



Shenzhen International  
深國際

2017

Environmental, Social and Governance Report



Shenzhen International Holdings Limited  
深圳國際控股有限公司  
(Incorporated in Bermuda with limited liability)  
Stock Code : 00152

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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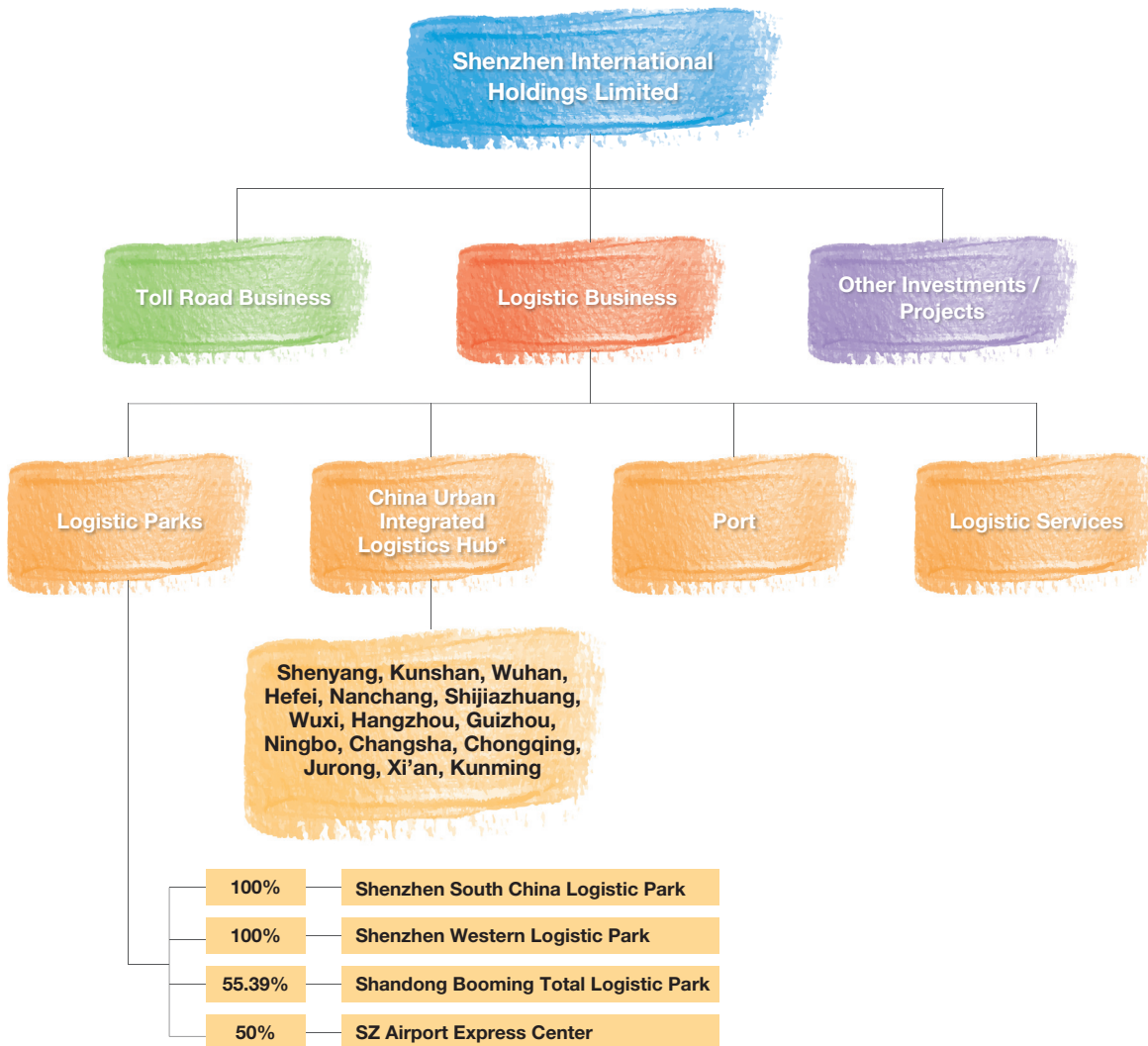


## ABOUT THE GROUP

Shenzhen International Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) are principally engaged in the investment, construction and operation of logistic infrastructure facilities, as well as providing various value-added logistic services to customers leveraging its infrastructure facilities and information services platform. Shenzhen Investment Holdings Company Limited, the controlling shareholder of the Company, is a corporation wholly-owned by State-owned Assets Supervision and Administration Commission of the People’s Government of Shenzhen Municipal and, as at the date of this report, holds approximately 45% of the issued share capital of the Company.

The Group defines the Pearl River Delta, the Yangtze River Delta and the Pan-Bohai Rim in the PRC as strategic regions, through investment, mergers and acquisitions, restructuring and integration, the Group endeavours to design, construct and operate logistic infrastructure projects including China Urban Integrated Logistics Hub and toll roads and applies supply-chain management techniques and information technology to provide high-end and value-added logistic services to customers, and engages in the investment, construction and operation management of the macro environmental protection industry including water environment treatment and solid waste treatment, creating greater value for its shareholders.

## BUSINESS STRUCTURE



\* Only projects with land use rights of project sites acquired are included.

## CHAIRMAN'S MESSAGE

Dear Shareholders,

Faced with the challenges posed by the sustainable development in social and environmental aspects, the modern logistic industry is now at the development stage featuring transformation and upgrade. The Company strives to develop itself into a role model in the industry by building an industry-renowned brand under the vision of “designer of modern logistic concept, constructor of benchmarking logistic facilities, innovator of advanced business model and creator of industry-renowned brand”.

Through implementing the philosophy of green logistics development, the Group is committed to constructing the “green logistic parks, green ports and green expressways” and developing a green supply chain. In 2017, the Group carried out many ecological civilization construction projects, including developing the Group’s Qianhai Intelligent Hub project into a landmark for green buildings, promoting prefabricated construction, implementing recycling of construction waste and promoting green supply chain management, building green expressways and investment to enter the environmental protection industry. The Group embraced innovation in construction planning, operation management and technologies with an aim to realize the reform of supply chain.

The Group values the health and safety of its employees. To ensure compliance with requirements on safety production and occupational health at its working places, facilities and equipment, the Group has built a sound safety production management structure, thereby further enhancing relevant rules and systems for a continuing safety production and operation. The Group also purchased work injuries insurance, medical insurance, etc. for all employees.

The Group continued to carry out expertise forum and seminars, so as to advance the skills and management level of employees through a spectrum of multilevel educational training programs, in order to promote the sustainable mutual development of the employees and the Group.

In the future, the Group will continue to expand its industry chain by focusing on core business including logistics, accelerate the mapping of “China Urban Integrated Logistics Hub”, and push forward the transformation and upgrade of traditional logistic parks by integrating collaboration of internal and external resources on logistic infrastructure facilities. Moreover, the Group will continue to actively implement the national sustainable development strategy, integrate green philosophy into its production and operation, and improve the overall operational efficiency and quality, with a view to contributing to the ecological civilization construction jointly with all sectors of the society.

**Shenzhen International Holdings Limited**

*Chairman of the Board*

**Gao Lei**



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT THIS REPORT

This is the second Environmental, Social and Governance Report issued by the Company, which discloses our policies, practices and performances in environment, society and governance to enable stakeholders<sup>1</sup> to have a better understanding of the Group's progress and objectives in sustainable development.

## REPORTING SCOPE

This report focuses on the operations of the Group's logistic business during the period from January 2017 to December 2017 (the "Year"). This report covers the operations<sup>2</sup> of Shenzhen South China Logistic Park ("South China Logistic Park"), while information on other logistic parks and other business such as China Urban Integrated Logistics Hub, port and logistic services are not included herein, which is in line with the first Environmental, Social and Governance Report as issued last year. The information regarding social responsibility of the Group's toll road business has been disclosed in the "Social Responsibility Report 2017" issued by Shenzhen Expressway Company Limited (stock code: 00548) under the Group. The Group is continuously improving our internal data collection system with an aim to gradually expand the scope of disclosure.

## REPORTING STANDARD

In compliance with the "comply or explain" provisions as stipulated in the "Environmental, Social and Governance Reporting Guide" (the "Guide") issued by The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), this report has been prepared based on four reporting principles – materiality, quantitative, balance and consistency, as set out in the Guide. To ensure the accuracy of environmental key performance indicators, the Group has also appointed the professional consulting firm, Carbon Care Asia (CCA), to conduct a carbon assessment. In addition, this report also includes certain key performance indicators specified in "Recommended Disclosures" of the Guide to enhance the effectiveness of reporting. A complete content index is appended in the last chapter hereof for easier reference in accordance with the Guide. This report has been prepared in both Chinese and English and uploaded to the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.szihl.com](http://www.szihl.com). In case of any inconsistency, the Chinese version shall prevail.

## REPORTING CONFIRMATION

This report reviews the Group's non-financial performance with the intent to respond to social needs and improve the Group's performance, and it has been approved by the Board of Directors of the Company in July 2018. The Group is continuously improving our internal data collection system with an aim to enable gradual extension of our scope of disclosure.

## FEEDBACK

The Company treasures the opinions of its stakeholders. If you have any queries or recommendations in regards to the contents or the reporting format of this report, you are most welcome to contact us through the following means:

Address: Rooms 2206-2208, 22nd Floor, Greenfield Tower, Concordia Plaza, No. 1 Science Museum Road, Tsimshatsui East, Kowloon, Hong Kong

Email: [info@szihl.com](mailto:info@szihl.com) Tel: (852) 2366 0268 Fax: (852) 2739 5123

<sup>1</sup> "Stakeholders", also known as "interested parties" or "equity owners", refer to groups and individuals that have a significant impact on the business of the Group or may be affected by the business, including the internal management, executives and general staff, as well as the external government bodies, industry associations, contractors, suppliers and customers, etc.

<sup>2</sup> The reporting scope covers the Group's wholly-owned subsidiaries in South China Logistic Park, namely Shenzhen International South-China Logistics Co., Ltd. and 深圳市華南報關有限公司 (Shenzhen International South-China Customs Clearance Co., Ltd.), while the operations of a joint venture 深圳龍卓物流有限公司 (Shenzhen Longzhuo Logistics Co., Ltd.) are not included herein.

**BUSINESS OVERVIEW OF SOUTH CHINA LOGISTIC PARK FOR THE YEAR**



## COMMUNICATION WITH STAKEHOLDERS

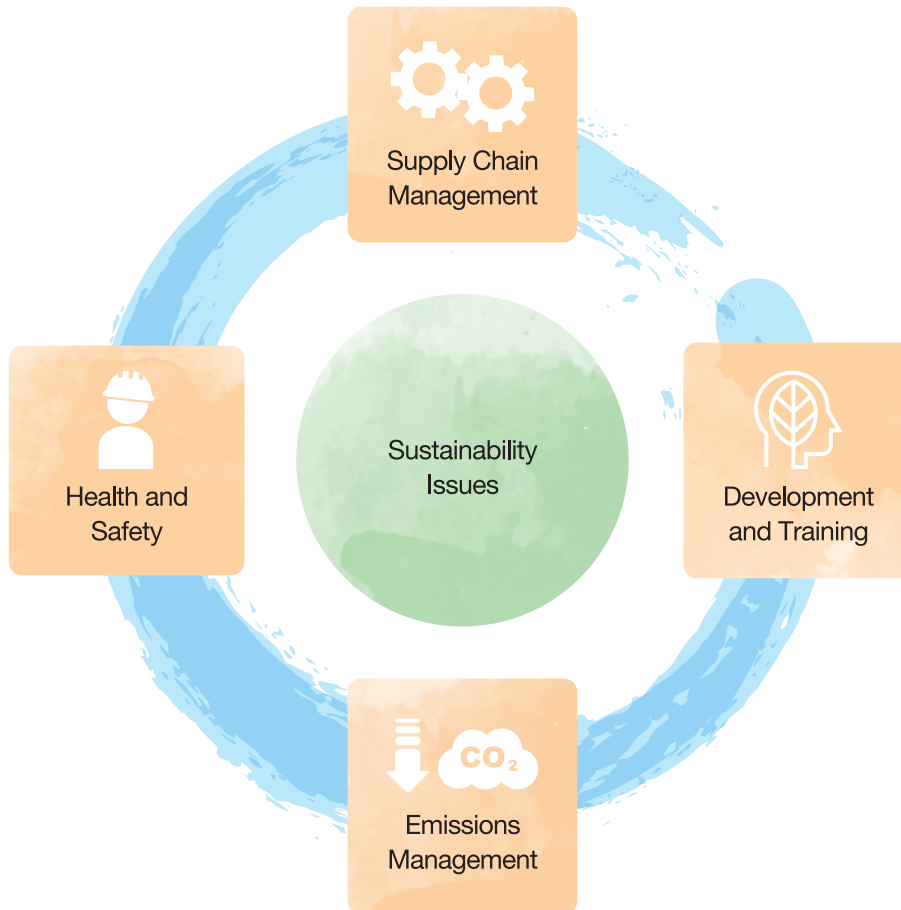
### MAJOR WAYS OF COMMUNICATION WITH STAKEHOLDERS

Stakeholders' participation plays an important part in the business management of the Group, in which it helps the Group to review potential risks and business opportunities. Communicating with stakeholders and understanding their views enable the business practices of the Group to address their needs and expectations, and manage the opinions of different stakeholders properly. South China Logistic Park constantly maintains interaction with its key internal and external stakeholders through different channels to ensure that they have the opportunity to understand the development and operational policies of South China Logistic Park. It also provides opportunities for South China Logistic Park to listen to their opinions, so as to identify the priorities of different issues and develop corresponding policies.



## MATERIAL SUSTAINABLE DEVELOPMENT ISSUES

In order to determine the strategies and direction for sustainable development, the Company, by incorporating professional consultants' opinions, selected the following four aspects from the environmental and social areas of the Guide as the key issues for discussion in this report.



To ensure the effectiveness of stakeholder engagement, the Group is committed to establishing transparent, honest and accurate communications and providing timely responses. In the future, the Group will maintain its interaction with stakeholders, explore more diversified channels to increase chances of contacting with them, and create a mutually beneficial and win-win relationship.

## TREASURING OUR EMPLOYEES

The Group is committed to providing all employees with a healthy and safe working environment with no discrimination and harassment. South China Logistic Park complies with all applicable laws and regulations of the regions where it operates, and executes relevant labor standards.

### HEALTH AND SAFETY

The Group regards occupational health and safety as an important link in corporate risk management and strives to provide a safe working environment for our employees while caring for their health. In addition to observing relevant laws and regulations, South China Logistic Park has developed a series of internal management systems and procedures to ensure safety production and a healthy working environment for employees. South China Logistic Park has set up a safety production management committee (the "Safety Committee"), which consists of its major persons-in-charge and representatives from all departments. The Safety Committee has to convene regular meetings of safety production management leading group, set annual responsibility objectives, and regularly assess the safety production work conducted by all departments. In the meantime, South China Logistic Park followed the "Safety Production Responsibility Management Policy" to clarify the responsibilities and duties delegated to the management and persons-in-charge of all departments, and integrated safety production responsibility training into department-level safety education with training organized at least once a year.

In addition, South China Logistic Park performed various management systems to manage all links of production, ranging from safety warning notices and signs, special equipment, electric safety, cargo handling and storage to operations in confined space, aerial work, operating processes involving fire and vehicle safety, etc. For instance, the "Warehouse Safety Management Policy" specifies the requirements on warehouse management and specific measures, including prohibition of warehouse entry by workforce unrelated to operations, and prior registration for entry due to work need; warehouse management staff shall conduct weekly check and maintenance of fire hydrants, fire extinguishers and other firefighting equipment to ensure all equipment are sound and effective. Firefighting equipment shall be put at obvious, appropriate and easily-accessible places; smoking and eating are not allowed inside and nearby the warehouse, and ignitions and food must not be taken into the warehouse.

South China Logistic Park has purchased group personal injury insurance for its employees, and designated annual safety training programs for employees of different posts at different levels, and provides safety education and firefighting safety knowledge for its customers inside the park.

During the Year, South China Logistic Park did not identify any work injury case. Due to the occurrence of work injury case last year, the absentee days due to work injuries for the Year is 80 days.



Number of work injury **0**



Absentee days due to work injuries **80**

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To avoid any work injuries and ensure the safety of employees, South China Logistic Park has developed and implemented the “Work Injury Insurance Management Policy” and adopted preventive measures, including strengthening safety training, particularly the induction training for new employees, and conducting special training on safety production on a regular basis to raise the self-protection awareness of employees; improving scientific management policy and implementing various protective measures for safety production; timely distributing labor protection supplies to employees; taking into account an employee’s capability in bearing overtime work ahead of such arrangement; regularly conducting check and maintenance of enterprise production equipment to avoid safety incidents resulting from damaged production equipment. Meanwhile, South China Logistic Park purchases injury insurance and critical illness medical insurance for its employees yearly to achieve a more comprehensive guarantee for employees.

## DEVELOPMENT AND TRAINING

The Group pays attention to occupational development of our employees, and designates and executes annual training program. South China Logistic Park provides training program with targeted training method, training theme, implementation time, class hours and budget for employees of different functions. At the same time, South China Logistic Park encourages employees to attend professional tests related to their posts by offering them at most 6-day rest periods for test each year.

During the Year, South China Logistic Park designated four training themes, including expertise and skills training, occupational training, managerial knowledge training and new employees induction training. As to the training types, South China Logistic Park has organized 17 external training programs and 14 in-house training programs during the Year.

## EMPLOYMENT POLICY

The Group devotes itself to creating a diverse, inclusive and respectful working environment. South China Logistic Park prescribes terms of employment relating to remuneration, recruitment, dismissal, promotion, work hours, rest periods and other benefits and packages, as well as relevant human resource management issues in the “Guidance Book for Employee Recruitment and Management” and other employment policies. To attract and retain quality talents, South China Logistic Park offers additional welfare benefits, including annual leave, personal leave, sick leave, work injury leave, marital leave, compassionate leave and other paid leave, on top of what is prescribed by laws and regulations.

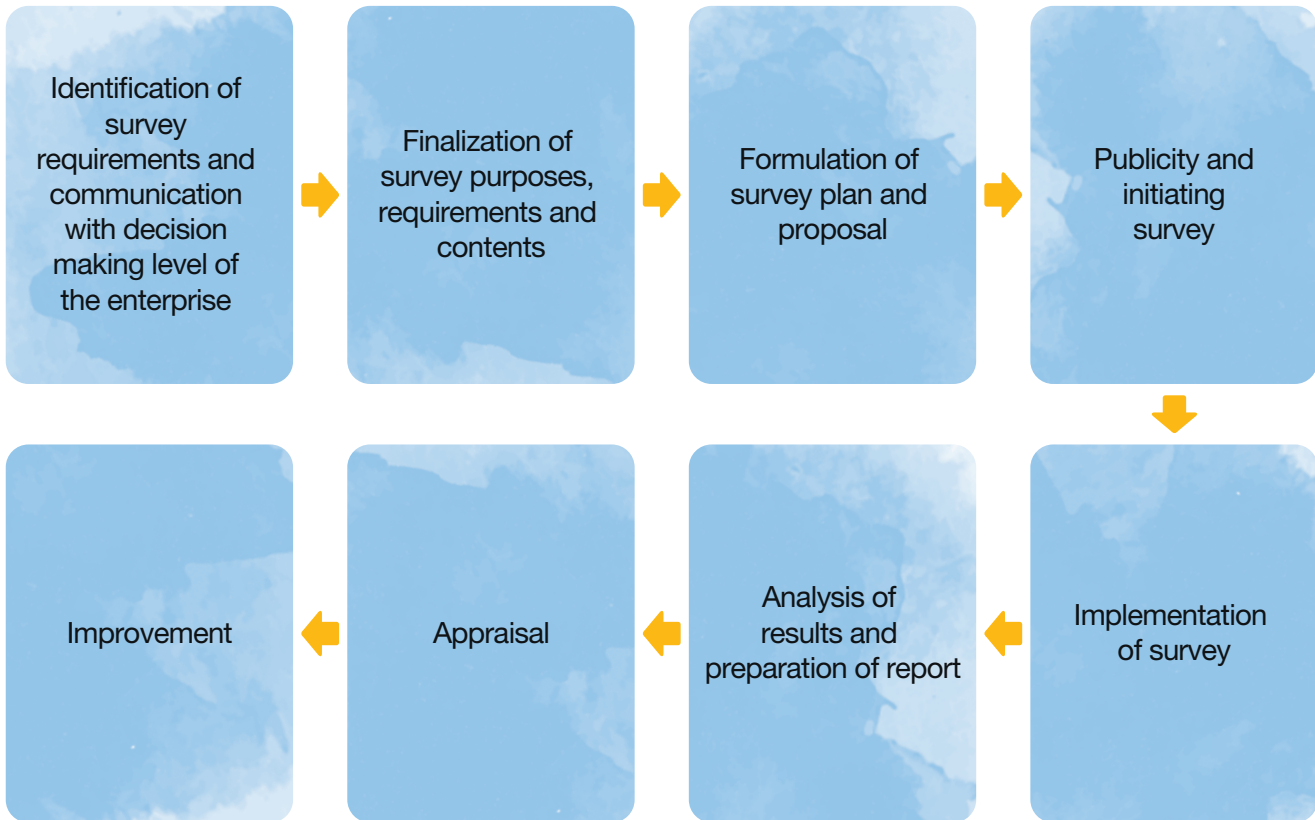
The Group also stresses on equal opportunities and diversity. South China Logistic Park made a statement, in its “Guidance Book for Employee Recruitment and Management”, “Recruitment Handbook” and other written procedural documents, on endeavouring to provide employees with fair competition opportunities and environment to create benefits and value for employees and the Group by promoting diversity, regardless of nationality, ethnicity, religion, gender, age or family status.

The Group encourages employees to maintain two-way communication with their seniors. South China Logistic Park has formulated and implemented the “Employee Communication Platform Management Rules”. Through building a complaint platform, South China Logistic Park maintained a smooth two-way communication by ways of phone calls, mailbox, WeChat, communication meetings and interviews, under the principles of truthfulness and confidentiality. In the meantime, South China Logistic Park adopts corresponding award measures upon relevant verification to recognize those true and effective complaints and recommendations which greatly improve its management and operation.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

South China Logistic Park also designated employee satisfaction survey and appraisal procedures to collect their opinions and demands, details of which are shown in the chart below:



During the Year, there were no case of non-compliance relating to employment and labor practices nor complaints in relation to discrimination or sexual harassment identified within South China Logistic Park.

## LABOR STANDARDS

The Group recognizes that child labor and forced labor violate fundamental human rights and international labor conventions, and pose a threat to sustainable social and economic development. South China Logistic Park strictly complies with the law in its recruitment process. For example, the “Guidance Book for Employee Recruitment and Management” provides that it is prohibited to hire individuals aged under 16 and shall avoid any form of forced labor or involuntary labor in employment. South China Logistic Park will review the actual age of new hires by checking their identity documents and making detailed records.

South China Logistic Park has developed the “Administrative Measures for Employee Rest Periods and Overtime Work”. Employees who work overtime on holidays or festivals will receive rest periods or overtime subsidy in accordance with the local regulations. Meanwhile, the Group attaches importance to avoiding recruitment of child labor by mistake, and requires the human resources department to strictly check identification documents and health certificates in recruitment, and immediately adopt remedial measures upon discovery of any recruitment of child labor by mistake.

During the Year, there were no case of non-compliance in relation to child labor or forced labor identified within South China Logistic Park.

## RESPONSIBLE OPERATION

The Group complies with all applicable laws and regulations of the places where it operates, and is committed to properly managing risks relating to the environment and society in its daily operations and providing customers with safe and environmentally-friendly products and services.

## SUPPLY CHAIN MANAGEMENT

Proper management of the supply chain is key to maintaining the Group's brand reputation and ensuring its business continuity. The Group values its cooperation with suppliers and contractors and considers them as important business partners. The Group hopes that a long term and stable supply chain can be established through cooperation.

During the Year, the major suppliers of South China Logistic Park include over ten companies in Shenzhen and Guangzhou, which offer products and services including tires of stacking machines, motorbikes repair and maintenance services, environmental sanitary services and intermediary services. South China Logistic Park has developed and implemented the "Administrative Measures for Selection and Appointment of Intermediaries" for the proper selection and appointment of intermediaries regarding assets valuation, legal and financial consultancy, and engineering design. Such policy requires that intermediaries shall provide professional qualification certifications, and shall have a sound social reputation, such as no unfavorable records in recent three years.

In addition, South China Logistic Park includes safety rules and terms regarding environmental and employment system management in the contracts with downstream suppliers, to emphasize that suppliers shall comply with the local laws and regulations on safety production, environmental protection and employment, properly manage fire safety, organize training on environmental protection knowledge for employees, prohibit any use of child labor or forced labor, provide a fair, impartial, safe and healthy working environment, and maintain a sound business discipline, so as to minimise the environmental and social risks in supply chain.

South China Logistic Park conducts annual assessment on suppliers with issuance of an assessment report. Inspections cover quality of products, professionalism of services, mechanism for mutual communication, and costs of products, etc. For instance, tire contractors were assessed during the Year, and a report which presented their performance in the quality of tires, tire contracting techniques, mechanism for mutual communication, and costs of tires, etc. during the contract period was issued.

## PRODUCT RESPONSIBILITY

The Group pays attention to the quality and safety of its products and is committed to providing customers with excellent products and satisfactory services. South China Logistic Park formulated and implemented a series of customs clearance risk control measures and information security management systems to protect customer information and data.

In terms of warehouse management, South China Logistic Park has established a comprehensive system program to fulfill its product service responsibilities. South China Logistic Park formulated the "Guidance Book for Warehouse Keeper" and "Guidance Book for Warehouse System Keyboarder" to regulate the responsibilities of the employees in each position and ensure that the storage environment, the quality of customer storage products and warehouse loading and unloading operations meet safety and quality standards.

At the same time, South China Logistic Park requires personnel to protect customer information through personnel management systems and prohibits stealing, leaking or selling company confidential information including customer data.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In addition, South China Logistic Park formulated and implemented the “Customer Service Manual” stipulating the processing procedures upon receiving customer complaints including the designation of the relevant responsible personnel, their responsibilities and the requirements of the working methods.



South China Logistic Park strictly complies with the “Advertisement Law of the People’s Republic of China” and enforces the requirements for advertising and labeling.

During the Year, there were no case of non-compliance related to product responsibility identified nor complaint received from customers within South China Logistic Park.

## ANTI-CORRUPTION

As a responsible enterprise, the Group is committed to preventing corruption, bribery, extortion, fraud and money laundering. In response, South China Logistic Park has taken initiatives to improve the policy construction and conduct demonstration education for integrity business. In this regard, South China Logistic Park implemented the Company’s “Policy of Report on Misconduct” to offer a channel for employees to complain and report on illegal, improper or fraudulent activities or suspected incidents involving internal control, accounting, auditing and financial matters, strengthening the control and supervision of power.

During the Year, South China Logistic Park organized anti-commercial bribery training for all management personnel. The training materials included internal commercial bribery training lectures, the “Law of the People’s Republic of China against Unfair Competition” and internal control policies. After the training was completed, South China Logistic Park also spot checked the participants’ understanding of the training contents and the evaluation pass rate reached 100%.

During the Year, there were no report, proceeding or case of non-compliance related to corruption identified within South China Logistic Park.

## ENVIRONMENTAL PROTECTION

The Group devotes itself to maintaining the overall ecological environment and sustainable development striving to apply upgraded technologies to achieve low-carbon operations, and actively promotes environmental protection activities to implement pollution prevention. The Group undertakes to take on corporate responsibility for environmental protection, continue green production and advocate a highly energy-efficient development model, by implementing environmental protection into concrete actions.

At the beginning of this Year, South China Logistic Park formulated the “2017 Work Plan for Ecological Civilization Construction” which sets out the overall goals for ecological civilization construction and specifies the relevant work plans. Relevant goals include establishing an industrial structure that conserves resources and protects the environment; improving environmental quality; strengthening ecological protection and disaster prevention and mitigation systems, building ecological safety barriers; and establishing sound systems and incentive and constraint mechanisms, constructing rules and regulations conducive to building an ecological civilization.

During the Year, South China Logistic Park obtained environmental approvals for local construction projects and acceptance of temporary drainage works for drainage, and continued to manage the environmental control of the projects under construction; at the same time, phased out equipment with high energy consumption and low efficiency in a gradual manner and adopted energy-efficient equipment. In addition, South China Logistic Park also proactively introduced high-quality commercial projects to properly manage the park’s greenery survival rate and coverage rate.

## EMISSIONS

### Greenhouse gases

During the Year, the Group commissioned a professional consultancy company Carbon Care Asia to conduct a carbon assessment to quantify the greenhouse gas (GHG) emissions (or “carbon emissions”) generated by the operation of South China Logistic Park. The quantitative process is based on the guidelines issued by the National Development and Reform Commission of the People’s Republic of China as well as international standards such as ISO14064-1 and the GHG Protocol. The total carbon emissions generated by South China Logistic Park during the reporting year amounted to 1,044 tonnes of carbon dioxide equivalent of which electricity use accounted for 84.6%.

### Waste gases

In addition to greenhouse gas emissions, the air emissions generated by the daily operations of South China Logistic Park mainly came from the waste gases generated by logistics vehicles and fumes from the canteen kitchens of factory employees. In order to reduce the generation of waste gases, South China Logistic Park controls the use of vehicles and maintains vehicles in a timely manner. During the Year, new models of clean energy transportation vehicles such as electric vehicles have been adopted. South China Logistic Park also strengthened kitchen fume treatment and emission measures in the staff canteens to reduce the impact of fumes on the environment.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Effluents

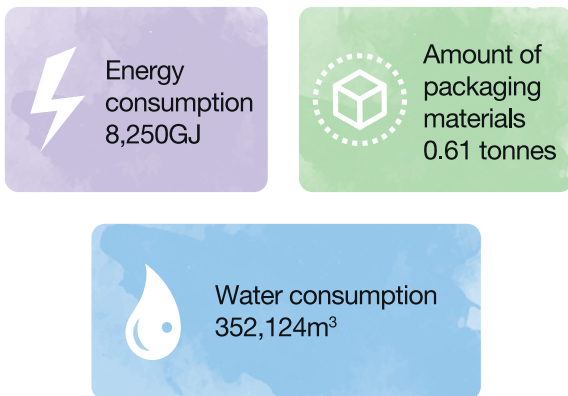
The wastewater generated by South China Logistic Park is domestic sewage and production wastewater such as waste mud and wastewater used for washing. For waste mud, a separating treatment would be carried out and the treated dregs would be transported for further processing. The treated mud would be recycled and the waste mud would be transported to and released at a legally-allowed place by a sealed tanker; for waste water for flushing the ground, as it contains cement, sludge, domestic sewage, pit drainage, oily wastewater and other suspended or dissolved substances, it needs to be put into the sewage treatment tank for pretreatment and discharged after reaching the relevant standard. The general domestic sewage would be discharged into the municipal sewage pipeline network through the sewage treatment pipeline and finally enters the local water purification plant for treatment after reaching the standard.

In order to reduce the generation of wastewater, South China Logistic Park starts from the source and encourages employees to save water usage and minimize unnecessary waste. In the meantime, South China Logistic Park plans to use water-saving toilet flushing systems to reduce wastewater production in the logistic park.

## Waste

The production operations of South China Logistic Park do not use or generate hazardous waste, and the non-hazardous waste generated by South China Logistic Park is mainly daily waste of production work (e.g. surplus packaging materials). The domestic waste generated by South China Logistic Park is regularly cleared and handled by a professional garbage removal and transportation company engaged by the Group. For the amount of waste generated in South China Logistic Park this Year, please refer to the overview of key performance indicators on page 17.

## USE OF RESOURCES



The Group understands the corporate responsibility for saving resources. During the Year, South China Logistic Park continued to improve equipment efficiency and optimise the energy use process.

Resources used by South China Logistic Park mainly comprise electricity, diesel, water and packaging materials such as adhesive tape and cover. During the Year, South China Logistic Park has eliminated energy-consuming equipment with high energy consumption and low efficiency and adopted energy-saving equipment while timely adjusting the lighting time of park street lamps and high pole lamp and their number. Also, it carried out energy retrofit commercial projects including transforming the lighting tubes of commercial center parking lot into LED energy-efficient lamps with infrared sound control. In addition, for goods that do not have special packaging requirements, South China Logistic Park reduced the use of packaging materials such as tapes and stretch film as much as possible and encouraged some customers to use reusable plastic belts to bundle goods.

In addition, during the Year, the smart e-commerce cloud warehouse of South China Logistic Park officially commenced operation. This project is a demonstration project for the industrial transformation and upgrading of South China Logistic Park which effectively improves the storage rate for 3 times, increases the unit output value and reduces the resource consumption of the logistics process.

**The smart e-commerce cloud warehouse of South China Logistic Park** combines the innovative advantages of Shenzhen intelligent hardware and software companies to build smart automated warehouses. The warehouse has a total area of 2,000m<sup>2</sup> with a total of 14,079 storage places which can store 42,237 inventories representing nearly 6,000m<sup>3</sup> of stored goods in aggregate. At the same time, the warehouse, through the arrangement of intelligent dense circulation-driven automatic racking system within the warehouse, can provide customers with the entire process of logistic services after the order has been generated, thereby improving the efficiency of the warehouse and delivery.



South China Logistic Park will continue to make a good record of resource consumption and formulate appropriate measures to improve the efficiency of resource use, thereby reducing the amount of resources used.

## ENVIRONMENT AND NATURAL RESOURCES

The Group realizes the importance of the harmonious coexistence of enterprises and the environment and the protection of natural resources. During the Year, South China Logistic Park carried out a transition discussion on the traditional container yards and feeder services and the transition from labor-intensive energy-consuming businesses to environmentally-friendly low-carbon commercial projects in order to speed up the construction of ecological and cultural parks.

South China Logistic Park does not have a significant direct impact on the environment and natural resources during its operations. Nonetheless, the Group is committed to ensuring the survival rate and coverage of the original greenery in the park. In South China Logistic Park, a 160-meter-long green pond and a 200-meter-long green flower box were built on the main road of the park to increase the green coverage rate of main roads; at the same time, green belts around the wall were built at the junction of roads, green pools were built in the square and green boxes were placed everywhere in the park to increase the overall greening rate of the park.

During the Year, there were no internal report or case of non-compliance related to emissions or the environment identified within South China Logistic Park.



## BUILDING THE COMMUNITY

### COMMUNITY INVESTMENT

The Group comprehends the corporate responsibilities to society and has always been committed to understanding the needs of the communities in which it operates. It also focuses on funding for poverty alleviation, education and the environment. During the Year, South China Logistic Park responded positively to the local government and the Group's call for poverty elimination work providing poverty elimination funds and financial assistance funds; employees of the South China Logistic Park have proactively participated in the 45-hour volunteer activities throughout the Year.

May

South China Logistic Park organised volunteer activities for picking up trash on the Meilin Greenway

June

South China Cup Skills Competition invited 11 teams including park customers and business partners to compete in the skills test

September

volunteers from South China Logistic Park entered the village and visited poor households and the old people enjoying the five guarantees and helped them clean the indoor and outdoor environment

In the future, South China Logistic Park will continue to listen to the needs of the communities in which it operates in order to determine the focus areas of community contribution so as to formulate concrete community investment policies and plans and strengthen links with local communities.



## OVERVIEW OF KEY PERFORMANCE INDICATORS

## ENVIRONMENTAL PERFORMANCE

	Category	Emissions
<b>Waste gases and greenhouse gas emissions</b>	Nitrogen oxides (kg)	1,680
	Sulfur oxides (kg)	36
	Particulates (kg)	107
	Total greenhouse gas emissions (tonnes of CO <sub>2</sub> -e)	1,044
	Scope 1 Direct greenhouse gas emissions	161
	Scope 2 Indirect greenhouse gas emissions from energy	883
	Greenhouse gas intensity (calculated as per square meter of area, i.e. tonnes of CO <sub>2</sub> -e per square meter)	0.0037
	Category	Amount
<b>Waste</b>	Total amount of hazardous waste generated (calculated in tonnes)	—
	The total amount of non-hazardous waste generated (domestic waste; calculated in tonnes)	360
	Non-hazardous waste intensity (calculated as per square meter of area, i.e. tonnes/square meter)	1.3
	Category	Consumption
<b>Use of energy</b>	Total energy consumption (GJ)	8,250
	Direct energy - Diesel (GJ)	2,221
	Indirect energy - Electricity (MWh)	1,675
	Energy intensity (calculated as per square meter of area, i.e. GJ/square meter)	0.029
	Category	Consumption
<b>Use of water</b>	Total water consumption (cubic meters)	352,124
	Water consumption density (calculated as per square meter of area, i.e. cubic meters/square meter)	1.3
	Category	Consumption
<b>Packaging materials</b>	Total packaging material (tonnes)	0.61
	Packaging materials density (calculated as per square meter of area, i.e. kg/square meter)	0.002

*Use of packaging materials mainly generated from the storage operation of South China Logistic Park.*

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## SOCIAL PERFORMANCE

Employee category	Employee number	New employee number	Departing employee number	Turnover rate
<b>By gender</b>				
Male	94	3	17	18.1%
Female	76	1	4	5.3%

<b>By age</b>				
30 or below	55	2	10	18.2%
31 - 50	103	1	9	8.7%
51 or above	12	1	2	16.7%
Total employees	170			

Number of employees by employment type	Male	Female	Total
Senior management	6	0	6
Middle management	10	8	18
General staff	78	68	146

Work injury and absence	Gender	Number of work injury	Fatality	Absentee days due to work injury	Injury rate per thousand employees
	Male	0	0	80*	0
	Female	0	0	0	

\* Due to the work injury case occurred last year.

Training	Category	Number of Participants	Average training hours	Percentage of employees receiving regular reviews on performance and career development
By gender	Male	94	10	100%
	Female	76	12.4	
By position	Senior management	6	14.5	
	Middle management	18	15.4	
	General staff	146	10.4	

Region of suppliers	Number of suppliers
Shenzhen	11
Guangzhou	1

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<b>A Environment</b>		
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A1.4	Total non-hazardous waste produced and intensity.	14, 17
A1.5	Description of measures to mitigate emissions and results achieved.	13-14
A1.6	Description of how hazardous and nonhazardous wastes are handled, reduction initiatives, and results achieved.	14
<b>A2 Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	14-15, 17
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	17
A2.2	Water consumption in total and intensity.	14, 17
A2.3	Description of energy use efficiency initiatives and results achieved.	14
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	14; South China Logistic Park has no issue in sourcing water that is fit for purpose
A2.5	Total packaging material used for finished products and with reference to per unit produced.	14, 17
<b>A3 The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	15
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	15

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Main areas and aspects	Contents	Page index/Notes
<b>B Social</b>		
<b>B1 Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	9-10
B1.1 Recommended Disclosure	Total workforce by gender, employment type, age group, and geographical region.	18; there is no total number of employees by region within the reporting scope
B1.2 Recommended Disclosure	Employee turnover rate by gender, age group and geographical region.	18; there is no employee turnover rate by region within the reporting scope
<b>B2 Health and Safety</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	8-9, 18
B2.1 Recommended Disclosure	Number and rate of work-related fatalities.	18
B2.2 Recommended Disclosure	Lost days due to work injury.	8, 18
B2.3 Recommended Disclosure	Description of occupational health and safety measures adopted, how they are implemented and monitored.	8-10, 18
<b>B3 Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	9
B3.1 Recommended Disclosure	The percentage of employees trained by gender and employee category.	18
B3.2 Recommended Disclosure	The average training hours completed per employee by gender and employee category.	18

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Main areas and aspects	Contents	Page index/Notes
<b>B4 Labour Standards</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	10
B4.1 Recommended Disclosure	Description of measures to review employment practices to avoid child and forced labour.	10
B4.2 Recommended Disclosure	Description of the steps taken to eliminate such practices when discovered.	10
<b>B5 Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	11
B5.1 Recommended Disclosure	Number of suppliers by geographical region.	18
B5.2 Recommended Disclosure (Partial)	Description of practices relating to engaging suppliers and how they are implemented and monitored.	11
<b>B6 Product Responsibility</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	11-12
B6.2 Recommended Disclosure	Number of products and service related complaints received and how they are dealt with.	12
B6.5 Recommended Disclosure	Description of consumer data protection and privacy policies, how they are implemented and monitored.	11
<b>B7 Anti-corruption</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	12
B7.1 Recommended Disclosure	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.	12
B7.2 Recommended Disclosure	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	12
<b>B8 Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	16