

vanke



2017

Vanke Corporate Social Responsibility Report

About this Report

Introduction

The 2017 Corporate Social Responsibility Report of China Vanke Co., Ltd. is the 11th CSR report issued by the Vanke Group since 2007. It provides a detailed disclosure of Vanke's practice and performance in areas such as operation, environment and society in 2017 based on the principles of objectivity, normativity, transparency and comprehensiveness.

Period

From January 1 to December 31, 2017. To make the report more comparable, some parts of it may trace back to previous years.

Release cycle

This is an annual report. The last report was released in July 2017.

Report scope

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

Preparation basis

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

Data sources and reliability guarantee

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

Notes

- 1) To facilitate presentation and reading, in this report "China Vanke Co., Ltd." is also expressed as "Vanke Group" "Vanke" "The Group" "The Company" or "We".
- 2) The financial data in this report is all based on the accounting standards of the People's Republic of China.

Access to report

You may download the Chinese and English editions of this report from Vanke's website at www.vanke.com or website of the Hong Kong Stock Exchange at www.hkex.com.hk. For the WeChat version, please follow the WeChat public account of Vanke Weekly. For any questions or suggestions concerning the report, please send an email to csr@vanke.com, or call us at (86)(0755) 2560 6666.

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Message

Building a Great Business in a Great Era

The year of 2017 has just come to an end, and it was an extraordinary year. The 19th National Congress of the Communist Party of China (the "CPC") was held, during which our leaders presented a magnificent vision of building a modern and strong socialist country. They made the major political judgments that the Chinese socialist society is entering a new era, and the principal contradiction of the Chinese society has become the contradiction between people's increasing need for a good life and imbalanced and inadequate development. Additionally, they mapped out programs for building a moderately well-off society in a comprehensive way, targeting poverty alleviation, building a Beautiful China and industrial development.

The 19th National Congress of the CPC announced the advent of the new era. What are the key points of this era? As an enterprise, we believe the new era is characterized by three features: firstly, a change from economic development-centered to people-centered; secondly, a change from high-speed growth to high quality development; and lastly, a change from a material life to a good life.

As shown in the 4th Ten-year Development Plan in 2014, Vanke has already extended its role from a supplier of Triple Excellence Residences to an urban builder and life service provider. In the new era, we will upgrade our positioning to an "urban and rural construction and life service provider" which covers four roles: a "good life" visionary, a force for the real economy, an innovative explorer and a harmonious ecosystem builder.

Firstly, as a "good life" visionary, we will take advantage of our professionalism to create a stage and provide value for the good life of the people.

Secondly, Vanke is a force for the real economy and Fortune 500 company. As the entire Chinese society works hard to promote the development of the real economy, Vanke aspires to provide new impetus to help China's real economy take off in each city where it leaves its mark and support China's efforts in developing the real economy.

Thirdly, Vanke is determined to be an innovative explorer. Relying on imitation is no path to success; Chinese companies cannot just follow Western management theories. In terms of enterprise management mechanisms, Vanke has the responsibility to be a pioneer in innovative exploration. This can be seen in its business partnership mechanism, which is now in full swing. Centered on the core philosophy of Consensus, Co-creation, Joint Responsibility and Sharing, the business partnership mechanism is consistent with the goal of developing the social governance structure of co-creation, co-governance and sharing proposed at the 19th National Congress of the CPC. Vanke is expected to be one of the corporate governance models in China and in the world at large.

Lastly, as a harmonious ecosystem builder, Vanke is committed to protecting the environment, contributing

to going green and environmental protection, advancing the green industrialization strategy and providing new solutions.

In terms of development direction, Vanke will continue to focus on three areas. First of all, housing occupation instead of vicious speculation, and equal emphasis on rent and purchase. Real estate must be developed for the purpose of occupation. Our job is to implement our strategies as required by the state, find countermeasures and lead the industry. In 2008, Vanke started to explore the house leasing business through Wanhuilou in Guangzhou; in 2014, Vanke unfolded its pioneering plan of scaled development of rental housing; since 2017, we have attempted to transform certain old buildings in urban villages into long-term rental apartments to provide a higher quality living environment for young people working in the cities. All these projects represent our responsibilities in the new era.

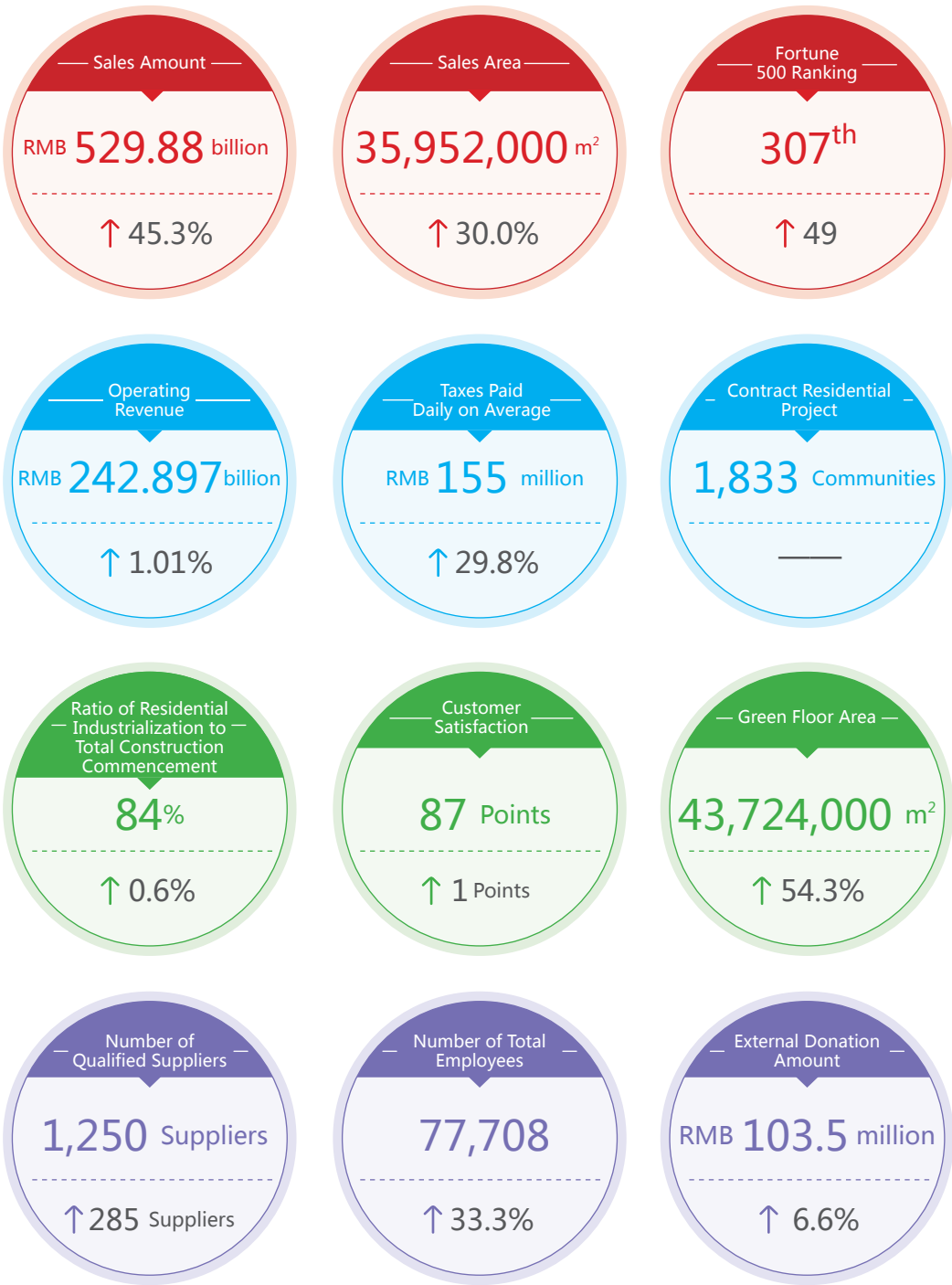
The second area involves the good life and upgraded consumption. We aspire to build an eco-platform to serve customers as well as urban and rural areas to provide superior products and services for healthy and happy lives, and grow into a constructive force for promotion of urban and rural development, social harmony and progress and a better life for all. In the future, we will continue to develop property services, long-term rental apartments, commerce, logistics, education, senior care and ski resort programs, and continue to fight for the people's dream of a good life, which is the main goal of every Vanke employee.

The third area includes Beautiful China, going green and environmental protection. As pointed out in the 19th National Congress of the CPC, beautiful scenery is like a gold mine; promoting conservation culture is the millennium plan for sustainable development of the Chinese nation. We must treat the environment as something as important as life itself, pioneer green development patterns and lifestyles and build a Beautiful China. As can be seen from Vanke's corporate social responsibility records, Vanke incorporated the goal of "building an excellent green business" into its corporate vision as early as 2008. For the past decade, we have focused on our leadership in green development of the industry. Our residential industrialization, green building and community garbage classification programs have become industry benchmarks and continuously contributed to the Beautiful China drive. In the advent of the new era, we have advanced our green strategy and taken advantage of years of industry experience to participate in the Xiongan New Area, Beautiful Countryside and Targeted Poverty Alleviation programs.

In the new era, we will continue to build a good business, do the right things and take the right path. We will focus on the most important things to meet the people's increasing need for a good life and spare no effort to achieve our goal. We will struggle as one, and succeed as partners. The future has arrived, but Vanke is yet to lead the trends. We are convinced that Vanke will remain an excellent, and even magnificent, business in the new era.

About Vanke

Our Performance in 2017



Vanke is committed to protecting the privacy of the personal data we hold. We will not knowingly or intentionally use, share or sell customer's personal data in ways which are unrelated to the business processing (or purposes as specified in a personal information collection statement when we collect customer's personal data) without customer's prior consent.

Audit Inspection

We continued to improve our anti-fraud system of "Don't think about it, Don't have a chance and Don't dare" to achieve the goal of "No Corruption, No Fraud and No Bribery" of any Vanke member. Through building the core values of partnership-based struggle on the right path and encouraging employees to develop a healthy and multifaceted outlook on life, as well as establishing the "Sunshine System" for promotion of honesty, redline training and integrity certification, we have enabled employees to not think about fraudulent behavior. Continuous efforts were made to strengthen professional control and improve the internal control system; risk-oriented audits were organized to identify systematic risks, plug management loopholes and reduce or eliminate the opportunities for fraud. We further required our partners to sign the Sunshine Cooperation Agreement and declare conflicts of interest, so as to jointly build an anti-fraud defense line and head off the chances for fraud; the principles of "Zero Tolerance, Loss Recovery, Responsibility Investigation and Open Handling" were implemented for fraudulent activities; employee and supplier questionnaire-based corruption surveys were conducted to monitor and give warnings on corruption risks and prevent corruption risks; open and convenient reporting channels were established, special investigations on authentic reports were carried out and suspected crimes were transferred to judicial organs to make sure no employees would dare to engage in fraudulent behaviors.

Internal Control and Risk Management

We have established a complete and effective internal control system in which corporate management and business operations are controlled and supervised systematically. From the perspectives of environmental control, risk assessment, activity control, information & communication, and internal supervision, we optimized the internal control framework and operation framework and continuously urged the business units to conduct systematic self-assessments on the design and execution of internal controls in 2017. Pragmatic internal control management models were established to enhance the internal control management level. Plans were worked out in accordance with the root causes of defects to fundamentally resolve the problems, eliminate or substantially reduce risks and prevent recurrence of internal control defects, in an effort to ensure legal and compliant operations, asset safety, and the authenticity and completeness of financial reports and relevant information.

Furthermore, Vanke continued to improve the risk management system by publishing the Risk Management Manual and disclosing risk management reports. Through risk surveys of the Headquarters and business units, the major external and internal risks were identified and assessed to continuously monitor the completeness, rationality and effectiveness of the risk management system, and enhance risk control and prevention ability.

Case

China Enterprise Anti-Fraud Alliance

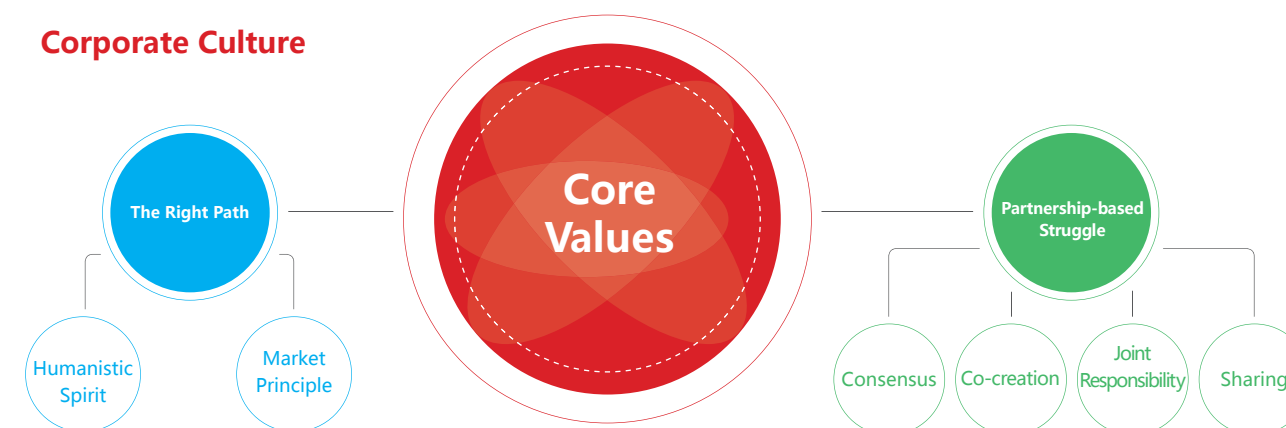


Fulfillment of social responsibility, honest operation and preventing fraud are the due obligations of each enterprise in a civilized society. Enhanced cooperation of enterprises to build a defense line is the inevitable path of fraud prevention. In 2015, industry benchmark enterprises like Vanke, Alibaba, Country Garden and Fosun, joined the Guangdong Enterprise Institute for Internal Controls, Sun Yat-Sen University Institute of Internal Controls of Enterprises and Non-profit Organizations to establish the China Enterprise Anti-Fraud Alliance. As China's first private non-profit cooperative organization targeting fraud prevention initiated by enterprises, its purpose is to urge the members of the Alliance to better fulfill their anti-fraud obligations, create a clean and uncorrupted internal environment, assume social responsibilities and push forward the sound development of Chinese social and commercial civilization.

The Alliance members have respectively established a list of untrustworthy employees. On the premise of non-violation of the laws and regulations of the countries of origin of such employees, the Alliance members can provide support to each other when inquires on such employees are required to avoid recruiting untrustworthy employees and to increase the social costs of dishonest behavior. Meanwhile, the Alliance will organize inter-company anti-fraud exchange and training at least once a year to enhance the collective anti-fraud ability.

Responsibility Management

Corporate Culture



Identification of Substantive Issues

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

1 Issues identification

According to the preparation guide of the report on global social responsibility, environmental, social and governance reporting guide and the important issues of the sustainable development of the Group and other factors, 30 topics in 4 dimensions are sorted out.

2 Communication on issues

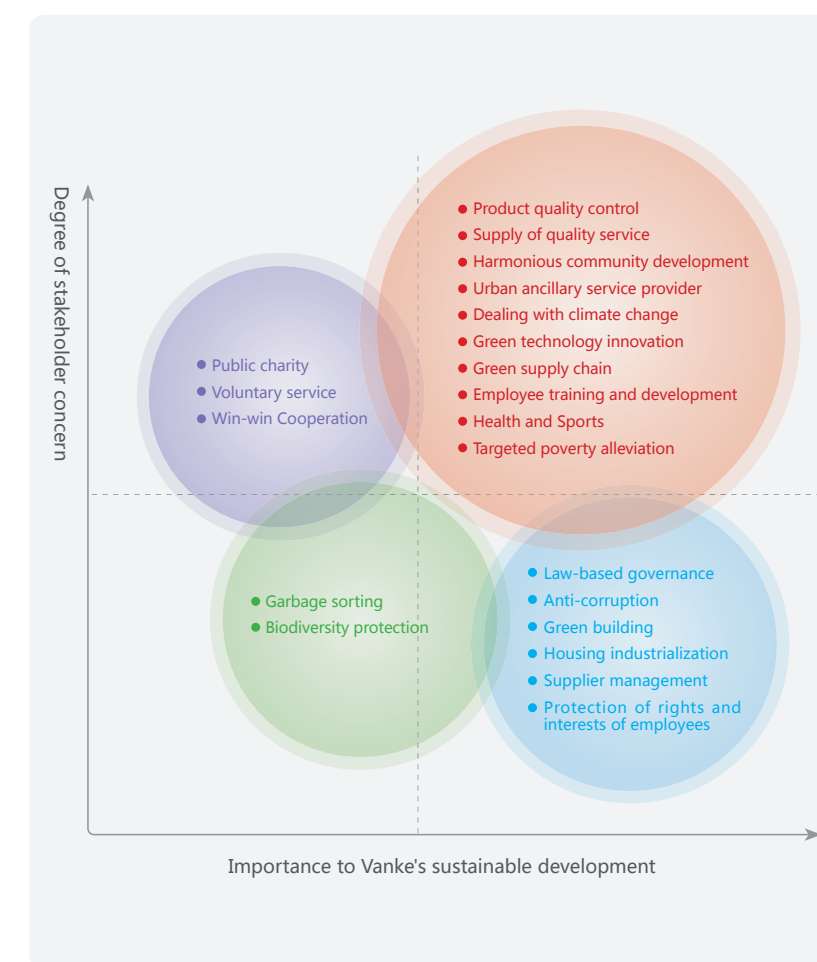
Symposium of the internal stakeholders of Vanke and third-party customer communication meetings are held to collect opinions and suggestions of stakeholders on issues.

3 Issues selection

Combining the opinions of all parties, the issues are preliminary selected from the two dimensions of "the importance to Vanke's sustainable development" and "degree of stakeholder concern".








4 Issues confirmation

The screening results are reviewed by the internal management and external experts. Eventually, 21 substantive issues which are paid great attention by the stakeholders are determined. Then, the corresponding action plan is formulated and disclosed in the report.



Communication with Stakeholders

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

Stakeholders	Expectations & Requirements	Communication & Response Measures
 Government	<ul style="list-style-type: none">• Legal compliance• Tax payments according to law• Support of economic development	<ul style="list-style-type: none">• Compliance management• Proactive tax payment• Implementation of national policies
 Shareholders	<ul style="list-style-type: none">• Returns and growth• Risk control• Corporate governance	<ul style="list-style-type: none">• Regular disclosure of business information• Shareholders' meetings, reports and notifications• Continued growth to ensure shareholder returns
 Employees	<ul style="list-style-type: none">• Wage and benefit security• Health and safety• Smooth communication• Fair promotion and development opportunities	<ul style="list-style-type: none">• Timely full wage payment and social insurance payment• Establishment of Occupation Health and Safety Management System, employee physical examination and fitness testing, and Vanke Sunshine Associations• 12 communication channels• Career development channels and employee training
 Customers	<ul style="list-style-type: none">• Product quality assurance• Quality management service	<ul style="list-style-type: none">• Industrialized production, Sky-Net Action, Two Tools and One Table Engineering management app• Farsighted Service, Owners' committees, customer satisfaction surveys
 Partners	<ul style="list-style-type: none">• Honoring commitments• Fair, just and open procurement• Experience sharing	<ul style="list-style-type: none">• Contract execution according to law• Open bid invitation and issuance of list of qualified suppliers• Project cooperation• Establishment of A-UPUP E-commerce Platform• Promotion of sound industry development
 Environment	<ul style="list-style-type: none">• Energy conservation and emission reduction• Climate change actions• Green and environmental efforts	<ul style="list-style-type: none">• Housing industrialization, green building, green technological innovation, green operation, garbage classification, participation in United Nations Climate Change Conference, Green Village Source, Snow Leopard Conservation, Porpoise Conservation, Mangrove Wetland Conservation and Coral Conservation
 Community and the Public	<ul style="list-style-type: none">• Poverty alleviation• Support of social development• Care for disadvantaged groups• Health culture	<ul style="list-style-type: none">• Targeted poverty alleviation• Charity undertakings• Volunteer services• Run for Fun, Dapeng Marathon, Rowing

Awards

Date	Award	Issuing Authority
July 2017	Ranked 307 th on the "Fortune 500"	Fortune
February 2017	China Real Estate Model Brand Building Enterprise	The 8 th Annual Meeting of Chinese Real Estate Leaders
March 2017	Top 100 Outstanding Real Estate Developers of China	Guandian Real Estate
March 2017	Top 30 Listed Real Estate Enterprises of China	Guandian Real Estate
March 2017	Top 100 Listed Chinese Companies in Brand Value in 2017	China Enterprise Research Center of Tsinghua University & National Business Daily
April 2017	Top 100 Listed Companies on the Hong Kong Stock Exchange	Tencent & Finet HK
June 2017	China Blue Chip Real Estate Enterprise in 2017	The Economic Observer
June 2017	Ranked 1 st among China Top 100 Property Service Enterprises in 2017	China Index Academy
July 2017	China Real Estate Golden Brick Award for Excellent Achievement Enterprise in 2017	21 st Century Economic Report
July 2017	China Real Estate Golden Brick Award for Social Contribution Enterprise in 2017	21 st Century Economic Report
July 2017	China's Most Responsible Private Enterprise in 2016	Southern Weekend
August 2017	Influential Chinese Real Estate Enterprise of 2017	Guandian Real Estate
August 2017	Asian Company with Best Investor Relations in 2017	Institutional Investor
August 2017	Ranked 11 th among Top 500 Private Chinese Enterprises in 2017	All-China Federation of Industry and Commerce
August 2017	Ranked 6 th among China's Top 100 Private Enterprises in the Service Industry in 2017	All-China Federation of Industry and Commerce
September 2017	Valuable Real Estate Enterprise of the Year 2017	National Business Daily
September 2017	Golden Sail Award for Excellent Governance of a Listed Company in 2017	21 st Century Economic Report
September 2017	Ranked 3 rd among Top 100 Private Enterprises of Guangdong Province in 2017	Guangdong Federation of Industry & Commerce
October 2017	Contribution Award for the Real Estate Industry 2017	Time Weekly
November 2017	China's Most Respected Enterprise 2016-2017	The Economic Observer
December 2017	"Annual General Award in Selection of Best Corporate Citizens of China in 2017"	21 st Century Economic Report
December 2017	China Corporate Social Responsibility Award for Excellent Practice 2017	CBN Daily
December 2017	CSR Report of Vanke 2016 won "GoldenBee Award for Leading Enterprise in Excellent CSR Reports of 2017"	WTO Economic Herald

Topics

1

A good life visionary

Ski Resorts

Popularizing ice & snow sports and developing unique international Ski Resorts

Ski area, service area for snow-making system, and number of high-speed ropeways are **the first in the state**

Residence Business

Building excellent houses for ordinary people

Ordinary residences account for **93%** of our products

Shopping Malls

First-choice shopping centers for consumers and business owners in servicing mainstream Chinese consumers

SCPG Commercial Platform has put **33** projects into operation

Community Business

Reassuring, convenient and comfortable neighborhood life centers

103 community business projects put into operation in **29** cities

Senior Care

Providing the elderly with a dignified, warm and decent daily life

About **170** projects in **15** cities

Property Service

Reassurance, engagement, trust and co-existence – a leader in the Chinese property management industry

Servicing over **11.74** million people in **3,280,000** households

Logistics Warehousing

Aiming to be a provider of logistics infrastructure and developing a grand logistics ecosystem

62 projects in 33 cities offering a rentable area of over **4,820,000** m²

Vanke Education

Becoming a provider of full-time quality education solutions

10 full-time schools in operations

Long-term Rental Apartments

The home of urban youth with an attitude

30,000 apartments opened in **29** cities

Corporate Offices

Connecting industrial factors and empowering corporate development by means of concentration, sharing and out-sourcing

41 projects put into operation with a business area over **1,200,000** m²

As a good life visionary, Vanke is committed to meeting the people's demand for a good life and providing good products and services for healthy lifestyles in light of the development trends of the new era.

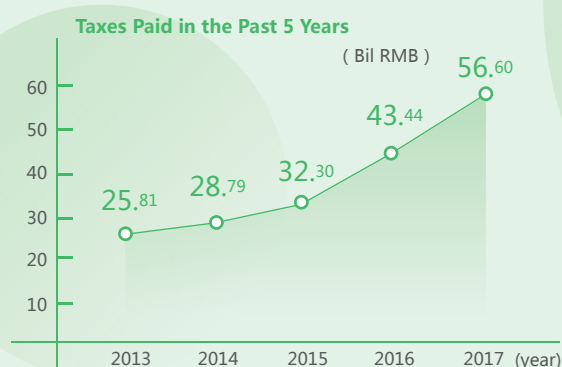
Topics

2

A force for the real economy

All business entities shoulder the responsibility of value creation and represent the cornerstone of social wealth, regardless of in which country they are incorporated and what rules they follow. As a representative of true value creation and the real economy, Vanke has always followed the path of true value creation for society, and aspired to strive for true value creation and becoming a force of the real economy in each city.

+ Value Creation



Gradually established the fabricated shear wall system, interior wall casting and external wall hanging system, full precast system, metalform+whole concrete external wall system and other proper industrialized building systems, and cumulatively completed industrialized projects of over **100,000,000** m²

Delivered over **200,000** fully decorated houses every year

Served as the chief editor and editing member of 9 national, industry and local standards, and obtained over **120** domestic and internal technical patents

Provided stable job opportunities for **77,708** employees

+ Value Sharing

Vanke's suppliers are engaged in **9** categories and **75** real economic segments, including general contracting, decoration, elevators, cabinets, sanitary fittings and hardware.

- Vanke boasts **8,111** suppliers, including **42** group-buying publicly traded suppliers.
- In 2017, the scale of Vanke's purchasing was RMB **155.6** billion.
- Vanke purchasing drives the employment of **60,000** people.

- Through residential industrialization and green star-grade projects, Vanke has trained and developed over **300** new enterprises for industrialized development in research, design, component manufacturing, general contracting, new building materials, parts manufacturing and installation, and inspection.

- Vanke's training has steadily transformed **40%** of the rural migrant workers employed by Vanke projects into industrial workers.

Topics

3

An innovative explorer

For the past three decades, the Vanke team has been forging ahead against all odds with a strong sense of historical mission and a full sense of responsibility, becoming a benchmark for Chinese enterprises in professional management systems. In the new era, the Vanke team is keenly aware that the limitations of the professional management system have made it difficult to adapt to the changes and stopped further business expansion. For instance, boundary awareness and selfish departmentalism relate to the process only and not the results. Thus, there is a lack of internal motivation and entrepreneurship, and defined preconditions and interest mechanisms are preferred, instead of increased hard work, struggle and dedication.

To further inspire the sense of ownership, work enthusiasm and creativity of the team in the silver age of the industry, and provide supportive management mechanisms for further corporate development, Vanke started to explore and implement reforms and innovations in the business management system in 2014. Vigorous efforts have been made to upgrade from the professional manager system to the business partner system, so as to set up a new governance example for Chinese and global enterprises.

Guided by the philosophy of Consensus, Co-creation, Joint Responsibility and Sharing, Vanke's business partner system is meant to establish echelon-based partner team, platform-based partner organization, multi-level partner accreditation, motivation and development mechanisms, in order to support strategic upgrade and business development and create long-term sustainable value for stakeholders.

As pointed out by President Xi Jinping in his 2018 New Year's message, happiness is achieved through hard work. The culture of striving proposed by the Vanke business partner program is consistent with the calling of President Xi Jinping. We emphasize "Struggling First, Firmly Believing, Pursuing Excellence, Responsibility for Mistakes, Sunshine and Health, Complete Trust" —This is the fundamental system and organizational guarantee for realization of strategic business goals. In the future, all Vanke partners will accomplish all tasks in the spirit of 100% completion, practice knowledge in action, and continuously contribute to the development of the real economy, the Beautiful China drive and the people's good life through the support of business partners.



Topics

4

A harmonious ecosystem builder

Beautiful scenery is like a gold mine. As pointed out in the 19th National Congress of the CPC, we have to provide more quality eco-products to meet people's increasing demands for a beautiful environment, and develop spatial patterns, industrial structures, production modes and lifestyles that boost resource conservation and environmental protection. Over the years, Vanke has continuously explored ecological planning design, green development and construction and innovation and upgrade to green and eco-friendly technology guided by the vision of "an excellent green enterprise." Vanke has used its influence to motivate all forces to jointly develop a green industrial ecosystem. Committed to being a harmonious ecosystem builder, Vanke will further advance its green industrialization strategy and contribute to the Beautiful China drive in the future.

2009

- Put forward the three-step green strategy plan of decorated houses, residential industrialization and green buildings
- Shenzhen Vanke City P4 became China's first three-star residence project certified by the Green Building Design Label

2008

- Incorporated "an excellent green enterprise" into the corporate vision

2007

- Launched industrially constructed residential products onto the market for the first time
- Launched the delivery of decorated houses

2010

- Started to promote three-star green projects nationally
- Shenzhen Dameisha Vanke Center became China's first LEED-NC platinum certified office building project
- Joined hands with Tencent to initiate the Zero Kilometer Action to call for front-end classification and reduction of household garbage and apply community garbage classification in new Vanke community projects

2011

- Urged China's four largest wood product suppliers to join the Global Forest & Trade Network (GFTN) and promote the sustainable utilization of forest resources

2013

- Formulated the aluminum alloy spraying standard, forbidding the purchase of aluminum alloy sections for doors and windows without chromate-free passivation to reduce the pollution of soil and water by hazardous chromium generated during production

2015

- Honorary Chairman Wang Shi of the Board of Directors joined the China-U.S. CEO Council for Sustainable Urbanization to support the Shenzhen government's efforts in promoting low carbon sustainable development

2017

- Launched green village source and porpoise conservation programs to continuously advance rural poverty alleviation and environmental health efforts

2014

- Required that all newly started products at least meet the one-star requirements of the Green Building Design Label

2012

- Designated a fresh air ventilation system as standard equipment for newly started projects to provide residents with healthier living conditions
- Basically achieved delivery of fully decorated mainstream residential products and became the world's first real estate developer to deliver over 100,000 fully decorated houses
- Entered into the Enterprise Initiative of Biodiversity Conservation to continuously fulfill the commitment of biodiversity conservation

- Joined hands with the Qomolangma National Nature Preserve Administration to establish the Mount Everest Snow Leopard Conservation Center and undertake research and conservation programs for rare species represented by snow leopards

- Participated in the WWF Climate Savers Program and became the world's first real estate climate saver

2016

- Worked with the Alxa SEE Conservation to initiate the Real Estate Industry Green Supply Chain Action to motivate upstream and downstream enterprises to fulfill environmental protection responsibilities
- Took the lead in the execution of the most rigorous environmental protection standards nationwide for plastic track products
- Started to undertake pollution investigations and soil remediation practices on industrial sites to advance urban construction conservation

泊寓®
PORT APARTMENT
城市青年家

OPERATIONAL PRACTICES



"Triple Excellence"
Residences



Logistics
Warehousing



Senior
Care



Long-term Rental
Apartments



Corporate
Offices



Vanke
Education



Vanke
Business



Vanke
Resort

While consolidating its dominance in the core businesses of residential development and property services, Vanke has been actively expanding its business layout and entering into commercial development and operation, logistics and warehousing, ski resorts, collective long-term rental apartments, senior care, education and TOD+ property based on its positioning as an urban construction and life service provider in recent years. Actively delivering the necessities for urban business and public utility development, Vanke has been striving to meet the people's increasing needs for a good life.

Triple Excellence Residences

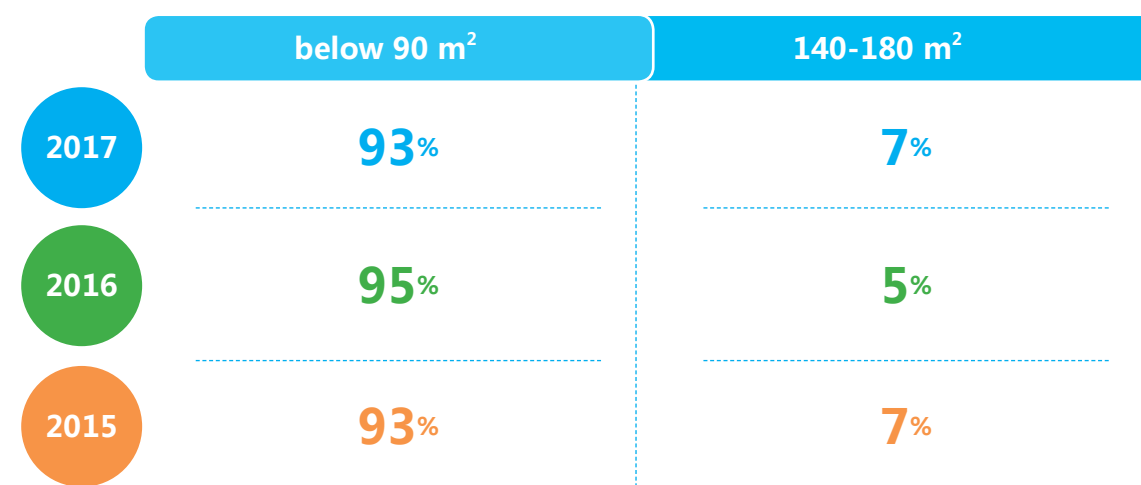
"Triple Excellence" consists of "excellent houses, excellent service and excellent community". It reflects Vanke's commitment to design and build excellent houses, offer and maintain excellent services and advocate excellent communities. "Triple Excellence" is a manifestation of Vanke's habitat philosophy of shaping a good life with products.

Excellent Houses

Based on the residential properties of residential products and customer demands, Vanke provides customers with better and more comfortable houses with high quality, health and excellent performance at the core.

Building excellent houses for ordinary people

Building excellent houses for ordinary people is Vanke's positioning for its mainstream products. In 2017, Vanke residential products centered on small and medium-sized commercial houses as usual; 93% of the products sold throughout the year were ordinary residences, which were small-sized houses with a floor area less than 90 m².



Excellent quality

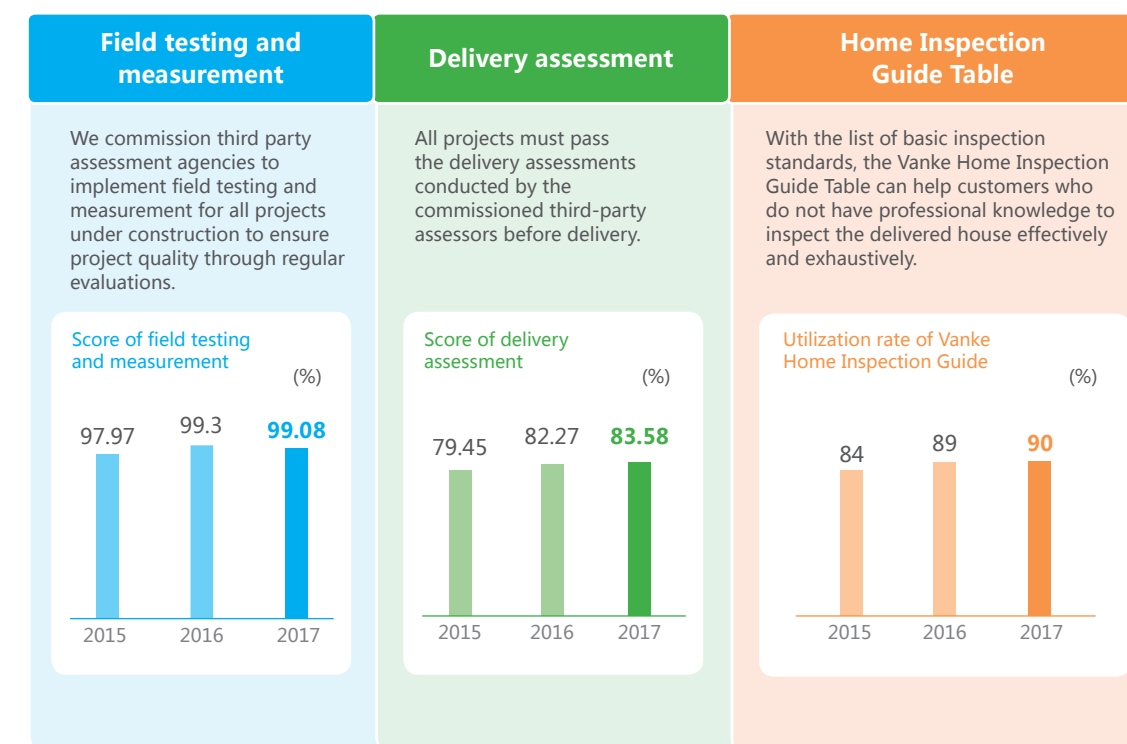
In strict accordance with the Construction law of the People's Republic of China and Regulations on Quality Control of Construction Projects and other laws and regulations, we carry out field testing and measurement, quality risk inspections and acceptance of concealed works on a quarterly basis to ensure construction quality, investigate and address quality problems of concealed works. To assure delivery, provide customers with recognized products, build customer reputation, we carry out indoor, public area, facade and landscape inspections through delivery evaluation.

► Engineering management app

In 2017, Vanke's engineering management app "Ingenuity" was continuously upgraded and improved. New user-defined features like safety morning meeting, simulation inspection acceptance, team management, change attestation, material receipt and delivery, and working procedure plan have helped enhance refined management. By the end of 2017, "Ingenuity" had been put into use by 477 Vanke projects through 44 controlled companies in 4 regions, and by 2,933 partners and 33,000 Vanke users.

► Two tools and one table

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



In 2016, SCPG became Vanke's commercial platform of and one of Vanke's advantageous businesses. To strengthen quality control on commercial projects, Vanke officially applied "Two Tools and One Table" to commercial project inspections. In the delivery assessment inspections of commercial projects, special attention is paid to the perception, function and safety indexes for rigorous quality control regarding civil engineering, curtain walls, electromechanical systems and fire safety. To ensure energy conservation and comfortable operation of commercial projects after opening, the "performance inspection" index for the Heating, Ventilation and Air Conditioning system and automatic control system was proposed for the first time. In addition to the start/stop function of the electromechanical equipment system, the operating efficiency of equipment system is stressed to realize green operation. In 2017, during the quarterly inspections, 23 quality risk concerns were summarized in the areas of structural safety, leakage, electromechanical installation steadiness and safety, and equipment function.

► Sky-Net Action

In order to eliminate sloppy work in construction, Vanke rolled out the "Sky-Net Action" in 2015. Vanke joined hands with first line companies to inspect the delivered products. The Group inspected the performance, parameters and other quality requirements, while the first line companies checked on the contract enforcement on specifications and models, etc. In 2017, the "Sky-Net Action" was extended to finished products and raw materials at factories and project site materials. The home inspection was newly added to check the full life cycle quality performance after occupancy. The scope of the "Sky-Net Action" increased from traditional residences to business, logistics, port apartments and MEHOS Home projects.

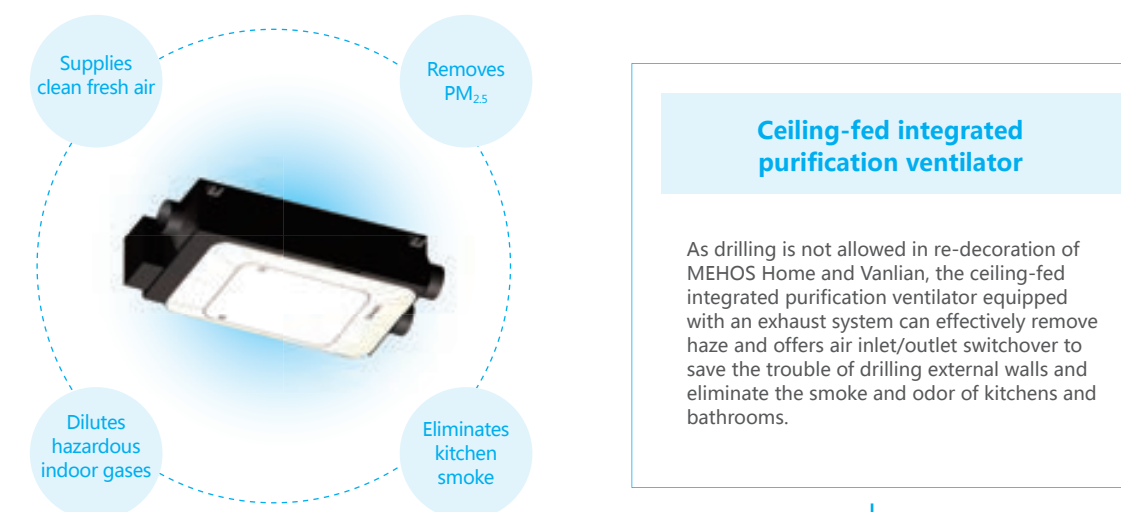
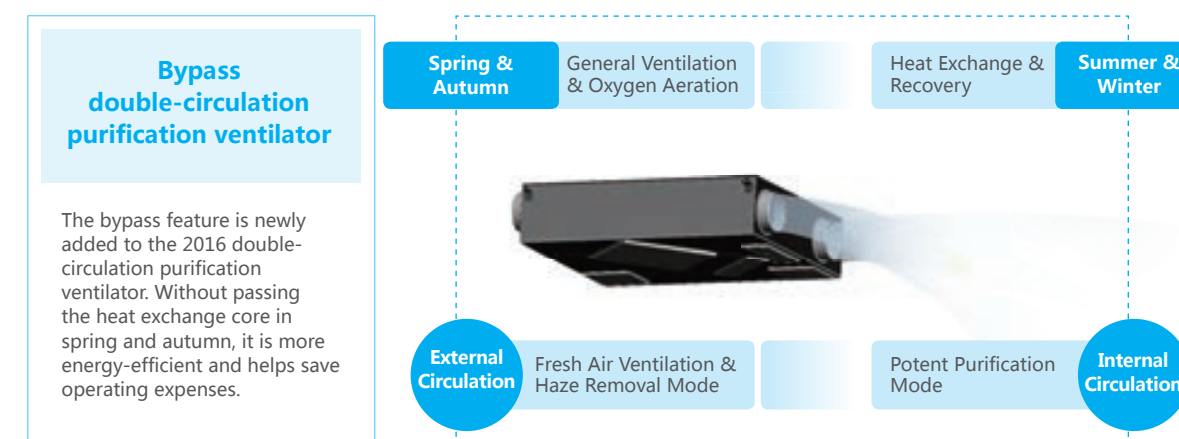


Healthy architecture

Incorporating the green residence philosophy into its product design and construction process, Vanke practices green construction and provides customers with an energy-efficient, green and healthy lifestyle.

► Ventilation system

In response to increased customer demands for indoor health, Vanke developed ventilation systems based on different requirements in 2017, including bypass double-circulation purification ventilators and ceiling-fed integrated purification ventilators.



Excellent Service

Believing that "A 1% mistake will lead to 100% customer losses," Vanke has insisted on customers first and taken customer service as the first corporate mission. Committed to providing customers with cost-effective products and creating true value for customers, Vanke has carried out its business activities centered on customer demands, learned from customers for continuous improvement, and established friendly channels for listening, communication and feedback.

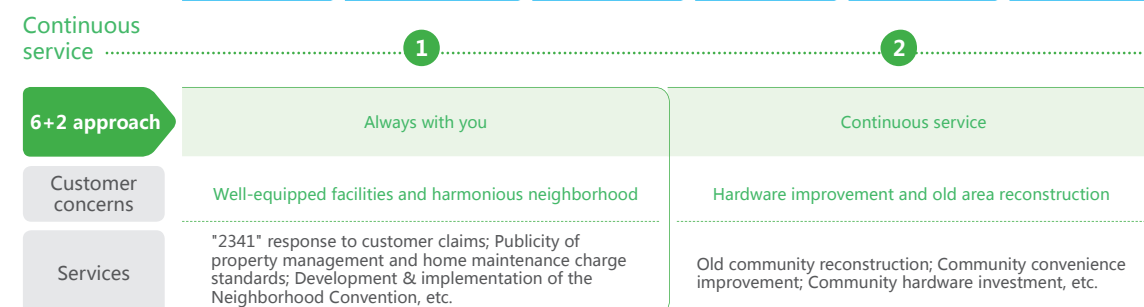
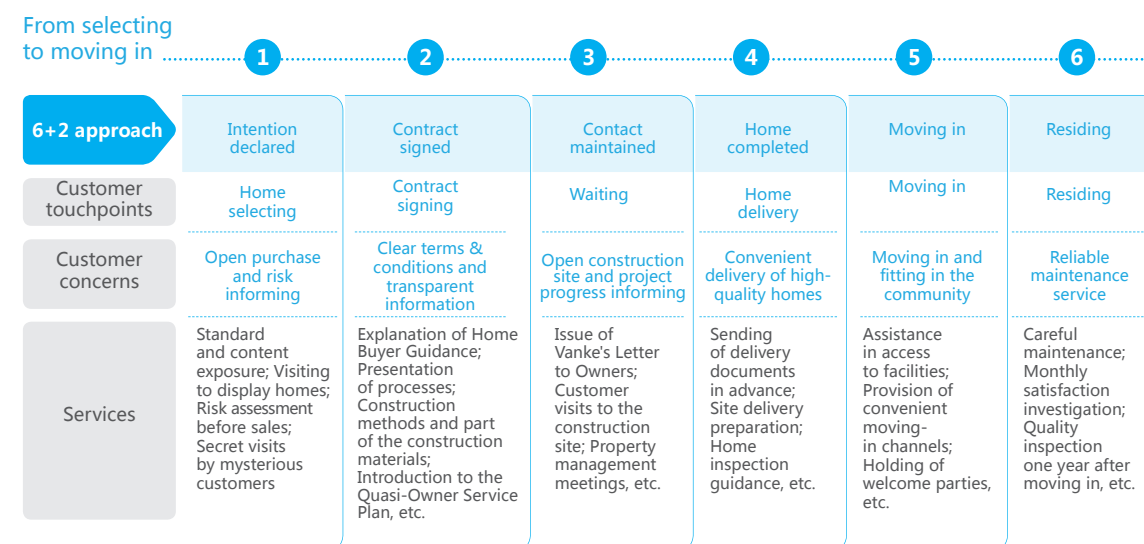
Customer service

Attaching great importance to customer experience and evaluation from pre-sales to sales and after-sales, we have established a professional customer service system to provide customers with a thoughtful service experience.

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

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

In 2017, we continuously improved the "6+2" approach, and strengthened third-party field evaluations to ensure that Customer Touchpoint Management (CTM) activities were conducted in accordance with unified standards, creating a true environment in which an excellent customer experience is provided to the customers. Throughout 2017, we organized the evaluation of 226 projects, further expanding the scope of this endeavor.



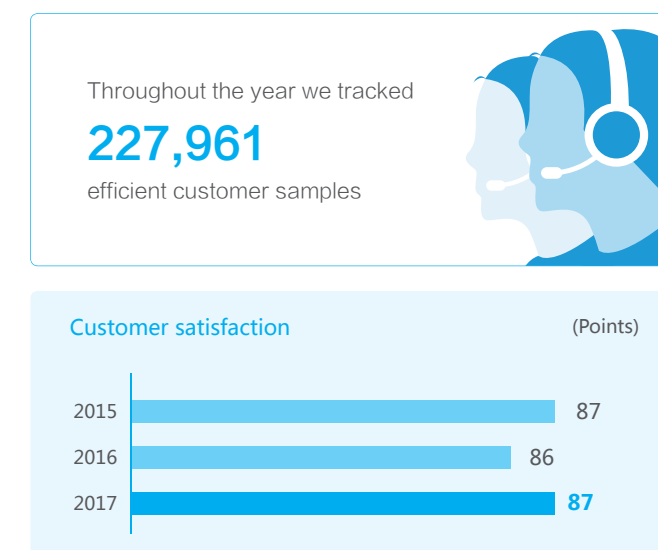
► Mobile home inspection app

Supported by the Developer Enablement Plan, Vanke has developed the mobile home inspection app based on the customer's perspective to effectively connect the home delivery site records and customer home records. After home acceptance, the customers can view the home delivery inspection results and maintenance progress on WeChat, and comment on the delivered home and delivery service. In 2017, the mobile home inspection app was used throughout the Group.

► Customer satisfaction

In 2017, Vanke continued to conduct customer satisfaction surveys among owners. By following up at key nodes in the customer lifecycle such as one month, half a year and a year after contract signing, or one month, half a year, one year, two years and more than two years after delivery, we learn about customers' feedback in a timely manner.

In 2017, the overall customer satisfaction with Vanke was 87 points, maintaining an excellent impression on our customers among brand developers with a similar scale.



Instant evaluation

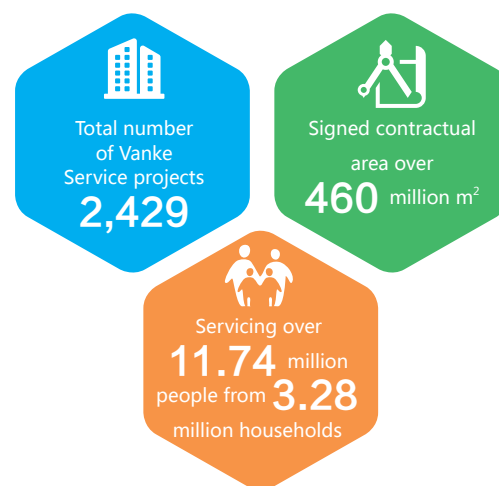
In 2017, Vanke continued to expand customer communication channels, and introduced the WeChat survey approach, and instant evaluation on maintenance service and delivery service. After all business steps are completed, the customer will be automatically informed via a mobile Internet tool to obtain customer evaluation and real-time business improvement.

► Customer feedback

Committed to providing customers with transparent, convenient and excellent after-sales service experience, Vanke has continued to promote the use of our online customer service product Serving Home. In 2017, the online repair request rate of resident customers was improved by 30% and the mobile home inspection rate reached 100%. The customer feedback channels for core businesses have been established to quickly and conveniently deliver true customer feedback, guide Vanke's improvement and allow customers to experience the delightful Vanke service.

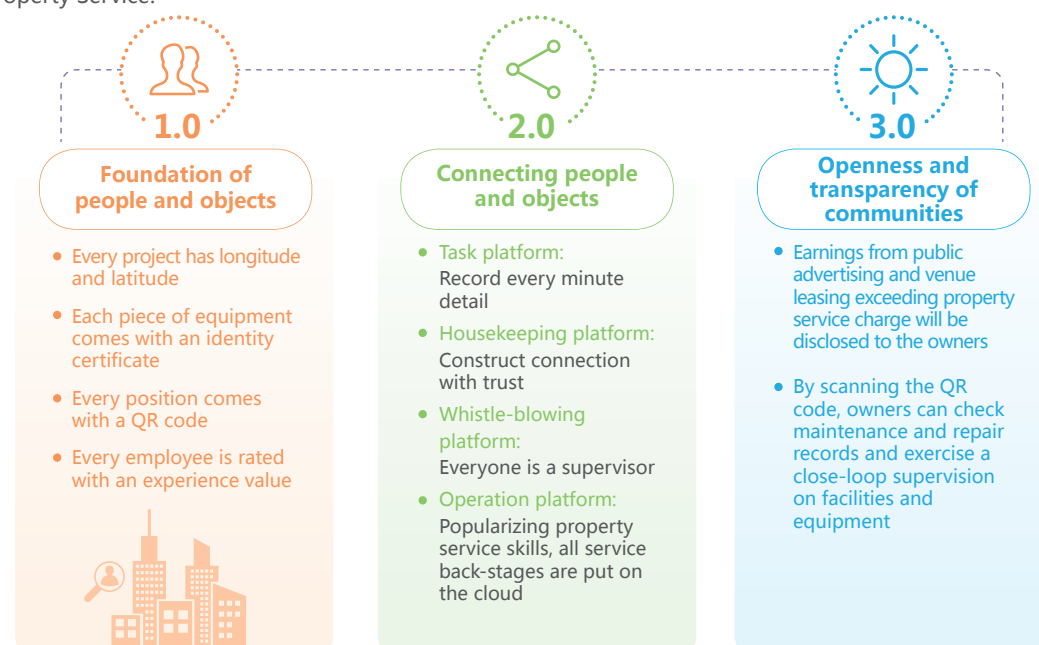
Property services

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



► Farsighted service

Farsighted Service is a mobile Internet based solution launched by Vanke Service targeting industry problems. It is composed of the Farsighted Platform, Service Center and Management Center. From Farsighted Service 1.0 to Farsighted Service 2.0 and Farsighted Service 3.0, Farsighted Service has been continuously upgraded to improve the property management operation mode, realize the comprehensive data-based management of people, property and materials, and lay a solid Internet foundation for Sunshine Communities and Transparent Property Service.



Convenience for Owners

In 2017, Vanke owners made **7.71** million requests for **1,191** types of events; **6.43** million requests (**over 80%**) were submitted using the Farsighted Service Online Platform.

Efficiency Improvement

In 2017, Vanke Service generated **7.54** million online work orders in relation to facilities and equipment, with an average maintenance frequency of **14** times per minute; maintenance employees cumulatively punched in **22.75** million times and worked **150** million hours.



► Innovative service

Black Cat Two

Black Cat Two is a proprietary intelligent parking system from Vanke Service. In 2017, Vanke Service renovated 1,115 parking lot entrances/exits. With interconnected parking lots, Vanke owners no longer need to swipe a card to enter a parking lot, and the average entry/exit time has shortened from 20 seconds to 3 seconds.

Digital Fire Safety

In 2017, the data of 82 fire equipment rooms, 175 gateways and 638 points of 60 pilot projects was steadily uploaded through wireless 4G. This is Vanke's first low-cost remote collective management of equipment and facilities through wireless IOT.

► Commercial office property service

In 2017, Vanke Service expanded from residential property to commercial office property to provide FM service for self-used properties and help corporate customers focus on core business development, and provide PM service for operational property and enhance the asset value throughout the full lifecycle of real estate. Currently, commercial offices of Vanke are categorized into corporate headquarters, government agencies, office buildings, urban complexes and industrial parks. By the end of 2017, Vanke Service had managed 21,960,000 m² of commercial office areas, and provided corporate headquarters service for Shenzhen Binhai Global Headquarters, Tencent WeChat Headquarters, Ali Beijing Greenland China Headquarters, AntFinance Headquarters and Huawei National Office IFM Project and Global Training Center.

Excellent Community

Continuously exploring new models of neighborhood relations, Vanke promotes the return to the tradition of friendly urban neighborhoods, so as to create a harmonious and colorful cultural space for life and build excellent communities.

Harmony and culture

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

► Owners' committees

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

In 2017, Vanke Service steadily advanced the establishment of owners' committees in the communities under its management, and actively enhanced external relations. Three national owners' committee salons with themes of "Sunshine Property Service, Warmth for All Households" were held in Beijing, Shanghai and Xiamen respectively, winning critical acclaim from owners' committees, government departments and industry insiders.

► Community discussions

To guide the owners to participate in supervision of public issues, promote the community's democratic discussions and common governance and strengthen the transparency of property services, Vanke Property has promoted the establishment of a community discussion mechanism in all residential quarters under its management. It covers the bulletin boards placed at the entrances, the community discussion halls located in the Happy Stations and the hot issue discussion hall and WeChat circle established on the "Living Here" app. In order to allow the owners to better participate in community discussions, Vanke Property has also compiled a Guide to Community Discussions, which specifies the relevant duties of community service personnel and scope and rules of community discussions.

In 2017

Vanke Service
established **37** new
owners' committees in
its managed projects,
accumulating a total
of **386** owners'
committees.

In 2017

76,215 users
initiated **154,984**
discussions on
community issues,
126,634 of which
were actively joined by
neighbors.

Happiness and warmth

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

► Living here

The Living Here app is dedicated to creating convenient property services, community exchange and business circle service platforms for all Vanke owners and residents. This one-stop service app is aimed at introducing a new concept of community service. In 2017, Living Here 4.0 was launched, boasting 2,460,000 registered users. Owners have sent 6,039,000 messages through the Living Here app and Vanke Service has responded to about 7,700,000 owner service requests (15 requests per minute on average) and handled 245 tasks per capita every year.

Friendly Neighborhood Program

In the face of profit temptation arising from an increasing number of requests for stores to enter the communities in recent years, Vanke Service has been reflecting on how to advance the prosperity of community public governance while consumption brings business prosperity to the community. The "Friendly Neighborhood Program" is a consumption supported community renewal plan initiated by the Living Here app. When users buy products or services from the "Neighborhood Market", the stores will donate a certain portion of the income to the "Friendly Neighborhood Program" for hardware replacement and cultural improvements of the residential area. The "Neighborhood Market" does not seek to make a profit. In 2017, the "Friendly Neighborhood Program" was implemented in 63 communities. Cumulatively over 175,000 users have raised over RMB7.0 million for the communities rolling out the Living Here app through the "Neighborhood Market" program for future community renewal.

On June 18, 2017, the first project of the Living Here Friendly Neighborhood Program was launched in Shenzhen Vanke Park. RMB10,100.60 raised from the "Friendly Neighborhood Fund" through the "Friendly Neighborhood Program" was donated for the 1-meter expansion of the 198-meter long walkway of the Shenzhen Vanke Park Project completed on August 27, 2017.



Neighborhood socializing

Through the community segments like Neighborhood Sharing, Friendly Secondhand Market and Neighborhood Mutual Help on the Living Here app, owners can discuss community issues with their neighbors to establish new neighborhood relations of mutual trust and assistance and build a harmonious neighborhood.

Friendly Secondhand Market

Focused on secondhand goods and personal skills, the Friendly Secondhand Market encourages the community residents to post their unused goods or personal skills to exchange with their neighbors and help each other. It's a convenient platform for the circular economy, service sharing and neighborhood exchange in the community. By the end of 2017, nationwide users had posted 78,399 goods on the Friendly Secondhand Market.



Sunshine service

Through the Sunshine Service segment, Vanke realizes openness and transparency of people, property and materials in community building to generate a more harmonious relationship between property service providers and owners, and create a more transparent community.

Property Service Team Grading

In 2017, 168,355 users graded the property service team, 86% of whom gave a five-star rating.



Property Service Personnel Commendation

In 2017, we received the commendations of 3,936 users for the assistance from property service personnel.



Hello Butler

In 2017, 505,806 users sent messages through Hello Butler to talk to us directly and 83.4% of the messages were responded to in a timely manner.



Please Day

"Please" indicates the most natural and plain neighborhood relations and the beautiful vision of the 5000-year traditional culture of China. The simple definition of Please reflects the original intention of Vanke Service Farsighted Alliance Community in initiating the "Please Day" and the wonderful wish of Vanke Service to create a happy community.

The year of 2017 saw a more extensive, bigger and more novel Please Day. During the 3rd Please Day, more than 2,000 activities were held by Vanke Service in 55 cities, or 1,400 communities, across the country, in which nearly 4,000,000 owners participated offline and several millions of owners participated online.



Initiated the Name Tag event to tear down the invisible barriers between neighbors, and issued the Please Pact with the sub-district offices in the communities for a grand get-together.

Offline



Online

Through the H5 Game online, Vanke Service allowed neighbors across 55 cities to confess their love to each other across time and space, expanding the meaning of Neighborhood to something without limits.



"We should insist on the principle that houses are built for living, not for speculation, and accelerate the development of a housing system of multi-developer supply, multi-channel assurance and equivalent focus on rental and purchase, so as to allow all people to own houses."

—The 19th National Congress of the CPC Report



Long-term Rental Apartments

In the new era of Equivalent Focus on Rental and Purchase, Vanke aims to provide a complete living solution for the people. In 2017, Port Apartment established a presence in 29 cities, including Beijing, Shanghai, Shenzhen, Guangzhou, Hangzhou, Xiamen, Xi'an, Chongqing and Suzhou. A total of 30,000 apartments have been opened for business, increasingly enhancing the brand awareness of Port Apartment. Meanwhile, Vanke has been actively working with the government and signing strategic cooperation agreements with talent housing groups in Shenzhen and Xiamen to help establish rental platforms and support the development of the urban village comprehensive renovation and operation model.

Brand Assurance

Servicing youth with an attitude and energy, Port Apartment is committed to building apartment homes for young go-getters away from their hometowns. Directly run by Vanke and stylishly decorated, Port Apartment guarantees quality and reassurance.

Best Cost Effectiveness

Under the principle of marketized price, we provide customers with cost-effective products and services through public area sharing and spatial design. The cozy homes are well-furnished, easily accessible and built with shared recreational venues like a fitness center, reading area and leisure area.

Reshaping Neighborhood Relations

After extensive research on the youth and their renting habits, we provide them with youth services and lifestyles as well as safe, comfortable and user-friendly living spaces. Diversified community events like start-up sharing, hotpot and beer, music festival, billiards competition, pillow fight, cooking championship, reunion dinner and Halloween Carnival are organized throughout the year.

Online & Offline Platforms

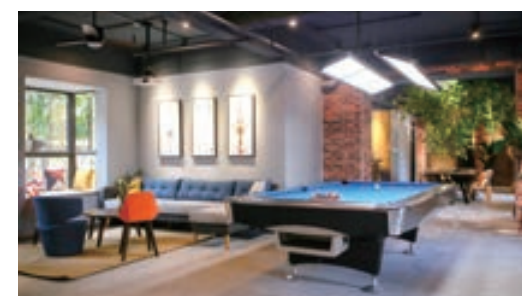
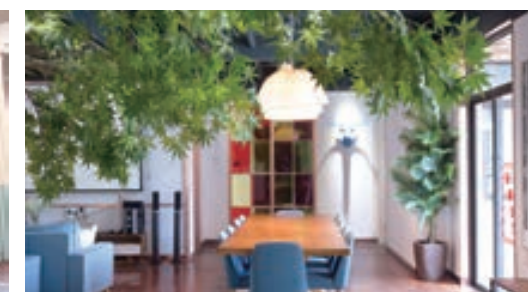
Online & Offline Platforms: Renters can book showings (a tour) and sign a lease agreement online. The platforms offer true rentable houses, real photos and transparent low prices, without wasting the time of the renters on visiting houses.



Case

Xiamen Port Apartment Huandao Shanzhuang

Put into operation in August 2016, Xiamen Port Apartment Huandao Shanzhuang is designed for urban young white-collar professionals. Offering 1,307 apartments, Huandao Shanzhuang has a gross floor area of 33,766 m² and represents one of the handful of large youth apartment projects in China. The apartments are primarily independent studio apartments renovated from N+1 suites, offering diversified functional spaces as per the residential demands of the young renters. Meanwhile, Huandao Shanzhuang has been established as a Talent Apartment of Siming District, Xiamen through joint efforts with the Organization Department of Siming District Committee, making it Xiamen's first youth talent apartment under government-enterprise cooperation. It's expected to create cozy homes and more entrepreneurship opportunities for the young people. By the end of 2017, Huandao Shanzhuang had maintained a steady occupancy rate of over 90% and the number of occupants accounted for 10% of all brand apartment occupants in Xiamen.



Vancun Revival Program

Urban villages where many urban go-getters live are typical representatives of highly dense rental residences in Chinese cities. Often characterized by high building density, the urban villages serve as residential, commercial, industrial and storage spaces and thus are vulnerable to significant safety hazards. In 2017, Vanke founded the Shenzhen Wancun Development Co., Ltd. for renovation and operation of urban villages under the pioneering philosophy of "Integrated Renovation+ Content Operation". While respecting the village cultural heritage, we have gradually improved the public infrastructure, community environment and living facilities in the villages. On the precondition of resident revenue assurance, the self-built properties of villagers are professionally renovated for collective leasing. Commercial, living and industrial facilities are introduced by commercial teams. A rich commercial atmosphere is created along with green supporting facilities equipped to advance the innovative development of education, culture and industry of the cities.

By the end of 2017, Vancun had expanded **33** urban villages for integrated renovation and unified leasing operation in **7** districts of Shenzhen—Longgang, Bao'an, Futian, Longhua, Pingshan, Nanshan and Yantian, and further entered into a strategic cooperation framework agreement with Nanshan District. The unified leasing, renovation and operation of **10** urban villages have already been launched.

In 2018, Vancun will strive to enter more urban villages in all administrative districts of Shenzhen, undertake the corporate and social responsibility of supporting urban space upgrades and providing service and industrial workers with cost-effective rentable houses, and mapping out a good life blueprint for new-coming urban strugglers and builders.



Renovation Working Sketch for Sanjiao Square

Case

Xinweizai Village-in-city Renovation

Xinweizai Urban Village is advantageously located in Bantian Sub-district, Longgang District and known as the No.1 IT Village of Shenzhen. However, prominent problems like shortage of supporting facilities, environmental hygiene and fire safety have greatly reduced the living quality of the residents and affected the overall look of the city. In August 2017, Vancun launched the renovation of Xinweizai under the guidance of Longgang District Government and Bantian Sub-district, exploring the model of Integrated Renovation of Urban Villages + Introduction of Quality Property Service Providers + Market-based Commercial Operation under government-community-enterprise cooperation. On December 30, 2017, the first Long-term Rental Apartment Model Building of Xinweizai Village-in-city was unveiled, marking the first step of the renewal strategy of overall planning, continuous unified leasing and targeted renovation in a typical highly dense urban village space and architecture.

Project Highlights

1

Exploring government-community-enterprise cooperation model

Under this model, the government plays a dominant role in investment for renovation of public facilities; the village collective hands over the property to the enterprise for unified leasing and the enterprise works as a coordinator and undertakes village renovation and operation. The ultimate goal is total involvement, mutual benefit and effective solution of historical issues of urban villages, urban environmental beautification, and living quality improvement.

2

Improving the Urban Village facilities

With the support and authorization of Longgang District Government and Bantian Sub-district, Vancun undertook hardware improvement of the urban village, including improvement of fire equipment and security management, underground laying of three networks, enhancement of urban public areas and upgrade of community public activity spaces.

3

Rejuvenating the Urban Village

In addition to improvement of hardware environment, long-term businesses are required to rejuvenate the urban village and maintain its sustainable operation and maintenance.

Long-term Rental Apartments: Implement unified leasing of all houses in the urban village based on marketization, implement hardware improvement, leasing and management as per Vanke Port Apartments, and provide a dignified and safe living environment for the residents.

Community business: Inject business vitality into the village-in-city through a commercial pedestrian street system, introduce The Vankely proprietary community business brand for uniform planning and management by the Vanke business team to build orderly, controllable and traceable streets and provide residents with more urban commercial functions.

Property service in the village: Property service in the village is the key to the success of the above-described businesses. Through uniform management of quality property service providers, the urban village is managed based on the urban residential community model in respect of fire safety, security management, population registration and vehicle management.

Development Philosophy of Urban Villages

Shared Community

Introduce car and bicycle sharing, build an open commercial block, beautify the public activity space and provide a convenient sharing experience for the residents.

Foothold Community

Improve the living space and introduce new activity and exchange spaces to provide a beautiful and comfortable foothold for more young talents.

Intelligent Community

Introduce intelligent property service to give residents and emerging talents in the urban village a technology-based intelligent property service experience.

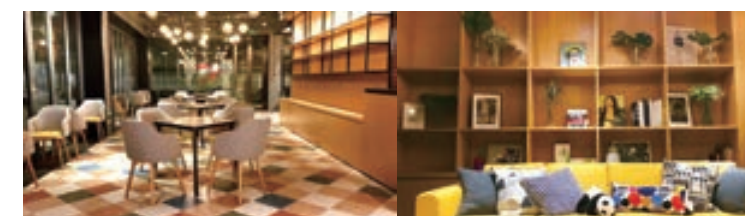


Photo of Ground Floor Public Leisure Area of Port Apartment after Renovation



Photo of Indoor Space of Port Apartment after Renovation



Vanke Business

SCPG Guandian Index moved Vanke from the 31st place to the 2nd place in the 2017 list of China's Top 100 Commercial Real Estate Developers.



Case

Vanke and SCPG Acquire 20 China-based Malls of Capitaland Malls Asia

In January 2018, SCPG joined hands with Vanke to enter into an agreement with Capitaland Malls Asia, a wholly-owned subsidiary of Capitaland Limited for the acquisition of 20 China-based malls of Capitaland Malls Asia. The 20 malls to be acquired are located in the core areas of 19 cities across North China, Central China, South China and Central West China. This acquisition will allow SCPG to further extend the breadth and depth of the Vanke Business network, and penetrate into the core regional markets and surrounding urban agglomerations to provide local customers with a better quality service experience.

Shopping Malls

In light of Vanke's eco-system resources, SCPG provides quality commercial supporting services with the goal of creating a better quality life for Chinese families and building a leading Chinese commercial real estate platform. In 2017, SCPG developed an integrated retail commercial real estate whole-value chain model via professional investment and development, commercial operation and asset management. The attention on and integration of the pre-construction, construction and post-construction processes ensures the superior quality of mall projects and the full achievement of commercial value.

By the end of 2017, the SCPG Commercial Platform had opened **33** projects, including the Nantong SCPG INCITY and Wuhan Qingshan SCPG INCITY newly opened.



Nantong SCPG INCITY

Opened on September 28, 2017, Nantong SCPG INCITY creates sustainable shared community space integrating family life based on the domestically advanced Share Zone concept through innovative and inclusive architectural design. Designed with female parking spaces, children's play rooms, a husband waiting room and a nursery room, it's a mall full of humanistic care. With a visitor flow of 120,000 persons on the day of opening and more than 23,000 registered members, Nantong SCPG INCITY has a signing rate of 95% and opening rate of 90%. So far, 250 brands have joined the mall, 50% of which are first-comers to Nantong.



Shenyang SCPG INCITY

Located in the core area of the Taiyuan Street CBD—a century-old municipal CBD in the city, Shenyang SCPG INCITY is adjacent to the Shenyang Railway Station and boasts a floor area of 22,000 m². It was renovated from a GOME Electronics Mall which had been for business for over a decade. Considering that the simplex business operation can't meet the demands of customers, Vanke SCPG has carried out in-depth research on the CBD, enriched the business operations and mall experience, and redefined the customer groups from the five perspectives of dining, drinking, playing, entertainment and shopping. Based on the design philosophy of "Small is Beautiful", the mall has been re-decorated internally and externally. The internal lines of movement and brand stores have been optimized and experience areas increased to meet the diversified living demands of urbanites. Despite a decrease of 38% in business area, Shenyang SCPG INCITY has increased average daily sales by 63%, average daily visitor flow by 129% and gross rent by 74%.



Community Business

Based on high-loyalty family customer demands, Vanke community business strives to build the Vankely brand. It aims to create reassuring, convenient and comfortable neighborhood life centers integrating living with recreation, food experience and education.

In 2017, Vanke opened 36 new community business projects occupying 373,800 m² in 18 cities.



Guangzhou Key Think Vankely

Guangzhou Key Think Vankely is an open community business block offering food services, an educational center, fresh food market, barter center, living services and a customization center. The leading storefront, Meisha Community Camp, providing surrounding families with diversified childhood quality education programs like Alpha School, 4:30 P.M. School and Campus Mini. Centered on education, it creates a closed loop of family consumption.



Logistics Warehousing

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

In 2017, Vanke participated into the privatization of Global Logistics Properties. Taking advantage of its development and construction experience and resource strengths, and the logistics and warehousing network and excellent management of Global Logistics Properties, Vanke has successfully built the world's largest logistics real estate platform and further improved its presence in the logistics real estate field.



Actively expanded its business map, established a Cold Chain Business Unit and put the first Cold Storage Project into operation in Hunnan District, Shenyang

33 cities entered

62 projects acquired



Entered into strategic cooperation agreements with SF Express and Cainiao to lay a foundation for diversified cooperation

Rentable area over
4,820,000 m²





Corporate Offices

Through exploring the industrial economy and corporate commercial demands of the cities, Vanke provides spaces and services for corporate development, and drives resource sharing and value co-creation for enterprises. By the end of 2017, Vanke was operating 41 corporate office projects in 19 cities, managing an area exceeding 1,200,000 m².

Brand Office Buildings

Building brand office buildings to serve excellent and mature enterprises by providing office space and business services while establishing urban landmarks.

Hangzhou Huanglong Vanke Center

Designed with 9 office buildings and supported by business, neighborhood businesses, a convention and exhibition center and international kindergarten, Huanglong Vanke Center offers 24-hour work and life solutions for urban white-collar workers. Through the Xingshanghui platform, Vanke organizes industry-leading lectures and exhibitions to gather intellectuals and drive the convergence of innovation elements.



Industrial Clusters

Providing space suitable for industries, making a more efficient use of space and resources in the form of sharing, and enriching services through outsourcing to develop a brand-new real estate industry model featuring "space" and "service".

Shenzhen Vanke Cloud Design Commune

Gathering and fusing the upstream and downstream manufacturers of the design industry, Vanke Cloud Design Commune has developed a complete industry service system to allow creative personnel to focus on design and other core businesses, and practice new production modes in a more efficient, more intensive and fairer ecosystem.



Vanke Resort

Upgraded consumption has generated increasing demands for a good life. In light of the multi-level demands of the resort market, Vanke has made use of natural resources, climate and other geographic advantages to develop its resort segment and meet the demands for family weekend and holiday escapes. By the end of 2017, Vanke was operating 29 resort hotels with over 3,000 rooms in Guangzhou, Shenzhen, Wuhan, Hangzhou and Suzhou.

Case

Vanke signs a strategic cooperation agreement with Banyan Tree Luxury Hotels and Resorts

In 2017, Vanke signed a strategic cooperation agreement with Banyan Tree Luxury Hotels and Resorts of Singapore to establish the new joint venture platform, Banyan Tree China. To integrate the hotels and assets under Banyan Tree Luxury Hotels and Resorts in China and managed by both parties, Banyan Tree China is dedicated to expanding business in the hospitality, senior care and wellbeing segments.

List of Vanke Resort Projects

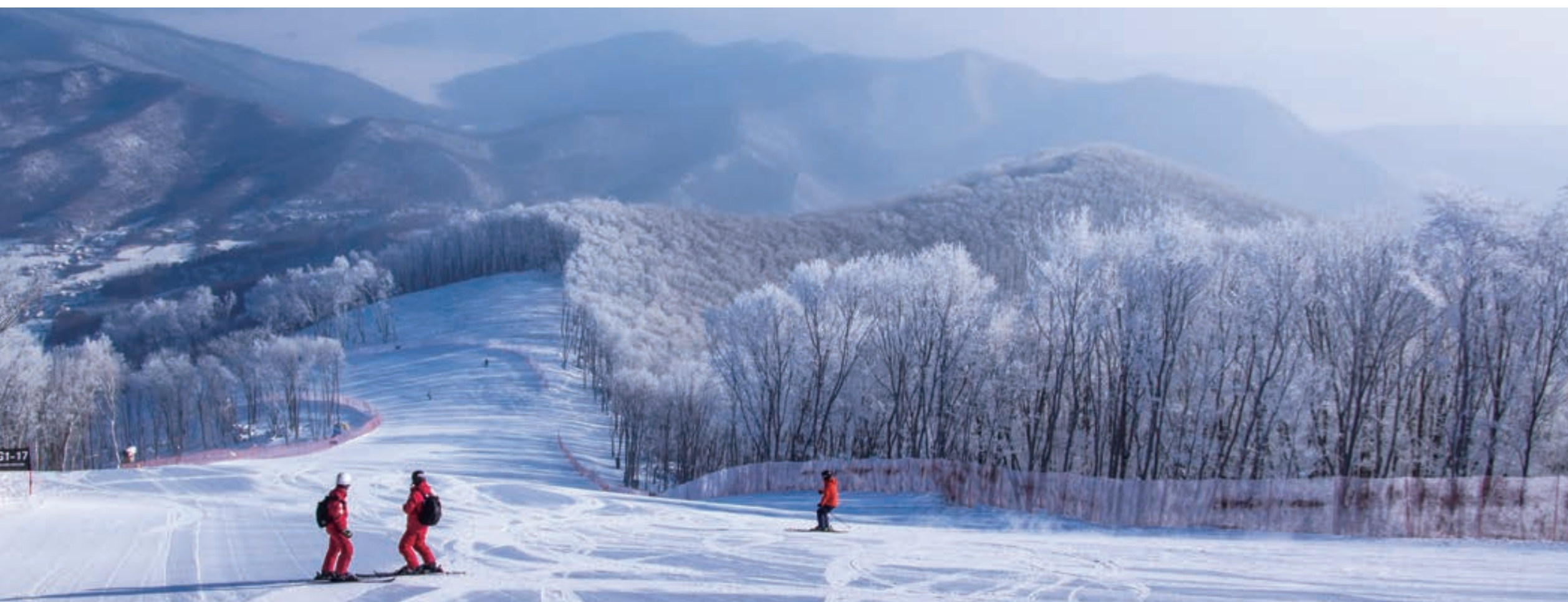
City	Project Name	Opening Date
Shenzhen	Shenzhen Twin-Moon Bay Resort	July 2013
Shenzhen	Shenzhen Twin-Moon Bay Platero Hotel	June 2014
Shenzhen	Longcheer	January 2006
Kunming	Hilton Hotel Fuxian Lake	May 2015
Suzhou	Ascott Hotel	September 2014
Hangzhou	Narada Resort Spa Liangzhu	March 2008
Dongguan	Aloft Hotel	December 2014
Jilin	Jilin Prince Hotel	December 2014
Jilin	Jilin Qingshan Inn	December 2014
Jilin	Jilin Baihua Inn	November 2017
Sanya	Sanya Vanke Forest Breeze Resort	August 2015
Wuhan	Mingyue Hotel	July 2014
Wuhan	Narada	May 2015
Foshan	Jieanke Hotel	May 2015
Guangzhou	Qingyuan Vanke White Swan Spring Hotel	December 2014

Songhua Lake Resort

Established in 2012, the Vanke Songhua Lake Resort is located in Fengman District, Jilin, Jilin Province. Covering a land area of about 20 square kilometers, this national AAAA resort is advantageously located. It's the nearest resort to Jilin's downtown area and China's only resort with a large-scale ski area and urban ski slopes.

Taking advantage of its 33 years of professional development experience, Vanke has introduced internationally advanced design concepts and topnotch hardware facilities from Europe to build Songhua Lake Resort into a state-of-the-art, scientifically planned, high-level ski resort offering thoughtful service. The Songhua Lake Ski Area, a professional adult and children ski school, Snow Park, independent ski teaching area, five-star Songhua Lake Xiwu Prince Hotel, North American style resort hotel Qingshan Inn, Baihua Inn, Qingshan Holiday Apartment, Resort Town, commercial and residential facilities and V-Fun Kids Village are all located within the Resort. Naturally blessed, the Resort offers a true international ski paradise for ski enthusiasts, making an excellent contribution to the booming development of China's ice and snow industry.

- One of China's longest alpine ski tracks (5.23 km long)
- 5 advanced FIS certified ski tracks suitable for international alpine giant slalom competitions
- Evenly distributed elementary, intermediate and advanced snow tracks, cross-country skiing and jumping platforms to satisfy both professional international competitors and families on holiday
- Designed with a Family Ski Park, Professional Teaching Park, Public Sports Park and Competitive Sports Park to suit skiers of different levels



Quality ski tracks
34 tracks

Skiing area
175 hectares

Passenger cableways
6 cableways

Maximum mountain drop
605 meters

Annual average snow period
150 days

Average snow depth
about **1** meter

Vanke Songhua Lake was honored as China's Best Ski Resort 2017 by the World Ski Awards™.



Senior Care

Vanke had developed about **170** projects of different types in **15** cities.

The first baby boomers of generation that founded the People's Republic of China are about to enter the senior care stage, accelerating the advent of China's aging society. The single-child policy implemented for 30 years, the generalization of the "412" family structure, family miniaturization and the empty nest phenomenon have rendered senior care a pressing issue for China. Vanke believes that it's not only the responsibility of the government, but the whole society, to solve this problem. An active contributor to social responsibility, Vanke began to study the senior care field in 2009, proactively engaging in the senior care industry and exploring a socialized elderly care path suitable for the national conditions of China.

Based on excellent nursing services and a core competitiveness in special rehabilitation, the senior care business of Vanke aims to create a garden of life for the elderly to enjoy their second youth. The senior care project of Vanke will provide the elderly with a dignified, warm and decent daily life to meet their needs in safety, hygiene, dining, nursing, rehabilitation, recreation, sense of belonging and self-realization. Working with TCM, rehabilitation and chronic illness experts of well-regarded hospitals in different areas, Vanke will offer special rehabilitation services, and recreational activities to revitalize the lives of the elderly based on the living habits of local elderly people and local history and culture.

Senior Care

Business Types

City Level and Community Level

- Continuing care retirement community (CCRC)
- Urban care center (rehabilitation hospital/nursing home)
- Urban full-time care center
- Community-embedded center
- Daily care center

Business Strengths

Through adequate communication and mutual support with the local teams, Vanke has established a cross-regional multi-project group-based operating mode featuring experience, capability, personnel and resource sharing. From project site selection, construction and renovation, and resource cooperation to day-to-day project operation, the experience and wisdom of the various Vanke companies are combined.

Key Projects of 2017

Suiyuan Jiashu Liangzhu Project

As CCRC project under Suiyuan Senior Care, Suiyuan Jiashu introduces the pioneering neighborhood senior care model based on in-depth research on the mentality and behavior of seniors and ergonomics. It's Vanke's first large-sized senior residential community oriented towards physically active seniors. In 2017, Suiyuan Jiashu Liangzhu achieved the annual goal of full occupancy with about 1,000 seniors.



Suiyuan Nursing Home

Suiyuan Nursing Home is a senior rehabilitation nursing institution of Suiyuan Senior Care. Professional medical care and rehabilitation teams are employed to provide day-to-day care and rehabilitative treatment services for post-operative rehabilitation patients and the physically challenged. High-standard professional medical, rehabilitation and care services are offered in a home-like environment.



Suiyuan Home

Suiyuan Home is a community day care center which was designed to provide senior care services for dependent seniors in the surrounding areas. The cooperation between Vanke's professional senior care service team and the sub-district and community has provided solutions in areas like senior dining, senior medical treatment, rehabilitation nursing after hospital discharge, inability to care for oneself and lack of attending personnel in emergencies. So far, Vanke has opened 100 service points to provide services for 10,000 seniors.



Hefei Luyuan

Advantageously located, Hefei Luyuan is adjacent to Luzhou Park, an urban forest park stretching for 2,400 mu. Offering full-time senior care and chronic disease management services, Luyuan has 40 senior-oriented design items. The cozy decoration style creates a relaxing and comfortable atmosphere. It's a senior care benchmark project of Hefei.





Vanke Education

"Education holds the key to fundamental tasks crucial for generations to come." Through educational brands like Meisha and DTD, Vanke provides complete educational solutions for children and teenagers aged from 3 to 18.

Meisha Education



Meisha Education is committed to inspiring the inner drive of children, respecting their individual differences, creating student-centered courses based on experiential and interdisciplinary education and providing future-oriented education services. Including such modules as full-time schools, community schools and outdoor schools, Meisha Education has further joined hands with Meisha Education Online Platform, Vanke Education Development Fund and Meisha Education Institute to realize comprehensive integration and upgrade of its educational resources.

By the end of 2017, Meisha Education had established 2 innovative public schools, 1 private international high school and 1 kindergarten in Shenzhen, developed 6 sets of Meisha characteristic courses, set up 100 student clubs, and enrolled 3,232 students. Certified by Cambridge International Examinations, Meisha Education is qualified to independently present the Duke of Edinburgh International Award, and has become the official academic partner of the United States Academic Decathlon (USAD) in China.

DARE TO DREAM (DTD) Education

There is an old Chinese saying that one of the three joys of a gentleman is to identify and educate talented young people. In May 2017, Shanghai Vanke launched the DARE TO DREAM (DTD) Education brand. Upholding the educational aim of "expanding global vision and inspiring unlimited potential", DTD is rooted in respect for traditional Chinese culture and combines innovative and exploratory Western educational ideas to train talented Chinese youths with a global vision. DTD is establishing internationally renowned schools to keep up with the times and creating an industry ecosystem supportive of continuous and diversified development with the goal of upgrading the entire industry.

By the end of 2017, DTD had opened 3 private elementary and middle schools, 5 private kindergartens, 2 child care centers, 1 senior high school, 3 public elementary and middle schools, 1 public kindergarten and 1 international youth club. When fully enrolled, these will serve more than 8,000 students with around 950 faculty members.

Public Education

Actively working with the space is off government in public education, exporting quality educational resources and brands, establishing long-term cooperation mechanisms and continuously supporting and enriching the development of public education.

Private Education

Developing comprehensive and balanced character, lifelong learning ability, and an innovative and leading spirit in children to unlock their unlimited potential and lay a foundation for healthy and fulfilling lives through diversified and challenging bilingual cultural programs.

Quality Education

Offering nearly 20 outward-bound courses centered on STEAM, Rowing courses and Reading courses, and providing one-stop services on and off campus.





ENVIRONMENTAL PRACTICES



Housing
Industrialization



Green
Building



Green Technology
Innovation



Green
Operation



Green Supply
Chain



Garbage
Sorting



Green Vegetation
Research



Green Public
Welfare



Green Office
Management

As pointed out by the 19th National Congress of the CPC, we should insist on the basic national policy of resource conservation and environmental protection, treat the environment as we treat life itself, build a Beautiful China and create a good production and living environment for the people. For the past 33 years, Vanke has been exploring a relationship of co-existence with nature and the optimal distance between man and nature, promoting the use of environmentally acceptable materials and technology in the design, operation and maintenance of Group premises. Through continuous improvements in ecological planning and design, green development and construction and green and eco-friendly technical innovation, Vanke had been leading the green development of the industry. Vanke Group strictly complies with the Environmental Protection Law of People's Republic of China and fulfills obligations in regards to the environment. We also encourage our contractors, suppliers and customers to do the same. In addition, we regularly conduct publicity activities on energy-saving and environmental-protection and propose garbage classification to raise environmental-protection awareness of employees. In 2017, there were no confirmed incidents of non-compliance with such laws or regulations, which have a significant impact on Vanke.



"Vanke has always emphasized going green. Our industrialization, green building and garbage classification efforts are dedicated to going green and environmental protection, and the Beautiful China drive. In the beginning of a new era, we should provide new solutions in green strategy."

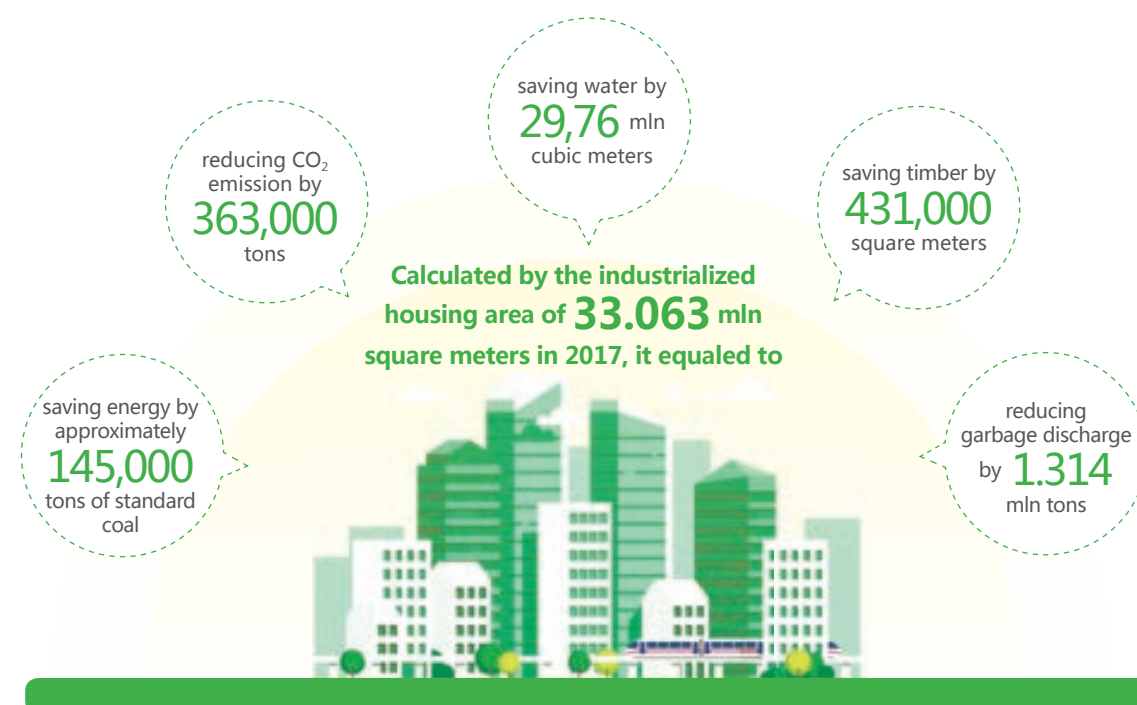
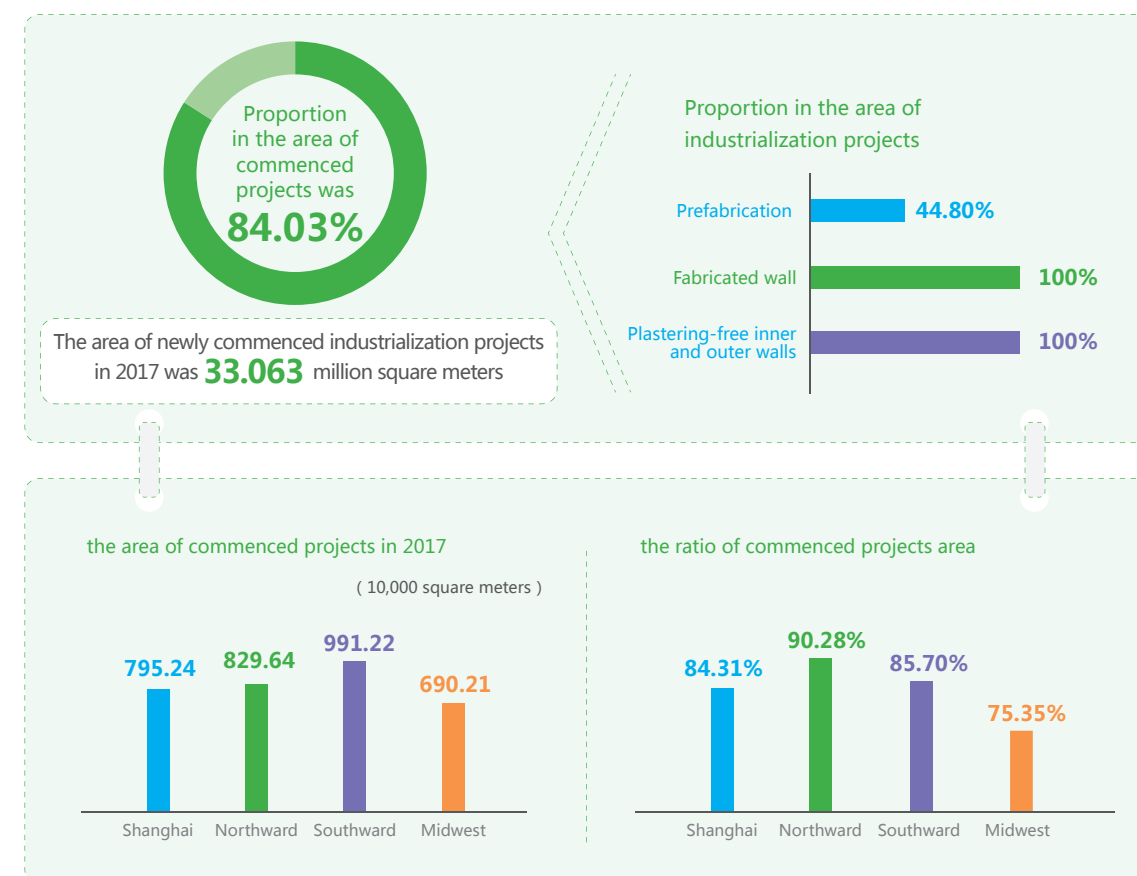
—Yu Liang, Chairman of Vanke



Housing Industrialization

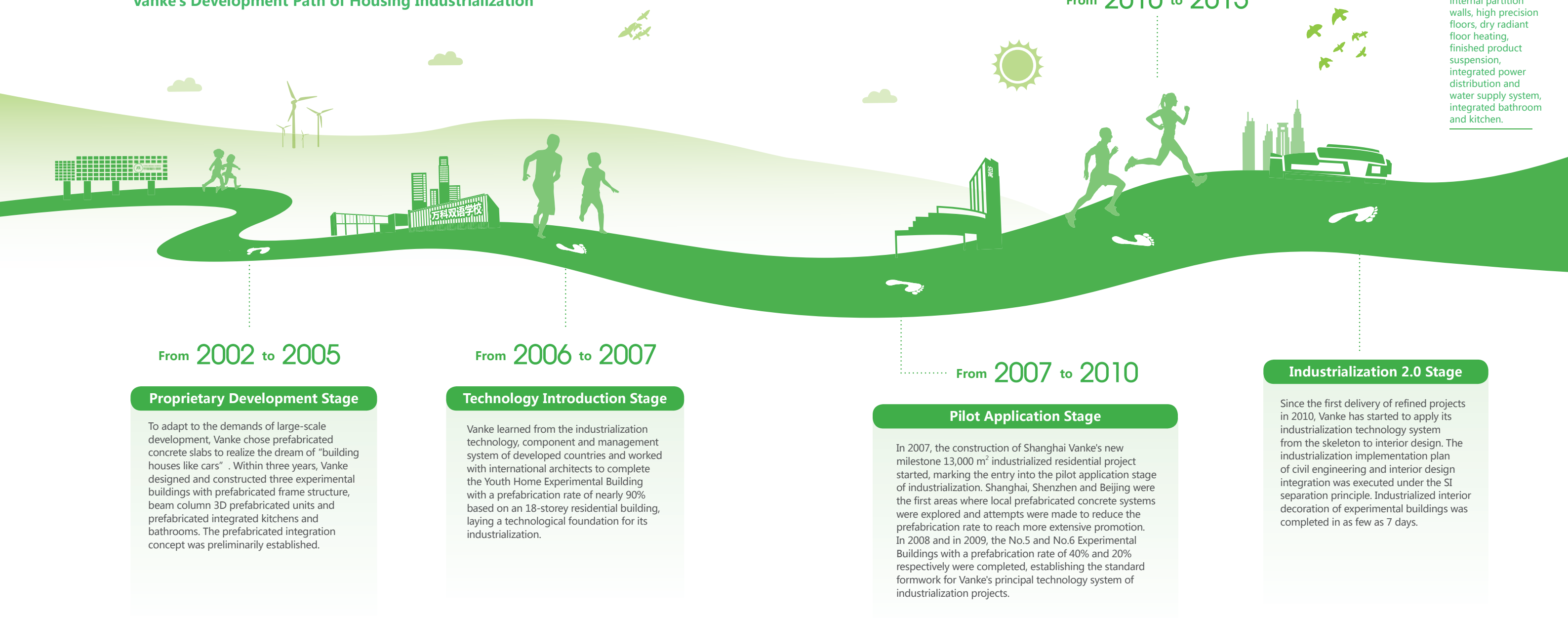
Housing industrialization means building houses in an industrialized manner. Industrialization technology can be used to minimize errors in the course of construction and greatly enhance construction quality. Meanwhile, such a scaled, intensive and industrialized construction model can effectively reduce energy and resource consumption, extensively decrease construction waste, sewage and dust on the construction site, and reduce construction noise. Housing industrialization has become one of the best practices of green and low-carbon development in the construction industry.

As an active promoter of China's housing industrialization, Vanke has taken the lead in technical development, formulation of standards and promotion of green and energy-efficient buildings in the industry. Since beginning research on standardization, industrial production and industrialization in 2004, Vanke has followed the path of housing industrialization for 13 years and gradually figured out an industry-leading industrialization path that meets market demands and complies with the needs of industrial development.



Over the past 13 years, Vanke has gradually established its fabricated shear wall system, interior wall casting and external wall hanging system, full precast system, metalform+whole concrete external wall system and other industrialized building systems based on local conditions. Vanke also compiled or co-compiled 9 national, industry and local standards, and obtained over 120 domestic and internal technical patents, while nurturing and developing over 300 new enterprises for industrialized development in terms of research, design, component manufacturing, general contracting, new building materials, parts manufacturing and installation, and inspection. Vanke helped 40% of its rural migrant workers transform into industry workers and cumulatively completed industrialized projects covering over 100,000,000 m². Industrialization has become a powerful tool for Vanke's delivery of more than 200,000 decorated houses.

Vanke's Development Path of Housing Industrialization



Read on

The SI (Skeleton-Interior) separation system refers to a prefabricated interior decoration system based on the full dry construction method and such core technologies as large space structure, prefabricated internal partition walls, high precision floors, dry radiant floor heating, finished product suspension, integrated power distribution and water supply system, integrated bathroom and kitchen.



Green Building

Green buildings are buildings that can save resources, protect the environment and reduce pollution to the greatest extent possible during the entire lifecycle. In light of the state initiatives of energy conservation, consumption reduction and advancement of a conservation culture, green buildings have become an inevitable mission of the building industry. In response to this, Vanke has been providing people with healthy, suitable and efficient spaces and buildings co-existing harmoniously with nature.

As an active promoter of green building development, Vanke has rigorously implemented environmental-friendly measures on buildings throughout their entire lifecycle from design to operation, so as to maximally conserve resources, protect the environment and reduce pollution. Since its initiation of green building projects in 2009, Vanke has cumulatively built 112,000,000 m² of green buildings.

In **2017**

the green building area of Vanke was **43,724,000 m²**

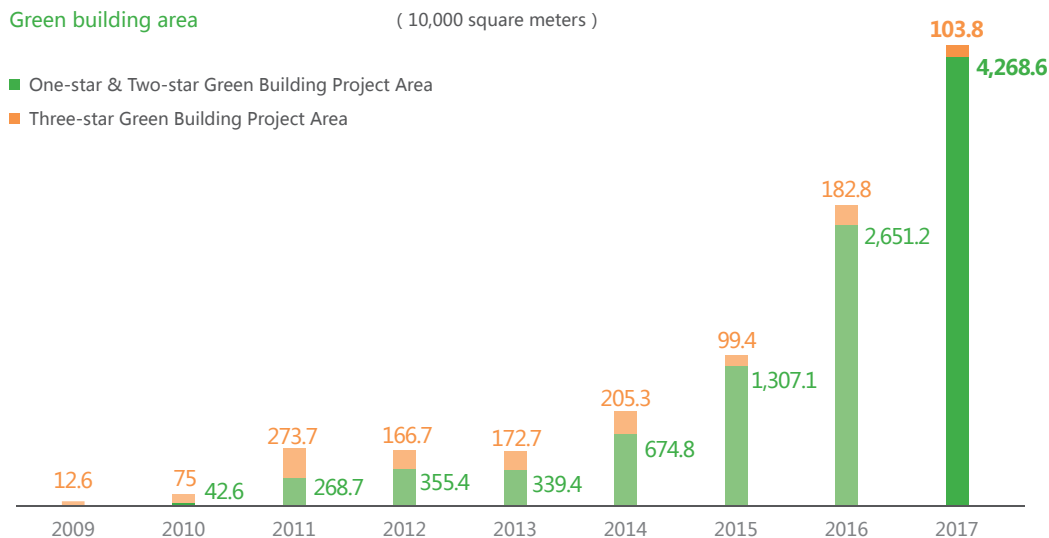
one-star and two-star green buildings occupied **42,686,000 m²**

three-star green buildings across 12 projects occupied **1,038,000 m²**



Green building area (10,000 square meters)

■ One-star & Two-star Green Building Project Area
■ Three-star Green Building Project Area



Total Green Building Area 112,000,000 m²



List of Vanke Three-star Green Projects in 2017

City	Project Name	Three-star Type (Design/Operation)
Guangzhou	Xinlongsha	Design
	Residential Building L9 & L10 of Vanke Xingfuyu, Guangzhou	Design
Shanghai	Buildings 1-7 of Vanke Center, South Area of Land Parcel 03, Phase 1, Hongqiao CBD Core Area	Operation
	Residential Building 15-17, 19, 20, 22 & 26 of Land Parcel C-12-2 & C-12-3, Central Area of Zhangjiang High-tech Park, Shanghai	Design
Ningbo	Lanse Dongfang (Building 11, 13, 14 & 15)	Design
	Lanse Dongfang (Building 1, 3, 5 & 18)	Design
	Lanhua 1	Design
	Wanglu	Design
Hefei	Central Park Land Parcel I Project	Design
	Central Park Land Parcel H Project	Design
Wuhu	Vanke Chengnanqu Phase II, Wuhu	Design
Yantai	Emerald Park Section B	Design

Case

Shanghai Hongqiao Vanke Center

Located in the Hongqiao CBD core area, Shanghai Hongqiao Vanke Center enhances its architectural sustainability in the aspects of water conservation, land conservation, energy conservation, material conservation, emission reduction, creating a "sponge city", indoor environment improvement and operations management. In December 2017, Shanghai Hongqiao Vanke Center was rated as Three-star Green Building for Operation.



Green Technology and Measures

Land Conservation

- Rationally developing and utilizing the underground space, and building 3-level basements for equipment rooms, parking lots, stores and supermarkets for intensive land utilization.



Sponge City

- Placing water permeable bricks on the walkways to enhance the water conservation ability of the ground and reduce surface runoff;
- Constructing rooftop garden platforms to improve the rainwater regulation and storage ability of the buildings and alleviate the urban heat island effect ;
- Selecting local plants suitable to the climate and soil conditions of Shanghai for landscaping.



- Adopting thermal insulation materials for building roofs, open floor slabs and external walls;
- Adopting CCHP cold and heat sources and supplying water for heat transfer for heat exchange stations of offices and businesses in the basement;
- Using rotary heat recovery units for total heat recovery of exhaust air;
- Installing a solar water heating system for the underground canteen.

Energy Conservation

- Adopting 100% premixed concrete and 98.26% high-strength steel during construction and recovering 91.5% of reusable and recyclable materials;
- Adopting integrated civil engineering and interior decoration design and construction and continuously optimizing the system during structural design to reduce building material waste.

Material Conservation

Greening Rate: **23.28%**Permeable Ground Area Ratio: **50.53%**Recyclable Material Ratio: **10.58%**Non-conventional Water Source Utilization Rate: **1.33%**Underground Area Ratio: **446.32%**Water-saving Appliance Utilization Rate: **100%**Building Energy Efficiency Ratio: **73.30%**Solar Water Heating Utilization Rate: **18.33%**

Green Building Results



Emission Reduction

- Recycling quality washing waste water through the recycled water system, improving the quality of sewage and waste water and reducing pollutant discharge via oil separators and desilting basins;
- Discharging waste gas after processing by purification units and achieving a processing efficiency over 90%;
- Classifying the garbage from the offices, effectively recycling recyclable or renewable materials, handing over the non-recyclable garbage to qualified garbage processors.



- Utilizing sound-absorbing inner walls, ceilings and fillings to reduce environmental noise;
- Setting up an air quality monitoring system to monitor the CO₂ concentration in the basement and office area to keep it within a healthy and comfortable range.

Indoor Environment

- Setting up a complete intelligent system and building equipment monitoring system for real-time operation supervision;
- Formulating and implementing energy and water conservation, greening management systems and corresponding energy management incentive systems to ensure rational utilization of resources and energy .

Operations Management



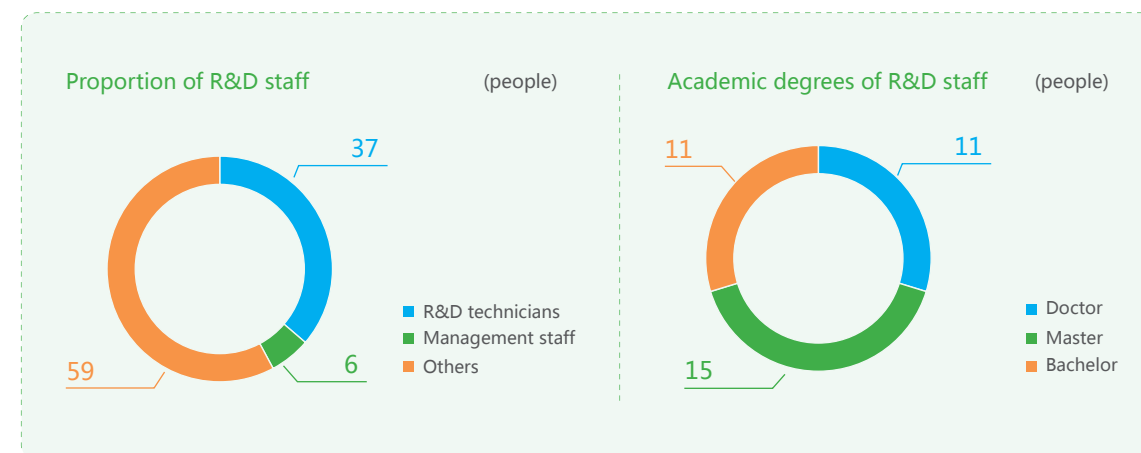


Green Technology Innovation

Attaching great importance to the development and innovation of green technology, Vanke has been propelling the green development of the real estate industry through environmental practices, and aspiring to boost the sustainable development of habitat, life and environment via innovative ideas and ground-breaking technology.

Scientific Research Team

Vanke believes innovative and talented employees are important corporate assets and has always stressed research talent development while building innovative multi-tier teams to lead the innovation and upgrade of green technology of the industry.



Green Development Results



Prefabricated SI System

Traditional interior decoration is carried out using the wet method. This poorly controlled construction mode will result in leakage and many other problems that are difficult to remedy, while indoor pipelines and other components built into the skeleton structure or wet construction layer will create great inconvenience for subsequent renovation and maintenance. Traditional interior decoration will also lead to massive energy and resource waste during construction and subsequent renovation and inevitably generate enormous construction waste.

To eliminate the drawbacks of traditional decoration, Vanke has developed the SI system via technological innovation. Based on full dry construction, the SI system allows effective separation of skeleton and interior and gives the houses structural durability, interior space flexibility and interior decoration upgradability. Transforming interior decoration from a highly worker-dependent process into manufacturing, Vanke delivers excellent green and low-carbon houses with a long life and high quality.



Contaminated land remediation

Generally speaking, contaminated land refers to spaces or area with hazards or potential risks to human health and the environment arising from the accumulation, storage, processing, disposal, or transfer of hazardous substances or sudden accidents. With the acceleration of urbanization, many polluting enterprises in urban areas have moved out of urban centers, leaving extensive contaminated land. The contaminated land has not only hindered urban construction and development of the local economy, but also generated inestimable environmental and health risks.

As an urban builder, Vanke has been actively developing and promoting land remediation technology to reclaim contaminated land from the identification stage to remediation. In terms of identification, there are 4 stages, namely, geological survey, sample collection, data detection and analysis and processing, and land risk evaluation. For remediation, chemical, physical and biological methods are combined to eventually render the contaminated land hazard-free and meet the safety needs of urban construction land.



Xiongan Vanke Green Research and Development Center

The construction of Xiongan New District is a millennium plan and a national concern. In October 2017, Vanke set up the Xiongan Vanke Green Research and Development Center in Xiongan New District, making it the first green technology research laboratory to be put into operation in the district. Vanke will share technological results in construction industrialization, green ecology and environmental health with Xiongan New District, vigorously promote green ecology technology, support green planning, construction and supervision of Xiongan New District, and jointly build "an eco-city of blue water and green land integration."



Phase 1 Laboratory

new building material research, water environment research, building material and indoor environment detection.



Phase 2 Laboratory

building performance research, SI research, prefabrication method research, green building material research, soil and micro-organism research, passive house and low-energy consumption building technology research.



Research Base (Future Planning)

building an open research, commercialization and implementation platform and working with partners to push technological innovation and development forward.

On the opening day of the Xiongan Vanke Green Research and Development Center, Vanke entered into the Cooperation Framework Agreement for Comprehensive Advancement of Research and Promotion in Urban-rural Construction Green Development with the Technology and Industrialization Development Center of the Ministry of Housing and Urban-Rural Development. Centered on improving engineering construction standards, the two parties will study policies, regulations and technical standard systems in line with the high construction requirements of new cities and districts, and set up domestically leading and internationally advanced benchmark projects in quality building accreditation standards, green buildings, prefabricated buildings, passive ultra-low energy consumption buildings and eco-environmental improvement.



Meanwhile, Vanke signed the Framework Agreement on Cooperatively Advancing the Establishment of the Evaluation and Commercialization Platform of the Ministry of Environmental Protection Technology in Xiongan New District with the Environmental Development Center of the Ministry of Environmental Protection and China Energy Conservation and Environmental Protection Group greater cooperation efforts in environmental technology development, technological evaluation, secondary development, technology trading and technology incubation will be made to jointly advance the establishment of the Evaluation and Commercialization Platform of the Ministry of Environmental Protection Technology in Xiongan New District and forge a long-term comprehensive green strategic partnership.





Green Operation

Vanke has not only continued developing its green footprint in traditional business, but has also introduced low-carbon and sustainable development ideas into the overall lifecycle of business development, expansion, execution and day-to-day management to reduce its negative impact on the environment.

Commercial Energy Management

The Vanke Architectural Research and Engineering Purchase Center is working with the Development Management Center of SCPG to develop energy management systems for collection of energy consumption data for operational projects and real-time energy data monitoring. Through energy conservation diagnosis and analysis, we aspire to reduce energy consumption of held property and achieve true green operation.



Case Dongguan Chang'an Vanke Plaza - Double Top Ten Best Energy Conservation Practices

Opened in September 2014, Dongguan Chang'an Vanke Plaza is one of the first commercial projects developed, operated and managed by Vanke. Committed to energy efficiency and comfortable operation of electromechanical equipment, Vanke Plaza has adopted such measures as frequency conversion renovation of cooling towers, intelligent lighting retrofitting, automatic control system upgrade and more refined operations management. The energy efficiency index of the air conditioning cold source system has been improved from 3.6 to 4.2 and reached a domestically advanced level; the power consumption in the public areas of Vanke Plaza throughout the year has reduced by 1,550,000 kWh, producing an energy conservation rate of 22%; the indoor average temperature has been maintained at $25^{\circ}\text{C} \pm 1$ and the average concentration of CO_2 at 600 ppm, achieving a win-win outcome of green and conformable operation. In 2017, the project won a Double Top Ten Best Energy Conservation Practices Award from the National Development and Reform Commission for its achievements and demonstrative role in green operation.



Indoor Air Improvement

Considering that indoor air quality is closely linked with people's health, Vanke has introduced advanced ecological management technology to optimize and improve the indoor environment. Providing each customer with a "deep breath" indoor breathing experience, Vanke creates a livable green eco-environment and offers a good, healthy and quality life.



Case Shanghai Qibao Vanke Plaza Green Smart Business District Creates a Green Consumption Environment

With a spirit of inquiring into the good life and consummate service, Shanghai Qibao Vanke Plaza optimizes, improves and supervises its indoor air quality in real-time and creates a green smart business district with a more regulated environmental protection label through biological technology, data monitoring and humanistic care.



Launch of Haze Removal Air Guardian 1.0

The Haze Removal Guardian Electrostatic Precipitation System is installed to effectively stop $\text{PM}_{2.5}$, formaldehyde, ozone and other indoor air pollutants. After electrostatic precipitation, the indoor $\text{PM}_{2.5}$ concentration can be effectively controlled below $50\mu\text{g}/\text{m}^3$ to deliver excellent air quality.

Introduce Black Technology 2.0 for Air Purification

For pregnant women, babies and sensitive people, nursery rooms, husband waiting rooms and other characteristic service areas are equipped with bio-enzyme air purifiers to eliminate over 98% of bacteria with scientifically formulated bio-enzymes based on removing $\text{PM}_{2.5}$, formaldehyde and other polluting gases.

Intelligent Monitoring 3.0 Real-time Display

Multiple real-time air quality monitoring points are set up in the plaza and air quality data is instantly updated and shown on the indoor & outdoor LED screens and Shanghai Vanke Plaza Official WeChat Account, providing accurate and comprehensive air quality control monitoring in the plaza.

Eco-management of Songhua Lake Resort

Ski resorts are often located in hilly areas with superior environmental conditions. Disorderly development and improper environmental protection measures will cause damage to the local environment. Attaching great importance to the protection of original ecosystems when carrying out development and operation, Vanke Songhua Lake Resort has made rational use of natural resources, avoided destruction to the surrounding environment and realized sustainable ecological development.

Construction and Design Stage

- Making the best use of the original mountain slopes during ski track design and construction to reduce destruction of vegetation;
- Building new farms for transplantation and soil and water conservation, and transplanting 300 plants during the construction process;
- Extensively using solar and wind energy lighting systems in Songhua Lake Town as green and low-carbon practices;
- Designing ditches rationally to collect meltwater in spring and rainwater in summer to enhance the collection and recycling ability of water resources.

Operations Management Stage

- Paying attention to wildlife protection, feeding foxes, squirrels, hawks and other animals in the snow at fixed points;
- Installing high-level meteorological data acquisition equipment on the top of Daqing Mountain to accurately monitor the microclimate;
- Working with Peking University to compile Flora of Qingshan, and spreading knowledge about the species of flora and fauna of Qingshan Mountain among employees, young people and tourists;
- Growing 20 varieties of perennial root wild flowers including goldenmane tickseed, purple coneflower, Cosmos and Iceland poppy on an area of 100,000 m² to improve the summer landscape and conserve water and soil.



Green Supply Chain

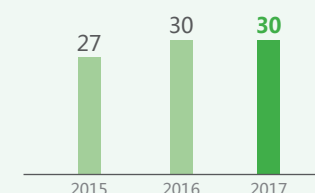
In 2016, Vanke, the Society of Entrepreneurs & Ecology, the China Urban Realty Association and the China Real Estate Chamber of Commerce jointly launched the "Real Estate Industry Green Supply Chain Campaign" to drive green production via marketization and practice green supply chain management in the form of an industry alliance. All the enterprises joining the campaign reached a unanimous commitment: they would manage their own supply chain under a common procurement guide and action scheme, insist on green procurement, "green" the whole supply chain from perspectives such as raw material sources, production process and end-user consumption, enhance the environmental benefits and resource utilization efficiency, and assume their own responsibility for social development and environmental protection in China.



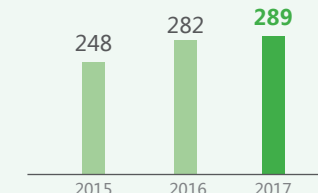
Garbage Sorting

In March 2017, the National Development and Reform Commission and the Ministry of Housing and Urban-Rural Development issued the Implementation Plan for Household Garbage Sorting, and required that household garbage be mandatorily classified in 46 cities by 2020. As early as 10 years ago, Vanke started to implement garbage sorting in Beijing, Shenzhen and Shanghai to establish a household garbage sorting and recycling system. Through owner participation and social supervision, we have continuously refined community garbage sorting criteria to enhance community garbage sorting rate, reduce garbage from the source and recycle garbage. The environmental protection concept has been practiced to promote community harmony and improve the community environment.

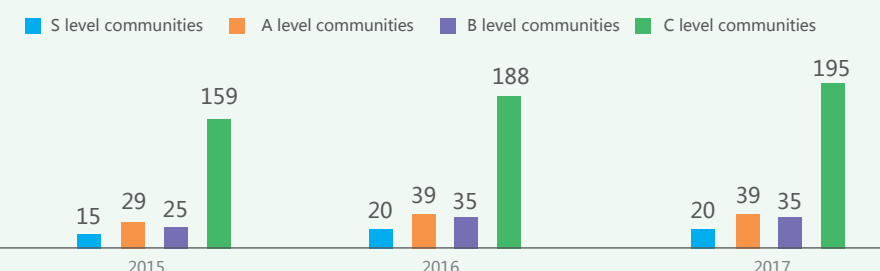
Number of cities launching garbage sorting



Number of communities launching garbage sorting



Number of various communities launching garbage sorting in 2017



Case

"Zero Kilometer" Action

In 2010, the Vanke Foundation joined hands with the Tencent Foundation to initiate the Zero Kilometer Action to call for front-end classification and reduction of household garbage. Vanke has always believed that the decisive link to resolve the garbage crisis is not found in the landfills or incineration plants several kilometers away, but in front-end garbage classification through our simple gesture. This is why Vanke launched the "Zero Kilometer" Action.

Over the past 7 years, Vanke has gradually practiced this concept through garbage sorting in urban communities and transformed garbage sorting and reduction into a replicable, measurable and cumulative sustainable community action.



Wangshi and his teammate displayed "Zero Kilometer" Action banner



Green Vegetation Research

Every year, there are a large number of suburbs of cultivated land and abandoned, semi-abandoned land as construction sites during the urbanization process, which resulted in the continuous reduction and destruction of the habitat of plants and animals. In the past years, we have continuously carried out research on bio-diversity conservancy, focused on protection of natural vegetation and animals and explored the construction of urban ecological gardens. Vanke has introduced over 1,600 plant species, including 512 species of rare woody plants, 310 species of ferns, 106 species of succulents, 126 species of Orchidaceae, 96 species of Zingiberaceae, 77 species of Bromeliaceae, 12 species of bryophyta, 25 species of grass and 400 species of herbage.



Vanke Tropical Rainforest

Located in the Plant Research Area of Dongguan Songshan Lake Vanke Residential Industrialization Base, Vanke Tropical Rainforest is composed of the Rainforest Greenhouse, Tropical Plant Transition Exhibition Area, Plant Collection and Taming Research Greenhouse, and Plant Breeding Research Area. With a total land area of 6,000 m², Vanke Tropical Rainforest offers an indoor area of 3,000 m². Built with a large-span steel truss structure and wrapped with double layers of ETFE film, the Rainforest is designed with automatic temperature, humidity, ventilation, spraying and sunshade simulation and regulation systems to replicate the environmental conditions required for the regular growth of rainforest plants.

Seven zones are sectioned off in the Rainforest, namely, the Rainforest Edge Zone, Cyathaceae Zone, Epiphyte Zone, Rainforest Hinderland Zone, Zingiberaceae Zone, Tropical Fruit Zone and Palm Zone. About 1,100 species of typical and characteristic plants from American, African and Asian tropical rainforests are grown here. Carrying out cultivation and conservation research on these plant resources, Vanke has established a technical route from introduction and collection, cultivation and conservation, taming and breeding to promotion and application.

The ecological landscape of a tropical rainforest is simulated as well, demonstrating the look and ecological characteristics of a tropical rainforest plant community. Through science advocacy and ecological education events, Vanke has conveyed its attitude and philosophy of bio-diversity protection. Thus far, about 30,000 people from all walks of life have visited the Rainforest.



Green Welfare Programs

In 2017, Vanke Foundation continued to prioritize its green and environmental protection programs. Actively involved in domestic and international climate change actions and continuously concerned with bio-diversity protection, Vanke launched the Green Village Source and other green welfare programs and worked with several welfare organizations to protect the environment and ecosystem. See "Going Green and Environmental Protection" in "Social Practices" for more details.



Green Office Management

Integrating the green and environmental concept into the office and daily work of our employees, Vanke encouraged employees to save oil, water, power and paper, and reduced the pollutants and greenhouse gas emission, thus contributing to the environmental protection.

Water management

Vanke actively pursues effective water management in order to minimize water consumption by installing water saving devices, adopting water reduction practices throughout our operations. In office water management, Vanke established a comprehensive water conservation rules and regulations, and actively promote the use of water-saving appliances and improved the maintenance and management of water equipment to prevent the occurrence of water runs. The water conservation measures in Vanke Building include,

① ensuring that employees pay close attention to water usage

② installing water-saving heads on toilet and installing low-flush toilets in restrooms

③ inspecting Vanke Building water facilities regularly to ensure no water leakage

The total water consumption of the Vanke's real estates and properties building in 2017 was 311,000 tons.

Energy management

Vanke's energy consumption mainly includes gasoline, diesel and purchased electric power and heating power. We systematically sort energy-saving nodes, introduce energy-saving products and technologies to promote energy conservation and carbon reduction. We regulate employee consumption of the building power, replace energy-saving equipment and reasonably arrange the running time and mode of various equipment etc., to reduce energy consumption. The energy conservation measures in Vanke Building include,

① installing energy efficient LED lamps

② installing energy conditions, controlling the temperature of air conditioners

③ promoting video conferences to reduce business trips and the use of public cars

④ improving the statistical work of energy use in the office, advocating the energy-saving office and low-carbon life

⑤ introduction of energy-saving and high emission standards vehicles

⑥ promoting energy saving tips among employees to encourage best practices

The electric power consumption of the Vanke's real estates and properties in 2017 was 17,665,000 kWh, the heater power consumption was 10,424.4 GJ and the petrol and diesel consumption was 753,464 liters and 128,000 liters respectively. To measure the impact on the greenhouse effect during office management, we calculated the CO₂ emissions from Vanke energy consumption. The greenhouse gases emitted by Vanke office management mainly comprises CO₂ generated from direct energy such as diesel and gasoline, as well as indirect energy such as purchased electric power and purchased heating power. In 2017, the CO₂ emitted by Vanke's real estates and properties totaled 14,661.9 tons, whereas direct CO₂ emissions totaled approximately 2019.5 tons and indirect CO₂ emissions totaled approximately 12,642.4 tons.

Wastes management

Wastes produced by Vanke are mainly harmless wastes such as kitchen wastes, paper and magazines. We classify the garbage from the offices, effectively recycling recyclable or renewable materials, handing over the non-recyclable garbage to qualified garbage processors. For the kitchen wastes, we implement waste classification management, daily handling, and transport to the kitchen waste collection and handling units licensed by or registered in Food and Drug Administration or other departments. In 2017, the kitchen wastes generated by Vanke's own kitchens were 1,129.4 tons, the paper wastes generated by office management were 316.1 tons and magazines and books recycled were 37.4 tons. Vanke Group is continuously improving its data collection system. The disclosure scope will be further expanded and disclosure content elaborated when data is available.



SOCIAL PRACTICES



Urban Context Protection



Charity



Health Campaign



Care for Employees



Mutually Beneficial Cooperation



Cultural Heritage Protection

"All things have their own specific features for their generation and survival." The cultural heritage of a city is its spiritual root. Taking responsibility for history and cities, Vanke has been playing an active part in the historic and cultural heritage conservation of cities during urban construction. Considering the integration of project planning and co-existence with local historic and cultural buildings, Vanke has sustained and rejuvenated the old cultural heritage of cities.

Micro-renovation of Yongqingfang, Guangzhou

Located in Enning Road, the core area of the old city of Guangzhou, Yongqingfang was the economic center of South China when it was opened as a commercial port in the late Qing Dynasty. Representing the quintessence of Xiguan arcade houses, Yongqingfang is a place of glory and dreams for the old Guangzhou residents. In the course of urbanization, however, Yongqingfang has declined and lost its glory.

In 2016, Vanke undertook the Yongqingfang Old Town Renovation Project. Instead of the model of "demolition and reconstruction" of old towns, Vanke followed the principle of "renovation based on old buildings and new construction based on harmony; reorganization of traffic routess and space layout; cultural heritage conservation, and resource revitalization". Through micro-renovation, the original features of historical buildings are kept, and architectural, cultural and historic elements are integrated into the blocks to give new vitality to the old town.



Repair of Historical Buildings

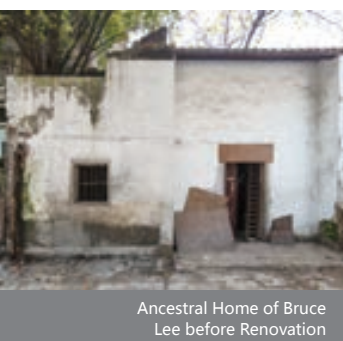
The external outline is maintained and building facades renewed, protected and decorated to highlight the overall features of Lingnan architecture and maintain the space layout of traditional Lingnan folk houses.

Conservation of Landmark Buildings

The two extant landmark buildings are structurally strengthened, and the roof tiles, black and red brick walls, lime carvings and sculptures repaired in accordance with traditional techniques to recreate the traditional architectural styles.

Improvement of Culture Value

Corporate offices, characteristic home stay facilities and boutique stores are introduced to build Yongqingfang into a cultural tourism spot of Guangzhou via non-invasive renovation, atmosphere improvement and event guidance.



Ancestral Home of Bruce Lee before Renovation



Ancestral Home of Bruce Lee after Renovation

The Ancestral Home of Bruce Lee on 13 Yongqing Lane 1, Enning Road used to be in bad repair. Remedial repair was carried out to restore the architectural structure and recreate the original glory of the ancient building, and allow the legendary immortal Eastern figure to inspire more people in the new era.

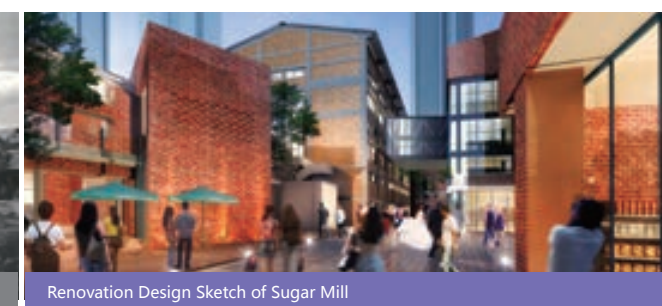
Remodeling of Quanzhou Sugar Mill, Fujian Province

As the Eastern starting point of the Maritime Silk Road, Quanzhou is a famous historic city with a glorious culture, studded with numerous historic and cultural relics. The old Sugar Mill located in Binjiang Area was founded in 1952 and closed in 1993. It contributed one fourth of the tax revenue of Quanzhou in 1979. Its rise and decline bear witness to the growth of Quanzhou old town. The old factory and canteen and towering chimneys are the precious collective memories of the Quanzhou people, and historical footprints of the era.

In 2013, while developing Quanzhou Vanke City, Vanke reshaped the Old Sugar Mill Walk stretching for 32,000 square meters based on the Old Sugar Mill. Guided by the philosophy of preservation, renovation and integration, certain buildings of the Old Sugar Mill are maintained and the old banyan trees, sunshades and red brick walls are highlighted as the commercial features of Quanzhou Vanke City to present an experience of walking through a painting.



Old Look of Sugar Mill



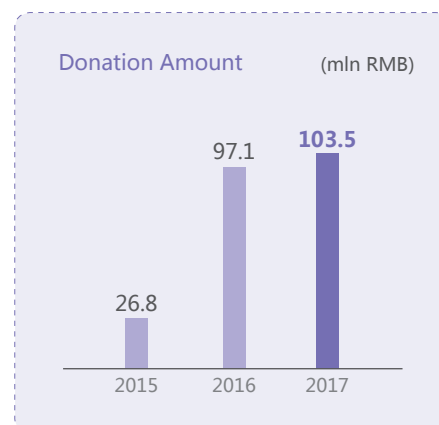
Renovation Design Sketch of Sugar Mill

Introducing the Vankely commercial system, the project is based on neighborhood public business. The focus on user-friendly public space landscape and lines of movement has enabled it to meet the consumption demands of the owners, and become a common living space in the neighborhood. Sip a cup of coffee right under the banyan trees, or savor paste noodles in a sidewalk snack booth...witness the rejuvenation of the prosperous Old Sugar Mill in a new form.





Charity



In its pursuit of business growth, Vanke has upheld its social values, actively fulfilled its social responsibility and focused on the development of stakeholders. Striving for the healthy and happy life of the people, Vanke is committed to sharing its achievements more widely. Through the Corporate Citizen Office and Vanke Foundation, we have launched extensive targeted poverty alleviation programs in response to the state's call for poverty reduction. Vanke has rolled out its poverty alleviation efforts in Taxian County of Xinjiang and Beixian County of Hebei Province, and participated in the construction of the Tibet Intangible Cultural Heritage Museum. Furthermore, we have launched programs in education development, protection of traditional Chinese culture, childhood health, post-disaster relief, health movement, garbage sorting and ecological protection, so as to give back to the community with care and warmth.

Tibet Intangible Cultural Heritage Museum

As a Shenzhen representative enterprise, Vanke has actively responded to the call of the Shenzhen Municipal Government to support Tibet, and worked with Shenzhen to donate funds and help build the Tibet Intangible Cultural Heritage Museum in Lhasa for the purpose of advancing the promotion of Tibetan intangible cultural heritage.

Located in the Cijuelin Tibetan Cultural Tourism Creative Park, Chengguan District, Lhasa, the Museum covers a land area of 60 mu. Designed on the basis of the One Museum, One Park concept, it's composed of one 5-story museum building and space for supporting facilities and two rows of 1-story commercial spaces. The Museum has a floor area of nearly 8,000 m² and the Expo Park has an area about 25,000 m². By the end of 2017, Vanke's project team had overcome resource shortage and other difficulties of the rough highland climate, and basically completed the main work and outdoor work of the project.

As the first aid project for Lhasa by the Shenzhen Municipal Government, the Tibet Intangible Cultural Heritage Museum has far-reaching significance for deeper communication, exchange and open cooperation between Shenzhen and Lhasa, protection and development of the excellent traditional Chinese culture, and advancement of the rapid development of Lhasa and Tibet.

Targeted Poverty Alleviation



"We must mobilize all forces of the CPC, the country and the society to launch targeted poverty alleviation and relief programs."

—President Xi Jinping



Targeted poverty alleviation and relief is a great tool for the realization of a moderately well-off society. In response to the call of the CPC and State Council to win the poverty alleviation battle and help poverty-stricken areas to shake off poverty, Vanke has made use of its strengths to launch industrial, educational and employment poverty alleviation programs and established long-term poverty alleviation mechanisms. Helping poverty-stricken people to independently overcome poverty through "teaching them to fish", we have made our contributions to the goal of realization of a moderately well-off society.



The picture of Tibet Intangible Cultural Heritage Museum project

Xinjiang Taheman School

As part of the unified deployment of Shenzhen's Xinjiang assistance efforts, Vanke started to construct Taheman School in Taxian County, Kashi Prefecture in 2015. Located in a seismic zone, Taxian County features precipitous hills and a cold dry climate, making construction from November to April impossible. Building materials were extremely lacking and about 30% of the workers were evacuated from the construction site due to altitude sickness. To ensure the students would attend class in the new classrooms in September of the following year, Vanke overcame such problems as coldness and dryness, material shortage, high altitude hypoxia and tight construction schedule. Within 188 days we completed the integrated teaching building, covered sports ground and plastic playground characteristic of both national culture and environmental protection. All main buildings were resistant to 9 degrees of seismic intensity. On September 10, 2016, Taheman School was delivered and opened.

On May 11, 2017, Taxian County was hit by a 5.5-magnitude earthquake. Vanke, the Vanke Foundation, Vanke Central West Region and Xinjiang Vanke immediately put together the Taheman Special Intelligence Communication Group. Backbone members of Vanke were sent to the School for building survey on the very same day. Withstanding the test of the earthquake, the main building was intact and kept the teachers and students safe. After confirming that the main schooling buildings had no structural problems, Vanke repaired the minor cracks, broken glass and damaged heating systems.



Vanke Staff Members Inspected the Buildings after the May 11 Earthquake

While the safety of teachers and students is guaranteed by Vanke through seismic technology, the quality of training and improvement of teachers and students depends on the support of all walks of life. The Futian District Education Bureau of Shenzhen sent Vice Principal Wang Ke of Funan Elementary School to Taheman School for a one-year term as the principal; Funan Elementary School, Liyuan Elementary School, Yuanling Foreign Language Elementary School and Yitian Elementary School entered into a partnership with Taheman School to dispatch teachers to Taheman School to give lectures to the students and teachers and organize events to enhance inter-school exchanges. Vanke volunteers will join hands with Shenzhen educational experts to push forward the educational reform of Taheman School. A Teacher Incentive Plan has been established to motivate the local teachers to contribute to the future of Taheman School and its students and local educational poverty alleviation.

Meanwhile, Taheman School received the attention and in-kind donations of many partners. There were purifiers from Truliva Water Treatment, One Foundation Warm Packages from Tencent Foundation, Sunshine Laundry Rooms from Shenzhen Care Action Organizing Committee Office and Shenzhen Media Foundation. All these partners are devoted to supporting the healthy growth of children with Vanke.



Secretary Wang Weizhong of CPC Shenzhen Municipal Committee Visited Taheman School after the Earthquake



Zhangbei poverty alleviation PV power stations

Located in the Bashang area of Zhangjiakou, Zhangbei County has severely hollowed-out poverty-stricken areas and a poor population with a high percentage of people unable to work or losing the ability to work. Therefore, income-based poverty alleviation is an important measure for targeted poverty alleviation efforts. In light of Zhangbei County's industrial poverty alleviation status and resource strength as the core area of the National Renewable Energy Demonstration Zone, Vanke adopted the model of "Enterprise Donation + Government Leadership + Earnings for Poverty-stricken Households". Vanke donated RMB28 million to the Zhangbei County Government for the construction of 300 kW Village-level Poverty Alleviation PV Power Stations in 12 poverty-stricken villages with adequate lighting resources and grid connection conditions. Upon completion, the PV power stations will be owned by the villages and earnings from power generation will mainly be distributed to poverty-stricken households and villages.

On June 30, 2017, the 12 power stations were put into operation and connected to the grid. Each station can generate an income of RMB423,000 for the poverty-stricken villages every year for 20 years. After deduction of operating and maintenance fees, the earnings will be used for poverty alleviation in the poverty-stricken villages and households. Through direct subsidies to extremely poor households and provision of service positions to moderately poor households, the 12 power stations can at least bring about a steady income of RMB3,000/year for 1,200 poverty-stricken households and an income of RMB50,000/year for each village for development of advantageous industries and medical, health, senior care and culture welfare problems.



Ms. Zhou Wei, Deputy Secretary of CPC Vanke Committee and Vice President of Vanke, visited the Financially-strained CPC Members before the Spring Festival 2017



In support of the educational development of Zhangbei County, Vanke donated a further RMB2 million in 2016 for the construction of a sports field of 2,923.28 m² and bleachers for Tianlu Middle School, Zhangbei County. The construction commenced in May 2017, conforming to the latest national and regional environmental protection standards. Eco-friendly and non-toxic materials were used to provide students with safe and complete sports facilities. In November 2017, the sports ground was completed and delivered.

“Internet + Community” agricultural product market support



Vanke property provides services for **3.28** million households



for **11.74** million people

Taking advantage of its owner resources, Vanke has supported the agricultural product market based on Online + Offline connection.



Online

Vanke has joined hands with agricultural product providers in poverty-stricken mountainous areas to launch the Targeted Poverty Alleviation, Agricultural Support Action. Through the Internet, quality organic agricultural products from poverty-stricken counties are sold to Vanke owners online. The Targeted Poverty Alleviation Agricultural Products section has gone live on the Living Here App—the mobile app for Vanke owners. Over 30 kinds of characteristic agricultural products from national poverty-stricken counties and regions like Leishan County in Guizhou Province, Ganxian County in Jiangxi Province and Cangxi County in Sichuan Province are sold and well-received among the owners.



Offline

Vanke has provided owners in Guiyang and Xi'an with fresh food from poverty-stricken areas through community promotions, fresh food vending machines and agricultural product community stores. Working with agricultural product providers in poverty-stricken areas, Vanke has customized and sold holiday gift boxes of Leishan Silver Ball Tea, Xinjiang Lycium Ruthenicum and Cangxi Kiwi Fruit via its subsidiaries across China. In 2017, Vanke brought over RMB2 million in sales revenue to agricultural product providers in poverty-stricken areas.



Agricultural Product Holiday Gift Boxes



Gift Boxes of Fuxiao Silver Ball Tea

Case

Xi'an Vanke Agricultural Support

Under the framework of Vanke's targeted poverty alleviation, Xi'an Vanke supported Huashan Village of the National-level Impoverished County, Xunyang, in Shaanxi Province through industry investment. The characteristic agricultural products of the Village are sold through Vanke's model of Self-purchase + Agricultural Products entering the Community.

The Happiness Canteen of Xi'an Vanke purchases the green organic agricultural products of Huashan Village at market price and motivates other enterprises to promote and purchase them. By December 2017, about 20,000kg of potatoes, 10,000 kg of pumpkins and 10,000 kg of sweet potatoes had been purchased from Huashan Village. Xi'an Vanke has further worked with fresh food supplier Rainbow Star to customize 24-hour fresh food vending machines which can automatically keep fresh food moist and fresh depending on the temperature. On January 10, 2017, the vending machines were introduced to Vanke Jinse Yuecheng, presenting the agricultural products of Huashan Village to the people in a new form. So far, the vending machines have been introduced to Vanke City, Jinse Yuecheng, Jinyu International and Jinyu Qujiang and 40 non-Vanke communities. The fresh food vending machines offer average daily sales of RMB2,000 each and cumulatively generated sales of RMB1 million.



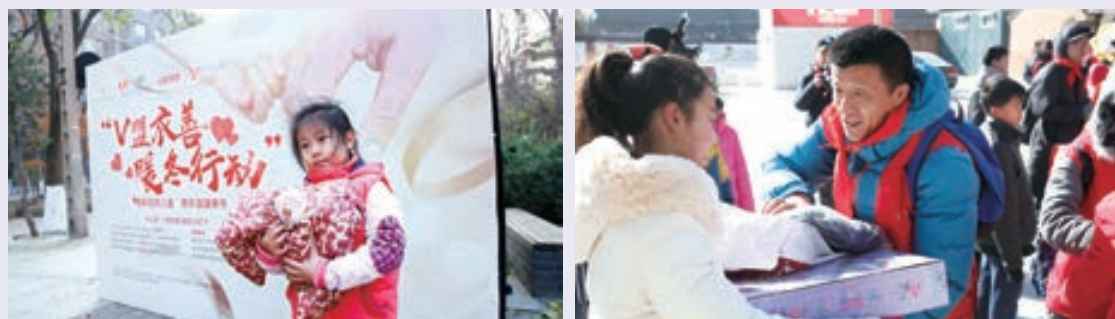
Employment poverty alleviation

The growth of ambition and diligence should come first in poverty alleviation. Vanke has employed poverty-stricken people with certain educational backgrounds and skills from multiple poverty-stricken counties across China as security officers, customer service specialists and plumbers. We have helped them shake off poverty through one-family member employment. Since the launch of employment poverty alleviation in April 2016, Vanke Service has recruited over 6,000 people from poverty-stricken counties.

V alliance clothing charity

More than 26 million tons of used clothes are thrown away every year in China, while less than 1% of which are recycled. Meanwhile, financially-strained families still don't have proper clothes to keep them warm. In 2017, Vanke V Alliance and the China Children and Teenagers' Fund jointly initiated the V Alliance Clothing Charity Public Welfare Project. Clothing recycling bins were set up in Vanke communities to motivate owners to donate used winter clothes to poverty-stricken areas and effectively meet the clothing demands of poverty-stricken areas with the huge amounts of used clothes in the cities.

In November 2017, V Alliance Clothing Charity initiated the first targeted support action named the V Alliance Clothing Charity Warm Winter Action. About 2,000 owners from ten cities—Beijing, Taiyuan, Tianjin, Dalian, Yantai, Jinan, Shenyang, Changchun, Shijiazhuang and Qingdao donated 3,017 pieces of used clothes and 1,927 pieces of winter clothes to the orphans and poverty-stricken children in Zhenfeng County, Southwest Guizhou Autonomous Prefecture, Guizhou. After specialized disinfection, the donated clothes were handed over to the recipients with the help of Zhenfeng County Government on December 1, 2017.



In December 2017, the first V Alliance Clothing Charity clothing recycling bins were set up in 62 Vanke communities, Vanke Growth Centers and Port Apartments across nine cities—Beijing, Taiyuan, Tianjin, Dalian, Yantai, Jinan, Shenyang, Changchun and Harbin. After one month of operation, 2,540 kg of used clothes had been recycled.

On December 11, 2017, the V Alliance Clothing Charity Still Warm Project was launched. Representatives from the China Children and Teenagers' Fund, Overseas Chinese Charity Foundation of China and Vanke attended the opening ceremony.



Social changes do not come about due to the tremendous efforts of one person, but the cumulative efforts of many. In the future, Vanke hopes to take the opportunity of V Alliance Clothing Charity to build a bridge of love between cities and poverty-stricken areas through used clothing recycling systems, city targeted support actions, targeted support plans and welfare master plans. With these efforts, we expect to build a more beautiful urban life and develop a charitable mentality in each owner's family, gradually establish the Vanke total owner welfare model, and inspire the kindness of many more people.

Case

Fund Infrastructure Construction to Improve the Rural Production and Living Environment



As guided by the work arrangements of the CPC Guangdong Provincial Committee and Guangdong Provincial People's Government for the three-year targeted poverty alleviation and relief drive in the new period, Shenzhen has determined to support 323 relatively poor villages in Heyuan and Shanwei. Under the unified deployment and planning of CPC Shenzhen Municipal Committee and Shenzhen Municipal People's Government, Shenzhen Foreign Affairs Office decided to support Xibei Village, Neihu Town, in Lufeng, Shanwei. The office building of the local Village Committee had been unrepaired since the 1980s and was severely damaged and leaking, and assessed as dangerous building.

Under the leadership of the Shenzhen Foreign Affairs Office, Vanke launched targeted support efforts for Xibei Village by renovating the office building of the Xibei Village Committee. The dangerous building was efficiently and excellently rebuilt in 130 days. After the reconstruction, the two-and-a-half story building has a floor area of 480 m² and is composed of the Party-People Service Center, Rural Study, Legal Consulting Room, Training Room, Activity Room and service counters. The office conditions and services of the Village Committee have been greatly improved, making it a base that serves the villagers and connects the Party with the masses.

Going Green and Environmental Protection

Going green and environmental protection have always been important aspects of the Vanke Foundation's efforts. Gathering forces from all walks of life, the Vanke Foundation has been exploring fighting climate change, bio-diversity protection and advancement of rural green development, and making its own contributions to a beautiful and livable eco-environment through professional and sustainable green welfare practices.

Fighting climate change

Vanke has always been an advocate of low-carbon, eco-friendly and excellent green businesses. As a pioneer in climate change prevention and green development, Vanke has actively participated in climate change meetings held in China and abroad, providing extensive platforms for Chinese enterprises to get involved and discussing how to promote low-carbon urban development with other parties.

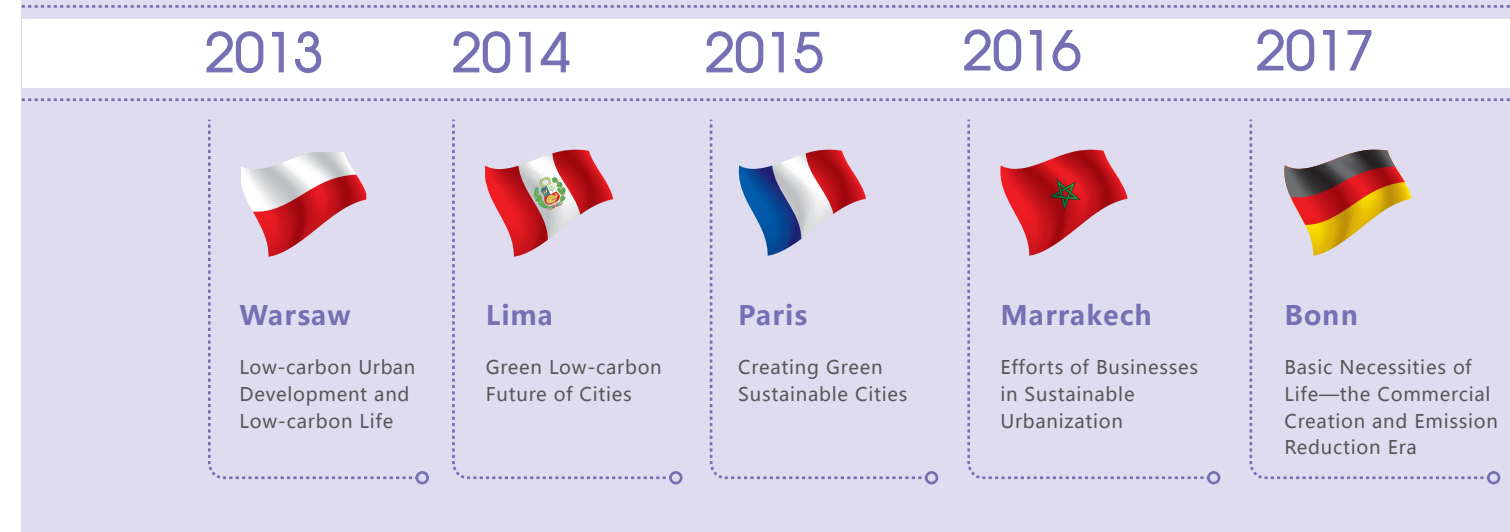
UN climate change conference in Bonn

Climate change has been universally recognized as a severe challenge faced by mankind. In response to this, Vanke has led the Chinese real estate industry and related industries and joined the ranks of energy conservation and emission reduction. Since 2013, the Vanke Foundation has hosted or co-hosted the China Corner Enterprise Day COP of the UN Climate Change Conference for five consecutive years to support "Telling China's Stories" and let the world know that Chinese private NGOs are fighting climate change.

The UN Framework Convention on Climate Change Conference of the Parties 23rd was held in Bonn from November 6 to November 17, 2017. As the co-organizer of the China Corner, the Vanke Foundation organized the China Enterprise Day COP with the theme of Basic Necessities of Life—the Commercial Creation and Emission Reduction Era. Domestically and internationally renowned agencies, enterprises and individuals fighting climate change were invited to discuss related topics. About 30 Chinese entrepreneurs and representatives of industry associations, including Honorary Chairman Wang Shi of Vanke, attended the COP on behalf of 450,000 Chinese enterprises. Enterprises from the textile, real estate, bio-technology, new energy and transportation industries issued an initiative for practicing green and low-carbon ideas, shouldering corporate social responsibility and enhancing green competitiveness, and shared the outlook of the Green Belt & Road.



Themes of China Corner Enterprise Day COP of the UN Climate Change Conference over the Years



International low carbon city forum

Directed by the National Development and Reform Commission and the Guangdong Provincial People's Government and sponsored by the Shenzhen Municipal People's Government, the fifth Shenzhen International Low Carbon City Forum was held in the Shenzhen International Low Carbon City Convention Center from September 7 to September 8, 2017. Organizing the Enterprise Forum on Fighting Climate Change, the Vanke Foundation issued the Green Low Carbon Shenzhen Entrepreneur Initiative. The initiative includes climate awareness, corporate development, information disclosure and international cooperation, and aims to create a social atmosphere where entrepreneurs actively fight climate change, and take better advantage of their role as a platform promoting practical exchanges and deepening international cooperation in green and low carbon efforts.



Bio-diversity protection

Bio-diversity is the foundation for the survival and development of mankind, and an important indicator of the environmental quality and level of ecological civilization of a region. Upholding the development philosophy of sustainability, Vanke has joined hands with many forces to professionally carry out bio-diversity protection measures.

Snow leopard protection

The snow leopard is a huge feline carnivore, and known as the King of Snowy Mountains for its frequent appearance at the snow line and in snow fields. Living in the untraversed mountain areas of Central Asia, snow leopards are the flagship species of the highland ecosystem. Considered an index of soil, climate and water quality, they are extremely sensitive to climate change. In 2014, the Qomolangma National Nature Preserve Administration and Vanke Foundation jointly established the Mount Everest Snow Leopard Conservation Center. The snow leopard protection project launched by the two parties has been committed to the research and protection of snow leopards and their habitat. Four years of sustained efforts have allowed Vanke to obtain abundant research findings. In 2017, the Mount Everest Snow Leopard Conservation Center continued to advance its efforts in scientific research, public education, community development and personnel training.

- Throughout the year, **126** infrared cameras were set up and workers hiked over **210** kilometers to establish the Zhaxizong/Zhaguo Township Monitoring Zone on the foot of Mount Everest, expanding the regular snow leopard monitoring zone to **1,440** square kilometers, occupying **4%** of the total area of Mount Everest;
- The living conditions of villagers of each village and township within an area of **33,800** square kilometers in the four counties within the Qomolangma National Nature Preserve were surveyed and a Qomolangma community database was established for the first time;
- The preliminary development of Tibet's first local digital patrol system in the conservation area was completed (in both Tibetan and Mandarin).

Accumulatively
identify **22**
snow leopards



Snow leopard captured by Infrared cameras in Mount Everest Nature Reserve

River dolphin protection

With the rapid development of the Chinese society and economy, rivers, lakes and their nearshore wetlands have been extensively developed and utilized, generating increasingly severe water pollution and a sharply degraded eco-environment in the Yangtze River. The whale dolphins in the Yangtze River are faced with huge threats of deteriorating habitats and food shortages, resulting in frequent deaths and injuries.

Yangtze River dolphins are the only existing freshwater dolphins in the Yangtze River, and their numbers dropped from 2,700 in the 1990s to 1,000 in 2012. In 2017, the Vanke Foundation joined the WWF Yangtze River Dolphin Protection Program to rescue river dolphins and protect bio-diversity and the important service functions of the ecosystem.



Project Vision

Rescue the endangered river treasure—Yangtze River dolphins – to allow them to live and reproduce in the Yangtze River healthily and safely, co-existing with the rapidly developing economy harmoniously, and providing a successful example for bulding the Living Yangtze River & Ecological Belt & Road drives.

Project Goals

Current Goal

Current Goal: Evaluate Yangtze River dolphin population in 2018, draw domestic and international attention and motivate enterprises and the public to get involved through public education, international exchange, ex-situ conservation and assisted patrols, and establish multi-party cooperation and connection models.

3-year Goal

Implement effective protection measures in the Yangtze's old course ex-situ conservation area, the main stream and other important distribution areas of river dolphins by 2020 to protect at least 600 Yangtze River dolphins and stop the population decrease of the species.

Coral conservation

Providing one fourth of marine organisms with basic food, coral reefs are the cornerstone maintaining the marine ecosystem. Shenzhen abounds in wild coral resources. Affected by human activities, however, the coral coverage rate of the Dapeng Peninsula has dropped from 76% to approximately 30%. The nearshore ecosystem represented by coral reef ecology urgently needs to be restored.

The Coral Conservancy Volunteer Association of Dapeng New District ("Qianai Dapeng") is a non-governmental coral conservancy organization aimed at promoting the ecological restoration of coral reefs in Dapeng Bay and Daya Bay. Continuously supporting Qianai Dapeng since 2016, Vanke has trained divers to be popular scientists, built artificial reefs to plant coral and improved local bio-diversity. To enhance the public's maritime awareness and involvement in environmental protection, Qianai Dapeng offers marine ecology awareness courses in all nine-year compulsory education schools in Dapeng New District in an effort to develop the correct marine values of 6,000 teenagers and influence the community through the children.

On January 1, 2017, the Vanke Foundation joined hands with the Dapeng New Year Marathon to draw the attention of 800,000 running enthusiasts from all over the world to coral conservation through step donation. In August 2017, Qianai Dapeng, Alxa SEE Conservation and the Tropic Oceanology Branch of the Chinese Society for Oceanography jointly held the 2nd China Ocean NGO Forum. Attended by 150 domestic and international welfare organizations, public institutions and enterprises, the Forum appealed to more social forces and resources to explore and get involved in improving marine problems, and gave more people the opportunity to understand, pay attention to and actively engage in marine protection welfare programs.



Mangrove wetland conservation

Coastal wetland ecosystems are environmentally significant to coastal residents. Since 2012, the Vanke Foundation has rendered support to the Shenzhen Mangrove Conservation Foundation ("MCF") for Shenzhen coastal wetland conservation and nature education welfare programs.

In March 2017, Vanke Foundation and MCF jointly hosted the first Environmental Protection Film Festival with the theme of Wild Shenzhen in My Eyes at the Shenzhen Book Mall. Well-known industry figures were invited to the lectures to interpret Shenzhen's "wildness" from different perspectives and call for involvement in mangrove conservation. A total of 9 films were screened and watched by 500 viewers.

Meanwhile, Vanke Foundation sponsored MCF environmental protection programs in Futian District. In 2017, MCF made efforts in bio-diversity monitoring and research, mangrove wetland restoration, lakelet wetland plant improvement, park soil improvement, Sonneratia apetala research and control, and eradication of invasive alien species. The ultimate goal is to provide specific and effective research support for mangrove conservation, and explore new conservation models for coastal wetlands represented by mangroves.

Green village source

As pointed out in the No.1 Central Government Document of 2018, ecological livability is the key to rural revitalization. Supported and promoted by the Vanke Foundation and Vanke Honorary Chairman's Office and initiated by the Shenzhen Dadao Climate Change Control Promotion Center, the Green Village Source Program is committed to rural poverty alleviation, greenness and environmental protection, and environmental health efforts. Vanke expects to work with grass-roots government and non-governmental forces through focus on rural clean energy sources providing rural areas with integrated green development solutions to make greener, more beautiful and livable rural areas.



Honorary Chairman Wang Shi of Vanke led CURA and technology experts to rural areas for green village research

Exchange for clean cookstoves

Vanke has successively promoted the clean cookstove exchange based on secondary air distribution technology in 500 pilot rural households of 8 natural villages in Yan'an, Baoji and Xi'an, Shaanxi Province. The clean cookstoves are expected to resolve the air pollution problem resulting from irrational cookstove structure and inadequate fuel burning, so as to fundamentally reduce and prevent the risk of carbon monoxide poisoning of the villagers. According to the data revealed by the Institute of Earth Environment of Chinese Academy of Sciences, secondary air distribution clean cookstoves can reduce as much as 50% of the pollutant emissions.



Traditional Hearths before Exchange



Efficient Cookstoves after Exchange

Clean heating technologies

Passive residence + solar energy, air source heat pumps and other clean heating technologies have been introduced to rural residences on a pilot basis as replacement for old stoves. The indoor temperature is raised through clean renewable energy sources to improve the living environment and keep the indoor temperature above 16 °C in winter.

Utilization of clean fuels

In rural areas, most cereal straw is burned without effective treatment, polluting the environment and wasting resources. In response to this, Vanke has helped villages set up biomass forming fuel plants processing cereal straw and providing fuel for local power supply enterprises. The orderly utilization of biomass straw resources has not only decreased air pollution caused by burning straw in the paddy fields, but also provided job opportunities for 30 poverty-stricken households to help rural poverty alleviation via industry. So far, these plants have cumulatively supplied over 10,000 tons of charcoal, reduced the emissions of 50 tons of particles, and reduced the emissions of 6,000 tons of gases.



Rural environmental protection education

To improve the environmental protection awareness of the villagers, Vanke has introduced and supported the NSSFC program Common People's Air Pollution Cognition Theory with the Institute of Science, Technology and Society, Tsinghua University. With the support of Youth League Committee of Yan'an University, Vanke has helped built the Yan'an University Fieldwork Team to carry out extensive research on social sciences and environmental education activities and promote environmental health ideas in the grass-roots. Furthermore, Vanke has rendered support to the free medical consultation service launched by the Affiliated Hospital and Medical School of Yan'an University, in an effort to spread health knowledge among the villagers.



Social involvement motivation

Led by Vanke, ROFFAR, YAHE Group, Xuanyuan Investment Group, Ziya Xuegong, the Institute of Earth Environment of Chinese Academy of Sciences, Tsinghua University and Yan'an University jointly initiated the Xi'an Green Rural Source Environmental Protection Charity Foundation. Thus far RMB3 million has been raised to push forward rural poverty alleviation, environmental protection and environmental health programs.

Educational Development

Attaching great importance to the education and growth of children and teenagers in poverty-stricken areas over the years, Vanke has been supporting the development of elementary education in these areas in a pragmatic, consistent and profound way. Supporting rural education in West China, balancing regional difference and urban-rural difference and providing educational opportunities for the kids to grow into talented adults, Vanke has brought growing force to the development of poverty-stricken areas.

Sichuan Zundao School

Since its funding of the construction of Zundao School after the Wenchuan Earthquake in 2008, Vanke has been following the development of Zundao School closely. With the support of Mianzhu Municipal People's Government and Education Bureau, Zundao School founded the Educational Development Committee. For the past 9 years, Vanke volunteers have worked with educational experts from Deyang and Mianzhu to promote the educational reform of Zundao School and continuously set up scholarships and faculty grants. The students' high school entrance examination results were among the worst in the city before the earthquake, but now come out on top. The school's rate of students enrolled into key high schools now ranks first among similar schools in the city.

In 2017, Vanke funded RMB2.2 million for school building renovation; the management and employees voluntarily donated about RMB400,000 to support capability development for teachers and students. Vanke also actively involved its partners in charity programs. Dell set up a Dell Learning Center. Multiple entrepreneurs made donations to establish charity programs like Wu's Scholarship, Seedling Scholarship, Flame Plan, Huirong Reading Corner, Huapu English Project and Songkai Educational Fund. People from all walks of life have shown their care through the welfare platform of Zundao School, and students of Zundao School have repaid the truth and beauty of the world with continuous growth and progress. A total of 96 students of Zundao School has been admitted into universities since 2008. About 100 Vanke employee volunteers have worked as mentors to help them better adapt to society. Among these students, some have become Vanke employees.

It takes ten years to grow trees, but a hundred to rear people. Thanks to the continuous support of Vanke, this century-old school is gathering strength to change the future paths of rural kids.



In December

In December 2017, Zundao School unveiled its 9th Science Festival. All students watched the science demonstrations, and experienced the Caravan on Campus and interaction activities. From the varied events, the students felt the charm of science.

In June 2017, Vanke invited Zhao Xiaoli, Sichuan's first Women Canoe Cup champion and champion of the Canoe Sprint World Championships, to Zundao School to build a rowing team. The sixth and seventh grade students and their parents participated in the Land Rowing Challenge and experienced the passion of rowing.

In June



In May 2017, Zundao School organized an event named Light the Artistic Dreams of Kids—Mobile Galleries in Deyang. Through art exhibitions, artist lectures and art practice courses, mobile galleries were brought into this rural school to integrate quality education and cultural education and develop an international artistic vision in the kids.

In May



Rural educational support

"Beautiful China" Vanke Project

In major economically developed cities of China, about 80% of the students can enter college. In poverty-stricken rural areas, however, only 5% of the academically outstanding students can receive a college education.

In 2017, Vanke participated in the Beautiful China charity program in support of college students engaged in educational support programs in Yunnan. In the past academic year, the program sent 40 college students to 17 schools of Binchuan County, Weishan County, Heqing County and Nanjian County of Dali Bai Autonomous Prefecture and Lincang City of Shuangjiang County. These educational support teachers influenced 9,288 students and provided about 25,000 quality lessons, over 60% of which were in Chinese, Mathematics and Comprehensive English. They further imparted their teaching ideas and methods to local teachers, so as to influence more local students.



Vanke Guixin Rural Teacher Support Program

Working in a harsh teaching environment over a long period of time, rural teachers often dedicate their youth or life to rural kids in obscurity. However, their meager income and underdeveloped insurance system leaves them unable to cope with accidents and serious diseases, greatly limiting the quality development of rural teaching teams. Meanwhile, Chinese rural schools in underdeveloped regions are extremely short of excellent books, and proper extracurricular books for children in particular! Although a number of schools are provided with good books, the rural teachers limited by their reading ability can't inspire the kids' enthusiasm for reading, and the libraries are not fully utilized. As an integral part of global educational reform, science education is not adequately implemented in rural areas, and science research activities are severely lacking.

To improve the elementary education environment in rural areas of China, abide by the principles of equality and mutual assistance, and cordially aid rural teachers and students at an economic, social or physical disadvantage, Vanke worked with the Guixin Foundation to launch the Vanke Guixin Rural Teacher Support Program. In response to the status quo of elementary education in Zhenfeng County, Guizhou Province, the Program started by eliminating the worries of rural teachers and shortage of quality extracurricular books at schools in poverty-stricken areas and enhancing the science education level of rural schools, while supporting local educational development, and better developing the learning and practical ability, innovative thinking, scientific spirit and independent personality of rural kids.



Training expert Gu Yuntao giving a lecture

Conducting experiments with the kids

In 2017, Vanke donated 130,000 quality books for 45 rural schools; donated science experiment kits for 15 rural schools; provided science lesson training for 81 teachers from 78 schools; conducted four sessions of professional competence and psychological training for rural teachers; and supported the insurance program for 1,298 teachers from 144 rural schools, benefiting 40,524 teachers and students.

Children's Health

Children's health involves the hopes and future of the country. As an active promoter of care programs for special children, Vanke has been working with all forces to weave a care network and provide multi-layer support and assistance for the treatment and rehabilitation of special children, and strive to create a healthy and beautiful life for these children as normal kids.

Relief for children with birth defects



Affected by economic conditions, medical conditions, geographical conditions, traditional culture and health knowledge popularization, birth defects have become an increasingly prominent public health and social issue. In 2017, Vanke Foundation donated RMB10 million and saved 226 poverty-stricken children through the Birth Defect Program of Ai You Charity Foundation. From Hunan, Jiangxi, Sichuan, Jiangsu and Shanxi Provinces, these children suffered from 20 birth defects, including premature delivery, neuroblastoma, congenital intestinal atresia, congenital megacolon, congenital choledochal cyst, congenital hydrocephalus, craniofacial anomalies and congenital dislocation of the hip joint. Tiding these families over through the most difficult treatment stage, we saved the lives of their children and gave them hope again.

Care for orphans with severe illness

Recent years have seen China's increasing investment in child welfare organizations and children's departments of social welfare organizations. Limited by the low medical levels, inadequate management fees and inadequate staffing of welfare organizations, orphans suffering from severe illnesses in certain areas can't receive the best medical help in a timely manner. Orphans receiving medical help don't have professional pre-operative and post-operative medical care and newly admitted premature and weak orphans don't receive professional medical care. Starting from 2014, Vanke has worked with Ai You Charity Foundation to set up Silk Orphan Care Centers in Wuhan, Kunming and Nanchang. Now the three Care Centers are equipped with 174 beds and staffed with 124 medical care workers.

- In 2017, the program provided funds for **536** severely ill orphans
- Since the launch of the project in 2014, **1,353** severely ill orphans received professional care and gained a new life with the financial support of the Vanke Foundation.



Care for children with autism

As a severe worldwide infantile disorder, autism can lead to children lacking social abilities and being unable to take care of themselves. They can only be helped through scientific behavioral intervention and professional rehabilitation training. At present China has over 10 million autistics. These patients and their families require support and assistance from social forces.

Starting in 2017, Vanke Foundation began integrating autism support program into the Three Sun Action Programs, and building a powerful rescue network for autistic children in desperate need of help via special education teacher support, parent involvement and community support. Throughout the year, Vanke donated RMB3.27 million to 48 autism organizations; more than 4,000 families participated in community of integration activities; parents took advantage 8,000 respite care sessions; and nearly 2,000 front-line special education teachers obtained professional training to provide autistic children with better rehabilitation training.



National Autism Special Education Teacher Reward Program

An RMB2 million fund was set up to provide a multi-level support system for outstanding autism special education teachers via granting Outstanding Special Education Teacher Incentive Payments, providing further study and training opportunities and supporting innovation programs.



Autistic Children's Parent Respite Care Program

Working with autism rehabilitation agencies and parent organizations to give autistic children the care of special education teachers and other professionals to allow parents to relax and enjoy a short break while providing psychological assistance to the parents.



Autism Family Community Integration Program

Working with the Vanke Customer Relationship Center, Vanke Service and autism related agencies to create integration scenarios and mobilize the involvement normal families to help autistic families integrate into normal community life.



Vanke Expands its Care Events for Autistic Children to Hong Kong

On November 26, 2017, Vanke Hong Kong joined hands with the Hong Kong-based charity organization the Heep Hong Society for the first time to organize an outdoor activity for autistic children. Joining the events were mostly autistic children and a small number of children with developmental retardation and specific learning disabilities. The volunteers of Vanke Hong Kong attended the event on a one-to-one basis to help the children enhance their ability to communicate with strangers.



Children with congenital heart disease

According to the statistics revealed by the national health authority, China has 150,000 to 200,000 newborns suffering from various kinds of congenital heart diseases every year, most of whom are born in financially disadvantaged regions. Without timely treatment, babies with serious conditions will die in infancy and the rest will die before adulthood. A small number of them who live to adulthood will become physically disabled due to abnormal development and lose the ability to work, generating enormous economic burdens and mental stress for their families and the society.

The Vanke Foundation, together with the Ai You Charity Foundation, Hainan Medical Relief Foundation, Beijing Chunmiao Children's Relief Foundation, Shenzhen Charity Federation and Tencent Foundation, carried out charitable activities to help poor children with congenital heart disease. In 2017, we assisted a total of 149 sick children with congenital heart disease. Since the program was launched in 2009, it has helped 2,981 sick children from poor rural areas undergo surgery and given away over RMB30 million.



As opposed to the passive alleviation of many charity programs, Vanke introduced the volunteer visit model where volunteers visit the children patients before and after the operation at their own expenses. The problem of hospitals being unable to evaluate the economic conditions of applicants can be effectively resolved. Through independent volunteers and quantified economic assessment forms, Vanke makes an objective assessment of the economic conditions of the applicants' families to give timely aid to the neediest patients. Since its implementation, over 1,500 volunteers signed up to visit families with children suffering from heart diseases at their own expenses, and cumulatively travelled over 1,000,000 kilometers.

Historic Building Conservation

Historic buildings are carriers of culture and the soul of urban memories. Through donations and partnerships, Vanke Foundation has supported the conservation and restoration of historic buildings to maintain their historical significance, unique architectural style and structure and safeguard the precious spiritual wealth left by our ancestors.

Environmental improvement of Wulong Temple

Wulong Temple is also called Guangrenwang Temple. Located in Zhonglongquan Village 4km northwest of the seat of Ruicheng County, Shanxi Province, it's only 1-km away from the world-famous Yongle Temple Murals. Perched over a platform, Wulong Temple is built for and named after the Dragon Spring beneath the platform. According to textual research, the Main Hall is a heritage structure from the fifth year of the reign of Taihe in the Tang Dynasty (831 A.D.) , one of the four intact Tang buildings in China and the earliest extant Taoist building. In 2001, Wulong Temple was listed as one of the Fifth Batch of Protected Major Historical and Cultural Sites at the National Level. The last restoration of Wulong Temple was completed from late 2013 to early 2015 with national funds for cultural relics. However, the surrounding environment was still harsh. The declining water level in recent years dried the original Wulong Spring under the temple. Due to the loss of the rain prayer culture in Dragon King Temple and weakening role of the Village Neighborhood Center, villagers no longer considered Wulong Spring a spiritual center.

In 2015, Vanke worked with the Shanxi Culture Relics Bureau, Ruicheng County People's Government, Taiyuan Vanke, URBANUS, the Architectural and Cultural Heritage Conservation Center of the Architectural Design and Research Institute of Tsinghua University and Shanxi Youth Daily to launch China's first charity fundraising program for historical and cultural relics—the Dragon Plan. The funds raised through the Vanke Pavilion at the 2015 Milan Expo were used for the environmental improvement project of Wulong Temple with the total expenditure of RMB6 million. Through the environmental improvement charity design of URBANUS and the quality construction of the Vanke's team, the restoration and environmental quality improvement of Wulong Temple was completed with national cultural relic conservation funds in nearly one year. With deeper explorations in its ideology, humanistic spirit and moral norms, this isolated ancient temple has been transformed into a museum of Chinese historic buildings, blending into the modern life of the locals and continuously nurturing the land.

The environmental improvement design was carried out in two lines. First of all, the spaces were restructured based on the Temple's design and displays were placed to allow visitors to better appreciate, read and understand the cultural relics. Secondly, the environmental quality of Wulong Temple was improved and its significance re-interpreted to strengthen its cohesion and allow the villagers to re-gather and re-connect in this public space passed on from generation to generation. It has further offered an opportunity for reshaping spiritual values in rural areas and manifesting the perpetual charm and epochal charisma of Chinese culture.



In May 2017, the Wulong Temple Environmental Improvement Charity Project was honored with the 2017 Plan Award for Public Space Design.



Cultural heritage conservation of the Palace Museum

Founded in 1925, the Palace Museum is known for its massive wood structure architectural complex and rich collections. As China's largest museum of ancient culture and art, the Palace Museum has stood for over a century and some of its ancient buildings are yet to be restored.

Upholding the tenet and vision of preserving China's historical relics and carrying forward traditional Chinese culture, Vanke Foundation joined hands with the Palace Museum and Palace Museum Cultural Relics Protection Foundation through donations in 2016 to support the cultural heritage preservation and development of the Palace Museum.

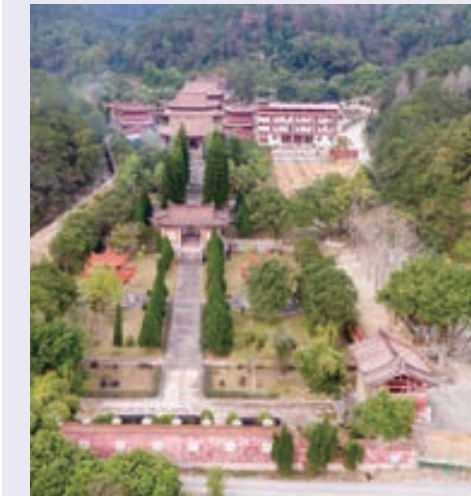
With the support of Vanke, the Palace Museum unveiled the Hall of Ancestry Worship Research Protection Project in August 2016. Institutional innovation was accomplished via social forces to explore a craftsman recruitment system; material supply bases were established as per the imperial building standards, and cultural relics were refined in strict accordance with the traditional processes and high-level restoration requirements to provide alternative materials and models for the conservation of Chinese cultural relics. In another aspect, strategies, policies, technologies and methods of research restoration were explored with the guidance of international chapters and a focus on value assessment and respect for Chinese architectural heritage, so as to establish typical examples for management, institutional and technological innovation of characteristic Chinese heritage conservation. In 2017, preliminary data collection, research, site surveys, reproduction category identification and statistics of cultural relics, technical discussions, local experiments and compiling techniques were completed and determined.



Conservation of Wanfu Temple, A Historic Tang Dynasty Building

Built in the fifth year of Zhenyuan's reign in the Tang Dynasty, Huangbo Mountain Wanfu Temple is located in Yuxi Town, Fuqing. It's the birthplace of the mainstream Zen Linji Sect and the global ancestral temple of the Huangbo Sect, and was listed as one of the national key open temples of Chinese Buddhism by the State Council in 1983. The catastrophic flood in 1987 sunk the ground and broke one third of the east section of the Main Hall. Other halls suffered from varying degrees of collapse. Together with severely rotten rafters and sunken tiles, Wanfu Temple was rated as a dangerous building by the cultural relics authority.

In the end of 2016, Vanke Foundation and Fuqing Charity Federation donated RMB10 million to Huangbo Mountain Wanfu Temple for historic building conservation. The conservation project is expected to be completed in three years starting from 2017.





Health Campaign

In 2017,
42 cities
Hosted **84** Run
for Fun events
Which were
attended
by **3,643**
enterprises,
9,500 families
Totaling
130,000
persons

Vanke is often referred to as the "Sportsmen Co., Ltd." It's an accurate description of the love of sports and health of Vanke members. Over the years, Vanke has been committed to promoting various forms of healthy sports, drawing more and more people to exercise with its increasing social influence to "Create a Healthy and Enriched Life".

Run for Fun

In 2013, Vanke initiated and sponsored the 5-km Urban Run for Fun event to motivate more enterprises to pay attention to employee health and advocate an optimistic and positive working pattern and lifestyle. To draw more people to the national fitness program, Vanke has gradually developed this event into a series of Run For Fun events—the Urban Run for Fun to inject health and vitality into the cities, the Community Run for Fun to promote family harmony, the Campus Run for Fun oriented toward college students and the runner-centered full marathon.



Since its establishment, Run for Fun has been organized in **60** major cities **17,000** enterprises

Over **300** activities About **24,500** families

Over **600,000** participants **50** colleges and universities

In 2017, Vanke was rated as a National Advanced Mass Sports Unit for 2013-2016 by the General Administration of Sport of China for its successful convening of Run for Fun events for five consecutive years.

Urban Run for Fun

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

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

Community Run for Fun

With a focus on families, the Community Run for Fun is designed for community residents who love charity programs and uphold a healthy living philosophy. It is dedicated to spreading the message of health and happiness in the community. Through healthy running, we promote community and family relations. The Community Run for Fun joined hands with Vanke's "Each Step with Love" to launch fundraising for autistic families. In addition to the entry fees of all participants, Vanke Foundation also launched a matching gift program at a 1:1 ratio for participants. All donations will be used to support charity programs for autistic families to convey gratitude and love for autistic kids.

Campus Run for Fun

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



New Year Marathon

On January 1, 2018, 3,500 domestic and international Marathon lovers greeted the dawn of the New Year on the sea and mountain track in Dapeng, Shenzhen. Running in the first rays of sunshine of the New Year, they finished the 42.195-km marathon with a completion rate of 95%.

Initiated by Vanke in 2014, the Dapeng New Year Marathon is an annual carnival for running enthusiasts. With the spirit of "Run for Health, Run for Happiness, Run for Friendship", and the theme of "Run to Usher in the New Year", the event aims to focus on the running experience of runners without prizes or pursuing a good placement. In addition to the full marathon, a parent-child marathon was designed for the whole family to embrace the happiness of running together.



Since its establishment, the Dapeng Marathon has practiced the idea of sports and charity. The Dapeng Marathon this year offered charity entry quotas. The RMB106,500 entry fees of 71 charity marathoners will be fully donated to Shenzhen Children's Hospital for surgical treatment of seriously ill financially-disadvantaged kids to help them regain their health. The Dapeng Marathon continued to work with the Tencent Foundation to launch the Global Same Start step donation event. For this marathon, 983,244 marathoners donated 13,464,710,000 steps and Vanke Foundation accordingly made a donation of RMB800,000 to Shenzhen Dapeng New District Mountaineering & Outdoor Sport Association. The donation will be used to develop teenager outdoor education programs, develop their awareness of environmental protection and respect for nature, and enhance their safety awareness and self-protection abilities.



Rowing

Rowing is an elegant, zero-pollution and team-spirited international water sports event. Committed to the promotion of rowing, Vanke has extended the spirit of rowing from sports to the environmental protection and charity sectors, and supported sustainable development of the society through rowing.

Promoting the development of popular rowing



In September 2007, Vanke organized its first rowing activity and established its first popular rowing team. For the past decade, Vanke rowers have won numerous No.1 titles in Chinese popular rowing—organizing the first popular master game, establishing the first popular rowing club and attending the international master games as an enterprise for the first time. Vanke and Honorary Chairman Wang Shi have led the development of China's popular rowing, and improved its popularization and public involvement. By the end of 2017, Vanke had established 22 rowing teams across China and was training about 400 rowers on a regular basis. Chinese popular rowing has grown from nothing to a sports event with approximately 150 clubs.

Deep dive camp

Starting in September 2014, Deep Dive Camp is based on the healthy and enriched corporate culture of Vanke and an international horizon. Training programs are designed to emphasize ethical business cultural values and developed via sports, learning and cultural exchange to help Chinese business leaders improve their comprehensive abilities. In 2017, Vanke offered 11 domestic and international Deep Dive Camps, 9 of which were entrepreneur camps and 2 of which were youth camps. Based in Mainland China, Hong Kong, Japan, Dubai, U.K., U.S., Germany and Italy, these camps were joined by 99 trainees. Deep Dive Camp has further offered optional rowing courses in 13 nationally famous high schools, including the Renmin University Affiliated High School, Shanghai Fu Dan High School and Shenzhen Vanke Meisha Academy, so as to enrich the extracurricular activities of the teenagers and develop their teamwork awareness and leadership.



Asian Rowing Coastal Championships

In December 2017, the Asian Rowing Coastal Championships sponsored by the Asian Rowing Federation and undertaken by Vanke Deep Dive and the Chinese Rowing Association was held in Shenzhen. This was the first official coastal rowing event and an A Class event as defined by the General Administration of Sport of China. Rowing athletes and enthusiasts from 12 countries and regions, including South Korea, Thailand and Singapore, gathered in Shenzhen to present a high-level Asian coastal championship. Such events as the Land Dynamometer Game, Entrepreneur Summit Forum, Beach Culture Festival and Rowing Experience Day were launched to promote a healthy and recreational lifestyle. Integrating sports and health, fashion culture, public welfare and environmental protection, recreation and entertainment, this new international IP event has become a joyful celebration for different age groups in Shenzhen.



Rowing charity

By supporting the Asian Rowing Federation, the Vanke Foundation advances the development and promotion of rowing among the common people in Asia. Meanwhile, the Vanke Foundation works with the WWF to promote conservation of water resources and Yangtze River Dolphins. Combining competitive sports with environmental welfare programs, Vanke aspires to enhance the environmental protection awareness of the people.

Rowing speech

In 2017, Vanke initiated the Rowing Tour to World Famous Universities to promote rowing in Harvard University, University of Michigan and other universities, and facilitated the establishment of the Chinese Rowing Team of the University of Michigan. This is another milestone for the development of Chinese rowing in internationally renowned universities after the founding of the Chinese Rowing Team of the University of Oxford and the University of Cambridge.

Domestically, Vanke presented rowing forums and Honorary Chairman Wang Shi gave speeches in the Peking University HSBC Business School, Yangzhou University and Yan'an University. Together with the WWF and Asian Rowing Federation, Vanke has extended the rowing philosophy from the sports field to environmental protection and public welfare sectors.



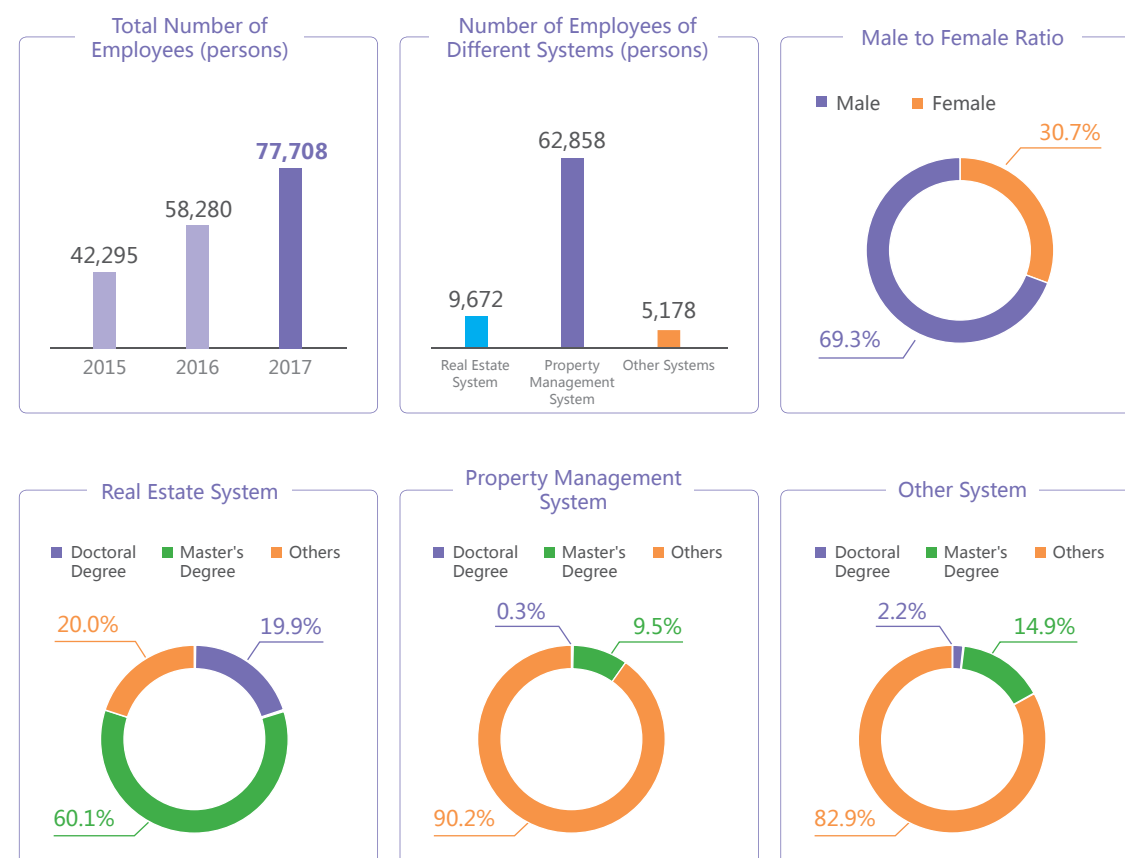
Wang Shi Giving a Speech in Harvard University on the Rowing Tour to World Famous Universities



Care for Employees

Talented employees are like a rational river which always flows into valleys. Committed to creating a working environment where employees can give full play to their talents, Vanke joins hands with its employees for common development and growth through the partnership culture of Consensus, Co-creation, Joint Responsibility and Sharing and the Sunshine Mechanism.

Employee Structure



Employees' Rights and Interests

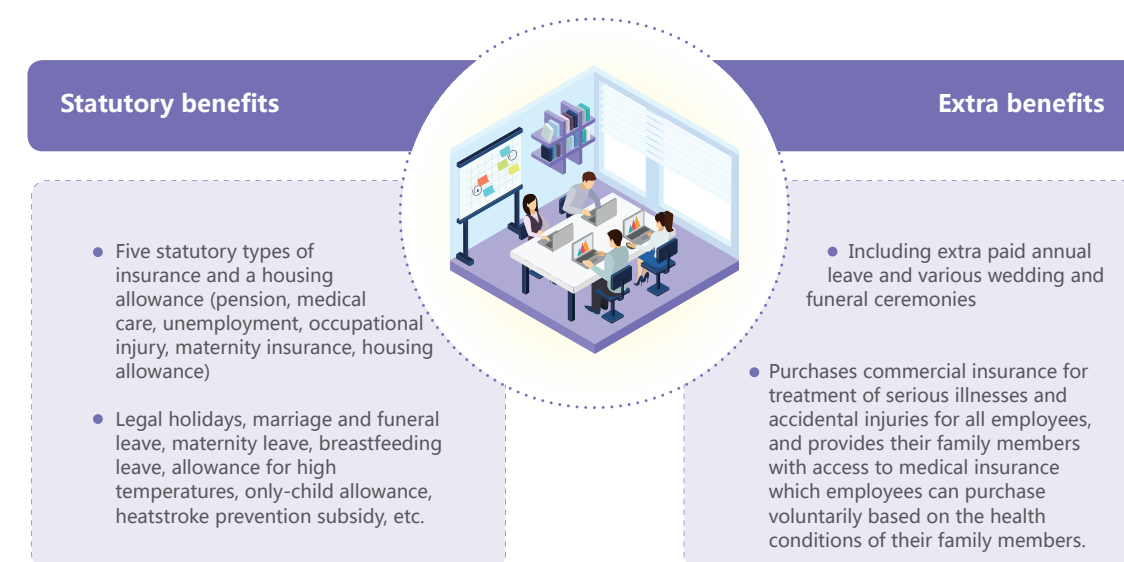
Vanke attaches great importance to the protection of employees' rights and interests, and carries out human resource management in strict accordance with applicable laws and regulations, providing equitable and just platforms that inspire excellent achievements and allow employees to give full play to their talents.

Fair employment

In strict accordance with the Company Law, Labor Law of the People's Republic of China and International Labor Organization and other laws and regulations, Vanke formulates the company's human rights policy and measures. Offering equal and fair opportunities for employees, Vanke does not discriminate by race, skin color, gender or age in hiring, and opposes child labor and all forms of forced labor and also regardless of gender, disability, family status, pregnancy, religion, age etc.. Meanwhile, we are committed to developing and enhancing the knowledge, experience and skills for our employees and providing diverse career and personal development opportunities to build an energetic, diversified and sustainable employee team. A comprehensive framework together with detailed human resources management policies are embedded in our staff handbook. The handbook provides information and guidelines to staff in the areas of working conditions, training, an 8-hour work system and reasonable career promotion channels. In 2017, there were no confirmed incidents of non-compliance with such laws or regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

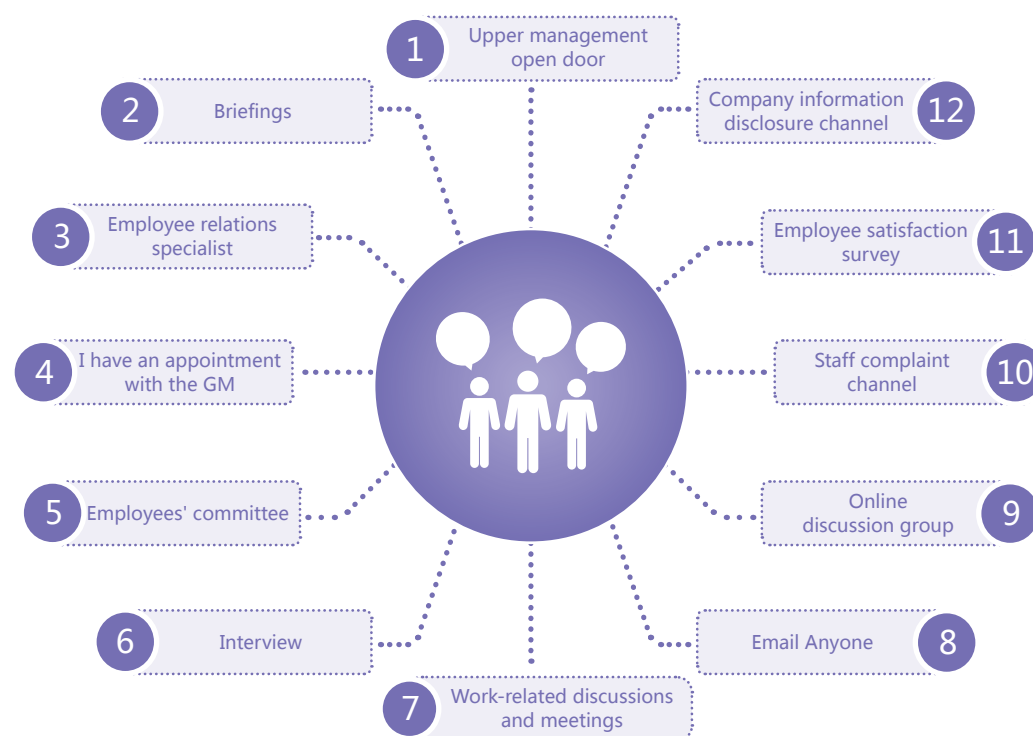
Remuneration and benefits

Guided by the philosophy of "providing a competitive salary in the industry to retain and attract excellent talent following market-oriented principles", we pay our employees based on their positions, abilities, performance and market level. Upon achieving performance superior to the average level of the industry, the employees will be able to receive a salary and reward higher than the average level of the industry. Providing employees with welfare programs and other benefits and subsidies as per the state provisions and standards, Vanke secures a decent job and a quality lifestyle for its employees.



Democratic communication

We offer 12 communication channels for employees to reach the management of the company in the most transparent, smooth and effective way.



Forefront Voice

To help the management listen to the true voice of employees in a more complete and distinct manner, Vanke initiated the Forefront Voice Plan in 2017. Front-line employees can voluntarily send emails regarding business development suggestions and comments to the Chairman of the Board to express their true thoughts and voice.

Battlefield Report

To better put the corporate culture of Customers First and Strivers Foremost, Vanke launched the Battlefield Report Plan to work with the Forefront Voice Plan. Coworkers on front-line exchanges, business trips or surveys can voluntarily give feedback about front-line business operations to the Chairman of the Board. It's an important supplementary channel for the management to learn about front-line business operations.

Occupational health and safety

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

Employee Health

Vanke invests in the health of every employee and encourages employees to extensively participate in "sweating", "sunshine" and "team-based" sports.

Physical fitness test

Physical fitness testing is one of the important tasks in Vanke's employee health management system, and is linked to management bonuses. Each year, we invite a professional third-party institution to carry out physical fitness tests for the employees. If the stamina or health status of employees (BMI indicators) has declined or they fail to pass the test, certain management bonuses will be deducted. According to physical fitness test results in 2016, bonuses of the management personnel in departments with employees failing the physical fitness test were deducted in early 2017, and used to reward the 181 employees participating in the physical fitness test for two consecutive years and maintaining good results in 2017 from Headquarters (including the Technology Company).

2017 Physical Fitness Test	Type	Test Indicator
Participation Rate 99%	Shape	Height, Weight
	Function	FVC, Step Test
Excellence Rate 98.3%	Fitness	Grip strength, Push-ups (male), 1-min sit-ups (female), Vertical jump, Sit and reach, Choice reaction time, Standing on one foot with eyes closed



Vanke sunshine associations

If you don't have time to exercise, you will have time to get sick. As a promoter of health culture, Vanke has established a variety of sports associations to encourage active involvement of employees in physical fitness, and for teamwork improvement via collective exercise. Now the booming sports associations have become a new signature brand of Vanke's "sports diplomacy".

By the end of **2017** Vanke had founded **12** sports associations and clubs Headquarters organized about **370** events Enjoyed by **4,755** participants



Employee Development

Learning is the only certain choice in this era of uncertainty. Dedicated to building a learning organization, Vanke has established an all-round talent training system to provide each employee with learning and training opportunities necessary for growth, and develop career successors for Vanke's future.

Fendouzhe University

With the business transformation and upgrade of Vanke as an urban builder and life service provider and the implementation of the business partnership culture and mechanisms, Vanke Fendouzhe University and colleges in respective business units were established in 2017. Upholding the mission of "Working with One Heart and Fighting as Partners" and the talent philosophy of Strivers Foremost, Vanke Fendouzhe University encourages and helps strivers to become our business partners. In the future, Vanke Fendouzhe University will focus on empowerment motivation, cultural confidence, ecosystem establishment and reform promotion, service Vanke's ecosystem, continuously inspire the spirit of strivers, and facilitate the value realization and common achievements of each individual.



► Headquarters training system

Mount Everest Action

Aim to discover and train business partners with a spirit of striving. The pioneering ultimate group experience training helped extensively spread and promote the new culture of hard work, inspired the leadership and creativity of trainees to win the future in the era of uncertainty, and motivated the trainees to work together as partners. The 44 trainees of the Mount Everest Action Class III completed 7 training sections within 26 days in 2017.

Striver Training Camp

In 2017, the Striver Training Camp consists of 4 classes and 230 strivers. Cultural programs, mountaineering and business practices were integrated to provide some of the best high altitude climbing training. Strivers worked together as partners to lead industrial innovation.

New Power (NP) Camp

In 2017, the NP18 Training Camp joined by 355 employees lasted for 23 days and offered 21 quality programs. The pioneering 3-day 2-night Dajia Island Survival Program led by 49 outstanding internal and external mentors and integrated with Group celebrations pushed forward cultural reform and inspired innovation.

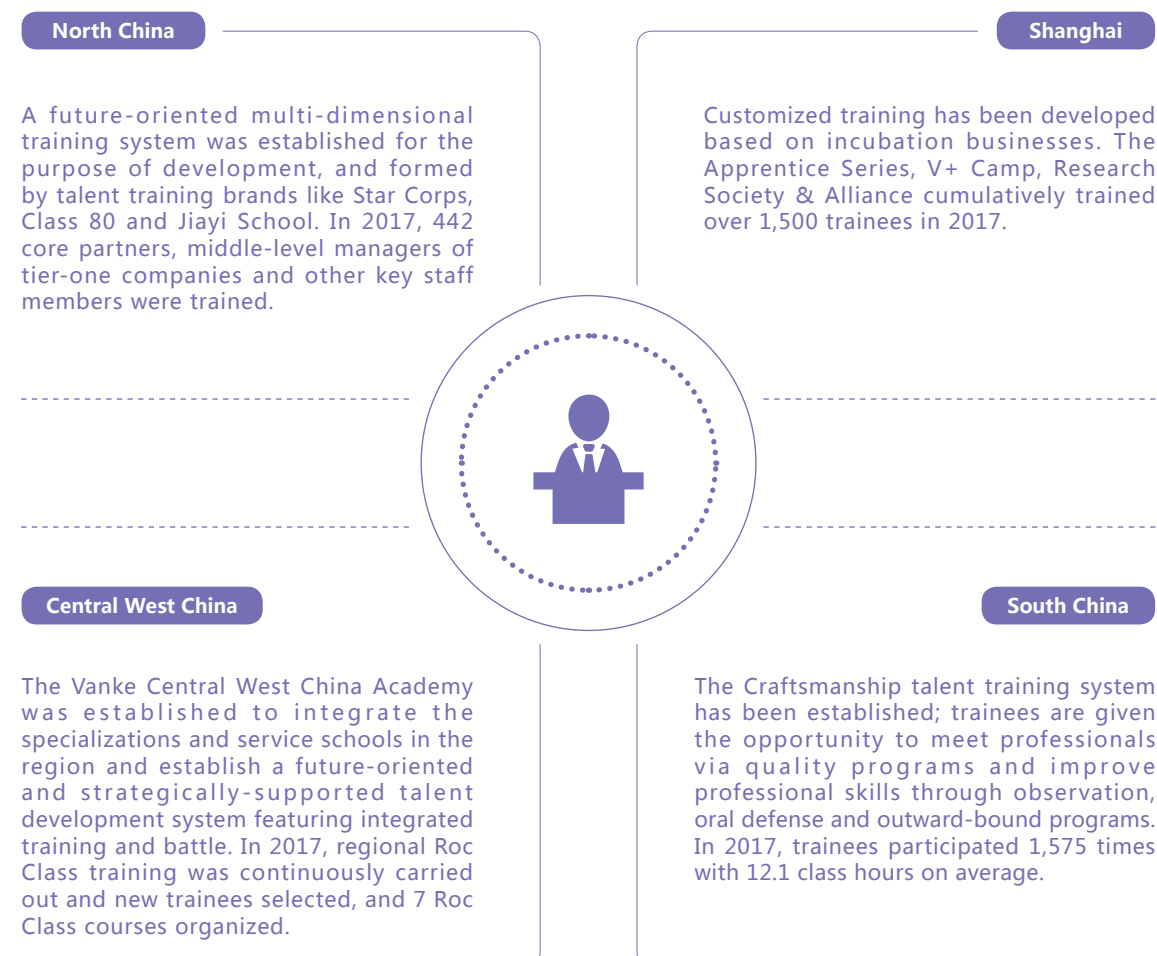
New Employee Orientation (NEO) Camp

In 2017, the NEO Camp joined by 1,600 new employees lasted for 6 days. Led by 37 internal and external mentors, the NEO Camp offered 16 quality programs to illustrate the development history of Vanke and the ecosystem of urban supporting service providers. The 13-hour presentation of business partner culture motivated the newcomers to Work with One Heart and Fight as Partners and build beautiful cities together.

Vanke Lecture Hall

In 2017, the Office of the CPC Vanke Committee and Vanke Fendouzhe University joined hands to offer lectures for all employees. Leading guest speakers, entrepreneurs and founders of the industry and internal experts were invited to give 14 lectures, including 7 Meeting Leading Figures lectures, 5 New Business Carnival lectures and 2 Crossover School lectures. Employees joined the Vanke Lecture Hall about 13,000 times to expand their horizon and improve their competency.

► Business unit training system



Property service training

To better service owners, Vanke has been expanding its property service team and improving the professional skills of service staff. A complete set of employee training and development systems has been established, including the standard service post training system, high potential talent development and training system, and on-the-job ability improvement project system.



Employee Care

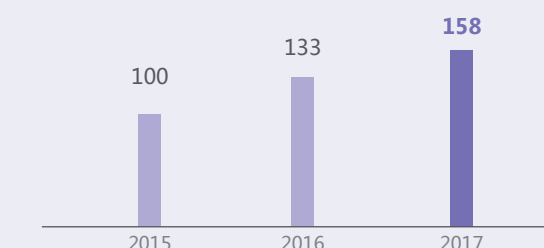
Vanke's care for employees goes beyond work. Specialized employee assistance plans have been launched to provide essential funding and emotional support for employees faced with hardships in life to ensure the happy life of each Vanke member.

Vanke fraternal society

Initiated and managed by the Employees' Committee of Vanke, the Vanke Fraternal Society is aimed at "keeping an eye out for each other - all for one, one for all - and enhancing Vanke employees' capabilities in addressing emergencies through team work". The Fraternal Society has set up the Assistance Fund composed of member fees and Employees' Committee funds. A specialized organization has been entrusted for investment operation and value appreciation.

Since its establishment in 1998, the Fraternal Society has helped 163 members who suffered from major catastrophic events, and provided a total amount of RMB9.18 million in subsidies. In 2017, 25 Vanke employees were aided with RMB 1.58 million. These aids from all members of the Fraternal Society have provided enormous emotional comfort and material support for employees hit by catastrophes.

Amount of Aid by the Fraternal Society (RMB10,000)





Win-win Cooperation

As an urban builder and life service provider, Vanke is committed to building open platforms connecting enterprises inside and outside of the industry and developing an ecosystem centered on its businesses, so as to better service people's demands for a good life under a mutually beneficial and win-win model.

Supplier management

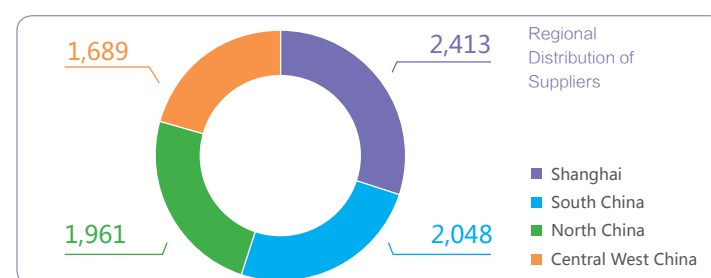
To guarantee quality resources and establish a benign competitive environment, Vanke has assessed and graded its suppliers and issued a list of qualified suppliers since 2013. The list of qualified suppliers has become an important basis for measuring Vanke supplier management.

Enhancing supply chain competitiveness

To eliminate environmental risks in supplier construction, we pay more and more attention to environmental performance in selecting suppliers during our supply chain management. Vanke required suppliers to comply with national environmental laws and regulations, and tried to deal with related problems in the construction process in accordance with relevant standards and requirements of ISO14001 environmental management system. In 2017, Vanke upgraded its supplier assessment methods and implemented the real-name assessment system. Third party quality assessment results, Sky-Net Action material inspection qualification rate and customer repair rate, and cooperation feedback from subsidiaries were combined to establish an all-round measurable, verifiable and traceable assessment system. In addition to suppliers of general contracting, decoration contracting, landscaping, doors, windows and curtain walls, and materials and equipment, suppliers of external decoration (thermal insulation and coating), heating, air conditioning and fire engineering were incorporated into the annual assessment of key subcontracting resources.

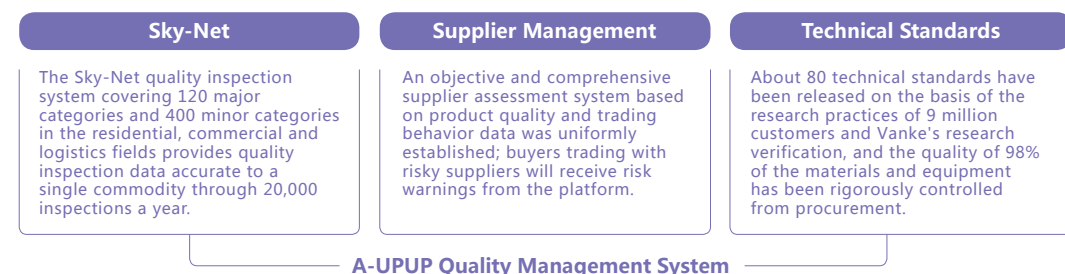
Distribution of Suppliers

Vanke has 8,111 suppliers in relation to 9 types of business and 75 product systems. Among them, 42 are group purchase suppliers.



Case Built the A-UPUP E-commerce Platform to Support Supply Chain Product and Service Ability Improvement

On November 28, 2017, the B2B third-party purchase and trading platform A-UPUP jointly established by Vanke, CURA Investment and Zhongtian Group went live. A-UPUP attempts to establish a new coordinated development model for the real estate supply chain featuring standard formulation, joint bidding, quality inspection and other social services. On the basis of Vanke's thirty years of experience and practice in new product development, quality control and supply chain management, A-UPUP is expected to enhance the purchase transparency of the industry, green purchase standards, and boost the improvement of supply chain products and service ability.



Red & yellow cards

Implementing the red & yellow card and blacklist system in 2012, Vanke punishes suppliers to different degrees with a yellow card, red card or blacklist in accordance with their quality problems or breach of contract and shares the penalties real-time throughout the group. In 2017, Vanke continued to strengthen the process of the system by carrying out a one-year suspension of cooperation for suppliers incorporated into the high-risk list two consecutive times during the quarterly performance assessment, and blacklisting suppliers incorporated into the high-risk list three consecutive times during the quarterly performance assessment. Throughout the year 12 suppliers received a red or yellow card, 7 of whom were blacklisted.

Vanke has established and continuously perfected its management procedures and standards for safe and civilized construction while treating each link in the construction process with an attitude of respect and reverence for life. In 2017, we strengthened such control measures as the quarterly surprise inspection, safety morning meeting, three-device, four-hole and five-edge supervision, safety disclosure and supervisor inspection. Through joint efforts of Vanke and the construction teams, the mortality rate per 100 square meters of under-construction projects of Vanke was brought significantly lower than the industrial average level.



Vanke strictly abides by the law of Prohibition of the Use of Child Labor Regulations and others national laws and regulations and requires general contractors to implement a wage security system for contract workers. We stipulate that no construction unit or partner shall employ children under 16, so as to protect the rights and interests of minors and women workers, and shall provide social insurance to their employees in accordance with the law. Meanwhile, we require general construction contractors to provide training on safety and health to workers, and accident insurance for workers in high-risk positions, so as to ensure all rights and interests, and the health and safety of the dedicated front-line workers on the sites. In 2017, we have not identified any operation or supplier as having significant risks of child labor, young workers exposed to hazardous works, or forced or compulsory labor.

Enterprise cooperation

Entering the new era, people's demands have been increasingly diversified with the improvement of the social and economic development level. Aiming for openness and win-win, Vanke has joined hands with its partners to give play to their respective strengths and together build a path towards a better life for the people.

Case

Expanding the TOD + property model to Hangzhou via Hangzhou Metro

On April 20, 2017, Vanke entered into a cooperation agreement with Hangzhou Metro Property Co., Ltd. to explore the new TOD + Property development model based on the Hanghang Road TOD project. Against the increasingly scarce urban resources, the integrated aboveground and underground design can promote efficient and intensive urban development. As the first commercial office building TOD project jointly developed by Vanke and Hangzhou Metro, it's an expansion of Vanke's TOD + Property model nationally.



Case

Becoming one of the First Global Partners of International Horticultural Expo Beijing to Build the Fun "Kaleidoscope"

On April 24, 2017, Vanke was named one of the first global partners of the Beijing International Horticultural Expo in 2019 to build the "Kaleidoscope" project, one of the key venues. With the theme of the Wisdom of Plants, the project will give an all-round display of mangroves wisely adapting to the environment and benefiting the ecosystem, inspiring people to reflect on the magic relationship between man and plants and arousing man's respect for nature. Taking advantage of its leading strengths in green technology, Vanke will present a visually and spiritually electrifying feast.

Case

Working with Chinese Culture Group Holdings to Further Implement the Urban Builder and Life Service Provider Strategy

On October 21, 2014, Vanke entered into a strategic cooperation framework agreement with CMC Holdings in Shanghai. Establishing cooperation channels in industry-city integration, cultural recreation venues, holiday resorts, sports education and intelligent community, the two partners will provide people with richer and better quality cultural products and services and contribute to comprehensive urban development and promotion of the cultural industry into a pillar industry of the national economy. This partnership will help Vanke further implement its urban builder and life service provider strategy and improve the customer and city centered ecosystem.



Vanke environmental data summary in 2017

	Unit	Real Estate System ⁽¹⁾	Property Management System ⁽²⁾	Total
Energy Consumption				
Direct Energy Consumption				
Gasoline	Liter	536,167	217,297	753,464
Diesel	Liter	121,800	6,200	128,000
Indirect Energy Consumption				
Purchased Electricity	10,000 kWh	1,268.1	498.4	1,766.5
Purchased Heating Power	GJ	8,379.7	2,044.7	10,424.4
Greenhouse Gas Emissions				
Direct Greenhouse Gas Emissions (Category 1)	Ton	1,520.1	499.4	2,019.5
Indirect Greenhouse Gas Emissions (Category 2)	Ton	9,436.7	3,205.7	12,642.4
Water Consumption				
Total Water Consumption	Ton	221,000	90,000	311,000
Non-hazardous Waste Disposal				
Kitchen Waste	Ton	852.4	277.0	1,129.4
Paper	Ton	275.6	40.5	316.1
Non-hazardous Waste Recycling				
Magazines and Books Recycled	Ton	31.2	6.3	37.5

Data Scope:

1. The disclosure scope of the real estate system covers:

(1) Office operations of Group Headquarters; (2) Office operations of four Regional Headquarters; (3) Office operations of tier-one companies

2. The disclosure scope of the property management system covers:

(1) Office operations of Vanke Service; (2) Office operations of companies in central cities; (3) Office operations of companies/offices in respective cities;

Notes: 1)The data disclosed in 2017 ESG report is the pollutant emissions generated during the office work process of the Vanke's real estates and properties, and does not include the emission data of other businesses in other processes.

2)Vanke has not yet collected data on pollutants and wastes generated during construction from contractors.

3) Vanke Group is continuously improving its data collection system. The disclosure scope will be further expanded and disclosure content elaborated when data is available.

ESG Index

Environmental

Aspect	Indicator No.	Indicator Description	Pages/Remarks
A1 Emissions	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and nonhazardous waste.	P47/P51/P59/P61/P64
	A1.1	The types of emissions and respective emissions data.	N/A. Pollutant gas emissions are not an important category for group operation.
	A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P110
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	N/A. No significant hazardous waste was generated within the reporting period.
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P110
	A1.5	Description of measures to mitigate emissions and results achieved.	P54/P64/P110
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	P54/P56/P61-P62/P64/P110
	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	P47/P51/P54/P59/P64
	A2.1	Direct and/or indirect total energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (per unit of production volume, per facility).	P110
	A2.2	Water consumption in total and intensity (per unit of production volume, per facility).	P110
A2 Resource Utilization	A2.3	Description of energy use efficiency initiatives and results achieved.	P47-48/P51-54/P59
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	P54/P110 In 2017, we did not encounter any problems in sourcing water for daily operations.
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A. No packing materials of the Group are available for use for now.
	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	P55-P58/P60-64/P77-84
A3 Environment and Natural Resources	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P55-P58/P60-64/P77-84

Social

Aspect	Indicator No.	Indicator Description	Pages/Remarks
B1 Employment	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	P100/P108
	B1.1	Total number of workforce by gender, employment type, age group and geographical region.	P99
	B1.2	Employee turnover rate by gender, age group and geographical region.	/
B2 Health and Safety	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	P102-103/P106/P108
	B2.1	Number and rate of work-related fatalities.	/
	B2.2	Lost days due to work injury.	/
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	P102-103/P106/P108
B3 Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	P104-105
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	/
	B3.2	The average training hours completed per employee by gender and employee category.	/
B4 Labour Code	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	P100/P108
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	P108
	B4.2	Description of steps taken to eliminate such practices when discovered.	P108
B5 Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	P107-108
	B5.1	Number of suppliers by geographical region.	P107
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	P107-108
B6 Product Liability	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	P4-5/P18-24
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	/
	B6.2	Number of products and service related complaints received and how they are dealt with.	P21-22
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	P4
	B6.4	Description of quality assurance process and recall procedures.	P18-19
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	P4-5
B7 Anti-corruption	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	P4-5 extortion and money laundering have no impact on Group generation
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	/
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	P4-5
B8 Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities to take into consideration the communities' interests.	P25-28/P73-74
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P25-28/P73-74
	B8.2	Resources allocated (e.g. money or time) to the focus areas.	P25-28/P73-74

Feedback

For reporting behavior of Vanke employees or units in violation of the code of professional ethics, please contact our audit and supervision department:
5198@vanke.com

For sales, product and service quality, please contact our customer relations department:
tousu@vanke.com

For relations with investors, please contact the office of Vanke's Board of Directors:
ir@vanke.com

For corporate citizen strategy, please contact our corporate citizen office:
csr@vanke.com

For details on the Vanke Foundation, please log onto:
www.vankefoundation.org

For suggestions on the corporate report, please contact:
csr@vanke.com

For more corporate social responsibility report, please log onto:
http://www.vanke.com/citizenship.aspx



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