



SUSTAINABILITY REPORT 2017

Yanlord Land Group Limited Sustainability Report

INTRODUCTION

ABOUT YANLORD LAND GROUP LIMITED

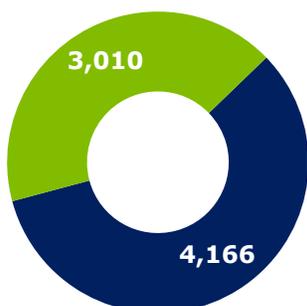
Yanlord Land Group Limited ("Yanlord" or "Company", together with its subsidiaries, "Group") is a real estate developer of high-quality properties that distinguish ourselves among peers. Our properties are characterised by outstanding architectural design and quality construction. With a track record in developments at prime locations, our brand name – just like the properties we build – is an icon itself.

Our focus is to develop high-end residential, commercial and integrated property projects in high-growth cities within People's Republic of China ("PRC"). We have significant subsidiaries in Singapore, Hong Kong and PRC – with Singapore as the headquarters. Based on the information available to the Company as at 13 March 2018, approximately 29% of the issued ordinary shares (excluding treasury shares) of the Company is held by the public.

We retain some of our commercial and integrated developments as investment properties for lease, as well as provide property management services for residential and other properties developed by us.



Number of Permanent Employees by Gender

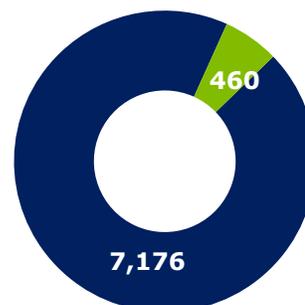


■ Male ■ Female

Number of Permanent Employees by Country

Singapore	15
Hong Kong	28
PRC	7,133

Number of Employees by Employment Type



■ Permanent Employment
■ Temporary Employment

OUR CORE VALUE



Led by a dynamic mission and strategic vision, we sought to pave the way forward and establish our brand in the PRC in the early 1990s.

Since then, we have grown from strength to strength, honing our experience and expertise with every project and performance. Over two decades, we have evolved to become a builder of homes, dreams, and icons.

CORPORATE PHILOSOPHY

We value long term viability over short term gains.

MISSION

Managing with benevolence and integrity, achieving
perpetuity through perseverance

PRINCIPLE

Developing land with devotion, building quality
accommodation with passion

CONTACT US

For questions or to deliver feedback about this report, please contact:

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MESSAGE FROM BOARD

BOARD STATEMENT



Yanlord has a stellar track record in delivering high-quality development projects to our customers. To show our commitment towards sustainable development, we have taken the first step in this inaugural sustainability report to disclose our sustainability accomplishments for 2017 and improvement targets for the following year.

While we look forward to economic performance in the forthcoming years, we are equally responsible to incorporate Environmental, Social and Governance (ESG) factors into our sustainability strategy. We have conducted stakeholder engagement sessions in 2017 to determine the material ESG factors of our business. These factors are used to develop the content of this report.

At Yanlord, we look after the well-being of our employees by upholding occupational health and safety (OHS) at our workplace. We strive to comply with all applicable legislation, policies and management systems to foster a safe and healthy work environment. To ensure that our employees return home safely, we strive to minimise OHS-related incidents amongst our employees throughout the year.

We extend the same care to our customers by ensuring the health and safety aspect is taken into consideration during every phase of our property development. Similarly, we strive to comply with all relevant regulations, policies and management system to safeguard the health and safety of our customers. Every year, we strive to have neither non-compliance nor health and safety incidents for our customers.

At the same time, we always listen to the needs of our customers. To obtain valuable feedbacks, we engaged an independent and reputable agency to conduct regular surveys and subsequently analysed for follow-up actions. Through the development of safe and conducive living environments, Yanlord seeks to maintain a high level of customer satisfaction by meeting and exceeding the expectations of its customers.

Most importantly, we have been advocating sustainable development in where we operate. Yanlord has a stellar track record in delivering high-quality green projects in PRC. By introducing the practice of developing fully furnished apartments and standard property management services into Mainland China,

Yanlord has been credited by the government – at the central, provincial and municipal level – as the standard-bearer for responsible and environment-friendly development.

In 2001, Yanlord Gardens in Shanghai was certified as one of the first triple-A residential projects by the Ministry of Construction¹. Later in 2009, we led a Singapore-based consortium into a large-scale urbanization project in collaboration with the local state-asset development companies. With Yanlord assuming the leadership in master planning and operational management, the joint venture is to transform a 15-km² rural island in Yangtze River into a vibrant modern township, characterized with high-quality development and preservation of natural environment. One of the key indices for the development is that the surface water in the island will be upgraded to Grade III water², which is suitable for direct contact with human bodies.

We are proud that the Yanlord Landmark in Chengdu has also attained LEED-EB certification. At the highest rating of Platinum level, this certification is a globally recognised symbol of outstanding achievement in sustainable development. With over 10 years of constant perseverance for certification, we are serious about sustainability in what we do. We intend to catalyse on the exemplary achievement in Yanlord Landmark Plaza in driving similar initiatives to our entire property portfolio.

With the start of our sustainability journey, we look forward to improving our business performance by building responsibly, while keeping our key ESG factors at the forefront.

¹ Now Ministry of Housing and Urban-Rural Development, or MOHURD

² According to PRC's national standards GB 3838-2002: Environmental quality standard for surface water

SUSTAINABILITY REPORT

ABOUT THIS REPORT

This sustainability report aims to disclose our sustainable performance in the Environment, Social and Governance (ESG) aspects to our stakeholders in a transparent and accountable manner.

For our inaugural report, we have chosen to report in accordance with the Global Reporting Initiative (GRI) Standards: Core option, an international standard for sustainability reporting unveiled by GRI in 2016.

This report captures our sustainability efforts, initiatives and agendas from 1 January 2017 to 31 December 2017, unless stated otherwise. We intend to continue reporting on our performance annually.

Although this report has not been externally assured, we intend to seek external assurance for future sustainability reports.

REPORTING SCOPE AND BOUNDARIES



This report covers the sustainability performance of Yanlord's main operations in PRC, Hong Kong, and Singapore. Furthermore, this report was defined by the reporting principles established by GRI Standards: Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness.

Stakeholder Inclusiveness principle was implemented to determine the report context through the stakeholder engagement and materiality assessment exercise conducted in August 2017.

Sustainability Context principle was implemented to determine the report context which covered the ESG aspects.

Materiality principle was implemented to determine the report context based on the internal and external factors that were considered when assessing whether a topic is material.

Completeness principle was implemented to evaluate specific and material topics on data availability as well as to determine the topics' boundaries.

OUR COMMITMENT TO SUSTAINABILITY



Sustainability is high on our agenda. We are committed to delivering quality homes to our customers, through realising eco-friendly developments. Several of our properties are located in scenic areas that are also recognised by the government as sustainable properties. Residential properties of Yanlord Yunjie Riverside Gardens and Yanlord Riverside Gardens are not only recognised for their architectural design, but also won various awards for energy preservation technologies, landscaping, and quality.

One of our key approaches to embracing sustainability in our operations is by managing both internal and external risks. The Board has overall responsibility for the governance of risk to ensure the sound system of risk management and internal controls. Comprising four members, the Risk Management Committee identifies, measures, manages, and controls risks that may have a significant impact on the Group's property development activities. The committee is also responsible for reviewing and assessing risk related policies and methodologies.

Our Group acts in accordance with the code of business conduct policy which deals with issues such as confidentiality, conduct and work discipline, corporate gifts and concessionary offers. Clear policies and guidelines on how to handle workplace harassment and grievances are also in place. We also have a whistleblowing policy in place to provide sufficient channels for our staff and any other persons to provide their feedback about possible improprieties in matters of financial reporting, accounting or auditing, internal controls or internal accounting controls and other operational matters.

We do not tolerate any form of corruption and bribery, especially our dealings with third-party vendors and suppliers. To prevent corruption, we have an anti-corruption policy in place which sets out the principles on how we conduct our business. Our corporate governance procedures are in line with this policy to ensure our Group behaves in a socially responsible manner. Vendors and suppliers are required to sign agreements/contracts with sections on anti-corruption and anti-bribery.

Our agreements with vendors and suppliers go beyond anti-corruption and bribery to ensure that the products and services sourced are of high quality and standards. Contractors are appointed on the criteria of safety and a good record of compliance with regulations. Contractors are required to abide by Yanlord's policies on health and safety and use personal protective equipment, report on accidents and ensure that waste matter has been disposed of properly.

Yanlord is committed to upholding high corporate governance standards. The Group is also committed to ensuring workplace health and safety and is a member of the Workplace Safety and Health Council (Construction and Landscape) Committee, in Singapore.

We have also undertaken several corporate social responsibility initiatives. These include holding several engagement programs for students and youths such as the enrichment program. In addition, we have provided grants and donations to educational institutions and other non-profit organisations.

KEY ECONOMIC HIGHLIGHT IN 2017

Yanlord achieved total revenue of RMB 25.6 billion, and earnings before interest and tax (EBIT) of RMB 11.8 billion for the year ended 31 December 2017. Total net profit after tax and minority interests (PATMI) was RMB 3.2 billion.



For a detailed breakdown of its 2017 financial results, please refer to the relevant sections in Yanlord Land Group Limited Annual Report 2017.

AWARDS

AWARDS	YEAR AWARDED
2018 China Top 100 Real Estate Developers	2018
2018 China Top 100 Real Estate Developers – Financial Stability Top 10	2018
2018 China Top 100 Real Estate Developers – Top 10 Foreign Enterprises	2018
2018 Excellence in Human Resources Management	2018
Best in Sector (Property Development) by The Edge Singapore Billion Dollar Club 2017	2017
Best Performing Stock (Property Development) by The Edge Singapore Billion Dollar Club 2017	2017
2017 National Customer Satisfaction Project Customer Satisfaction Index (CSI) Assessment – Company with Satisfaction Rating	2017
Shanghai City User Satisfaction Award – Company Category LEED – EB Platinum Certification	2017
Jiangsu Province Top 50 Property Management Company Award	2017
Guandong Province – Award for Structural and Engineering Excellence	2017
Top 10 City Landmark of Zhuhai in 2016	2016
China’s Property Management – Best Growth Company	2015
China’s Top 100 Best Brands for Property Management	2015
China’s Golden Key Award – 6S Concierge Management Innovation Award	2015
Shanghai City Property Management Industry – AAA Grade Company	2015
Shanghai City User Satisfaction Award – Residential Property Management	2015
Jiangsu Province Property Management Association – Excellence in Property Management (Gold Award)	2015
Shanghai Property Management Association – Outstanding Business Unit	2015
Tianjin City Brands of Excellence for Property Management	2015
Shanghai Outstanding Projects Award	2015

STAKEHOLDER ENGAGEMENT



Throughout 2017, we engaged our key stakeholders through various channels to inform them of our sustainability initiatives, and at the same time, gathered their expectations and concerns on the sustainability of our business. These key stakeholders were chosen based on their ability to influence our performance and provide effective solutions to incorporate sustainability into our operations.

These stakeholders include investors, business partners, suppliers, local communities, customers, media, and employees. The concerns raised by them during engagement have been compiled and prioritised based on sustainability considerations and their impact on the business.

ENGAGING WITH OUR STAKEHOLDERS	
Stakeholder Group	Channels of Communication
Investors	<ul style="list-style-type: none"> • Annual General Meeting • Financial results briefings • Financial results • Presentations • Regular analyst and investor meetings • Announcement, media releases and interviews • Annual report • Company website and email alerts
Business Partners	<ul style="list-style-type: none"> • Regular dialogue sessions, town halls, and forums • News bulletin • Financial results briefings • Financial results • Presentations • Annual report • Company website and email alerts
Suppliers	<ul style="list-style-type: none"> • Supplier Code of Conduct • Green procurement specifications • Environmental, Health and Safety (EHS) assessment • Quarterly seminars and peer sharing • Vendor evaluation
Local Communities	<ul style="list-style-type: none"> • Collaborations with charity and NGOs partners for community development • Universal design for homes and offices • Annual report • Company website • Corporate advertisements

ENGAGING WITH OUR STAKEHOLDERS	
Stakeholder Group	Channels of Communication
Customers	<ul style="list-style-type: none"> • Integrated customer and call centre • Welcome parties • Green Living Guides • Customer satisfaction surveys • Show suites feedback • Recycling programme • Campaign • Healthy Workplace Ecosystem • Annual tenant satisfaction surveys • Tenant engagement/networking events
Media	<ul style="list-style-type: none"> • Roadshows • Conferences, meetings and site visits • Media releases and interviews • Annual report • Company website and email alerts • Project launches
Employees	<ul style="list-style-type: none"> • Regular dialogue sessions, town hall meetings and forums • Company intranet • News bulletin • Employee Assistance Programme (counselling service) • Employee grievance handling procedures • Employee volunteering platform • Employee performance review

MATERIALITY ASSESSMENT



Expectations of the stakeholders and sustainability-related concerns raised by them during engagement were gathered to identify the material Environmental, Social and Governance factors, which was subsequently mapped to the GRI list of aspects. The aspects mapped were then given priority based on their impact on the business and how important stakeholders considered each aspect. The aspects that shared high importance for both the stakeholders, as well as the business, were validated by Yanlord’s top management.

MATERIAL ASPECTS IDENTIFIED

MATERIAL ASPECTS IDENTIFIED	IMPACT WITHIN/OUTSIDE THE ORGANISATION
Economic Performance	Within the organisation
Occupational Health and Safety	Within the organisation
Customer Health and Safety	Within the organisation
Customer Satisfaction	Within the organisation

CARING FOR OUR CUSTOMERS

One of Yanlord's top priority is ensuring the health and safety of customers in all our development properties. The health and safety aspect for our customers is well thought of at every stage of the property development. This is essential to avoid injuries, maintain a healthy environment within our properties and avoid compliance breaches. We are devoted to identifying all possible hazards that our customers can encounter and mitigate such hazards at an early stage.

We have set aside several policies to manage this aspect. Our company policy has provisions on safeguarding the health and safety of customers for avoiding accidents and non-compliance of regulations. We are working on enhancing the accessibility of people of different age groups and mobility within our properties built. We have the special infrastructures in place – such as ramps, boarding bays and public toilets – to cater to groups concerned.

We also believe that open and green spaces for customers within the built environment enhance aesthetics and customer satisfaction. These greeneries not only improve the urban environment but also the wellbeing of our customers. All our properties have large open spaces and lush natural greenery. Yanlord Townhouse is an example of our "natural" properties. It is situated within the wetland ecological conservation zone in Shanghai. The property capitalises on the natural tranquillity of its surroundings which is coupled with proximity to the amenities of cosmopolitan living.

Entry and exit of our properties are also located closely to transport hubs such as bus stops and train stations. Proximity to transport hubs enables easy and convenient commute and easy access to all amenities. Our properties of Yanlord Western Gardens is an example that is ideally situated between Hongqiao CBD & Transportation Hub in Qingpu New Town.

In 2017, there were no incidences of non-compliance concerning the health and safety issues in our properties, as well as no cases of non-compliance with voluntary codes concerning either occupational health and safety or product and service information.

We have set some **goals and targets** to ensure customer health and safety practices are followed in our properties as given below:

We strive to have:



ZERO incidents involving negative effect to health and safety for our customers



ZERO cases of non-compliance with voluntary codes concerning either occupational health and safety or product and service information

CARING FOR OUR PEOPLE



We believe that building people within the organization is crucial to building our business. At Yanlord, we consider people as the backbone holding up our business and strive to ensure that our employees are always taken care of. We abide by PRC's Labour Law and Safe Production Law, among others, for ensuring the health and safety of our employees.

Our policy on health and safety has been developed to safeguard our employees. We have a systematic way of reporting any incidents of injury or accident taken place in our properties. For construction sites, any incidents will be reported to project managers for immediate treatment. For managed properties, any incidents will be reported to the respective property manager. All cases of incident will be documented by our human resources department for the processing of leaves and insurance payout.

In 2017, we had 23 incidents reported, which translates into less than 80 lost days per million hours worked. There were no cases of occupational diseases and work-related fatalities in the same year.

To continue the emphasis on managing workplace health and safety in our business, we have outlined goals and targets to better manage health and safety concerns of our employees. We will follow up closely and report on our progress in the next report.

Performance in 2017:



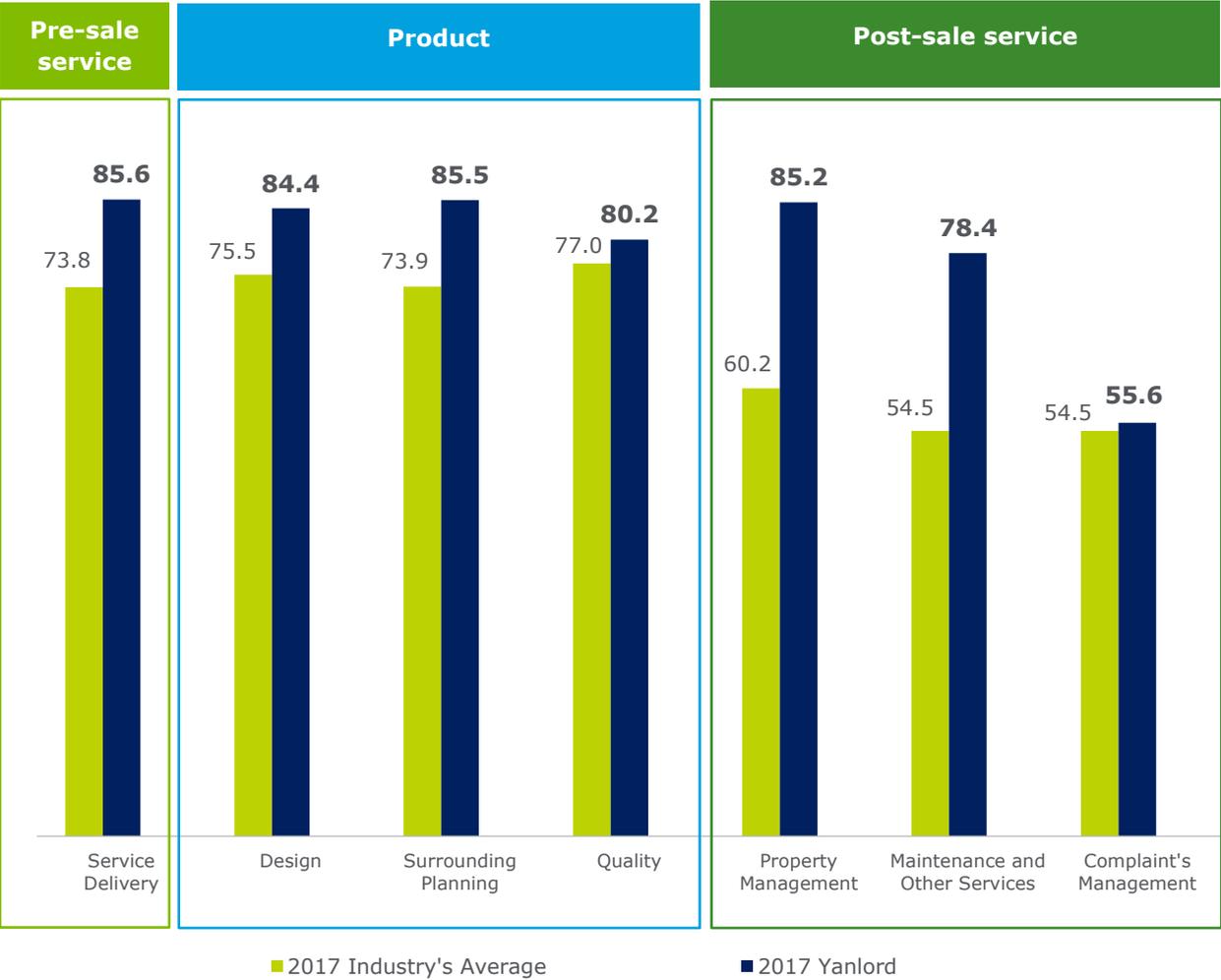
* Number of lost man-days per million hours worked

CUSTOMER SATISFACTION

We are dedicated to designing and creating high-quality properties. Our properties are characterised by outstanding architectural design and quality construction. We actively try to identify and address the needs of our customers. This commitment underpins our brand and provides the necessary foundation for a harmonious community.

We recognise the value of customer feedback, as it allows us to understand the experience of our customers and inform how we can improve our products services to better meet their needs. We engaged an independent research agency that is well-known in PRC to conduct regular surveys for all our customers – the buyers of our development properties, the tenants of our office buildings, service apartments and retails shops, as well as the guests of our service apartments and hotels. The survey results are later analysed for any potential gaps and areas of improvement, with the appropriate follow-up actions after the analysis.

Our proactive approach has ensured that we achieve high satisfaction level at all stages of services to our customers. The table below shows the satisfaction level rated by our customer, which we have been given scoring that exceeds the industry’s average. We will always strive to achieve better satisfaction level than our peers, which are represented by the industrial average scores.



Note: Yanlord has also achieved satisfaction level of 78.8 for facilities under the category of "Product". This score is excluded from the figures above as there is no industry average available.

SUSTAINABLE GREEN DEVELOPMENTS



In 2016, an estimated 54.5 per cent of the world's population lived in urban settlements. By 2030, it is estimated that urban areas are projected to house 60 per cent of people globally¹. As a property developer, Yanlord's focus is on building green infrastructure that supports sustainable development for growing communities. The sustainable infrastructure includes thorough site planning, environmental friendly materials usage, innovative design to reduce energy and water consumption, and indoor environmental quality maintenance.

Developing sustainable infrastructure can be assured through green ratings and certifications. Located in Chengdu, Sichuan Province in PRC, Yanlord Landmark has been awarded LEED-EB Platinum. This certification ensures reduction of wastage of energy and resources in the building and improvement of the indoor air quality within the buildings thereby improving the comfort level within the buildings. The certification also ensures increased work efficiency and satisfaction of office workers within the building. Most importantly, the certification helps align sustainability development goals for both property owners and tenants.

Yanlord Landmark is an example of future developments in urban areas. Sustainable property development commences with purchasing green materials for developing properties, separation of waste, and sustainable housekeeping and maintenance, amongst others. Yanlord Landmark has been successful in pest management, erosion control, landscape management, and in reducing outdoor parking. Environmental systems in place such as water-saving features in toilets and the installation of meters to control water dispensed, affirms our commitment to reduce water consumption.

Yanlord is committed to developing properties with LEED or equivalent green certifications to support sustainable development. Currently, Yanlord looks after the environment surrounding the property sites, resource usage (material and energy), and other aspects such as indoor air quality and educating the community on practicing sustainability within the properties.

¹ (United Nations Economic & Social Affairs, 2016)

CARING FOR OUR COMMUNITY

At Yanlord, we have been actively organising charity events for the differently abled and the underprivileged communities, as well as various activities for the environment. In addition to achieving high standards of investor relations, good corporate citizenry is another key focus of the Company. Building on our commitment to delivering quality homes to our discerning customers, we continue to focus on environmental conservation through developing eco-friendly developments. Our corporate social responsibilities also extend to student and youth engagement programs such as grants and donations to educational institutes as well as enrichment programs for students. Building on our earlier initiatives to enhance understanding of the Chinese business environment amongst Singapore students, our Group had in FY 2017 welcomed an additional 2 batches comprising approximately 100 students and staff from Nanyang Polytechnic to our residential and commercial developments in Chengdu.

SPECIAL FUND FOR THE VISUALLY-IMPAIRED

Our Shanghai unit raised over RMB 3 million as a donation for the visually impaired on 31 May 2017 in Shanghai. The key beneficiary for this initiative was Shanghai Fudan University Education Development Foundation and the Fudan University Affiliated Pediatric Hospital.



HELPING THE ELDERLY

In 2017, our Shenzhen unit raised a total of RMB 1 million to support the elderly. We supported two charitable organisations, namely 深圳市爱联股份合作有限公司、深圳市龙岗区龙城道爱联社区老年人协会 for this cause.

CONTRIBUTION FOR SPORTS

For the 13th PRC National Games held in September 2017, our Tianjin unit contributed printers and consumables for the event. This initiative was to support sports within the country.

GRI CONTENT INDEX

GENERAL DISCLOSURES			
General Standard	Disclosure	Page number(s) and/or URL(s)	Omission
ORGANISATIONAL PROFILE			
GRI 102: General Disclosures 2016	102-1 Name of the organisation	About Yanlord Land Group Limited	
	102-2 Activities, brands, products and services	About Yanlord Land Group Limited	
	102-3 Location of headquarters	About Yanlord Land Group Limited	
	102-4 Location of operations	About Yanlord Land Group Limited	
	102-5 Ownership and legal form	About Yanlord Land Group Limited	
	102-6 Markets served	About Yanlord Land Group Limited	
	102-7 Scale of the organisation	About Yanlord Land Group Limited	
	102-8 Information on employees and other workers	About Yanlord Land Group Limited	
	102-9 Supply Chain	Our Commitment To Sustainability	
	102-10 Significant changes to organisation and its supply chain	Not Applicable	
	102-11 Precautionary principle or approach	Our Commitment To Sustainability	
	102-12 External Initiatives	Our Commitment To Sustainability	
	102-13 Membership of associations	Our Commitment To Sustainability	

STRATEGY			
GRI 102: General Disclosures 2016	102-14 Statement from senior decision-maker	Board Statement	
ETHICS AND INTEGRITY			
GRI 102: General Disclosures 2016	102-16 Values, principles, standards, and norms of behaviour	Our Core Value Our Commitment To Sustainability	
GOVERNANCE			
GRI 102 : General Disclosures 2016	102-18 Governance structure	Our Commitment To Sustainability	
STAKEHOLDER ENGAGEMENT			
GRI 102: General Disclosures 2016	102-40 List of stakeholder groups	Stakeholder Engagement	
	102-41 Collective bargaining agreements		Omitted
	102-42 Identifying and selecting stakeholders	Stakeholder Engagement	
	102-43 Approach to stakeholder engagement	Stakeholder Engagement	
	102-44 Key topics and concerns raised	Stakeholder Engagement	
REPORTING PRACTICE			
GRI 102: General Disclosures 2016	102-45 Entities included in the consolidated financial statements	About Yanlord Land Group Limited	
	102-46 Defining report content and topic Boundaries	Reporting Scope And Boundaries	
	102-47 List of material topics	Materiality Assessment	
	102-48 Restatements of information	Not Applicable	
	102-49 Changes in reporting	Not Applicable	
	102-50 Reporting period	About This Report	

	102-51 Date of most recent report	Not Applicable	
	102-52 Reporting cycle	About This Report	
	102-53 Contact point for questions regarding the report	Contact Us	
	102-54 Claims of reporting in accordance with the GRI Standards	About This Report	
	102-55 Content Index	GRI Content Index	
	102-56 External assurance	Not Externally Assured	
CATEGORY: ECONOMIC			
ECONOMIC PERFORMANCE			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Key Economic Highlight In 2017	
	103-2 The management approach and its components	Key Economic Highlight In 2017	
	103-3 Evaluation of the management approach	Key Economic Highlight In 2017	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Key Economic Highlight In 2017	
CATEGORY: SOCIAL			
OCCUPATIONAL HEALTH AND SAFETY			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Caring For Our People	
	103-2 The management approach and its components	Caring For Our People	
	103-3 Evaluation of the management approach	Caring For Our People	
GRI 403: Occupational Health and Safety 2016	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Caring For Our People	

CUSTOMER HEALTH AND SAFETY			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Caring For Our Customers	
	103-2 The management approach and its components	Caring For Our Customers	
	103-3 Evaluation of the management approach	Caring For Our Customers	
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Caring For Our Customers	
CUSTOMER SATISFACTION			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Customer Satisfaction	
	103-2 The management approach and its components	Customer Satisfaction	
	103-3 Evaluation of the management approach	Customer Satisfaction	
Customer Satisfaction	102-43 Approach to stakeholder engagement	Customer Satisfaction	
	102-44 Key topics and concerns raised	Customer Satisfaction	