materials, we abide by standards higher than national ones regarding the limits of hazardous substances (including formaldehyde) for key materials such as floors and cabinetry. Before delivering houses, we will check the air quality in accordance with *Code for Indoor Environmental Pollution Control of Civil Building Engineering* (GB50325), and only those passing the air quality check will be delivered.

Material Category	National Standards	Vanke Standards
Floors	Limit of formaldehyde emission $\leq 0.124\text{mg/m}^3$	Limit of formaldehyde emission $\leq 0.050\text{mg/m}^3$
Cabinetry	Limit of formaldehyde emission $\leq 0.124\text{mg/m}^3$	Limit of formaldehyde emission $\leq 0.080\text{mg/m}^3$
Wallpapers	Limit of hazardous substances (including formaldehyde) $\leq 120\text{mg/kg}$	Limit of hazardous substances (including formaldehyde) $\leq 12\text{mg/kg}$





## Smart Construction

We innovatively apply frontier construction technologies and deeply combine engineering construction with Internet technologies to develop a smart environment for project construction and operation, reduce the dependence on humans, and realize safe and high-quality construction.

### Intelligent construction site

Promoting the development of over 10 intelligent management systems, including face recognition system, smart broadcasting system, zoning and positioning system for personnel in core tube structures, smart monitoring system for fatal hazard sources, integrated VR experience hall, tower crane, smart elevator with facial recognition technology and black box, intelligent safety and quality management APP, supporting system for tower crane climbing, and smart laser rangefinder, etc.

### BIM technology

Adopting BIM technology to collect and process information throughout design, site construction and operation & maintenance after the completion of the construction.

### Smart management

Conducting online management and control of key links in project construction with the support of "Ingenuity", an engineering management APP.

### Expert teams

Setting up expert teams at Group level, regional company level and project level to help solve difficulties in project construction.



## Case Chongqing Vanke Center promotes high-standard, safe and smart construction to become a role model in the industry

Chongqing Vanke Center Super High-Rise Tower is the tallest building under construction in Chongqing, and a key engineering project of Chongqing. After completed, it will serve as an ultra-large complex integrating offices, hotels, apartments and commerce. Yuzhong District Party Committee and Government of Chongqing cooperated with Vanke and set up a Construction Headquarter of Chongqing International Business District, to facilitate project construction in a high-standard, high-quality and high-level way through a PPP model. The project team has been implementing lean management and applying smart construction measures to deliver a benchmark in quality, safety and smart construction for other projects in the region.

**Innovative technologies:** Adopting high-end, refined and cutting-edge technologies and equipment such as China's mighty skyscraper-building "monster machine" – the jack-up system, construction elevator, and swing-arm crane with the highest load moment in China's house-building field, to tackle the core problem of super high-rise, i.e. vertical transportation.

**Lean and smart management:** Promoting full-life-cycle application of BIM and the use of a dozen smart management tools and platforms, such as field testing & measurement tool, smart platform for quality acceptance inspection, intelligent safety and quality management APP, personnel positioning system, smart monitoring system for fatal hazard sources, and integrated VR experience hall.

**Quality and safety management:** Establishing quality and safety management systems and mechanisms, such as Operation Skynet, Operation Superior Quality, Green Light and Red Light Mechanism, and in-process third-party assessment mechanism, etc.



## Case Shenyang Baicuiyuan, the first Luban prize-winning residential project in the city

China Construction Engineering Luban Prize (National Prime-quality Project) is an award bestowed by China Construction Industry Association under the guidance of Ministry of Housing and Urban-Rural Development, and a top honor for superior engineering quality in China's construction industry. In 2019, Shenyang Vanke Baicuiyuan Project (Phase 2.2) won 2018-2019 China Construction Engineering Luban Prize, becoming the first Luban Prize-winning residential project in Shenyang. The project has aligned itself with top standards and requirements in every link from planning to construction and delivery, and spared no efforts in honing itself to pure art. Vanke's ultimate pursuit of high-quality dwellings is seen perfectly in the project.



Baicuiyuan Project

## Case Independently developing "new ingenuity", an engineering management app, to upgrade engineering management

We have independently developed "New Ingenuity", an engineering management software used for perceiving the construction site in an all-round manner. With the support of the application, we are able to focus on the construction site, operation area and risk sources/items, to trace and analyze a project's engineering management status throughout the operation cycle, and to reduce major safety and quality risks.



### Delivery with caution

We have developed an engineering quality and safety evaluation system that comprises five aspects, namely underground engineering assessment, quality assessment, safe and civilized construction assessment, pre-delivery assessment and delivery assessment, engaging both internal and external assessment bodies. From the construction of the main body of each project, a joint pre-delivery acceptance check team will be set up to exercise engineering construction, design, customer service and other functions, identify defects during the construction process, produce a joint acceptance check report on delivery risks and a closed loop for rectification, so that all the defects could be eliminated before delivery. Meanwhile we hire professional third-party assessment agencies to assess the whole construction process of all the projects in progress, covering from the groundwork to the delivery, which will ensure engineering quality and avoid defects in delivered projects. Before home buyers check on their own, we will produce and send them a Home Inspection Guide Table to clearly define acceptance criteria and provide professional reference for customers in acceptance check.

**93.1 %**

Vanke Home Inspection Guide Table reach rate

**92.33 %**

Rating of the field testing and measurement

**84.92 %**

Rating of the delivery assessment throughout the year

Underground engineering assessment	Quality assessment	Safety and civilization assessment	Pre-delivery assessment	Delivery assessment
once every 45 days	once every quarter	once every quarter	covering all projects that are to be delivered	covering all projects that are to be delivered
Assessment of the pile foundation, safety and civilized construction of the foundation pit, quality risks of the basement, and other major risks.	Field testing and measurement, risk troubleshoot, and special tests.	Fire protection management, check of the key points (helmets, safety belts, safety nets; stairs, elevators, reserved entrances and access openings; the platform edge, the balcony, the floor side, roof edge, stair side), scaffold safety, work safety at heights, safe electricity utilization, proper use of processing machines and tools, foundation pit support, civilized construction, and safety management.	Pre-delivery assessment of finished units, including progress of working procedures, handover, technical standards, quality safety, and protection of finished products; assessment of product defects, including assessment of the entry, kitchen, bathroom, living and dining room, bedroom, and balcony.	Assessment of the impression of finished/raw units, public area, buildings' façade, and gardening landscape.

### Reassuring after-sales service

We provide customers with quality assurance in the whole life cycle of products. After each project is completed, we assign project engineers and professional maintenance teams to serve customers whenever they need. Besides, we have established a defect report mechanism to collect and sort out typical quality defects reported by customers in use, develop a database, and report the defects to the construction end for improvement from the source. At the same time, we have signed contracts with contractors, requiring them to provide free and timely maintenance services to customers within the warranty period of 2-5 years.

## Good Services

Staying customer-centered, we have always been honest and pragmatic in serving true customers and their true needs. To cater to people's needs for a better life, we provide customers with cost-effective products and diverse services, value communication with customers and their advice, and continue to create true values.

### Diverse services

We are committed to providing more diverse services to meet the diverse needs of an increasing number of customers in a sound way. Besides consolidating our strengths in principal businesses, namely residential property development and property services, we have extended into commercial development, rental housing, logistics and warehousing services, ski resorts and education, etc., to work together with like-minded partners to meet people's growing needs for a better life.

### Warmer home

We always put customers' housing needs in the first place, including both home owners and tenants. We continue to provide them with professional, high-quality, heart-warming and considerate services, such as property management, residential brokerage and apartment renting services, to create a cozy and livable environment for more customers.

### ► Vanke Service: Let more users enjoy property services

Upholding the principles of "reassurance, engagement, trust and co-existence", we construct the ISO 9002 quality management system and provide residential property management services featuring safety management, greening, sanitation management, and facility and equipment maintenance and management. Based on the "Live Here" app and other platforms, we provide high-quality and targeted property services to meet different customers' living needs. Vanke Service and all its 35 property service companies in China have passed ISO 9001, ISO 14001 and OHSAS 18001 certifications.

By the end of 2019, Vanke Service has offered services in in **99** large and medium-sized high-growth-potential cities in China had **3,302** property management service projects covering over **3.19** million families.

"Live Here" had over **3.9** million registered users responded to **8.83** million service requests from individual customers and communities.







Vanke's first flagship store of Lovely Home Center opened to provide one-stop full-house furnishing and decoration solutions to customers

Honors of Vanke Service

- Voted among "China's Top 100 Property Services Providers" for 12 consecutive years
- Named "Leading Specialty Property Services Provider in China – Enterprise Headquarters" for three consecutive years
- Awarded "China's Leading Enterprise in the Operation of Internet-based Communities in 2019"
- Voted among "Top 10 Largest Companies of China's Top 100 Property Service Providers"
- Awarded "Quality Leader among 2019 China's Top 100 Property Service Providers"
- Awarded "Leader in Customer Satisfaction among 2019 China's Top 100 Property Service Providers"

Smart communities have fully applied next-generation information technologies such as IoT, cloud computing and AI in users' life scenarios, to provide a safe, comfortable, smart, convenient and modern living environment to residents. In Silver Lake Mountain Luxury Villa, the use of Artificial Intelligence of Things (AIoT) in certain scenarios has greatly improved residents' life and travel, and enhanced the efficiency and quality of property management.

By the end of 2019, Vanke had introduced intelligent property management services to over 50 cities nationwide covering a total area of 230 million m<sup>2</sup>.

The intelligent door Black Cat Three

It is composed of Smart Eyes (睿眸), a robot for visitors (访客机器人), Vision (睿眼), Vision Screen (睿眼屏), a tripod turnstile (三辊闸) and Black Cat One double disk parallel gate valve (黑猫一号双平移闸版). It enables rapid, uninterrupted passage of residents, self-service passage of visitors, remote management and control, and data cloud, and can thus significantly cut management costs.

Assigning personnel to the Project Center and connecting with the Urban E-Control Center

It realizes one position with multiple functions, enhances the efficiency of remote dispatch, and improves both property management service quality and management efficiency.

Conducting unified management of equipment and facilities to save time, labor and costs

The mobile app "Farsighted Alliance" can automatically send work orders, increase work efficiency through self-service, intelligent and remote management, and reduce human labor required.

GPS-based personnel management to stimulate work enthusiasm

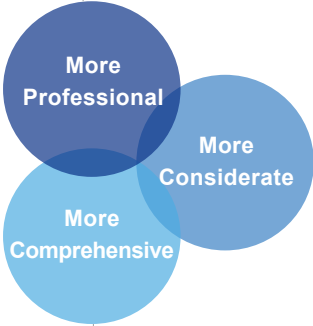
With the help of GPS-based personnel management, we have reduced the staff needed for cleaning and patrolling, and enhanced the work enthusiasm and stability of existing property management team.

Trustworthy and considerate brokerage services

We have launched real estate brokerage services to meet the needs for house custody and other value-added services. Sticking to the core values of "trustworthy and safe custodianship, collaboration and engagement, trust and cooperation, and co-existence", the Pulin Sales and Rental Store provides customers with heart-warming and trustworthy brokerage services including home custody, management, trading and supporting services, and supports the healthy development of customers' housing assets throughout the life cycle.

By the end of 2019, Pulin had opened 379 stores and 265 pan communities in 52 cities in China, including Beijing, Shanghai, Guangzhou, Shenzhen, Wuhan, Chengdu and Hangzhou, with about 2,200 asset stewards.

We provide houses with the best quality as well as all-in-one housing asset-based management services including decoration and furnishing, community investment, comprehensive property services, house custody and leasing, so as to ensure a pleasant living experience and boost the value of housing assets.



Based in communities served by Vanke Service, we have an accurate understanding and living experience of our housing resources. By combining communities, people and assets, we have facilitated tailor-made trading services, making our community value recognized and praised by more customers.

While providing rental and sale services, we serve as a nice neighbor in the community and offer after-sales services for second-hand houses, such as property transfer, decoration and furnishing, community service, asset consulting, and house custody.



By the end of 2019, Port Apartment  
had opened over apartments

**110,000** units

Number of major cities  
covered in China

**34**



Port Apartments' "Taste of Home" Party, gathering dwellers from all across China to share memories of hometown food and feelings of living in Port Apartment

### ► Port Apartment-Home-like apartments for urban youngsters

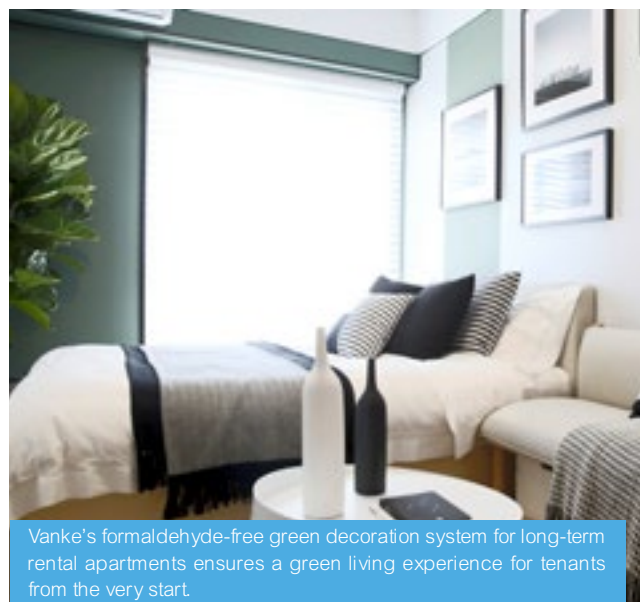
We have made great efforts to create home-like apartments for young strivers who have left their hometowns for a better life. Through Port Apartment app, the online management system and other platforms, we strive to deliver "reassuring, worry-free, happy and warm" services to them, which focus on three aspects – customer services, brand building and community development, striving to create a pleasant living experience for them.

#### Case Healthy and fast prefabricated decoration safeguards a better life

According to the accumulated experience in research and development of prefabricated buildings, we have developed a brand new healthy and fast prefabricated decoration system for small apartments, creating a convenient and healthy living experience for customers.

**Quality furnishing:** We have eliminated wet construction during decoration, and shortened the construction period from 30 days to 10 days.

**Green and formaldehyde-free:** We have developed a formaldehyde-free product package, including all boards, cabinetry, building structures and glue for auxiliary materials. Throughout the decoration process, the emissions of formaldehyde and VOC are strictly kept under 20% of the national limits, and meet the limits of the most rigid standard in the world – WELL Building Standard.



Vanke's formaldehyde-free green decoration system for long-term rental apartments ensures a green living experience for tenants from the very start.

### ► Upgrading the standard operating procedure to create a pleasant living experience

To standardize our services for long-term rental apartments, in 2019, we implemented the standard operating procedure (SOP). The SOP targets at the whole-process rental experience, and is based on the principle of "reassuring, worry-free, happy and warm" services. We divide long-term rental apartment services into three modules: pre-rental, in-rental and after-rental, and improve them with focus on five key elements: objectives, steps, code of conducts, pitch and precautions, to deliver a more comfortable and reassuring rental experience.



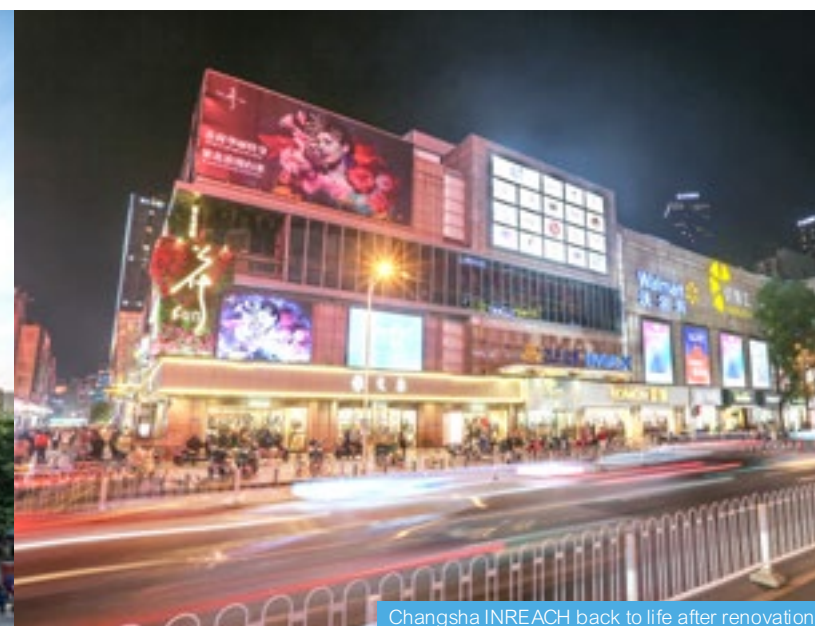




Shanghai Nanxiang INCITY MEGA, an ultimate urban commercial complex



Jinan INCITY, Jinan's first shopping center themed on youth and fashion



Changsha INREACH back to life after renovation



Pinghu INPLACE, a well-designed community shopping center

## Fascinating commercial properties

As a commercial property development and operation platform of Vanke, SCPG continues to enrich IN-Series with "INCITY" as the core, its commercial product line, to earnestly cater to consumers' needs for brand shopping, fashion, entertainment and food specialties, create genuine value for commercial tenants and a fashionable, colorful life for consumers, and inject new momentum to urban renewal and upgrade.

In 2019, SCPG was granted the honorary title of "A Leading Chinese Brand in Commercial Real Estate in 2019" by China Index Academy; Shanghai Qibao Vanke Plaza was named a "Five-Star Shopping Center" by China Real Estate Association; Hangzhou Olympics INCITY won the award of Five-Star Best Retail Architecture In China.

By the end of 2019, SCPG had run and managed **108** commercial property projects in over **50** cities across China, with a total area of **9** million m<sup>2</sup>

In 2019, SCPG served **600** million tenants with a satisfaction rate exceeding **90%**

### IN-Star

As a digital marketing platform, IN-Star helps improve marketing contact points, tap the potential needs of customers, and provide targeted services to enhance the interaction with customers and the shopping convenience. By the end of 2019, IN-Star had covered 50 shopping malls of SCPG's six major city-level subsidiaries, attracting 5.23 million members to communicate and share among themselves across all subsidiaries.

### IN-AMP

IN-AMP focuses on the full-life-cycle asset management, and develops integrated system management capacities based on investment goals, budget results and operational data, from the perspectives of customers, products, operation and employees. By so doing, it aims to facilitate the realization of business objectives and improvement plans, and help customers preserve or increase the asset value. By the end of 2019, the platform had landed 71 commercial projects (including seven subletting projects and two management & output projects).



INCITY MEGA is positioned as a super large commercial complex. With its leading architectural appearance, flagship scale, colorful and diverse business forms and fascinating scenarios and space, INCITY MEGA allows customers to explore, travel, experience and get together.

INCITY is a regional comprehensive shopping center that provides diverse consumer services such as one-stop retail, catering, leisure and entertainment, business and social networking. It aims to create a better consumer experience for families and young people. In 2019, INCITY was landed in Guiyang, Jinan, Chengdu, and Guangzhou, etc., introducing a new shopping experience to more consumers.

INREACH is a block-spanning comprehensive shopping center, and mainly targets at family consumption clustered in large communities, in addition to fashion, leisure and social networking services. INREACH provides consumers with quality home products and improves the life quality of urban communities.

INPLACE is positioned as a community shopping center that serves surrounding communities, and a destination for residents' day-to-day consumption and social gatherings with viscosity, diversified and fast-iterating commercial services. It aims to create a quality and convenient shopping experience for community residents.

### Case Guiyang INCITY opens in harmony with the "Forest City"

Adapting to Guiyang's feature as a "forest city", Guiyang INCITY advocates the "green, eco-friendly and healthy" urban life, naturally blends into the surrounding natural environment, and meets local residents' demand for a better life. It provides life services such as housekeeping, children tutoring and art & lifestyle services, to create a more refreshing shopping experience. On its first day of opening on December 8, 2019, it attracted over 170,000 customers and registered the sales of RMB 7 million.





## Efficient logistics

Vanke seizes the opportunity of developing a modern e-commerce and logistics network, and has launched its logistics brand – VX Logistic Properties, which focuses on China's three most dynamic economic circles and key cities in central and western region. Its business scope includes high-standard warehousing investment and site selection, development and construction, investment attraction and operation, and asset management. The Company is now accelerating the expansion of cold chain across China, striving to become a trustworthy strategic logistics partner, and to connect more players in the real economy with end users in a more efficient manner.

VX Logistic Properties uses big data technology to improve and empower its upstream and downstream suppliers, and build an intelligent logistics ecosystem powered by IT. It also employs technology to provide more value-added services, helping customers cut costs and boost efficiency.

As of the end of 2019, VX Logistics Properties had launched **138** projects in **44** cities, including **123** high-standard warehouses and **15** cold storages; the GFA of leasable properties was approximately **10.86** million m<sup>2</sup>.

VX Logistic Properties won the **Social Responsibility Contribution Award** at the 2019 PRC Logistics Entrepreneurs Annual Meeting, and VX cold chain logistics business was awarded the **"Gold Pegasus Award"** Gold Enterprise.



VX Logistic Properties awarded "Top 10 Chinese Warehousing Real Estate Companies".

### Case VX Zhongshan Logistics Park boosts the logistics efficiency of JD bulk transportation

VX Zhongshan Logistics Park is the first logistics project that VX Logistic Properties developed in Zhongshan. It adopts VX's high-standard warehousing design, with each floor as high as 10 meters, capable of accommodating more containers, in addition to sound supporting facilities. For its large space, high standard and perfect location, the park is used as Jingdong's (JD's) origin warehouse for home appliances. The park will help JD Logistics set up a highly-efficient national network, realize direct shipment of products from the origin to the destination, reduce transfers and shorten the time for transit. Therefore it will not only address the problem of supply chain and inventory turnover, but also will allow consumers to enjoy faster delivery and better online shopping experience.



VX Zhongshan Logistics Park officially put into use as JD's origin warehouse for home appliances

## Easy office

### ► Standard Office and Industrial Park

Vanke's industrial park and standard office business aim to provide "considerate services for your success". Dedicated to providing premium services and differentiated office experience, Vanke has opened up two product lines: standard office and industrial park, to build a business-oriented basic service and industrial service platform, and drive companies to share resources and jointly create value.

### Case Shenzhen Vanke Cloud Design Park

Shenzhen Vanke Cloud Design Park is located at Vanke Liuxiangdong headquarters, Xili street, Nanshan district, Shenzhen, with a total floorage of about 100,000 m<sup>2</sup>. Positioned as a new cluster for design companies, the park has attracted over 100 design companies and teams. It is dedicated to connecting the upstream and downstream suppliers of the design industry to produce the clustering effect, design a complete and sound industrial service system, and create a sustainable, innovative and healthy community life as well as a more efficient, intensive and fairer ecosystem.



### ► Business Enterprise Services

We conduct full life-cycle management of properties and assets covering design and construction consulting, property management, comprehensive facility management and asset operation & management. We provide digital property management solutions and platforms to customers including headquarters of companies, government agencies, office buildings, urban complexes and industrial parks, and build a highly-efficient and convenient working environment, to inject inexhaustible vitality for company growth and economic prosperity.

By the end of 2019, Business Enterprise Services had covered **60** cities with **639** projects under management, involving a total area of **51.83** million m<sup>2</sup>.

### Case Launching the Blockchain E-Invoice System to bring smart property services and experience to owners

We have been actively exploring the application of blockchain e-invoice in property management, and have put it into use in the parking scenario. As the first property service provider in China to use blockchain e-invoice, we create a low-cost, zero-barrier and premium new invoicing experience for the property industry, create more diverse service scenarios, and allow owners to enjoy smarter and better property services. The blockchain e-invoice makes offline and online payments much easier, and the bills could be automatically sent to owners' email boxes, greatly improving the user experience. It has been widely applied in 60 parking lots. Looking forward, we will promote blockchain e-invoice to other property service providers as well as upstream and downstream suppliers, so as to jointly build and share the economic ecosystem with all the users, companies and the tax authority.





Shijnglong Ski Resort

## Passionate leisure sports

In response to the country's call upon developing winter sports, Vanke is working on the breadth and depth of its ski resort business. We have upgraded and renovated our ski resorts and built a brand new product portfolio. Following the three-level service standards of "customer safety first", "creating joy and fun for customers", and "providing considerate, heart-warming services to customers", we provide customers with a more comprehensive, convenient, comfortable and exciting ski resort experience.

By the end of 2019, Vanke had built and put into operation **208** hectares of skiing area and **51** ski tracks, with a total length of **38** km.

Vanke Songhua Lake Resort was **awarded "China's Best Ski Resort"** for the third consecutive year.

**Songhua Lake Resort:** It is an all-season resort targeting at family tours, with spring outing, summer getaway, mountain climbing in fall, and hot spring spa and skiing in winter. The resort consists of the Songhua Lake ski area, resort town, resort hotels, V-FUN kids village and other supporting facilities, creating the most interesting and perfect ski resort experience for customers.

**Shijnglong Ski Resort:** Shijnglong Ski Resort is the biggest, well-equipped ski resort in the suburb of Beijing, and the first ski resort to use the snowmaking system in China. It is run by Vanke and shares the latter's resources in brand, services, talents, technologies and education. Thus it provides a more diverse and brilliant skiing experience to customers, a warm-up for the upcoming Beijing 2022 Olympic and Paralympic Winter Games.

**Xishan Ski Resort:** It is Beijing's largest ski resort within the 6th Ring Road, and has been upgraded by Vanke's VSKI brand and management system to provide the skiers with more efficient, convenient and considerate skiing and leisure services.



Songhua Lake Resort



Xishan Ski Resort

## Excellent education

Committed to becoming a pacesetter of China's education for all-round development, we have forged specialty education brands such as Meisha Education and DTD Education, and have actively explored various education paradigms, striving to cultivate future leaders who possess strong learning abilities, international mindset and specific passions.

### ► Meisha Education

Meisha Education has been exploring ways to promote educational progress, including autonomous private schools and joint, innovative public schools. It is also actively promoting education for all-round development, such as community camping and outdoor camping education.

In 2019, Shenzhen Vanke Meisha Academy and Shenzhen Vanke Bilingual School under the brand Meisha Education were awarded "Model School of the Year in Internationalization". Shenzhen Vanke Meisha Academy became the first academy in Shenzhen to be the officially authorized partner of American College Testing (ACT). Shenzhen Vanke Bilingual School was awarded "Experimental School for the Internationalization of Education".

As of the end of 2019, Meisha Education had launched **35** projects, including **25** full-time schools and kindergartens, accommodating **7,422** active students. In 2019, its community camping projects served **2,423** students, and outdoor camping projects had **29,317** participants.

**Vanke Meisha Academy:** Vanke Meisha Academy insists on an education model with distinct features, while innovating in multiple dimensions such as the training of teachers, campus culture building, and student development. In March 2019, it was ranked the second place among private international schools in Shenzhen by the "Hurun Education Top 100 Schools Ranking 2018".

**Vanke Bilingual School:** Vanke Bilingual School adopts the international small-class model and future-oriented learning scenarios. It has developed a bilingual curriculum that combines Chinese and western cultures, as well as online and offline courses, to serve students' personalized and all-round development, and become a new education landmark in Shenzhen and a national benchmark in innovative education.



Shenzhen Vanke Meisha Academy provides professional academic tutorship to students.

### ► DTD Education

DTD advocates cultivating global citizens with patriotic values, international vision, healthy personality and future-oriented skills based on the outstanding Chinese tradition and culture and by integrating advanced educational philosophy of the East and West.

By the end of 2019, DTD had engaged in teaching and management of **15** schools and kindergartens, with over **6,000** active students enrolled and a full capacity of nearly **10,000** students.

**Public education:** DTD cooperates with the government in public education, and provides high-quality education resources and brands to build a long-term cooperation mechanism. It has invested nearly RMB 50 million in the construction and improvement of teaching facilities and equipment in four public schools. To improve students' overall qualities, DTD has been supporting and funding public education on an ongoing basis.

**Child care centers:** Since most of the kindergartens do not admit children below three years old, DTD has set up two child care centers via public-private partnership. A portfolio of basic and specialized courses has been designed to help toddlers develop healthy habits, safety awareness, social awareness, basic athletic skills and hands-on skills. DTD aims to develop a replicable and propagable childcare service system to benefit more families.





## Customer rights protection

We value customer rights protection before, during and after sales throughout the life cycle of products and services. We have strengthened customer relations management, customer privacy protection, complaint handling and other measures to safeguard customers' rights to know, to privacy, and to fair trade, etc.

## Customer relations management

Customer-centered, we are the first to launch the customer relations management (CRM) organization, which is still ongoing, in the residential real estate industry, and promoting the "6+2" CRM approach. We have innovatively developed and launched the customer service tool "Pocket V" and "CRM Risk Monitor", to accurately identify customer needs and risks in customer services, and take the initiative to meet the diverse needs of customers.

### ► Launching CRM Risk Monitor to identify the needs of the customers

We launched the "CRM Risk Monitor" to help CRM personnel in front-line subsidiaries to put themselves in the shoes of customers, so as to accurately identify customer needs and enhance the quality of products and services.

### ► "6+2" CRM approach

We attach great importance to the whole-process and full-coverage of the CRM. Combining customers' needs and features of our business procedures, we have developed the "6+2" CRM approach centering around eight steps: home purchase offer, contract signing, waiting, home delivery, house moving, moving in, settling in and use, to identify and respond to customers' needs attentively, and provide considerate services to customers.

In 2019, we iterated service standards included in the "6+2" CRM approach, and paid special attention to the implementation of management & control standards. The approach, after iteration, comprises 38 categories of 82 detailed rules. Two bottom-line requirements were also pointed out: exhibition areas shall meet 30 bottom-line standards, while the delivery process shall meet eight. To ensure the effective implementation of risk control measures, we have introduced "red and green lights" to verify the implementation effect in key steps, and established a three-level management and control framework comprising the head office, regional units and front-line companies.

### Case Innovatively adopting smart technologies to enhance customer experience

To cater to customers' needs and enhance customer experience, Wanyi Technology, the high-tech outfit of Vanke, applies smart technologies to help customers hunt, buy, move and settle in a home.

**House hunting and purchase:** The mini-app "Your home purchase APP" allows customers to easily check all information about Vanke's housing products in whatever city they have chosen; it also provides personalized services such as VR house tours, buyer qualification test and customer feedback.

**Transaction handling:** To enhance the efficiency of transaction and reduce the trips for customers, a remote service tool, "Transaction Manager", has been developed, which allows customers to search information, make appointment for contract signing, and accept and make payments online.

**After-sales service:** To better respond to customers' needs, a new function has been released – AI customer service. The AI solution includes a FAQ, knowledge library, small talk database and multiple-round dialogue. It can provide high-quality online interactive services to more customers.



## Customer feedback

We attach great importance to customer's feelings, and have established unimpeded customer feedback channels and digitized complaint management, to timely respond to and handle customer complaints promptly, and make targeted improvements in customer services.

### Serving Home

Vanke has continued to promote and deepen the use of its online customer service product Serving Home, to save time for requesting repair, and provide transparent and convenient after-sales services to customers. In 2019, the online repair request rate reached 76.33%.

### Service Supervision Platform

Customers may file complaints and make suggestions on the Vanke Service Supervision Platform which has covered 87 cities and services such as urban property, SCPG, Port Apartment, education, and Happy Home. Complaints and feedback submitted by customers through the mobile terminal will be shown on the platform in real time in a transparent way, so will the latest progress on customer complaint handling.

### Service hotline

A 400 customer service hotline is launched as another option for customers to provide their feedback and complaints regarding all Vanke's services. It also provides faster human customer services.

### Customer response mechanism

The mechanism will forward the customer feedback received through an online system to the responsible business group/unit. To ensure service quality, each business group/unit has developed their respective standard operation procedure guidelines, covering the response, handling, complaint closing and follow-up call, to solve customer complaints in a fast and effective way and protect customers' rights and interests.

## Customer privacy protection

We value the protection of customer information and consumer privacy. In strict compliance with regulations and standards such as *Vanke Group Information Confidentiality Regulations* and *Management Regulations for the Safety of Customer Data*, we keep confidential the customer information collected in property services, housing sales and other businesses, and adopt customer data masking and encryption in online service systems such as "My Home Online", "Serving Home" and "Sales Expert". We organize routine education and awareness activities on customer information safety and protection among employees to eliminate risks of leakage of customer information.

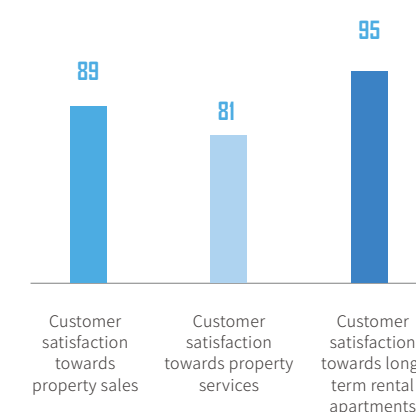
In 2019, Vanke performed well in protecting customer information and privacy, and reported zero customer information leakage (or relevant complaints and other incidents of major influence thus caused).

## Customer satisfaction

We highly value customers' comments and feedback on our products and services. We have established a satisfaction survey system, to gain comprehensive insights into customers' comments. Meanwhile we are seeking customers' suggestions and digging into their needs to win customers' sincere recognition. We have developed a satisfaction survey system that covers all business stages and customer contact points in light of the characteristics of property sales, property services, long-term rental apartments and commercial services. Conducted online and offline surveys from time to time, which cover as many customers as possible to get a whole grip on their feedback on Vanke products and services in various stages, and then come to systematic improvement suggestions. Upon the completion of each service, instant contact comments are sought so that we are able to know defects in our contact services such as after-sales maintenance and repair services and customer activities, and make improvements accordingly. Besides, we have introduced secret inquiries to identify weaknesses of our services from the perspective of customers.

By the end of 2019, Vanke had conducted customer satisfaction survey for 18 consecutive years. In 2019, we traced 1.34 million valid customer samples across all our business formats.

Customer satisfaction by business format (Unit: Point)





Safeguarding customers' safety

Ensuring customers' safety and health is a key link in our operations. While abiding by laws and regulations on customer safety, we have strengthened all hardware and software facilities for safety management in property services, commercial services, long-term rental apartments, logistics and ski resorts, and organized fire drills and safety lectures to reduce customer health and safety risks.

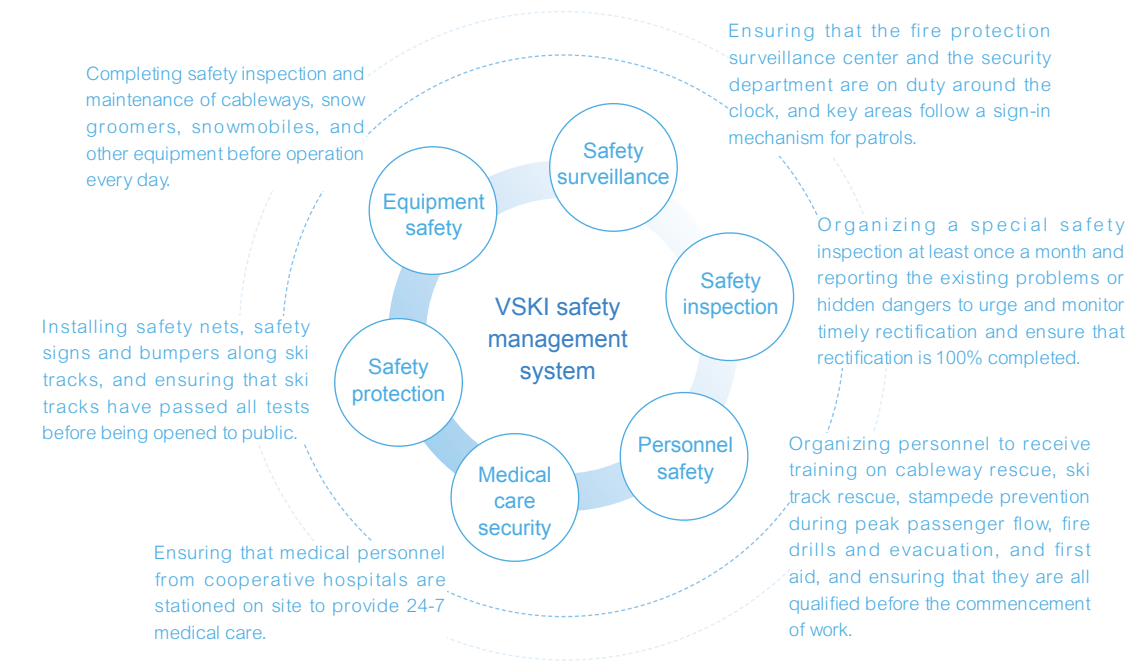
Property safety

We have implemented property safety management regulations relating to public security, fire control and emergency response to ensure home safety. We provide customers with home inspection services for safe electricity use, gas use, and against fire, theft and fallen or thrown objects, so as to ensure the personal and property safety of owners and users.



Leisure safety

Winter sports are pretty challenging and can be dangerous without proper safety precautions. To protect the personal safety of customers, Vanke has built a VSKI safety management system covering equipment safety, safety surveillance, safety inspection, personnel safety, medical care security and safety protection, to protect customers' life and property.



Food safety

We have adopted a traceable management procedure for cold chains, which enables us to trace product information and allows consumers to know that the storage and circulation process is in line with hygiene and safety standards, thus ensuring food safety across the cold chain. At the same time, in our commercial operations, we strictly abide by rules and regulations such as the *Management Regulations for Kitchen Waste Disposal*, *Regulations for the Cleaning and Disinfection of Dishes, Cookware and Utensils* and *Regulations for the Certificate Verification of Raw Food Materials in the Procurement Process*, to ensure food safety.

Case Foshan INCITY strengthens food safety management to build a food safety demonstration block

To ensure food safety for consumers, Foshan INCITY has strengthened the management of catering tenants. It demands catering tenants to abide by the Sunshine Catering Regulation System and receive regular food safety training, and works with the Food and Drug Administration to conduct regular inspections and supervision to ensure that the tenants' health certificates are valid, the processing environment is clean and no food is expired, and to continuously tighten catering management. It checks the environment of restaurants on a weekly basis, and works with the Food and Drug Administration to urge restaurants with potential food safety hazards to make rectification as soon as possible. In addition, Foshan INCITY has a special testing room for agricultural products, equipped with a complete set of equipment, including special refrigerator, test bench, equipment and gowns, to conduct random testing of food raw materials on a regular basis, and ensure their safety. In 2019, Foshan INCITY won the title of "Food Safety Demonstration Block in Guangdong Province".



Shopping safety

To strengthen commercial safety management, we have established a safety management system for commercial projects to improve safety awareness and capabilities of all employees. We have strengthened the intensity, speed, proportion and effect of rectification to eliminate potential safety hazards, ensure that all equipment and facilities are in good conditions and working, and improve the safety management level of commercial projects. In 2019, in a comprehensive safety inspection, the 51 shopping malls of SCPG scored 74.6 out of 100 on average, which is 3.7 points higher than that of the previous year.

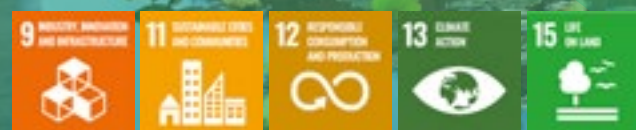


Case Strengthening the safety management of shopping centers to protect consumers' safety

To ensure personal and property safety during the operation of commercial projects, we have facilitated the establishment of a safety management system for commercial projects so that we can improve safety awareness and capabilities of all employees, strengthen the intensity and increase the speed of rectifications, and reduce risks concerning safe operation. Besides, we hire third-party organizations to conduct a comprehensive safety inspection on 51 shopping malls, including the safety management system, safety personnel's duty performance, current status of the sites, etc. From the perspectives of safety management trend and safety system engineering, and based on comprehensive analysis of the status quo of safety management, the inspection team provides on-site teach-ins and guidance in some shopping malls, and put forward countermeasures and suggestions for continuous improvements on major issues, thus effectively raising the safety management level of shopping malls.



# ENVIRONMENTAL PRACTICES





Milestones

Vanke Goes Green

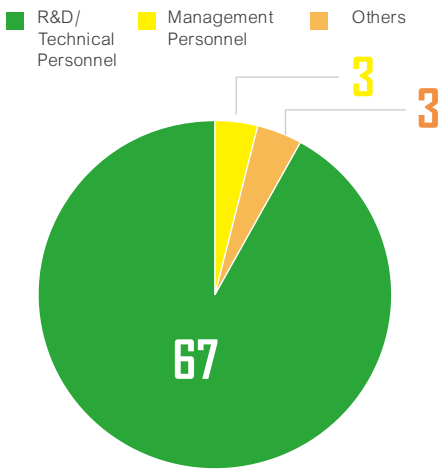


Green Technology Innovation

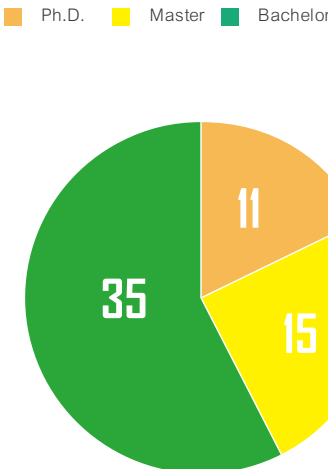
Vanke attaches great importance to the research and development and innovation of green and eco-friendly technologies and continuously cultivates innovators. Based on the platforms of Vanke Building Research Center and Xiongan Vanke Green Research and Development Center, we delve into the industrialized construction system, green building, smart operation and maintenance, ecological environment, renewable resources and waste treatment to enhance sustainability of human habitat, lifestyle and environment with the concept and fruits of innovation.

Research Team Structure

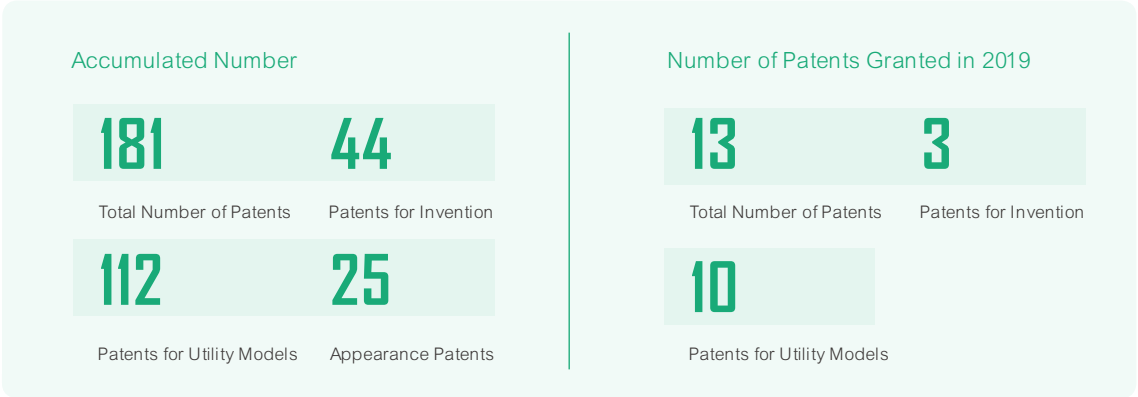
Employee Structure of Construction Research and Engineering Procurement Center



Education Background of R&D Personnel



Patents granted in 2019



Vanke has built a dataset of 156 saline-alkali tolerant plants, implemented the saline-alkali soil improvement plan, and improved the micro-environment for plant growth in all aspects. Xining Vanke City Demonstration Zone offers residents a beautiful vegetation landscape through saline-alkali soil improvement.



Research Achievements in 2019

R&D Listing	R&D Progress
Eco-friendly Rapid Prefabrication System	The system facilitated the construction of the Beijing Chengshousi Port Apartment project. Through dry assembly of interior parts, the alternation efficiency was increased, construction period shortened and apartment quality improved, providing customers with a comfortable and pleasant living environment.
Infrared Thermal Imaging Technology	The infrared thermal imaging technology is used to identify exterior wall insulation and brick collapse risks and form a risk classification plan to detect existing risks in advance and provide a safe community environment for customers.
Water-proof Technology	A zero-leakage water-proof system has been built for customers through implementing the unified water-proof structure, clarifying architecture detail practices, and updating the acceptance check of concealed works, including the advanced water-proof post-pouring belt scheme, basement floor/side wall construction joint scheme, and developing concrete grouting materials, etc.
Smart Home System	The design thinking and methodology are applied to develop a doable scenario-based plan to provide considerate, pro-health and safety services, including environment assistant, customized lighting, smart customer service, security surveillance and alarming, public space surveillance, visitor management, and door-to-door service, covering the inside of units, residential compound and neighborhood.
Smart Electromechanical Operation and Maintenance	A service package of design adaption, performance-based adjustment and highly efficient operation is provided to facilitate the efficient utilization of the electromechanical system of commercial projects.  We care about employees' productivity and experiences, building management quality and efficiency, sort out the smart experiences of employees, visitors, property management companies and administrative personnel, and create eight smart scenarios covering fitness, space and conference, etc.
Green Building	Based on <i>Assessment Standard for Green Building (GB/T 50378-2019)</i> , a "people-centric" green technology system has been built to provide customers with a safe, healthy and comfortable building environment.
Pro-health Landscapes	Based on the standardized finalization of nine landscape scenarios (the vestibule, the unit building entrance & exit, leisure club, communal living room, children's place, fitness runway, place for senior people, sunshine pool, multi-purpose playground), the pro-health design requirements in different scenarios are summarized, such as children's health demands and plants that are good for human health. These designs are realized in real scenarios including home coming, exercise, communication and entertainment.
Lean Management	According to local government's requirements and project situation, we make use of the first-mover advantage of industrialization, provide the most suitable prefabrication technology, and conduct lean management, refined models of process alternation and dry construction to improve quality, efficiency and product competitiveness.
Lawn Grass Seed Sowing	Research is made on lawn withering, necrosis and other problems. Through research, the solutions of lawn grass seed selection, standardized construction and maintenance are formed to improve the lawn landscape and the living environment of the residential compound.

Vanke's Contribution to International, National and Industrial Standard Formulation in 2019

Standard Level	Number	Contents
ISO International Standard	1	<i>Paints and Varnishes - On-site Test Methods on Quality Assessment for Interior Wall Coatings (ISO 23169:2020)</i>
National Standard	1	<i>Smart city Building and Residence Community - Part 1: Smart Community Construction Specifications</i>
Industry Standards/ Association Standards	26	Standards of China Association for Engineering Construction Standardization(CECS): <i>Performance Assessment Standard of Institutional Rental Housing</i> <i>CECS: Rating Assessment Standard of Long-term Rental Apartments</i> <i>CECS: Evaluation Guideline for Construction of Smart Community</i> <i>CECS: Technical Specification for Precast Exterior Insulation and Decoration Integrated Wall</i> <i>CECS: Technical Standard for High Voltage Indoor Distributor of Civil Buildings</i> <i>Assessment Standard for Decorated Residential Buildings (TJCRECC02-2018)</i> <i>Technical Specification for Application of Gypsum Plaster</i> <i>Technical Specification for Ceramic Tile Construction with the Thin-bed Method</i> <i>Technical Specification for the Application of Aluminum Alloy Sunroom</i> <i>Polymer Modified Cement Slurry for Waterproof</i> <i>Thin-bed Ceramic Tile Adhesive for Ground Construction</i> <i>Indoor Formaldehyde-free Wood-based Panel and Product</i> <i>Technical Specification for Wires and Cables Used in Civil Buildings</i> <i>Ceramic Floor tiles</i> <i>Interior Wall Ceramic Tiles</i> <i>Exterior Wall Ceramic Tiles</i> <i>Technical Specification for Post-grouting and Extrude-expanding Bored Piles with Rotary Drilling</i> <i>Technical Specification for the Construction of Variable Angular Velocity Rotating Jet Grouting Cut-Off Wall</i> <i>Code for the Construction Quality Acceptance Check of Housing Interior Decoration</i> <i>Management Specification for Prefabricated Construction Technology Materials</i> <i>Design Standard for Upper Cover of Urban Rail Transit</i> <i>Technical Standard for Prestressed Bolt Anchor Flexible Retaining</i> <i>Technical Specification for Pultruded Fiber Reinforced Polymer Composites Structure</i> <i>Fiber-reinforced Plastics Connector for Precast Concrete Sandwich Insulation Walls</i> <i>Technical Standard for Piles with Ram-compacted Bearing Sphere</i> <i>Guideline for the Commissioning of Electromechanical System of Public Institution Building</i>
Local Standards	13	<i>Assessment Standard for Prefabricated Buildings</i> , Hebei Province (DB13(J)/T8321 -2019) <i>Technical Specification for Construction Quality Acceptance of Green Buildings</i> , Liaoning Province <i>Standards for Quality Acceptance of Precast Concrete Structure Construction</i> , Heilongjiang Province <i>Code for Construction Quality Acceptance of Housing Interior Decoration</i> , Shandong Province <i>Management Specification for Prefabricated Construction Technology Materials</i> , Shandong Province <i>Technical Specification for Post-grouting and Extrude-expanding Bored Piles with Rotary Drilling</i> , Shandong Province <i>Technical Specification for Construction of Variable Angular Velocity Rotating Jet Grouting Cut-Off Wall</i> , Shandong Province <i>Code for Design and Construction of Building Foundation of Housing construction and municipal infrastructure</i> , Jiangxi Province <i>Design Standard for Residential Buildings</i> , Shanghai Municipality (DGJ 08-20-2019/ J10090-2019) <i>Countermeasures for Construction Cracks</i> , Chengdu City <i>Assessment Standard for Prefabricated Buildings</i> , Shaanxi Province <i>Standard for Quality Acceptance of Precast Concrete Components</i> , Kunming City <i>Technical System and Operational Specification of Precast Concrete Housing Construction</i> , Yunnan Province



Green Construction

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

Housing industrialization

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

In 2019, we investigated the housing industrialization status quo of 22 projects in 22 cities, continued to upgrade the “5+2” construction system, and rigorously implemented the *2018-2021 Vanke Industrial System Promotion Measures* to promote industrialized and standardized construction. Moreover, we compiled the standard for the industrialized construction quality system and the guideline for the application of technology for seismic isolation and shock absorption, contributing to the green development of the construction industry.

5	2	X
System formwork	Prefabricated decoration	New materials, technologies and processes suited to local conditions
All-concrete external wall	Moderate prefabrication	
Prefabricated internal wall		Intelligent interconnectivity
Lifting scaffold		
Reasonable process alternation to improve efficiency		

In 2019, the area of newly launched industrialization projects accounted for **85.83%** of the area of all launched projects.



Green building

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

100 %

Green building coverage rate

In 2019, Vanke built **46.62** million m<sup>2</sup> of green buildings, including **42.542** million m<sup>2</sup> of one-star and two-star green buildings and **4.078** million m<sup>2</sup> of three-star green buildings.

As of the end of 2019, Vanke had built **193** million m<sup>2</sup> of green buildings accumulatively.

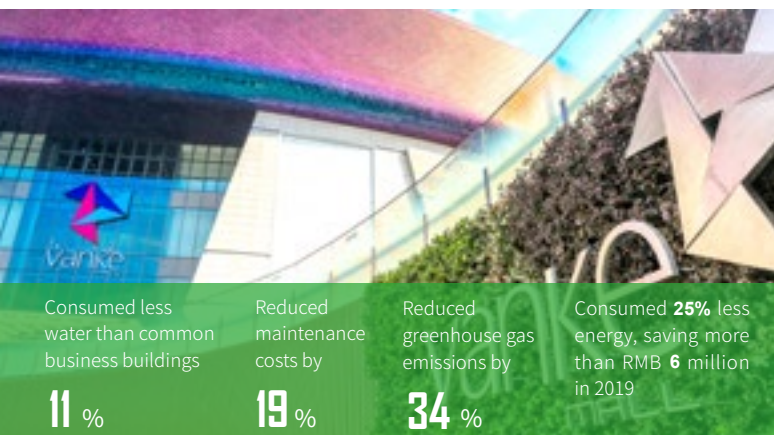
2019 Vanke three-star green projects

City	Project	Total Construction Area (10,000 m <sup>2</sup> )	Three-star Category
Dongguan	Dongguan Vanke Plaza	5.49	Operation
Dongguan	Chang'an Vanke Square (Phase IV)	11.45	Operation
Dongguan	No. 18 office building of Dongguan Vanke Dongjiang Star	11.00	Design
Guangzhou	Vanke Knowledge City (Phase V)	26.00	Design
Foshan	Xintong Plaza	9.33	Design
Shanghai	New Jiangwan	7.26	Design, Operation
Shanghai	South Railway Station (Phase III)	9.32	Design
Shanghai	Hongqiao Wanchuang Center (Phase III)	15.40	Design
Hefei	Land Parcel H, J, L and K Projects of Vanke Central Park	36.28	Design
Hangzhou	Vanke UNI-CITY	78.00	LEED Platinum
Hangzhou	Asian Games Village	14.06	Design
Yantai	Land Parcel A of Emerald Park	5.10	Design
Jinan	Land Parcel A3 and A4 of Vanke·The Halos, Jinan	51.93	Design
Qingdao	Vanke·Emerald Changjiang	23.27	Design
Qingdao	Vanke Jinyu Huafu (Phase II)	17.90	Design
Beijing	Vanke Yongfeng Project	30.00	Design, Operation
Beijing	West Zone of Emerald College	26.80	Design, Operation
Wuhan	Wuhan Vanke Royal Riverside Residence	29.20	Design



### Case Shanghai Qibao Vanke Mall wins the LEED-CS Gold Certification and becomes an exemplar of green building

Spanning a construction area of 240,000 m<sup>2</sup>, Shanghai Qibao Vanke Mall is a strategic downtown project in Hongqiao Business District. We focus on “green ecology” plus “intelligent technology” and endeavor to build an “eco-friendly and intelligent commercial area”. We have adopted innovative measures to improve operation and management, such as energy conservation and consumption reduction, system efficacy improvement, facility and equipment upgrading and people-centered user experience, to advocate a green and healthy lifestyle to consumers. In 2019, Qibao Vanke Mall won the LEED-CS Gold Certification, setting an example of green and eco-friendly building, operation and management for shopping malls, and achieving balance between business and nature.



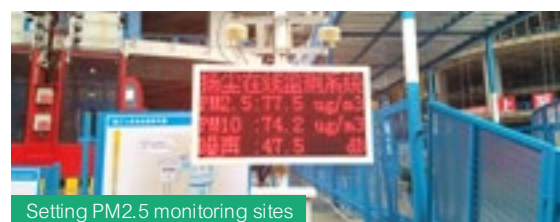
### Case Xiamen Cold Chain Logistics Park wins the highest green building award

Low-carbon, energy-saving and green building represents a new development trend for the industrial parks. To build Xiamen Cold Chain Logistics Park into an eco-friendly park, we actively honor the concept of green development and environmental conservation in its construction and operation. We installed eco-friendly streetlights, and adopted a series of advanced systems and technologies to promote energy conservation and emission reduction in the park, including the rainwater harvesting and recycling system, BIM construction management tools, and NH3/CO2 refrigerant cooling system. Moreover, we added door curtains and lowered the roller shutter door to keep cool air inside and thus reduce energy consumption. In 2019, the Park saved 300,000 kWh of electricity and reduced energy consumption costs of each pallet costs by 6%, and won the highest green building award - LEED Platinum Certification for its outstanding performance in ecological protection and sustainable development.

## Green construction

We believe in and practice green construction. During the entire construction process, we will take into account the environment and surrounding neighborhoods' needs, and focus on the conservation and utilization of materials, water, energy, and land to reduce the impact on the air, water and land, to create a clean, tidy, comfortable and safe construction environment.

In 2019, **47** projects of Vanke won green construction awards and honors



## Green supply chain

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

In 2019, we demanded chromium-free passivation for all aluminum profiles provided so as to avoid pollution caused by hexavalent chromium. All our wood-based composite flooring was derived from legally purchased forest resources and our wood flooring suppliers were all listed in the WWF’s Global Forest & Trade Network (GFTN). We won the Elite Award for Science and Technology and the outstanding prize for green supply enterprises.

## China’s Real Estate Industry Green Supply Chain Campaign Action

GSC was jointly launched by Vanke, the Alxa Society of Entrepreneurs & Ecology (SEE), China Urban Realty Association and the China Real Estate Chamber of Commerce in 2016. The purpose is to promote market-oriented green production and green supplier management via an industry alliance, and strengthen the competitiveness and cohesion of the supply chain as a whole.

As of the end of 2019, **100** real estate enterprises had joined the Campaign, involving over **2,000** suppliers.

GSC unveiled white lists of **3,669** suppliers in **7** product categories.



### Declaration of the “China’s Real Estate Industry Green Supply Chain Action”

- Implement at least one plan of the first batch of green procurement plans, actively encourage upstream suppliers, to follow through, and regularly inspect the suppliers performance and urge improvement based on its voluntary participation
- Choose suppliers that meet green procurement standards and release the ranking list of green suppliers when the conditions are mature; jointly propose the rectification requirements for enterprises that fail to meet green standards, and formulate the phase-out plan
- Regularly disclose information on the progress of the green supply chain action and ensure faithfulness of the information
- Actively participate in the discussion and implementation of the green supply chain schemes in the real estate industry, continuously enlarge green procurement scope, and launch new plans of green procurement
- Closely cooperate with government departments, non-governmental and non-profit organizations, actively solicit national policy support and social engagement, and realize the balance between social benefits and corporate effectiveness



# Environmental Governance

While enhancing environmental governance in daily operation, Vanke actively reaches out to help customers reduce the negative impact of operation activities on the environment and aid the fight against pollution.

## Develop urban brownfields

For the abandoned industrial sites with poor soil and groundwater conditions, Vanke considers regional planning and urban & rural development needs and carries out risk assessment, remediation and management of contaminated sites.

4

As of the end of 2019, Vanke had launched 4 industrial land renewal projects.

## Improve urban and rural environment

Take advantage of the integration of technical resources, carry out urban and rural environmental emergency services such as the comprehensive odor control technology consultation service, and guide customers to better work on environmental improvement.

15

As of the end of 2019, Vanke had launched 15 urban and rural environment improvement projects.

## Restore the ecological system of lakes

Vanke carries out landscape water body construction and maintenance, lake and reservoir environmental risk control and ecological governance, black and odorous waters treatment, etc., to enhance the self-restoration and purification capacity of the water ecosystem.

13

As of the end of 2019, Vanke had launched 13 lake ecosystem restoration projects.

## Treat and dispose of agricultural sewage

Apply the sludge-granulated integrated sewage treatment equipment to ensure the discharge of rural domestic sewage and farming wastewater in compliance with standards, and to help build a beautiful countryside.

2

As of the end of 2019, Vanke had launched 2 rural and agricultural wastewater treatment projects.



Carrying out contaminated soil and groundwater improvement project in a coke-oven plant

## Case Improving the water quality and river ecosystem of Luojiayong

To address river pollution in Luojiayong, Panyu District, Guangzhou City, Vanke adopted the integrated treatment method of "biological reduction of sludge + base sludge solidification technology + micro-nano aeration technology + water surface plant floating islands". After treatment, the chemical oxygen demand (COD) is reduced by 72%, the ammonia nitrogen content by 63% and the total phosphorus content by 26%. The water quality and smell are greatly improved, so is the self-restoration and purification capacity of the water ecosystem. The river of Luojiayong becomes lucid again, running through lines of lush trees.



## Case Using technology to manage river quality in Shenzhen to support the sustainable development of the water ecosystem

To extend our property management services into rivers, we collaborate with Shenzhen Municipal Ecology and Environment Bureau to provide property management services for the river courses, black and odorous waters, small and micro black and odorous waters, and sewage discharge outlets across the city. Based on the city's intelligent environmental protection platform, a blanket, dead-zone-free patrol system is established to conduct real-time water quality monitoring, and automatic reporting and alarming for 178 priority waters, 1,467 priority small waters and 3,338 sewage discharge outlets. The mechanism will ensure long-term water quality management and control in Shenzhen, support the harmonious development of city and nature, and create a healthier and more beautiful urban environment.



# Resource and Energy Management

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

## Energy efficiency management

Vanke values high-quality project development and operation. We not only work hard to develop low-energy buildings, but also manage the projects we own, operate and pay for energy expenses via the energy management system so as to increase energy efficiency.

### Residential Property Energy Management

In accordance with *Administrative Measures for Energy Conservation and Emission Reduction*, install energy-saving lighting and conduct daily energy management in an orderly manner, crunch energy consumption data, and adopt targeted measures to reduce energy consumption of property management.

**Energy saving renovation:** Promote the use of energy-saving lighting and timely replace lights in underground garage, floor passageways, office areas and equipment rooms with energy-saving ones to save electricity.

**Electricity utilization management:** Install time-control and light-control devices to control the lighting of public areas, i.e. adjusting lighting in different seasons; set a proper temperature for air conditioning in office areas; except for necessary facilities, turn off all the equipment after work; install human motion monitoring sensors in conference rooms and turn them off when the room is empty.

**Energy analysis:** Prepare the energy consumption data analysis report on a monthly base, detect abnormal incidents of energy consumption, hold the meeting of energy conservation and emission reduction at least once half a year, and formulate targeted improvement measures.

### Commercial Property Energy Management

Develop the energy management system, collect energy consumption data of operational projects, monitor energy use in real time, make energy conservation diagnosis and analysis, and strongly promote green project operation.

In 2019, SCPG of Vanke conducted an energy survey on 15 self-owned business projects, and formulated energy conservation measures, carbon emission reduction targets and the overall energy conservation target for 2020. Throughout the year, its commercial real estate projects Xi'an Longshou INCITY, Foshan INCITY, Zhuzong Vanke Plaza Beijing, Xi'an Taibai INCITY and Guiyang Vanke Metropolis Plaza saved a total of 3.58 million kwh of electricity, including a 14% decrease in electricity use in public areas.

### Low-energy Building

Adopt technologies to reduce energy consumption in construction, including technologies for building layout, building thermal performance, thermal bridge treatment, air-tightness treatment and building energy system; further reduce energy use in the construction of exterior doors and windows, ground insulation, exterior wall insulation, and roof insulation, and the air-tight installation of make-up air system.

## Case Improving air-conditioning energy efficiency of Shenzhen Vanke Yunchuang

The Vanke Yunchuang Office Building was delivered in raw conditions, with many equipment function defects and design flaws, leading to the high load and energy consumption of the air conditioning system. To address the problem, we changed the electric valve of the main cooling water pipe into the micro-controller unit to replace DDC module and used our own technology to program the micro-controller. We installed controlling power supply and communication control wires, and the group control software to realize remote control on PCs and cell phones. By so doing, we effectively reduce the energy consumption of air conditioning in approximately 9,350 m<sup>2</sup> office areas, and save about RMB 15,000 per month.

## Water management

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



### Water Conservation

Install water-efficient devices to guarantee the buildings' performance in water conservation and sewage discharge throughout the whole life cycle.

**Promote water-saving property management:** Put up water conservation signs in public areas, promote the use of water-saving faucets and devices, check pipe valves and joints regularly to prevent water bubbling, dripping and leaking, and read the water meter every month to identify abnormalities of water use for greening and sanitation.

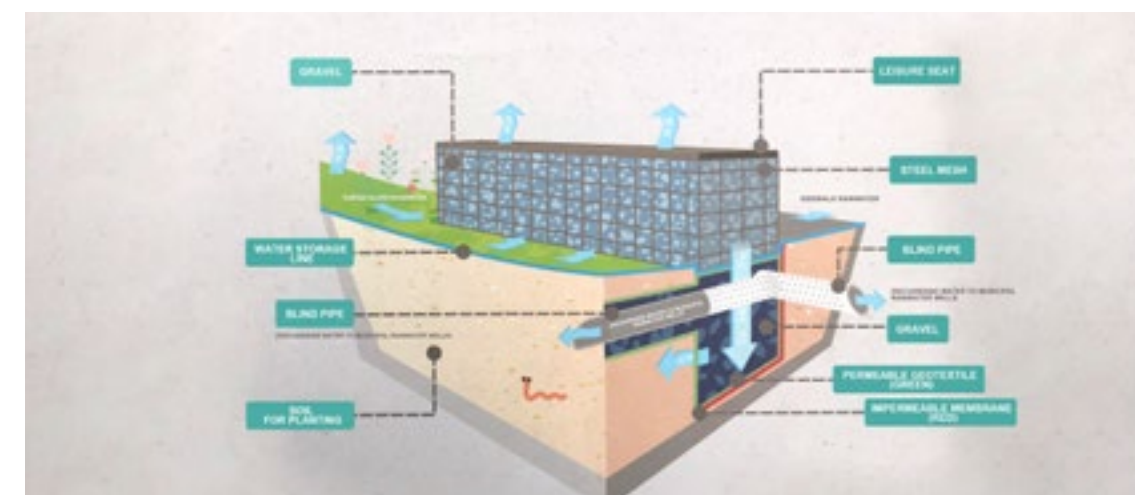


### Reuse of Rainwater

Research, develop and build green infrastructure for sponge city; design the rainwater garden, green roof, and rainwater recycling system to collect rainwater, and filter and disinfect it for reuse to improve the water efficiency.

## Case Sponge city technologies help Vanke Cloud City improve water ecosystem functions

Vanke Cloud City stands on a land of 394,000 m<sup>2</sup> in Liuxiandong area of Nanshan District, Shenzhen. Considering the dispersion of the project area, diverse purposes of the land, high difference in floor height, and shallowness of groundwater, we devised a sponge city scheme that combines rooftop greening, permeable pavement, rain garden, sunken green belt, and rain harvesting and recycling. These sponge city technologies can reuse 6,808.12 m<sup>3</sup> of rainwater every year, saving over RMB 30,000, reduce the water-logging risk and the heat island effect, and adjust the microclimate. With sunken green belts and rain gardens, more than 60% of runoff pollution is reduced, and local hydrological conditions conserved. Moreover, runoff can permeate the ground to replenish the groundwater and avoid ground subsidence caused by insufficient groundwater. With these efforts, the project has created economic, social and environmental values for the community.





Waste management



Waste classification concerns the quality of living environment and resource conservation. It is also an important sign of civic-mindedness.

--- A quote from President Xi Jinping on waste classification on June 3, 2019



Scan the QR code  
Watch the waste classification  
journey of Vanke

In recent years, China has elevated the status of waste classification, ecological conservation, and related community governance issues to the level of national development strategy. In January 2019, the General Office of the State Council issued the *Work Plan for the Pilot Program of "Zero-Waste City" Construction* and Shenzhen was listed among the 11 pilot cities.

As a pioneer for green development of the real estate industry, Vanke has begun to explore "zero-waste" management since 2005. Based on the project management experience and public welfare resources of Vanke Foundation, Vanke collaborates with the governments, NGOs, enterprises and other stakeholders to explore and promote new technologies and new methods for domestic waste management of urban and rural communities, and make "zero-waste" communities a reality in China.

Achievements of Vanke Foundation in the community waste management project in 2019

Vanke Foundation launched four "zero-waste" management projects on campuses, seven in urban communities and six in rural communities; **42** think tank and kitchen waste management projects, directly covering more than **200,000** people across **31** provinces (autonomous regions and municipalities).

Vanke Foundation co-held advocacy activities such as the "Zero-Waste" Day and the community waste management forum in 2019, influencing tens of millions of people.

Promoting the Zero-Waste Model

We strictly follow government regulations, and enhance management of waste generated in real estate development, property management and daily office work. Thus, we promote decentralized community waste management, waste classification and decentralized treatment of perishable waste, to reduce the waste transported to landfills and incineration as much as possible, hopefully to zero. In addition, we improve the resource utilization efficiency and strive to minimize human impact on the environment and create a "zero-waste" clean living environment.

As of the end of 2019, Vanke had implemented waste classification in **52** cities across the country, covering **378** residential compounds and **263** office buildings, and **52** zero-waste office projects.



[ Tips ]

The black soldier fly, or *Hermetia illucens* is a common fly of the family Stratiomyidae. It can break down organic substrates of kitchen waste and prevent the propagation of other saprophytic insects, and is strongly recommended in *Edible Insects: Future Prospects for Food and Feed Security*, a 2013 report by the Food and Agriculture Organization (FAO) of the United Nations. The black soldier fly larvae feed on rotten organic matters such as kitchen waste, animal manure, and carcasses, and can turn them into nutrients such as proteins and fats. The larvae can see its weight grow about 6,000 times in two weeks before it convert into an adult. The adult needs no other feed than water and tends not to invade into human habitats. Since the larvae feed on a variety of organic matters ranging from animal manure to industrial food waste, 6,000 to 8,000 of them are able to consume one ton of organic waste and reduce the volume and nitrogen and phosphorus content of waste by half. Besides, the black soldier fly can be used to extract natural antibiotics and fat agents for the production of food, cosmetics and medicines for external use.



As of the end of 2019, the headquarters of Vanke had reduced office waste by **70%**. Among the headquarters employees, **100%** of them are aware of waste classification, **90%** of them support the measure, and **80%** of them can classify and dispose of waste correctly.



Zero-Waste Offices

In 2019, Vanke Foundation launched the zero-waste office plan 2.0 according to the "3R" principle - "Reduce, Reuse, and Recycle". Accordingly, it organized awareness activities to engage employees in reducing waste generated, introduced the aerobic composting model to turn gardening/landscaping waste into organic fertilizers and used the black soldier fly larvae bioconversion technology to turn kitchen waste into bio-proteins and ultimately realize the biological cycle of substance. Moreover, the Foundation took diverse measures from the source and to the end to ensure waste classification in the whole chain, including classified waste placement, collection, transport and treatment, etc. The implementation of the plan has reduced operational costs by a large margin, and realized waste reduction, classification and recycling, setting up an exemplar for waste classification and contributing to social sustainability.

Comments from stakeholders

"The zero-waste office project manifests Vanke's pursuit of integrating business development with environmental responsibility. I appreciate it very much. Only when a company's public services exert a significant and positive impact on its competition environment, can it align its corporate social responsibility and economic targets. This is indispensable to the success of a company in market competition."

--- Liao Qimei, Deputy Party Secretary of Shenzhen Domestic Waste Classification Administration Center

6	Preliminary Survey	Understand the basic situation including employees' environmental awareness, waste classification awareness, common sense and policies in this regard, etc.
	Ultimate Channel	Clarify the procedures of waste classification, collection, transport, and treatment, and build the ultimate channel.
	Equipment and Manpower	Update waste bin signs, establish Vanke Resource Recycling Center, and install kitchen waste composting equipment.
	Staff Motivation	Conduct a series of trainings and publicity activities for employees and sanitary workers, such as second-hand objects DIY and watching environmental videos.
	Waste Records	The sanitary workers record the waste situation every day. The waste data are reported on a monthly base and disclosed quarterly.
	Optimization for Zero Waste	Upgrade office, tea break, and dining hall scenarios in accordance with "zero-waste cleaning".
2	Code of Conduct for Zero Waste	Release the <i>Code of Conduct for Zero Waste</i> , put up posters, clarify division of duties, and demand employee participation in the zero waste campaign.
	Working Team for Zero Waste	Establish the working team for zero-waste office projects, recruit volunteers and designate supervisors to different areas.



## Zero-Waste Campus

In 2019, Vanke conducted four “zero-waste” campus projects in Shenzhen, Beijing, Guangzhou, and Zundao, and explored the overall zero-waste campus model from three dimensions: students, teachers and government departments.

### Shenzhen Zero-Waste Campus Support Plan

Since September 2018, Vanke Foundation has provided ongoing financial support for Friends of Nature Foundation to implement the zero-waste campus support plan in Shenzhen. In 2019, Vanke Foundation collaborated with Shenzhen OCT Hua Ecological Environment Protection Foundation to expand the project to cover five schools (Vanke Bilingual School, Vanke Lucheng Foreign Language Studies Primary School, Vanke Tianyu Experimental Primary School, Nanshan Dingtai Primary School, and Shenzhen OCT Primary School). The project schools introduced integrative and innovative courses (e.g., the zero-waste PBL course), and organized zero-waste star competitions and teacher training programs to incorporate waste classification into classroom teaching and school administration.

In 2019, based on the school practices, Vanke formulated the *Zero-Waste Campus Construction Guideline*, covering five parts - education framework, student activity handbook, teachers' handbook, project assessment handbook, and teacher training handbook. Meanwhile, to better understand the project effects, the *Zero-Waste Campus Assessment Framework* was produced to continue to improve the project framework.



Zero-Waste Campus Construction Guideline



Group photo of a special training session held by Nanshan Dingtai Primary School in 2019, as part of Shenzhen Zero-Waste Campus Support Plan

### Supporting Zundao School to take diverse measures to promote the zero-waste campus

Vanke Foundation supported Chengdu Roots and Shoots - The Jane Goodall Institute to help Zundao School set up the campus waste management system, establish the working team for waste management, and build waste classification and recycling stations and landscaping waste composting ponds. In 2019, Zundao School established the students working team for waste bank to monitor and record waste classification and the kitchen waste generated by lunch. It incorporated zero waste education into routine curriculum, and the first lesson for freshmen was dedicated to waste classification on campus. Moreover, the family working team was also established to renovate the wasteland nearby Zundao Cultural Center and turn it into the outdoor nature education site for Zundao School. Besides, volunteers were organized to raise public awareness of waste classification at community cultural and entertainment activity sites and in a door-to-door way, in an effort to support the zero-waste campus and even a zero-waste town.



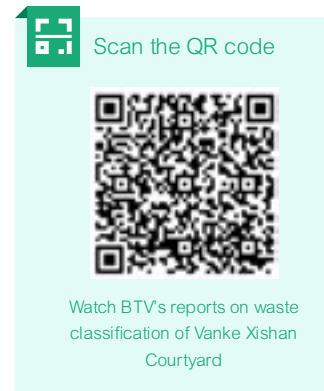
Wei Wei from Chengdu Roots and Shoots is giving a lecture of “zero-waste campus” at Zundao School.

## Zero-Waste Community

Vanke actively conducts zero-waste community activities such as waste classification, recycling and reuse, strengthens the efforts to raise public awareness of waste classification, and sees to it that the waste is effectively classified when it's disposed of. We also explore ways of kitchen waste treatment, i.e., with the help of the black soldier fly larvae or composting, with a view to fully recycle the community waste, build the integrated community waste classification and management model, and jointly create a green, low-carbon and clean residential community.

### Case Exploring the nature-based kitchen waste treatment path

Beijing Vanke Xishan Courtyard introduces black soldier fly larvae and the composting facility as a new way of decentralized kitchen waste treatment. Residents' kitchen waste is sorted and pulped before fed to the larvae in the facility. When the larvae are mature, they are recycled or transported to the ecological circulation apparatus before the waste treatment station for fish feeding, and the water in the fish pond will be channeled to irrigate vegetables. The larvae's excrement landscaping waste such as fallen leaves and branches can be put into the composting facility to produce eco-friendly organic fertilizer. As of the end of 2019, by using the black soldier fly larvae for kitchen waste treatment, Beijing Vanke Xishan Courtyard had reduced 2.4 tons of greenhouse gas emissions and the organic fertilizer and fish feed alternatives thus generated reduced 34.1 tons of carbon dioxide equivalent.



### Case Exploring the kitchen waste management model within the community

Kitchen waste accounts for a half of urban and rural domestic waste in China, but hasn't been properly recycled. To address the problem, Vanke Foundation has supported Lishui Institute of Ecology and Environment of Nanjing University to establish the pilot platform for natural composting of urban and rural kitchen waste in China. Through close cooperation with rural and urban communities, the pilot project has figured out a cross-sector interaction model which integrates “research, data collection, training, and implementation”. The Institute organized trainings and provided guidance for 12 social organizations and enterprises to operate more than 20 composting sites, and based on that, it has explored a decentralized composting model that meets national and environmental conditions of China. Drawing experience from India and European countries, it has confirmed the feasibility of promoting top-down decentralized composting in China. Moreover, the project has produced a handbook based on scientific evidence and practices, which wins recognition by business insiders and lays a solid foundation for the expansion of the project in the future.

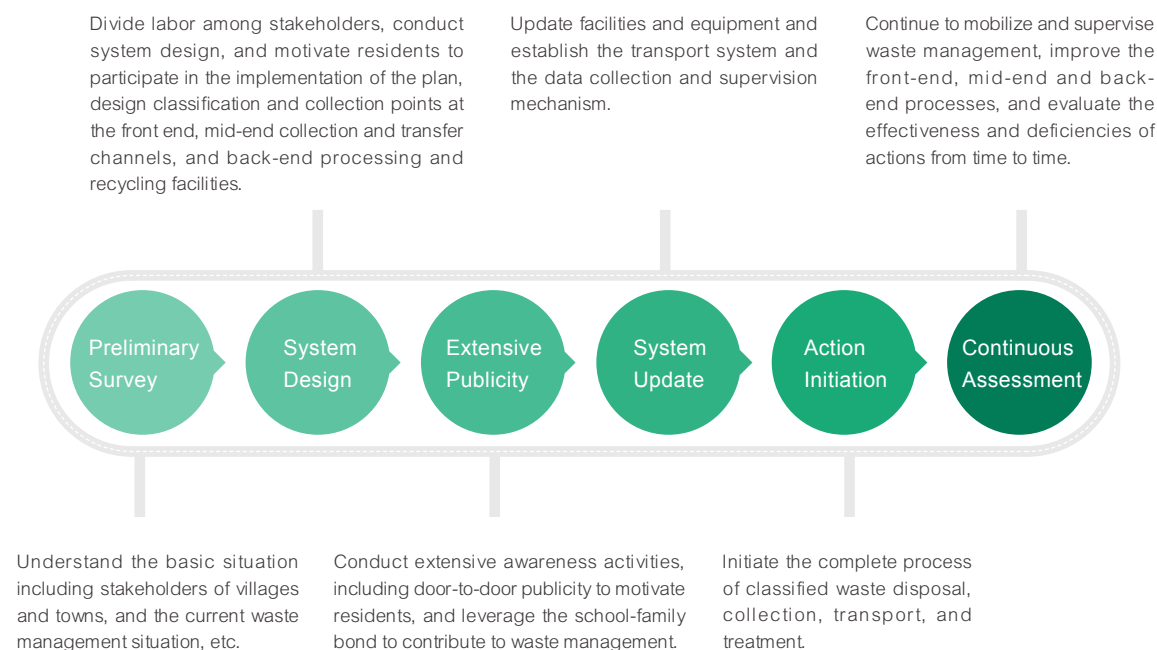


China Kitchen Waste Composting Pilot Project Kick-Off Meeting



## Waste Management in Rural Scenarios

Waste classification is a high-profile initiative concerning people's welfare, and should go beyond urban communities into villages and towns. Vanke actively promotes waste management in rural scenarios, and adapts zero-waste management methods and technologies to more scenarios, so as to influence more groups and improve rural living conditions.



## Case Waste classification in Tangyuan Town supports the protection of level-1 water source region

Tangyuan Town is located at the level-1 water source protection region in Chengdu, but local ecological health is seriously threatened by the poor awareness of waste sorting, absence of waste management, and the outdated waste classification technology. In 2019, with the support of Vanke Foundation, Chengdu Urban Rivers Association (CURA) guided Tangyuan Town to work on waste classification during the campaign of "waste treatment before the New Year" and explore the waste management and environmental governance model for communities in the water source region.

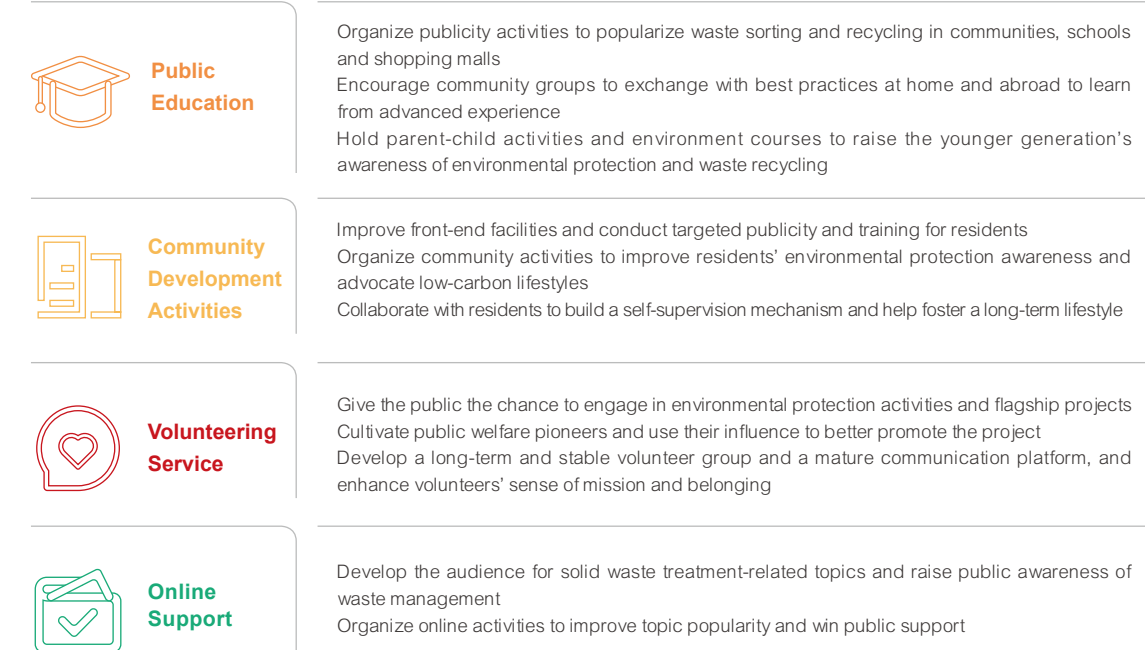


Clearing waste to improve the river course environment

In 2019, ten waste cleanup operations were conducted, clearing 1,000 kilograms of unrecoverable waste, 20 kilograms of recoverable waste, 44 kilograms of toxic and hazardous waste and 300 kilometers of river courses and benefiting 5,000 people; ten village households mastered the composting technology and used it to treat nearly 50 tons of crop straws and kitchen waste; more hazardous agricultural waste collection points were set up and increased to 12 collection points, accumulatively 160 kilograms of hazardous agricultural waste and generating a revenue of RMB 1,300. These efforts have enhanced local villagers' understanding, willingness and initiative to volunteer in community public service, leading to a much improved community environment and significant reduction of waste in the river course.

## Encouraging the Public to Engage in Zero Waste Management

The construction of an environmentally friendly, healthy and safe urban space requires active public engagement. Vanke raises public awareness of waste sorting through public education, community development activities, encouraging volunteering service and supporting online awareness programs to actively engage the public in zero waste management, and contribute to the construction of a clean and beautiful homeland.



Supporting the Shenzhen waste sorting public education campaign - Dandelion volunteering lecturers training program, and guiding the community to implement waste classification



Supporting the self-organized empowerment program for community waste management to develop new forces to promote waste sorting in the community



Case Exploring sustainable community waste management at the Community Waste Management Forum

From November 19 to 20, 2019, approximately 300 representatives from government agencies, social organizations, enterprises and media gathered in Chengdu to attend the “A New Start towards the Future: Community Waste Management Forum” organized by Vanke Foundation. The forum was a platform for multiple parties to engage in, display and have dialogues. Through policy analysis, stakeholders’ sharing of practices and discussions, the forum explored the sustainable development of the waste sorting sector and shared the experience and model of promoting waste sorting, aimed to realize zero waste in Chinese communities and make it a part of people’s lifestyle.



The Community Waste Management Forum

Case Enhancing the “zero-waste” environmental protection concept and making “Run for Fun” a “zero-waste contest”

Vanke is committed to integrating the zero waste concept into its branded event “Run for Fun” to develop a “zero-waste contest” , so that the event can reduce waste generation without compromising runners’ experience and organizers’ interests. It has become a benchmark green event and provided important references for other national major sport events in waste management

In 2019, Vanke’s zero-waste contest recycled 1,115.5 kilograms of waste, with the waste recovery rate of 77%, higher than the level of London 2012 Summer Olympics (62%) and the target of Tokyo 2020 Olympic Games (65%). It recruited 1,928 zero-waste volunteers and runners.

**Before the contest:** Reduce unnecessary materials and use second-hand stuff whenever possible  
**During the contest:** Set up the environmental protection publicity screen and interactive games of waste sorting  
**After the contest:** Classify and recycle waste, and reduce the amount of waste to be treated



Zero-waste “Run for Fun” volunteers

Supporting the Implementation of Zero-Waste Policies

Through years of efforts, Vanke has accumulated abundant waste sorting experience and solidified the experience so as to support the implementation of related policies and promote the “zero-waste” lifestyle on a larger scale.

In 2019, Vanke Foundation and cooperation organizations contributed to the zero-waste policy making

- Formulated nine proposals during the “Two Sessions”, including the *Proposal on Implementing the Measurement and Charging of Mixed Waste in “Solid Waste Law”* and the *Proposal on Enhancing the Construction of Renewable Resources Recycling System*
- Submitted the *Proposal on Establishing a Long-term Mechanism for Waste Classification in “Solid Waste Law”* and the *Proposal on Cautiously Promoting Degradable Materials in “Solid Waste Law”*
- China Zero Waste Alliance submitted the *Opinions of China Zero Waste Alliance on the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Waste (Draft Revision)* and the specific revision suggestions for provisions during the first call for opinions by the National People’s Congress
- The findings of *Public Confidence in Community Waste Management Index Research*, which was co-published by Vanke Foundation and Dataway, were directly recited by the Deputy Minister of Housing and Urban-Rural Development during the Chinese People’s Political Consultative Conference

Vanke’s contribution to local legislation and policy making on waste management

City / Province	Regulation / Policy	The Role of Vanke Foundation and Its Cooperation Organizations
Beijing	<i>Regulations of Beijing Municipality on Domestic Waste Management</i>	<ul style="list-style-type: none"><li>● Attended Changping District’s meeting for calling for opinions on the revision of the regulations</li><li>● China Zero Waste Alliance submitted the <i>Overall Opinions of Friends of Nature Foundation on Revised Regulations of Beijing Municipality on Domestic Waste Management (Draft Proposal)</i>.</li><li>● Submitted Ifine Yinghuayuan Waste Sorting 10+ Steps, <i>Chengdu Roots &amp; Shoots On-site Kitchen Waste Recycling Pilot Project</i>, and <i>Centralized Kitchen Waste Collection Station Cases of Haidian District</i> to the Director General Workshop of the Beijing Municipal Party Committee School</li><li>● Submitted the <i>Opinions on Article-by-Article Revision of the Regulations of Beijing Municipality on Domestic Waste Management, Opinions on Enhancing Top Level Design of Waste Classification Management in Beijing, Opinions on Eliminating Negative Impacts of “Dual-Track Mechanism” on Recoverable Waste Recycling and Reuse, and Opinions on Formulating Regulations to Promote Practice Innovation and Reducing the Use of Disposable Supplies</i> to Changping District People’s Congress.</li></ul>
Shenzhen	<i>Regulations of Shenzhen City on Domestic Waste Classification Management</i>	<ul style="list-style-type: none"><li>● Attended the legislative meeting for domestic waste classification and reduction regulations in Shenzhen People’s Congress</li><li>● Shenzhen Fanquanzi submitted the <i>Opinions on the Revision of Regulations of Shenzhen Special Economic Zone on Domestic Waste Classification Management</i></li></ul>
Yichang	<i>Regulations of Yichang City on Domestic Waste Classification Management</i>	<ul style="list-style-type: none"><li>● Attended the seminar on the Regulations of Yichang City on Domestic Waste Classification Management and proposed related opinions</li></ul>
Fujian	<i>Regulations of Fujian Province on Domestic Waste Management, Regulations of Fuzhou City on Domestic Waste Classification Management</i>	<ul style="list-style-type: none"><li>● China Zero Waste Alliance organized government agencies, enterprises and NGOs engaged in waste classification in Fuzhou and Xiamen to share brilliant cases of waste classification management</li><li>● Engaged in the surveys conducted by Fuzhou People’ Congress and the call for opinions on regulation revision, and proposed the <i>Opinions on Waste Classification Action and Vigorously Developing Resource Recycling and Renewable Industries</i>, etc.</li></ul>





Honorary Chairman of the Board of Vanke, Wang Shi attended the High-level Meeting for Global Climate Action as a representative of Chinese entrepreneurs to share Vanke's experience in addressing climate change and encourage more Chinese enterprises to become proponents of carbon emission reduction.

## Combating Climate Change

As a pioneer enterprise in tackling climate change and promoting green development, Vanke is deeply aware of the risks and opportunities brought by climate change. Since 2013, Vanke Foundation has continued to organize or co-organize the "China Enterprise Day" side meetings at "China Pavilion at the UN Climate Change Conference" to help tell China's story and make the non-public sectors voice heard in response to climate change. Meanwhile, Vanke works with partners to integrate climate change countermeasures into the whole life cycle covering product design, materials procurement, project construction and operation, and reduce carbon footprints in daily work. Vanke also actively shares its best practices in combating climate change, and calls on the whole society to make contributions.

From December 3 to 13, 2019, the 25th United Nations Climate Change Conference, which is known as "COP 25", was held in Madrid, Spain. On December 12, the "China Enterprise Day" side meeting was held at China Pavilion. It was jointly organized by Vanke Foundation, C Team, Alxa SEE Foundation, China National Textile and Apparel Council, China Chain Store and Franchise Association, and China Federation of Industrial Economics, under the theme of "Business Climate Action: Empowerment and Innovation". At the side meeting, representatives from energy, electricity, real estate, textile, retail, and IT sectors discussed the empowerment and innovation of climate actions.



Group Photo of COP 25 Chinese Enterprise Day Side Meeting at China Pavilion



### Documentary: *A Journey to United Nations Climate Change Conference*

The documentary *A Journey to United Nations Climate Change Conference* was initiated by All-China Environment Federation and produced by Vanke Foundation and C Team in 2018. The documentary was based on a library of precious historical materials of UN Climate Change Conference and interviews and videos of Chinese non-governmental organizations and experts engaged in combating climate change. The goal of the documentary is to present the historical development of *United Nations Framework on Climate Change (UNFCCC)* and the practical actions of Chinese NGOs to tackle climate change.

In 2019, the first episode of the Documentary *Origin* was produced and released at China Pavilion and UN Newsroom at COP 25 in Spain.

The documentary integrates related resources and videos to present China's climate actions, and wins recognition among Chinese climate activists. In terms of public communication, the documentary has been aired via multimedia channels, including CCTV, People.cn, China Environment News, BTV, iQIYI.com, gongyi.ifeng.com, and live. kuaishou.com, etc. and has reached an audience of 80 million, improving the citizens' understanding of climate change issues.



Scan the QR code  
Watch the news: the  
Documentary *A Journey  
to United Nations Climate  
Change Conference*  
debuted at China Pavilion





## Biodiversity Protection

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

### Vegetation conservation

For years, Vanke has been studying plant diversity conservancy, developing and improving key horticultural technologies such as plant protection, revegetation and cultivation, and promoting the research and cultivation of indigenous plants, rare plants and new varieties for landscaping purpose to contribute to the sustainable development of vegetation resources.

#### ► Botanic Garden of 2019 Beijing Expo




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. On April 29, 2019, the Botanic Garden was opened to visitors, following the grand opening of the Beijing International Horticultural Exhibition 2019 (2019 Beijing Expo). The Botanic Garden staged an exhibition themed “Plants: Unimaginable Wisdom”, to display plants' wisdom for survival and propagation, call on the visitors to learn from plants about the art of survival, love the earth, live green and jointly build a beautiful homeland. The 162-day exhibition attracted more than 2.53 million visitors.

The biggest highlight of Botanic Garden was the 280 m<sup>2</sup> greenhouse of mangrove transplanted from Shenzhen, the biggest indoor mangrove zone in the world with over 400 mangrove plants of dozens of categories. Apart from the real mangrove, an immersive digital art installation was set up to restore the natural landscape of mangrove.

A total of 1,001 plants were planted in Botanic Garden, including 45 plants of six categories under level-1 state protection such as *Parashorea Chinensis* and *Cycas debaoensis*, and 30 plants of nine categories under level-2 state protection such as *Cyathea Lepifera* and *Dalbergia Odorifera*. The International Horticultural Exhibition was a window to show the world regarding the importance of ecological conservation and biodiversity protection and called on our joint efforts to build a good ecological environment on the earth.

## Snow leopard protection

Vanke Foundation and the Mount Qomolangma National Nature Reserve Administration have jointed established the Mount Qomolangma Snow Leopard Protection Center and launched the Snow Leopard Protection Program. Moreover, Vanke Foundation signed the 2017-2020 Memorandum of Cooperation with the Department of Forestry of Tibet Autonomous Region to protect the snow leopard in four dimensions, i.e., scientific research, community development, talent cultivation and public education.

 Scientific Research	Conduct research on and monitor snow leopards and their habitats to identify the current threats to their survival; In 2019, the research project on snow leopards living in the Tingri County area of the Mount Qomolangma National Nature Reserve was completed, the systematic survey was conducted on hoofed prey, and the <i>2019 Investigation Progress Report on Snow Leopards and Their Habitats in the Mount Qomolangma Nature Reserve</i> was formulated.
 Community Development	Conduct the community-based snow leopard protection project to coordinate snow leopard protection and local economic development in a harmonious way; In 2019, the Mount Qomolangma Nature Reserve community baseline investigation project was completed, gaining a general understanding of over 300 villages of 32 townships in four counties in the Reserve. Moreover, more than ten cultural products that advocate snow leopard protection were developed.
 Talent Cultivation	Cooperate with the Mount Qomolangma National Nature Reserve Administration to conduct capacity training ; In 2019, Vanke Foundation organized three trainings for more than 50 reserve staff, including primary-level rangers, professional maintenance team members and middle-level management personnel.
 Public Education	Enhance the public communication of the Mount Qomolangma Reserve and the public understanding and awareness of snow leopard protection; In 2019, Vanke Foundation supported the Mount Qomolangma Reserve Administration to make two sets of postcards and one brochure, to add to its publicity materials and enable the public to get a better understanding of the Mount Qomolangma Nature Reserve.







Volunteers patrolling the Yangtze finless porpoise protection base



The Heavenly Blue Project for Protecting the Chinese White Dolphin



The Wetland Education Center Seminar

## Finless porpoise protection

The Yangtze finless porpoise is the only remaining Yangtze freshwater dolphin and is assessed as "critically endangered" by the International Union for Conservation of Nature (IUCN). The survival, growth and propagation of finless porpoise are threatened by human activities. Vanke has been supporting the Yangtze finless porpoise protection project of One Planet Foundation (OPF).

In 2019, Vanke supported the operation of the Yangtze finless porpoise protection base in Yangzhou to enhance the effectiveness of finless porpoise protection; facilitated Yangzhou fishermen to transfer to other production activities so as to relieve the risks of overfishing; actively promoted local government to issue finless porpoise protection policies, publicized them among the public, and mobilized more social forces to support and engage in finless porpoise protection. With these efforts, Vanke endeavors to build a cross-region and cross-border cooperation and exchange mechanism to better protect the Yangtze finless porpoise along the Yangtze River.

## Sousa chinensis protection

Ocean pollution and human activities such as shipping are undermining the habitat of the *sousa chinensis* (Chinese White Dolphin) which is assessed as "vulnerable" in IUCN Red List of Threatened Species. In 2019, SCPG and WWF jointly initiated the Heavenly Blue Project for Protecting the Chinese White Dolphin, and organized advocacy, popularization, field visits and other activities to strongly promote the protection of the *sousa chinensis*.

## Mangrove wetland protection

Vanke continues to support the Shenzhen Mangrove Conservation Foundation in mangrove wetland protection and nature education, and actively mobilizes more entrepreneurs and the public to support and contribute to mangrove conservation, so as to create a better future for humanity and wetland ecosystem.

In 2019, Vanke supported the China Coastal Wetland Conservation Network - Wetland Education Center Project and improved the professionalism of publicity for coastal wetland protection, which earned public support and engagement for protecting coastal wetland.



Environmental Protection Data 2019

Indicator No.	Indicator Breakdown	Unit	Real Estate System in 2019	Property Management System in 2019	Total
A1 Emission and Discharge					
A1.2 Greenhouse Gas Emission	Total Greenhouse Gas Emission	ton	17,533.10	5,540.64	23,073.74
	Greenhouse Gas Emission Density <sup>5)</sup>	kg/ m <sup>2</sup>	83.54	96.30	
	Direct Carbon Dioxide Emission(Scope I) <sup>a) .1)</sup>	ton	3,142.75	717.45	3,860.20
	Indirect Carbon Dioxide Emission(Scope II) <sup>b) .2) .3)</sup>	ton	14,390.35	4,823.19	19,213.55
A1.3 Hazardous Waste Volume and Density	Total Volume of Hazardous Waste	kg	5,433.33	845.61	6,278.94
	Hazardous Waste Density <sup>5)</sup>	kg/ m <sup>2</sup>	0.03	0.01	
	Waste Lamps/Bulbs	kg	1,052.85	172.10	1,224.94
	Electronic Waste	kg	3,017.66	256.63	3,274.29
	Battery	kg	1,362.82	416.89	1,779.71
A1.4 Non-hazardous Waste Volume and Density	Total Volume of Non-hazardous Waste	ton	842.95	693.41	1,536.36
	Non-hazardous Waste Density <sup>5)</sup>	ton/ m <sup>2</sup>	0.004	0.01	
	Office and Domestic Waste	ton	379.11	619.21	998.32
	Kitchen Waste Recovered (dry)	ton	463.84	74.20	538.04
A2 Resource Usage					
A2.1 Energy Consumption	Total Energy Consumption <sup>c) .4)</sup>	TCE	1,680.38	392.62	2,073.01
	Energy Consumption Density <sup>5)</sup>	TCE/ m <sup>2</sup>	0.008	0.007	
Direct Energy	Gasoline	Liter	933,294.24	160,524.36	1,093,818.60
	Diesel	Liter	3,750.80	16,269.54	20,020.34
	Natural Gas <sup>d)</sup>	m <sup>3</sup>	454,116.84	140,572.00	594,688.84
	Pipeline Gas	m <sup>3</sup>	128,968.90	26,739.00	155,707.90
	Refrigerant	kg	10,635.14	1,213.50	11,848.64
Indirect Energy	Purchased Electricity	kWh	1,536.85	547.24	2,084.09
	Purchased Heating Power	GJ	8,383.84	1,382.40	9,766.24
A2.2 Water Consumption	Water Consumption for Office and Domestic Operations	ton	170,839.47	100,528.61	271,368.08
	Water Usage Density for Office and Domestic Operations <sup>5)</sup>	ton/ m <sup>2</sup>	0.81	1.75	
Others Paper Consumption	Paper Usage <sup>e)</sup>	ton	155.36	40.12	195.48

Statistic Scope

Real Estate System

- The headquarters of Vanke Group
- Four regional headquarters
- The office and operation scope of front-tier subsidiaries

Property Management System

- The headquarters of Vanke Group
- Central-city subsidiaries
- City-level subsidiaries
- The office and operation scope of city-level offices

Annotations

- a) The Scope I carbon dioxide emission includes the carbon dioxide directly emitted by gasoline, diesel, natural gas and pipeline gas, etc.
- b) The Scope II carbon dioxide emission includes the carbon dioxide indirectly emitted by purchased electricity and heat.
- c) Total energy consumption refers to the total consumption of gasoline, diesel, natural gas and pipeline gas.
- d) The natural gas consumption includes the consumption of natural gas used for heating and by the kitchen.
- e) The paper consumption mainly includes the consumption of A3 and A4 paper.

Reference standards for data calculation

- 1) The direct carbon dioxide emission by gasoline, diesel, natural gas and pipeline gas is calculated according to the Calculation Method and Reporting Guideline for Greenhouse Gas Emissions of Public Building Operation Units (Enterprises) (for trial implementation) released by the General Office of National Development and Reform Commission.
- 2) IGES List of Grid Emission Factors (<https://www.iges.or.jp/en/pub/list-gridemission-factor/en>) ; The indirect carbon dioxide emission by sourced electricity and heat is calculated according to the Calculation Method and Reporting Guideline for Greenhouse Gas Emissions of Public Building Operation Units (Enterprises) (for trial implementation) released by the General Office of National Development and Reform Commission. The grid emission factors of projects in the Chinese Mainland are analyzed according to the 2017 Emission Reduction Project - Baseline Emission Factors for Regional Power Grids in China and those of overseas projects according to IGES List of Grid Emission Factors (<https://www.iges.or.jp/en/pub/list-gridemission-factor/en>).
- 3) The sourced heat is calculated according to the Design Standard for Energy Efficiency of Residential Buildings in Severe Cold and Cold Zones (JGJ 26-2010).
- 4) The total energy consumption is calculated in standard coal equivalent according to General Principles for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2008).
- 5) The greenhouse gas emission density, hazardous waste density, non-hazardous waste density, energy consumption density, and water consumption density for office and domestic operations refer to the emission/discharge density per unit of construction area of the office building.



# SOCIAL PRACTICES

Feature: Aiding COVID-19  
Response to Jointly Build  
a Safe Home

Happy and  
Harmonious  
Communities

Win-win  
Partnership

Prosperous Urban  
Development

Wellbeing and  
Growth of  
Employees

Commitment to  
Charity







Vanke Service's first batch of 10 volunteers heading to Huoshenshan Hospital

## Feature | Aiding COVID-19 Response to Jointly Build a Safe Home

Facing the COVID-19 pandemic, Vanke, as an urban and rural developer and life services provider of 3.19 million households and more than 10,000 commercial tenants, has actively marshalled manpower, material and financial resources to contain the pandemic, and cooperated with governments at all levels to protect public health and fulfill our society responsibility. Vanke's property services, long-term rental apartment, commercial real estate, logistics, elder care, education and other business segments have taken comprehensive measures to help fight the pandemic, and resume work and production to serve the people.



- Vanke Foundation has donated RMB **100** million to support the COVID-19 frontline.
- Vanke Service provided property services for Wuhan's Huoshenshan Hospital and **started the recruitment plan of 20,000 people** in advance to help stabilize employment after the outbreak.
- VX Logistic Properties has opened **59** logistics parks in **27** cities across the country **for free**.
- SCPG has **halved the rents** for February of more than **10,000** commercial tenants in **86** shopping malls across the country to tide them over.
- Amid the pandemic, Vanke has postponed the rent payment for tenants of long-term rental apartments, and **reduced and exempted rent** for tenants who cannot return to Hubei due to the pandemic.

## Safeguarding Customers' Health

### ► Be with our customers on the COVID-19 frontline

Vanke is currently running 61 residential projects, 31 office building projects, 2 hotels, 4 long-term rental apartment projects and 4 logistics parks in Wuhan, covering more than 120,000 households. In face of the threat posed by COVID-19, Vanke employees have stuck to their posts and those on vacation have resolutely chosen to return to work and cooperate with local communities in the joint prevention and control efforts, taking concrete actions to protect the health of our customers. Vanke Vanke Wuhan Narada Grand Hotel was the designated hotel for the 137-member medical aid team from Fujian Province. Hotel staff thoroughly disinfected every corner of the hotel before their arrival, and set up a quarantine area for medical personnel returning from hospitals to protect the safety of them. Holding fast to their position, the hotel staff provided medics with a clean, reliable and heart-warming living environment.

### ► Ensuring all-round property services to protect the safety of owners

Property services are an important line of defense at the community level. During the Spring Festival holiday, Vanke Service issued 53 guidelines for pandemic prevention and control, covering the use of disinfectant, protective gowns and face masks, response to the shortage of sanitary staff, and care for frontline employees, to comprehensively protect the safety of owners.

**Access control:** Registered and took temperature for all the people and vehicles leaving or entering the residential compound

**Timely disinfection:** Disinfected all areas, increased the frequency from 2-4 times per month during normal times to at least 2 times per day; disinfected elevators regularly, covered the buttons with cling-film and placed paper towels inside to ensure "zero contact" with the buttons .

**"Zero contact" services:** Provided delivery, regular waste disposal and online food shopping services for residents self-isolating at home.

**Timely waste disposal:** Promptly disposed community waste and set up special trash cans for used face masks.

**Anti-pandemic publicity:** Actively cooperated with the government in terms of customer management and anti-pandemic publicity, consolidating the last mile of joint prevention and control efforts.



Vanke Service disinfected the residential compound



A thank-you note wrote by a home owner from the Golden Paradise, or Jinyutixiang

### ► Providing considerate elderly care to safeguard the health of the elderly

The elderly, the highly susceptible population, demands more professional services in various aspects and considerate care during the COVID-19 outbreak than in ordinary days, which has posed a tough challenge to Vanke's elderly care services. Since the outbreak of the pandemic, the Jiashu Liangzhu community in Suiyuan, Hangzhou, an elderly care community, has been sealed off in order to better take care of the elderly. Its 73 employees have stayed in the community day and night, each assuming multiple duties, such as running errands, delivering parcels, food and drugs to the elderly, and helping them with disinfection, to protect the health of senior residents.

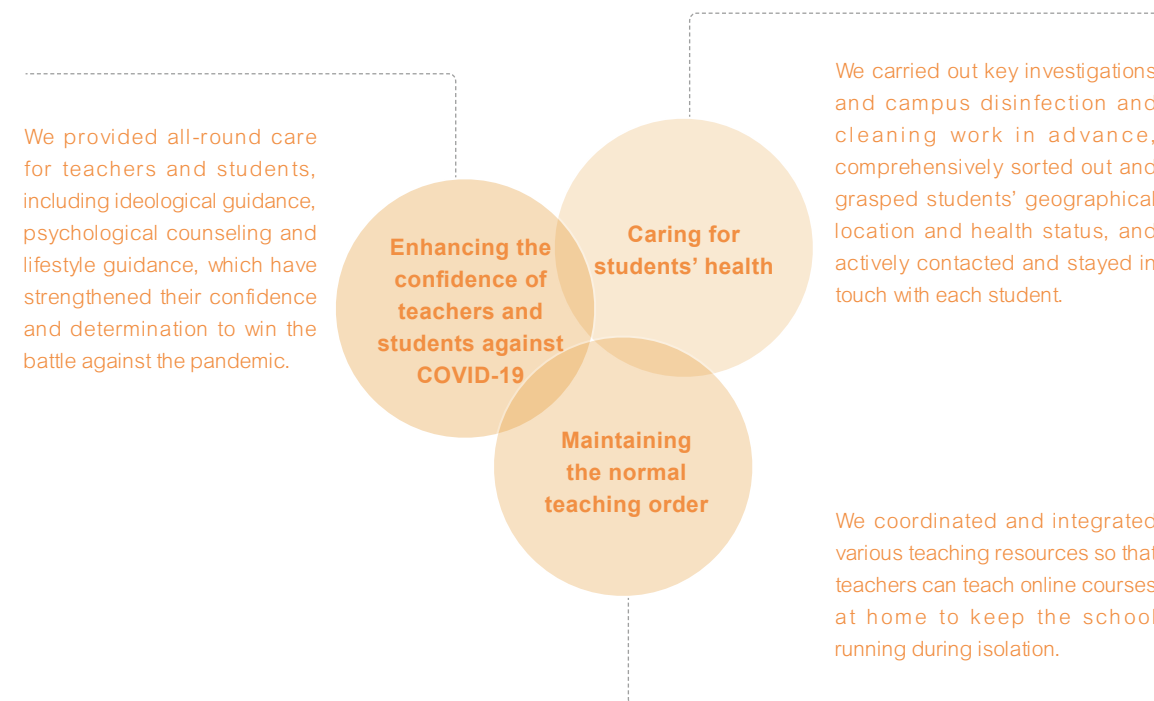


Staff of Shenzhen Nanshan Social Welfare Center shows the elderly how to wear the face mask correctly.



### ► Taking multiple measures to guarantee the safety of campuses

Preventing the spread of the COVID-19 to campuses and ensuring the health and safety of teachers and students are the most important tasks of the education system. Vanke's Meisha Education has adopted various measures to protect the physical and mental health of teachers and students, and minimize the negative impact of the pandemic on them.



## Working Together to Guarantee Normal Production and Living

If we compare the pandemic prevention and control as a war, then adequate supply of essential commodities and the guarantee for prevention and control materials is the key to victory. Vanke has actively responded to the government's call to strengthen prevention and control measures and ensure the normal operation of essential businesses such as logistics and shopping malls during the pandemic.

### ► Ensuring smooth transportation for supplies

VX Logistic Properties has made all-out efforts to marshal anti-pandemic resources from all sources available, upgraded the pandemic prevention and control measures of the logistics park, and cooperated with the government to ensure the unimpeded flow of essential supplies, customers' goods and aided supplies to hard-hit regions. At present, VX Logistic Properties has opened 59 logistics parks in 27 cities across the country free of charge for emergency transit warehousing and food logistics with multi-temperature zones.



### ► Providing strong logistic support for residents

SCPG has worked with partners to strengthen the prevention and control measures of shopping malls, and provide comprehensive support in terms of property services, personnel, and parking discounts to essential tenants such as supermarkets, striving to create a healthy and safe environment for consumers and partners. At the same time, SCPG has launched an online shopping mall to help tenants sell online through one-stop services including online product selection, anti-pandemic supplies, subsidized products, and SF express service.

Taking the Shenzhen Futian SCPG Center as an example, SCPG Center has not only strengthened the prevention and control measures of the shopping mall by working with operating tenants, but also offered discounts on dining, free parking, exclusive parking spaces, one-stop supply distribution and other support to frontline medical workers and their families. It also opened dedicated lanes and rest areas for deliverymen, and increased disinfection frequency and distributed face masks to them to protect their health and safety.



## Prosperous Urban Development

Positioned as an “urban and rural developer and life services provider”, we pay attention to the historical and cultural heritages of cities and respect the historical and cultural relics of the city while leading urban renewal projects to create a convenient, cozy and safe living environment, to promote prosperous urban development.

### Protecting the historical and cultural legacy of cities

The historical buildings are the vehicle of a city's memory, and also a miniature and spiritual embodiment of a city's history and culture. In the organic renewal of the old towns and the protection of historical landscape, the Company pays attention to maintaining the city's historical and cultural legacy, and properly balances the need for renovation and conservation, so as to keep the culture and spirit of the city intact while improving the urban living environment, thus realizing the organic integration of urban history preservation and modern civilization.

### Renovating Yongqing Fang while keeping the memory of Lingnan culture

Enning Road is so far the best preserved and oldest street flanked with Qilou buildings in Guangzhou, a witness to the city's glorious history as a commercial hub for about a thousand years. But to citizen's regret, in the past hundreds of years Enning Road has declined from a prosperous, hustling commercial center to a deserted alleyway with fading attention and lost all its luster of Lingnan culture. To “protect Guangzhou's cultural and historical legacy and retain the memory of Lingnan culture”, we have actively cooperated with local government and committed ourselves to making Enning Road shine again by turning it into a benchmark for organic city renewal in the new era of China, a window into and a vibrant business center featuring Lingnan culture.



#### ► Yongqing Fang phase I

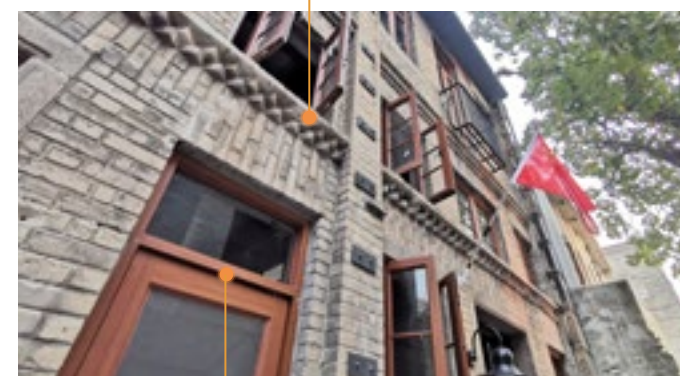
Vanke is responsible for the construction and management of Yongqing Fang on Enning Road, and has explored the mild renovation approach, that is, renewing, protecting and decorating the building façades while preserving the original external outline, so as to fully combine the “old” with the “new”. We have “embroidered” Guangzhou's most famous historical and cultural district to give it a new look and brought Enning Road, home to many cultural relics and monuments and the carrier of countless memories of native people, into the public's view again.

After the mild renovation, Yongqing Fang has become not only a dream workplace for the cultural and creative industries but also an online sensation. It is now an iconic landmark of Guangzhou, a must-go destination for online influencers, the most beautiful old street, and a brand new model of city renewal.

#### ► Yongqing Fang phase II

In October 2018, the phase II renovation project of Yongqing Fang started, which was 10 times larger than the Phase I, covering a total area of 29,200 m<sup>2</sup> of demonstration section and a section with Qilou buildings. It was positioned as “the most beautiful street flanked with Qilou buildings”. Vanke restored the Qilou buildings according to their 1930s style, fully preserving the Xiguan Mansion architectural features of the times of the Republic of China. On the eve of National Day in 2019, the demonstration section and the Qilou section were completed, providing domestic and foreign tourists the opportunity to experience Lingnan culture up close.

Colored carved patterns on the buildings were basically remained unchanged yet only repigmented during the mild renovation, to keep colors as vivid and bright as before.



For some of the buildings missing original doors and windows, new doors and windows were installed in line with the style of the external façade.



The original façades were cleaned and restored, painted light grey and white to highlight pillars of the Qilou buildings.



Fresh night views of Qilou buildings after the renovation of the landscape and lightening system



## Turning the MSG factory into a cultural and creative park to reinvigorate the old industrial park with innovation

Hongmei Park was built on the site of the former Hongmei MSG factory which was an 80-year-old factory in Tiexi District, Shenyang and a witness to the industrial civilization and the transformation of the city over the past century, standing apart from the modernity of the city.

### From Hongmei MSG factory to Hongmei Park

In response to the call of the Government of Tiexi District for the protection of industrial heritage, Hongmei MSG Factory will reinvent itself as Hongmei Park to retain the traditional industrial memory in the modern block. Commissioned with this task, Vanke actively explored the path of urban revitalization by focusing on cultural, creative, technology and other innovation-driven industries, to facilitate the revitalization and development of Northeastern China.

#### Strategies and propositions for the design and construction of the cultural & creative park

In the design and construction of the cultural & creative park, Vanke Northern Region proposed the strategy of "one town and two parks" and the value proposition of "paying tribute to the city with culture and empowering the future with industries". Focusing on the goal of paying tribute to the city history, Vanke preserved both the historical architecture and industrial heritage of Hongmei.

#### Tailor-made restoration plan for the cultural & creative park

According to the different ages and conditions of buildings in the factory, Vanke Northern Region analyzed their historical, artistic, and functional value, determined the principles and codes of protection and renovation, and successfully reproduced the former industrial block. Many old factory buildings were preserved to add a cultural, artistic touch to the Park.

#### Building No.1 Raw Material Storage

Before renovation



After renovation



#### Building No.2 Shenyang Palace Museum Cultural & Creative Experience Hall

Before renovation



After renovation



#### Building No.16 Fermentation Art Center

Before renovation



After renovation



### New cultural mission of Hongmei Park

On September 30, 2019, the 61,600 m<sup>2</sup> Hongmei Park was officially unveiled in Shenyang, consisted of 13 industrial buildings with distinguished features including one cultural relics building under protection and five historical buildings. In an era with new drivers replacing old ones, Hongmei Park serves as a cultural platform that boasts emerging, original forms of cultural business as well as catering, office, art, recreation and other industries in its historical buildings. It has driven the revitalization of the local cultural industry and comprehensively unleashed the innovative vitality of the industrial zone.



We have given full play to the cultural resources of Shenyang, and worked together with Shenyang Conservatory of Music, Lu Xun Academy of Fine Arts, Shenyang Palace Museum, etc. to develop patented products of Northeastern culture.

Leveraging the Group's resources, we have introduced many well-known domestic enterprises and international cultural patented products into Shenyang to turn the city into the most sought-after travel destination with international influence in Northeastern China.





## Unleashing the vitality of cities

Urban vitality is the source of sustainable urban development. Vanke respects the history of cities and recognizes the importance of urban development. In order to energize the city, Vanke has explored new urban management models while promoting the organic renewal of the old town, and cultivated professionals for community management, to improve the quality of urban environment and make cities more appealing.

## Serving the organic urban renewal

Every city has historical blocks that keep the memory of its decades-long or century-old development but their dilapidated infrastructure and messy environment have brought many safety risks and inconveniences to local residents. By “respecting the historical and cultural legacy, sustaining the urban fabric, creating harmonious coexistence of new and old buildings, and working with multiple parties for shared benefits”, the Company strives to protect and inherit the historical and cultural legacy, optimize the public environment, and realize the benign renewal of old communities from bottom up. We have improved community public areas, pedestrian systems, and adaptive facilities for seniors, injecting new vitality to the community while respecting residents’ living habits and willingness to transform. All these tiny changes have facilitated the mutual understanding and interaction between people and the city they live in and among people, and made the life easier and more enjoyable for the residents. In 2019, the Micro Urban Renewal Project of Xinhua Road Neighborhood in Shanghai, for which Vanke acted as the co-initiator and chief co-constructor, was voted among the top ten “2018 China (Shanghai) Innovative Practices in Social Governance”.

### ► Giving new life to the old-style public housing

On Lane 693, Xinhua Road Neighborhood, Changning District, Shanghai, stands a 70-year-old building known as Jinglaotun Building No.7. Its outdated facilities, stuffed stairways, poor lighting and ventilation, and messy layout wiring have made it an unsafe place for its 19 elderly dwellers. For its transformation, Vanke held open days and workshops to understand residents’ demands, and based on that, worked out the principle of “functional improvement” and “spatial integration” to transform the building into a more seniors-friendly, functional and modern living space while preserving its original architectural style.

Comments from stakeholders

"I did not even recognize this place when I came back, and I was too excited to sleep that night."

- Aunt Guan

"It becomes so bright and spacious. No need to worry about missing the step due to darkness anymore."

- Aunt Qin

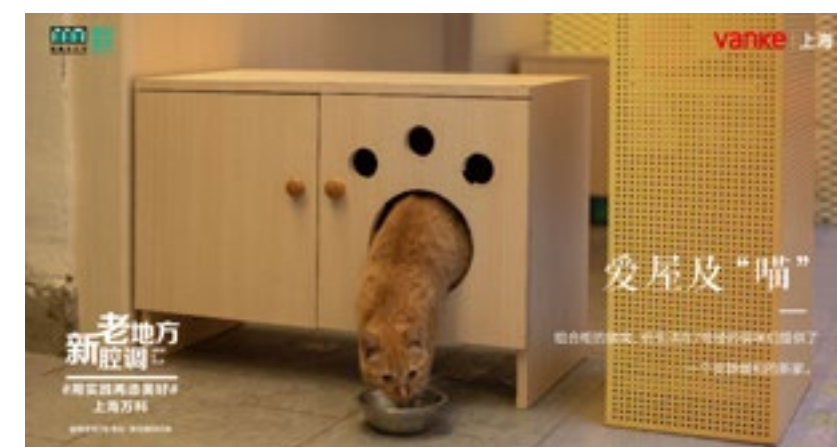


▲ We have created a rooftop garden consisting of a rest area, an activity area, a planting area and a drying area, a communal space for elderly people.



▲ We have not only added light sources on the ceiling of the stairway, but also installed light grooves in the narrow aisle, which can serve as handrails for the elderly while illuminating the space, providing convenience to those having difficulty in walking. Colored way-finding marks are painted on the ground of the aisle for the convenience of those with walking difficulty or a humpback.

► On the first floor, a pet climbing frame is specially put on one side of the aisle to provide a quiet and warm new home for stray cats adopted by the elderly.



► The messy pipelines and wires are concealed by tri-color metal mesh to make the aisle cleaner and tidier, and easier to pass through.





### ► The Child-friendly “Little Pink Alley”

Alley 222 on Panyu Road is a must visit for nearby dwellers to run daily errands. Less than 100 meters long, it is heavy with traffic. The narrow passage is bumpy and is cut into six or seven sections by corridors, flower beds and parking lots, making it difficult to get through. The designer, after soliciting residents’ suggestions on improvement and borrowing the idea of “shared passageway” from New York and other cities, proposed the concept of “walking laboratory”. The design followed the principles of “pedestrian priority” and “child friendliness”, and explored the feasibility of “shared street” and the perfect combination of historical culture and modern life. After a series of renovations, the former crowded and cluttered alley has become a shared passageway that prioritizes pedestrians and slow mobility.



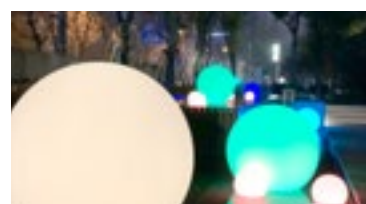
#### An unimpeded and safer shared passageway

- We have eliminated the curb height difference so that non-motor vehicles and low-speed motor vehicles can share a complete shared passageway, making traffic smoother.
- The road surface is segmented by different colors and signs, which can serve as a warning to passing drivers, further ensuring the safety of pedestrians.



#### Relaxing and recreational facilities

- We have set up benches in the spacious pedestrian area where people can relax and hold community activities.
- The messy flower stands on both sides of the pedestrian area were removed, and a child-friendly walking experiment zone was created, which was designed as a children's playground.



#### Warmer and brighter lights at night

- The newly-installed colorful lights add warmth and safety to the night view of Alley 222, Panyu Road.

### ► Bright and spacious micro-space for building neighborliness

Xinfengcun is a residential compound with more than half of its residents over 60 years old. The elderly enjoy company of and small talks with each other, but found no suitable place except for the gatehouse with a net width of less than 1.1 meters at the entrance. However, the small, cluttered room was not only uncomfortable to gather in, but also dangerous due to the exposure to passing vehicles. In order to provide a safe, open and friendly space for the residents to build neighborliness and participate in joint governance, the Company, after 6 months of design and hard work, renovated this 20 m<sup>2</sup> old gatehouse into a brand new micro-space for building neighborliness.



#### Extending the outer space

To extend the outer space of buildings, we moved the gate of the community by one meter to ensure residents staying outside of the glass gate won't run into cars going inside and out, so as to enhance safety guarantee.



#### Installing wood benches

We installed wood benches inside and outside of the space for residents to sit on and read or have a casual chat. The windowsill outside of a room can also be used as a bench. Just pull up your curtains, go outside and you can enjoy a pleasant chat.



#### Renovating garbage rooms

Renovated garbage rooms are equipped with colorful signs to provide instructions on garbage waste while adding colors and vitality to the old community.

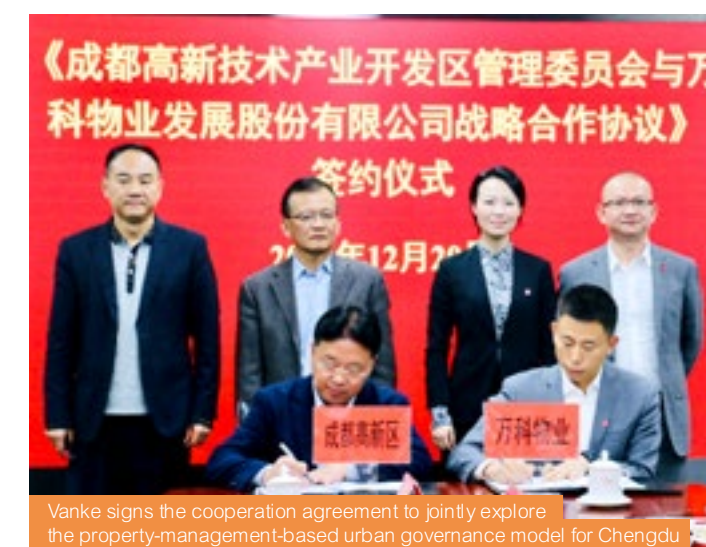
## Empowering community management

To promote sustainable urban development, Vanke has launched “urban spatial integration services” in Hengqin New Area of Zhuhai, Xiongan New Area, Baiyun District of Guangzhou and Chengdu High-tech Zone, where Vanke Service undertakes urban management services including environmental sanitation, public green space maintenance, municipal infrastructure maintenance, comprehensive community management, public resource operation and management. Through the integration of professional services, smart platform and administrative forces, we provide whole-process management, services and operation for urban public space, resources and projects, to create a new type of government-led, enterprise-run urban governance ecosystem with extensive public engagement and empower urban development.



### Case A property-management-based urban governance model in Chengdu

On December 20, 2019, Vanke and Chengdu High-tech Industrial Development Zone Management Committee signed an agreement to carry out cooperation in urban management services such as environmental sanitation, landscaping & greening, city appearance and order, maintenance of municipal roads and transportation facilities, and comprehensive urban services. The goal is to explore innovative urban management models, build modern and smart urban areas, and help Chengdu High-tech Zone achieve the “three-step” development goal, thus creating a better city life and making the city more attractive and competitive.



Vanke signs the cooperation agreement to jointly explore the property-management-based urban governance model for Chengdu



## Happy and Harmonious Communities

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

### Participating in community governance

In order to enhance residents' wellbeing and enrich their intellectual and cultural life, Vanke has organized community residents, community residents' committees, home owners' committees, community Party branches and other parties to participate in the joint construction and governance of the community for shared benefits. In addition to problem solving, we have organized colorful cultural activities, and effectively boosted neighborliness, contributing to building a happy community for all.

#### Case Xiamen Haicang Vanke Dream Town voted among the "China's Top 10 Happy Communities"

To enhance residents' benefits and wellbeing, we have explored a new model for our property management services to play a role in community governance in Zhuhai, Shenzhen, Beijing, and Xiamen based on integrated urban space management. Among them, the Property Management Service Center of Xiamen Haicang Vanke Dream Town has collaborated with the community's Party branch, community residents' committee, home owners' committee preparatory group, etc. to participate in the joint contribution and governance of the community for common interests. It organized Party secretary's tea meeting, themed Party meeting, home owners' round table meeting, and residential affairs consultation meeting to listen to residents' opinions and coordinate solutions to community governance issues. Colorful cultural activities such as trainings, lectures, celebrations of traditional festivals and the "characteristic home" campaign were also organized to create a positive, upbeat community culture. In November 2019, Xiamen Haicang Vanke Dream Town Community under Vanke Service was voted as one of "China's Top 10 Happy Communities". It speaks volume about Vanke's commitment to benefitting more customers with property management services.



The Mid-Autumn Gala at Haicang Vanke Dream Town

#### Case Marking the Please Day to promote neighborliness

In order to give back to owners, promote the harmony of the neighborhood, and deliver happiness to more customers, Vanke Service has been fostering the community culture for many years, mainly through a large-scale community charity event – the Please Day. In 2019, under the theme of "neighbors, come together", the Please Day was marked in 2,000 communities in 73 cities. A total of 2,624 colorful themed activities were held, including 718 opening ceremonies, 873 Please Bazaars, 587 waste sorting activities, 249 park parades, 218 "hundred household" banquets, 162 poverty alleviation activities, 253 closing ceremonies, and 154 sports meetings. In addition, Vanke Service has also released the *Please Convention* together with the neighborhood committee and encouraged people to sign up to it to jointly protect the happy and civilized home.



Vanke Service signs the *Please Convention* with the local neighborhood committee

### Cultivating community builders

The report to the 19th CPC National Congress calls for a social governance model featuring joint contribution and governance for shared fruits. Actively responding to the national call, Vanke Foundation has joined hands with NPI Foundation to launch the "Cultivation and Support Program for Community Builders" to bring together governments, enterprises, and the tertiary sector, and engage more residents in community management to promote the benign interaction between government regulation, social coordination and residents' autonomous governance. By applying theories to the community reality, we have set up a course system for community builders, conducted industry and action researches, and organized industry exchanges. By doing so, we have offered community builders easy access to diversified learning resources, and broken the constraints caused by the lack of local theory and practice in community development and broadened the horizon of different community builders. This program has served as a benchmark for the cultivation of domestic community builders and effectively promoted the harmonious and well-organized development of communities.



"IN-Gravitation" Green Community Carnival

#### Initially completing the construction of a community builder support system

- We established a community builder capacity model.
- We developed an online and offline course system for three types of community builders.

#### Creating a platform for project results display and industry exchange

- We established a platform for project results display and industry exchange by holding the "IN-Gravitation" Green Community Carnival.

#### Reviewing excellent community governance cases and practices

- We collected more than 70 cases from 19 cities and districts in 15 provinces and municipalities, among which 30 were selected as excellent cases.
- We compiled the *National Excellent Community Governance Case Collection* based on 8 representative community governance cases.
- We formulated the *Report on Community Empowerment and Actions in Four Cities* based on the cultivation practices conducted in 4 urban residential communities.



#### Comments from stakeholders

"Giving play to residents' initiative and allowing them to engage in community affairs with enthusiasm and rationale is the direction for future community building. The empowerment action of the Cultivation and Support Program for Community Builders offers systematic and convenient support for the capacity building of grassroots community builders, and is a fruitful exploration and attempt."

- Ma Xiheng, Director of the Party School of Shanghai Committee of CPC and Department of Sociology of Shanghai Administration Institute

"In retrospect to what we have done in the past six months, I can see the positive influence of each charity lovers on people around them based on mutual trust and interaction which was enabled by the Cultivation and Support Program of Community Builders and how that influence has empowered communities one after one."

- Ma Jie, member of the Party Working Committee of and Director of Livelihood Affairs Department of Huangbei Neighborhood, Luohu District, Shenzhen



## Building the beautiful countryside

Issues relating to agriculture, rural areas, and rural people are fundamental to China as they directly concern our country's stability and our people's wellbeing. Keeping that in mind, Vanke endeavors to improve rural infrastructure and education, raise rural awareness of environmental protection, and promote the building of beautiful countryside in all respects on the basis of cultivating rural community governance teams.

### ► Rural vitality program

The Rural Vitality Program focuses on the long-term goal of building sustainable communities. Starting from community environment, it integrates natural and cultural resources of rural communities, mobilizes and nurtures native action teams, advocates and provides community public services, as well as promotes and practices the idea of sustainable lifestyle. Thanks to these efforts, rural residents now identify with the idea of sustainable lifestyle and live accordingly and have begun to respond to the diverse needs of the community from a sustainable perspective. In 2019, on the basis of infrastructure construction, the Company, through Vanke Foundation, cooperated with Guangdong Rural Women Development Foundation Guangdong and Green City Environmental and Cultural Development Center of Zhuhai District, Guangzhou, to launch the program in Xiapu Village of Lufeng and Xiankeng Village of Heyuan successively.



Rural Vitality Program in Xiapu Village:  
working meeting of the women volunteer team



Rural Vitality Program in Xiankeng Village:  
sustainable lifestyle workshop



Rural Vitality Program in Xiapu Village:  
Durian Summer Camp



Rural Vitality Program in Xiankeng Village:  
Mid-Autumn Gala & program launching ceremony

### Comments from stakeholders

"I can see that what you are doing is truly helpful for the village and has positive influence on children. I hope there will be more programs like this."

- Lyu Liang, head of Shenzhen Vanke's Xiapu Village Poverty Alleviation Project

"The children love the summer camp. So, this year, I transferred my two children to Xiapu Primary School from Zhouzhu village."

-A villager from Xiapu Village, Jinxiang Township, Lufeng City, Guangdong Province



A large hook-arm waste container installed in rural communities for more convenient waste collection and transportation

### ► Green village program

Vanke Foundation is supporting the clean heating and community environment project at the Climate Change Promotion Center of Nangoumen Community, Ganquan County, Yan'an City, Shaanxi Province. It explores clean heating technologies, supports the development of environmentally friendly industries, and organizes teach-ins on ecological and environmental protection to raise environmental awareness and contribute to the livable and beautiful countryside. The Green Village Program was recognized as a project of UNDP GEF Small Grants Programme (UNDP/GEF SGP) for the period 2019-2021.

#### Promoting clean heating

Factoring in the reality of rural communities, we have developed a pilot program of clean heating with different pricing schemes, and started a pilot test.

#### Supporting eco-friendly industries

We have set up a community development fund and assisted in the preparation of the fund management policies and the management team to provide support for the development of eco-friendly industries in the community.

#### Enhancing environmental protection awareness

We have organized environmental teach-ins to help improve community environment and residents' environmental awareness and behavior.

### Comments from stakeholders

"The Green Village Program has greatly improved the appearance of Nangoumen Village. At the same time, by sending the village committee leaders and villager representatives out for exchange and training, it has transformed their views and values, which has effectively advanced relevant work in the village."

- Gao Wenhai, Director of Nangoumen Community,  
Ganquan County, Yan'an City, Shaanxi Province

"The technical solutions for clean heating under the Green Village Program have improved the existing energy mix of Nangoumen Village and allowed residents to use cleaner energy for heating. On the other hand, the usage of biomass fuel has offered a new idea for the utilization of crop stalks in our town, and is expected to effectively solve the problems caused by crop stalk burning."

- Li Min, Official of Shimen Township, Ganquan  
County, Yan'an City, Shaanxi Province



## Wellbeing and Growth of Employees

Competitive human resources are the core competitiveness of a company. Always following the employee partnership mechanism based on the principles of “consensus, co-creation, joint undertaking and sharing”, the Company has nurtured employees with a transparent and healthy culture, provided a stage and platform for them to show their talent and realize their dreams, and encouraged employees to progress with the Company, so as to create and share a better life and value together.

### Optimize employee structure

We continue to optimize employee structure in terms of gender, age, function, region, etc., to promote more effective cooperation between employees, and sound and sustainable corporate development. In 2019, there were 131,505 on our payroll.



### Employee rights and interests

Employees are a company's most valuable asset. We strictly abide by various laws and regulations and employment policies, uphold fair, just and open employment, and fully protect employees' legitimate rights and interests. What's more, we strive to create a positive, excellent and healthy employment platform and a diverse and inclusive working environment where employees can give full play to their talent.



### Fair employment

We strictly abide by the *Company Law*, the *Labor Law* and other Chinese laws and regulations as well as world-recognized conventions, such as labor standards of the *International Labour Organization*. In recruitment and employment, we treat all employees as equals and oppose discriminated treatment based on gender, age, ethnicity or religion. While providing every employee with fair employment and development opportunities, we continue to diversify our employee structure and improve workplace inclusiveness. In 2019, the Company's labor contract signing rate was 100%, and there was no discrimination, child labor or forced labor in all employment links.

**40.07 %**

Proportion of female employees at middle management level or higher

### Remuneration and benefits

In order to attract and retain talents, we have formulated the remuneration and benefit system in accordance with national laws and regulations and our *Employee Handbook* and the principles of “market- and post-based salary, pay raise for excellence and pay secrecy” and advocate equal pay for equal work. Meanwhile, we continue to improve the salary growth mechanism, diversify the types of benefits and provide employees with competitive salary and perks in the industry, to incentivize them and enhance their sense of gain and happiness.

**100 %**

Social insurance coverage rate

**6.5 days**

Average paid leave per employee

<b>Statutory benefits</b>	<ul style="list-style-type: none"> <li>● Statutory pension insurance, medical insurance, unemployment insurance, work injury insurance, maternity insurance, and housing provident fund.</li> <li>● Statutory holidays, marriage and funeral leaves, maternity leave, breastfeeding leave, etc.</li> <li>● High-temperature allowance, only-child allowance, heat protection subsidy, etc.</li> </ul>
<b>Extra benefits</b>	<ul style="list-style-type: none"> <li>● We purchase commercial insurance against serious illness and accidental injuries for all employees, and offer voluntary discounted commercial medical insurance for their family members.</li> <li>● Extra paid leave and wedding and funeral gifts.</li> </ul>



Occupational health and safety

Employee health and safety is the top priority in our business management. We strictly abide by the *Work Safety Law of the People's Republic of China* and other governing laws and regulations, and the safety and hygiene management requirement of OHSAS 18000 Occupational Health and Safety Management Certification. Accordingly we continue to improve corporate policies concerning occupational health and safety management, carry out daily supervision and inspection, foster a culture that prioritizes safety and health, and raise employees' safety and health awareness, so that they can live a healthy life and work happily.

Workplace safety

In order to ensure workplace safety, the Company has formulated the *Work Safety Accountability System*, *Safety Education and Training Management System*, *Safety Inspection Operation Guidance*, *Safety Supervision and Management Operation Guidance* and other policies to strictly regulate workplace behaviors. Targeting at the status of production and operation sites and facilities and health hazards in all workplaces, we have established a strict management mechanism, and conducted regular and fixed-point inspections and safety supervision to identify and eliminate potential safety hazards. We have established an internal safety indicator evaluation mechanism that regularly monitors and evaluates the Company's safety performance. In addition, we continue to increase the investment in labor protection supplies and provide employees with first aid kits, such as AED, and other health and safety equipment and facilities. We actively build a corporate culture prioritizing health and safety, and organize first-aid training and other occupational health and safety training to improve employees' safety awareness and emergency rescue ability, to build a healthy and safe workplace for employees.



AED first aid training



Safety training

Construction safety

Guided by the principle of "protecting the life of workers at Vanke's construction sites", we have formulated *Vanke Group's Traffic Light Mechanism for Work Safety of Projects under Construction*, *Vanke Group's Traffic Light Mechanism for Work Safety of Projects under Construction*, *Vanke Group's Bottom-line Inspection Standards for the Safety and Quality of Projects under Construction*, *Vanke Group's Work Safety and Quality Incident Management Regulation*, and other management policies, and carried out full-cycle safety management. Accordingly, we strictly conduct safety review, trainings, and control of suppliers, and strengthen work safety publicity and education among workers, to effectively ensure the safety of workers and projects.

Implementing full-cycle safety management of projects

- We carry out full-cycle safety management covering geotechnical investigation, working-drawing design, tendering & bidding, construction preparation, and construction, and clarify the responsibilities and obligations of project personnel, supervisors, EPC contractors and other stakeholders.

Supervising the safety management of partners

- We check bidders' safety qualifications in the pre-bidding stage.
- We require bidders to formulate and submit on-site safety and environmental protection management measures, goals and various work safety rules and regulations in line with project characteristics.
- During the construction stage, we ask the EPC contractors to refine and specify the on-site safety and environmental protection management measures, make them the basis for on-site management after reviewed and approved by the supervision unit and the project manager department, and carry out regular selfinspection and rectification.

Enhancing construction safety capability

- We organize regular mandatory special trainings on project safety management every year for all engineering managers of regional quality departments, personnel from the engineering department of front-line companies, project leaders and responsible engineers.
- We organize the work safety examination according to safety management regulations and project safety requirements and demand all staff of the engineering management department and project manager's department of front-line companies, project personnel from partner companies, and project management personnel to take and pass the exam.
- We manage workers via contractors, conduct physical examination on all workers, and select workers for high-risk positions based on strict standards.

Improving safety evaluation

- We continuously update and apply safety management tools such as the *Safety Rating Scale* and the *Traffic Light Mechanism Checklist* to encourage the implementation of work safety measures.
- We conduct safety evaluation of all projects every quarter and full-coverage inspection of major risk points and the implementation of safety management in the construction process, and hire professional third-party organizations to conduct science-based assessment of different risk points at stages of construction and delivery, and urge rectifications of any risk identified.



On-site first aid training





A VR construction safety training hall

**Case** Building a five-in-one safety management model to consolidate the foundation for safety management

Shenzhen Bay Huiyun Center is the first complex development project at Shenzhen Bay Super Headquarters Base. It is, a large-scale urban complex superstructure above a metro station, offering such services as business office, commercial activities, hotels and serviced apartments. Based on the characteristics of the project, we have created a five-in-one integrated safety management model featuring one goal, two foundations, three systems, four methods, and five improvements. We have adopted comprehensive measures to standardize all safety protection practices, visualize the management of all large-scale equipment, investigate and eliminate all hidden hazards, and organized safety education for all employees, so as to improve all-round safety management and ensure the safety of construction sites.

One goal	<ul style="list-style-type: none"><li>To build a project for nationwide promotion and exchange and a standardized construction site for work safety</li></ul>
Two foundations	<ul style="list-style-type: none"><li>Concept: putting people's life and safe operation above all</li><li>Guideline: safety first, prevention foremost, and comprehensive governance</li></ul>
Three systems	<ul style="list-style-type: none"><li>Safety decision-making system</li><li>Safety guarantee system</li><li>Safety supervision system</li></ul>
Four methods	<ul style="list-style-type: none"><li>IT-enabled safety management</li><li>Standardized safety protection</li><li>People-centered safety management</li><li>Visualized safety management</li></ul>
Five improvements	<ul style="list-style-type: none"><li>Two checklists</li><li>Structured education and training</li><li>Pre-and post-training activities</li><li>Safety Star</li><li>Safety management APP</li></ul>

Employee physical examination and testing

We care about employees' health and provide free physical examination for all contract employees every year. Vanke is the first company to link employees' health to the bonus of the management. We hire professional third-party institutions to perform annual physical tests for employees. If employees' physical performance and health status (i.e. the body mass index, BMI) deteriorates or falls below the standard, the management will lose part of the bonus.

Physical examination coverage rate: **100%**

Physical test coverage rate: **97.91%**

Proportion of employees who did well in physical test: **94.71%**

Fitness and exercise

We continue to enrich the Company's health culture, and form sports associations/clubs, provide free gyms, decorate sports culture walls at the staircase, and organize various health lectures, to encourage employees to participate in all kinds of sports activities, build up physique, enrich their spare life and lead a healthy life.

As of the end of 2019, the Company had established **20** sports associations and clubs, including **14** of them are at the Headquarters. The Headquarters had organized **591** events involving **8,155** participants.





Democratic communication

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

The Forefront Voice Program sent a total of **396** invitation letters, receiving **234** responses with a total Chinese characters around **350,000**



Employee development

Knowing that employees are Vanke's most valuable asset, we continue to increase our investment in talent training and management. Upholding the philosophy of "highly consistent cultural inheritance and diversified talent cultivation", we have built the "Joyful Learning" platform and BG/BU-based distributed academies represented by the Strivers University at the Headquarters, Pujiang Academy, and School of Property Knowledge, to create learning and development opportunities for each and every striver.

Joyful Learning: A mobile knowledge sharing platform

Through constant optimization and iteration, the mobile "Joyful Learning" platform has been giving full play to its functions of accumulating and passing down organizational wisdom, and continuing to provide users with high-quality learning resources. As of the end of 2019, the "Joyful Learning" platform has had over 100,000 users and launched more than 90 video courses. In cooperation with Qingxuetang of Ximalaya FM, it had introduced more than 100 high-quality general courses, each attracting over 2,000 valid learners on average. In 2019, the Headquarters initiated the "Rookie Experience Tour" on the "Joyful Learning" mobile platform to provide orientation guidance and support for nearly 7,000 new recruits within the Group.

Headquarters' training system

Based on the Group's vision, the Company has established the Strivers University and regularly organizes programs such as the Mount Qomolangma Action, Vanke Lecture Hall, Vanke Open Course, and Discover Vanke, to continuously improve employees' professional skills and expand their vision and ways of thinking.



Mount Qomolangma Action

It is a leadership development project of the Headquarters. In 2019, a total of 85 trainees graduated from Class 1, 2, and 3.

Discover Vanke (orientation training)

The program is designed to help new recruits to get to know the corporate culture and values, strategic plan, career redline, etc., find their career goals, and stick to their career choice. In 2019, we organized 8 orientations for 1,211 new employees.

Vanke Lecture Hall

It is a platform to popularize corporate culture and broaden employees' horizon. In 2019, it organized 7 lectures involving more than 100,000 participants, including both online and offline.

Professional Capacity Building

It is a program aimed at empowering our internal trainers. In 2019, three courses gained certification, covering 60 employee trainers. At the same time, we organized Vanke Open Course for more than 200 participants, under such themes as innovation and thinking.

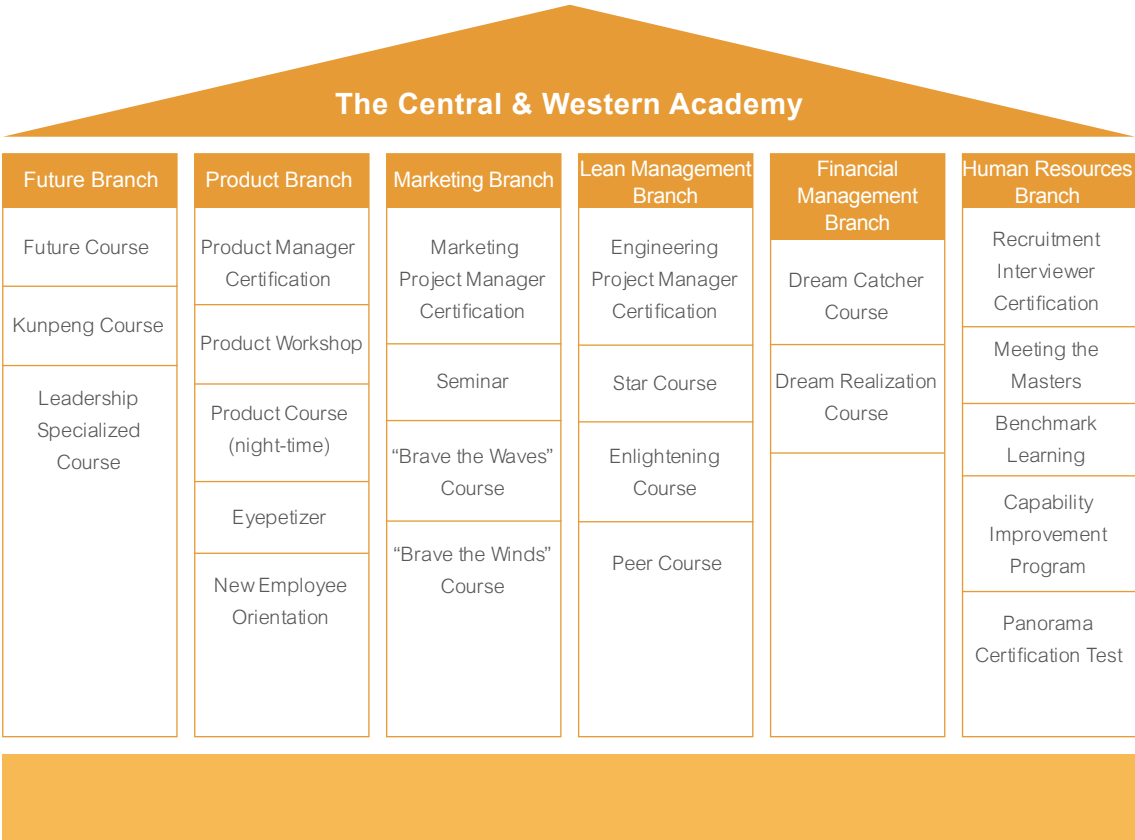


Distributed training system

Our distributed training system includes Jiayi Academy in the Northern Region, Pujang Academy in Shanghai, the Zhongxi Academy in the Central and Western Regions, Sixing Academy in the Southern Region, School of Property Knowledge, SCPG IN-Academy, etc. Our talent cultivation is based on the business partner system and is distributed to address the needs of different BGs/BUs, to jointly discover and cultivate like-minded strivers who share our pursuit.

Improving the overall training system of academies

Take the Zhongxi Academy as an example. In 2019, focusing on basic capacity building while further improving the overall training system of the Academy, Vanke organized certificated trainings for engineering project managers, marketing project managers, product managers, and HR interviewers. The Company also established a Human Resources School as a branch of the Academy to consolidate the fundamentals and strengthen the capacity building of human resources.



18.7 hours

Average training period per employee of property service

27.2 hours

Average training period per employee of other BGs/BUs

Technical skills training and certification

We make continuous efforts to strictly ensure the competency of personnel in key positions, consolidate the professional capabilities of our organizations, guard against post-related risks, and ensure sound operation of the Company. We have organized a series of certification trainings for engineering, design and marketing professionals to consolidate their professional capabilities.

Take Shanghai Regional BG and Property Service BG as an example:

Shanghai Regional BG

- In 2019, it completed over ten VCPM training sessions for engineers, with more than 600 employees certificated.
- It completed four ACD training sessions for designers, with over 170 employees certificated.
- It organized five training sessions for marketing professionals, with over 150 employees certificated.

Property Service BG

- In 2019, it trained and certified nearly 5,000 general management stewards at various levels, including certifying 65 expert stewards, 1,035 senior stewards and 3,162 reserved stewards.

Employee care

To meet the needs of employees, we provide employees with user-friendly office facilities, organize a variety of cultural and sports activities, and create a relaxing and comfortable working environment. We make particular efforts to support female employees, retired employees, and employees in need, and are committed to making every employee feel the warmth and care of Vanke family.

**Work-life balance:** We introduce walking pads into the office to meet the diverse office needs of employees, and organize cultural and entertainment activities such as badminton games to enrich employees' spare time.

**Relief support:** The Vanke Fraternal Society is established under the principle of "keeping an eye out for each other, all for one, one for all, and enhancing Vanke employees' capabilities in resisting catastrophic incidents through teamwork". It provides consolation and material support for employees hit by misfortune. Since its inception, Vanke Fraternal Society has donated RMB 16.97 million to 256 members, including RMB 6.01 million to 68 employees in 2019.

**Caring for female employees:** We provide maternity leave and breastfeeding leave for female employees during pregnancy and lactation and open priority channels for pregnant women in the cafeteria. Every year, on the International Women's Day, we prepare flowers and gifts for female employees. We also organize activities such as yoga and ballet for female employees to enhance their wellbeing and sense of belonging.

**Caring for retired employees:** We send greetings or pay visits to retired employees on holidays, organize regular seminars and continue to hold cultural and sports activities for retirees, to show our care and enrich their retirement life.

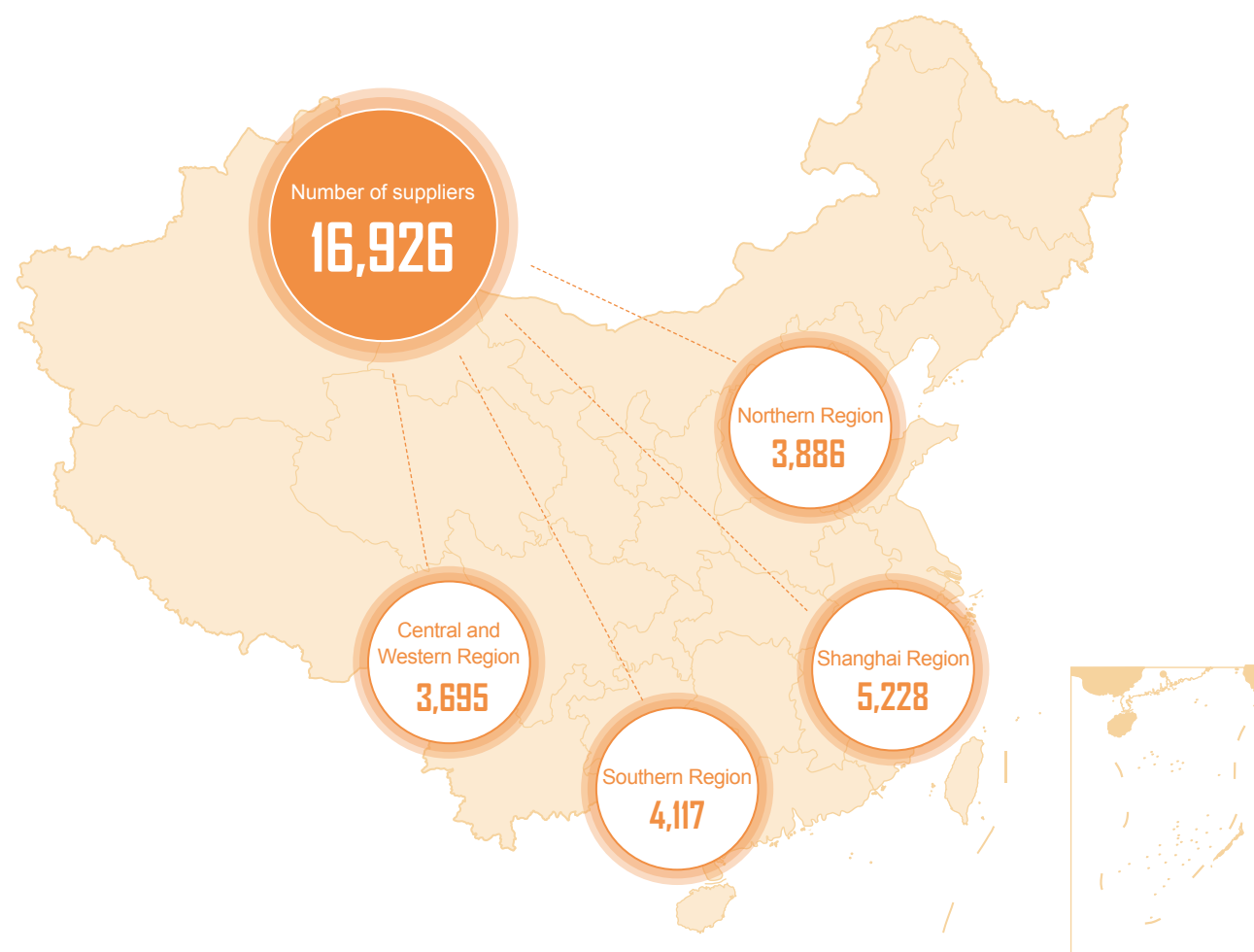


## Win-win Partnership

The Company works with excellent companies across sectors to build a platform for a community of common interests based on consultation and joint contribution, and uses it as the best way to build unity, gather strength and integrate resources, so as to achieve mutual benefits and jointly meet people's demand for a better life.

### Responsible supply chains

We strictly abide by national and industry-wide supplier management measures, such as the *Regulation on Strengthening the Safety Control at Construction Sites of Dangerous and Major Projects* issued by the Ministry of Housing and Urban-Rural Development, and have developed our internal policies such as *Supplier Management Measures*, *Sky-Net Action Management Measures*, and *Sunshine Cooperation Agreement*. By clarifying the full lifecycle management process of supplier selection, evaluation and exit, we strive to effectively identify risks, and reduce potential environmental, social and safety hazards, improve Vanke and our suppliers' product quality and service capabilities and establish a standardized, fair and unified supplier management system.



### Supplier management

We have formulated and continuously improve supplier management measures, and carry out full lifecycle supplier management covering supplier selection, evaluation, and exit, to help suppliers grow and achieve common development.

#### Supplier selection

We establish a pool of qualified suppliers, regularly review and analyze suppliers' overall credit strength, operation status and other aspects, conduct on-site review of excellent suppliers against the evaluation indicators, and select those that pass the comprehensive evaluation and certification process.

#### Supplier evaluation

We build an evaluation system based on quality, underground, safety, delivery and other indicators, and complete evaluation, annual rating and stratified management of suppliers for civil engineering EPC, decoration general contracting, landscaping & greening, engineering supervision, material and equipment procurement, exterior wall coating, fire protection engineering, heating, interior and exterior wall insulation, air conditioning installation, distribution box factories, third-party elevator maintenance, steel structure engineering, curtain wall engineering and electromechanical engineering. In 2019, we assessed 1,563 suppliers, and rated 250 of them as Class-A suppliers.

#### Supplier risk management

We assess and identify the environmental and social risks in supplier management, publish a list of high-risk suppliers, interview high-risk key resources, review the quarterly assessment & improvement plan submitted by suppliers, and follow the performance improvement of key resources. In 2019, we exposed and handled 68 middle- and high-risk Class-B orders identified in the Sky-Net Action.

#### Supplier exit mechanism (the "red & yellow cards" system)

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 such as safety incidents, shoddy work and inferior material, frauds, concrete risks, etc., and such behaviors will be notified across the board in a real-time manner. In 2019, Vanke blacklisted 19 suppliers.

#### Supplier communication and training

We provide a communication platform for partners. The 2019 Partner Spring Tea Party attracted 700 participants from 294 suppliers. We also completed 17 sessions of training for new bid winners, designated brands, upstream material manufacturers and other material and equipment suppliers.

## Contractor management

We constantly improve contractor management, standardize the safety management of contractors, strengthen labor rights protection, and enhance contractors' CSR awareness and ability, so that they will show respect and awe for life throughout the construction process and make construction as safe as possible.

- We issued the *A2 Version of Management Regulations for "Non-Accidental Safety Deaths" of Vanke Projects under Construction*, clarifying punishments for contractors in case of safety incidents.

- We continue to improve the management procedures and standards for safe construction and pay for the safety protection and civilized construction measures in accordance with relevant national regulations.

- Employees must receive three levels of safety education, learn Vanke's workers training courses and pass examinations before taking on the post.

- We organized safety examinations for construction units in 9 batches, covering all our contractors.

- Workers in special posts must hold the required work permits.

- We launched Vanke's Work Safety Day.

- We carried out project safety evaluation covering all projects under construction.

#### Standardized safety management

#### Labor rights protection

- We strictly abide by national laws and regulations, require EPC contractors to implement a wage security system for contract workers, and provide social insurance to employees in accordance with the law.

- We set up an emergency response mechanism to coordinate and handle payroll disputes as soon as possible.

- We provide accident insurance for workers in high-risk positions.

- We forbid child labor in any construction unit or partner and protect the rights and interests of minors and female workers.

- We require EPC contractors to provide regular safety and health trainings to employees and each new recruit must receive body check before reporting to work at the construction site.

- The employer must document the safety status of workers.



## VVUPUP development

The VVUPUP e-commerce platform is an online supply chain service company jointly launched by Vanke, Cura Investment and Zhongtian Holdings Group in 2017. Based on Vanke's more than 30 years of experience in fields such as product development, quality control and supply chain management, VVUPUP closely follows the latest development trend of the supply chain, focuses on collaboration among suppliers, and explores the formation of new ecosystems in the industrial chain to realize scale effect and complementarity among partners, and enhance the competitiveness of the supply chain.

By the end of 2019, VVUPUP had attracted **2,331** registered suppliers, with **264,411** SKUs (stock keeping units) in **1,685** product categories.

### Promoting the development of procurement industry

We continued to promote joint tendering, organized factory visits and supplier technical roadshows, and solicited advice on product category and standard to improve the industrial procurement standard.

We established the AUPUP College and shared procurement practice, technological innovation of tendering and other expertise with peers to optimize the industrial tendering procurement system.

### Improving the transparency and justice of tenders

We used the tendering robots to realize the transparency of joint tendering, adopted the AI algorithm to screen suppliers, and replaced the traditional human-decision making tender evaluation system to improve the transparency, justice and equality of tenders.

### Case 2019 VVUPUP Consortium Purchasing Conference held in Beijing

The 2019 VVUPUP Consortium Purchasing Conference attracted over 850 participants representing more than 100 well-known buyers including Vanke, more than 170 bid winners in the first half of 2019, as well as industry experts, ecological partners, association partners, and mainstream media. The conference showed the consortium purchasing results in the first half of 2019 and discussed hot topics in the industry such as how consortium purchasing had brought about new ecosystems in the real estate supply chain and how it can provide better supply chain solutions to promote the development of the industry.



Group Purchasing Summit Forum

## Win-win cooperation

We work with partners to continuously explore new ways of cooperation, promote stakeholders to share resources and complement each other's advantages, and provide solutions for social development, so as to jointly create a better future.

### Case The Vanke Future City Lab in partnership with Microsoft

On August 30, at the 2019 World Artificial Intelligence Conference, Vanke and its strategic partner Microsoft jointly initiated the Vanke Future City Lab. Vanke and Microsoft will both provide resources and bring in ecological partners to develop industry standards suitable for the Chinese market and relevant to future cities, and smart solutions for future cities applicable to various spaces. The research covers smart homes, smart buildings, future cities and smart logistics. The lab will bridge cloud computing, big data, Internet of Things, artificial intelligence technology with urban and rural development and life services. It will share its standards and solutions to promote more companies to join in the construction of China's future cities.



The unveiling ceremony of Vanke Future City Lab

### Case Cooperating with Bank of China to advance the development of winter sports

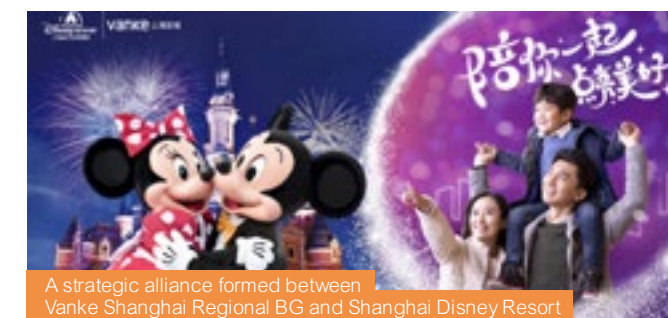
On April 18, Vanke Group and the Bank of China signed the *Strategic Cooperation Agreement for Winter Sports Development* in Beijing, a partnership to put the development vision of "ice and snow are also invaluable assets" into practice. Vanke, with its technological prowess, cooperation resources and practical experience in the winter sports industry, and the Bank of China, with its advantages in global integrated financial services, will jointly develop the winter sports industry and build an integrated service system featuring offline winter sports businesses and special financial services, a useful attempt for achieving the goal of "engaging at least three hundred million people in winter sports".



Vanke Group and Bank of China sign the Strategic Cooperation Agreement for Winter Sports Development in Beijing

### Case A strategic alliance formed between Vanke Shanghai Regional BG and Shanghai Disney Resort

On January 10, 2020, Vanke Shanghai Regional BG and Shanghai Disney Resort announced to form a strategic alliance to provide customers with better products and service experience. The alliance will produce multiplier effects for the two brands. Shanghai Disney Resort will provide support for many "Community Carnivals" of Vanke Shanghai Regional BG, bringing more diversified and richer life scenarios and living experiences for owners and introducing the magical experience of Disney to more Chinese families.



A strategic alliance formed between Vanke Shanghai Regional BG and Shanghai Disney Resort





## Commitment to Charity

### Fitness-for-all program

“Run to better life”, Vanke always has the sports DNA and advocates healthy lifestyles. Over the years, we have been committed to promoting the idea of fitness-for-all and healthy lifestyle across the society and have attracted more and more companies, families and students to contribute to the realization of a “healthy China”, inspiring them to light up their dreams and lead remarkable lives with a healthy body.

### Run for fun races

In 2013, we initiated the Urban Run for Fun Race, a fitness-for-all program that emphasizes more on “fun” than on “race”. The purpose is to draw more companies’ attention to employee health and to promote healthy work style and lifestyle. In order to attract more participants, we have developed four categories for Run Races, including 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. The Run for Fun Races have become the most deeply-engaged, most influential and most widely-covered fitness-for-all brands in China. The slogan “Run for health, happiness and friendship” is heard across cities, neighborhoods, and universities.

We held **80** Run for Fun activities in **46** major cities, including **46** Urban Run for Fun races, **33** Community Run for Fun races, and **1** New Year Marathon, urban run for fun with a total running distance of approximately **690,460** kilometers.

The Run for Fun activities involved **179,046** participants from **4,894** companies and public institutions, **22,698** families, and **1,653** residential compounds and made a donation of RMB **1.2892** million.

### Urban Run for Fun

The Urban Run for Fun is a five-kilometer running activity for urban worker since 2013. It is a non-commercial and non-competitive fitness-for-all activity mainly open to enterprises and public institutions. It is Vanke’s hope that through running, we can feel the beauty of the city and the employers will pay more attention to the health of employees. It’s approved and guided by the Public Sports Department of the General Administration of Sports of China, and has become one of the key projects supported by China’s national fitness strategy.

### Community Run for Fun

The Community Run for Fun aims to “build good neighborly relations and support families with autism patients through happy and healthy running”. In 2019, the Community Run for Fun activities were held in 33 cities and raised a donation of RMB 1.2892 million for autistic children, bringing love and care to them and their families. In 2019, we also organized online Community Run for Fun activities, covering 78 cities with 80,788 participants. The total running distance reached 10.6854 million kilometers.







### New Year Marathon

On January 1, 2020, the seventh Shenzhen Dapeng New Year Marathon was held in Dapeng Peninsula, the “back garden” of Shenzhen. Five thousand domestic and foreign marathon enthusiasts completed the 42.195-kilometer marathon in the first ray of the New Year. The Vanke New Year Marathon has always been “runner-centered”. There is no financial reward, and it is not a competition. Instead, it advocates running for health, happiness and friendship. In order to create a top-level high-quality event in China, Vanke continues to improve runner experience and domestic marathon services, so that runners can focus on the fun of running. The event was highly praised by the participants.

### Developing and promoting rowing sport

Rowing is an elegant international water sport that is pollution-free and requires team spirit. We have been actively promoting rowing as a popular sport in Asia and combined the rowing spirit with public welfare activities to contribute to sustainable social development.

By the end of 2019, we had 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 2019, Vanke continued to cooperate with government platforms and sports brands to promote rowing by organizing competitions, including the Huangpu Silk Road Regatta of World Leading Universities and Vanke Cup Zhengzhou Longzi Lake Rowing Challenge, to increase the popularity of rowing and the influence of China’s rowing teams.

What’s more, Vanke helped Yangzhou Deep Dive Grand Canal Center, the largest and fully functional private rowing base in Asia to date, to grow into a world-renowned water sports center. In 2019, the center hosted a total of 89 events, attracting 9,535 participants of all ages from around the world.

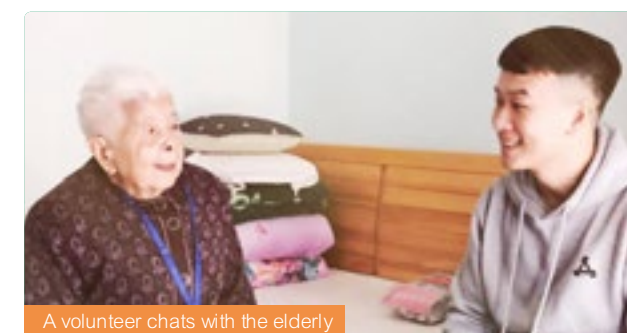
### Volunteer services

We establish volunteer service organizations, improve volunteer service mechanisms, and encourage employees to be volunteers. Our volunteers are active in areas such as poverty alleviation, disability assistance, elderly care, rural education, and environmental protection, sending warmth and care to those in need.

In 2019, we launched a total of **51** volunteer activities, involving **480** employees, each with an average service period of **7** hours.

#### Case Sending New Year greetings to Yuanquan Shanzhuang Nursing Home

In January 2020, 20 volunteers from Xiamen Port Apartment and their family members visited the Yuanquan Villa Nursing Home next to Port Apartment Huandao Villa to send New Year greetings to elderly residents. The volunteers prepared warm blankets and New Year greeting cards for every elderly resident and chatted with them cordially, spending a warm, loving time there.



A volunteer chats with the elderly



ESG Index

Environmental			
Aspect	Indicator Number	Indicator Content	Report Page
A1 Emissions	General Disclosure	relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	P69-P80
	A1.1	The types of emissions and respective emissions data.	P85-P86
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P85-P86
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P85-P86
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P85-P86
	A1.5	Description of emission target(s) set and steps taken to achieve them.	—
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	P71-P78
A2 Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	P69-P70
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in ‘ 000s) and intensity (e.g. per unit of production volume, per facility).	P85-P86
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P85-P86
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	P69
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	P70
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable
A3 The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer’ s significant impact on the environment and natural resources.	P63-P68/P81-P84
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P63-P68/P81-P84
A4 Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	P79-P80
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	P79-P80

Social			
Aspect	Indicator Number	Indicator Content	Report Page
B1 Employment	General Disclosure	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer, relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	P105-P106
	B1.1	Total workforce by gender, employment type, age group and geographical region.	P105
	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	P107-P110
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P107
	B2.2	Lost days due to work injury.	P107
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	P107-P110
B3 Development and Training	General Disclosure	Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	P112-P114
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P112-P114
	B3.2	The average training hours completed per employee by gender and employee category.	P112-P114
B4 Labour Standards	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.	P106
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	P106
	B4.2	Description of steps taken to eliminate such practices when discovered.	P105
	General Disclosure	Policies on managing environmental and social risks of the supply chain.	P115-P117
B5 Supply Chain Management	B5.1	Number of suppliers by geographical region.	P115
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	P115-P117
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P115-P117
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P66
	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, labelling and privacy matters relating to products and services provided and methods of redress.	P36-P38/P55-P56
B6 Product Responsibility	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
	B6.2	Number of products and service related complaints received and how they are dealt with.	P53-P54
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	P35
	B6.4	Description of quality assurance process and recall procedures.	P37
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	P35/P53-P54
B7 Anti-corruption	General Disclosure	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer, relating to bribery, extortion, fraud and money laundering.	P35
	B7.1	Description of consumer data protection and privacy policies, how they are implemented and monitored.	P35
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	P35
	B7.3	Description of anti-corruption training provided to directors and staff.	P35
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 take into consideration the communities’ interests.	P87-P104/P119-P122
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P7-P24/P87-P104 /P119-P122
	B8.2	Resources contributed (e.g. money or time) to the focus area.	P7-P24/P87-P104 /P119-P122



# Awards

Number	Award	Issued by
1	254th on the Fortune Global 500 list	Fortune
2	The third CAIJING Evergreen Sustainable Development Contribution Award	CAIJING Magazine
3	2019 Green Ranking Top 50 Real Estate Enterprise in China	The Investment Association of China, Standard Ranking, and CAIJING Magazine
4	New Fortune Best Listed Company	New Fortune
5	Golden Bull Award of Most Valuable Investment 2018	China Securities Journal
6	2019 "Golden Quality" Poll of Listed Companies - Leading Enterprise Award	Shanghai Securities News
7	2019 "Golden Quality" Poll of Listed Companies - Corporate Governance Award	Shanghai Securities News
8	Golden Horse Award - the Most Socially Responsible King of Dividend	Securities Daily
9	"Pretty 100" List of Companies with Potential in the A-share Market of the Second "Golden Wing Award" voted by Chinese securities analysts	CAIJING Magazine
10	Best Real Estate Company Listed in the A-share Market	Asiamoney
11	Listed Company with Outstanding Investor Return	JRJC
12	Charity Contribution Award of Chinese Listed Companies in 2019	JRJC
13	TOP 100 Hong Kong Listed Companies by Comprehensive Strength	Finet.HK
14	2019 Company of Excellence of Golden Brick Award for the Real Estate Industry of China	21st Century Economic Report
15	Outstanding Company of the Year, Ranking of Best Corporate Citizens of China in 2019	21st Century Economic Report
16	Valuable Real Estate Company of the Year 2019	National Business Daily
17	Most Responsible Listed Company on the 2019 Reputation List of Chinese Listed Companies	National Business Daily
18	Ranked 40th among the Most Appreciated Chinese Companies in 2019	FORTUNEChina.com
19	Most Respected Enterprise in 2019	The Economic Observer
20	Leading Real Estate Enterprise of China Real Estate Golden Ring Award in 2019	Chinatimes.net.cn
21	CSR Model Award of 2019 China Corporate Social Responsibility Ranking	CBN Daily
22	Honorary Certificate in 2018 RKS CSR Report Rating of A-share Listed Companies	rankins csr ratings
23	certificate of excellence	Hong Kong Investor Relations Association
24	TOP 30 Most Influential Chinese Real Estate Enterprises in 2019	guandian.cn
25	TOP 30 Most Valuable Investments among Real Estate Enterprises in 2019	guandian.cn
26	TOP 2 Chinese Real Estate Enterprises by Comprehensive Strength in 2019	EH Consulting
27	Pioneer Award for Poverty Alleviation in 2019	Times Media
28	TOP 10 Most Financially Healthy Listed Real Estate Enterprises in 2019	Hexun.com
29	TOP 10 Shenzhen Listed Companies in Board Governance in 2019	Shenzhen Research Association of Corporate Governance

# Feedback

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

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**tousu@vanke.com**

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

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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 visit:

**www.vankefoundation.org**

For comments on business reporting, please contact:

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For more information about the CSR report, please visit:

**http://www.vanke.com/citizenship.aspx**





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