



深圳控股有限公司
SHENZHEN INVESTMENT LIMITED

Stock Code: 00604

ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT

2023



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About This Report

This report is the ninth environmental, social and governance report issued by Shenzhen Investment Limited (hereinafter referred to as “Shenzhen Investment” or the “Group” or “we” or “us”), which was prepared in accordance with the “Environmental, Social and Governance Reporting Guide” (the “ESG Reporting Guide”) which is set out in Appendix C2 to the Listing Rules (the “Listing Rules”) of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) while highlighting our own corporate and industry characteristics.

In the preparation of this report, Shenzhen Investment has conducted comprehensive communication with our stakeholders through an independent consultant, and determined the contents after having fully considered the opinions of relevant stakeholders, and in accordance with the four key principles, namely materiality, quantitative, balance and consistency, as required by the Stock Exchange. The Group will continue to strengthen its collection of information for reporting to enhance our performance and disclosure relating to our sustainable development.

Scope and Boundary

This report summarizes the Group’s efforts and achievements in corporate social responsibility and sustainable development for the period from 1 January 2023 to 31 December 2023, covering a wide range of areas including “Governance Responsibility, Sustainable Management”, “Customer Responsibility, Quality Forever”, “Environmental Responsibility, Green Forever”, “Employee Responsibility, Talents Forever” and “Social Responsibility, Warming Society Forever”. The organizational scope of the report covers the Group’s headquarters and a number of key subsidiaries.

Term Description

To facilitate presentation, “Shenzhen Investment”, the “Group”, “we” or “us” mentioned in this report all refer to “Shenzhen Investment and its subsidiaries” as a whole.

Name of subsidiaries

Shum Yip Pengji (Holdings) Co., Ltd.
Shum Yip Southern Land (Holdings) Co., Ltd.
Shum Yip Terra (Holdings) Co., Ltd.
Shum Yip Land Company Limited
Shum Yip East China Property Development Co., Ltd.
Shum Yip Taifu Logistic Group Holding Co., Ltd.
Shenzhen Nongke Holdings Company Limited
Shum Yip Property Operations Group Co., Ltd.
Shum Yip Commercial Management Co., Ltd.

Short name

Pengji Company
Southern Company
Terra Company
Land Company
East China Company
Taifu Company
Nongke Company
Shum Yip Operations
Commercial Management Company

Source of Information

The information and cases set out herein were mainly derived from the statistical reports and related documents of the Group. Unless otherwise specified, the currency referred in this report is Renminbi.

Access and Feedback to this Report

The electronic version of this report is available on the official website of the Company.

If you have any questions or feedback about this report and its contents, please feel free to contact us at:

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Company Profile

Shenzhen Investment Limited has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 1997, and its controlling shareholder Shum Yip Group is an integrated conglomerate directly managed by State-owned Assets Supervision and Administration Commission of Shenzhen Municipal. The Group, positioned as an “Innovative Constructor of Industrial Cities, Wealthy Livelihood Operator”, focuses on property development, property investment and comprehensive urban operation services, and also gets involved in innovative businesses such as high-tech agriculture and high-end manufacturing, endeavoring to transform and upgrade into a technology-based industry group focusing on the development of urban complex and investment in technology industry.



The Group currently holds approximately

1.80 million square meters of high-quality inventory properties

It has a land reserve of approximately

6.74 million square meters

The Group is deeply rooted in Shenzhen, focusing on the Guangdong-Hong Kong-Macau Greater Bay Area, as well as high-powered cities in the Yangtze River Delta region and key provincial capitals. As at 31 December 2023, Shenzhen Investment had a total land reserve of approximately 6.74 million square meters in various cities in the People’s Republic of China (PRC), of which 66% was in the Guangdong-Hong Kong-Macau Greater Bay Area, 14% was in the Yangtze River Delta region and 19% was in tier 2 provincial capitals. The Company is committed to optimizing the structure of its land reserve and focusing its assets and business on high-powered cities in the Greater Bay Area and key regions. The Group currently holds approximately 1.8 million square meters of high-quality inventory properties, and is actively establishing a virtuous cycle of “investment - holding - operation - revitalization - exit” for its inventory assets. The Group will accelerate the development of its integrated urban operation scale and promote the development and layout of innovative businesses.

At the strategic level, we always adhere to the mission of **“building living vision to achieve undertakings in Shenzhen”**. Through persistent efforts, practical work and courage, we are determined to push forward business transformation, promote the Group’s high-quality development, make greater contributions to the social economy and urban development, and create ideal returns for our shareholders.

Please refer to the 2023 Annual Report of Shenzhen Investment for further information about the Group’s business and financial position at: <http://www.shenzheninvestment.com/investor.html>

Milestones

With a history dating back to 1992, Shenzhen Investment has become one of the leading real estate companies in Mainland China after 30 years of development.

At its inception	In 1997	Since 2000	Since 2006
Shenzhen Investment focused on developing the mid-to-high-end real estate market in Southern China.	Shenzhen Investment was successfully listed on the Main Board of the Hong Kong Stock Exchange.	Shenzhen Investment has been expanding its business scale, broadening its services to real estate, energy infrastructure, transportation, logistics, information technology construction and other areas through acquisitions, while at the same time striving to enhance the competitiveness of its real estate business.	Shenzhen Investment has entered into a mature stage and adjusted its strategic development direction to further highlight and clarify its positioning as a professional real estate company, continuously integrating its internal advantageous resources, divesting its non-core businesses, focusing on real estate development and operation, and strengthening its brand influence.

Principal Business

Land Reserve

Shenzhen Investment focuses on quality land resources in the Greater Bay Area and key first and second-tier cities.



As of 31 December 2023, Shenzhen Investment had a land reserve of approximately **6.74** million square meters

Urban Redevelopment

With the strength of its state-owned controlling shareholder, Shenzhen Investment plans to hasten its progress in redevelopment planning applications, resettlement and land use issues, to drive more projects to construction phase.



As of 31 December 2023, the total area of newly added projects is about **0.137** million square meters, the newly added building area is about 0.454 million square meters, and the estimated new value is approximately RMB15.42 billion

Property Development

Shenzhen Investment has over 30-year experience in property development, and has been committed to providing customers with premises of high-quality and multi-usage.



As of 31 December 2023, the Group had approximately **1.595** million square meters of newly constructed area

Property Leasing and Operations

Shenzhen Investment adheres to the dual focuses on property sales and operation of investment properties, continues to increase the ratio of high-quality commercial and office premises in its investment property portfolio, and optimizes its investment property portfolio and the management therein to improve rent pricing system and enhance operation and service standards.



As at 31 December 2023, the Group's investment properties had a total area of approximately **1.73** million square meters and a fair value of approximately HK\$ **33.45** billion

Urban Integrated Operation Service

Shenzhen Investment's urban integrated operation service company conducted its business around the positioning of "full format, full service, and full customer".



As of 31 December 2023, approximately **80.47** million square meters of space under management, with approximately 74.4% of space in independent third-party projects and approximately 64.4% of space in non-residential formats

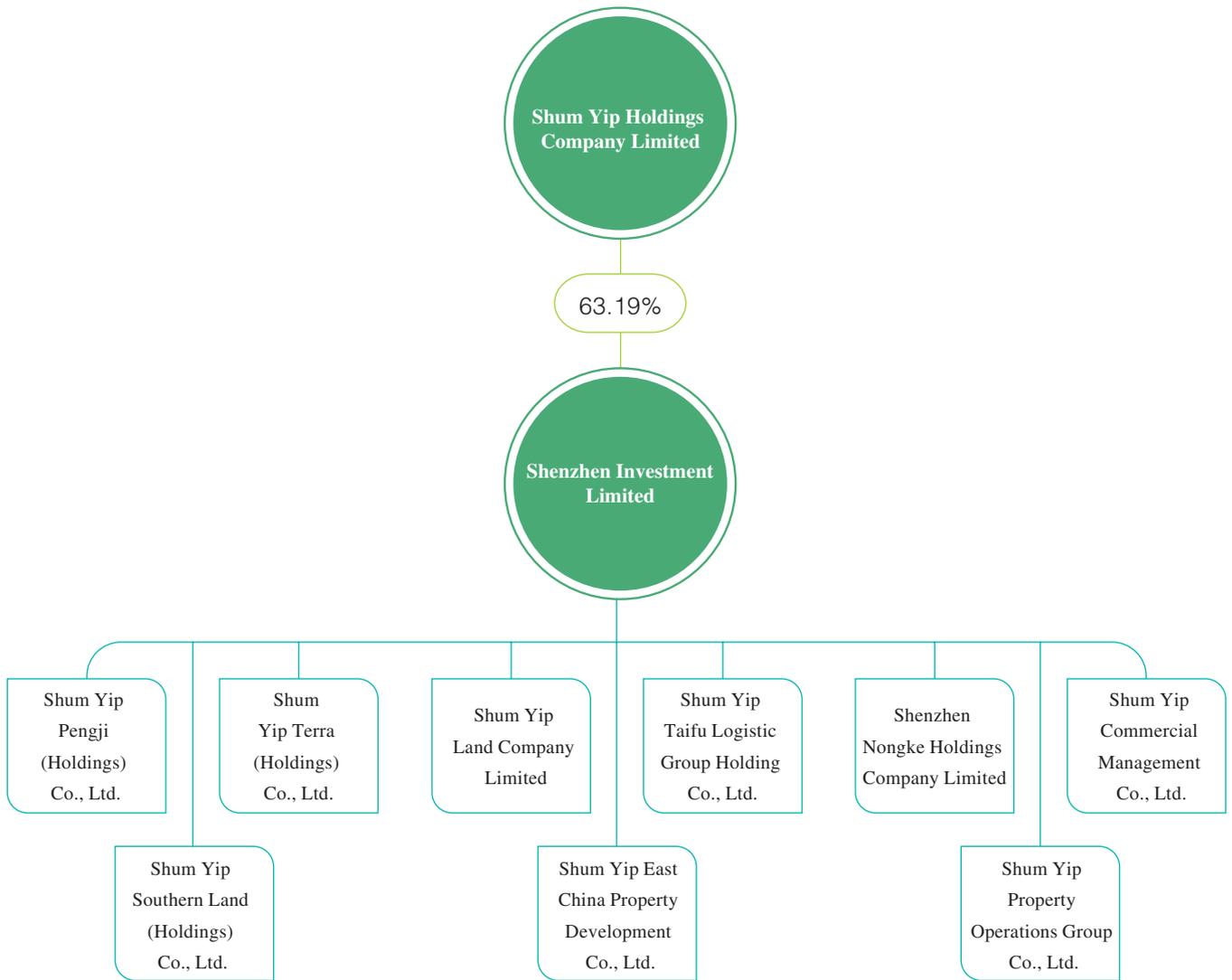
Contracted Sales

Shenzhen Investment actively promoted contracted sales and maintained positive sales growth against the backdrop of market downturn, outperforming the level of the peer market.



As of 31 December 2023, contracted sales area was 0.714 million square meters, and contracted sales amounted to approximately RMB26.59 billion, representing an increase of **38.4**% as compared to the same period last year

Corporate Structure



Responsibilities and Awards



Group Awards:
Shenzhen Investment



Best Capital Market
Communication Award of the 7th
China IR Annual Awards



Best Investor Relations Program
of the 7th China IR Annual
Awards



ESG Pioneer 100 Index of Listed
State-owned Enterprises granted
by the State-owned Assets
Supervision and Administration
Commission of the State Council



Most Valuable Real Estate and
Property Company Award of the
8th Zhitongcaijing



Pegasus Award for Investor
Relations of Hong Kong Listed
Companies



Top 10 Corporate Publications in
the Outstanding Internal Media
Awards 2023



Awards to Subsidiaries:

Pengji Company and Southern Company

-  Shum Yip Upper Coast Marketing Center was awarded 2023 Muse Design Awards (Platinum)
-  Chuangzhi Building Project was awarded Shenzhen Construction Project Excellent Site Award for Safety Production and Civilized Construction in the First Half of 2023
-  Upper Coast Project was awarded Shenzhen Construction Project Excellent Site Award for Safe Production and Civilized Construction in the Second Half of 2023
-  Time Mansion Project was awarded Shenzhen Construction Project Excellent Site Award for Safe Production and Civilized Construction in the Second Half of 2023
-  Jinghua Company was awarded Shenzhen Specialized and Sophisticated SMEs



Land Company

-  Landscape architecture of Hetao Project was awarded Gold Award for Landscape Architecture
-  Renovation Design of Women and Children Building Project was awarded 2023 China Urban Redevelopment Outstanding Cases Top Ten Value Innovation Award

Taifu Company

-  Shum Yip Taifu Square Office Exhibition Center was awarded MUSE Design Awards (U.S.) Office Design Category (Interior Design-Office), Gold Award
-  Shum Yip Taifu International Home Plaza was awarded 2023 China Home Consumer Reputation Listed Brands
-  Shenzhen Shum Yip Taifu Square Commercial Co. Ltd was awarded 2023 Shenzhen Youth Civilization Title
-  Yinying Square Project was awarded Shenzhen Construction Project Excellent Site for Safe Production and Civilized Construction in 2023



About Us

Nongke Company

-  “Shen Xiao Tian” indoor terrace planting equipment and “Xiao Tian” Smart Charging planting equipment won the Outstanding Product Award
-  Shenzhen Leading Agricultural Enterprises
-  Second Prize for the Design of Village Public Facilities and Merit Prize for the Design of Village Landscapes in the “Third Marks of Villages Creative Design Competition at the Provincial Level and the Second Marks of Guangdong Villages Creative Design Competition”



Shum Yip Operations

-  No. 17 among 2023 Top 100 Property Management Companies in China
-  No. 9 among 2023 China Outstanding State-owned Property Management Companies
-  2023 China Leading Enterprise in Smart City Service
-  2023 China Outstanding Red Property Service Enterprise
-  2023 Leading Enterprises Empowered by Property Technology in China
-  2023 China Special Property Service Capability Exceptional Companies
-  2023 Top 20 Enterprises of China Residential Property Service Capability
-  2023 Top 20 Enterprises of China Office Property Service Capability
-  2023 Top 100 Enterprises of China Property Service Capability
-  2023 Leading Brand of China Property Service Quality
-  2023 Quality Leading Companies of China in Property Service



Shum Yip Operations

-  2023 China City Service Excellent Property Brand Enterprise
-  2023 Excellent Brand of Red Property Service in Guangdong Province, China
-  2023 China Real Estate Property Service Excellent Brand
-  2023 China Leading Brand Enterprises of Property Service Specialized Operation
-  2023 China Top 50 Property Management Companies by Overall Strength
-  2023 China Top 10 State-Owned Property Management Companies by Overall Strength
-  2023 Top 30 Property Management Brand Enterprises in South China
-  2023 China Top 100 Property Management Enterprises by Brand Value
-  Upperhills was honored 2023 Excellent Projects of China Property Management
-  The project of Upperhills (North) Apartments was awarded the highest level of the Green Property Management Rating Labeling System: "Three-star"; a member of Golden Key International Alliance
-  The project of Shum Yip Taifu Square was awarded the highest level of the Green Property Management Rating Labeling System: "Three-star"
-  Shum Yip Operations Greening Branch was awarded Two Gold Awards for Science and Technology (Landscape Engineering) of Shenzhen Landscape Architecture Association in 2023



About Us

Commercial Management Company

-  2023 Golden Censer Prize for Commercial Real Estate Innovator of the Year

-  2023 Outstanding Contribution List for Urban and Social Services

-  Shenzhen JingJu Hotel (深圳憬居酒店) was honored 2023 Excellent Contributing Hotels, with an above 4.8 score in the Ctrip rating

-  Mandarin Oriental Shenzhen ranked as 2023 the World's Best Hotel in LA LISTE First Global Hotel Ranking

-  The Title of "Shenzhen May Fourth Red Flag Youth League (general) Branch" in 2023

-  2023 Retail Real Estate Enterprises Comprehensive Strength Top 100 List

-  Upperhills was awarded the first batch of Shenzhen municipal demonstration characteristic commercial districts and Shenzhen night economy demonstration blocks



Message from the Chairman

In the challenging environment of the real estate industry in 2023, Shenzhen Investment continued to improve and consolidate its sustainable development strategy, working hard to stabilize its operations. With the development philosophy of “health, quality and culture” in mind, we pursued balanced development in terms of economic, environmental and social benefits, and pushed forward the realization of our vision of being an “Innovative Constructor of Industrial Cities, Wealthy Livelihood Operator “. We have been rated MSCI-ESG A for our excellent performance in various ESG areas, and our performance in managing ESG issues in green building opportunities, health and safety, product safety and quality, corporate governance and corporate behavior remains outstanding, with nine consecutive ESG reports published by the current year.

Sustainable Management and Steady Progress

Shenzhen Investment has made sustainable development management the main theme that has been strengthened over the years. In November this year, Shenzhen Investment passed the ISO 37301 compliance management system certification, refined the Group’s compliance risk assessment system, formulated a three-year action plan for compliance planning, and strengthened the integrity building to implement the management concept of “strict and orderly, standardized and efficient” to enhance the level of corporate compliance governance. In 2023, Shenzhen Investment was awarded a 90-point A rating in the evaluation of the Board of Directors by the Shenzhen State-owned Assets Supervision and Administration Commission (SASAC).

Quality Forever and Innovation

Shenzhen Investment is fully aware of customers’ needs. On the principle of responsible marketing, we carry out all-round risk control to enhance customer experience and satisfaction. We continuously improve the quality management system and introduce new products to bring the best quality products to thousands of households. In 2023, there were no structural safety accidents relying on the perfect project management.

Environmental Forever, Green and Low Carbon

Shenzhen Investment is determined to fulfill its commitment to green and low-carbon development. We continue to construct green and healthy buildings, promote green building certification, and incorporate the green design concept of “reducing environmental pollution, reducing energy consumption and enhancing the recyclability of construction materials” into its products. We lead urban redevelopment with the functional positioning of “serving the city”, and create an energy-saving and environmentally-friendly operating system and office environment. In 2023, we completed 48 green building certification projects with a total certified area of approximately 6,293,900 square meters, and 2 new green building certification projects were added, covering an area of approximately 176,200 square meters.

Talents Forever and Cohesion

Shenzhen Investment has established a sound human resources management system, opened up career development channels, and continuously improved the quality of talent team building to achieve employee value and enterprise value. We pay great attention to safety and health. We actively carry out occupational health and safety management, quality management and environmental management systems. We also implement the safety and production responsibilities of employees and contractors, construct occupational health protection barriers, to build a safe, healthy, happy and friendly working environment by digitally driving the quality and safety management.

Warming Society and Harmonious Development

Shenzhen Investment is actively involved in the cause of social harmony and rural revitalization, and launches community services and public welfare activities on a regular basis, leading urban grass-roots governance through party building and promoting community harmony and integration. In 2023, we over-completed 5.47 million consumption-based assistance tasks, and disbursed a cumulative total of RMB12,632,000 of financial funds to benefit the rural areas. We invested 10,228 hours of volunteer services during the year and 54,262 hours of volunteer services on an accumulative basis.

In 2023, we closely followed the needs of business management, strengthened and improved our compliance system to lay a good foundation for long-term sustainable development. In 2024, we will continue to deepen our sustainable management, analyze the level of energy consumption, and take the opportunities for industrial innovation and transformation, contributing Shenzhen’s strength to a low-carbon and beautiful urban environment.

Statement of the Board of Directors

Shenzhen Investment attaches great importance to environmental, social and governance management, and we continue to improve the Group's governance system under the disclosure requirements of the ESG Reporting Guide issued by the Stock Exchange.

The board of directors of Shenzhen Investment takes ultimate responsibility for environmental, social and governance matters. Our responsibilities are developing the Group's environmental, social and governance strategy and monitoring the implementation of the strategy; establishing the bank of environmental, social and governance key issues through communication with stakeholders and identification of internal risks while combining with policies and current news; setting environmental, social and governance goals and regularly reviewing the achievement of such goals; and including key environmental, social and governance risks into risk management system and developing risk response measures.

The board of directors will continue to strengthen its engagement in the environmental, social and governance matters, and constantly update and improve management and goal attainment to play its leading role in overseeing the Group's ESG matters and fulfilling the commitment to sustainable development.



Safe and Sound Credit Rating Recognized by Investors

Responding to the call of the municipal government for Shenzhen to become a “capital of REITs”, the Group successfully set up the “CITIC Securities-Shum Yip-Agriculture Commercial No. 1 Asset Support Special Project”, a REITs project of Shenzhen Investment’s agricultural sector, to help Shenzhen move towards becoming a REITs center in the Asia-Pacific region and to provide a continuous output of quality assets to the market.

“Green + Digital” Technology for Near-Zero Carbon City

The Group has actively responded to Shenzhen’s call to build a near-zero carbon city by applying new energy-saving and emission reduction, green and healthy building and intelligent information technologies to comprehensively strengthen energy efficiency management, water resources, emissions and waste management, and to minimize the hazards caused by the environment and climate change. In 2023, 100% of the Group’s new projects met the national green building standards. The Gong Miao area under Shum Yip Operations adopted an intelligent park operation platform and achieved a saving of more than 30% in electricity consumption in public areas.

Comprehensive Risk Screening to Protect Production Safety

Under the principle of “safety first, prevention focus and comprehensive management”, the Group has continued to ensure production safety and launched a number of special operations such as continuous improvement of construction works, special upgrading of old properties and special remediation of major potential hazards, sampling and checking more than 11,000 copies of safety acceptance data, and deploying 73,000 inspectors to remediate more than 42,000 potential hazards.

Digital Innovation Drives Smart City Development

In line with the Group’s corporate vision of being a “Innovative Constructor of Industrial Cities”, the Gong Miao Intelligent Park under the Group has continued to promote digital innovation and application, with its Intelligent Park Operation Platform online, connecting more than 30,000 Internet of Things (IoT) devices, and achieving results in terms of human efficiency enhancement, energy conservation and emission reduction, and value-added services.

Lean Construction for Quality Habitat

The Group strictly controls the quality of its products, gradually establishes relevant systems and systems for quality management, promotes the standardization of product research and development, regularization of project inspections, and carries out special audits to realize the whole process of quality control in construction projects. In 2023, the Group won a total of 52 quality awards, 20 domestic and foreign design awards, carried out 36 inspections, and arranged for 14 Quality Month activities.

Annual Performance Highlights

Operating Performance

- ✔ Total assets (HK\$**174.41** billion)
- ✔ Total equity (HK\$**47.48** billion)
- ✔ Revenue (HK\$**15.83** billion)
- ✔ Profit and total comprehensive income for the year (HK\$**190** million)
- ✔ Total tax expenses for the year (HK\$**1.58** billion)
- ✔ Contracted sales (HK\$**29.52** billion)
- ✔ Rental income (HK\$**1.42** billion)
- ✔ Newly acquired land area (137,000 square meters)

Environmental Performance

- ✔ **100%** recycling of contaminated solid waste
- ✔ **100%** strict control of noise release
- ✔ Secondary treatment of construction acid and alkali wastewater meets **100%** of the discharge standards.
- ✔ **100%** radioactivity leakage elimination
- ✔ **100%** timely remediation and restoration of ecological environment damaged during the construction process
- ✔ **100%** of the wastewater in the construction and living area reached level 2 discharge
- ✔ East China Company G111 Shum Yip Nanwan Mansion Project obtained Green Building **Two-star** Rating Report
- ✔ Total greenhouse gas emissions **67,273.94** tonnes CO₂eq
- ✔ Total energy consumption **133,439.11** MWh
- ✔ Total electricity consumption **107,526,459.57** kWh
- ✔ Total water consumption **2,544,472.95** cubic meters

Social Performance

Employee

- ✔ New employees signed **73** “Incorruptible Practice Commitment” in the Workplace, with 100% of all employees signing IPC.
- ✔ Completed the selection of a total of **90** managements for the leadership teams of **seven** subsidiaries and vacant positions at the middle level of the headquarters
- ✔ Selected managements participated in **more than 50** training programs organized by the SASAC of the State Council and the Municipal SASACs

Supplier

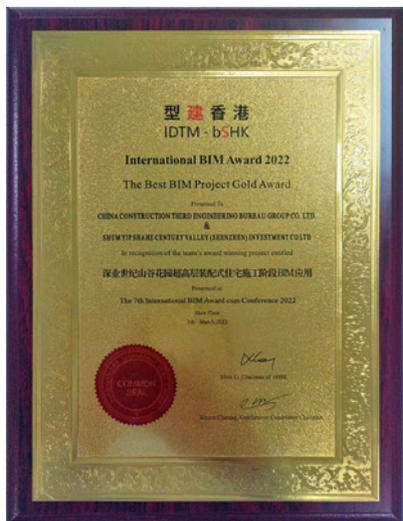
- ✔ The Group’s risk prevention and control team promptly identified and recovered **6** cases of rent and management fee arrears with a single amount of over RMB**1 million**, and discharged **6** risk issues
- ✔ The transparent procurement platform released **6,400** procurement items

The public

- ✔ **2,404** registered volunteers, with a total of **12,176** participates, and **54,262** volunteer service hours
- ✔ Provided allowances to **540** employees and their relatives in cases of childbirth, new marriage, hospitalization and death, with an expenditure of RMB**680,000**; promoted **35** enterprise trade unions to purchase Mutual Aid Protection Plans for **3,988** employees with an amount of nearly RMB**700,000**
- ✔ Consumption-based support in 2023 amounted to RMB**5.72** million
- ✔ Donated RMB**3** million to “**630** Poverty Alleviation (630扶貧濟困)” in 2023
- ✔ Investment in public welfare activities amounted to RMB**873,000** in 2023

Special Theme: Lean Management Driving Quality Improvement, Comprehensively Building Solid Base for Management System

2023 is the Group's "Year of Management Standardization". Shenzhen Investment followed the phased development idea of "one year of standardized management, two years of quality enhancement and three years of innovative development" and steadily pushed forward the three-year plan with remarkable results in quality control. During the reporting period, the Group's real estate projects won a total of 52 quality awards, involving 19 projects and covering all 8 real estate enterprises, of which 7 were at the national level, 15 at the provincial level and 30 at the municipal level.



▲ International BIM Awards



▲ The 12th National BIM Competition First Prize of Comprehensive Group

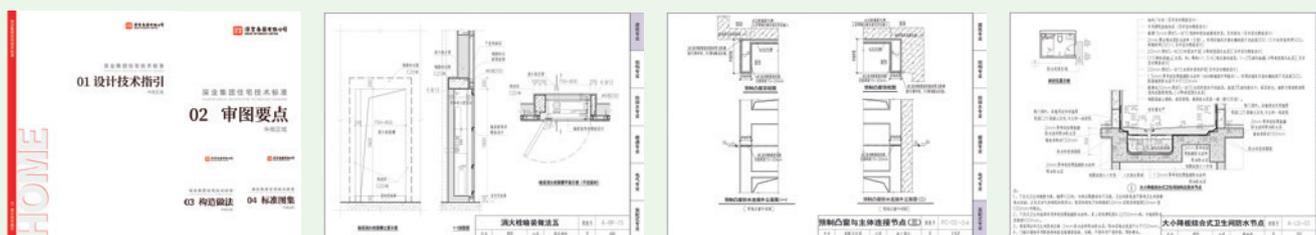
Building a standardized R&D system to control the quality of R&D

We have insisted on lean construction, with a total of 7 quality management-related systems issued, to construct a product standardization research and development system, and to promote the research and development of residential product standardization, residential product technology standardization, residential landscape standardization, residential public area batch decoration standardization and residential indoor batch decoration standardization.

Case Study Study residential construction and build a standardized system

South China Regional Residential Technical Standards

We initially formulated the South China Residential Technical Standards Manual through field research, thematic discussion and opinion collection, and continue to upgrade the technical standards in conjunction with project implementation and application conditions and industry standards. At present, we have produced "Design Technical Guidelines", "Key Points for Reviewing Drawings", "Structural Practices", "Standard Drawings", and "Green Building and Energy Conservation", "Air-conditioning Blinds and Window Guards", and other thematic research results.



▲ Residential Technical Standards Manual

Special Theme: Lean Management Driving Quality Improvement, Comprehensively Building Solid Base for Management System

Case Study Study residential construction and build a standardized system (continued)

Landscape Standards System

We took Tairui Mansion as a seed project to build a landscape standard system that combined “logic through standard” and “form through standard”, and implemented standardized applications in Tairui Mansion, Luxury Mansion and other projects.



▲ In Tairui Mansion Project mid-axis landscape module was applied



▲ In Luxury Mansion Project overhead layer module was applied

Standardizing batch decoration for Residential Commons

We took the Century Valley (世紀山谷) and Tairui Mansion Project as seed projects to develop the Group’s S, A and B batch finishing standards for residential commons.



▲ Standard A of residence lobby



▲ Standard S of residence lobby

Case Study Promote craftsmanship and improve quality

We continue to summarize, refine and share the excellent craftsmanship inside and outside the system, form engineering samples through craftsmanship research, engineering tests and professional demonstrations. We organize enterprises to observe and promote excellent craftsmanship, and carry out research on updating the standardization of the products; meanwhile, we continue to strengthen the quality control of the external façade to comprehensively improve the quality of the products. At present, the acoustic floor coating process has been promoted as a standard practice, and the internal insulation gel process for external walls, temporary closure of backward casting zones, and waterproofing layer of polymer cement have been utilized in a number of projects.



▲ Soundproofing coating process for floors



▲ Real stone paint façade in Upper Mansion exhibition area

Establish project process control system to ensure project quality

In order to effectively ensure project quality, the Group has set up an independent quality management steering group to supervise quality assurance work. At the same time, the Group has established a quality management process, which dynamically manages a number of key stages and important indicators, including material acceptance, quality inspection, construction quality and construction site, and has set up an internal project progress and quality assessment mechanism linking the results of the project quality assessment to the performance of the engineering department in order to fully implement the quality management. In the process of project construction, we have formulated the “two meeting” system of project initiation meeting and operation target meeting, carried out design control for key projects. We have implemented 100% conceptual design and 100% evaluation and approval of scheme design, and set up a project process control system, so that quality control has been consistent throughout the entire lifecycle of the project.

We strictly controlled the quality of our product design and won 20 domestic and international design awards during the reporting period.

Awarded Items	Awarded List
R&D Base A Sample Room	2023 NOVUM DESIGN AWARD - SILVER, France 2023 OPAL London Outstanding Property Awards - Winner, UK
Shenzhen Upper Coast (雲海灣花園) Marketing Center	2023 MUSE Design Award - Platinum
Shum Yip Chuangzhi Building (深業創智大廈) Project Commercial Public Area Interior Conceptual Plan - Construction Drawing Design	The 13th China International Space Design Competition 2022 - Gold Award of Commercial Space Scheme Category
Shenzhen Women and Children Building (深圳婦兒大廈) Renovation PPP Project	Ranked first on the 2023 ArchDaily Global 5 Iconic Buildings List One of the 20 most beautiful buildings in the world in 2023 by “Harper’s Bazaar Art”
Shenzhen Women and Children Building (深圳婦兒大廈) Renovation PPP Project Shenzhen Women and Children Building (深圳婦兒大廈) Wego Lobby	No.7 in the “Starry and Scattered (星羅棋佈)” program 2023 - embedded new public cultural space
Shenzhen Women and Children Building (深圳婦兒大廈) Renovation Design	2023 China Urban Redevelopment Outstanding Cases Top Ten Value Innovation Award 2023 dezeen Global Top 10 High-rise Buildings Awards
Shum Yip Royal Spring Garden (深業半湯御泉莊) Southern Residential Design	2023 Shenzhen Survey and Design Association Second Prize in Residential and Residential Community Design
Mandarin Oriental Shenzhen (深圳文華東方酒店) Interior Design	Luxury Hotel 2023 - 14th Annual Bund Design Hotel Awards Best Luxury Hotels 2022-2023 - Global Journal Annual Picks 2022 Best Luxury Hotel/Best Hotel Restaurant - 14th Annual High-End Hotel Awards “New Travel Voyage” 2023 Five Star Honors - “Forbes Travel Guide”
Shum Yip Taifu Kechuang Building (深業泰富科創大廈) - City Hall	DESIGN DISCOVERY AWARDS 2023 D&A WINNER
Sham Yip Taifu Kechuang Building (深業泰富科創大廈)	2023 IDTM·bSHK - BIM Design Silver Award
Shum Yip Taifu Square (深業泰富廣場) Office Exhibition Center/ Sales Center at 17 th Floor, Block B	MUSE Design Awards (U.S.) - Interior Design-Office Gold Award BUILT DESIGN AWARDS 2023 WINNER
Shum Yip Taifu Chengdu Longquanyi Dongyue Mansion (深業泰富成都龍泉驛東樾府)	The 3rd AHLA Asian Habitat Landscape Award - Schematic Design Merit Award

Special Theme: Lean Management Driving Quality Improvement, Comprehensively Building Solid Base for Management System

In addition, the Group conducted special audits on projects under construction to sort out the quality management of projects during the construction process, so as to effectively prevent and mitigate construction risks. Focusing on construction projects, we conducted regular inspections and launched special remediation work targeting old properties and major hazards, so as to continuously improve the quality and safety level of the projects.

Case Study Carry out monthly line meetings and regular inspections to improve project quality

In 2023, we established a regularized tracking mechanism, such as monthly line meetings and weekly reports, according to the schedule of each project, and carried out inspections 36 times. Focusing on the situation of numerous year-end festivals, we followed up the key projects in the form of day-to-day follow-up, off-site project video thematic meetings and other forms of follow-up, and launched high-frequency inspections, and cumulatively completed 5 times for Natural City, 5 times for Cloud Center, 4 times for Kechuang Building, and issued 18 inspection reports, and realized an on-site delivery rate of 96.6% for Cloud Center Phase II, 91% for Natural City Phase I, and 91% for Taiyun Mansion.



▲ Regular inspection



▲ Monthly line meeting



Launching quality training and experience exchange to cultivate quality culture

In 2023, we organized the Group-wide Quality Month for the first time, with the theme of “systematically promoting on-site management and consolidating the foundation for quality improvement and efficiency enhancement”, and launched quality self-inspection, special inspection and observation and discussion activities to raise the awareness of each enterprise of the quality of construction works; at the same time, we actively built up a professional support platform for engineering management, and organized and launched activities such as full renovation and construction management seminars, engineering management system training, customer complaint exchange and experience sharing in exhibition areas, so as to promote advanced experience and gradually build up the Group’s systematic project management capability. Through a series of quality training and experience exchange activities, the Group has cultivated a corporate quality culture.



In 2023, we carried out quality training programs in three ways: internal quality training for our employees, quality training organized by the Group for the suppliers and internal quality training organized by the suppliers. Our

affiliated enterprises organized approximately **475** training courses and arranged 14 Quality Month activities on an accumulative basis. Besides, they organized 1 system-wide training by an external lecturer from a benchmark company, and more than **10** internal exchanges and trainings.

Case Study

Organize quality training activities to enhance quality awareness

In 2023, Shum Yip Natural City Project held the kick-off ceremony of the “Quality Month” activity at Dongcheng Company, a subsidiary of Nongke Company, under the theme of “Quality First, Striving for Perfection”, focusing on quality management, covering the implementation of lean construction and the whole process of quality control. The project team strictly enforced the “three inspections” system, set up a quality control team, and closely worked with the construction team to strictly control the details of construction.



▲ “Quality Month” exchange meeting in Shum Yip Natural City



▲ Quality control team takes charge of the construction

Land Company launched a quality exchange program at Park Mansion, at which participants exchanged their opinions on and discussed the development and construction of reverse engineering methods, and shared project construction management experience. In addition, Land Company launched the employment publicity and implementation of standardized massive fine decoration, organized the watching of warning education video of “quality accident case” and project post-based quality responsibility disclosure, as well as holding labor and skill competitions for its internal employees. All these efforts have effectively improved the efficiency of construction management and the professionalism of relevant personnel.



▲ Employment publicity and implementation of standardized massive fine decoration



▲ Experience sharing of reverse engineering

Special Theme: Lean Management Driving Quality Improvement, Comprehensively Building Solid Base for Management System

Case Study Organize quality training activities to enhance quality awareness (Continued)

For Pengnan Company's Shum Yip Cloud Center Phase II project, we took "Zero Hollow Drums, Zero Seepage" project delivery as the quality goal, and comprehensively carried out pre-delivery inspection and elimination of the problems for the project. Based on the results of the inspection, the project quality rectification operation program, standard and plan were prepared. For Time Mansion Project, we organized a training for the suppliers on "common problems and precautionary measures to be taken on the construction quality of fabricated structure". For Cloud Mansion, we organized a series of quality training activities for our employees, such as the engineering sharing session and the publicity and implementation meeting on the management measures of change of works. Through these efforts, we aim to comprehensively improve the delivery quality of projects.



▲ "Zero Hollow Drums, Zero Seepage" Special Operation at Shum Yip Cloud Center



▲ Study and training on fabricated structure for Time Mansion Project

Terra Company organized a number of projects to carry out third-party quality assessment inspections and special inspections, and summarized and sorted out the quality management work of each project under construction. It commended and promoted excellent management methods and advanced technical workmanship, and discussed and rectified the existing problems.

Shum Yip Tairui Mansion project organized "legal person talking about quality" special activities, to carry out the work of teaching, observation and learning. It aimed to inspect the quality management system, review and approve the quality management plan, creative planning, engineering inspection and test plan and the systems, to promote the awareness of quality management. This inspection adopted the review and approval of the 8 proposals, and 1 upgrade of the system.



▲ Specialized inspection in Tai Ran Hua Cheng Project



▲ Tairui Mansion Project organized the activity of "legal person talking about quality"

Case Study

Organize quality training activities to enhance quality awareness (Continued)

East China Company organized and conducted a series of activities such as “Quality Question and Answer Competition” and the analysis meeting on quality defects and preventive measures at Jiangyin Shum Yip Research and Innovation Technology Industrial Park, and it also organized a learning activity of watching video about the construction of external wall insulation of Nanwan Mansion Project, so as to comprehensively improve the professionalism of quality management personnel.



▲ “Quality Question and Answer Competition” organized at Jiangyin Industrial Park



▲ Learning video about the construction of external wall insulation of Nanwan Mansion Project

Taifu Company organized and launched pre-job quality education, quality technology discourse at the construction site, “Welding Competition (焊接比武大赛)”, entire-staff quality technology training, quality training on scaffolding and curtain walls as well as other quality trainings for the Kechuang Building Project. It also organized and conducted quality disclosure within suppliers, and quality training activities for its suppliers, such as holding regular meetings with the contractors and regular meetings with supervisors for the Yinying Square Project.



▲ “Welding Competition” organized at the Shum Yip Kechuang Building



▲ Regular meeting with project supervisors of the Yinying Square

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Governance Responsibility

Sustainable Management



Shenzhen Investment adheres to a general keynote of “improving management for prudent growth” and is committed to achieving steady progress through continuous governance enhancement. We integrate sustainable development into our daily operation and management, strictly comply with relevant laws and regulations of the PRC and the industry, improve internal risk control, and abide by the standards of business ethics and integrity to ensure that our operation and development meet the requirements of the regulations and realizes healthy, long-term and steady development of the enterprise.

ESG issues we concern

Anti-corruption and Anti-unfair Competition
Responsible Supply Chain Management
Operating Performance and Investor Rights and Interests
Communication with Stakeholders
Risk Management and Internal Control
Corporate Governance and Compliance Operation
Intellectual Property Protection

SDGs issues we respond to



HKEx ESG indicators we respond to

B5: Supply Chain Management
B6: Product Responsibility
B7: Anti-corruption

Governance Responsibility, Sustainable Management

Goal Setting and Progress Review

Goal	Progress
To standardize the enterprise operation and improve the management efficiency, the Group has continued to optimize its management system and strengthen its business supervision in accordance with regulatory requirements.	During the year, the Group completed the revision of a total of 32 institutional documents. The Group further standardized its corporate management in terms of corporate governance, strategy, investment, remuneration, assessment and finance. In September 2023, the Group completed the editing and printing of the Group's "Compendium of System Documents" on the basis of the system sorting in the previous stage, and distributed the compendium of systems to the Group and its subsidiaries to guide enterprises and employees to standardize their operations.
The Group proposes a three-year overall plan and goal for the construction of the compliance management system, i.e. "one year for foundation, two years for certification and three years for system compliance", to realize the standardization, normalization and systematization of compliance construction under the guidance of ISO 37301.	In November 2023, the Parent Group's head office passed the first compliance management system certification for the whole business scope and compliance area with "zero non-conformity", and obtained the certificate issued by the British Standards Institution (BSI), an international authoritative certification organization, and became the first municipal state-owned enterprise to obtain the certification of the international and national standards ISO 37301:2021/GB/T35770-2022 "Compliance Management System Requirements and Guidelines for the Use of Compliance".
Hold special training on integrity for personnel in key fields and key positions, discipline inspection and supervision managements and new employees from campus.	In 2023, 100% of new employees, employees in key fields and positions, and discipline inspection managements completed their integrity trainings.
Enhance the professional and organizational capabilities of production management comprehensively, improve the supply chain management system and build a supply chain ecosystem to make the Company reach the industry benchmark level from 2023.	The improvement of the supply chain management system has been rolled out across the Group and has been progressed steadily.
All general construction contractors working on projects in first-tier cities receive "three certifications", i.e., certifications of the environmental management system, quality management system and occupational health management system.	All general construction contractors working on projects in the first-tier cities have received the "three certifications".

1.1 ESG Management System

Shenzhen Investment elevates sustainable development to the strategic level of the Group, integrates ESG concepts into the Group's strategic planning and day-to-day operations, establishes a sound ESG governance framework, and comprehensively promotes the Group's ESG governance work.

1.1.1 ESG Philosophy

Shenzhen Investment is fully aware of its social responsibility and mission. Adhering to the mission of "Building Living Vision to Achieve Undertakings in Shenzhen", we have established the values of "Sunshine and Honesty, Innovation and Excellence Diligence and Commitment, Harmony and Sharing", and devoted ourselves to creating a better living environment for consumers and promoted the sustainable development of the city through real estate development and urban construction.

During the period of the "14th Five-Year Plan", Shenzhen Investment has clearly integrated ESG concepts into the Group's daily operation and management, and is committed to realizing synergistic development of the economy, society and the environment while pursuing economic benefits. On the environment, the Group adopts measures such as energy conservation, emission reduction and green building construction to actively respond to climate change and protect the ecological environment. On the society, the Group continues to pay attention to consumers' needs and provide high-quality products and services, while actively engaging in public welfare causes, providing employees with a favorable working environment and development opportunities, and safeguarding their rights and interests. In terms of governance, the Group continuously improves its governance structure to ensure the compliance and transparency of its operations, with a view to enhancing the Group's overall operational efficiency and market competitiveness, and makes unremitting efforts to realize its vision of being an "Innovative Constructor of Industrial Cities, Wealthy Livelihood Operator".

1.1.2 ESG Strategy

With in-depth strategic planning and practical operational considerations, Shenzhen Investment has embedded the fulfillment of ESG responsibilities into its strategic blueprint, and is fully committed to building a sustainable development model with a rigorous structure and efficient operations. We are committed to enhancing ESG awareness, improving ESG management system and establishing ESG reporting mechanism, aiming to achieve balanced development of economic, environmental and social benefits.

Strengthen ESG awareness:

Concept shaping: Deepen the understanding of ESG core concepts and clarify the far-reaching impact of ESG fulfillment. Enhance employees' awareness and acceptance of ESG through internal training and external education.

Culture cultivation: Form a corporate culture with sustainability as a core value and encourage employees to practice ESG principles in their daily work.

Improve ESG management system:

Issue identification and assessment: A comprehensive ESG material issue identification and assessment system is established to ensure that the Group fully fulfills its legal, economic, ethical and philanthropic social responsibilities.

Assignment of responsibilities: Clarify the ESG work priorities and division of responsibilities of each business segment and functional department, so as to realize breakthroughs and effective connection.

Mechanism optimization: Continuously optimize the internal operation mechanism and assessment system to enhance the efficiency and effectiveness of ESG management.

Establish ESG reporting mechanism:

Report publication: ESG reports are published regularly to openly and transparently demonstrate the Group's ESG practices, plans and progress.

Social supervision: Actively respond to social supervision and take on board the views of various parties to improve ESG work.



Governance Responsibility, Sustainable Management

1.1.3 ESG Management Structure

In order to ensure the effectiveness of the Group's ESG management and systematically implement ESG management policies and measures, Shenzhen Investment has established a three-tier ESG management structure system of "decision-making, management and execution" and formulated ESG management systems such as the "Management Measures for Environmental, Social and Governance (ESG) Reporting", which clearly defines the responsibilities and reporting mechanism for ESG-related matters, so as to promote the steady development of sustainability.



1.2 Communication and Engagement with Stakeholders

Shenzhen Investment has established a diversified communication mechanism with stakeholders to maintain active two-way communication and collaboration with internal and external stakeholders, to deeply understand and fully respond to their needs, to maintain long-term partnerships and to realize mutually beneficial and positive interactions.

Stakeholders	Expectation and Requests	Response Measures	Measures Taken in 2023
Governments and Regulators	<ul style="list-style-type: none">  Law-abiding compliance operations  Appreciation in assets value  Support local development 	<ul style="list-style-type: none">  Daily report and communication  Forum and exchange activities  Respond to national policies actively 	<ul style="list-style-type: none">  Launched specialized inspection on integrity risk prevention and control  Organized anti-corruption training  Participated in industry exchange activities  Promoted rural revitalization
Shareholders and Investors	<ul style="list-style-type: none">  To acquire returns on investment  Information disclosure and transparency  To protect the interests and fair treatment of shareholders  To lower operating risks 	<ul style="list-style-type: none">  To establish sound and scientific decision-making and supervision mechanism  To strengthen risk management and control  To achieve open and transparent information disclosure  To organize and participate in activities for different types of shareholders 	<ul style="list-style-type: none">  Held 2 performance conferences  Organized or participated in 31 investor conferences, performance roadshows and research activities  Communicated with investors for over 300 times
Customers	<ul style="list-style-type: none">  To safeguard the quality and safety of products  Quality customer services  Privacy protection  Opinions and complaints handling 	<ul style="list-style-type: none">  Product quality control  To provide high-quality services  Satisfaction survey  To protect customer privacy 	<ul style="list-style-type: none">  Launched regular quality checks  Established service standard system  Conducted regular customer satisfaction surveys  No cyber security incidents
Employees	<ul style="list-style-type: none">  To protect basic rights and interests  Career development and equal promotion opportunity  Health and safety  Democratic management  Caring for people 	<ul style="list-style-type: none">  Staff representative congress  To carry out various trainings actively  To improve talent promotion and remuneration mechanism  To strengthen occupational health and safety management  To provide diversified employee benefits 	<ul style="list-style-type: none">  Promoted the construction of “Star Labor Union”  Introduced external training resources  Enriched promotion channels  Actively sought certification of occupational health and safety management systems  Launched diversified cultural activities
Business Partners and Suppliers	<ul style="list-style-type: none">  Integrity and fulfillment of obligations  Resource sharing  Win-win development 	<ul style="list-style-type: none">  To perform contract in accordance with the law  Open tender  To eliminate commercial bribery  To participate in industry exchange activities 	<ul style="list-style-type: none">  Promoted supply chain informatization management  Utilized the transparent procurement platform to ensure openness and transparency of procurement information  Strategic cooperation with industry leaders
Community and the Public	<ul style="list-style-type: none">  To promote development of public services in communities  Public welfare and charities 	<ul style="list-style-type: none">  To carry out various public welfare activities  To strengthen industry-based poverty alleviation  To support the rural revitalization strategy  To encourage employees to participate in volunteer service 	<ul style="list-style-type: none">  Continuously deepened the pairing assistance work in Houzhai Town, Nan'ao County (南澳縣後宅鎮)  Built a model agri-tourism project  Launched community welfare activities such as respecting and assisting the elderly, donating books to help the disabled, environmental cleanup, community volunteer clinic, traffic guidance, and so on
Environment	<ul style="list-style-type: none">  Effective use of resources  Reduction of emissions  Protection of biodiversity  Response to climate change 	<ul style="list-style-type: none">  Development of green buildings  Energy management, Water Resources management and waste management  To strengthen environmental information disclosure 	<ul style="list-style-type: none">  Conducted climate risk adaptation analysis  Green building certification for a total of 48 projects have been completed  Launched energy-saving renovation work

1.3 Analysis of ESG Material Issues

To get a full understanding of demands from and expectations of the Group's management and all stakeholders in respect of the disclosure and management of ESG information, we have distributed questionnaires to internal and external stakeholders, including directors, employees, consumers and suppliers, which identified and evaluated ESG materiality issues on two dimensions, namely, "Importance to corporate development" and "Importance to stakeholders", to form this year's materiality issues matrix.

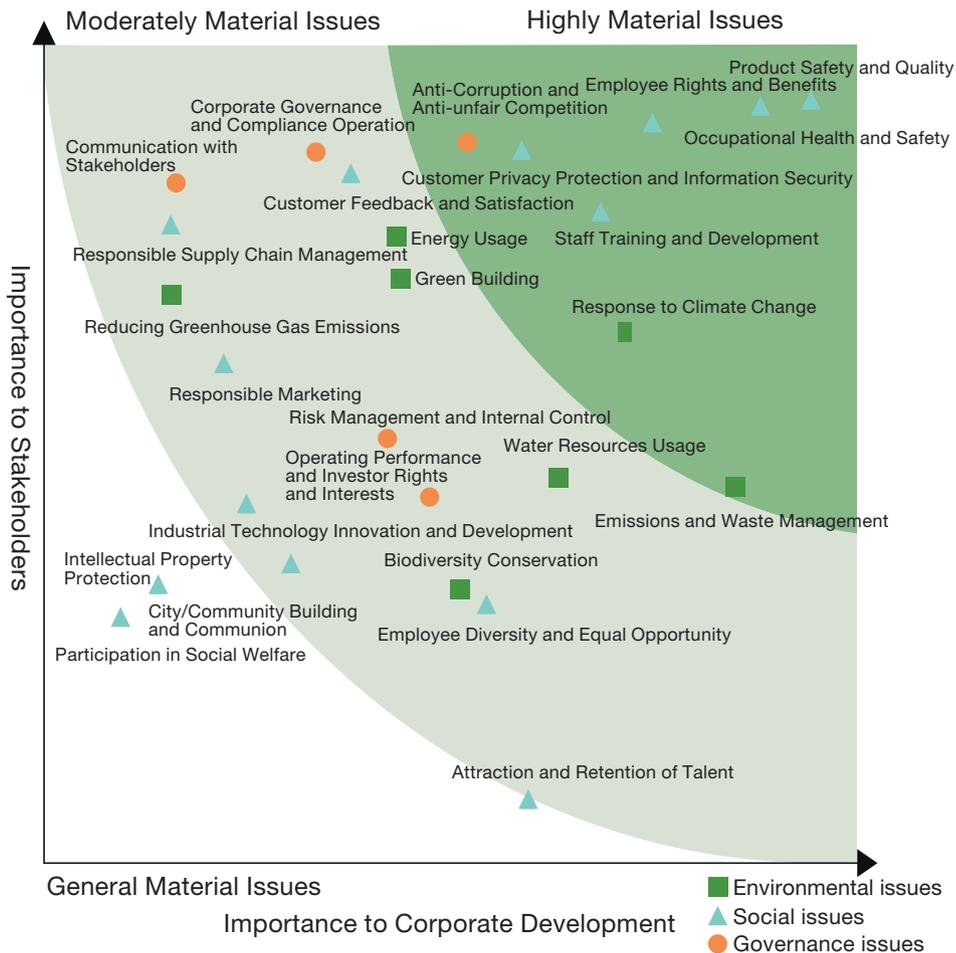
Our process for determining material issues is as follows:



Rank and matrix of material issues of sustainable development of Shenzhen Investment

Materiality	Rank	Category	Issues
Highly Material Issues	1	Social issues	Product Safety and Quality
	2	Social issues	Occupational Health and Safety
	3	Social issues	Employee Rights and Benefits
	4	Social issues	Staff Training and Development
	5	Social issues	Customer Privacy Protection and Information Security
	6	Environmental issues	Response to Climate Change
	7	Governance issues	Anti-Corruption and Anti-unfair Competition
	8	Environmental issues	Emissions and Waste Management
Moderately Material Issues	9	Environmental issues	Energy Usage
	10	Environmental issues	Green Building
	11	Social issues	Customer Feedback and Satisfaction
	12	Environmental issues	Water Resources Usage
	13	Governance issues	Corporate Governance and Compliance Operation

Materiality	Rank	Category	Issues
Highly Material Issues	14	Governance issues	Risk Management and Internal Control
	15	Governance issues	Operating Performance and Investor Rights and Interests
	16	Social issues	Employee Diversity and Equal Opportunity
	17	Environmental issues	Biodiversity Conservation
	18	Governance issues	Communication with Stakeholders
	19	Social issues	Responsible Marketing
	20	Social issues	Responsible Supply Chain Management
	21	Environmental issues	Reducing Greenhouse Gas Emissions
	22	Social issues	Industrial Technology Innovation and Development
	23	Social issues	City/Community Building and Inclusion
	Generally Material Issues	24	Social issues
25		Social issues	Intellectual Property Protection
26		Social issues	Participation in Social Welfare



1.4 Sustainable Operations Management

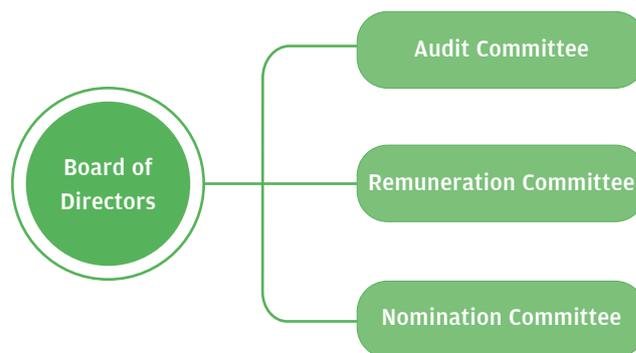
Shenzhen Investment strictly abides by national laws and regulations and industry standards, continues to strengthen its internal risk management and the construction of compliance system, focuses on risk prevention and control, adheres to business integrity and ethical standards, and continuously strengthens the protection of intellectual property rights to ensure that its operations are in compliance with regulatory requirements and to promote the stable and sustainable development of the enterprise.

1.4.1 Compliance Management

Sound corporate governance is the basis for the protection of the interests of shareholders and business partners. Shenzhen Investment strictly abides by the requirements of the “Rules Governing the Listing of Securities”, the “Securities and Futures Ordinance”, the “Company Law of the People’s Republic of China” and other laws and regulations, continuously improves its own management level, strengthens communication with investors, and regulates the operation of the Group with a standardized, independent and diversified corporate governance structure.

Improvement of corporate governance structure

The Board has established the Audit Committee, the Nomination Committee and the Remuneration Committee, all of which are chaired by independent non-executive directors, in order to safeguard the independence and effectiveness of the committees and to protect the legitimate rights and interests of the Group and its shareholders. In addition, the Board implements the principles of meritocracy and diversity by comprehensively examining candidates on the basis of various factors such as gender, age, cultural and educational background, ethnicity, professional experience, etc. The Board has formulated rules and systems in line with the requirements of long-term development of the enterprise such as the “Board Diversity Policy” and the “Procedures for Shareholders’ Nominees to Stand for Election as Directors”, so as to facilitate the Board’s scientific decision-making, and to prevent and mitigate potential conflicts of interest. The Board of Directors currently consists of 8 directors, including 3 independent directors and 2 female directors. The Board members have rich experience and knowledge in different professional fields such as real estate development, corporate management, finance, risk management and legal affairs.



▲ Structure of Board Committees

The Board of Directors and the senior management exercise the rights and fulfill the corresponding obligations conferred upon them in strict accordance with the duties and responsibilities conferred upon them by the “Articles of Association”, so as to effectively implement corporate governance and safeguard the interests of shareholders. In order to further improve the system construction of the Board of Directors of the Group Headquarters, in 2023, we continued to review and amend the “Guidelines on Authorization by the Board of Directors” and other relevant systems of the Board of Directors, to regulate the management of the Board of Directors’ meetings and promote the capacities of external directors who participate in meetings of the Board of Directors in making scientific decisions in accordance with laws and in preventing significant risks, thus providing a strong safeguard for the standardized operation of the Board of Directors.

In order to further improve the level of corporate governance, we continuously optimize corporate structure and decision-making procedures of the Board of Directors while building a “dual-layer and multi-level” corporate governance system. For the headquarters, we have established a system guided by the Company’s articles of association and supplemented by a series of normative documents; for its affiliated enterprises, we have established a system dominated by the administrative measures for articles of association and the working rules of the board, so as to ensure the effective supervision and balance of power, and promote the overall improvement of corporate governance efficiency.

Enhancing investor communication

Timely, comprehensive and accurate information disclosure and communication can provide a channel for investors to understand the Group's operations and development trends and enhance investor trust. Shenzhen Investment has formulated the "Shareholders Communication Policy" to establish a smooth and diversified shareholders' communication channel, and has set up a multi-channel communication platform for domestic and international investors, such as shareholders' meetings, performance conferences, official websites and e-newsletters, etc., so as to maintain communication and interaction with investors and follow up on investors' suggestions in a timely manner through an efficient and transparent communication mechanism, and to continuously improve and enhance the Company's governance work, and to maintain a positive investor relationship.

In addition, we are always concerned about the impact of our business activities on environment and society. We disclose ESG-related policies and data on the Group's website and in this report, proactively practice ESG disclosure, and actively respond to sustainability indices such as the MSCI-ESG Rating, in response to investors' ESG disclosure requirements and expectations.

Improving the compliance management level

Around the three-year action plan for compliance management system construction, Shenzhen Investment will further improve the level of compliance management through the effective performance of the compliance management responsibilities of each organization/entity in the compliance management organization system, the effective implementation of compliance management systems, the effective implementation of compliance management and control of key processes, and the efficient operation of compliance management mechanisms, so as to further improve the compliance management level and strengthen the foundation of the enterprise's development and increase its efficiency through high-quality compliance construction.

Strengthening the compliance management system

Shenzhen Investment always insists on the establishment of a compliance management system that covers all areas, penetrates all levels and is highly recognized by all staff. We have formulated a series of compliance manuals and systems, including the "Identification Table of Elements of the Internal and External Environment of the Organization", "Identification and Analysis Table of the Needs and Expectations of Relevant Parties", "List of Major Compliance Risks", "Compliance Manual for the Performance of Duties by Departments", "Compliance Manual for the Performance of Duties by Positions", etc., in order to ensure that the compliance risk has been effectively implemented. We have set up a hierarchical and categorized compliance system, comprehensively sorted out the Group's compliance risk, and have established a synergy mechanism between the compliance management, integrity risk, risk management, internal control and legal affairs, with compliance management to be included in the annual comprehensive assessment of departments; we have strengthened our compliance protection efforts, and implemented diversified compliance publicity and education activities to enhance the compliance awareness of our employees.



Key Performance

In 2023, Shenzhen Investment held **2** performance conferences, organized or participated in **31** investor exchange meetings, results road-shows and research activities, and communicated with investors for more than **300** times.

1.4.2 Risk Management

Shenzhen Investment continues to improve its risk management structure, standardize its risk assessment and management processes, establishes a mechanism for the integration of internal audit, internal control and risk control, and regularly carries out internal and external risk identification, evaluation and response, so as to minimize the impacts of unfavorable factors and to ensure the stable development of the enterprise.

Risk management structure

Shenzhen Investment has established a comprehensive three-tier risk management structure and risk management information communication channels connecting various levels, departments and business entities, adopting a “bottom-up” approach to complement the “top-down” integrated risk review process, and continues to improve and strengthen its risk identification, monitoring and prevention capabilities. In 2023, the Group strengthened its risk management efforts by carrying out key tasks such as post-evaluation of investment projects, economic responsibility audits, final evaluation of the construction and operation of the internal control system, and pre-audit of major events.



Key Performance

In 2023, Shenzhen Investment conducted procedural compliance audits and substantive risk assessment audits on a total of 28 material issues and proposed **56** suggestions.

Supervision of the Board of Directors

Audit Committee acting on behalf of the Board

- Ensure that the Company has established and maintained a proper and effective risk management structure.
- Supervise the management in design, execution and supervision of the risk management structure.
- Supervise the management in risk control.

Risk management, reporting, and communication

Risk management department

- Risk management: regularly assess the system risks, and review the risks of major business in advance.
- Internal control: check, evaluate and optimize the execution of internal control system to avoid the execution risks.
- Internal audit: audit at multiple levels, and implement the rectification of audit problems to avoid the operation risks.
- Review the effect of risk management structure at least once a year.

Daily risk management and monitoring

Functional departments, risk management departments of affiliated enterprises and individuals

- Responsible for daily operation of risk management procedure and taking internal monitoring measures.
- Regularly review the risk situation and report the risks in the scope of corresponding operation and functions to risk management department and management.

Governance Responsibility, Sustainable Management

Internal audit, internal control and risk control integration mechanism

Shenzhen Investment has established an integrated internal audit, internal control and risk control integration mechanism. In 2023, we conducted an overall assessment of internal control and risk management system in accordance with the “Corporate Governance Code” of the Stock Exchange and related requirements, and prepared the “Assessment Report on the Internal Control and Risk Management System in 2023” covering key aspects such as monitoring environment, risk evaluation, monitoring activities, information and communication and supervision, which aims to safeguard the sound operation of the enterprise and the effectiveness of risk management through effective supervision, evaluation and control.



Oversee the consolidation of resources:

- Establish Joint Supervisory Committee, which integrates the supervision resources, such as discipline inspection and supervision, supervisory committee, finance, internal audit, internal control and risk control and other departments
- Strengthen the synergy of supervisory departments to enhance the overall effectiveness of supervision

Risk identification and analysis:

- Identify risks through the five elements of the risk assessment model COSO
- In view of the identified significant risks, analyze carefully the causes and formulate countermeasures in conjunction with the relevant business departments and subsidiaries
- Closely monitor changes in significant risks

Internal control system review and evaluation:

- Systematically review and assessment of the relevant systems of the Group’s internal control system
- Supplement and improve the implementation details of internal control evaluation and audit to ensure that the systems cover grassroots enterprises

Final evaluation of internal control system:

- Make a comprehensive evaluation of the internal control system in five dimensions: internal control system construction, system implementation, risk assessment and monitoring, supervision and evaluation, and informatization

Investment project management and supervision:

- Evaluate and supervise the investment projects and process of subsidiaries
- Explore innovative project management modes to enhance the enterprise’s investment management and risk control capabilities
- Ensure the safety and preserve and increase in value of the Group’s assets

Strengthen ESG Risk management

Shenzhen Investment considers ESG risk as one of the core management priorities when building its risk management system. We have identified a number of key ESG risk issues, including bribery and corruption, business ethics, product quality and safety, occupational health and safety, climate change, etc. These issues have been incorporated into our internal regular risk assessment and monitoring processes to ensure continuous identification, assessment and management of ESG risks.

1.4.3 Integrity Construction

Shenzhen Investment is committed to creating an honest and ethical corporate image. We strictly follow the relevant provisions of the “Criminal Law of the People’s Republic of China”, the “Criminal Procedure Law of the People’s Republic of China” and the “Law of the People’s Republic of China on Penalties for Administration of Public Security”, oppose all forms of corruption, including extortion, blackmail, bribery and bribe-taking, and continue to deepen the staff’s concept of fair competition and business ethics, so as to build up a corruption-free and transparent business society.

Management system development

Guided by promoting the organic integration of compliance management and integrity prevention and control, we have formulated an implementation plan for the high-quality promotion of compliance management from 2023 to 2025. In accordance with the “1+3+N” hierarchical and categorized system for compliance management, we have actively promoted anti-corruption system construction, and formulated systems such as the “Policy on Anti-corruption and Bribery”, “Code of Business Ethics”, “Measures for Anti-bribery Compliance Management”, “Measures for Implementation of Integrity Audit Work”, “Measures to Prevent Staff Conflicts of Interests”, and “Measures for the Prevention and Control of Integrity Risks of Off-site Projects”, etc. In 2023, we added the “Management Measures for ‘Three-Major and One-Large’ Decision-Making”. All of these serve to effectively prevent the risks to clean business. The Company shall carry out internal audit at least at the interval of three years to evaluate and review above anti-corruption policies, business ethical standards and business behaviors within the whole scope of operation of the Company. The Board of Directors is responsible for the work relating to business ethics and anti-corruption. The Audit Committee of the Board of Directors, on behalf of the Board of Directors, is responsible for reviewing the effectiveness of the Group’s risk management and internal control system, giving full play to the decision-making, supervisory and advisory roles of the independent directors, coordinating internal and external audit communications, supervision and audits, and evaluating issues such as the Group’s internal control and risk management system, so as to effectively prevent and manage commercial bribery and corruption in the course of the operations of Shenzhen Investment and its subsidiaries.

In order to deepen self-discipline and compliance management, Shenzhen Investment organized its staff to sign the “Commitment on Integrity and Self-discipline” and “Commitment on Compliance”, with a 100% coverage rate of signatures by the senior management. We strengthen the supervision of compliant performance and job avoidance of cadres and employees, enhance the awareness of rules and responsibilities, and strengthen the anti-corruption defense line. In 2023, we launched for the first time a special inspection of the non-local enterprises under the Group on integrity risk prevention and control, with a view to strengthening the management and control of cross-location businesses and ensuring the transparency and compliance of the Group’s operations.

Whistle-blowing management process

In order to strengthen the acceptance of internal and external whistle-blowing and effectively combat corruption and malpractice, we strictly comply with the “Procedures for Handling Petitioning and Reporting” and the “Rules for the Handling of Whistleblowers and Accusation by Disciplinary Inspection and Supervision Agencies”, and issued the “Whistle-blowing Policy”, “Measures for the Management of Whistleblower Cases” and the “Guidelines for Whistle-blowing on Compliance” in line with the relevant rules and regulations to further standardize the procedures for the registration, research and judgment, reporting and transfer of whistle-blowing and protect whistleblowers from retaliation. We ensure there are whistle-blowing channels and handling procedure, combating corruption, fraud, and other improper behaviors in a responsible and effective manner.

We encourage whistle-blowing in real names and provide a number of whistle-blowing channels such as the official website, hotline, e-mail and mailbox, to collect whistle-blowing information from the public and employees. We firmly safeguard the safety and privacy of whistleblowers, protect their basic rights and interests from infringement, and strictly keep their names, workplaces, home addresses and other relevant information confidential. We will strictly investigate the responsibility of those responsible for breaches of confidentiality in accordance with the relevant provisions. Meanwhile, the company under investigation and the person being reported shall not retaliate against the whistleblower. Once found, we will deal with it seriously in accordance with the laws, and effectively eliminate any form of retaliation.



Key Performance

In 2023, Shenzhen Investment accepted a total of **32** whistle-blowing letters of violations, handled **27** whistle-blowing cases and filed **1** case.

In 2023, the number of corruption lawsuit concluded by Shenzhen Investment was **zero**. No corruption, bribery, extortion, fraud, money laundering and other unlawful acts were identified with Shenzhen Investment.

Governance Responsibility, Sustainable Management

Building culture of integrity

In order to create a clean and positive corporate atmosphere and enhance the management's theoretical quality and awareness of anti-corruption, all employees (including part-time employees) and contractors of Shenzhen Investment conduct annual training on integrity publicity, and ensure that all relevant parties fully understand and comply with our business ethics and corporate governance standards by organizing visits to integrity education bases, watching integrity education films and so on.



Key Performance

In 2023, **100%** of the employees of Shenzhen Investment received anti-corruption training.

In 2023, the number of Shenzhen Investment' employees who signed commitment to comply with anti-corruption policies was up to

1,407 persons.

Case Study Discipline education and learning month of "Passing on the Red Family Style and Nurturing Integrity"

In September 2023, Shenzhen Investment organized employees to visit the archive exhibition of "Family Style of Chinese Communists", which showed the excellent family style of outstanding Communist Party members who are clean and dedicated to the people, conveyed their noble moral style, and inspired the staff to build up a strong sense of responsibility and cultivate a clean and upright atmosphere, and to practically transform the red family style into a behavioral guideline for strict family education and correct family style.



▲ Visiting the archive exhibition of "Family Style of Chinese Communists"

Case Study Discipline education and learning month of special Party class on integrity

In September 2023, Shenzhen Investment launched the 2023 discipline education and learning month of special Party class on integrity, and organized participants to watch the warning of typical cases of "Relying on the Enterprise, Eating the Enterprise" by State-owned Enterprises, which made them fully understand the hazards of the "relying on the enterprise, eating the enterprise" phenomenon and strengthened their legal awareness and bottom-line consciousness to resist corruption.



▲ Discipline education and learning month of special Party class on integrity

Control of compliance risks of business partners

To ensure compliance with our business partners, including customers, suppliers, external contractors and distributors, we have implemented a series of control measures, including publicizing our compliance policy, entering into compliance agreements, providing compliance training to our partners, utilizing third-party survey reports and conducting compliance audits. We have formulated the “Guidelines for the Compliance Management of Business Partner”, which specifies the management requirements for business partners, basic compliance requirements for business cooperation, product evaluation and sampling, discounts and promotions, environmental protection, employment and other key aspects. In addition, we have strengthened compliance education for our partners by distributing the “Compliance Proposal to Business Partners” to our business partners. After reading the compliance proposal, our business partners are required to submit the “Letter of Commitment of Business Partners” to the Group and sign the “Commitment of Business Partners” to demonstrate their recognition of and compliance with the compliance commitments.



1.4.4 Intellectual Property Protection

The protection of intellectual property rights is crucial to the promotion of innovation and development and the establishment of corporate reputation. Shenzhen Investment strictly abides by the “Patent Law of the People’s Republic of China”, the “Trademark Law of the People’s Republic of China”, the “Copyright Law of the People’s Republic of China”, and the “Computer Software Protection Ordinance of the People’s Republic of China”, etc., and has formulated a comprehensive intellectual property management system. We follow the internal system of the “Measures for the Administration of Intellectual Property” to enhance the protection of intellectual property rights by improving the management of patents, trademarks, copyrights, new plant variety rights, trade secrets and other intellectual property rights protected under national laws and regulations. For any infringement of the Group’s intellectual property rights, we have set up an intellectual property rights monitoring mechanism and taken legal actions to protect the legitimate rights and interests of our technology research and development and business operations.

In 2023, we continued to enhance the protection of intellectual property rights by systematically sorting out the status of intellectual property rights registration and strengthening the tracking and management of subsequent matters relating to patent applications.



Key Performance

In 2023, Shenzhen Investment applied for **28** patents

and was granted **19** patents.



Case Study Acquisition of patents by Nongke Company

In 2023, Nongke Company developed and filed a series of patents related to the planting industry, including modular indoor planting devices, air vibration dampening equipment for vegetable transplanters, and desktop planting boxes. These patents involve various aspects of planting device design, structure and function, aiming to provide users with convenient, efficient and time-saving planting solutions.



▲ Nongke Company’s patent certificates

1.5 Sustainable Supply Chain Management

Shenzhen Investment has established a standardized procurement and supply chain management mechanism to assist suppliers in improving their ability to comply with contracts through stringent evaluation and management measures. At the same time, through close industry cooperation, all parties can complement each other's strengths and jointly promote the development of the industry.

1.5.1 Standardize Management Process

The Group strictly abides by relevant laws and regulations such as the "Law of the People's Republic of China on Tenders and Bids" and the "Regulations for the Implementation of the Tendering and Bidding Law of the People's Republic of China", and formulated internal management systems such as the "Code of Conduct of Suppliers", the "Management Measures for Bid Evaluation Expert Pool for Major Bidding Projects (Interim)", the "Measures to Prevent Staff Conflicts of Interests", the "Guidelines for the Supervision of Tendering and Procurement" and so on. During the reporting period, the Group continued to improve its supply chain management system and formulated and published the "Measures for the Administration of Tendering and Procurement", which effectively regulated the Group's tendering and procurement of supplies, services and construction works, safeguarded the rights and interests of state-owned assets, and prevented and controlled the risks of corruption.

Tender and procurement management and supervision

Shenzhen Investment adopts a mechanism of separation and balance between decision-making, organization, technology, and supervision for bidding and procurement work, clarifying key processes, monitoring priorities and paths, refining the boundaries of rights and responsibilities of key positions and personnel. The proposal of procurement requirements, procurement organization and implementation, and approval of procurement matters are not undertaken by the same position, and supervisory personnel do not participate in the approval or decision-making of the supervised projects, nor do they serve as members of the evaluation or calibration committee of the supervised projects.

In 2023, Shenzhen Investment and its subsidiaries each activated a special inspection mechanism for tendering and procurement, focusing on the stringency and compliance of the tendering and procurement system, the standardization of the filing information and the timeliness of the suppliers' performance management, so as to ensure the compliance and transparency of the tendering and procurement activities and to enhance the quality and efficiency of the supply chain management.

Case Study Special tender inspection of Terra Company

In 2023, Terra Company launched two special inspections on tenders and procurement activities and conducted comprehensive and detailed sampling inspections of the activities in the past three years, covering all stages of the tendering process. In response to the problems identified during the inspections, Terra Company sorted out and formed a problem list, specified the timeframe for rectification and arranged for review after rectification to ensure that all problems are effectively solved. Terra Company continuously improved the management level of tendering and procurements, and strengthened the compliance construction to ensure the healthy and sustainable development of the enterprise.



▲ Kick-off meeting of tendering and procurement special inspection at Terra Company

Supply chain management informatization

We have been actively promoting supply chain information management, improving efficiency through the implementation of whole-process supervision and the use of the transparent procurement platform. At the same time, the Group has conducted digital audits on the supply chain and realized "double penetration" of business and financial data through the workflow of overall analysis, detection of doubts, decentralized inspections and systematic studies, constructing a scientific supply chain information management system.

Governance Responsibility, Sustainable Management

1.5.2 Practicing Responsible Purchasing

With the principles of openness, fairness, impartiality, selectivity and honesty and creditworthiness, and in accordance with the “Code of Conduct of Suppliers” and the “Measures for the Administration of Tendering and Procurement”, Shenzhen Investment has established scientific supplier management strategies. We implement ESG risk management for suppliers, prioritize the implementation of sustainable suppliers that are conducive to the development of the community and the environment, and encourage suppliers to comply with various laws and regulations and to maintain good operating standards and business ethics, so as to jointly bring positive impacts on the environment and the society.

Transparent procurement

We strictly follow the “Notice of Shenzhen State-owned Assets Supervision and Administration Commission on Implementing Unified Issuance of Procurement Information within Municipal State-owned Enterprises of Shenzhen”, and make full use of the Shenzhen transparent procurement platform to ensure the openness and transparency of procurement information. When signing contracts with suppliers, we require them to sign “Integrity Contracts” to ensure that the business behavior of both parties is compliant, clean and orderly, so as to realize the dual goals of “quality project” and “clean project”.



Key Performance

In 2023, we posted a total of **6,400** procurement items on our transparent procurement platform to effectively carry out open and transparent procurement.

Anti-unfair competition

Shenzhen Investment actively creates a fair and just corporate environment and eliminates any form of unfair competition in accordance with the “Anti-unfair Competition Law of the People’s Republic of China” and “Certain Provisions on Prohibiting the Infringement of Business Secrets”. In the selection and cooperation process of its partners, the Group strictly examines their qualifications and continuously monitors their fulfillment of contracts, adheres to responsible procurement to prohibit corruption and unfair competition, so as to ensure the fairness and transparency of the supply chain.



Key Performance

In 2023, Shenzhen Investment was not engaged in any legal proceedings related to anti-unfair competition.

Supplier ESG risk management

We have publicly announced the “Code of Conduct of Suppliers” on our official website, which requires all suppliers and contractors to comply with and enforce the requirements of the laws and regulations of the countries in which they operate, and sets out clear requirements for suppliers in the areas of ethical conduct, environmental protection, protection of employees’ remuneration and working hours, anti-child labor and forced labor, protection of health and safety, anti-discrimination, and protection of intellectual property rights.

During the collective tendering process, Shenzhen Investment invites a third-party professional organization to conduct a comprehensive on-site assessment of the bidders. The scope of the assessment includes but is not limited to various key aspects including the bidder’s qualification certificates (e.g., ISO 9001, ISO 14001, ISO 45001, CCC certificates, etc.), financial and health status, production facilities, technological innovation (patent certificates), compliance, environmental and occupational health and safety, quality management system, supply chain management capability, production process control, quality inspection of finished products, research and development capability, informatization level, and technical standards of contract execution, aiming to ensure the stability and reliability of the supply chain, and at the same time to control potential risks at source.

1.5.3 Promoting Industrial Development

Shenzhen Investment actively establishes cooperative relationships with other enterprises, participates in the formulation of industry development plans, initiates strategic cooperation with leading enterprises in the industry, and participates in industry exchange activities to form an industry atmosphere of resource sharing, complementary advantages, mutual assistance and mutual aid, and jointly promote the development of the industry.

Case Study Shum Yip Operations participated in 2023 China International Property Management Industry Expo

In October 2023, Shum Yip Operations participated in 2023 China International Property Management Industry Expo organized by China Property Management Institute. During the expo, Shum Yip Operations received a number of delegations and was widely recognized in the industry for its comprehensive and all-round services, which not only demonstrated its outstanding strength in the field of property city and commercial operations, but also provided an excellent example for the high-quality development of China's property management industry.

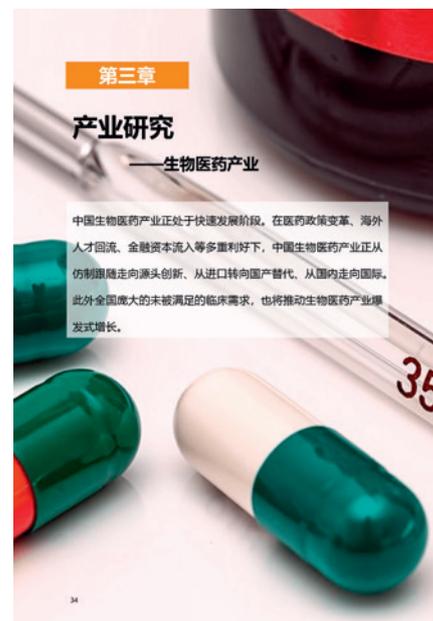


▲ Shum Yip Operations participated in 2023 China International Property Management Industry Expo

In addition, Shenzhen Investment, as a pioneering enterprise in the development of the industry, regularly compiles professional research reports covering key areas such as macroeconomics, biomedicine, smart factories, artificial intelligence, and equipment and facilities through accurate industry research. With in-depth market insights and detailed data analysis, Shenzhen Investment reveals the opportunities and challenges of the industry's development, guides enterprises in their investment and strategic deployment, and facilitates the upgrading and restructuring of the industry.



▲ Industrial cities research report



02

Customer Responsibility

Quality Forever



Shenzhen Investment always keeps in mind of its mission “Building living vision” and is committed to delivering high quality products and providing high standard services to create a better living environment.

ESG issues we concern

Product Safety and Quality
Industrial Technology Innovation and Development
Responsible Marketing
Customer Privacy Protection and Information Security
Customer Feedback and Satisfaction

SDGs issues we respond to



HKEx ESG indicators we respond to

B6: Product Responsibility

Customer Responsibility, Quality Forever

Goal Setting and Progress Review

Type	Goal	Progress in 2023
Material Quality	Check and make sure that the goods are consistent with the brands and specifications required in the relevant contract	All the on-site materials had delivery inspection reports, and the goods were consistent with the brands and specifications required in the relevant contract
Construction Quality	Avoid large-scale common quality defects in the construction process	No large-scale common quality defects occurred in the construction process
Structural Safety	No structural safety incidents	No structural safety incidents occurred

2.1 Stable Product Quality

Shenzhen Investment is committed to building high-quality products, conducting stringent quality control throughout the entire product life cycle, continuously upgrading the level of engineering quality, and safeguarding the quality and safety of products. In order to meet the increasingly diversified market demands, we continue to innovate, upgrade and optimize our products, and adhere to the quality of craftsmanship.

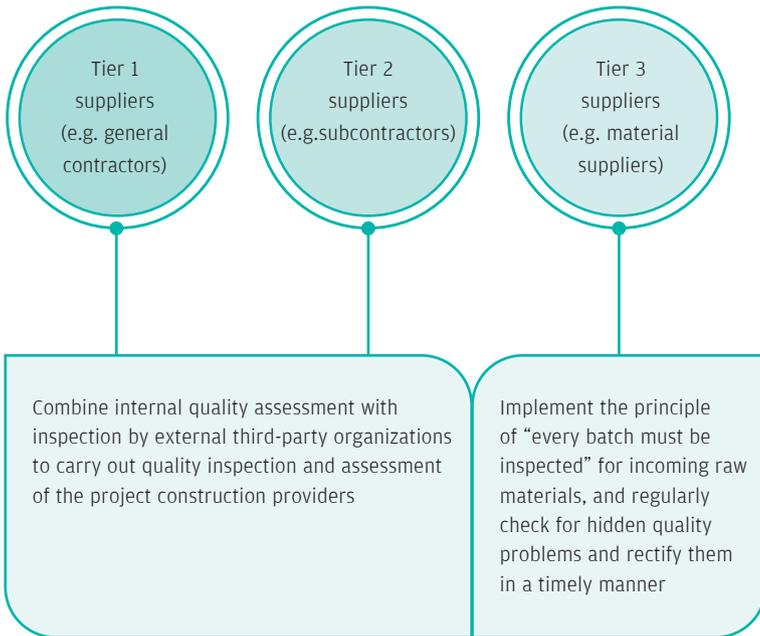
2.1.1 Product Quality and Safety

Quality management system

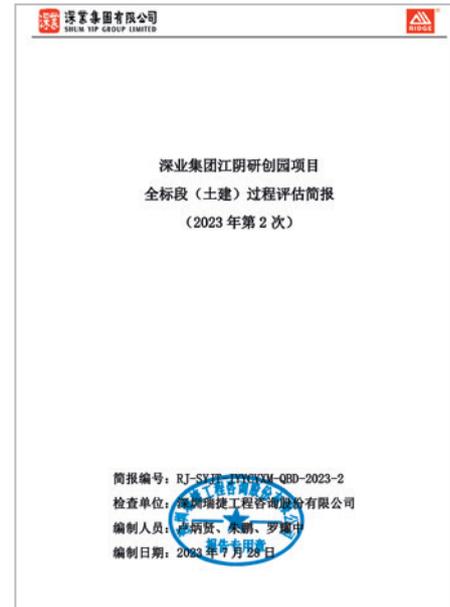
Shenzhen Investment strictly abides by the “Construction Law of the People’s Republic of China”, the “Regulations on Quality Management of Construction Projects”, the “Provisions on Supervision and Management of Quality of Construction Projects” and other relevant laws and regulations, and fully implements the requirements on project quality and safety. During the reporting period, the Group organized monthly quality meetings, weekly reports and other regular quality inspections in accordance with the schedule of each project, and carried out a total of 36 inspections for all projects under construction in accordance with its internal quality requirements, accounting for 26% of all projects, while our subsidiaries also carried out internal quality inspections of their own projects, achieving a 100% project coverage. On this basis, the Group continues to improve its project quality inspection system, which covered all projects under construction, and introduced a third party to conduct regular process quality inspections and delivery assessments to check the actual measurements, quality management practices and quality risks of various projects. Quality management practices include checking and evaluating the implementation of management responsibilities of the project company (department) and related parties (general contractors, supervision body, etc.), while quality risks include but not limited to leakage prevention, reinforcement, formwork support, concrete, secondary structure and masonry plastering, decoration and renovation, doors and windows, curtain wall, landscaping, drainage, ventilation and air-conditioning, electricity, lift, prefabricated components and so on. Prior to the delivery of projects to customers, the Group organizes a third party to make a delivery assessment including comprehensive inspection on customer’s sensitive points and delivery quality, and urging rectification to improve delivery quality.

To further safeguard the quality of our products, the Group has implemented quality management responsibilities and set up an independent quality management steering group to oversee quality assurance work. We have established a quality management process to dynamically manage a number of key stages and important indicators, including material acceptance, quality inspection, building quality and construction site, and have set up an internal project progress and quality assessment mechanism to directly link the results of project quality assessment to the performance of the engineering departments, in order to fully implement quality management.

Quality control is carried out throughout the entire project cycle. At the material entry stage, we adhere to the principle of “every batch must be inspected” to strictly control the quality of raw materials and avoid the use of unqualified raw materials. During the construction stage, we insist on internal quality assessment and joint inspection by external third-party organizations, and carry out quality inspection and assessment for project builders, including suppliers and contractors.



▲ Supplier Quality Audit Measures



▲ Third-party quality inspection report of East China Company

We encourage our suppliers to promote the certification of their quality management systems and regard the certification as an important reference for supplier cooperation, such as the ISO 9001 Quality Management System Certification. As at the end of the reporting period, 100% of the Group’s general contractors in first-tier cities had obtained Quality Management System Certification.

The Group actively promotes quality management system certification within the Group. As at the end of the reporting period, some of our subsidiaries have obtained certificates of ISO 9001: 2015 Quality Management System.



▲ ISO 9001 certificate of Terra Property Company



▲ ISO 9001 Certificate of Land Property Company

Customer Responsibility, Quality Forever

Quality and safety assurance

Shenzhen Investment recognizes the importance of product quality and safety. We continue to deepen the supervision of safety and quality throughout the life cycle of construction. We carry out research on quality defects in construction works, promote proven good practices, and have formed a standardized quality defects prevention and control system in terms of material selection, workmanship practices and on-site construction management. In order to learn from advanced experience, Shenzhen Investment continuously strengthens communication and discussion with outstanding construction companies and material suppliers, and regularly invites relevant industry experts to conduct lectures to learn about the cutting-edge management and technology of the industry.

During the reporting period, the Group carried out special audits on projects under construction to review the quality management situation during the construction process, to effectively prevent and mitigate construction risks. Meanwhile, in the risk identification and assessment work for the year 2023, the Group launched a comprehensive internal safety risk management and control as well as hazards investigation and management, focusing on key areas and critical areas such as engineering construction, fire safety, old properties, minor works and odd jobs.

Shenzhen Investment also invited a third-party professional organization to carry out safety inspection and assessment of all construction projects and commercial property management projects. The assessment found that certain projects had various degrees of weakness in the identification of major hazard sources, risk assessment, hidden danger investigation, risk control, emergency plan formulation and drills. Each project also took corresponding rectification measures according to the assessment results, and the Group monitored the completion of the rectification plan. By accurately locating the weak points in quality management, the Group further implemented quality and safety risk control work, and promoted the orderly implementation of product quality assurance work.

Case Study

Joint inspection by multiple parties to remove safety hazards in all aspects

Shum Yip Operations, Shenzhen investment' subsidiary, adheres to the safety policy of "regular supervision by the Group, quarterly inspection by the third party, and regular self-inspection by the enterprise project", comprehensively investigates the safety risks and hazards of the projects under its management, and forms a closed-loop mechanism of hazards with "the Group coordinates investigation, the enterprises carry out remediation, and precision rectification of project", to address the recurring issues of similar hazards. During the reporting period, leaders at all levels of Shum Yip Operations conducted 864 safety inspections, with 5,011 hazards and a rectification rate of 98.34%; 201 special safety inspections, with 277 hazards and a rectification rate of 96.77%; and 81 third-party safety inspections, with 7,105 hazards and a rectification rate of 95.05%.



▲ Safety inspection by Shum Yip Operations

Quality training

The Group continues to promote the development of quality awareness among its staff. Every year, we organize a variety of quality training programs for all staff, suppliers and contractors to continuously enhance their quality awareness. At the same time, we organize annual project exchange meetings to observe outstanding projects under construction and promote the exchange and sharing of research results on different topics among project companies. The Group also promotes the organization of post-operational assessment of projects to review the highlights and deficiencies of each line of work during the entire project development process, and to precipitate the sharing of experience and lessons learned. During the reporting period, the Group requested its enterprises to vigorously carry out self-inspection and self-correction work on quality, and launched "Quality Month" inspections on key projects and construction sites to improve the quality of construction works. Meanwhile, the Group requested that quality observation meetings and seminars be organized for all employees and construction personnel of the level-2 enterprises to promote good quality cases and summarize the serious problems, difficulties and lessons learned from the projects, with a view to strengthening the quality awareness of all employees of the Group and construction staff.

The Group regularly conducts a series of "Quality Month" activities in September every year. In 2023, the Group organized 29 quality exchange and training activities as a whole, attracting 1,115 persons from 192 entities (including subsidiaries and suppliers) to participate in. In respect of on-site construction management, all level-2 corporates and project companies are required to organize and conduct quality-themed training, as well as disclosure training on site entering of various type of construction units, such as site entering quality and safety standards, construction process and methods and modeling guide. In 2023, the Group and its subsidiaries organized a total of 724 quality-related trainings with more than 8,000 internal and external participants covering 100% of the staff, and 100% of the suppliers and contractors in civil construction, decoration, electromechanical system, curtain wall, fire-fighting and landscaping.

Case Study

Organizing Quality Month activities to enhance the quality awareness of all employees

In September 2023, the Group organized a series of Quality Month activities under the theme of “Systematically promoting on-site management and consolidating the foundation for quality improvement and efficiency enhancement”, and the Group’s subsidiaries responded positively to the call by carrying out quality inspections and promoting the concept of quality. Among them, Terra Company, Land Company, East China Company and other enterprises launched special inspections to sort out the quality management work of projects, summarized various quality problems and promoted excellent management methods. The enterprises such as Taifu Company, and Nongke Company promoted the concept of quality to all employees by organizing quality quiz competitions, posting posters and broadcasting quality publicity videos, to create an atmosphere of quality governance in which “everyone pays attention to quality, everyone creates quality and everyone shares quality”.



▲ Training on quality

Case Study

Organize engineering quality training activities to promote quality knowledge

In September 2023, Kechuang Building Project under Taifu Company held an education and training activity on “Engineering Quality” for Shenzhen Project. The general contracting company introduced in detail the practices and achievements of quality control points, and the curtain wall company introduced the common curtain wall quality problems, prevention and control measures. This activity made all entities of the project development deepen their understanding of quality control system, cases, technical points, prevention and control of curtain wall quality, etc., and improved the quality awareness of engineering management personnel and the level of engineering quality.



▲ Quality training in Kechuang Building Project

Customer Responsibility, Quality Forever

2.1.2 Product Innovation and Development

Adhering to the core value of “Innovation and Excellence”, Shenzhen Investment focuses on the needs of its customers and continues to innovate and upgrade its products and services, in order to move towards the corporate vision of “Innovative Constructor of Industrial Cities”. We focus on our business needs and continue to update our products and services by integrating them with our existing platforms.

Case Study Upgrade of infrastructure service platform supports enhancement of service level

In March 2023, Shum Yip Operations’ “Shenxianghui” basic service platform was updated to an independently deployed operation mode, which helped enterprises realize efficient grid management and dynamically grasp the detailed information within the grids under their control. The model also realized the effective linkage of basic services and multiple services, implying a shift towards refined management of customer services. At the same time, Shum Yip Operations launched the “Shum Yip Operations” public official account, “Shum Yip Operations” applet and “Shum Yip Operations” enterprise WeChat to provide customers with quality online services in an all-round manner, effectively improving customer satisfaction.

Case Study Implementing innovative applications of digitization and deepening the construction of intelligent parks

In 2023, Che Gong Miao Intelligent Park under Shenzhen Investment continued to implement digital innovation applications. The Intelligent Park Operation Platform, which is now online, connects more than 30,000 pieces of IOT devices in 8 categories, including smart light poles, smart trash cans, AI identification cameras, smart parking lots, equipment operation monitoring, cleaning and distribution robots, and energy consumption monitoring, through ubiquitous connection of IOT devices, as well as smart property management, smart energy efficiency, smart access, smart environment and smart greening applications for urban and park services, achieving four major results: human efficiency, energy conservation and emission reduction, value-added business and service enhancement.



▲ Intelligent Operation Platform display screen

2.2 Protecting the Rights of Customers

Shenzhen Investment has always been focusing on enhancing customer satisfaction, establishing a sound and comprehensive customer service system, actively understanding customers' opinions and carrying out various customer services in an orderly manner. We are determined to protect the legitimate rights and interests of our customers, implement responsible marketing, and establish a good brand and corporate image of responsibility.

2.2.1 Service Quality Assurance

Systematic protection

We strictly comply with the “Law of the People’s Republic of China on Product Quality”, the “Law of the People’s Republic of China on the Protection of Consumers Rights and Interests”, the “Advertisement Law of the People’s Republic of China” and the “Trademark Law of the People’s Republic of China” and other laws and regulations. We have formulated a series of internal marketing standards and systems, such as the “Measures for Marketing Management” and the “Standard Manual of Property Service Center”, to standardize our service standards and to lay a good foundation for the Group to provide a high level of customer service.

In 2023, the Group completed its annual customer research work through a series of measures, such as promoting investment, research and marketing, strengthening forward-looking research, launching peer-to-peer exchanges, mapping and researching its subsidiaries, organizing internal co-research and co-creation meetings, and introducing external customer research and consulting organizations, and exported customer research methods, guidelines and templates, and built up a customer research system, and exported a series of research results such as the “Customer Research Methods, Templates and Guidelines for Preparation”, “Residential Customers Research Report”, “Residential Market Segmentation Model”, and “Residential Customers Market Segmentation Research Report of Shenzhen Key Three Districts”. It marks that the Group’s customer research work has systematically formed four modules, including methodology, training system, standard model specification, and white paper of the first pilot landing research results, to escort the upgrading of customer service.

Case Study

Build a service standard system to create a better life service

In 2023, the Group conducted its first comprehensive systematic inventory of the customer resources of its subsidiaries, completed the design of the customer standards system and the membership standards system, and refined the design of the subsequent operation and implementation, implementation means, organizational capacity, and the construction of a customer collaboration platform, etc. The Group plans to set up a pilot landing site for a customer collaboration platform in 2024, establishing a member brand IP, and improving the management of customer services. Through the establishment and improvement of the system, the Group will effectively standardize its customer service management, enhance customer satisfaction and loyalty, and provide members with services for a better life.

Rights and interests protection

The Group strictly abides by the “Personal Information Protection Law of the People’s Republic of China”, the “Law of the People’s Republic of China on the Protection of Consumer Rights and Interests” and the “Network Security Law of the People’s Republic of China” and other laws and regulations, and attaches great importance to the security and privacy protection of customer information. We strictly control the information in our sales system in accordance with our internal systems such as the “Measures for Sales Management”, which clearly stipulate the requirements and standards for the management of customer information. At the specific implementation level, we have set up access rights in our sales system to ensure that relevant customer information is only open to related sales and direct leaders, and have set up segregation measures for non-sales staff to fully ensure the security of customer information.

During the reporting period, the Group focused on the promotion of confidentiality awareness and continued to strengthen confidentiality publicity and education through visits to confidentiality exhibitions and special training.



Key Performance

The Group did not experience any cyber security incidents, successfully blocked more than **4 million** attacks,

dealt with more than **14,000** security vulnerabilities, and conducted 42 security assessments in 11 projects.

The Group participated in **5** network security drills for government network security authorities at all levels, all of which were not breached, and no major network security incidents occurred throughout the year.

Case Study Carry out information security training to strengthen the precaution consciousness of all employees

In 2023, the Group launched training and publicized the awareness of network security, and sent out more than 8,000 emails through drills of preventing “phishing” email within the Group, thereby strengthening the screening ability and prevention awareness of all employees against “phishing” emails in practical combat. Meanwhile, we also issued the “Cyber Security Knowledge Publicity Manual” to all employees of the Group, which specifically set out various data security potential risks and countermeasures, so as to further strengthen the network and data security awareness of all employees.



▲ “Cyber Security Knowledge Publicity Manual”

钓鱼邮件的危害

- 1 窃取、内鬼窃取个人敏感信息
- 2 诱导接受垃圾信息
- 3 窃取账号信息
- 4 个人不妥善管理网络资产，导致诈骗、财产损失、侵犯隐私、诈骗、网络诈骗

钓鱼邮件防范“五要”

- 一、杀毒软件要安装
- 二、甄别能力要提高
- 三、重要文件要防护
- 四、公私邮箱要分离
- 五、登录口令要保密

三步识破钓鱼邮件

一看 发件人地址
二查 邮件正文
三核实 电话核实

看第一：看发件人地址

地址：http://www.chengli.com/231081953E

发件地址看仔细，心中存疑不搭理。



2.2.2 Customer Satisfaction Management

Satisfaction survey

The Group attaches great importance to customers' opinions and regularly conducts customer satisfaction surveys to actively understand customers' aspirations. In 2023, Shenzhen Investment launched its annual customer satisfaction survey. Based on the Customer Satisfaction Index (CSI) model, the survey was conducted by means of a structured survey questionnaire, centering on six indicators, namely, brand perception, brand connotation, quality and reputation, value perception, customer satisfaction, and brand trust, and was aimed at both corporate and individual customers of Shenzhen Investment to collect online information. A total of 180 valid samples were received, including 160 individual samples and 20 corporate samples. The final result of the survey shows that the overall customer satisfaction score for 2023 was 93.67, of which the overall satisfaction index for individual customers was 93.55 and that for corporate customers was 94.10.

Under the Group's promotion, each of its subsidiaries and projects also actively launched customer satisfaction surveys. In 2023, the average score of customer satisfaction surveys for Level-2 companies was 92.57.

Communication with Customers

Shenzhen Investment has established a comprehensive communication mechanism to facilitate customers' feedback and requests. In order to address customer needs timely and efficiently, each subsidiary has formulated corresponding customer relationship management requirements under the guidance of the Group, set up a comprehensive closed-loop mechanism for handling complaints, and continued to enhance the standardization of customer service management.

Case Study

Efficiently respond to customers' demands and improve customer satisfaction

In 2023, Pengnan Company handled a total of 36 customer complaints, including 16 letters from SASAC, 19 calls from the Group and 1 letter from an external organization. Pengnan Company handled the above customer complaints in a timely manner and made corrections accordingly in response to the customers' comments. In order to further standardize the customer relationship management, Pengnan Company has established a customer relationship management system and set up a dedicated staff to deal with customer opinions, as well as arranging follow-ups on important customer complaints of the year.



2.2.3 Responsible Marketing Management

Marketing management system

We strictly comply with the “Advertisement Law of the People’s Republic of China”, the “Law of the People’s Republic of China on Urban Real Estate Management”, the “Measures for Regulating the Sales of Commercial Houses”, the “Regulations for the Publication of Real Estate Advertisements” and other laws and regulations as well as industry standards. We have established internal policies and systems relating to marketing, advertising and sales, which clearly stipulate that the relevant contents and methods of marketing activities must be consistent with the Group’s relevant policies, and are committed to ensuring compliance with basic concepts of fairness, universality and environmental friendly during the lifecycle of our products and services. We ensure to carry out sales and marketing practices in compliance with the laws, regulations, social norms and ethical standards when communicating with stakeholders, promoting and marketing our services. We encourage all business partners, including cooperative partners, contractors and suppliers to comply with this policy. Shenzhen Investment strictly regulates the marketing display on site in accordance with the latest requirements of government and laws and regulations.

The Group and its subsidiaries, in strict compliance with the relevant policy requirements, have endeavored to carry out house purchase risk reminder. The “House-purchase Risk Reminder” is included in the sales contract, “scientific and rational consumption” is considered as an important part of the ESG conception, deeply integrated into the business chain. At the same time, notices are posted in the sales offices to further reminder consumers of the risks, risk avoidance, and protection of interests. We give first priority to customers’ information rights and funds safety, and positively respond to the demands of the government, regulatory bodies, customers and other relevant parties to prevent risks in the house purchase transactions, and to further protect the legitimate rights and interests of consumers.

Marketing audit and review

To strengthen the awareness of standardized marketing of the subsidiaries and enhance the management effectiveness of marketing work of the subsidiaries, annual marketing audit on the real estate sales projects under 8 real estate enterprises under the lead of the Group’s marketing center is conducted. Such audit involves various aspects of content such as achievement made in key process of marketing management, standardization of exhibition area, risk tips, brand standardization, the operation, maintenance and management of digitization platform, customer service work management, etc., and oversees the marketing work of the subsidiaries and projects, enabling multi-dimensional and multi-round covering of audit, and has received high recognition and strong support from the subsidiaries.



Responsible marketing training

The Group conducts regular training on responsible marketing, explaining to staff the rules and regulations of marketing to ensure that they are aware of the Group's commitment to its products and services and that they comply with the internal regulations on responsible marketing, and are not allowed to make exaggerations to mislead customers or to make commitments that are outside the scope of their duties. At the same time, we have supplemented the contents of our responsible marketing training with the Group's Code of Business Ethics, stating that it shall not provide false or misleading information to external parties, make false, exaggerated statements or undertakings to customers and consumers, ensure that sales and marketing practices in the marketing process are carried out in accordance with laws, regulations, social norms and ethical standards, promote and disseminate the concept of responsible marketing among 100% employees of the Group, and request each of our subsidiaries to launch in-depth responsible marketing training for all marketing staff. Under the Group's call, each of its subsidiaries also launch regular marketing training to explain the notice points to its employees in marketing, requiring them to remind and ensure that customers are aware of the risks, sign risk documents, and record the contract signing process by audio and video recording.

According to the requirements under the Group's "Code of Business Ethics", the Group also advocates the philosophy of responsible marketing to the marketing team during the process of annual audit by intensifying that the marketing work shall be carried out in accordance with the laws and regulations, social norms and ethical standards. In order to further reinforce all guidelines, norms and requirements, specific works are carried out in the following three aspects:

Organizing study and training by the Group

In order to further enhance the standardization awareness of enterprises on audit work, the Group organizes sales personnel from all the enterprises to strengthen the study of responsible marketing in the audit work guidelines and the "Code of Business Ethics". Also, the Group fully illustrates our important tasks of marketing, and maintains regular communication and stands ready to answer any questions upon implementation;

Self-check by enterprise

Each enterprise shall conduct self-check of the progress of each project on a half-year basis, and make immediate rectification for any issue identified. A self-check report will be submitted to the Group for record. Thereafter, the Group will follow up the rectification progress of such issue;

Inspection organized by the Group

On a yearly basis, the Group shall establish a group-level audit team to inspect the marketing of key real estate projects and the self-check results of an enterprise, and then produce the annual audit results.

03

Environmental Responsibility

Green Forever



Shenzhen Investment actively responds to the national “3060” dual-carbon strategy, and continues to promote climate change response and risk management. It implements the concept of sustainable development, advocates green office and green operation, and promotes the realization of green and low-carbon development in the whole life cycle of building development, design, construction and operation. We join hands with employees, customers and other stakeholders to jointly build an environmentally friendly society.

ESG issues we concern

Response to Climate Change
Reducing Greenhouse Gas Emissions
Green Building
Energy Usage
Emissions and Waste Management
Water Resources Usage
Biodiversity Conservation

SDGs issues we respond to



HKEx ESG indicators we respond to

A1: Emissions
A2: Use of Resources
A3: Environment and Natural Resources
A4: Climate Change
B5: Supply Chain Management



Environmental Responsibility, Green Forever

3.1 Response to Climate Change

With the issue of global climate change becoming more and more serious, the active response to climate change, the establishment of a commonwealth of life between human beings and nature, and the promotion of harmonious co-existence between human beings and nature have become a focus of global attention. Managing climate risk helps Shenzhen Investment to enhance its capability in climate regulation and minimize losses caused by climate change. In accordance with the “Guidelines on Disclosure of Climate Information” of the Hong Kong Stock Exchange, we have commenced the work of identifying and analyzing the risk of climate change, and continuously enhanced the Group’s climate resilience and climate risk management capability, and disclosed the information in four aspects, namely, governance, strategies, risk management, and indicators and goals.

3.1.1 Governance

Based on the ESG management system, Shenzhen Investment has established a climate governance structure with the Board of Directors as the highest decision-making level and launched top-down climate change governance to respond to the concerns of the relevant parties on climate-related issues such as “response to climate change” and “reducing greenhouse gas emissions”. The Group will actively respond to the challenges posed by climate change and safeguard the long-term sustainable development of the Group.

The Board of Directors has incorporated climate change related risks and opportunities into the ESG management scope, responsible for the leading, decision-making and promotion of the Group’s ESG strategic direction. The Board regularly receives reports from the ESG Working Committee on the Group’s ESG strategy, ESG objectives, climate change risk identification and mitigation, and conducts audit and review, and also reviews ESG management systems, including the “Policy of Shenzhen Investment on Response to Climate Change”.

The ESG Working Committee is responsible for taking the lead in climate change risk analysis, identifying physical and transformational risks at the industry and corporate operational levels, specifying the list of climate change risks, collaborating with various functional departments and subsidiaries to jointly promote the work related to the issue of climate change, and reporting to the Board of Directors on a regular basis.

Relevant departments and subsidiaries of Shenzhen Investment have incorporated climate change risk management into all aspects of their daily operations, and have taken the enhancement of energy efficiency, the increase in the proportion of green electricity usage and the reduction of carbon emission intensity as key management tools and measurement indicators, and have constructed a sustainable green development model through the continuous optimization of the energy structure and the promotion of low-carbon technologies and products and other strategies.

3.1.2 Strategies

Under the guidance of the “Guidelines on Disclosure of Climate Information”, Shenzhen Investment identified climate risks with significant potential impacts by combining its own business characteristics, internal and external development environment as well as experts’ opinions, and specified the list of climate change risks, which includes two physical risks and four transition risks.

Major Types of Risks	Description
Physical Risks	
Extreme Weather	<ul style="list-style-type: none"> 🌿 Extreme hot 🌿 Extreme precipitation 🌿 Extreme cold 🌿 Typhoon 🌿 Flood 🌿 Drought
Environmental Change	<ul style="list-style-type: none"> 🌿 Rising temperature 🌿 Desertification 🌿 Sea level rise 🌿 Water resources scarcity and supply instability
Transition Risks	
Impact of Policies and Regulations	<ul style="list-style-type: none"> 🌿 Green building objectives and standards 🌿 Waste management standards 🌿 Environmental information disclosure 🌿 Energy structure and energy usage 🌿 Carbon pricing
Technology Risks	<ul style="list-style-type: none"> 🌿 Green building technology 🌿 Energy technology
Market Risk	<ul style="list-style-type: none"> 🌿 Shift in customer preferences 🌿 Raw material costs and supply
Other Stakeholders	<ul style="list-style-type: none"> 🌿 Supply chain (upstream and downstream) 🌿 Local community 🌿 Investors

Environmental Responsibility, Green Forever

3.1.3 Risk Management

Taking into account the results of the climate-related risk assessment, we have proposed corresponding risk responses and mitigation measures for different types of risk, so as to continuously strengthen our climate resilience and enhance our ability to cope with the existing and future impacts brought about by natural disasters.

Major Types of Risks	Risk Responses and Mitigation Measures
Physical Risks	
Extreme Weather	<ul style="list-style-type: none">Employee safety: Purchase relevant insurance, arrange construction period reasonably, reduce the risk of employees working in extreme weather, and prevent work-related accidents.Architectural design: It is required to fully consider the impact of typhoon on buildings in architectural design, for example, strengthening structural measures, selecting durable materials and strengthening connecting components to resist the damage of typhoon to buildings.Emergency plan: Formulate and implement the emergency plans for rainy season and flood season, and organize emergency plan drills for rainy season and flood season in due time to improve flood response ability, and carefully organize and implement the drills.Rectification of hazards: Know the shortcomings of production safety in extreme weather and flood seasons, and quickly organize and carry out special safety inspection, and identify and eliminate potential safety hazards in rainy seasons and flood seasons.
Environmental Change	<ul style="list-style-type: none">Material selection: Improve knowledge of new materials and broaden the selection scope of materials.Geological exploration: Expand the scope of geological exploration with greater efforts, enhance project operation capabilities, conduct in-depth analysis during land acquisition and avoid the effects of desertification.Building maintenance: Maintain building facilities carefully with a focus on the maintenance of heating, cooling, ventilation and air conditioning facilities and equipment to ensure that customer needs are met.Water-saving measures: Take water-saving measures and implement upgraded water-saving and wastewater reuse projects.

Major Types of Risks	Risk Responses and Mitigation Measures
Transition Risks	
Impact of Policies and Regulations	<ul style="list-style-type: none"> 🍃 Green promotion: Comply with related climate change policies and improve corporate reputation by promoting the Group’s position as a low-carbon enterprise and improve the Group’s green reputation. 🍃 Green building: Through the analysis of the surrounding environment and climate conditions of the project, formulate green building design strategies, and implement refined design optimization plans in order to create healthy and environmentally friendly residential buildings starting from design. 🍃 Green construction: Strictly follow the green construction requirements, formulate an environmental protection plan for construction site and provide a self-assessment report on the environmental protection result; try to use reusable materials. 🍃 Policy tracking: Track policies in real estate-related industries from time to time and conduct research and analysis on relevant policies in a timely manner. Communicate with the engineering, cost, design and other departments in preparing investment forecasts and investment analysis reports. 🍃 Energy-saving renovation: Study the relevant regulations and policies in relation to green building, evaluate project energy consumption and carry out energy-saving renovation based on the evaluation results, and compare and select the most economical energy-saving and carbon-reducing design.
Technology Risks	<ul style="list-style-type: none"> 🍃 Improving efficiency: Establish an operation efficiency strategy, improve the production efficiency of the Group through technological transformation, and improvement of management measures, etc., and continue to track the development of new energy technology. 🍃 Reducing value chain carbon emissions: Reconstruct the Group value chain and reduce the carbon intensity of the Group’s operations by redesigning the supply chain or distribution network. 🍃 Green building technology: Continue to track the development of green building technology, allocate relevant professional and technical personnel depending on the application of green building technology, and maximize the use of established green building technology and low-energy consumption equipment in design.
Market Risks	<ul style="list-style-type: none"> 🍃 Image promotions: Abide by the climate change policy, promote the Group’s low-carbon image, improve its green reputation and social reputation, and leverage its front-line advantages to carry out greening and environmental protection publicity work in communities to enhance its image in environmental protection. 🍃 Operation management: Identify the demand and level of acceptance of green buildings from operation level, evaluate the impact of green building products on the cost of operation in multiple aspects, make scientific forecasts on the price increase of labors, materials and machines from market level and make alerts. 🍃 Customer expectations: Take corresponding measures based on the needs of property owners and customers to meet customer expectations; consider customer preferences.
Other Stakeholders	<ul style="list-style-type: none"> 🍃 Compliance disclosure: Ensure the legality and compliance of cost information disclosure. 🍃 Policy tracking: Continuously track green and low-carbon policies, conduct research and analysis on new policies and adjust business development methods in a timely manner based on investment expansion risks and new demands. 🍃 Green supply chain: Establish a supplier pool for centralized procurement and a strategic procurement platform. 🍃 Risk control: Pay attention to risks caused by climate change, ensure that risks are controllable and avoid the negative impacts of such risks on corporate image.

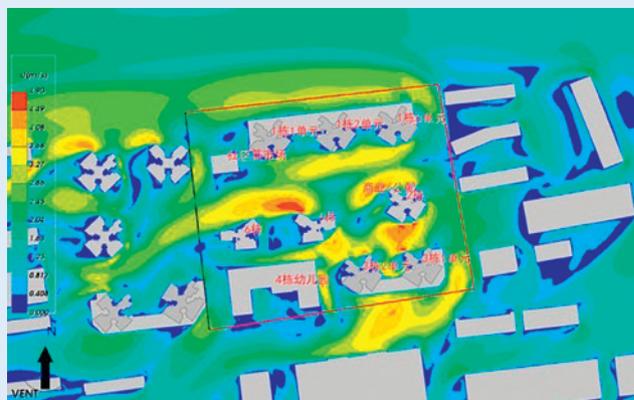
Case Study

Climate risk adaptation by Shum Yip Natural City Project

Shum Yip Natural City project under Nongke Company has attached great importance to the impacts of climate change on the project during the planning, design and construction stages, and has adopted a series of professional measures to cope with the challenges brought about by climate change:

- Planning phase:** Use algorithms and modeling techniques to analyze outdoor wind environment simulation, and ensure that pedestrian and recreational areas maintain wind comfort under various wind speed and directions.
- Design stage:** Consider the impact of climate change on the living environment, including the selection of building materials, the design of building forms, and the green landscape layout, in order to improve the thermal comfort and environmental adaptability of the living area.
- Construction phase:** Ensure energy efficiency and resource conservation during the construction process; emphasize construction safety and adopt safe production measures to protect the safety and health of construction workers and the smooth progress of the project.

Through environmental simulation analysis, climate change adaptive design concepts and stringent management during the construction process, Shum Yip Natural City project has demonstrated its proactive attitude towards climate change, laying a solid foundation for creating a sustainable, environmentally friendly and climate change adaptive residential community.



▲ Outdoor wind environment simulation analysis report

3.1.4 Indicators and Goals

Shenzhen Investment has established clear targets for carbon emissions, energy usage, water resources usage, waste usage and green buildings. We continued to monitor, report and manage the sustainability performance of the Group's core businesses in 2023. Looking ahead, we will further improve our system of indicators and goals to contribute to the realization of the country's "dual-carbon" goals.

Type	Goal	Progress in 2023
Carbon Emissions/ Energy Consumption	Reduce carbon emissions intensity per unit of revenue by 15% by 2030 compared to 2022. Continuously reduce all energy consumption and progressively carry out energy efficiency improvements in respect of operational projects to maximize energy efficiency.	We continuously carried out publicity on energy conservation and emission reduction, energy conservation and retrofitting, and promoted energy-saving technologies. We also promoted digital management of energy consumption, and adopted regular inspection system, to strengthen energy conservation and emission reduction management.
Water Resources	Continuously strengthen water conservation management efforts, and gradually carry out water-saving renovation in respect of operational projects to improve water efficiency.	We collected and transported catering waste oil to make sure that all waste oil is legally collected and recycled for use, and realized an annual recovery of about 120 tonnes of catering waste oil and water.
Waste	Increase waste separation rate and comprehensive utilization rate and standardize the management of hazardous waste collection and disposal.	We established domestic waste classification system to improve the garbage classification rate in community. Through the establishment of management accounts, increased publicity efforts, the setting of on-site supervisors and the establishment of publicity volunteer groups, we helped residents raise their awareness of garbage sorting.
Green Building	From 2023, 100% of new projects of the Group will meet the national green building standard and are encouraged to obtain higher-grade certification (e.g., national two-star green building, national three-star green building, LEED certification and WELL certification). At the same time, we actively implement green transformation and have all commercial projects held for operation reach one-star level according to the evaluation standard for green renovation of existing buildings.	By the end of 2023, Shenzhen Investment had completed 48 green building certification projects with a total certified area of about 6,293,900 square meters. In 2023, 2 new green building certification projects were added, covering an area of about 176,200 square meters.

3.2 Green Building

Shenzhen Investment strictly enforces “Green Building Evaluation Standard”, adheres to the concepts of health, quality and culture, advocates the implementation of green design that “reducing environmental pollution, reducing energy consumption and enhancing the recyclability of construction materials”, actively applies new energy-saving, emission reduction and green and healthy building technologies, and continues to push forward the standardization and certification of green building, and is committed to building an environmentally friendly and resource-saving enterprise.

3.2.1 Green Building Concept

Shenzhen Investment actively responds to the government’s call to promote green building concept and implement green building, prefabricated building and intelligent construction practices. In the design stage of a project, the green design concept of “reducing environmental pollution, reducing energy consumption and enhancing the recyclability of construction materials” is integrated into the products to create comfortable, efficient, healthy and environmentally friendly buildings; in the development stage, we adhere to the concepts of health, quality and culture, actively utilize new energy-saving and emission-reducing technologies, and advocate cleaner production; during the project construction process, we strictly enforce green building requirements and strive to provide the market with healthy and comfortable spaces and buildings that are in harmony with nature.

We commit that from 2023, 100% of all new projects of the Group will meet the national green building standards and are encouraged to obtain higher level certification (e.g. national green building two-star, three-star, LEED certification, WELL certification). At the same time, we will actively implement green transformation, and for the commercial projects held and operated by us, they will reach one-star evaluation standards for existing building transformation.

3.2.2 Green Building Technologies

Shenzhen Investment strictly follows national and industry standards such as “Green Building Evaluation Standard”, applies energy-saving and healthy design and green building technologies to the whole process of project planning and construction, and continues to promote the implementation of Building Information Modeling (BIM) and City Information Modeling (CIM), green building design, sponge city design, and industrialized construction methods, so as to enhance the building’s adaptability and ability to cope with the risk of climate change.

Case Study

Apply green building technology to promote the construction of sponge city

Pengnan Company applied the concept of sponge city construction to the design and construction process of Shum Yip Upper Coast project. Its planning and design follow the principles of ecological priority, site-specific and economic feasibility, with properly layout of sponge city facilities, all of which are conducive to realize the sustainable recycling of rainwater, and promote the harmonious development of urban construction and development and hydrological and ecological development.

- The design of roof greening and rain gardens effectively integrates the project’s internal water resources to meet the demand for rainwater dissipation and storage;
- Reasonable deployment of sponge city facilities, effective absorption, storage, infiltration and slow release of rainwater from drainage systems, green space systems, road systems and other areas, effective control of rainwater runoff, and realization of the overall control objectives of sponge construction.

Taifu Company’s science and innovation project adopted sponge city technology measures such as roof greening, permeable paving, recessed green space and rainwater reuse system in the construction process, which organically combines the prevention and control of internal drainage disaster, runoff pollution control and rainwater resources utilization, and opens up the active exploration and practice of sponge city. According to the conditions of the site, the project set up rainwater



▲ Project effect picture of Shum Yip Upper Coast

infrastructure and ecological facilities to absorb rainwater from the site, reduced the amount of rainwater discharged from the site, alleviated the flooding pressure on the city’s rainwater pipe network, and achieved multi-objective environmental and ecological benefits. The construction of the sponge city has been completed and passed the acceptance.

Shum Yip Operations applied the “sponge city” system in Boying Tower to separate rainwater into separate discharges and storage, which was fully utilized for green irrigation and external cleaning to reduce the loss of cleaning water, thus achieving the value of recycled water resources.

Case Study

Guangming District Xihu Street project was designed as two-star green building

Land Company's Park Mansion project was constructed in compliance with the two-star standard of the "Green Building Evaluation Standards" (GB/T 50378-2019). During the building design process, the company analyzed the surrounding environment and climate conditions of the project site, and started the green building self-assessment work in five dimensions, namely, safety and durability, health and comfort, convenience, resource conservation and environmental livability, to form the green building pre-assessment self-assessment report.

According to the project plan, surface and roof rainwater runs off the site, total external drainage of rainwater on the site is well controlled, and the annual total runoff control rate of the site reaches more than 70%. It adopts sunken green ecological detention facilities, and roofs are designed as green ones, with green spaces at different levels to reduce the amount of rainwater discharged. It sets up a rainwater reuse system for green watering to realize sustainable recycling of rainwater. It also adopts permeable building materials or relevant technical measures, with ground paving in a way that allows rainwater to percolate below the ground level, to effectively control surface runoff, reducing the burden of drainage, and improving the ability to cope with extreme rainstorms and floods.



▲ Project effect picture of Park Mansion

3.2.3 Green Building Certification

Shenzhen Investment continued to promote green building certification and the number of various green building certification projects continues to increase. As of the end of 2023, Shenzhen Investment had completed 48 green building certification projects with a total certified area of approximately 6,293,900 square meters. In 2023, there were 2 new green building certification projects with an area of approximately 176,200 square meters.



Shenzhen Investment had completed 48 green building certification projects with a total certified area of approximately **6,293,900** square meters

2023 New Certified Project	Name of Certificate
Xinhongcheng Phase 2	Two-star green building
Nanjing Nanwan Mansion Project	Two-star green building

Higher-Star Certified Project	Name of Certificate
UpperHills Industrial R&D Building	LEED Gold
UpperHills Theater	LEED Platinum
Shum Yip Qianhai Office	LEED Platinum
Scenery Bay, Nansha, Guangzhou	Three-star green building
Longhua Luxury Mansion Phase 2	Three-star green building
Uptown Academy (上城學府)	Three-star green building



3.3 Green Construction

Shenzhen Investment strictly abides by the regulations of “Green Construction Evaluation Standard for Building Engineering (GB/T50640-2010)”, continuously strengthens ecological and environmental protection measures in the course of project development and operation, promotes green building and green construction concepts and technologies, and actively explores the practice of resource conservation and intelligent construction to reduce the impact of the projects in progress on the surrounding environment and to create a green living environment.

3.3.1 Environmental Protection

We actively incorporate the construction of ecological civilization into the enterprise’s annual plan and performance appraisal. We comply with the relevant laws and regulations on environmental protection and energy conservation and emission reduction, and have formulated the “Guidelines on Environmental Protection” of Shenzhen Investment and other internal systems. We also adhere to the concept of ecological and environmental protection design, and incorporate the protection of biodiversity into the whole process of development and construction of the projects. In addition, we avoid greenfield development, carry out brownfield redevelopment, reduce and recycle construction waste, and strive to become an environmentally friendly enterprise.

Biodiversity conservation

Shenzhen Investment takes into full consideration the impact on the ecological environment in the entire process of project planning, design, development, construction and operation. It actively explores the practice of biodiversity protection, adopts measures such as environmental impact registration, pollutant treatment and recycling, and soil and water conservation, etc., to minimize the impact of its business operations on biodiversity and the ecosystem, and coordinates the promotion of resource development and ecological protection.

Case Study Soil and water conservation work at Luxiyunjing project

Pengnan Company’s Luxiyunjing project is situated in the Yuelu Mountain, a rare ecological asset. The design of the project takes into account the topography of the mountain and the natural texture of the landscape, and integrates the building into the landscape, realizing the integration of the city, nature, culture, and science and innovation.

Before the development of the project, a report on soil and water conservation plan was prepared, and the administrative permit was obtained after examination by the assessment organization, which launched soil and water testing and soil erosion prevention work, and continued to promote the restoration of biodiversity in the aquatic ecosystem; at the same time, the project applied for the “Environmental Impact Registration Form for Construction Projects” according to the relevant requirements of the government, and truly assessed and adopted environmental protection measures to reduce its environmental impacts.



▲ Aerial view of the project



▲ Project marketing center

Environmental Responsibility, Green Forever

Avoiding greenfield development

Shenzhen Investment focuses on ecological environment protection, strictly abides by the red line of ecological protection and permanent basic farmland, and avoids greenfield development. It strictly abides by the “Law of the People’s Republic of China on Land Management” and other relevant laws and regulations on land development in the advancement of the project to ensure that the construction and development of the project is green, healthy and reliable.

We are committed to avoiding the development of projects in national nature reserves during the development process, avoiding the development of farmland and greenfield sites as much as possible, and if this is unavoidable, developing only green certified properties on greenfield developments, obtaining the approval of the relevant authorities prior to the use of the land, and endeavoring to do well with ecological protection and restoration during the development process.

Case Study

Dapeng • Seasons Coastal Countryside Project

Dapeng • Seasons Coastal Countryside (大鵬•四季濱海田園) project under Nongke Company fully revitalizes agricultural land and idle community land, utilizes the industrial advantages of hi-tech agriculture and the superior ecological background of Dapeng New District, develops the characteristic cultural and tourism industry, and transforms ecological values such as sunshine, beaches, the blue sea, forests, and farmland, to create a seaside ecological agri-tourism demonstration base integrating research and development and experience of pre-fabricated food products, agricultural recreation and popularization of science and tourism.

The project implemented the concept of ecological civilization construction in the process of planning, design and construction, and took ecological building as the design principle and the two-star grade of “Green Building Evaluation Standard (GB50378-2019)” as the construction target. It has realized ecological environment protection and resource conservation by applying various green building technology measures, highlighting the dual features of environmental governance and ecological research. The project design is based on building energy conservation of 72%, and is committed to creating environmentally friendly, healthy and comfortable buildings with lower energy and resource consumption, providing people with healthy, suitable and efficient space, and maximizing the realization of harmonious coexistence between human beings and nature.



▲ Dapeng • Seasons Coastal Countryside Project

Case Study

Landscape enhancement projects at Zhoushan River and Tiande Lake

Pengnan Company's Zhoushan River (周山河) and Tiande Lake (天德湖) landscape enhancement project consists of two parts: Zhoushan River Landscape Belt and Tiande Lake Park, with a spatial structure divided into parks, urban ecological green spaces, urban living rooms and various activity areas. The landscape design follows the urban development concept of dual ecology of humanities and nature, and is committed to creating a representative waterfront landscape with rich culture, livable environment and ecology, harmonious integration of water and city, and high quality of life, and realizing a win-win situation for humanities, ecology, economic and land development.

- Fully respecting the nature, history and culture, preserving the layout of ancient Taizhou city with phoenix soaring and inheriting its urban context;
- Emphasis is placed on the protection of biodiversity by adopting various green water purification techniques, setting up functional zoning according to the type of vegetation, covering herbaceous ground cover plants, characteristic

landscape plants and keystone tree species, creating excellent habitats for flora and fauna, and promoting the coordination and unification of the waterfront landscape and the water environment, so as to promote the realization of a long-term sensitive environmental and ecological development;

- Adopting environmentally friendly design strategies, using recyclable building materials and low-carbon eco-smart technologies, creating an interactive human-machine experience, and realizing the effects of resource conservation and reduced energy consumption, resulting in higher ecological added value.
- Planning theme activities related to happy life, cultural life, intelligent life and eco-dynamic life, and incorporating a variety of functional experiences covering eco-education, culture and leisure, and lifestyle entertainment, such as in-depth study activities in eco-education activity bases, botanical gardens and eco-wetlands.



▲ Low-carbon landscape architecture



▲ Zhoushan River landscape belt



▲ Landscape vegetation



▲ Wetland experience

Environmental Responsibility, Green Forever

Brownfield redevelopment

In the urban brownfield redevelopment work, we give full consideration to water conservation, ecological protection and restoration and urban landscape protection, scientific and rational planning of the city's production and living space and ecological space. Soil will be tested for radon before the development of a project and some of the projects will also carry out arsenic-containing soil remediation. The development of a project's green coverage rate can be up to more than 30-40%, and we are committed to the realization of the city's optimization of ecological functions and sustainable development.

Case Study

Industrial land enhancement project

Pengnan Company's Shum Yip Chuangzhi Building is located in Banxuegang Science and Technology City, an integrated industrial and urban development in Longgang District, and it is a redevelopment project aimed at enhancing the utilization of vacant land. The project follows the principles of site-specific, energy-saving and environmental protection, focusing on the comprehensive renovation of the facade of the existing buildings, and at the same time building new factories, dormitories and podiums, so as to transform and upgrade the high-energy-consuming and highly contaminated site into a small-scale mixed-use industrial complex comprising factories, dormitories, commercial premises, cultural activity rooms, property service rooms, fire-fighting rooms, public open space and other types of industries. After the capacity enhancement, the project will increase 37,754.61 m² of gross floor area and 11,176.16 m² of non-capacity area, and add 245 parking spaces for motor vehicles. The planned green area of the project is 791.26 m², with a green coverage rate of 30.26%.



▲ Industrial land enhancement project – Shum Yip Chuangzhi Building

Make the best use of materials

Shenzhen Investment follows the principles of waste reduction and recycling, establishes a comprehensive construction waste management system, classifies and treats solid waste generated during construction, demolition of old buildings and site cleanup, and recycles and reuses recyclable and reusable construction materials as much as possible to minimize the generation of construction waste at source and strive to achieve a win-win situation in terms of resource conservation and environmental protection.

Case Study Resource utilization of construction waste by Shum Yip Natural City

Shum Yip Natural City project under Nongke Company attaches great importance to the construction of sustainable building sites, and has set up an energy-saving and environmental protection construction leading group to manage the green construction, adopting engineering measures combined with biological measures to control the environmental hazards and minimize the impacts on the surrounding landscapes and natural resources.

- Adopt the construction waste management plan and set up special work programs such as the “Environmental Emergency Response Plan”, the “Energy Conservation and Environmental Protection System”, and the “Special Construction Program for Construction Waste and Earth Removal” for the main project;
- Adopt environmentally friendly building materials and increase the reuse rate of fencing and recycling materials through technical and management measures;
- Solid waste is treated through sorting and stacking, recycling, quantitative reduction and land-filling to achieve resource conservation;
- Before construction, submit a construction waste disposal plan to the management department, handle disposal procedures, set up a video monitoring system and electronic information transmission system, and accept monitoring from the construction waste supervision information system of the municipal environmental health administrative department.



▲ Separated waste room at construction site



▲ Closed garbage tank at construction site

Environmental Responsibility, Green Forever

3.3.2 Green Construction Technology

We attach great importance to green construction management. During the construction process, we strictly enforce the green construction standards, implement the requirements on energy conservation, water saving, material saving, land saving and indoor environment, and apply green construction technologies in energy conservation and emission reduction, resource saving, waste management, and pollution and noise reduction, etc. At the same time, we require the construction unit to formulate a plan for environmental protection on the construction site and provide a self-assessment report on the results of the environmental protection, so as to ensure the safety, cleanliness and comfort of the construction environment.

Energy conservation and emission reduction

-  Energy-saving and consumption-reducing design: Design reasonable ventilation and air-conditioning systems, select energy-efficient electrical equipment, procure green electricity, use energy-saving lamps, environmentally friendly energy-saving building materials and energy-saving elevators.

-  Application of new energy machinery: We continue to promote the use of electric and natural gas-powered excavators, bulldozers, road rollers, loaders, and other construction machinery and loading machinery to satisfy the national emission standards for diesel engines used in non-road mobile machinery at the current stage.

-  Promote photovoltaic power generation: Promote distributed photovoltaic and related infrastructure planning and construction, maximize the use of solar energy resources and reduce electricity costs.

Save resources

-  Application of BIM technology: Use Building Information Model (BIM) technology in the planning and designing process of buildings and construction to make rational planning of construction sites, reduce the occupation of land resources, optimize construction sites and improve the quality of construction.

-  Scientific use of water resources: We make full use of non-traditional resources such as rainwater and recycled water, set up a reasonable rainwater collection and utilization system, collect rainwater around the purification sites for greening and irrigation, and continue to enhance the application of technologies such as water reuse to improve the utilization of water resources.

-  Rational selection of building materials: We insist on using recyclable and reusable building materials to decrease construction costs while reducing environmental pollution.

Waste management

- 🍃 Improve the management system: Set up a leading group, formulate a special program, clarify the responsibilities of all parties, and manage construction waste in a scientific manner.
- 🍃 Classification collection of waste: Garbage is collected and handled according to recyclable and non-recyclable categories.
- 🍃 Hazardous waste disposal: Collect used batteries, waste paint and other hazardous wastes separately and hand them over to qualified units for disposal.

Pollution and noise reduction

- 🍃 Noise management: While being contractually bound to implement relevant requirements, the related construction parties shall strictly comply with relevant laws and regulations including the “Regulations of Shenzhen Special Economic Zone on Noise Pollution Prevention and Control”, to make a reasonable arrangement of operation hours, thus reducing noise pollution during nighttime.
- 🍃 Dust management: Construction parties are strongly required to prevent and control dust pollution and conduct real-time monitoring of environmental data (including particle concentration).
- 🍃 Biodiversity protection: The construction and operation of the projects will not damage the local ecological environment and will not emit excessive pollution sources.



Key Performance

The projects under construction of Shenzhen Investment have all met the following standards:

- 100% recycling and treatment of polluted solid waste
- 100% strict control of noise
- 100% up-to-standard discharge of acid and alkali wastewater from construction upon retreatment
- 100% eradicating the leak of radioactive substances
- 100% timely restoration and rehabilitation of ecological environment that is damaged during construction
- 100% discharge of wastewater meeting grade II discharge standards from living areas at the construction site

Environmental Responsibility, Green Forever

3.3.3 Prefabricated Construction

Shenzhen Investment is actively exploring the green transformation of prefabricated building technology and construction methods to shorten the construction cycle and minimize the dirty and messy construction site through prefabricated building, which is in line with the national initiatives of energy conservation, water-saving, land-saving and material saving. We integrate BIM technology, pipeline integration, pipeline separation, internal partition wall and other technologies in prefabricated buildings to meet the diversified needs of users, enhance construction efficiency and living experience, and at the same time realize the reduction of labor, quality hazards, safety risks and pollution loss, fully demonstrating the characteristics of green buildings, including “energy-saving, land-saving, water-saving, material-saving, and environmental protection”.

Case Study

Prefabricated construction at Shum Yip Cloud Center Phase II

Pengnan Company actively responds to the national ecological civilization initiative and the call for high-quality development of green buildings, and fully implements the policy requirements of green and prefabricated buildings in Shenzhen construction projects. Shum Yip Cloud Center Phase II project carries out green building design and prefabricated construction in accordance with the national standard two-star grade, adopts prefabricated components, factory production and on-site lifting, which improves the quality of the building and reduces the degree of pollution, energy consumption and the impact of the construction process on the surrounding environment, thus truly realizing sustainable development. During the construction process, we carried out specific construction according to the specifications, dimensions and deformation rules of the molds, to ensure the quality of prefabricated products while continuously meeting the diversified requirements of users, to create a humanized and healthy building, and to achieve economic and social benefits.



▲ Prefabricated construction site

3.4 Green Operations

Shenzhen Investment integrates the concepts of “green development”, such as resource conservation, protection and improvement of the ecological environment, into the whole process of operation and management, sets emission reduction targets with reference to the 14th Five-Year Plan for energy conservation and emission reduction of the country, region and industry, comprehensively strengthens the management of energy efficiency, water resources, emissions and wastes, implements green leasing, and reduces harm to the environment and climate change in the operation process. The Company will promote the construction of a resource-saving and environmentally friendly society.

3.4.1 Emissions Management

Shenzhen Investment has always adhered to the concept of sustainable development, practiced low carbon emission, strictly complied with national laws and regulations such as the “Atmospheric Pollution Prevention and Control Law of the People’s Republic of China”, and internal management requirements such as the “Environmental Factors Operation Control Procedures”, to achieve the emission standards, implement emission reduction measures and promote emission reduction technologies, so as to assist in the realization of the dual-carbon target.

Case Study

Promote emission reduction techniques and implement low carbon emissions

In 2023, during the planning, design and construction process of Changsha Luxiyunjing (麓溪雲境) project, the internal thermal insulation system and inverted roofing were adopted for the external walls, and the windows, doors and curtain walls were made of insulated broken-bridge aluminum alloy profiles + LOW-E insulating glass, which effectively reduced GHG emissions through the design of emission reduction; and Chaohu Holiday Hotel (巢湖假日酒店) achieved a 7% reduction in annual carbon emissions compared to 2019 by purchasing approximately 10% of its annual electricity consumption in green power through a third-party power sales company, using inverter-controlled air-conditioning refrigeration pumps and cooling pumps, and applying insulation film to the glass canopy in the lobby.



▲ Thermal insulation system in the external wall of Changsha Luxiyunjing project



▲ Inverter in Chaohu Holiday Hotel

Emissions management indicators	Unit	Data for 2023
Nitrogen oxide (NO _x) emissions	kg	5,580.77
Sulfur oxides (SO _x) emissions	kg	10.25
Particulate matter emissions	kg	534.75

Environmental Responsibility, Green Forever

3.4.2 Waste Management

Shenzhen Investment strictly abides by the “Law of the People’s Republic of China on Prevention and Control of Solid Waste Pollution” and the “National Hazardous Waste Inventory” and other laws and regulations, formulates a series of internal systems for waste management, and carries out technological research on garbage classification and waste conversion to realize non-hazardous, reducing and resource disposal of solid waste.

Office waste disposal

We have actively promoted waste separation by posting publicity slogans in the office area, disseminating waste separation knowledge to our staff, cultivating their awareness of waste separation, and implementing waste separation for collection and disposal. For hazardous waste generated in the office process, such as computer accessories, waste batteries, waste ink cartridges and toner cartridges, we strictly follow the relevant regulations of the project location and cooperate with suppliers or qualified third-party organizations and entrust them to carry out harmless treatment or recycling, so as to reduce the impact of the waste on the environment.

Classification of domestic garbage

Shenzhen Investment actively responds to the “Ten Iron Rules for Promoting Garbage Classification Work in Shenzhen”, the “Implementation Opinions on Further Exerting the Advantages of Grass-roots Governance to Classify Domestic Waste in a Thorough, Careful and Practical Way” and “Incentive Measures for Shenzhen Household Waste Classification Work”, fully integrates the garbage classification work into each project, and promotes the formation of a new pattern to jointly construct, manage and share garbage classification. We establish a domestic waste classification system in our self-owned operation projects to strengthen the participation of owners, tenants and residents and improve the garbage classification rate of the community. Through the establishment of management accounts, increased publicity efforts, the establishment of on-site supervisors, the establishment of publicity volunteer groups, etc., we help residents raise their awareness of garbage sorting and solve the problem of collection, transportation and disposal of sorted garbage.

Waste management indicators	Unit	Data for 2023
Total hazardous waste	kg	14,885.52
Total non-hazardous waste	tonne	89,458.01
Hazardous waste intensity	kg/HK\$ million	0.94
Non-hazardous waste intensity	tonne/HK\$ million	5.65



Case Study

Zilinshan Garden launched a publicity campaign on garbage classification

In 2023, Zilinshan Garden (紫麟山花園) Property Service Center organized and launched a community cultural activity of “Garbage classification, I am the first to lead a green life” to promote the concept of “Garbage classification, Green Life” through interactive games and distribution of promotional materials, which advocated low-carbon and energy-saving lifestyles, and enhanced the environmental awareness of property owners to create an environmentally friendly, beautiful and harmonious garden community for the development of green and low carbon in Shenzhen.



▲ Green residential community with garbage classification

Case Study

“Research on Urban Organic Waste Returned to the Field” by Nongke Company

To address the problems of high pressure, high cost and low recycling of organic waste in Shenzhen, Nongke Company has actively initiated technical research to explore a set of low-carbon and sustainable urban ecological recycling agriculture model, which utilizes biotechnological means to treat urban organic waste and convert it into healthy organic matter or organic fertilizer to be returned to the farmland. The contents and progress of the project are as follows:

- Select and cultivate efficient biotope systems based on the attributes of different organic wastes;
- Explore different organic waste mixing formulas suitable for their decomposition and digestion based on the

habits of the selected organisms. We have currently screened out suitable gadflies, earthworms, flies and microorganisms for propagation and cultivation, and initially formed an organic kitchen waste treatment model and process;

- Explore green farming treatment options to realize “on-site treatment” of organic waste, turning waste into treasure and recycling it back to land;
- Improve the experimental techniques, and treat the waste in a scientific and efficient way. In the future, we will continue to improve the experimental program and set up a demonstration site for urban recycling agriculture and promote it to the outside.

Environmental Responsibility, Green Forever

3.4.3 Water Resources Management

Shenzhen Investment and its subsidiaries strictly abide by the national laws and regulations such as the “Water Pollution Prevention and Control Law of the People’s Republic of China”, and implement the conservation and intensive utilization of water resources. In 2023, Chaohu Holiday Hotel abolished the use of river water for green water, and at the same time adjusted the flow rate of water appliances for the hotel rooms so that the annual water consumption decreased by 2% as compared with that of 2019, and it was rated as a “water-saving hotel in Hefei”. In terms of sewage and wastewater treatment, UpperHills strictly enforces the diversion of sewage and wastewater discharge, with all domestic wastewater being treated in septic tanks and discharged to municipal sewage pipe wells, which are emptied and cleaned out every half year; all catering wastewater is treated by automatic oil-water separators to separate oil from water and discharged to municipal wastewater pipelines; and it has entered into the “Contract on Collection and Transportation of Catering Waste in Futian District” with a catering waste oil collection and recycling company, ensuring that all waste oil is legally collected and recycled for use, realizing annual recovery of about 120 tonnes of food waste oil and water.

Water resources management indicators	Unit	Data for 2023
Total water consumption	Cubic metres	2,544,472.95
Water consumption intensity	Cubic metres/HK\$ million	160.72

Case Study Shum Yip Operations launched the creation of water-saving carriers

Blue Sea Red Tree Garden (碧海紅樹園) project managed by Terra Property, launched a water-saving renovation project, replacing all damaged pipes and using water-saving faucets in the park, which was recognized by the Shenzhen Water Bureau and Shenzhen Housing and Construction Bureau as a “Water-saving Residential

Community”. In February 2023, Taifu Commercial Property successfully applied for the creation of water-saving carriers as Shenzhen Water-saving Commercial Complex in 2022.



▲ Water-saving residential community



▲ Water-saving commercial complex

3.4.4 Energy Conservation and Emission Reduction

Shenzhen Investment has implemented the “Implementation Plan for Reducing Pollution, Reducing Carbon and Synergizing Efficiency”, and Shum Yip Operations, one of its subsidiaries, has formulated the “Energy Conservation and Consumption Reduction Management System”, while its subsidiaries formulated the “Energy Conservation and Consumption Reduction Management System for Wondershine Residence (Trial)” and “Management Measures for Energy Conservation and Consumption Reduction by Terra Property”. These measures aim to integrate energy conservation and emission reduction into our daily operation and carry out regular management, continuously carry out publicity on energy conservation and emission reduction, energy conservation and retrofitting, and promote energy-saving technologies and photovoltaic new energy. We also promote digital management of energy consumption, and adopt a regular inspection system, to strengthen energy conservation and emission reduction management. In addition, we provide incentives and impose penalties for annual energy savings to promote comprehensive clean production and operation.

Energy-saving renovation

In 2023, we proactively launched energy-saving renovation work for projects under our management, including the variable frequency conversion of fume hoods and air-conditioners, intelligent control of lighting equipment, and renewal of old lifts. Tanglang City launched technical energy conservation and consumption reduction for air-conditioning hosts based on actual demand, realizing annual cost savings of about RMB384,000; UpperHills (South) carried out inverter modification for 20 exhaust fan units, which, after commissioning, saved 30% of electricity consumption per month on the basis of the original energy consumption, resulting in annual energy cost savings of about more than RMB300,000; Mandarin Oriental Shenzhen used 100% of LED lightings fixtures and adopts dimming system and building intelligent control system to implement dimming control. Through various energy-saving measures, the actual energy consumption cost for the whole year accounted for 5.1% lower than the budgeted revenue percentage; Wondershine Residence Company renovated a total of 25 elevators in 2023, of which 6 have been put into use.

Energy management system

We continue to improve the energy management of air-conditioning, elevator, lighting, power distribution, water supply and drainage, boiler, fire-fighting system and office in property service, and have passed the ISO50001 energy management system certification. In accordance with relevant evaluation requirements, Shum Yip Operations’ subsidiary, Wondershine Residence Company, applied for the certification of the energy management activities related to the office system and the under management project of Jilian Building (吉蓮大廈) in Lotus North Village (蓮花北村), including the elevator system, transformer and distribution system, air conditioning system, lighting system, etc., and obtained the Energy Management System Certification.

Intelligent management platform

We are fully committed to building Shenxianghui intelligent management platform. Leveraging on big data and the Internet of Things, we not only improve the handling of property work orders, equipment management, access management, security management and park services, but also realize interconnection of park data and real-time monitoring, enhance the level of intelligent operation and management, and reduce the park’s energy consumption. In 2023, Shum Yip Operations’ Chegongmiao area adopted an intelligent park operation platform to monitor the on-site environmental conditions, and realized more than 30% of electricity saving in public areas through intelligent control, sensor triggering and linked control switches.

Photovoltaic new energy

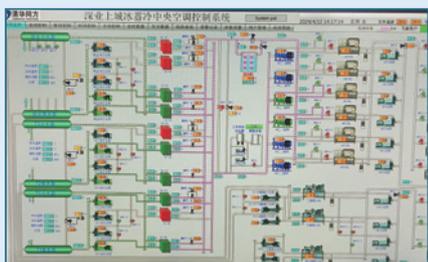
We have actively responded to the initiative of “Shenzhen Carbon Peak Implementation Plan” on distributed photovoltaic power generation by expanding the scope of diversified utilization of “PV+”, utilizing slopes, building roofs, idle land resources and other sites to build and promote integrated photovoltaic applications for light, storage and charging, supplemented by energy storage, to assist in green mobility, while achieving the purpose of saving energy cost and reducing energy consumption.

Energy consumption indicators	Unit	Data for 2023
Total energy consumption	Megawatt hours	133,439.11
Energy consumption intensity	Megawatt hours/HK\$ million	4.23
Greenhouse gas emission indicators	Unit	Data for 2023
Scope 1: green gas emissions	tCO ₂ eq	5,941.03
Scope 2: green gas emissions	tCO ₂ eq	61,332.91
Total greenhouse gas emissions	tCO ₂ eq	67,273.94
Greenhouse gas emission intensity	tCO ₂ eq /HK\$ million	4.25

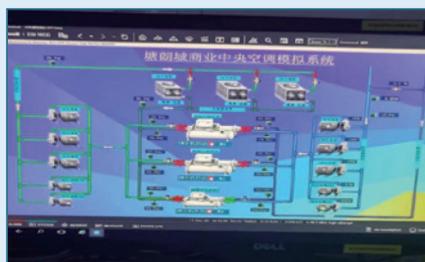
Case Study Energy saving and consumption reduction management in commercial operation projects

In 2023, UpperHills (South) introduced ice storage technology for the main air-conditioning system, adopted inverter technology for all air-conditioning cabinets, and adopted variable air volume VAV air-conditioning system for the terminal equipment. By adopting the mode of full-rate ice storage during the night time when the electricity price is low, ice melting during the day time when the electricity price is peak, and replenishment of mainframe during the flat period, UpperHills (South) effectively realized staggered peak electricity consumption, reduced electricity loss and improved operational efficiency, with electricity cost of about RMB9.10 million saved in a year. The rainwater and condensate recycling system was utilized to adjust the PH value of the collected rainwater, disinfect the collected rainwater with chlorine, and filter the collected rainwater, and the condensate from the air-conditioners was recycled and processed for recycling in the cooling towers, which effectively reduced the consumption of tap water.

In 2023, Tanglang City Commercial Operation Center launched a series of energy saving and emission reduction work with significant achievements made: inverter motor was adopted for its central air-conditioning equipment, and one-to-many parallel operation mode was adopted for the air-conditioning mainframe, water pumps and cooling towers, which enabled flexible selection of the number of equipment to be invested in and their operation parameters based on the load demand and effectively reduces electricity consumption, with an annual saving of approximately RMB384,000; idle shutdown of commercial fume exhaust equipment to reduce the run time by 3.5 hours per day resulted in annual savings of approximately RMB85,000; non-permanent shutdown of commercial 3# transformer from January to June saved RMB264,000 in basic tariff; and the lighting fixtures in the commercial logistics channel on the 3rd to 6th floor was partially turned off, saving RMB35,000 in expenses throughout the year.



▲ Ice storage cooling central air-conditioning control system of UpperHills



▲ Central air-conditioning simulation system of Tanglang City Commercial Operation Center



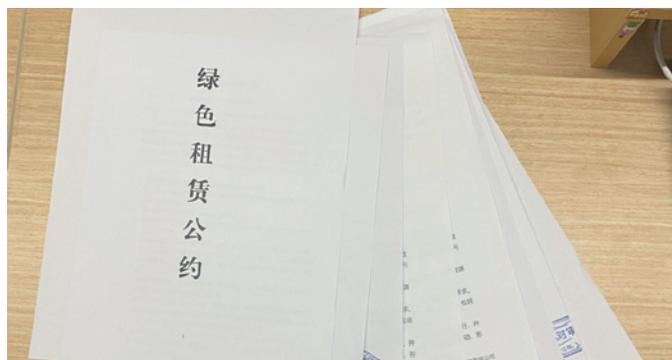
▲ Rainwater and condensate recycling system

3.4.5 Green Lease

Shenzhen Investment actively explored the green leasing mode of commercial properties. In 2023, we amended the “Measures for the Asset Management of Centralized Operation Projects” and the “Measures for the Management of Assets in Specialized Markets” to include relevant clauses on green leasing, and encourage tenants to adopt energy-saving methods and renewable energy sources to carry out green leasing activities. We also formulated a separate green lease commercial agreement and encouraged tenants to sign the “green lease commercial agreement” independently. Focusing on aspects such as property decoration, use of energy and water resources, the agreement made provisions for the use of environmentally friendly materials, energy saving, water saving, material saving, waste management and indoor environmental quality, etc. by tenants during the lease period and operation period, stipulated that the tenants shall share energy consumption and carbon emission data with the Company, and advocated green office and travel by the tenants, so as to achieve green and carbon reduction goals through concerted efforts.

In 2023, Commercial Management Company of Shenzhen Investment ceaselessly improved the green leasing system and explored the green leasing mode. At present, it promotes 42 tenants to sign the Green lease commercial agreement. Meanwhile, it has proactively carried out green publicity and education, continuously improved the awareness of sustainable development and facilitated the realization of green and healthy leasing, thus promoting the construction of a resource efficient and environmentally friendly society.

At the same time, we continue to promote the formation of an environmental inspection team, requiring inspectors to monitor tenants’ environmental compliance, with the aim of enabling landlords and tenants to reverse the benefits of their investment in energy efficiency and encouraging cooperation between the two parties to promote sustainable leasing, operation and management of buildings.



▲ Green lease commercial agreement

3.5 Green Initiatives

Shenzhen Investment actively advocates the concepts of green and low-carbon operations and energy conservation and environmental protection, fulfills its green mission, carries out green office operations, promotes green culture and knowledge, and implements green supply chain management to help its employees, customers and stakeholders achieve green and sustainable development.

3.5.1 Green Office

Shenzhen Investment actively responds to the “Green Office” initiative, practices the concept of low-carbon office, advocates all employees to implement energy conservation, water saving, garbage classification and other environmentally friendly behaviors, to raise awareness of environmental protection and resource conservation, and create a green workplace environment.

 <p>Green electricity consumption</p>	<p>The power switch is covered with the slogan of “Save resources and save electricity”;</p> <p>Reduce the time of turning on the central air conditioner throughout the year, and set the central air conditioner to 26°C in summer;</p> <p>Adjust the power consumption time of the office, and properly turn off the office lighting during lunch break.</p>
 <p>Green paper consumption</p>	<p>Save paper and implement double-sided printing for document;</p> <p>Use OA and property intelligence platform to gradually implement paperless office;</p> <p>According to incomplete statistics, the adoption of the intelligent property management platform to move offline work online has reduced the use of patrol sign-in A4 paper by more than 140,000 sheets throughout the year, and reduced the use of inspection record books by more than 2,500 books in Shenzhen each year.</p>
 <p>Green water consumption</p>	<p>Water saving tips are posted in the restrooms on each floor to enhance staff awareness of water saving;</p> <p>Encourage employees to cherish drinking water resources and eliminate waste;</p> <p>Water-saving faucets are installed in office areas with a 100% installation rate.</p>
 <p>Green travel</p>	<p>Use of electric, natural gas and other new clean energy powered vehicles to replace traditional fuel powered vehicles. Shum Yip Operations are currently using a total of 393 large new energy powered vehicles, of which 369 are pure electric vehicles, and 24 are LNG (natural gas) vehicles; Pengnan Company further improves the management system and working mechanism of official vehicles from the perspective of institutional construction, and strengthens the standardization construction of official vehicle management.</p> <p>Encourage employees to use the stairs more often than the elevators.</p>
 <p>Green dining</p>	<p>Hang posters on the walls of the staff dining area: “Cherish the food in your bowl, please take what you need”;</p> <p>Carry out the “Civilized Dining Table, Empty Plate Campaign” to become a promoter of the “Empty Plate Campaign”;</p> <p>The cafeteria is equipped with sorted garbage cans and garbage is sorted and disposed of.</p>

Case Study

Shum Yip Operations practices green office and low carbon mobility

In response to the green and low-carbon initiatives, Shum Yip Operations has been actively using electric, natural gas and other new clean energy vehicles to replace traditional fuel vehicles. The company currently has a total of 393 large new energy vehicles in use, of which 369 are pure electric vehicles, 24 are LNG (natural gas) vehicles, and another 9 diesel vehicles retrofitted with DPF, which has greatly reduced exhaust emissions. The above vehicles include refuse compression vehicles, hook-armed vehicles, bucket trucks, high-pressure cleaning vehicles, sweepers and fog trucks, and other types of vehicles.

In addition, Shum Yip Operations has actively adopted energy-saving and emission-reduction measures in its office areas, such as posting “turn off the lights when leave” signs and adopting energy-saving lighting equipment, advocating the conservation of electricity and adopting a smart platform for property management to gradually implement a paperless office to save paper.



▲ “Save Electricity” signs

3.5.2 Green Culture

Shenzhen Investment always insists on being a spreader of green concepts, advocating green and low-carbon offices and energy-saving and environmentally friendly lifestyles, and launching publicity and education activities in office buildings and residential areas through cultural publicity, thematic training and knowledge seminars to promote green and low-carbon concepts and knowledge of garbage classification to employees and owners, so as to promote green concepts in the minds of the people.

The Group’s green beauty manifesto:

- Shum Yip Taifu Square - “Sponge ecological metropolis and green prioritization era (海綿生態都會 綠色先行時代)”

As a sponge-type demonstration building community, Shum Yip Taifu Square is an ultra-large medium and high-end urban complex with environmental protection and low-carbon theme. The complex realizes green ecological and sustainable development through the combination of sponge facilities such as permeable pavement, concave green area, roof greening and rainwater reuse.

- Dapeng • Seasons Coastal Countryside - “Ecological garden and bay, and coastal high-tech countryside (生態兩園半灣夢 濱海高科田園情)”

The overall positioning is a high-tech agricultural theme research park, which is a modern agricultural creative exposition park integrating science education, landscape display, leisure and entertainment.

- Che Gong Miao Intelligent Park - “Achieve a propagable intelligent park construction model (實現可推廣的智慧園區建設典範)”

With innovative business models, advanced software platforms and intelligent IoT devices, the park achieves high integration of personnel, equipment, materials and affairs to promote collaborative progress between the park and the surrounding environment, demonstrating the unlimited potential of technology and innovation in promoting sustainable development.

- Jihua Sub-district, Longgang District, Shenzhen City - “Manage the city like embroidery (像繡花一樣管理城市)”

Shum Yip Operations practices the concept of green city operation, promotes the new appearance of the sub-district with the reform of property management city, carefully plans and implements the “one type of flower for one road (一路一花)” landscape enhancement project for Jihua Sub-district, and insists on “managing the city like embroidery” to achieve green development of the city.

Case Study

Launch energy conservation publicity week to promote green culture

During the 2023 Energy Conservation Publicity Week, Shum Yip Operations launched online and offline publicity activities around the event theme of “Energy conservation and Carbon Reduction, You and I Go Together”, posting “Energy Conservation Publicity Week” posters on small publicity boards, electronic screens and other areas, and promoting the week on its WeChat official account, creating a strong atmosphere of public opinion on the Energy Conservation Publicity Week. Among them, the Shum Yip Central Management Office made use of the electronic screen of the building to scroll energy-saving publicity posters to advocate green and low-carbon travel. No.1 Meilin Village management office combined with its energy conservation and consumption reduction needs, launched energy conservation and carbon reduction thematic training and knowledge seminars, promoting the “dual-carbon” strategy and its energy management system documents, learning energy conservation and emission reduction knowledge and advanced experience. It aimed to encourage its staff to develop green and low-carbon energy conservation and consumption reduction habits of work and life. On 22 March, it launched the “World Water Day, China Water Week” themed publicity activities to publicize the concept of water conservation and help protect water sources through interesting water games, on-site lectures, and broadcasting of promotional videos, etc., in order to promote the concept of water conservation and help protect water sources.



▲ “World Water Day, China Water Week” themed publicity



▲ Energy conservation and carbon reduction thematic training

3.5.3 Green Procurement

Shenzhen Investment comprehensively implements green supply chain management by amending the “Measures for the Administration of Tendering and Procurement of Group Headquarters”, improving and perfecting the procurement process and tender documents, and gradually forming a green procurement system that takes into account both economic and environmental benefits; amending the “Measures for the Asset Management of Centralized Operation Projects” and the “Measures for the Management of Assets in Specialized Markets” by adding green procurement-related clauses, encouraging the development of green procurement, and incorporating energy efficiency into procurement decisions. We also prioritize the use of green and healthy materials in the procurement process, and optimize and upgrade equipment and facilities in a timely manner. As required in the “Implementation Rules for Strategic Procurement” of Land Company, the indicator of “corporate social responsibility performance” is included in the annual assessment of strategic suppliers. Legal disposal of hazardous waste, energy conservation and consumption reduction, and other environmental protection measures are listed in supplier evaluation.

In 2023, in the process of purchasing wooden flooring, we required suppliers to use environmentally friendly products and services. The contract stipulated that the auxiliary materials used must meet environmental requirements and use E0 grade environmentally friendly adhesive. By regulating green procurement behavior, we promote the green, low-carbon, and circular development of the supply chain.

Formulation of green standard: Incorporate an assessment of environmental factors into procurement policies, reflect the concept of green environmental protection, and strictly follow procurement standards for procurement. The environmental protection responsibilities of the contractor are stipulated in the bidding documents or contracts.

Selection of green supplier: Add the green indicators in selecting the suppliers - add the review items such as “Shenzhen Blue” into the review of construction plan.

Performance of green contract: Establish an inspection and dispute handling mechanism in performance of green procurement contract, and specify corresponding punishment articles in the procurement contract.

Disclosure of green procurement information: Define the scope and mode of disclosure of green procurement information, and disclose the supplier which violates the green procurement articles in the contract.

▲ Green procurement flow chart

04

Employee Responsibility

Talents Forever



Shenzhen Investment adheres to the talent concept of “Virtue First, Talent Best”, and strives to build a diversified workforce. We are committed to building an inclusive and equal workplace, protecting the legal rights and interests of our employees and their occupational health and safety, and establishing a comprehensive compensation and welfare system to facilitate their career development.

ESG issues we concern

Occupational Health and Safety
Staff Training and Development
Employee Rights and Benefits
Employee Diversity and Equal Opportunity
Attraction and Retention of Talent

SDGs issues we respond to



HKEx ESG indicators we respond to

B2: Health and Safety
B3: Development and Training
B4: Labor Standards

Employee Responsibility, Talents Forever

Goal Setting and Progress Review

Goals	Progress
By 2025, the annual production safety fatal accident rate per million square meters of area under management is consistently controlled at below 0.1 (including suppliers and contractors).	2021: 0.00 2022: 0.00 2023: 0.01
There is no occurrence of occupational disease	No occurrence of occupational disease

4.1 Employment and Management

Shenzhen Investment insists on people-oriented and compliant employment, abides by all relevant laws and regulations, protects the legitimate rights and interests of its employees, and builds an equal and diversified workplace atmosphere.

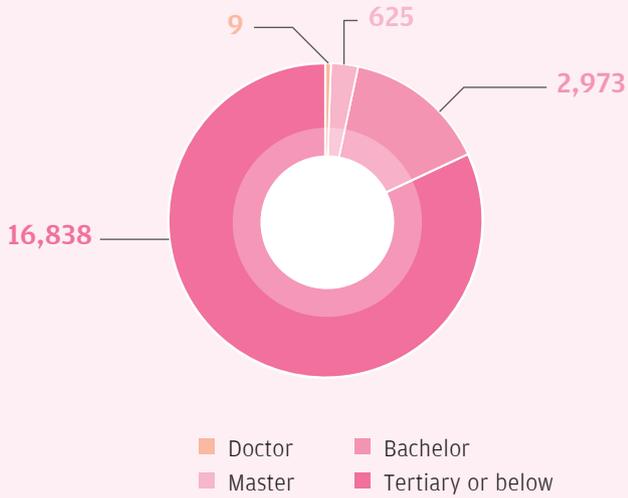
4.1.1 Equal Employment

The Group strictly abides by the “Labor Contract Law of the People’s Republic of China”, the “Employment Ordinance” of Hong Kong and other relevant laws and regulations in its place of operation, and has a series of human resources management systems such as the “Management Measures for Campus Recruitment”, the “Administrative Measures for the Selection and Appointment of the Middle Management”, and the “Measures for the Selection and Transfer for Vacant Positions in the Group Headquarters”.

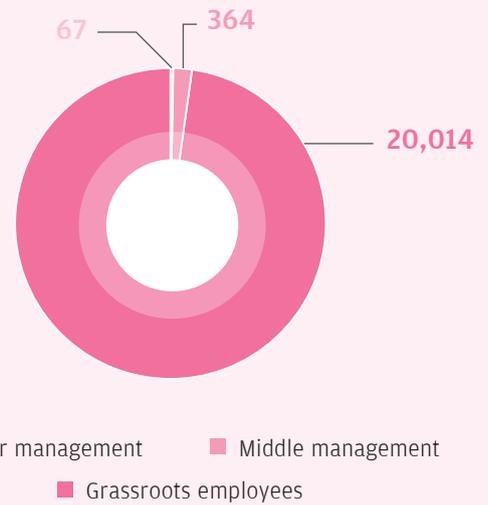
During the reporting period, the Group continued to build a pragmatic and practical human resources system, focusing on the selection of managements, management of ranks and positions, remuneration and performance, staff training and Hong Kong-based affairs, and revising more than 10 relevant systems, and completing the compilation and organization of 34 policies in a timely manner, which provided systemic support for the standard and effective commencement of work.



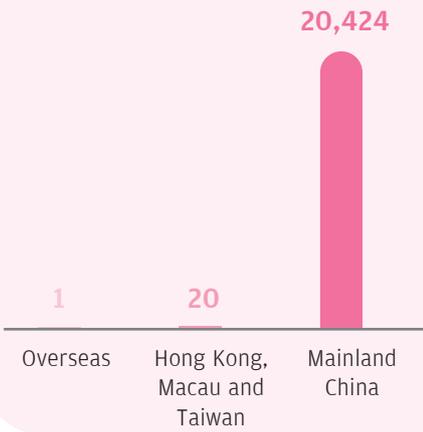
Total employees by education level



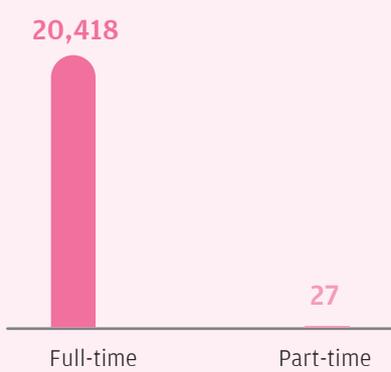
Total employees by rank



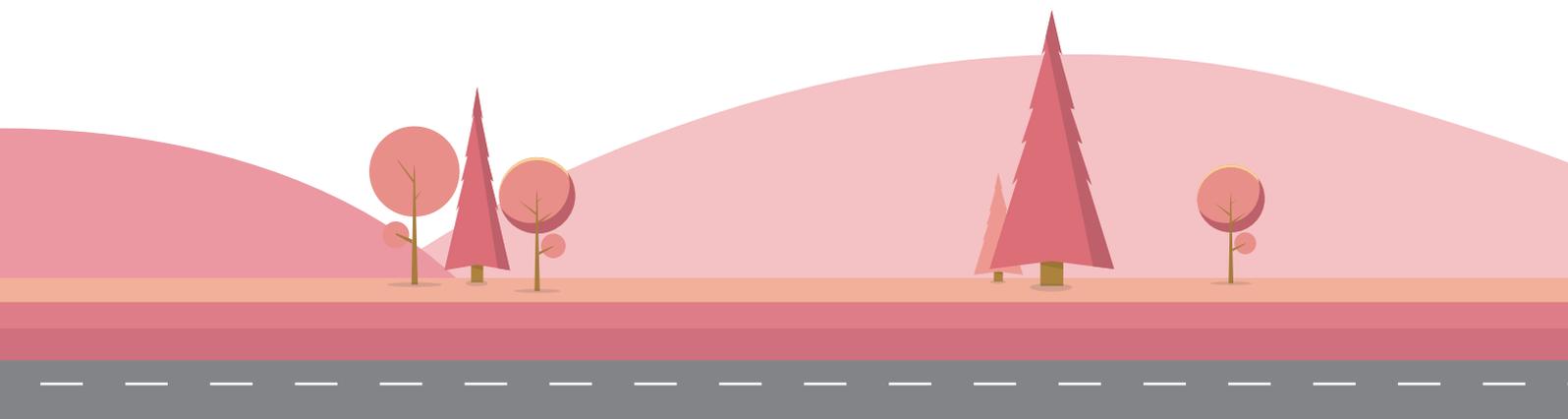
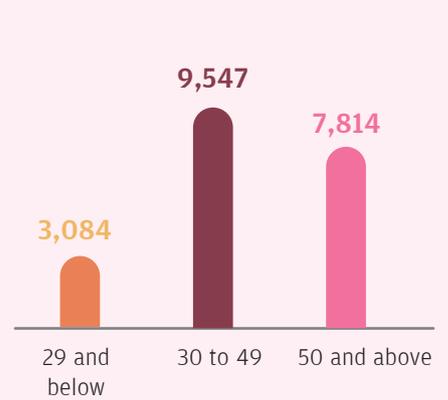
Total employees by geographical region



Total employees by employment type



Total employees by age



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4.1.2 Diversity and Inclusiveness

The Group treats every employee equally, promising not to discriminate against employees on the basis of gender, age, illness, ethnicity, etc., and eliminating all forms of discriminatory behavior, and is committed to building a workplace of equality, diversity and inclusion. For special groups such as veterans and people with disabilities, the Group has also actively launched specialized recruitment activities to convey the Group's culture of diversity and tolerance.



Key Performance

Employment of **42** disabled employees.

During the reporting period, the Group focused on team building, organizational control, performance appraisal, infrastructure and other key tasks based on the Group's responsibilities and missions, with a view to promoting the effective implementation of various human resources management work. At the same time, the Group actively promoted the construction of a human resources information system. Focusing on digital empowerment, we have constructed a human resources system platform for all enterprises at all levels of the system, which covers five major modules, including organization management, personnel management, employee relationship management, salary management and cockpit management, and has effectively constructed a "T+0" system with real-time data updating and effective information iteration, thereby promoting the intelligent and digital transformation of human resources management.

Focused Area	Effectiveness of Work
Management building	Completed the leadership change in 7 subsidiaries, selected and appointed 90 managements for middle-level vacancies in the headquarters, accounting for more than two-thirds of the total, of which 39 management members were promoted, with an exchange rate of 48%.
Introducing industry elites	Focusing on urgent need of talent for Hong Kong-Shenzhen cooperation, marketing and other major strategic and key areas, introduced 6 external industry elites to join.
Promoting proximity to fill vacancies	Launched open competition for vacant positions at the mid-level in subsidiaries, attracting a total of 350 applicants and 57 were appointed; Launched offline recruitment at 11 universities in 9 cities, and used live broadcasting to promote online recruitment, attracting nearly 5,000 graduates from famous universities at home and abroad.

▲ Results of the Group's human resources efforts in 2023

4.2 Benefits and Protection

Shenzhen Investment respects and protects the rights and interests of its employees, abides by the legal requirements to provide them with various statutory benefits, and has established a comprehensive remuneration incentive system on this basis. At the same time, the Group actively seeks to understand the views of its employees, listens to their voices and builds a good image as an employer.

4.2.1 Remuneration Package

The Group has put in place remuneration and performance management systems such as the “Employee Remuneration Management System”, and strictly abides by internal rules and regulations. We implement the principle of equal pay for work of equal value, provide employees with statutory benefits such as “five insurance policies and one pension”, and stipulate that employees shall be entitled to statutory holidays. At a time of market turbulence, Shenzhen Investment actively responded to the pressure on its operating results by continuously optimizing the structure and level of staff remuneration in accordance with the adjustments to the Group’s incentive and constraint mechanism in line with the market level, so as to form a remuneration system with a better structure, reasonable level and clear direction and implement it consistently.

We have formulated performance management systems such as the “Management System for Performance Appraisal of Staff”, the “Occupational System and Rank Management Measures” and the “Equity Incentive Plan” to establish a performance management system of “current consideration, long-term benefits, strong excitation and forced constraint”. We link the results of the employee assessment with bonuses and long-term incentives, and the remuneration of the senior executives with corporate operating performance.



4.2.2 Human Rights Protection

Shenzhen Investment abides by various domestic and international laws and regulations and initiatives, such as the “Labor Contract Law of the People’s Republic of China”, “International Labor Standards” and United Nations conventions, etc., and firmly protects the legitimate rights and interests of workers in the value chain, eliminates child labor and forced labor, etc.

The Group respects the employees’ right to freedom of association and continues to improve the trade union system by establishing a number of trade unions throughout the system and expanding their coverage to ensure that the various rights and interests of the employees are realized. In 2023, the trade unions performed their function of protection by deeply promoting collective negotiation, with 46 grassroots trade unions of Shenzhen Investment entering into the “Collective Contract” 《集體合同》 with their respective employers, thus truly protecting the legitimate rights and interests of workers.



Key Performance

Shenzhen Investment and its subsidiaries added **4** new trade union organizations

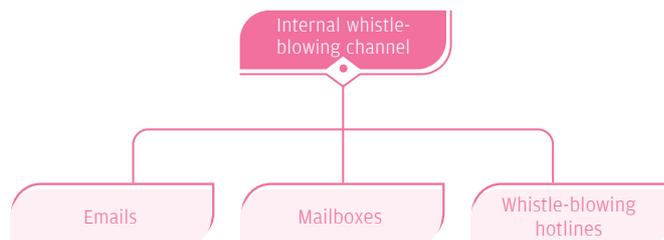
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4.2.3 Democratic Communication

The Group attaches great importance to the views of its employees and provides them with multiple channels to express their opinions and grievances. The Group regularly organizes staff representative meetings and conducts surveys on employee satisfaction and dedication to listen to their voices and solve problems in a timely manner, thus contributing to the Group's sustainable development.

Internal whistle-blowing channel

The Group has set up various internal whistle-blowing channels, such as emails, mailboxes and whistle-blowing hotlines, etc. The Group will maintain strict confidentiality of the information of the whistleblower, and any retaliatory action against whistleblowers is strictly prohibited. Upon receipt of a report, the Group's Audit Committee will conduct an internal investigation and, depending on the actual circumstances, will decide whether to refer the report to external auditing and public organizations. During this process, the Chairman of the Audit Committee will respond to the whistleblower as soon as possible and handle the reported matter in a timely manner.



Employee communication

Shenzhen Investment attaches importance to staff communication. We have put in place the “Working System of the Staff Representative Congress” to regulate the daily operation of staff representative congress (SRC). We continue to deepen the democratic management work mainly by way of SRC, requiring our subsidiaries to submit to SRC for deliberation all major issues involving the immediate interests of employees (such as labor compensation, working hours, rest and leave, labor safety and hygiene, insurance and welfare, employee training, labor discipline and labor quota management, etc.). The Group convenes a general meeting of all staff representatives at least once a year to listen to and scrutinize the Group's major decisions, including the formulation or amendment of regulations and systems or proposals on major issues directly affecting the immediate interests of workers, in accordance with the “Regulations on Corporate Democratic Management”, so as to safeguard the staff's rights to information, participation, expression and supervision in a practical manner. During the reporting period, the Group reviewed the contents such as employee remuneration, trade union outlays, insurance benefits and proposals raised by staff representatives at the staff representative congress. At the same time, we launched an innovative organization to carry out “Youth Speak”, “Youth Ask”, “Youth Plan”, “Youth Create” and “Youth Build” activities, to encourage young employees to base on their positions to make suggestions and contribute to the high-quality development.



Dedication and satisfaction surveys

The Group regularly conducts post-employment satisfaction and dedication surveys for employees from campus recruitment, and incorporates the results of the surveys into the assessment indicators of its subsidiaries, which in turn are linked to the Group's performance and the remuneration of its senior management, in order to enhance the importance attached by the persons in charge at all levels to employee satisfaction and dedication.

4.3 Training and Development

Shenzhen Investment always places a high priority on the development of human resources. We have set up smooth promotion channels and organized diversified training to build a platform for employees to realize their self-worth and promote the mutual growth of employees and the Company.

4.3.1 Scientific Training

Based on the Group's "14th Five-Year Plan" strategy, Shenzhen Investment formulated a scientific annual training plan in accordance with the Group's internal systems such as the "Measures for Management of the Group's Trainings" and business needs and talent development requirements. During the reporting period, we made innovation to the mode of training, strengthened the construction of training centers and promoted the refinement of training management.



Key Performance

Actively introduced external training resources, and selected management members to participate in more than **50** training programs organized by the SASAC of the State Council and the municipal SASAC improving the quality and expanding the scope of training work

New employee training

Case Study

Organize training for new employees to accelerate character transition

In November 2023, the Group organized 2023 new employee training, with a total of 73 participants. The training consisted of two modules, namely corporate awareness and workplace adaptation, and featured a wealth of training contents such as departmental sharing, speeches for the promotion of Shum Yip projects, vocational training, team development and individual talent demonstration. The entire training was consistent with the Group's brand elements, using a rich variety of forms such as outdoor development, classroom training, team building and individual talent show, so that the new employees could gradually perceive, recognize and integrate into the enterprise, and make progress hand in hand with the enterprise.



▲ New staff induction training

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Management ability improvement training

Case Study Organize management performance enhancement training enabling efficient management

From August to September 2023, in order to help the new middle-level management to quickly meet the requirements of their positions and enhance their management effectiveness, the Group organized and launched a training course for the new middle-level management, which was attended by a total of 58 participants. Focusing on “new appointment” and “job performance”, the training laid a solid foundation for the new middle-level management to open up their understanding, enhance their personal capability and promote their role change from different aspects of individuals, teams and organizations through theoretical teaching, case sharing, interpretation of laws and regulations, internal exchanges and visits to enterprises.

Management training

Case Study Organize training for the management to implement the system standards

In order to deepen the understanding of human resources related personnel on the requirements of strict management of cadre, and to form a good atmosphere for all human resources personnel to learn the system, understand the system and implement the system, the Group’s Human Resources Department organized a special training on 6 December 2023 for the strict management of cadre. There were 64 participants from the HR Department of the Group’s headquarters, leaders in charge of personnel matters of the Group’s subsidiaries, persons-in-charge of the HR Department and other relevant personnel. The training centered on the relevant requirements of strict management of cadre, mainly including the interpretation and Q&A of the requirements related to running business, avoidance of appointment of close relatives, ‘naked officials’, appointment filing, timely reporting of personal matters, part-time jobs, management of cadre’ files, and management of going abroad.

Professional training

Case Study Hold real estate training to enhance professionalism

On 20 May 2023, East China Company organized a one-day training on “Urban Investment Game in the Era of Science and Technology Innovation and the Choice of Characteristic Theme Parks” and “Analysis of the Whole Life Cycle Operation of Industrial Parks”, which was attended by more than 50 people. The training introduced the ten dimensions and development trends of the park entering the era of science and technology innovation in the current new development stage, as well as the full life cycle operation ability of the industrial park development and operation entities. The training proposed targeted suggestions combining cases of the industry and the future development and structural innovation of East China Company, which expanded the horizons of employees in respect of the capabilities of multi-business development and operation in the industry.



▲ East China Company’s professional training on real estate

Case Study

Organize professional training to understand the development trend

From 22 to 23 February 2023, Commercial Management Company organized a training course on the analysis of the development trend of the commercial real estate industry at Shum Yip Upperhills, which was attended by more than 50 employees from several departments. Combining the current situation of the industry and project characteristics in the post pandemic era, the course focused on the two themes of “recruitment” and “preparation”. Through group discussions, simulation exercises, on-site tests and case studies, participants had more exchanges, discussions and experience sharing, to further enhance their business and professional capabilities.



▲ Professional training by Commercial Management Company

4.3.2 Standardized Promotion

In order to promote the career development of our staff, the Group has established a smooth promotion channel and a comprehensive performance appraisal mechanism to ensure that staff appraisal is based on objective factors such as performance and competency level, so that every employee enjoys a fair chance of promotion, providing inexhaustible momentum for corporate development.



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4.4 Safety and Health

Shenzhen Investment always adheres to the principle of “safety first, prevention focus and comprehensive management”, and carries out various occupational health and safety protection work to realize the Group’s safety and health objectives. We have set up a production safety management system equally applying to all employees and contractors of the Group, and realized the digitalization and intelligentization of safety management through an information technology platform, so as to implement “safety” into all aspects of daily production and operation.

4.4.1 Safe Production

Safety management system

Shenzhen Investment strictly complies with safety laws and regulations such as the “Work Safety Law of the People’s Republic of China”, the “Prevention and Control of Occupational Diseases Law of the People’s Republic of China”, and has established a series of internal systems such as the “Measures for the Management of Safety Production Risks”, the “Measures for the Management of Occupational Health”, the “Measures for the Management of Work Safety Responsibilities”, the “Administrative Measures for Withdrawal and Use of Work Safety Expenses”, the “Measures for the Management of Safety Education Training”, the “Safety Management Measures for Related Parties”, the “Measures for the Management of Safety Inspection and Assessment of Operation Service and Property Management Projects” and the “Measures for the Management of Safety Inspection and Evaluation of Construction Projects”, to provide management methods and procedural guidance for the promotion of safety regulations, production safety responsibilities, education and training, equipment and facility management, safety risk control, and potential hazards investigation and treatment. In the management agreement signed with each contractor, we also specify the safety management requirements for the contractor, clarify its safety management responsibilities, ensure that the Group’s safety management system covers all employees, suppliers, and contractors, and comprehensively safeguard the occupational health and safety of all relevant parties. We regularly (at least once every three years) conduct system analysis and review, continuously update and improve occupational health and safety management systems, standardize safety management, and guide the implementation of occupational health and safety protection work.

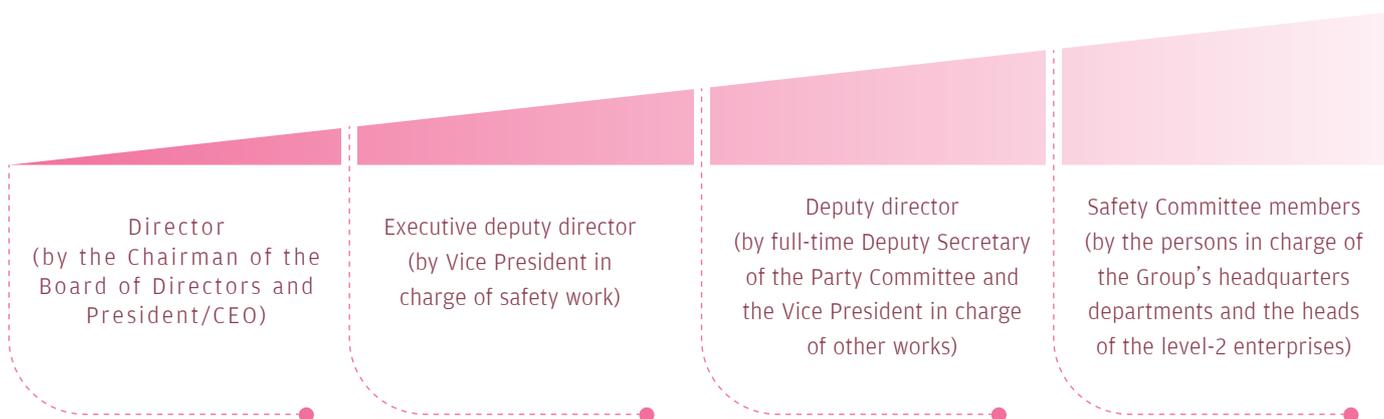
Under the management of the Group’s health and safety system, some of our subsidiaries have also passed the ISO 45001:2018 Occupational Health and Safety Management System Certification.



▲ Shum Yip Operations’ ISO 45001 Certificate

Safety management structure

In order to achieve centralized and efficient management, the Group headquarters has implemented unified management of production safety and has established the Production Safety Management Committee (“Safety Committee”), which is responsible for coordinating, organizing and launching the production safety work within the scope of the entire group. The Chairman of the Board of Directors and President/CEO are the directors of the Safety Committee, the Vice President in charge of safety work is the executive deputy director of the Safety Committee, the full-time Deputy Secretary of the Party Committee and the Vice President in charge of other works are the deputy directors of the Safety Committee, and the persons in charge of the Group’s headquarters departments and the heads of the level-2 enterprises are the members of the Safety Committee. The Group also stipulated that the remuneration of production safety managers of all levels, including the Group’s senior management, is directly linked to the safety performance, to ensure that the responsibility for production safety is “horizontal to the edge, vertical to the end and covering all staff”.



▲ Management Structure of the Group Safety Committee

Each year, the Group Headquarters signs a production safety responsibility letter with each of the Group’s departments and level-2 enterprises, and each department signs a production safety responsibility letter with its employees, specifying its safety objectives. The Group Headquarters adopts the methods of supervision and inspection led by leaders, inspection by third-party organizations and irregular inspection by the Safety Committee Office to supervise and inspect the work on production safety, and conducts assessment and reward and punishment according to the responsibility letter at the end of the year, so as to realize guidance, supervision, assessment, reward and punishment on the production safety of its subsidiaries.

Safety performance management

In order to further promote the implementation of the main responsibility for production safety and enhance safety management, the Group has formulated the “Measures for the Management of Safety Production Assessment, Reward and Punishment” and the “Measures for the Management of Safety Production Assessment, Reward and Punishment of the Affiliated Enterprises”. The Board of Directors of the Group carries out an annual assessment of the leadership team on production safety, and the Group also carries out an annual assessment of staff and the production safety of the subsidiaries. The assessment indicators cover safety objectives, implementation of responsibilities, supervision and inspection, specialized activities, daily work, emergency management, application of technology, and business management.

The Group has established a mechanism for production safety assessment, reward and punishment. We have developed an annual safety performance scoring mechanism for the senior management, the result of which is directly linked to their annual assessment and bonus. Meanwhile, we have put in place a corresponding mechanism for businesses. For entities with an annual assessment result of “Pass” or above, safety bonuses will be awarded to each entity in accordance with an agreed percentage of the assessment level, and for enterprises with the lowest ranking in the annual performance assessment, the Group will deduct their annual operating performance assessment scores accordingly. Through rewards and punishments, the Group encourages all entities to actively improve their occupational health and safety performance and enhance the level of production safety management.

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Safety inspection

In accordance with the internal systems such as the “Measures for the Management of Safety Production Inspection and Potential Hazard Investigation”, the “Measures for the Management of Safety Inspection and Assessment of Construction Projects”, and the “Measures for the Management of Safety Inspection and Assessment of Operation Service and Property Management Projects”, the Group actively organizes and carries out safety inspections for all projects, such as leader-led inspections, regular self-inspections and various special actions. We also commission third-party professional organizations to regularly conduct full-coverage safety inspections and assessments of construction works and commercial properties to identify potential safety hazards. The identified potential safety hazards and risks are recorded into the Group’s production safety information system, and we will follow up and rectify them in a timely manner, so as to realize safety risk management and control in place and safeguard the stability of the production safety situation of the projects.

Specialized upgrading of old properties

Distributed and collected more than 70 surveys
20 on-site visits
Dynamic monitoring of the structural safety of 7 old houses for real-time early warning
Issued 18 frontline safety duty cards, our first originally-designed publicity product
Tried 4 advanced technology products

For the first time, production safety was included as a core KPI for a project company’s operating performance
Conducted random inspection on more than 11,000 copies of safety acceptance information

Continuous improvement of construction projects

Specialized remediation of major potential hazards

Published work program and specified 29 tasks in detail
Mobilized approximately 73,000 inspectors
Inspected over 21,000 enterprises (projects)
Regularly reported the work status to the Municipal SASAC on a monthly basis, and remedied 16,733 potential hazards

▲ Safety work results in 2023



Key Performance

- Leaders of the Group led **26** inspections, leaders of its subsidiaries (projects) led **1,273** inspections, **4,038** inspections were carried out on a regular basis and **252** third-party inspections were conducted, resulting in the rectification of approximately **35,200** potential hazards.
- Organized and launched the special rectification work for limited space, mobilized **2,350** participants to conduct safety inspections, inspected **1,514** enterprises, found **416** potential hazards, and the rectification rate was **100%**
- Organized Fire Prevention Month activities, organized self-inspection and self-correction for enterprises and projects, and mobilized **73,515** inspectors, inspected **5,314** projects, remedied **7,365** potential fire hazards, and invested RMB **2,918,800** in rectification and improvement.

Case Study

Carry out fire safety special rectification to comprehensively rectify potential fire hazards

In 2023, the Commercial Management Company organized fire safety special rectifications for each hotel, taking fire emergency light, safety evacuation route and safety warning signs as the inspection focus, and rectified the typical hazards such as damaged fire safety indicator signs or unclear settings, blocked fire evacuation routes, sundries placed in the hydrant box, exposed power lines and fire extinguishers with expired service life through the combination of daily inspections and monthly inspections. A remediation account was established, and notices of rectification of hazards were issued to urge the relevant responsible departments to immediately rectify the problems. For those who cannot rectify the problems immediately, they were required to make rectifications within a certain period of time, and the persons responsible were specified clearly.



▲ Commercial Management Company made fire safety improvement

Case Study

Organize special hazards investigation and improve the emergency response mechanism

In 2023, Nongke Company actively launched special gas investigation action, identification of major sources of danger in construction engineering, and special inspection of major accident potential hazards. During the reporting period, leaders of the company and its subsidiaries conducted a total of 59 inspections and found 186 potential hazards; the company's safety committee office organized 49 inspections, issued 27 notices of supervision on potential production hazards, found 189 potential hazards, and reminded 5 safety issues; the safety committee office of its subsidiaries conducted 174 inspections and found 365 problems, all potential hazards were rectified and well managed.



▲ Nongke Company made safety inspection

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4.4.2 Safety Training

Safety awareness training

The Group regularly organizes and carries out safety education and training activities in accordance with the “Measures for the Administration of the Construction of Safety Production Culture” and the “Measures for the Management of Safety Education Training”. To facilitate “Wujin” (五進) safety promotion programme, we actively carry out publicity and popularization of production safety and fire safety knowledge for the general public. We also publicize and popularize safety knowledge on a regular basis through our website, WeChat, thematic bulletin boards, production safety informatization platform, and door-to-door campaigns, so as to convey new policies and regulations in a timely manner. At the same time, we organize special safety training activities to enhance the overall safety awareness of our employees.

In 2023, the Group organized a production safety knowledge competition and a photography campaign entitled “We build corporate safety together”, and nearly 10,000 employees of the Group were encouraged to participate. Such activities motivated employees to learn safety knowledge, created a strong atmosphere of learning about safety, and facilitated the Group’s in-depth development of its safety culture.



Key Performance

More than **25,000** posters and slogans were published

169,000 safety manuals were distributed

Organized **2,800** training sessions on various topics

A cumulative total of **54,000** person-times were trained

Case Study

Re-education on production safety for safety management improvement

In November 2023, Shenzhen Investment conducted production safety re-education for the main leaders, responsible persons, safety committee leaders, and safety management personnel of the Group Headquarters and subsidiaries. We invited experts from government departments, scientific research institutions, and others to conduct in-depth learning and exchange discussions on production safety laws and regulations, implementation of production safety responsibilities, safety risk evaluation, and practical experience in safety management.



▲ Group production safety re-education

Case Study Organize fire safety training and disseminate safety precautions

In October 2023, the Group's Tanglang City Commercial Operation Center organized a fire safety training and education for warehouses, which included explaining the "Fire Safety Management Principles for Warehouses" (GA 1131-2014) to the staff, introducing the characteristics of fires in warehouses and cases of fire accidents in warehouses, so as to enable the participating staff to fully understand the fire safety precautions and reduce the probability of fires caused by improper operation.



▲ Fire safety training at Tanglang City

Case Study Continuous safety training to improve safety quality

In 2023, Land Company focused on its business segments and launched construction and demolition safety training and training on laws and regulations such as "Guangdong Provincial Safety Regulations" to strengthen the safety control of construction and demolition work, and to learn in-depth the new requirements put forward by laws and regulations. At the same time, the company guided its subsidiaries to extensively launch specialized training for key areas, important links and positions in engineering and construction, and incorporated safety publicity and risk education into the daily management of the enterprises, so as to practically enhance the safety awareness, professionalism and operational skills of frontline staff.



▲ Safety training at Land Company

Employee Responsibility, Talents Forever

Emergency response

The Group has established a “1+4” emergency plan system, and regularly organizes and conducts emergency drills. We continuously optimize the emergency response mechanism and process, and continuously improve the on-site emergency response capability, employees’ awareness of risk prevention, and self-rescue and mutual-help capability in case of emergencies.



Key Performance

- Conducted more than **2,520** emergency drills in various forms at key locations such as construction sites, old properties, large-scale shopping malls, hospitals and childcare and elderly care facilities, with more than **30,000** participants

Group Safety Month emergency drill



Emergency evacuation drill at Shum Yip Operations



Fire drill at Land Company



Food poisoning drill at Chaohu Holiday Hotel



Case Study Organize emergency drills and observation to enhance emergency response capability

In June 2023, the Group organized an emergency drill and observation activity in Shum Yip Upperhills during the “Safety Production Month”. Focusing on the characteristics of Shum Yip Upperhills such as diversified business types, complex functions and intensive pedestrian and vehicular flows, the Group launched a practical drill on subjects such as evacuation and escape, fire-fighting, cardio-pulmonary resuscitation and anti-terrorism and anti-riot control with a focus on emergency evacuation of super high-rise buildings in case of fire. We also organized leaders and safety management personnel in charge of Level-2 enterprises to conduct on-site observation. The drill evacuated about 2000 people, promoting the improvement of participants’ emergency response capability.



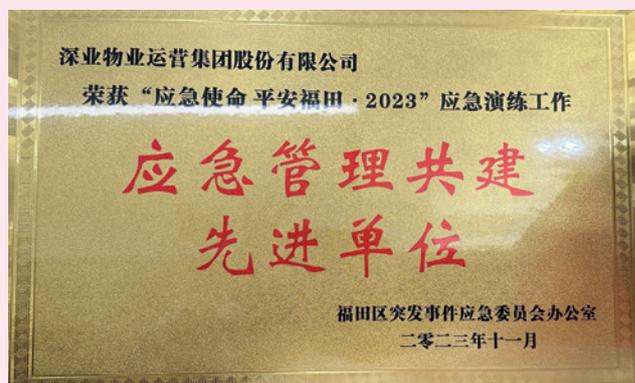
▲ Observation of emergency drill in “Safety Production Month”

Case Study Build emergency response teams and reserve emergency response resources

Shum Yip Operations actively organizes professional and part-time emergency response teams, regularly conducts professional skills training and drills, and stockpiles sufficient emergency response equipment and materials for flood, typhoon, terrorism, riot and fire emergencies. As at the end of the reporting period, Shum Yip Operations had organized a total of 398 emergency response teams with 4,202 members. Throughout the year, 1,607 emergency drills were conducted with 45,204 participants. During the defense against typhoons “Saola” and “Anemone” and the “9.7” extreme rainstorm in Shenzhen, the relevant entities and projects withstood the challenges. Shum Yip Operations also actively participated in or assisted government departments in organizing various emergency drills and exercises, and achieved good social effects, winning the honorary title of “Advanced Entity in Emergency Management Co-construction” in Futian District.



▲ Emergency Rescue Team Establishment Ceremony



▲ Shum Yip Operations was honored as “Advanced Entity in Emergency Management Co-construction”.

4.4.3 Improving Safety by Science and Technology

With the strategy of “Improving Safety by Science and Technology”, Shenzhen Investment continuously upgrades the Group’s safety management information system to enhance the level of digitalization and intelligence in safety management. The Group’s production safety informationization platform covers comprehensive information management, safety training and education, safety risk management and control, and hazards investigation and treatment modules, thus empowering production safety in an all-round way.

Module	Operational Effectiveness
Comprehensive Information Management	Personnel information and basic project information of 9 subsidiaries and 557 projects in the fields of construction, property management and commercial operation have been recorded and regularly updated. Completed the online signing of the 2023 Production Safety Responsibility Letter, and timely released the Group’s leadership team’s supervisory inspections and production safety work conference and other work updates
Safety Risk Management	643 hazardous sources have been filled in, which can lead to a risk list covering the location of hazardous sources, risk level, control measures, responsible persons, etc., realizing risk control to the relevant person, and reminding review on a regular basis according to the level of extreme risk to ensure that the safety risk control is in place
Hazards Investigation and Treatment	A systematic hazards guideline database has been established to standardize safety inspections and hazards recording, and to reduce the inconsistency of the same hazards recording. Through the recorded leadership-led inspections, daily inspections, special inspections, third-party inspections, hazards randomly photographed, etc., 33,700 hazards were identified, and the closed-loop management function of the entire process of hazard control has been realized
Safety Training and Education	A knowledge base and a database of supporting examination questions covering policies and regulations, management systems, high-quality courses, etc. have been established, and the Group and its subsidiaries initiated a total of 239 online training assignments with 10,138 attendances

▲ Introduction of production safety informatization platform



▲ Production safety informatization platform

Case Study Enable safety management by building intelligent construction sites

To manage safety hazards such as workers not wearing safety helmets and violating regulations during daily construction, Land Company applies a smart platform to implement control. This platform can achieve data-driven control of construction inspection, quality management, labor management, safe construction, and green construction, becoming the “discerning eyes” for all-day monitoring and rectification of various safety hazards on the construction site, so that the persons in charge can realize real-time monitoring and intelligent perception of the project construction process through cameras, mobile phones and other terminal equipment, to help data collection and efficient collaboration, identify the serious problems and difficulties in the management of construction safety, ensure the safe production on construction site, and effectively enhance the safety awareness and the standard operation of workers.

4.4.4 Healthy Life

Shenzhen Investment attaches great importance to the physical and mental health of its employees. We regularly organize medical check-ups for all employees and special medical check-ups for female employees, and also purchase “secondary medical insurance” for employees, providing employees comprehensive protection of health and safety.

We keep a number of interest groups including Tai Chi, Yoga, Jazz Dance, etc. on a regular basis. At the same time, we also actively mobilize and organize our staff to participate in various external cultural and sports exchange activities to further enhance the collective cohesion.



Key Performance

Promoting **29** enterprise trade unions to purchase Mutual Aid Insurance Plans for 3,416 workers, with an amount of nearly RMB **600,000**

Health Check

Insist on launching health checkups for all employees and specialized checkups for female employees

Physical Activities

We have been carrying out Tai Chi, Yoga, Jazz, Combat, Basketball, Tennis and other sports activities on a regular basis. We hosted the 12th Shenzhen SASAC Party Committee System “Shum Yip Cup” Table Tennis Tournament and won the champions of the Men’s Singles and the Mixed Team Competition, which stimulated the sense of unity and cooperation and the sense of honor of our staff. We also actively organised teams to participate in various competitions held by the Municipal Federation of Trade Unions, the Municipal Trade Union for Finance and Economics and other higher-level units, and won the championship in the Guangming Science City Rowing Challenge, the fifth place in the Badminton Tournament by the Municipal Federation of Trade Unions, and also the championship in the Badminton Tournament by the Municipal Trade Union for Finance and Economics respectively. Participating in such sports events effectively stimulated the employees’ sense of unity and collaboration, as well as their sense of collective honour in striving for excellence.



◀ Combat interest group



Tennis interest group ▶



◀ SASAC Table Tennis Tournament



◀ “SZ Staff Cup” (深工杯) Badminton Tournament



Rowing Challenge ▶

Employee Responsibility, Talents Forever

4.5 Care and Support

Shenzhen Investment is committed to creating a harmonious working atmosphere, and focusing on the staff's workplace experience. We give full play to the functions of corporate culture, and carefully plan a variety of cultural activities, further conveying the warmth of the Group, enriching the staff's corporate cultural life, and enhancing collective cohesion.

4.5.1 Staff Activities



Case Study

Organize Women's Day activities to spread corporate love and care

On 8 March 2023, East China Company organized a series of Women's Day activities with the theme of "Celebrating the Flower Pilgrimage with National Style and Ancient Charm" in Zhongshan Scenic Area. The Women's Day activities included learning flower arrangement and matching skills, Chinese dress experience and other interesting activities, which made all the participants enjoy themselves in the activities.



▲ Women's Day activity by East China Company

4.5.2 Employee Care

We provide humane care to our employees, not only by carrying out regular employee caring in daily life, but also by leveraging the responsiveness of labor unions to provide precise and diversified assistance to our employees.

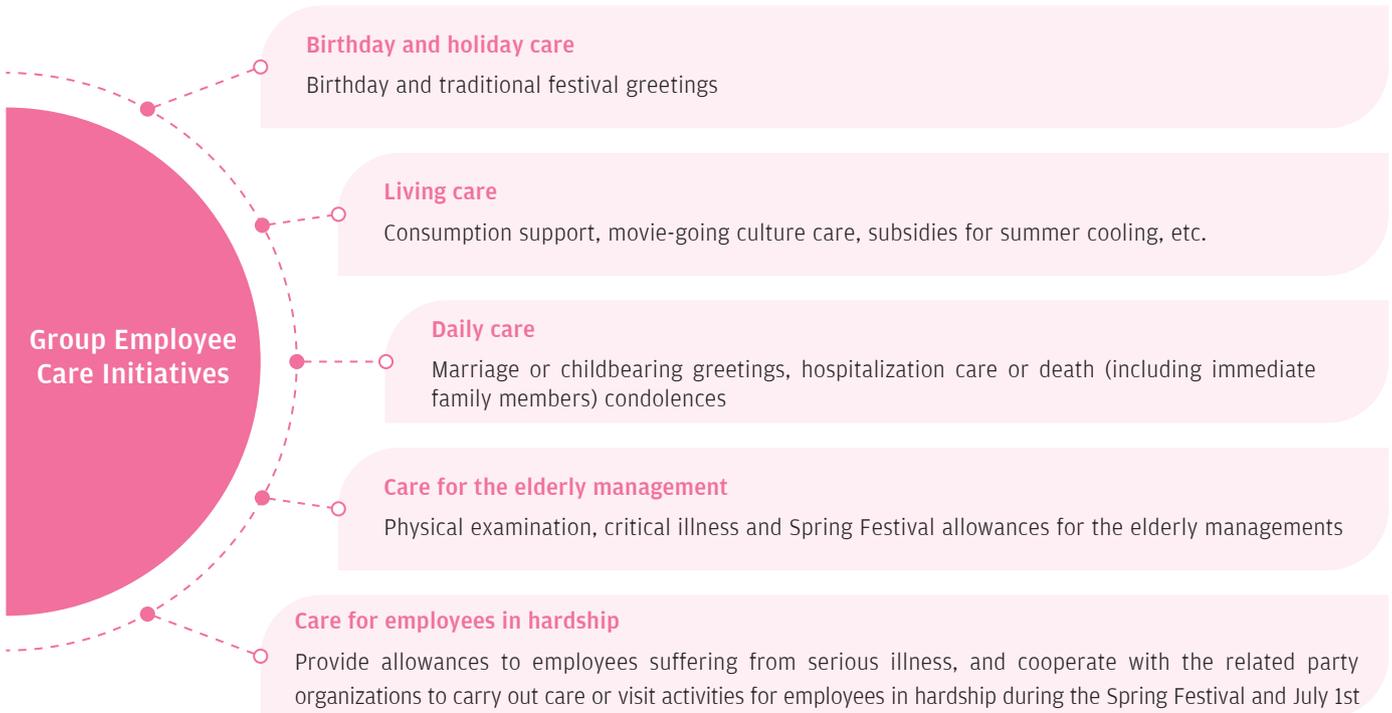


Key Performance

The Group launched a series of caring programs for staff in respect of maternity, wedding, hospitalization and death, covering **407** person-times at a cost of

RMB **600,000**

Collaborated with the related party organizations to carry out caring or visit activities during the Spring Festival and July 1st, benefiting 23 person-times



4.5.3 Support to Employees

The Group has deepened employee care in an all-round and multi-dimensional manner, and comprehensively enhanced the happiness of employees. The Group has set up a Mutual Aid Fund for Critical Diseases to provide assistance to employees suffering from critical diseases as well as their spouses and minor children. The use of the fund shall be strictly in accordance with the internal “Administrative Measures for Mutual Aid Fund for Critical Diseases”, and the income and expenditure of the fund for the previous year shall be disclosed annually in order to regulate the use of the fund.



Key Performance

The Group spent RMB **70,000** for employee caring allowances in the year, benefiting 4 staff members

05

Social Responsibility

Warming Society Forever



Shenzhen Investment actively responds to national strategies, engages in urban redevelopment, rental housing security, rural revitalization and social welfare, carries out benefits coordination and industrial upgrading projects, develops social security housing for talents, participates in pairing assistance and community building activities, promoting the construction of a harmonious society and fulfilling social responsibility with its own influence.

ESG issues we concern

City/Community Building and Inclusion Participation in Social Welfare

SDGs issues we respond to



HKEx ESG indicators we respond to

B8: Community Investment

Social Responsibility, Warming Society Forever

Goal Setting and Progress Review

Goal	Progress
RMB5 million for consumption-based assistance	We over fulfilled the target of consumption-based assistance, amounting to RMB5.72 million, of which RMB4 million was used to purchase Shantou consumption-based assistance products to help farmers increase their income and promote the rural revitalization.
To consolidate the results of assistance	We donated RMB3 million to “630 Poverty Alleviation”; cumulatively disbursed RMB12.632 millions of financial funds to benefit farmers.

5.1 Rental Housing Guarantee

Shenzhen Investment actively responds to the planning and construction of affordable residential, following the principles of adaptive to local conditions, economic and practical, green and healthy, intelligent and humanistic, develops affordable residential and talent housing in urban redevelopment and new supply of construction land, and provides rent concessions which has a affordable commercial nature for business incubation and small and micro-enterprises, in order to alleviate the housing difficulties of the citizens and business difficulties of tenants.

Case Study Build affordable residential and fulfill the social responsibility of real estate enterprises

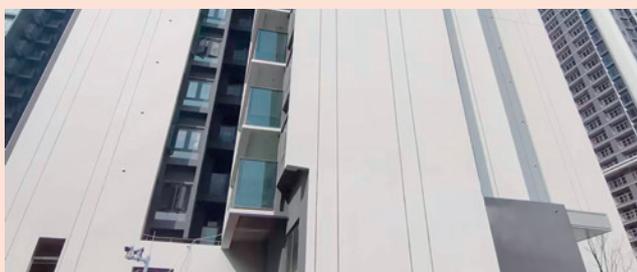
In 2023, the Land Company’s projects including Park Mansion, Luxury Mansion and Scenery Bay projects constructed talents housing.

- Shum Yip Scenery Bay project has completed the main body construction of talent apartment with 23,200 m² in the first phase.
- Shum Yip Park Mansion project includes residential, commercial, public rental housing, marketable talent housing, public facilities, etc. It is equipped with facilities such as cultural activity room, a day care center for the elderly in the community, public service room (IDEA space), green recreation, etc., with a total gross floor area of 124,889 m². Among which, there are 314 units of talent housing with an area of 24,220 m², 120 units of public rental housing with an area of 8,100 m², decorated with energy-saving design and environmentally friendly

materials, and has been reviewed and approved by Shenzhen Housing Security Bureau.

- Shum Yip Luxury Mansion project includes commercial residential, mercantile and security rental housing, etc. It is equipped with the public facilities such as a 6-class kindergarten, origin and terminal bus stations, a small garbage transfer station, a day care center for the elderly in the community, and fire evacuation space. The project consists of 354 units of security rental housing with an area of 25,450 m², 186 units of self-owned security rental housing with an area of 12,700 m². Meanwhile, the 8070 policy is implemented for security housing, and the number of houses with the floor area less than 70 square meters accounts for 83.52% which are developed and constructed with the commercial housing at the same time with the same decoration standards.

In addition, Pengnan Company’s project, Shum Yip Bustling City is close to commercial complex such as Samsung Financial Building, Yuneng International Center, Baoli Zishan Commercial District, etc., and is equipped with teaching resources such as Qifeng primary school, Baoli Zishan nursery school and primary school. The project has a total gross floor area of about 78,000 m², a plot ratio of 3.0, a building density of 24.6%, a green area of 6,217.66 m², a green area ratio of 31.27%, and a construction area of about 7,000 m² for talent housing with 56 parking spaces for talents. At present, the project has been handed over to the relevant departments for management after completion and acceptance.



▲ Scenery Bay talent apartments



▲ Park Mansion talent apartments



▲ Shum Yip Bustling City

5.1.1 Security Commerce

Case Study

Women's Innovation Laboratory in Shenzhen Women and Children Building offers affordable commerce by rent concession and favorable price policies

Shenzhen Women and Children Building renovation PPP project cooperated by Land Company and the municipal government adheres to the service and inclusive principle, providing women, children and families with a platform for international exchanges, skills training, quality education, family education and other activities and exchanges. The platform includes 12 types of businesses including service for women and children, childcare, party, innovation and development, hotels, etc., creating the first public service complex of "business + culture + government service" in China. The project's business function covers basic function rooms, upgraded service rooms and commercial ancillary rooms. The sustainable development of the building will be facilitated through market-oriented operation, public welfare and user fees, with 30% of the commercial ancillary services feeding back 70% of the public services.

In 2023, Shenzhen Women and Children Building set up a women's innovation laboratory to provide business incubation, small and micro-enterprise growth consultation, upstream and downstream resource matching and business incubation services for women's innovation and entrepreneurship projects, and at the same time, provide policies such as rent reductions and price concessions aiming at different entities, such as exempt of rent and basic public service fees, rent concessions with only basic public service fees, the hosting entity will be given priority to use the upgraded service rooms in the Women and Children Building after leaving the laboratory, and will enjoy more preferential rental price in the first year.



▲ Women and Children Building

5.2 Urban Redevelopment

In response to the national policy, Shenzhen Investment promotes urban redevelopment and interest coordination in an orderly manner, demonstrating the mission and commitment of a state-owned enterprise with responsibility. In 2023, the Group set up special working groups on interest coordination and industrial building construction, responsible for coordination of urban redevelopment, interest coordination and industrial building construction. Each special working group holds regular project progress meetings, where the subsidiaries report on the progress of work, problems encountered, plans for the next step and support required. At the same time, the Company established a weekly report system and set up a work record to specify the timeline of work progress, and co-ordinate the relevant resources to promote urban redevelopment with a significant progress in the year.

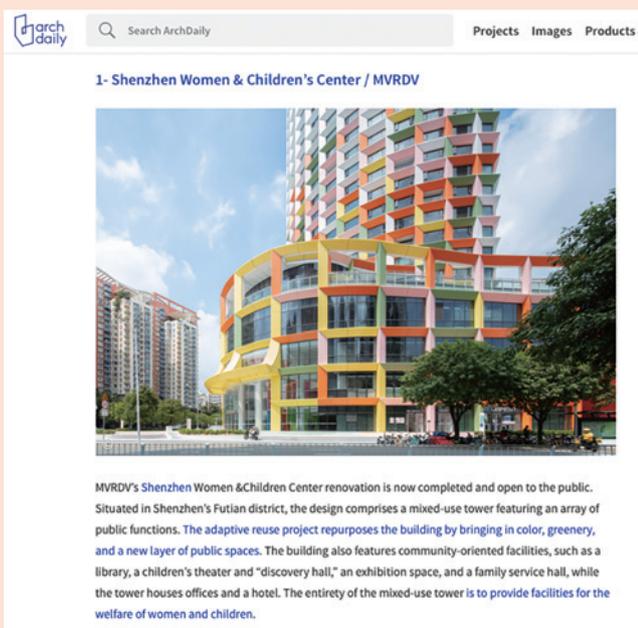
5.2.1 Expansion of Urban Redevelopment

During the reporting period, we pushed head with a number of urban redevelopment projects. Phase 4 and 5 of Taifu Square were successfully included in the Urban Redevelopment scheme, Che Gong Miao Phase 2 of No.1 projects completed all the renewal formalities and land use right contracts were signed for the North district, and projects such as Bagualing Area 6-1 and Shangbu first renewal unit were steadily in progress.

- The historical monuments and cultural heritage within the area of urban redevelopment projects are protected in strict accordance with the relevant regulations and opinions of the competent cultural heritage authorities.
- Ancient and valuable trees within the transformation area of urban redevelopment projects are protected in strict accordance with the “Greening Ordinance of Shenzhen Special Economic Zone” and the opinions of the forestry authorities.

Case Study Shenzhen Women and Children Building won several urban redevelopment awards

In 2023, Shenzhen Women and Children Building was shortlisted as the “World’s Best Renovation Project” in the 2024 MIPIM international award, and was the only Chinese project shortlisted in the award categories. This award focuses on selecting real estate projects around the world that comply with ESG (Environmental, Social and Corporate Governance) objectives and enhance the outlook of the building environment, and aims to recognize the most functional, sustainable and visionary projects in the industry. The Women and Children Building houses the Shenzhen Women’s Federation office area, public service facilities such as the children’s discovery center, the family reading center, the one-stop growth center, the women’s innovation center and the women’s service center in Bay Area as well as hotels and catering facilities, making it a model of urban redevelopment of “adaptive reuse” in Shenzhen. It won the 2023 dezeen best of global top 10 tall buildings, the first place in the list of global 5 landmark buildings of ArchDaily 2023, one of the 20 most beautiful buildings in the world of Harper’s Bazaar Art 2023, and the Top 10 Value Innovation Award of China’s outstanding urban redevelopment in 2023.



▲ 2023 “ArchDaily” global landmark building



▲ 2023 Dezeen Global Top 10 High-rise Buildings Award

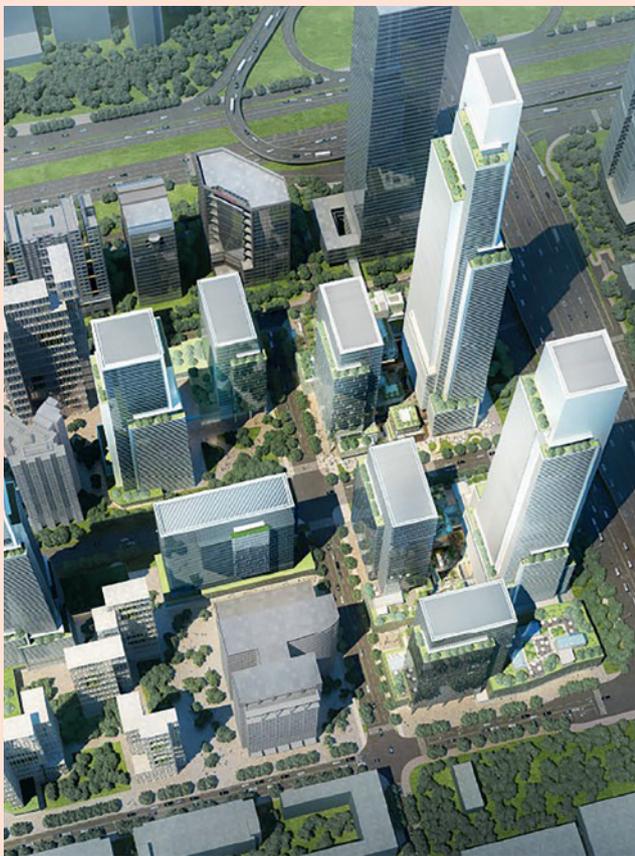
Case Study

Steady progress of urban redevelopment projects

- Urban redevelopment

Phase II of the first portion of the Che Gong Miao Terra Industrial Zone renewal project of Terra Companies belongs to the category of demolition and redevelopment of urban redevelopment project, with a demolition land area of 36,075.5 m² and a development and construction land area of 28,220 m². The plot is mainly planned to be constructed into new industrial land, commercial land and park green space. The project aims at optimizing and upgrading industries through urban redevelopment. The project includes building a three-dimensional transportation system, improving the traffic bottlenecks, adding comprehensive pipeline corridors and supporting facilities, upgrading the comprehensive industrial environment, building an intelligent industrial park integrating headquarters office, industrial finance, technological innovation, cultural integration, and industrial support, creating a benchmark of urban redevelopment.

In September 2023, we received the implementing entity qualification for phase II of the first portion of the renewal project, completed the soil environmental investigation filing in December, obtained land approvals for the land in the North district and signed the land transfer contract.



▲ The effect picture of the Phase II of the first portion of the Che Gong Miao Terra Industrial Zone renewal project after the completion of urban redevelopment

Shum Yip Taifu Square of Tai Fu Company is an international innovative complex integrating business offices, supporting residence, brand commercial and hotel apartments, etc. The Phase I of Taifu square has been put into use, Phase IV and Phase V of the urban redevelopment units were approved in April 2023, targeting to be developed into a property with commercial, new industries and other functions.

- Industrial building

The Henggang South project of Terra Company, an IGU (industry's going upstairs) project under the category of land preparation, is one of the first batch of IGU pilot projects selected by the Municipal Government of Shenzhen. At present, the initial review in respect of the implementation programme and planning programme of the project and the entering into of the phase I land acquisition and transfer agreement have been completed. The project consists of plants, supporting businesses, dormitory-type government-subsidised housing for rent, public support facilities and other types of business, and is committed to realising the integration of life, production and ecology in the industrial park, and creating a centralised and contiguous industrial space to improve the overall development of the region.



5.3 Rural Revitalization

Shenzhen Investment bears the mission of rural revitalization, actively fulfills its social responsibility, takes technological advantages of its subsidiary Shenzhen Nongke and the cultural tourism resources of assisted targets to develop the agricultural tourism, and formulates the agricultural development objective of “responding to the rural revitalization and going through the business model”, so as to promote the rural revitalization and the modernization of agricultural and rural areas.

Case Study

Continuously deepen the pairing assistance, deep co-construction of “Party Building + Industry + Cultural Tourism”

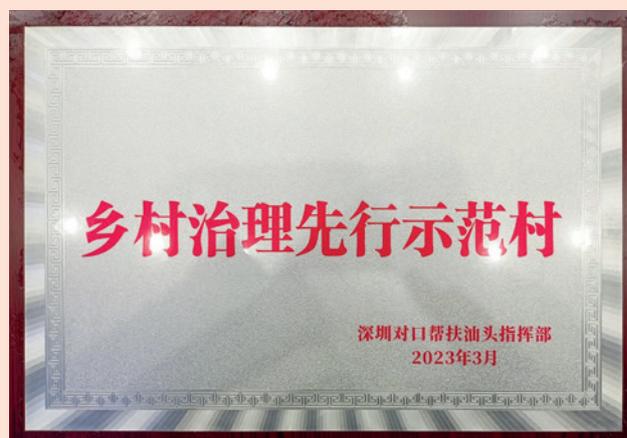
In 2023, Shenzhen Investment continued to deepen the pairing assistance in Houzhai Town, Nan’ao County, and comprehensively promoted the revitalization of the agricultural industries, talents, culture, ecology and organizations through setting up a leading group for assistance work, formulating a five-year plan for pairing assistance, establishing the first batch of assistance projects, and innovatively establishing a co-management account. We have carried out six special surveys and researches, established special governance programs such as “rules of procedure of Gongqian village” and “list system + digital governance of Xishan village”, actively exploring a long-term governance mechanism that is replicable, promotable, and sustainable. Among which, Gongqian village was honored typical village of “Millions of Project” of Shantou City, civilized village of Nan’ao County, demonstration station of civilization practice of Nan’ao County in new era, and the third prize of the demonstration village for village governance of Shantou command center of Shenzhen pairing assistance.

Industry revitalization:

- Fu Min Xing Village industrial projects: At present, 2 projects have been completed and are in operation, and 6 projects are under construction. Among them, the parking lot of supporting construction project for Chengxi Village office in Houzhai Town was put into use in August 2023, which can increase the income of the collective economy for Chengxi village by RMB30,000 per year; the fishermen’s apartment project of the Xinxiang Village in Houzhai Town has been completed and is for rent to the public, which can increase the income of the collective economy of the Xinxiang village by RMB130,000 RMB per year.

Consumption-based assistance:

- Enhance the Nan’ao e-commerce service capacity and level and expand sales channels. We have connected with 16 high-quality e-commerce platforms in the Guangdong-Hong Kong-Macau Greater Bay Area. Total 14 Nan’ao products in e-commerce public service center are selected into the “top one hundred list of good products for consumption assistance”;



▲ Gongqian village was selected as the demonstration village for village governance

- According to statistics, the cumulative sales of seafood to Shenzhen has reached more than RMB7 million through the Nan’ao County e-commerce public service center, making more than one thousand people employed;
- In 2023, the Group’s Federation of Trade Unions encouraged all grassroots unions to constantly carry out consumption-based support. Accumulated purchase of local specialty agricultural products amounted to nearly RMB6 million.

Consolidate the achievements of poverty alleviation:

- “6•30” activities: We proactively donated RMB3 million to “630 Poverty Alleviation” funds. Among which, Nan’ao Four Seasons Pastoral Agricultural Tourism Co., Ltd. (南澳四季田园农旅有限公司) registered RMB2 million, the three companies including Terra, Land and Infrastructure pledged a total of RMB1 million in cash, which will be used for high-tech agricultural demonstration area of Nan’ao Four Seasons Xishan Pastoral project and the construction of the talent station project in Houzhai Town for rural revitalization; a total of RMB1,666,400 was raised through Shenzhen channel.

- Financial assistance to farmers: The Company actively visited the village committees in Houzhai Town, Nan'ao County, and took the initiative to contact local enterprises and individuals with capital needs, and disbursed a total of RMB12.632 million.

Nan'ao Four Seasons Pastoral Leisure Complex project integrates the functions of high-tech planting, leisure picking, theme lodging, village tourism and science education, aiming to build a demonstration base with distinctive features for eco-tourism on island and a demonstration base for the rural revitalization through the integration of agriculture and tourism. In May 2023, the project held a groundbreaking ceremony; the leaders of the Group investigated the Houzhai Town of Nan'ao and the Four Seasons Pastoral project in July and December respectively.



▲ Investigation in Houzhai Town of Nan'ao



▲ Groundbreaking ceremony of Nan'ao Four Seasons Pastoral Leisure Complex project



▲ Investigation on Nan'ao Four Seasons Pastoral project

Case Study

Lay out the integration of agriculture and tourism, create demonstration model

Since signing a strategic cooperation agreement on rural revitalization with Shaoguan City in 2022, Shenzhen Investment has been actively constructing the Nongke Xinfeng Agricultural Industrial Park and Xinfeng Four Seasons Riverside Garden. In 2023, Xinfeng Agricultural Industrial Park carried out the farmland renovation, the construction of Fushui digital intelligence farm, and the fresh fruits and vegetables processing industrial park, passed the ISO quality system certification, and was awarded an invention patent and undertook two research and development projects; Xinfeng Four Seasons Riverside Garden is committed to building a provincial-level benchmark of miniature farm complex and has completed the project planning, architectural and landscape design, of which the architectural design won the second prize in the creative design competition of Guangdong village.



▲ Xinfeng Agricultural Industrial Park

5.4 Social Participation

Adhering to the spirit of volunteer service of “dedication, friendly affection, mutual assistance and progress”, Shenzhen Investment devotes itself to public welfare. Through the Group’s volunteer service team and party members’ volunteer service platform, we actively carry out community public welfare activities such as respecting and helping the elderly, donating books to help the disabled, cleaning up the environment, community free clinic, traffic guidance, workstation on duty and so on, contributing our strength to the building of a harmonious society.

- As at the end of 2023, the Group’s volunteer service platform had 2,404 volunteers, with 12,176 volunteer participants, 10,228 hours of volunteer service for the year and 54,262 hours of volunteer service on an accumulative basis.
- In 2023, we organized 14 Party branches of headquarters to conduct 24 volunteer activities such as traffic guidance and park cleaning in Yuanshan Street every quarter.

Case Study Working with community, providing heartwarming services

We are actively working with community workstations, street offices and other relevant government departments and provide heartwarming services to couriers, sanitation workers, security people, disinfectioners and so on through the Company’s Nuanfeng stations and Party service centers, and received positive feedbacks. In 2023, we launched the “Mid-Autumn Love, Nuanfeng Warm Action (濃濃中秋情工會暖蜂行)” public service activity, inviting new industry laborers from Meituan, Eleme, S.F. Express to participate and held the “Send Coolness in Summer and Warm Heart with Care” activity at Nuanfeng stations, caring for frontline riders and sending them “love gift packs”.

Case Study Launch diversified services to spread positive energy in the society

- The Party branch of Taifu Square participated in the joint Party building with the theme of “Adding New Greenery with One Heart, YING Future Together” activity in the Party day and “Hundred Gardens and Ten Thousand Trees” tree-planting public activity in Luohu district, and organized volunteers to pick up garbage along the Yunhai square in Yantian district to advocate civilization and promote environmental protection;
- The Party branch of the testing company launched a food safety publicity activity in Xikeng community of Longgang District with the theme of “Breathe Healthy, Eat Safe - We are Taking Action” to raise the overall health awareness of the residents.
- Shenzhen Women and Children Building provides a venue for panoramic women’s and children’s public welfare services, assists in building a first-class public service brand matrix in domestic, successfully creates the wego flash brand of public service, and introduces women’s and children’s public welfare charity stores to integrate business and charity.



▲ Two-festival party - wego flash



▲ Kekeji (可可集)

Case Study

Organize and launch the Shenzhen Park-Greenway Fun Run to support the national fitness

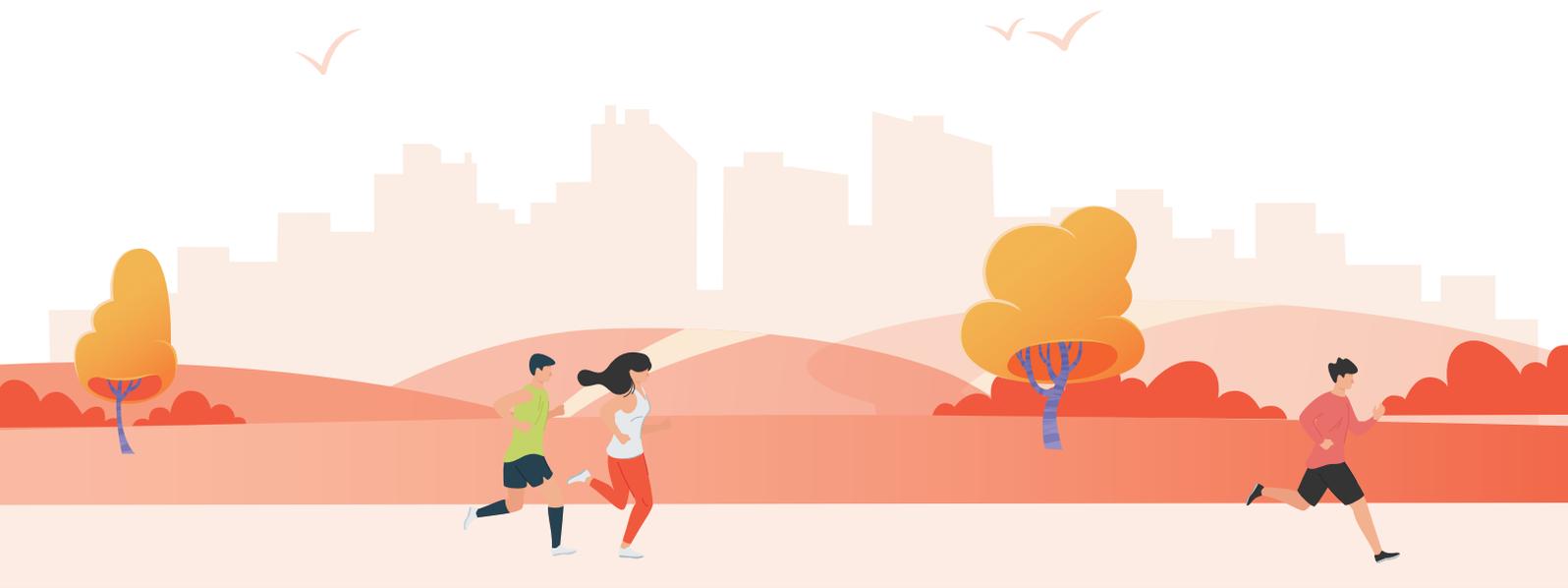
In December 2023, the General Party Branch of the Company joined hands with a number of government departments to launch the Shenzhen Park - Greenway Fun Run, organizing the Company's employees, streets and Party members in community to join in the voluntary service with more than 400 times of service in total. The event was held in 11 venues in Shenzhen at the same time, attracting more than 3,000 sports enthusiasts to participate, aiming to promote outdoor sports and create a good atmosphere for people to participate in green and healthy sports.



▲ Volunteer Service



▲ Greenway Fun Run Event



Outlook for 2024

We are focusing on the future, firmly adhere to the guiding principle of “management improvement, prudent progress”, and committed to comprehensively improving our management effectiveness. We will enhance our capabilities through key initiatives such as “organizational reform and digital transformation”, promoting synergistic development among our business segments, and making steady progress in pursuit of high-quality and sustainable development. We believe that the enhancement of internal management will inject new vitality into the Group, consolidate the foundation of development, and provide strong support for the Group to meet the challenges of market competition and achieve its strategic goals.

Continuous optimization and business management

We will continue to implement our sustainable development strategy, integrate ESG management concepts with our daily management, raise our awareness of risk management, strengthen risk control and advocate a culture of integrity. We will steadily promote corporate governance and sustainable development of the Company.

Concerned about quality and protection of rights

We will continue to focus on customer rights and product quality to ensure health and safety. We will actively respond to relevant policies issued by stakeholders and improve our quality control system. In addition, we will promote operational innovation and strengthen strategic innovation to enhance our corporate value.

Ecological balance and environment protection

We actively respond to the national “dual-carbon” strategy and are committed to creating an ecological and livable living environment. We continue to strengthen our environmental protection measures, promote the concept of green building, and promote urban redevelopment to achieve a win-win situation for both environmental quality and green ecology.

Protecting talent and working together

In terms of talent cultivation, we always uphold the concept of “putting virtue first and utilizing talents”, and are committed to establishing a sound human resources management system to enhance the quality of our talents. We will continue to improve the talent selection mechanism and create a safe, healthy, fair and respectful working environment for our employees, promoting the mutual growth of our employees and the Company.

Building community and creating future together

We will actively participate in community construction and development, support rural revitalization and community development. In the future, we will increase our investment in public welfare and charity and rural revitalization. Meanwhile, we will create a pleasant living and business environment, promote community integration and fulfill our role as a state-owned enterprise.

Summary of Sustainability Development

Appendix I: List of Policies and Laws

ESG Indicators	Laws and regulations complied with	Internal Policy
A. Environment	Law of the People's Republic of China on Environmental Protection (《中華人民共和國環境保護法》)	Guidelines on Environmental Protection (《環境保護指引》)
	Law of the People's Republic of China on Appraising of Environment Impacts (《中華人民共和國環境影響評價法》)	Policy on Response to Climate Change (《應對氣候變化政策》)
	Atmospheric Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國大氣污染防治法》)	Environmental Factors Operation Control Procedures (《環境因素運行控制程序》)
	Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》)	Environmental Factors Identification and Assessment Management Procedures (《環境因素識別與評價管理程序》)
	Ocean Environmental Protection Law of the People's Republic of China (《中華人民共和國海洋環境保護法》)	Waste and Chemical Management Procedures (《廢棄物及化學品管理程序》)
	Administrative Regulations of the People's Republic of China on the Prevention of Pollution and Damage of Marine Environment by Terrigenous Pollutant (《中華人民共和國防治陸源污染物污染損害海洋環境管理條例》)	Meteorological Disaster Emergency Response Plan (《氣象災害應急處置預案》)
	Law of the People's Republic of China on Prevention and Control of Solid Waste Pollution (《中華人民共和國固體廢物污染環境防治法》)	Security Protection Emergency Plan (《安全防範應急預案》)
	Regulations on Nature Reserve of the People's Republic of China (《中華人民共和國自然保護區條例》)	Typhoon Emergency Response Plan (《颱風應急處置預案》)
	Law of the People's Republic of China on Land Management (《中華人民共和國土地管理法》)	Emergency Response Plan for Thunder and Storms (《雷電、暴雨應急處置預案》)
	National Hazardous Waste Inventory (《國家危險廢物名錄》)	Response Plan for Heavy Fog, Haze, High Temperature and Cold Weather (《大霧、灰霾、高溫、寒冷天氣應急處置預案》)
	Emission Standard of Environment Noise for Boundary of Construction Site (《建築施工場界環境噪聲排放標準》)	Emergency Response Plan for Collapse, Landslide and Debris Flow (《崩塌、滑坡、泥石流應急處置預案》)
	Measures for the Management of Municipal Solid Waste (《城市生活垃圾管理辦法》)	Implementation Plan for Reducing Pollution, Reducing Carbon and Synergizing Efficiency (《減污降碳協同增效實施方案》)
	Policy on Hazardous Waste Pollution Control Technologies (《危險廢物污染防治技術政策》)	Energy conservation and Consumption Reduction Management System (《節能降耗管理制度》)
	Regulations of Guangdong Province on Environmental Protection Management of Construction Projects (《廣東省建設項目環境保護管理條例》)	Energy Conservation and Consumption Reduction Management System for Wondershine Residence (Trial) (《萬廈居業節能降耗管理制度(試行)》)
	Regulations of Shenzhen Special Economic Zone on Ecological Environmental Protection (《深圳經濟特區生態環境保護條例》)	Management Measures for Energy Conservation and Consumption Reduction by Terra Property (《泰然物業節能降耗管理辦法》)
	Regulations of Shenzhen Special Economic Zone on Environmental Protection of Construction Project (《深圳經濟特區建設項目環境保護條例》)	Measures for the Asset Management of Centralized Operation Projects (《集中運營項目資產管理辦法》)
	Regulations of Shenzhen Special Economic Zone on Noise Pollution Prevention and Control (《深圳經濟特區環境噪聲污染防治條例》)	Measures for the Management of Assets in Specialized Markets (《專業市場資產管理辦法》)
	Administrative Measures for Classification and Reduction of Domestic Waste in Shenzhen (《深圳市生活垃圾分類和減量管理辦法》)	
	GB/T 50640-2010 Green Construction Evaluation Standard for Building Engineering (《建築工程綠色施工評價標準 GB/T 50640-2010》)	
	GB/T 50378-2019 Green Building Evaluation Standard (《綠色建築評價標準 GB/T 50378-2019》)	
Ten Iron Rules for Promoting Garbage Classification Work in Shenzhen (《深圳市推進垃圾分類工作「鐵十條」》)		
Implementation Opinions on Further Exerting the Advantages of Grass-roots Governance to Classify Domestic Waste in a Thorough, Careful and Practical Way (《關於進一步發揮基層治理優勢做深做細做實生活垃圾分類工作的實施意見》)		
Incentive Measures for Shenzhen Household Waste Classification Work (《深圳市生活垃圾分類工作激勵辦法》)		

Summary of Sustainability Development

ESG Indicators	Laws and regulations complied with	Internal Policy
<p>B1. Employment</p>	<p>Labor Law of the People's Republic of China (《中華人民共和國勞動法》) Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) Law of the People's Republic of China on Employment Promotion (《中華人民共和國就業促進法》) Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) Provisions of the People's Republic of China on the Prohibition of the Use of Child Labor (《中華人民共和國禁止使用童工規定》) Law of the People's Republic of China on the Protection of Minors (《中華人民共和國未成年人保護法》) Standards on Minimum Wage (《最低工資標準》) Hong Kong Employment Ordinance (香港《僱傭條例》) Regulations on Corporate Democratic Management (《企業民主管理規定》)</p>	<p>Management Measures for Campus Recruitment (《校園招聘管理辦法》) Employee Remuneration Management System (《員工薪酬管理制度》) Management System for Performance Appraisal of Staff (《員工績效考核管理制度》) Equity Incentive Plan (《股權激勵計劃》) Board Diversity Policy (《董事會成員多元化政策》) Management System for Performance Appraisal of Staff from the Headquarters (《總部員工績效考核管理制度》)</p>
<p>B2. Health and Safety</p>	<p>Labor Law of the People's Republic of China (《中華人民共和國勞動法》) Fire Prevention Law of the People's Republic of China (《中華人民共和國消防法》) Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) Prevention and Control of Occupational Diseases Law of the People's Republic of China (《中華人民共和國職業病防治法》) Regulation on Work-related Injury Insurance (《工傷保險條例》) Law of the People's Republic of China on Emergency Response (《中華人民共和國突發事件應對法》) Provisions on the Supervision and Administration of Occupational Health in the Workplace (《工作場所職業衛生監督管理規定》) Regulations on the Reporting, Investigation and Handling of Production Safety Accidents (《生產安全事故報告和調查處理條例》) Regulations on the Safety Administration of Hazardous Chemicals (《危險化學品安全管理條例》) Interim Regulations for the Accident Investigation and Handling of Potential Safety Hazards in Workplace (《安全生產事故隱患排查治理暫行規定》) Occupational Disease Classification and Catalog (《職業病分類與目錄》) Certain Regulations on Fire Fighting in Guangdong Province (《廣東省消防工作若干規定》) General Rules for the Construction of Dual Prevention Mechanism for Shenzhen Enterprises (《深圳市企業雙重預防機制建設通則》) Shenzhen Work Plan for Construction Safety Special Rectification Action in 2023 (《2023年全市建築施工安全生產專項整治行動工作方案》)</p>	<p>Safety Risk Classification and Control System (《安全風險分級管控制度》) Measures for the Management of Safety Production Risks (《安全生產風險管理辦法》) Emergency Management Measures (《應急管理辦法》) Accident Reporting and Investigation Management Measures (《事故報告與調查處理管理辦法》) Shum Yip Group Safety Management System (《深業集團安全管理制度體系》) Safety Production Management Measures (《安全生產管理制度》) Measures for the Management of Work Safety Responsibilities (《安全生產職責管理辦法》) Measures for the Administration of the Construction of Safety Production Culture (《安全生產文化建設管理辦法》) Measures for the Management of Safety Education Training (《安全教育培訓管理辦法》) Production Safety Accident Management System (《生產安全事故管理制度》) Safety Management Measures for Related Parties (《相關方安全管理辦法》) Safety Production File (including Electronic File) Management System (《安全生產檔案(含電子檔案)管理制度》) Dangerous Operations Management Policy (《危險作業管理辦法》) Standard Management of Small-scale Projects and Sporadic Operations in Shenzhen (《深圳市小散工程和零星作業規範管理》) Fire Management Requirements for High-Rise Buildings (《高層建築消防管理規定》) Measures for the Management of Safety Production Assessment, Reward and Punishment (《安全生產考核獎懲管理辦法》) Measures for the Management of Safety Production Assessment, Reward and Punishment of the Affiliated Enterprises (《所屬企業安全生產考核獎懲管理辦法》) Comprehensive Emergency Plan (《突發事件綜合應急預案》) Production Safety Accident Emergency Plan (《生產安全事故應急預案》) Fire Accident Emergency Plan (《火災事故應急預案》) Emergency Plan for Flood Control, Drought Prevention and Typhoon Prevention (《防汛防旱防颱風應急預案》) Regulations on Safety Production Management Responsibilities (《安全生產管理工作職責規定》) Safety Production Management Measures (《安全生產管理辦法》)</p>

ESG Indicators	Laws and regulations complied with	Internal Policy
<p>B3. Development and Training</p>	<p>Regulations on the Selection and Appointment of Party and Government Leading Cadres 《黨政領導幹部選拔任用工作條例》</p> <p>Regulations on the Management of Leaders of Shenzhen Municipal Enterprises 《深圳市市管企業領導人員管理規定》</p> <p>Measures on Examining the Political Performance of Cadres (Shen Zu Tong [2022] No. 38) 《關於考准考實幹部政治表現的辦法》(深組通[2022]38 號)</p>	<p>Measures for Management of the Trainings 《培訓工作管理辦法》</p> <p>Administrative Measures for the Selection and Appointment of the Management 《管理人員選拔任用管理辦法》</p> <p>Administrative Measures for Internal Talents Selection 《內部人才選拔辦法》</p> <p>Methods for Selecting and Transferring Vacant Posts at Headquarter 《總部空缺崗位選調辦法》</p> <p>Administrative Measures for the Selection and Appointment of the Middle Management 《中層管理人員選拔任用管理辦法》</p> <p>“Shen Drive” Measures for Development and Management of Talents 《「深動力」人才發展與管理辦法》</p> <p>Administrative Measures for New Employee Mentor Training 《新員工導師培養管理辦法》</p> <p>Rules for Assessment during New Employee Mentor Training Period 《新員工導師培養期考核細則》</p> <p>Occupational System and Rank Management Measures 《職業體系及職級管理辦法》</p> <p>Working System of the Staff Representative Congress 《職工代表大會工作制度》</p>
<p>B4. Labor Standards</p>	<p>International Covenant on Economic, Social and Cultural Rights 《經濟、社會和文化權利國際公約》</p> <p>International Covenant on Civil and Political Rights 《公民權利和政治權利國際公約》</p> <p>Labor Law of the People’s Republic of China 《中華人民共和國勞動法》</p> <p>Provisions on the Prohibition of the Use of Child Labor 《禁止使用童工規定》</p> <p>Law of the People’s Republic of China on the Protection of Minors 《中華人民共和國未成年人保護法》</p> <p>International Labor Standards 《國際勞工標準》</p> <p>Regulations on Corporate Democratic Management 《企業民主管理規定》</p>	
<p>B5. Supply Chain Management</p>	<p>Law of the People’s Republic of China on Tenders and Bids 《中華人民共和國招標投標法》</p> <p>Administrative Measures of the State-owned Assets Supervision and Administration Commission of the People’s Government of Shenzhen Municipal for Engagement of Intermediaries 《深圳市人民政府國有資產監督管理委員會選聘中介機構管理辦法》</p> <p>Guiding Opinions of the State-owned Assets Supervision and Administration Commission of Shenzhen Municipality on Further Strengthening the Comprehensive Supervision of the Procurement of Municipal Enterprises (for Trial Implementation) 《深圳市國資委關於進一步加強市屬企業採購綜合監管的指導意見(試行)》</p> <p>Notice on Implementing Unified Issuance of Procurement Information within Municipal State-owned Enterprises of Shenzhen 《關於在深圳市屬國企實行採購信息統一發佈的通知》</p>	<p>Guidelines for the Supervision of Tendering and Procurement 《招標採購監督工作指引》</p> <p>Practical Guidelines for Discipline Supervision and Enforcement 《監督執紀工作實務指南》</p> <p>Administrative Measures for Engagement of Intermediaries 《選聘中介機構管理辦法》</p> <p>Management Measures for Bid Evaluation Expert Pool for Major Bidding Projects (Interim) 《重要招採項目評標專家庫管理辦法(暫行)》</p> <p>Measures for the Administration of Tendering and Procurement 《招標採購管理辦法》</p> <p>Measures for Management of Supplier’s Warehouse 《供方庫管理辦法》</p> <p>Measures for the Supervision and Administration of Project Bidding 《工程招標監督管理辦法》</p> <p>Measures for the Administration of Tendering and Procurement of Group Headquarters 《集團總部招標採購管理辦法》</p> <p>Implementation Rules for Strategic Procurement 《戰略採購實施細則》</p> <p>Code of Conduct of Suppliers 《供應商行為準則》</p>

Summary of Sustainability Development

ESG Indicators	Laws and regulations complied with	Internal Policy
B6. Product Responsibility	<p>Trademark Law of the People's Republic of China 《中華人民共和國商標法》</p> <p>Advertisement Law of the People's Republic of China 《中華人民共和國廣告法》</p> <p>Patent Law of the People's Republic of China 《中華人民共和國專利法》</p> <p>Copyright Law of the People's Republic of China 《中華人民共和國著作權法》</p> <p>Civil Code of the People's Republic of China 《中華人民共和國民法典》</p> <p>Personal Information Protection Law of the People's Republic of China 《中華人民共和國個人信息保護法》</p> <p>Construction Law of the People's Republic of China 《中華人民共和國建築法》</p> <p>Fire Prevention Law of the People's Republic of China 《中華人民共和國消防法》</p> <p>Law of the People's Republic of China on Product Quality 《中華人民共和國產品質量法》</p> <p>Law of the People's Republic of China on the Protection of Consumer Rights and Interests 《中華人民共和國消費者權益保護法》</p> <p>Network Security Law of the People's Republic of China 《中華人民共和國網絡安全法》</p> <p>Law of the People's Republic of China on Urban Real Estate Management 《中華人民共和國城市房地產管理法》</p> <p>Opinions of the General Office of the State Council on Promoting Healthy Growth of Construction Industry 《國務院辦公廳關於促進建築業持續健康發展的意見》</p> <p>Guiding Opinions of the General Office of the State Council on Vigorously Developing Prefabricated Buildings 《國務院辦公廳關於大力發展装配式建築的指導意見》</p> <p>Notice of the State Council on Promoting the Sustained and Sound Development of the Real Estate Market 《國務院關於促進房地產市場持續健康發展的通知》</p> <p>Opinions on Promoting the Modernization of Housing Industry and Improving Housing Quality 《關於推進住宅產業現代化提高住宅質量的若干意見》</p> <p>National Green Building Design One - and Two-Star Design Guidelines 《國家綠色建築設計一、二星級設計指引》</p> <p>Management Measures for One - and Two-Star Eco-friendly Building Identification Logo (For Trial Implementation) 《一二星級綠色建築評價標識管理辦法(試行)》</p> <p>Detailed Rules for Implementation of Eco-friendly Building Identification Logo (Revised for Trial Implementation) 《綠色建築評價標識實施細則(試行修訂)》</p> <p>GB/T 50640-2010 Green Construction Evaluation Standard for Building Engineering 《建築工程綠色施工評價標準 GB/T 50640-2010》</p> <p>GB/T 50378-2019 Green Building Evaluation Standard 《綠色建築評價標準 GB/T 50378-2019》</p> <p>GB 50368-2005 Residential Building Code 《住宅建築規範 GB 50368-2005》</p> <p>Regulations on Quality Management of Construction Projects 《建設工程質量管理條例》</p> <p>Provisions on Supervision and Management of Quality of Construction Projects 《建設工程質量監督管理規定》</p> <p>Measures for Regulating the Sales of Commercial Houses 《商品房銷售管理辦法》</p> <p>Computer Software Protection Ordinance of the People's Republic of China 《中華人民共和國計算器軟件保護條例》</p> <p>Regulations for the Publication of Real Estate Advertisements 《房地產廣告發佈規定》</p>	<p>Marketing Management Measures 《營銷管理辦法》</p> <p>Measures for Regulating the Sales 《銷售管理辦法》</p> <p>Standard Manual of Property Service Center 《物業服務中心標準手冊》</p> <p>Sales Management System and Regulations 《銷售管理制度及條例》</p> <p>Property City Enterprise Standard System 《物業城市企業標準體系》</p> <p>Measures for the Administration of Intellectual Property 《知識產權工作管理辦法》</p>

ESG Indicators	Laws and regulations complied with	Internal Policy
<p>B7. Anti-corruption</p>	<p>Company Law of the People's Republic of China 《中華人民共和國公司法》</p> <p>Securities Law of the People's Republic of China 《中華人民共和國證券法》</p> <p>Anti-money Laundering Law of the People's Republic of China 《中華人民共和國反洗錢法》</p> <p>Anti-monopoly Law of the People's Republic of China 《中華人民共和國反壟斷法》</p> <p>Anti-unfair Competition Law of the People's Republic of China 《中華人民共和國反不正當競爭法》</p> <p>Interim Provisions on Banning Commercial Bribery 《關於禁止商業賄賂行為的暫行規定》</p> <p>Law of the People's Republic of China on Tenders and Bids 《中華人民共和國招標投標法》</p> <p>Rules Governing the Listing of Securities on the Stock Exchange (聯交所《證券上市規則》)</p> <p>Companies Ordinance 《公司條例》</p> <p>Securities and Futures Ordinance 《證券及期貨條例》</p> <p>Procedures for Handling Petitioning and Reporting 《信訪舉報辦理規程》</p> <p>Rules for the Handling of Notification by Disciplinary Inspection and Supervision Agencies 《紀檢監察機關處理通報規則》</p> <p>Guiding Opinions of the State-owned Assets Supervision and Administration Commission of Shenzhen Municipality on Further Strengthening the Comprehensive Supervision of the Procurement of Municipal Enterprises (for Trial Implementation) 《深圳市國資委關於進一步加強市屬企業採購綜合監管的指導意見(試行)》</p> <p>Guiding Opinions of the State-owned Assets Supervision and Administration Commission of Shenzhen Municipality on Further Strengthening the Construction of Six-in-One Supervision System 《深圳市國資委關於進一步加強市屬國企六位一體監督體系建設的指導意見》</p>	<p>Articles of Association 《公司章程》</p> <p>Implementation Rules for Internal Control 《內部控制實施細則》</p> <p>Measures for Implementation of Integrity Audit Work 《廉政審核工作實施辦法》</p> <p>Whistle-blowing Policy of Shenzhen Investment 《深圳控股舉報政策》</p> <p>Measures for the Management of Whistleblower Cases 《問題線索管理辦法》</p> <p>Interim Measures for the Management of Internal Audit 《內部審計工作管理暫行辦法》</p> <p>Overseas/Remote Integrity Risk Prevention and Control Measures 《境外／異地廉潔風險防控辦法》</p> <p>Management Measures for "Three-Major and One-Large" Decision-Making 《三重一大決策管理辦法》</p> <p>Implementation Measures for Pursuing Accountability for Illegal Operations and Investments 《違規經營投資責任追究實施辦法》</p> <p>Guidelines for Operation and Investment Due Diligence Compliance and Liability Exemptions 《經營投資盡職合規免責工作指引》</p> <p>Measures to Prevent Staff Conflicts of Interests 《防止工作人員利益衝突的辦法》</p> <p>Implementation Measures for the Enhancement of Promoting Rectification by Cases 《加強以案促改工作實施辦法》</p> <p>Policy on Anti-corruption and Bribery 《反貪污及賄賂政策》</p> <p>Code of Business Ethics 《商業道德準則》</p> <p>Measures for Anti-bribery Compliance Management 《反賄賂合規管理辦法》</p> <p>Guidelines for Whistle-blowing on Compliance 《合規舉報指南》</p> <p>Guidelines for the Compliance Management of Business Partner 《商業夥伴合規管理指引》</p>
<p>B8. Community Investment</p>	<p>Greening Ordinance of Shenzhen Special Economic Zone 《深圳經濟特區綠化條例》</p>	

Summary of Sustainability Development

Appendix II: Key Performance Indicator List

Environmental Data¹

		2023	2022	2021
A1 Emissions				
A1.1 Types of emissions and respective emissions data²				
Nitrogen oxide (NOx) emissions	Kilogrammes	5,580.77	6,456.01	6,150.72
Sulphur oxides (SOx) emissions	Kilogrammes	10.25	7.99	8.19
Particulate matter emissions	Kilogrammes	534.75	618.61	589.36
A1.2 Greenhouse gas emissions and intensity³				
Scope 1: greenhouse gas emissions	tCO ₂ eq	5,941.03	5,321.50	6,045.02
Scope 2: greenhouse gas emissions	tCO ₂ eq	61,332.91	38,271.04	36,402.74
Total greenhouse gas emissions	tCO ₂ eq	67,273.94	43,592.54	42,447.76
Greenhouse gas emissions intensity	tCO ₂ eq/HK\$ million	4.25	1.39	1.32
A1.3 Total hazardous waste produced and intensity⁴				
Abandoned electrical and electronic equipment	Sets	1,306	667	528
Printer cartridge used	Units	4,679	4,027	3,771
Fluorescent tubes or energy-saving lamps with mercury	Tubes	19,282	17,251	12,991
Total hazardous waste	Kilogrammes	14,885.52	11,904.86	9,767.76
Hazardous waste intensity	Kilogrammes/HK\$ million	0.94	0.38	0.30

¹ Scope of statistics:

- The scope of statistics of 2023 includes the office areas of the Shenzhen Investment Group's headquarters, the office, construction and operation areas of its subsidiaries and project companies.
- The statistical scope of the Group's ESG data indicators remains consistent for the past three years, and for each year the ESG data online collection platform is adopted for data collection.

Reference for calculation:

- The disclosed values of greenhouse gas emissions include the consumption of gasoline, diesel, liquefied petroleum gas, natural gas, purchased heat and purchased electricity. Scope 1 emission factors are calculated with reference to the 'Appendix 2: Reporting Guidance on Environmental KPIs' of the Stock Exchange and the 'GHG Protocol'; and for Scope 2, the greenhouse gas emission factors of power grid in Mainland China are calculated with reference to the 'Notice on Work Related to the Management of Greenhouse Gas Emissions Reporting for Enterprises in the Power Generation Sector in 2023-2025' (《關於做好2023-2025年發電行業企業溫室氣體排放報告管理有關工作中的通知》) of the Ministry of Ecology and Environment, the emission factors of power grid in the Special Administrative Region of Hong Kong, the PRC are calculated with reference to the 'Appendix 2: Reporting Guidance on Environmental KPIs' of the Stock Exchange, and the greenhouse gas emission factor of purchased heat is calculated with reference to the 'CO₂ Emissions Accounting and Reporting Requirements-Other Industries' (DB11T1787-2020).
 - The energy consumption values include the consumption of gasoline, diesel, liquefied petroleum gas, natural gas, purchased heat and purchased electricity, the relevant factors of which are calculated with reference to the 'General Principles for Calculation of the Comprehensive Energy Consumption of China' (GB/T2589-2020).
- ² The emissions mainly include the exhausts from the use of official vehicles of Shenzhen Investment. The emission data of official vehicles are calculated pursuant to the 'Appendix 2: Reporting Guidance on Environmental KPIs' of the Stock Exchange.
- ³ The Scope 1 greenhouse gas emissions mainly include the direct greenhouse gas emissions from the fossil fuels (e.g. gasoline, diesel oil and natural gas) consumed during the office, construction and operation process of the Group. The formula for the calculation of the main greenhouse gas emissions from fossil fuel consumption is: carbon dioxide emissions from fossil fuel combustion = fuel consumption × emission factors.
The Scope 2 greenhouse gas emissions mainly include the indirect greenhouse gas emissions from the purchased electricity and heat consumed during the office, construction and operation processes of the Group. For the calculation of greenhouse gas emissions in 2023, 0.5703 kg CO₂/kWh is adopted as the emission factor for purchased electricity in Mainland China, 0.37 kg CO₂/kWh is adopted as the emission factor for purchased electricity in Hong Kong, China and 0.11 tCO₂/GJ is adopted for purchased heat. In 2023, the Scope 2 greenhouse gas emissions increased as some construction projects entered a concentrated construction phase and some projects under management were open for operation for a longer period of time than in 2022.
- ⁴ The hazardous wastes mainly include the waste electronics & electrical appliances, mercury-containing fluorescent lamps and other hazardous wastes generated during the office and operation process of the Group.

		2023	2022	2021
A1 Emissions				
A1.4 Total non-hazardous waste produced and intensity⁵				
Wastepaper	Tonnes	180.58	186.06	145.77
Construction waste	Tonnes	88,621.65	62,299.44	30,514.50
Kitchen waste	Tonnes	655.78	597.94	612.42
Total non-hazardous waste	Tonnes	89,458.01	63,083.44	31,272.69
Non-hazardous waste intensity	Tonnes/HK\$ million	5.65	2.00	0.98
A1.5 Total hazardous wastes recycled				
Electrical and electronic equipment (e.g. computer) recycled	Sets	1,093	1,580	237
A1.6 Total non-hazardous wastes recycled⁶				
Metals recycled	Kilogrammes	4,768.80	91,235.00	70,538.00
Plastic recycled	Kilogrammes	19,739.26	14,721.00	18,040.00
Glass recycled	Kilogrammes	103,254.52	54,376.10	83,562.40
Wastepaper recycled	Kilogrammes	83,108.10	44,435.37	78,788.27
Reinforcing steel recycled	Tonnes	1,327.82	5,968.07	3,087.76
Earth recycled	Cubic metres	152,978.00	645,677.26	788,982.33
A2 Use of Resources				
Bricks	Cubic metres	150,898.01	1,123,570.88	199,587.92
Concrete	Cubic metres	1,154,341.34	1,820,242.59	1,387,012.47
Reinforcing steel	Tonnes	155,051.60	200,848.26	163,386.31
Stones	Tonnes	34,191.92	77,159.93	28,957.45
Timber	Tonnes	45,176.65	45,224.40	48,289.10
A2.1 Energy consumption in total and intensity				
Gasoline	Litres	631,588.16	460,783.45	433,439.92
Diesel oil	Litres	60,092.38	75,430.84	112,965.60
Liquefied petroleum gas	Kilogrammes	30,672.65	47,797.00	67,387.90
Natural gas	Cubic metres	1,942,863.98	1,867,023.48	2,092,080.43
Purchased heat	Megajoules	162,513.49	170,420.00	1,129,103.36
Total power consumption	Kilowatt hours	107,526,459.57	67,087,000.73	62,454,799.47
Total energy consumption	Megawatt hours	133,439.11	91,115.66	89,373.72
Energy consumption intensity	Megawatt hours/HK\$ million	4.23	2.89	2.79
Total non-fossil energy consumption ⁷	Megawatt hours	6,669.01	-	-
Hydropower consumption	Megawatt hours	5,333.00	-	-
Other non-fossil energy consumption	Megawatt hours	1,336.01	-	-

⁵ The non-hazardous wastes mainly include the wastepaper, construction waste, kitchen waste and other non-hazardous wastes generated during the office and operation process of the Group. As some construction projects entered a concentrated construction phase in 2023, the construction waste generated increased compared with previous years.

⁶ Shenzhen Investment is committed to recycling wastes (e.g. glasses and metals) that can be reused in the office, operation and construction process. In 2023, some wastes had an increased recycling volume as a result of the concentrated commencement of construction of a number of projects and the longer operating hours of some of its hotels.

⁷ In response to external concerns and to enhance ESG management, Shenzhen Investment has adopted a new statistical indicator for the current year, and disclosed only the corresponding indicator data from 2023 onwards as there was no track record available for the previous years.

Summary of Sustainability Development

		2023	2022	2021	
A2	Use of Resources				
A2.2	Water consumption and intensity⁸				
	Total water consumption	Cubic metres	2,544,472.95	2,805,269.17	2,510,725.14
	Water consumption intensity	Cubic metres/HK\$ million	160.72	88.94	78.34
	Others				
	Number of environmental violations and non-compliances	Cases	0	-	-

Social Data

		2023	2022	2021	
B1.	Employment				
B1.1	Total workforce by gender, employment type, age group and geographical region				
	Total employees	Persons	20,445	21,205	21,084
	By gender				
	Male	Persons	12,787	13,161	13,299
	Female	Persons	7,658	8,044	7,785
	By rank				
	Senior management	Persons	67	62	68
	Middle management	Persons	364	355	398
	Grassroots employees	Persons	20,014	20,788	20,618
	Male senior management members	Persons	54	52	57
	Female senior management members	Persons	13	10	11
	Male middle management members	Persons	271	273	303
	Female middle management members	Persons	93	82	95
	Proportion of male senior management members	%	80.60	83.87	83.82
	Proportion of female senior management members	%	19.40	16.13	16.18
	Proportion of male middle management members	%	74.45	76.90	76.13
	Proportion of female middle management members	%	25.55	23.10	23.87
	By education level				
	Doctor	Persons	9	12	12
	Master	Persons	625	616	563
	Bachelor	Persons	2,973	2,786	2,477
	Tertiary or below	Persons	16,838	17,791	18,032
	By age group				
	29 and below in total	Persons	3,084	3,251	3,184
	30-49 in total	Persons	9,547	9,542	9,992
	50 and above in total	Persons	7,814	8,412	7,908
	By geographical region				
	Mainland China	Persons	20,424	21,151	21,042
	Hong Kong, Macau and Taiwan	Persons	20	47	42
	Overseas	Persons	1	7	0
	By employment type				
	Full-time	Persons	20,418	21,205	21,063
	Part-time	Persons	27	0	21
	By other type				
	Disabled employees	Persons	42	28	21

⁸ The scope of statistics of water consumption includes engineering water and domestic water in the office, construction and operation process of the Group.

		2023	2022	2021
B1. Employment				
B1.2 Employee turnover rate by gender, age group and geographical region				
Employee turnover rate ⁹	%	33.20	31.33	36.07
By gender				
Male	%	33.67	29.18	35.83
Female	%	32.42	34.83	36.48
By age group				
29 and below	%	48.35	41.06	63.13
30-49	%	23.10	23.62	28.75
50 and above	%	39.57	36.31	34.42
By geographical region				
Mainland China	%	33.22	31.37	36.12
Hong Kong, Macau and Taiwan	%	20.00	10.64	9.52
Overseas	%	0.00	28.57	0.00
B2. Health and Safety				
B2.1 Number and rate of work-related fatalities				
Number of work-related fatalities	Persons	0	0	0
Rate of work-related fatalities	%	0.00	0.00	0.00
Number of accidents involving serious injuries and fatalities among construction contractors	Cases	1	0	0
B2.2 Work injury loss¹⁰				
Number of injured employees	Persons	34	58	32
Rate of injured employees	%	0.17	0.27	0.15
Lost days due to work injury	Days	4,298	2,324	3,420
Number of safety emergency drills	Drills	3,435	2,696	3,841
Lost hours due to work injury	Hours	36,952	18,588.00	27,560.00
B3. Development and Training				
B3.1 Number of employees trained				
Total employees trained	Person-time	101,002	110,737	82,456
By gender				
Male	Person-time	59,443	68,999	51,597
Female	Person-time	41,559	41,738	30,859
By employee category				
Senior management	Person-time	310	256	463
Middle management	Person-time	1,469	2,643	2,296
Grassroots employees	Person-time	99,223	107,838	79,697

⁹ Employee turnover includes regular employees who resign or terminate employment due to dismissal, retirement or death. The calculation method of employee turnover rate: employees of the group who left in the year/employees of the group at the end of the year x 100%.

¹⁰ The statistical scope of work-related injury data covers the full-time employees of Shenzhen Investment. Such data sources from work-related injuries recorded by the human resources department and identified by the local Human Resources and Social Security Bureau. The types of work-related injuries mainly include injuries at work and on the way to work. All work-related injuries have been properly dealt with.

Summary of Sustainability Development

		2023	2022	2021
B3. Development and Training				
B3.2 Total training hours				
Total training hours	Hours	338,685.45	426,849.70	486,373.00
Average training hours	Hours/persons	16.57	20.13	23.07
By gender				
Training hours of male employees	Hours	218,677.24	266,818.40	314,602.00
Average training hours of male employees	Hours/persons	17.10	20.27	23.66
Training hours of female employees	Hours	120,008.21	160,034.30	171,771.00
Average training hours of female employees	Hours/persons	15.67	19.89	22.06
By employee category				
Training hours of senior management ¹¹	Hours	3,700.00	1,393.00	4,015.50
Average training hours of senior management	Hours/persons	55.22	22.47	59.05
Training hours of middle management	Hours	8,945.66	19,159.50	10,533.00
Average training hours of middle management	Hours/persons	24.58	53.97	26.46
Training hours of grassroots employees	Hours	326,039.79	406,297.20	471,824.50
Average training hours of grassroots employees	Hours/persons	16.29	19.54	22.88
B5. Supply Chain				
B5.1 Number of suppliers by geographical region				
Total number of suppliers	Suppliers	2,760	2,926	2,358
Professional service suppliers				
Guangdong Province	Suppliers	1,008	1,354	995
Mainland China (ex-Guangdong Province)	Suppliers	431	582	417
Hong Kong, Macau and Taiwan	Suppliers	20	16	27
Overseas	Suppliers	1	2	3
New professional service suppliers for the year	Suppliers	281	253	-
Engineering suppliers				
Guangdong Province	Suppliers	1,113	636	650
Mainland China (ex-Guangdong Province)	Suppliers	185	335	266
Hong Kong, Macau and Taiwan	Suppliers	2	0	0
Overseas	Suppliers	0	1	0
New engineering suppliers for the year ¹²	Suppliers	151	442	-

¹¹ In 2023, the number of training hours for the senior management of Shenzhen Investment increased as a result of the increase in the number of external training sessions (including those organised by the Group) attended as well as the increase in online study on the platform 深i學.

¹² In 2023, Pengnan Company re-amended the 'Administrative Measures for Supplier Directory' (《供方庫辦理辦法》) and reorganised the list of suppliers, so the figure is less than that of 2022.

		2023	2022	2021
B6. Product Responsibility				
B6.2 Number of complaints for products and service				
Total number of complaints	Complaints	109	53	59
Number of complaints received for pre-delivery quality of work/building quality issues	Complaints	13	5	5
Number of complaints received for post-delivery quality of work/building quality issues	Complaints	26	20	2
Number of complaints received for property problems	Complaints	61	26	46
Number of complaints received for marketing service problems	Complaints	9	2	6
Rating of customer satisfaction surveys	%	92.57	92.04	92.46
B6.3 Description of practices relating to observing and protecting intellectual property rights¹³				
Number of patent applications	Patents	28	17	79
Number of patents granted	Patents	19	18	75
B7. Anti-corruption				
B7.1 Legal cases regarding corrupt practices				
Corruption lawsuits filed or concluded	Cases	0	0	0
B7.3 Anti-corruption training¹⁴				
Percentage of employees received trainings on anti-corruption policies	%	100	100	100
Percentage of board members and senior management received trainings on anti-corruption policies	%	100	100	100
Number of employees who sign commitment to comply with anti-corruption policies	Persons	1,407	2,489	691
Number of senior management personnel who sign commitment to comply with anti-corruption policies	Persons	51	117	21
B8. Community Investment				
B8.2 Resources contributed to the focus area				
Total investment in public welfare activities/donations	RMB	873,011.8	1,574,532.66	4,270,320.54
Total employees participating in volunteer activities	Person-time	2,704	4,352	5,223
Total volunteer hours of employees	Hours	10,228	802,244	19,920

¹³ Patents include invention patents, utility model patents and design patents. Some authorized patents were applied for in 2022 and authorized in 2023.

¹⁴ Anti-corruption trainings include activities organized by the Group and each of its subsidiaries, such as conducting relevant courses and lectures, watching integrity education documentaries and visiting integrity education bases, and the scope of training covers all employees.

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Appendix III: Environmental, Social and Governance Content Index

No.	Key Performance Indicators (KPIs)	Corresponding Chapters
Mandatory Disclosure Indicators		
Governance Structure		
	Disclosure of the supervision by the Board of Directors on environmental, social and governance matters	Governance Responsibility, Sustainable Management
	The environmental, social and governance management policies and strategies of the Board of Directors, including the process for assessing, prioritizing and managing important ESG-related matters (including risks for the issuer's business)	Governance Responsibility, Sustainable Management
	How the Board of Directors reviews progress according to ESG-related objectives and explain how they relate to the issuer's business	Governance Responsibility, Sustainable Management
Reporting scope		
	Explain the reporting scope of the ESG report and describe the process for selecting the entities or businesses to be included in the ESG report. If there is any change in the reporting scope, the issuer should explain the difference and the reason for the change	About This Report
"Comply or Explain" Indicators		
A Environment		
A1: Emissions		
General Disclosure	Information on:	Environmental Responsibility, Green Forever
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	
A1.1	The types of emissions and respective emissions data	Key Performance Indicator List
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).	Environmental Responsibility, Green Forever Key Performance Indicator List
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Indicator List
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Indicator List

A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Responsibility, Green Forever
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Responsibility, Green Forever Key Performance Indicator List

A2: Use of Resources

General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Responsibility, Green Forever
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).	Environmental Responsibility, Green Forever Key Performance Indicator List
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Key Performance Indicator List
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Responsibility, Green Forever
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.	Environmental Responsibility, Green Forever
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A

A3: Environment and Natural Resources

General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Environmental Responsibility, Green Forever
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Responsibility, Green Forever

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.	Environmental Responsibility, Green Forever
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.	Environmental Responsibility, Green Forever

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B Society

B1: Employment

General Disclosure	Information on:	Employee Responsibility, Talents Forever
	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	
B1.1	Total workforce by gender, employment type (for example, full - or part-time), age group and geographical region.	Employee Responsibility, Talents Forever Key Performance Indicator List
B1.2	Employee turnover rate by gender, age group and geographical region.	Key Performance Indicator List

B2: Health and Safety

General Disclosure	Information on:	Employee Responsibility, Talents Forever
	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Key Performance Indicator List
B2.2	Lost days due to work injury.	Key Performance Indicator List
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employee Responsibility, Talents Forever

B3: Development and Training

General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee Responsibility, Talents Forever
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Key Performance Indicator List
B3.2	The average training hours completed per employee by gender and employee category.	Key Performance Indicator List

B4: Labor Standards

General Disclosure	Information on:	Employee Responsibility, Talents Forever
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	
B4.1	Description of measures to review employment practices to avoid child and forced labor.	Employee Responsibility, Talents Forever
B4.2	Description of steps taken to eliminate such practices when discovered.	Employee Responsibility, Talents Forever

B5: Supply Chain Management

General Disclosure	Policies on managing environmental and social risks of the supply chain.	Governance Responsibility, Sustainable Management
B5.1	Number of suppliers by geographical region.	Key Performance Indicator List
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Governance Responsibility, Sustainable Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Governance Responsibility, Sustainable Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Governance Responsibility, Sustainable Management

B6: Product Responsibility

General Disclosure	Information on:	Customer Responsibility, Quality Forever
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	

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B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
B6.2	Number of products and service related complaints received and how they are dealt with.	Key Performance Indicator List
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Governance Responsibility- Sustainable Management
B6.4	Description of quality assurance process and recall procedures.	Customer Responsibility, Quality Forever
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Customer Responsibility, Quality Forever
B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Governance Responsibility, Sustainable Management
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Governance Responsibility, Sustainable Management Key Performance Indicator List
B7.2	Description of preventive measures and whistleblowing procedures and how they are implemented and monitored.	Governance Responsibility, Sustainable Management
B7.3	Description of anti-corruption training provided to directors and staff.	Governance Responsibility, Sustainable Management
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.	Social Responsibility, Warming Society Forever
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Social Responsibility, Warming Society Forever
B8.2	Resources contributed (e.g. money or time) to the focus area.	Social Responsibility, Warming Society Forever Key Performance Indicator List



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