



禹洲地產股份有限公司
YUZHOU PROPERTIES COMPANY LIMITED

(incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 01628.HK

36 Sustainability and ESG at Yuzhou Group

2020.08

MSCI
恒生指數
HANG SENG INDEX

BBB^級

高股息率

砥礪
十春秋

廿五
再出發

Ten Years of
Endeavor

A Quarter
Century of
Legacy

Yuzhou's Commitment to Sustainability

Yuzhou Group, highly attentive to the issues of concern to stakeholders, responds to the call of the United Nations through active incorporation of the sustainability concept into daily operations, coupled with ongoing exploration and pursuit of better performance



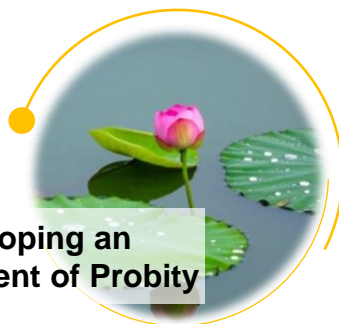
Building Green Homes



Fostering Staff to Grow



Creating Value for Customers



Developing an Environment of Probity



Creating Beautiful Communities

Targets and KPIs

100% 

Obtaining Green Building Certifications within Five Years



Becoming an Industrial Forerunner in Environmental Protection

Internal Sustainability Governance

- The Board of Directors formally set up a sustainability taskforce in 2018, with member departments of the sustainability taskforce work on their responsible issues according to the requirements of the committee on ESG matters and report regularly

Board of Directors

Setting out the terms of reference for the sustainability taskforce (including member authority, scope of work and resources), and taking charge of the development direction, overall strategies and policies of the Group going forward

Committee






Formulating and supervising on the policies and measures pertaining to sustainability issues, with the Audit Committee regularly reporting to the Board of Directors on the progress and effectiveness of sustainability work

Sustainability Taskforce

President's Office & Design mgmt. center	Human resources center	Cost mgmt. center Mgmt. committee for tender-based procurement	Operation mgmt. center Sales mgmt. center	Department of branding mgmt.
The two departments jointly work and report on environmental management, with the President's Office in charge of managing and reporting on business ethics	Responsible for recruitment, training and development, occupational safety and health management, and the reporting thereof	The two departments jointly work and report on supply chain management	The two departments jointly work and report on product liability and customer relations management	Responsible for community investment management and the reporting thereof

Strong Commitment to UN SDGs¹

- In 2019, Yuzhou Group identified the following five of the 17 SDGs¹ raised by United Nations that were materially connected to its operations

SDGs ¹	Specific Goals	Actions by Yuzhou Group
	<ul style="list-style-type: none"> Ensure equal rights to economic resources and access to basic services Support accelerated investments in poverty eradication actions 	<ul style="list-style-type: none"> ✓ Donation <ul style="list-style-type: none"> Yuzhou Charity Foundation donated to poverty-stricken areas to help underprivileged households Yuzhou Charity Foundation donated to Ai You Foundation ✓ Launched “Yuzhou Care for Children” and organized Nightly Charity Run and Charity Walk to call for attention to children in need
	<ul style="list-style-type: none"> Reduce mortality from non-communicable diseases through prevention and treatment, and promote mental health and wellbeing Achieve universal health coverage 	<ul style="list-style-type: none"> ✓ Education <ul style="list-style-type: none"> Training on safety education Physical activities and health talks ✓ Physical protection <ul style="list-style-type: none"> Physical checkups and insurance for employees Members for special operations shall assume their posts with a certificate, and wear and use protective equipment
	<ul style="list-style-type: none"> Promote youth employment and training Take immediate and effective measures to eradicate forced labor, and end child labor in all its forms Protect labor rights and promote safe and secure working environments 	<ul style="list-style-type: none"> ✓ Training and mentorship <ul style="list-style-type: none"> Training courses by Yuzhou Business Academy and external training Employees in probation were assigned with induction mentors Ten series of career development channels were available ✓ Labor rights and welfare <ul style="list-style-type: none"> The staff welfare system was improved Prospective recruits were checked with their information such as ID Comprehensive production inspection took place with safety hazards rectified
	<ul style="list-style-type: none"> Enhance inclusive and sustainable urbanization Reduce the adverse per capita environmental impact of cities Provide universal access to safe, inclusive and accessible, green and public spaces 	<ul style="list-style-type: none"> ✓ Design and Technology <ul style="list-style-type: none"> Green and environmentally friendly technologies and decoration materials Increased coverage of green building certification Natural ventilation to maintain indoor air quality Indoor natural lighting, acoustic insulation and shock absorption Selected greenery plants to create green spaces ✓ The concept of environmental protection was promoted among employees
	<ul style="list-style-type: none"> Reduce waste generation 	<ul style="list-style-type: none"> ✓ Pre-construction <ul style="list-style-type: none"> BIM technology applied to simulate the construction process, with a view to cut the wastage Prefabricated building applied as appropriate ✓ Construction <ul style="list-style-type: none"> Refuse tanks and mobile refuse hoppers Poisonous and harmful items collected in a separate and enclosed manner Wastes under classified collection and compliant treatment

Source: Company filings

¹ SDGs refer to sustainable development goals raised by United Nations.

Green Buildings

- Yuzhou Group is committed to improving the sustainability of buildings and reducing its impacts on the ecological environment
- The Group adheres to the concept of sustainability in the whole full lifecycle from project design, development and construction to later maintenance of the property to develop harmonious eco-communities

83



Projects with Green Building Certifications

8



Over 8 million sq.m.
Green GFA

100%



Obtaining Green Building Certifications within five years

Green Technologies



Building Information Model (BIM) Technology



Prefabricated Building

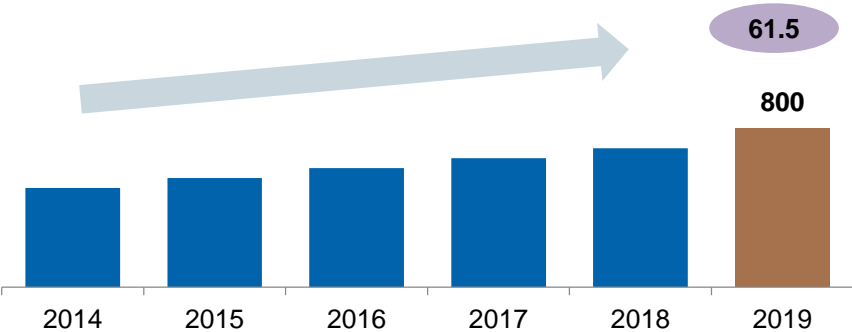


Sponge City



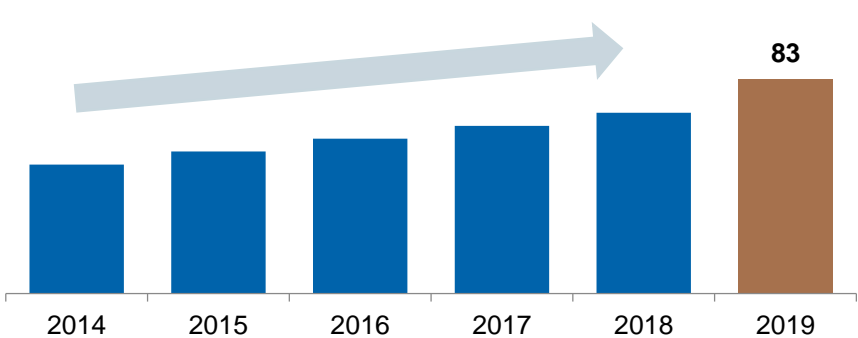
Design for Mitigating Urban Heat Island Effect

Total Green Building GFA¹ (10,000 sq.m.)



Green GFA %

No. of Properties with Green Building Certifications¹



Green Buildings (Cont'd)

Yuzhou Langham Mansion

Technology



Key Features

- Built with prefabricated building technology by prefabricated components

Design



- Designing roof and wall construction with good heat-proof efficiency and improving the heat preservation
- Sound absorbent pads and floating floors for all floors

Recycling



- Recycling rainwater for landscape irrigation with sunken green land and rainwater garden
- Recycling clean topsoil
- Using recyclable and reusable construction materials

Awarded Two-star Green Building Design Label

33%

Green land rate



25%

Building density



Yuzhou Luna Sea Mansion

Lighting



Key Features

- Selecting high-efficient and energy saving lighting sources with controlling flexibility and efficiency

Water & Electricity



- Adopting energy consumption monitor system to monitor the water, electricity and other consumption of utilities at real time and exercise real-time control when necessary to save energy

Energy saving



- Adopting solar heating system and air-source heat pump for hot water
- Establishing rainwater recycling system to comprehensively collect rainwater
- All plumbing fixtures are energy saving

Awarded Two-star Green Building Design Label

84%

Rainwater utilization rate



32%

Roof greening rate



Green Buildings (Cont'd)

Yuzhou Lakeside Langham

Design



Key Features

- Adopting roof and wall construction design with good heat-proof efficiency
- Applying industrialized design by using precast components for assembly
- Equipping all residential units with air-source heat pump hot-water system to supply domestic hot water

Recycling



- Collecting rainwater with sunken green land and rainwater recycling room in basement

Awarded Two-star Green Building Design Label

20%

Prefabrication rate



50%

Assembly rate



Xiamen Yuzhou Plaza

Lighting



Key Features

- Adopting LED lighting lamps indoor to enhance energy efficiency

Design



- Initiating the simulation analysis of outdoor wind environment and on-site noise, as well as the analysis and computation of component sound insulation at the inception of project design

Energy saving



- Using low-reflective coated hollow glass to achieve functions such as sound and heat insulation and enhance energy efficiency

The US LEED CS Gold Level Pre-certification

LED lighting lamp



Low-reflective coated hollow glass



Employee Health and Safety

- A safe and healthy working environment is of vital importance to the Group and the personal safety of employees
- The remuneration committee of the Company links the remuneration of the senior management with the occupational health and safety performance of the Group



98.9%

Percentage of employees trained



58.3 hours

Average training hours per employee



9 on a scale of 10

Rate of employee training satisfaction

Safety Management System

Three-level Safety Inspection

Internal inspection by subsidiaries in various cities	Internal inspection by the project department	Internal inspection by construction units
<ul style="list-style-type: none"> • The project management department organizes an inspection once a month to inspect the safety of each project under construction 	<ul style="list-style-type: none"> • The project department organizes the safety management team to inspect the safety of project construction every week 	<ul style="list-style-type: none"> • The full-time safety officer of each unit carries out daily inspection

Safety Education

- 1 Safety education training files are archived with education posts, education staff and contents determined
- 2 The general contractor shall organize the training and assessment for full-time safety officers, and only those who pass the assessment can take up the posts
- 3 Safety education training is required for construction workers who change the type of work, resume work after holidays or are under other special circumstances
- 4 Safety knowledge is publicized via TV, banners or posters on enclosures on construction sites
- 5 Public information on existing sources of dangers is promptly publicized

Value Creation and Environment of Probity

Creating Value for Customers

- Yuzhou Group is dedicated to establishing long-term win-win relationship with partners, and strives to build a healthy and comfortable living space for customers



11,342

Number of property owners interviewed



91.8%

Highest score of customer satisfaction indicators



96%

Suppliers' satisfaction



>800

Partnership Suppliers

Developing an Environment of Probity

- As a property developer that upholds probity, honesty and morality, the Group adopts zero-tolerance policy on acts of corruption of any form
- The Group strives to build a clean and honest operating environment by strengthening the probity education



Approximately

4,000

Employees participated in the probity education



Nearly RMB 4 million

Donating to the Mainland China

Over HK\$30 million

Donating to Hong Kong

ESG Related Awards

ESG Ratings of Yuzhou

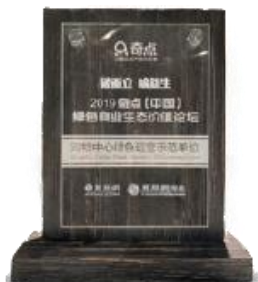
- MSCI ESG rating of the Group was upgraded to BBB:
 - ✓ In 2019, the Group performed well in the **3 cores, 10 themes and 37 key indicators** of ESG assessment, MSCI ESG rating was upgraded to **BBB**, ranking in the **top** among the Chinese properties companies
- Independent Second Party Opinion on Green Bond Framework:
 - ✓ Sustainalytics is of the opinion that Yuzhou's **Green Finance Framework** is credible and impactful and aligns with the Green Bond Principles and the Green Loan Principles 2018



Second-Party Opinion
Yuzhou Properties Green Finance Framework



ESG Related Awards



Demonstration Unit for Green Operation of Shopping Centers



CarbonCare® Label



Charity Practice Award