



DEBAO PROPERTY  
DEVELOPMENT LTD.

德宝房地产开发有限公司

SUSTAINABILITY REPORT 2020



携手同进  
坚韧不拔  
着眼未来

BUILDING RESILIENCE  
BUILDING TOMORROW

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# 1. Highlights

## 1.1 Corporate profile

Established in 2000, Debao Property Development Ltd. (**Debao** or the '**Company**'), together with its subsidiaries, (the '**Group**') is an integrated property developer of quality integrated residential properties and commercial properties from Foshan City, Guangdong Province, the People's Republic of China (**PRC**).

Our vertically-integrated business model and operations enable us to carry out key aspects of property development, such as design, construction and marketing, in-house as well as manage the developments after completion.

Led by our experienced management team, we have built a strong presence and brand name in developing large scale and multi-phased projects that are fully integrated with ancillary facilities.

Our business comprises four segments: property development, construction contract, property investment and property management.

As at 31 December 2020, the Group has a total gross floor area (**GFA**) of approximately 294,000 m<sup>2</sup> of properties under and held for future development, including two projects in Malaysia. As part of our property investment business, we hold selected commercial properties that we have developed or bought for capital appreciation for recurring and stable rental income. We also provide management services for residential properties developed by us.

As testament of our quality operations and property developments, our Jiangnan Mingju Phases 1 to 4 won the Double Gold Prize (Construction and Environment) in the National Residential Construction, Planning and Design Competition (全国人居经典建筑规划设计方案竞赛：建筑、环境双金奖) in October 2004.

Apart from China development projects, the Group has been actively exploring and studying commercially viable new ventures and overseas development projects.

Since 2012, the Group has extended its operations to Malaysia as part of its strategy towards globalisation and build an international brand name in property development.

Our international development, The Landmark, previously known as Project Imbi in Kuala Lumpur, Malaysia, is progressing smoothly development progress and has commenced advance sales in the second half of 2019. The total planned construction area of The Landmark-Malaysia is 194,000 square meters. The Landmark-Malaysia is located in the central business district of Kuala Lumpur, which will greatly enhance the ability of the Group to withstand the challenges from both Malaysia and China's markets.

Debao is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (**SGX-ST**) under the stock code BTF.



## 1.2 Message to stakeholders

Debao has been committed to creating a sound living and working environment for our customers. This reflects not only our attitude to the environment and responsibilities for the society, but also our expectations for the future.

In FY2020, we continue to engage in constructive dialogue with our stakeholders and focus on our four key pillars of Green Development, Operational Safety, Environmental Sustainability and Employee Motivation. We will strive to continue having zero accident rates in all our current property development projects. We are also aware that our carbon footprint arises primarily out of electricity consumption of our companies. As such, we will step up our efforts on improving the energy efficiency of our operations in the coming year, doing our part to contribute to the positive global action on climate change.

However, the outbreak of the COVID-19 pandemic in FY2020 has had a significant impact on lifestyles, businesses and communities globally. Our property assets are situated in the PRC and Malaysia, mainly comprising integrated commercial and residential developments. As such, we have also been significantly impacted by the outbreak of the COVID-19 pandemic, which had affected market sentiment in the real estate industry during the first quarter of FY2020.

In the PRC, the authorities have responded swiftly with containment and precautionary measures, largely limiting the impact of COVID-19 to the first half of 2020. In Malaysia however, the continued Movement Control Order (**MCO**) restrictions imposed earlier this year has further affected the construction progress of the Imbi Project in Kuala Lumpur.

We have continued to take all necessary measures to ensure the safety and well-being of our personnel and to mitigate the economic fallout of this existential health treat, travel curbs, quarantines, lockdowns and compulsory business shutdowns. This includes the implementation of business continuity plans, enhancement of online activities and austerity measures.

Lastly, we wish to confirm that the Board has considered sustainability issues as part of its strategic formulation, determined the material environmental, social and governance (**ESG**) factors and overseen the management and monitoring of the material ESG factors.

As part of Debao's commitment to sustainable development, we will continue to strive to do business in a responsible way. We will improve on our sustainability achievements and partner with other parties to create a green ecosphere as well as a natural and harmonious living environment.

On behalf of the Board of Directors

**ZHONG YUZHAO**  
Executive Director and CEO



### 1.3 Scope of sustainability report

The scope of the report covers information on material sustainability aspects of Debao from 1 January 2020 to 31 December 2020 unless otherwise specified. We believe that the report should sufficiently address stakeholders' concerns in relation to sustainability issues arising from the Group's major business operations.

This report is prepared in accordance with the Global Reporting Initiative (**GRI**) Standards: Core Option as it provides a set of an extensive framework that is widely accepted as a global standard for sustainability reporting. It also considers the Sustainability Reporting Guide in Practice Note 7.6 of the Singapore Exchange Securities Trading Limited (**SGX-ST**) Listing Manual. In preparing our report, we applied the GRI's principles for defining report content and report quality by considering the Group's activities, impacts and substantive expectations and interests of its stakeholders.

The data and information provided within the report have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy.

### 1.4 Restatements

No restatements were made from the previous report.

### 1.5 Sustainability contact

We welcome your views and feedback on our sustainability practices and reporting at [ir@fsnhdebao.com](mailto:ir@fsnhdebao.com).



## 2. Our approach to sustainability

### 2.1 Sustainability organisational structure

Sustainability is a vital part of our corporate strategy for achieving long-term growth. The values we create for our people, the environment and society at large very much determine our financial performance. We developed a sustainability organisational structure to move things forward:



## 2.2 Sustainability strategy

Our sustainability strategy aims to create integrated values. Together with disciplined execution of our strategy and a commitment to doing business responsibly, we commit to deliver value to all our stakeholders through the following:



The sustainable strategy is underpinned by our comprehensive internal policies on the following:

- Safety Management (安全技术管理), which covers aspects on safety culture, safety training and development, rewards and penalties, safety inspections, incidence reporting, and emergency response procedures in the event of safety incidents.
- Equipment Management (设备与设施管理), which covers aspects on equipment listing, equipment contracts, equipment safety permits, equipment operations manuals and safety labels.
- Subcontractor Management (分包单位管理), which covers aspects on subcontractors listing, subcontractors jobs and responsibilities, quality of goods delivered, and subcontractor evaluations.
- Human Resources Management (人事管理), which covers aspects on employee handbook, department-specific performance evaluations, rewards and penalties.

The strategy is also guided by external sources, including the Global Reporting Initiative Standards and Sustainability Reporting Guide in Practice Note 7.6 of the Singapore Exchange Listing Rules.

## 2.3 Consulting our stakeholders

We recognise the need to continuously develop our responsible business approach in order to address growing stakeholder expectations around our impact on the economy, environment and society. As such, we periodically consult with our stakeholders to determine the issues that are most relevant to them and Debao.

An overview of our approach and rationale is set out below (with stakeholders listed in alphabetical order), together with the feedback we have received.

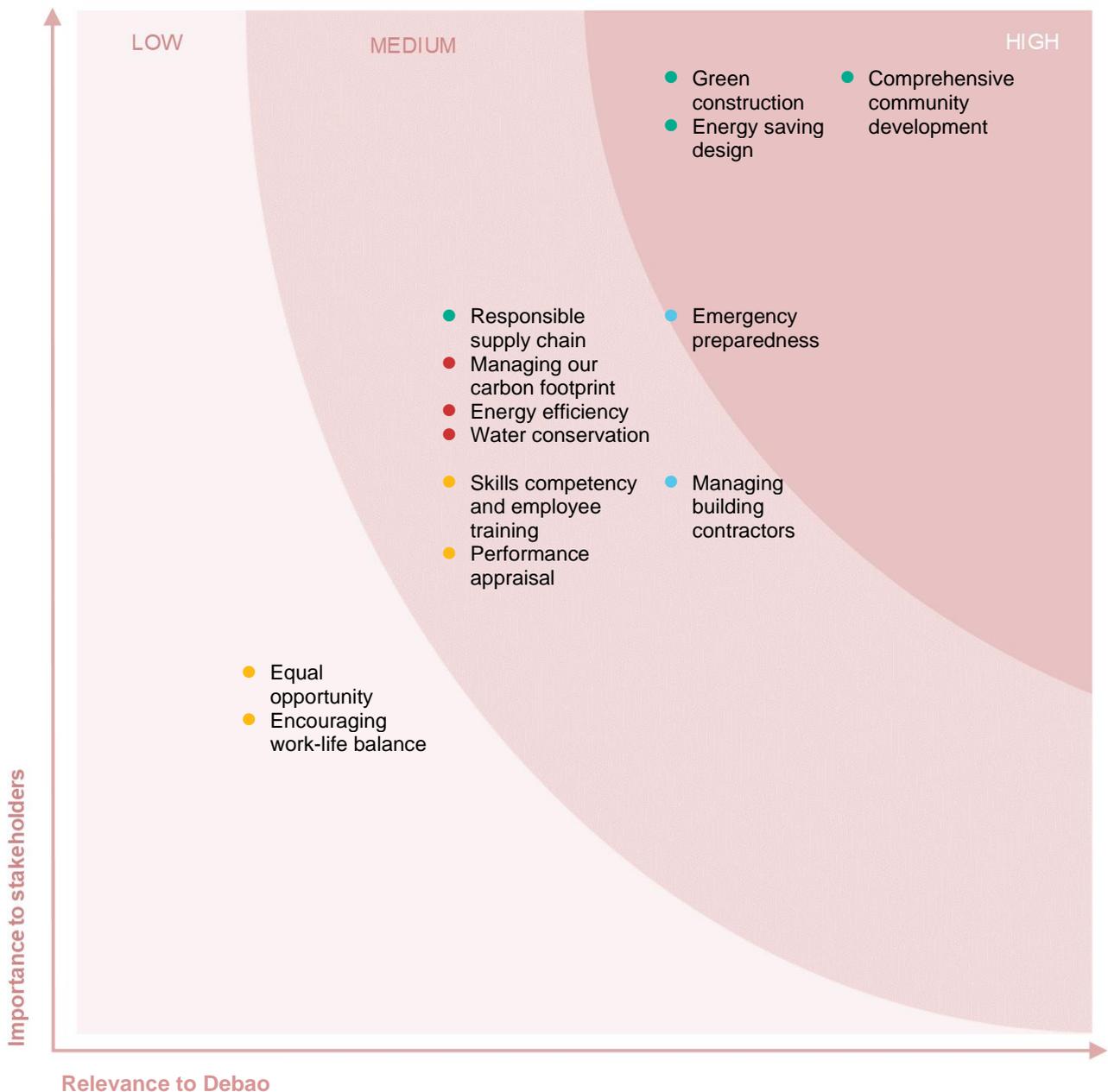
Stakeholders	How we listen	Why we do it	What you've told us
<b>Builders and suppliers</b>	<ul style="list-style-type: none"> <li>• Daily project meetings</li> <li>• Periodic evaluations on suppliers' performance</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure construction projects are completed on time at a reasonable quality and cost</li> </ul>	<ul style="list-style-type: none"> <li>• Ability to meet Company's quality standards</li> <li>• Ability to meet Company's delivery timelines</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Road shows</li> <li>• Feedbacks</li> <li>• Company's website</li> </ul>	<ul style="list-style-type: none"> <li>• Safeguard investment value of customer</li> <li>• Ensure customer satisfaction is upheld</li> <li>• Ensure service standard</li> </ul>	<ul style="list-style-type: none"> <li>• Optimizing customer service</li> <li>• Increase in investment value of properties</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Internal updates and communication</li> <li>• Events and functions</li> </ul>	<ul style="list-style-type: none"> <li>• Improve employee's capabilities through internal and external training</li> <li>• Improve employee's well-being through managing health and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Health and safety</li> <li>• Career progression</li> <li>• Benefits and rewards</li> <li>• External courses</li> </ul>
<b>Regulatory authorities (Governments, SGX, MOM, IRAS)</b>	<ul style="list-style-type: none"> <li>• Regular updates and communication</li> <li>• Reports and compliance</li> <li>• Periodical meetings with government bodies</li> </ul>	<ul style="list-style-type: none"> <li>• Adhere to environmental regulations for chemical production</li> <li>• Good relationship between continuing sponsor and Company</li> <li>• Dialogue with SGX</li> <li>• Active participation in SGX events to increase visibility and transparency</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with relevant laws and regulations</li> </ul>
<b>Shareholder and investors</b>	<ul style="list-style-type: none"> <li>• SGX Announcements</li> <li>• Shareholder's meeting</li> <li>• Annual reports</li> <li>• Company's website</li> <li>• Regular updates and communication</li> </ul>	<ul style="list-style-type: none"> <li>• Committed to delivering economic value to our capital providers through a strong financial performance and our methods of engagement with them.</li> </ul>	<ul style="list-style-type: none"> <li>• Long-term profitability</li> <li>• Sustainability matters</li> <li>• Group's performance against targets</li> <li>• Compliance with all relevant requirements</li> <li>• Business continuity</li> </ul>

## 2.4 Sustainability materiality

Based on the stakeholder engagement, we developed our sustainability materiality matrix containing material aspects which are aligned with our principal business and operational risks, and formed our sustainability strategy which has shaped our approach to sustainability reporting, as illustrated in the diagram below.

We have also developed metrics to help us measure our progress, as indicated in our sustainability scorecard in **Appendix A**. We will review and adjust the matrix each year, as the external and business context changes.

The aspect boundaries 'within' the organisation are limited to Debao and our subsidiaries, whereas the aspect boundaries 'outside' the organisation include builders and suppliers, customers, employees, regulatory authorities (Governments, SGX, MOM, IRAS), shareholder and investors.



## 3. Our performance

### 3.1 How we measure our performance

Our **sustainability strategy** is embedded into the appropriate parts of our business, with dedicated teams for each focus area, and coordination by our relevant departmental managers.

Progress will be tracked in two key ways: measuring performance against metrics, and evaluating how well the programs have advanced, through a series of 'commitments'.

#### Metrics and targets

We have established key performance indicators for each of the four focus areas outlined in our **sustainability strategy**. Periodically, we plan to introduce new metrics and update targets to ensure alignment with our strategy.

#### Commitments

To ensure we have a robust sustainability programme in place, we have included the key commitments for each area of our sustainability strategy. The progress we have made against each key commitment is indicated using the symbols shown in the table below.

We track and review our sustainability programme with the Board of Directors at least once a year.

#### Symbols used to indicate progress against commitments

Symbol	Meaning
Ⓝ	New commitment this year
◯	Not started
◐	In progress
●	Complete
Ⓢ	Ongoing commitment: no end date



## 3.2 Green development

### Overview

Since 2000, Debao has been an integrated property developer of quality integrated residential properties and commercial properties in the PRC. In 2012, we further expanded our operations to Malaysia.

We recognise that “green development” has become a common pursuit of our people, and we too, have started to integrate this aspect into our projects from commencement to completion. Our vertically integrated business model and operations allows us to embed green practices into key aspects of property development, from design, construction and marketing to managing the developments after completion.

### Comprehensive community development

We adhere to the mindset and practice of “green and eco-friendly development” throughout the lifecycle of a project and advocate “green office” among the employees to economise on the resources, abate pollution and reduce CO<sub>2</sub> emission to the greatest extent, so as to contribute more to a bluer sky and cleaner water.

Over the years, we are involved in a number of integrated developments comprising both residential and commercial units, including Sihui Project, Jiangnan Mingju and Jin Long Garden. Most major amenities, shopping and entertainment are within walking distance. This encourages an active lifestyle amongst the residents, boosts work life balance, reduces vehicular fuel consumption, and enables people to enjoy a higher standard of living.

In FY2020, the total GFA for all development properties of the Group (since 2000), comprising completed properties and properties under development, stands at 1.57 million m<sup>2</sup>. During the year, the Group disposed their equity interest in Poly Ritz Green (Malaysia) Sdn. Bhd. (**PRG**). Following the disposal, the Group also ceased to have any equity interest in the Kuchai Lama Project under PRG. Please refer to the list our property developments to date (since 2000) in **Appendix A**.

We will continue to track and monitor the GFA for all development properties of the Group and report the progress every year.

### FY2020 Performance

# 14

Completed property developments (since 2000)

# 1.28m

GFA for completed properties (since 2000) (in square metres)

# 0.29m

GFA for properties under construction (in square metres)

# 0

Regulatory incidents

# 70%

Purchases from local suppliers



## Green construction

We have extended the connotation of green properties, and followed the idea of environmental protection throughout the whole process of construction. Together with our partners, we have made in-depth research over a rational construction site layout, and continuously enhanced on-site management to create a clean, tidy, comfortable and safe construction environment.

We have made explicit provisions over noise, exhaust gas, sewage and solid wastes generated in everyday life and production. We have also taken protective measures over soil and natural resources and minimised the influences of dusts and construction wastes on the communities and residents in strict compliance with national and municipal regulations.



### *Noise management*

- Setting reasonable construction timetable according to the noise limits at different stages.
- Vigorously promoting new noise-reduction and vibration-damping technologies to abate noise during pile foundation engineering, etc.
- Taking proper measures to reduce the noises generated by mixers and other noisy machineries.



### *Dust and airborne contaminants management*

- Sprinkling water to lay the dust during dust-prone operations, loading/unloading and transportation.
- Properly storing and covering any granular materials that are easy to ascend into the air; and cutting materials in the shed with proper dust-control measures.
- Do not burn any substances that may produce harmful or poisonous gas, smoke or dust at the construction sites.



### *Sewage management*

- Finishing the installation of drainage and sewage treatment facilities before the commencement of construction, to ensure up-to-standard water discharge, no accumulated water on site, and no overflow or blockage during drainage.
- Recycling processed construction sewage



### *Construction waste management*

- Taking proper measure to minimise solid wastes, such as centralised mortar mixing and reduced use of bagged cements.
- Disposing construction and domestic wastes in strict compliance with the government requirements

In FY2020, the Group was not in violation of any of the relevant construction laws and regulations in the countries that we operate in, that have a significant impact on the Group. As part of our strategy, we seek to continue to be fully compliant with relevant construction laws and regulations in the countries that we operate in, that have a significant impact on the Group.

## Energy saving design

Project conceptualisation is carried out in the initial phase for property development. This may be carried out in-house by the Group, or outsourced to professional consultants, such as architects, interior designers, surveyors or engineers (mechanical, electrical, civil and structure). In our recent projects, we have incorporated energy saving designs into our building plans. We will also regularly invest in enhancing the environmental performance of our portfolio.

To improve electrical efficiency, various energy saving practices have been implemented in the residential and commercial properties managed by the Group.

For example, we ensure that all air-conditioning units used in our projects comply to the energy efficiency equivalent to 3-ticks of the BCA Greenmark. Hence, these units consume less electricity and are more environmentally-friendly.

Going forward, we seek to align ourselves with international standards and best practices in green building design and construction by committing to obtain green building certification (e.g. LEED certification program) for our new properties.

These green building certification programs will provide us with external assurance on the measures we have incorporated to improve the environmental performance of our buildings. We will continue to review our strategy in pursuing green building certifications to keep our competitive edge, and contribute to raising industry standards for green building design and construction over the long term.

## Responsible supply chain

We have constantly improved the procurement management and bidding system, maintained good partnership with our suppliers and subcontractors, and further deepened strategic cooperation with outstanding partners for the sake of shared development under a rigorous supplier evaluation system, thus boosting the overall capacity of the supply chain.

We have consistently followed the ideology of honest procurement and safeguarded the fundamental rights and interests of suppliers in a fair, just and open manner.

We believe that a secure and stable local supply chain that meets our sustainability needs is very important to ensure the smooth and uninterrupted operation of our operating activities.

In FY2020, 70% of our purchases are sourced from local suppliers, representing a slight decrease from the previous year due to lower operations volume and different purchasing mix. As part of our strategy, we have committed to source at least 70% of our purchases locally.

## Commitments: Green development

**Track and report the GFA for all development properties of the Group (since 2000)**

**GFA for all development properties of the Group (m<sup>2</sup>)**

Year	GFA (m <sup>2</sup> )	Change (m <sup>2</sup> )
2020	1.28	0.29
2019	1.28	0.51
2018	1.28	1.20

**FY2020 progress**

- There are 14 completed properties to date (since 2000) and 2 properties under development.
- During the year, the Group disposed their equity interest in PRG, which manages the Kuchai Lama Project.

**Full compliance with relevant construction laws and regulations in the countries that we operate in**

**Achievements**

- Fully compliant with relevant construction laws and regulations in the countries that we operate in

**FY2020 progress**

- The Group was not in violation of any of the relevant construction laws and regulations in the countries that we operate in, that have a significant impact on the Group.

**Source at least 70% of our purchases locally**

**Purchases sourced locally (%)**

2020	70
2018	65
2017	69

**FY2020 progress**

- 70% of our purchases are sourced from local suppliers, representing a slight increase from the previous year due to lower operations volume and different purchasing mix.

### 3.3 Operational safety

#### Overview

Safety is of paramount importance to us, and we have always stressed the importance of production safety in all our operations, especially when we deal with our building contractors.

#### Managing building contractors

Construction site safety is a top priority for the Group. Our major construction projects are located in China and Malaysia. We institutionalised our construction safety management with the following objectives:

- To ensure contractor compliance with the relevant safety regulations;
- To establish an effective communication platform that helps enhance the overall awareness of our staff and contractors of how to deal with safety concerns;
- To build up the knowledge and capacity of site workers on how to carry out their work in a safe fashion; and
- To minimise site injuries and to achieve zero fatalities.

The Group has developed a comprehensive set of guidelines and operating procedures to enhance overall safety performance at our project sites. In particular, our Safety Management Policy and Equipment Management Policy clearly articulate our specific safety requirements and emergency protocols for different work tasks.

While the Project Department acts as a coordinator for all matters related to construction safety, the Group has delegated specific responsibilities to different parties, to facilitate the incorporation of safety considerations and manage the potential safety hazards from multiple perspectives at different stages of a construction project. We have also hired dedicated consultants that specialise in construction site health and safety for our key projects in China and Malaysia. We regard this action as an extra line of defence.

In FY2020, we continued our track record of zero fatalities and accidents, and have committed to maintain this trend in future years. We commit to ensure the safety of our employees, those who work with us and anyone affected by our works as our number one priority.

#### FY2020 Performance

0

Fatalities

0

Serious accidents

0

Accidents per 100,000 man-hours

## Emergency preparedness

While we emphasise on preventing safety incidents, we also prepare the employees to handle and respond to emergencies, including potential accidents and fire. This is very important to reduce and limit the impact and casualty as a result of the any safety incidents that may happen in our line of work. Emergency response procedures is an important part of our Safety Management Policy.

In addition, we have in place a series of emergency response procedures for our property management division for the following:

- Fire
- Flood
- Torrential rain
- Typhoon preparation
- Power outage
- Elevator failure
- Gas leakage
- Burglary
- Fights or violence
- Demonstrations or riots
- Bomb disposal

### COVID-19 Pandemic

The outbreak of the COVID-19 pandemic in FY2020 has had a significant impact on lifestyles, businesses and communities globally. Our property assets are situated in the PRC and Malaysia, mainly comprising integrated commercial and residential developments. As such, we have also been significantly impacted by the outbreak of the COVID-19 pandemic, which had affected market sentiment in the real estate industry during the first quarter of FY2020.

A summary of the impact of COVID-19 on our businesses and our preventive measures are as follows:



#### *China: Impact of COVID-19*

- Authorities have responded swiftly with containment and precautionary measures, largely limiting the impact of COVID-19 to the first half of 2020.
- Construction on the Bay ONE project has since largely returned to normal, with enhanced precautionary measures like monitoring workers health and temperature daily and periodical checking by local authorities.
- However, occupancy of the Tianjin Boulevard project has been affected due to impact of the pandemic on the entertainment and restaurant industries.

#### *China: Preventive Measures and Ongoing Improvements*

- Temperature screening of all personnel entering the company premises.
- Employees who had visited medium or high-risk areas, or suspected infected areas, as advised by the State Council of the PRC, are to be subjected to 14-days self-quarantine before they can come back to office.
- Currently working with Internet service provider to upgrade Internet bandwidth to leased line to improve telecommunication links with the Singapore Head Office.



#### *Malaysia: Impact of COVID-19*

- Continued MCO restrictions imposed has further affected the construction progress of the Imbi Project in Kuala Lumpur. As such, the Imbi Project is currently on hold with an expected completion date in 2026 as the Group focuses its efforts to complete the Bay ONE project first.

#### *Malaysia: Preventive Measures*

- Office employees to work from home due to continued MCO restrictions. All approval processes have been placed online using corporate WeChat.
- Relocation of all PRC staffs in Malaysia back to Foshan, China.

In response to the COVID-19 pandemic, we will continue to take all necessary measures to ensure the safety and well-being of our personnel and to mitigate the economic fallout of this existential health treat, travel curbs, quarantines, lockdowns and compulsory business shutdowns. This includes the implementation of business continuity plans, enhancement of online activities and austerity measures.

In demonstrating our solidarity to join the authorities' efforts to control the pace of the spread of COVID-19, we vigilantly complied with the government's measures in PRC and Malaysia, including stepping up of social distancing and personal hygiene in the PRC and stopping on-site construction works at the Imbi Project in Malaysia. We will monitor the local situation and will put in place the above practices and any additional controls as required by the local governments (e.g. quarantine measures, stop work orders) where applicable.

As the current COVID-19 situation continues to develop, we shall keep a close eye on our operations, and announce any material changes to our business performance to shareholders timely, as and when appropriate.

### Commitments: Operational safety

#### Achieve zero fatalities and accidents

#### Achievements

- Achieved zero fatalities and accidents.

#### FY2020 progress



- The Group continued our track record of zero fatalities and accidents.
- We commit to ensure the safety of our employees, those who work with us and anyone affected by our works as our number one priority.

### 3.4 Environmental sustainability

#### Overview

We are committed to constructing and managing world-class sustainable buildings that add tangible value to the communities we serve and to operate and maintain those buildings with a strong emphasis on the triple bottom line of economy, environment and society.

#### Managing our carbon footprint

We are committed to positive action on climate change and dedicated to reducing the carbon emission in our daily operations. Employees are also reminded to save electricity and fuel consumption through regular internal communications.

To determine the carbon footprint, we collect energy usage data from each our businesses and then calculate our total annual greenhouse gas emissions.

In FY2020, Debao generated a total carbon footprint of 5,578 tonnes of carbon dioxide emission (tCO<sub>2</sub>e). The emission mainly arises from purchased electricity used in our properties which accounted for more than 97% of the total carbon emission of Debao.

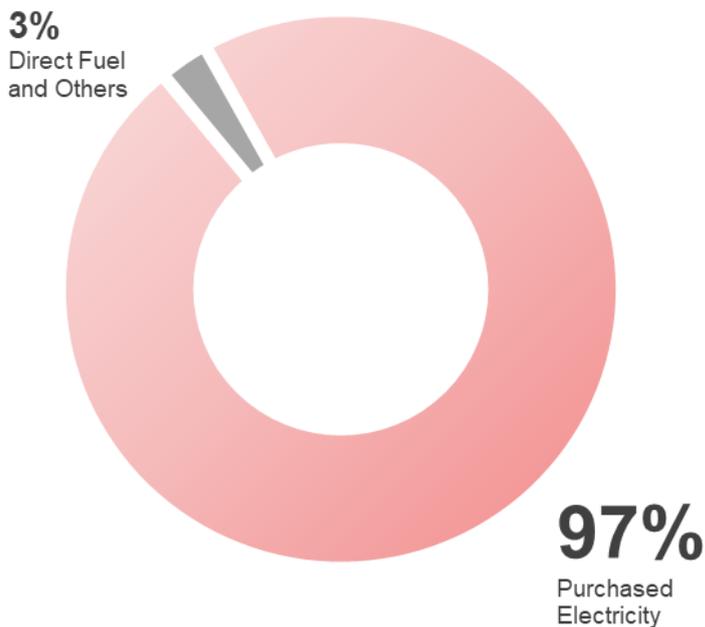
#### FY2020 Performance

**5,578tCO<sub>2</sub>e**

Total carbon footprint

**399m<sup>3</sup>**

Total water consumption



The total carbon footprint increased 19% from the previous year due to increased electricity consumption in the properties managed by the Group.

There have been continuous efforts to optimise eco-efficiency in our building operations, resulting in a slightly lower electricity usage in the current year. For example, we are replacing old, less efficient lighting fixtures with modern, more energy efficient ones.

We follow the Greenhouse Gas Protocol established by the World Resources Institute and the World Business Council for Sustainable Development, the standard manual for measuring corporate greenhouse gas emissions. Using the “control method”, we include 100% of the emissions associated with businesses which we directly control. Our carbon footprint includes:

- All fuels used directly by our companies (Scope 1 emissions)
- All purchased electricity used in our properties (Scope 2 emissions)
- Impact of business air travel (optional Scope 3 emissions)

As part of our strategy, we are committed to reduce our total carbon footprint by 10% (from a FY2020 baseline) by FY2025, through our commitment to energy efficiency in our buildings and our construction activities.

## Energy efficiency

Buildings are energy-intensive structures and electricity often constitutes a significant proportion of operating expenses. By investing in energy efficiency, we not only help protect the environment but can also lower our financial costs. To enhance our existing assets, we have allocated considerable resources to the refurbishment of existing properties. Initiatives over the past years include replacing conventional light bulbs with LED light bulbs.

## Water conservation

Water scarcity is a growing concern around the world and a serious global challenge that we must work together to address. In FY2020, Debao recorded a water consumption of 399 m<sup>3</sup>, representing an increase of 36% from the previous year. We will continue to step up efforts to reduce water consumption at our properties, including installing water-efficient fittings and raising awareness of water scarcity issues among our employees, tenants, customers, and communities.

We will continue to monitor our performance on reduction of total water consumption and report the progress every year.

## Commitments: Environmental sustainability

### Track and report the total carbon footprint

#### Total carbon footprint (tCO<sub>2</sub>e)

2020	5,578
2019	4,708
2018	4,689

#### FY2020 progress

- We recorded a total carbon footprint of 5,578 tCO<sub>2</sub>e. The emission mainly arises from electricity consumption which accounted for more than 97% of the total carbon emission of Debao.
- The total carbon footprint increased from the previous year due to increased electricity consumption in the properties constructed and managed by the Group.
- There have been continuous efforts to optimise eco-efficiency in our building operations, including replacing conventional light bulbs with LED light bulbs
- We are committed to reduce our total carbon footprint by 10% (from a FY2020 baseline) by FY2025, through our commitment to energy efficiency in our buildings and our construction activities.

### Track and report the total water consumption

#### Total water consumption (m<sup>3</sup>)

2020	399
2019	293
2018	279

#### FY2020 progress

- We recorded total water consumption 399 m<sup>3</sup>, representing an increase of 36% from the previous year.
- We will continue to step up efforts to reduce water consumption at our properties, including installing water-efficient fittings and raising awareness of water scarcity issues among our employees, tenants, customers, and communities

### 3.5 Employee motivation

#### Overview

We have a comprehensive performance appraisal programme and rewards system based on the result of the appraisal. The performance appraisal programme is essential for us to understand the skills level of the employees and appropriate training programmes can be designed to fill up the skill gaps.

We emphasise on the career path and progression of our employees, and have built several two-way communication channels to ensure the career development needs of our employees are taken into consideration whenever it is possible. Training opportunities are equal to all employees based on needs identified.

Though these efforts, we are well-positioned to provide a constructive working experience to our employees and contribute to the economic development and skilled labour resources of the local community.

#### Skills competency and employee training

To ensure that our employee excel, we emphasise on continuous learning in the workplace. Every employee has equal opportunities to upgrade and sharpen their skill sets through formal and on-the-job internal training programs.

In FY2020, Debao invested an average of 17.6 hours of training on each employee, representing a 49% increase from the previous year. The increase is due to increased efforts by the Company to ensure employee's skill competency.

As part of our strategy, Debao has committed to achieve a minimum of 10 hours of training per employee on an ongoing basis.

#### Performance appraisal

To ensure the Company achieves its goals, we have various performance appraisal methods in place to determine the performance of the Company as well as each individual employee.

The employee performance appraisal comprises mainly quantifiable evaluation criteria. In addition, we actively collect performance information for each employee each month through inputs from direct supervisors and feedbacks, as well as periodical employee communication sessions.

These collected information allow us to understand the performance and skills development needs of each team and individual employee from multiple aspects. This is crucial for the Company to develop annual training programs for employee that are designed to enhance the skills of the employee and aims to improve the overall productivity.

In FY2020, all of our employees are at least subject to an annual performance appraisal by their superiors. We seek to continue this practice in the coming year.

#### FY2020 Performance

# 17.6

Training hours per staff

# 100%

Employees subject to regular performance appraisal

# 37%

Female representation in workforce

# 35%

Female representation in management

## Equal opportunity

Debao has always been an equal opportunity employer to provide a fair workplace for employees, following the principles of equality and non-discrimination. Recruitment, remuneration, promotion, and benefits are required to be handled based on objective assessment, equal opportunity and non-discrimination regardless of gender, race, marital status, pregnancy, disability, age or family status.

We attract talent through fair, and flexible recruitment strategy that includes recruitment application, job description, job applications, interview, selection, approval, and job offer. Promotion is based on performance and suitability.

We offer competitive remuneration to attract and retain talented staff members. Remuneration packages (which include the necessary social benefits) are reviewed periodically to ensure consistency with employment market. Dismissal also complies with employment laws and regulations relating to non-discrimination.

In FY2020, female employees comprise 37% of our entire workforce, with female representation in management at 35%. We will continue to track and monitor female representation in our workforce and report these statistics every year.

## Encouraging work-life balance

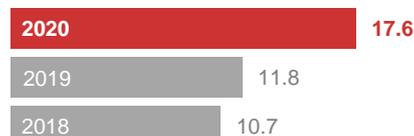
We organised a variety of employee activities to help them relax their mind and body, develop teamwork, explore their talent, so as to develop a positive attitude in both work and life.

To enhance employee teamwork and cohesion, improve employee health and improve employee work-life balance, Debao has been organising periodic employee gatherings during major festivals and sports competitions.

## Commitments: Employee motivation

**Achieve minimum of 10 hours of training per employee**

### Training hours per employee (Hours)



### FY2020 progress

- Debao invested an average of 17.6 hours of training on each employee, representing a 49% increase from the previous year.
- The increase is due to increased efforts by the Company to ensure employee's skill competency.

**All employees are at least subject to an annual performance appraisal by their superiors**

### Achievements

- All employees are at least subject to an annual performance appraisal by their superiors.

### FY2020 progress

- All employees are at least subject to an annual performance appraisal by their superiors.

**Track and monitor female representation in workforce**

### Female representation in workforce (%)



### FY2020 progress

- Female employees comprise 37% of our entire workforce, with female representation in management at 35%.
- Debao has always been an equal opportunity employer to provide a fair workplace for employees, following the principles of equality and non-discrimination. We will continue this practice in future years.

### Female representation in management (%)



## Appendix A: Corporate milestones

### 2020 and beyond

Project name (Expected date of completion)	GFA (m <sup>2</sup> )	Location	Type of development
Bay ONE (Additional Sihui Project) (2021)	100,000	Zhaoqing	Large-scale integrated development
The Landmark (Imbi Project) (2026)	194,000	Kuala Lumpur	Integrated development
<b>Total</b>	<b>294,000</b>		



Year	Project name	GFA (m <sup>2</sup> )	Location	Type of development
2019	Tianjin Boulevard	42,000	Tianjin	Redevelopment of leased heritage building for commercial and leisure mall
2016	Sihui Project Block B&C	97,000	Zhaoqing	Large-scale integrated development
2015	Shanshui Longpan Phase 3(i) High-rise Flats No.1 to 6 and Club	50,000	Foshan	Part of multi-phases large-scale integrated township development
2014	Sihui Project Block A Sihui City Mall	65,000	Zhaoqing	Large-scale integrated development
2012	Shanshui Longpan Phase 1(ii) Villas	36,000	Foshan	Part of multi-phases large-scale integrated township development
2012	Jin Long Garden South Zone (Joint Venture Project)	83,000	Foshan	Multi-phases integrated development
2011	Shanshui Longpan Phase 1 Villas	61,000	Foshan	Part of multi-phases large-scale integrated township development
2010	Jiangnan Mingju Phases 5 and 6	165,000	Foshan	Multi-phases integrated development
2009	Jin Long Garden North Zone (Joint Venture Project)	45,000	Foshan	Multi-phases integrated development
2007	Jiangnan Mingju Phases 1 to 4	350,000	Foshan	Multi-phases integrated development
2004	Qing Hua Garden (Joint Venture Project)	78,000	Foshan	Integrated development
2002	Guicheng Industrial Park	48,000	Foshan	Integrated development
2000	Debao Garden (Project by our predecessors)	68,000	Foshan	Integrated development
2000	Xinliwan Garden (Project by our predecessors)	91,000	Foshan	Integrated development
<b>Total</b>		<b>1,279,000</b>		

## Appendix B: Sustainability scorecard

### Results

Performance indicators	Units	FY2018	FY2019	FY2020
Revenue	¥million	172	124	350

### Green development

Performance indicators	Units	FY2018	FY2019	FY2020
Completed property developments (since 2000)	Number	14	14	14
Gross floor area for completed properties (since 2000)	'000 m <sup>2</sup>	1,279	1,279	1,279
Gross floor area for properties under construction	'000 m <sup>2</sup>	1,200	515	294
Total gross floor area for all development properties (since 2000)	'000 m <sup>2</sup>	2,479	1,794	1,573
Regulatory incidents	Number	0	0	0
Purchases from local suppliers	Percentage	69	65	70

### Operational safety

Performance indicators	Units	FY2018	FY2019	FY2020
Fatalities	Number	0	0	0
Serious accidents	Number	0	0	0
Accidents per 100,000 man-hours	Number	0	0	0

### Environmental sustainability

Performance indicators	Units	FY2018	F&2019	FY2020
Total carbon footprint	tCO <sub>2</sub> e	4,689	4,708	5,578
Total water consumption	m <sup>3</sup>	279	293	399

### Employee motivation

Performance indicators	Units	FY2018	FY2019	FY2020
Training hours per staff	Hours	10.7	11.8	17.6
Employees subject to regular performance appraisal	Percentage	100	100	100
Female representation in workforce	Percentage	36	36	37
Female representation in management	Percentage	37	21	35

## Appendix C: GRI content index

### GRI Standards Content Index

The GRI Content Index references the Debao Property Development Ltd Sustainability Report 2020 (SR), and the Annual Report 2019 (AR).

Disclosure number	Disclosure title	Page reference and remarks	
<b>GRI 102: General disclosures</b>			
<b>Organisational profile</b>	102-1	Name of organisation	<ul style="list-style-type: none"> <li>AR: Corporate Profile (Page 1)</li> </ul>
	102-2	Activities, brands, products, and services	<ul style="list-style-type: none"> <li>AR: Corporate Profile (Page 1)</li> </ul>
	102-3	Location of headquarters	<ul style="list-style-type: none"> <li>AR: Corporate Profile (Page 1)</li> </ul>
	102-4	Location of operations	<ul style="list-style-type: none"> <li>AR: Corporate Profile (Page 1)</li> <li>AR: Investments in Subsidiary Corporations – Note 22 to the Financial Statements (Pages 81-85)</li> <li>AR: Investments in Associated Companies – Note 23 to the Financial Statements (Page 86)</li> <li>AR: Investment in a Joint Venture – Note 24 to the Financial Statements (Pages 86-87)</li> </ul>
	102-5	Ownership and legal form	<ul style="list-style-type: none"> <li>AR: General Information – Note 1 to the Financial Statements (Page 44)</li> </ul>
	102-6	Markets served	<ul style="list-style-type: none"> <li>AR: Segment Information – Note 40 to the Financial Statements (Pages 110-112)</li> </ul>
	102-7	Scale of organisation	<ul style="list-style-type: none"> <li>AR: Corporate Profile (Page 1)</li> <li>AR: Segment Information – Note 40 to the Financial Statements (Pages 110-112)</li> </ul>
	102-8	Information on employees and other workers	<ul style="list-style-type: none"> <li>SR: Employee Motivation (Pages 17-18)</li> </ul>
	102-9	Supply chain	<ul style="list-style-type: none"> <li>SR: Green Development (Pages 9-11)</li> </ul>
	102-10	Significant changes to the organisation and its supply chain	<ul style="list-style-type: none"> <li>AR: Corporate Profile (Page 1)</li> <li>AR: Our Properties (Pages 2-3)</li> <li>AR: Corporate Milestones (Page 4)</li> </ul>
	102-11	Precautionary Principle or approach	<ul style="list-style-type: none"> <li>AR: Corporate Governance Report (Pages 13-29)</li> </ul>
	102-12	External initiatives	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>
	102-13	Membership of associations	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>
<b>Strategy</b>	102-14	Statement from senior decision-maker	<ul style="list-style-type: none"> <li>AR: Letter to Shareholders (Pages 6-9)</li> </ul>
	102-15	Key impacts, risks, and opportunities	<ul style="list-style-type: none"> <li>AR: Independent Auditor's Report (Pages 33-36)</li> </ul>
<b>Ethics and integrity</b>	102-16	Values, principles, standards, and norms of behavior	<ul style="list-style-type: none"> <li>SR: Sustainability Strategy (Page 5)</li> </ul>
	102-17	Mechanisms for advice and concerns about ethics	<ul style="list-style-type: none"> <li>AR: Corporate Governance Report (Pages 13-29)</li> </ul>
<b>Governance</b>	102-18	Governance structure	<ul style="list-style-type: none"> <li>AR: Corporate Governance Report (Pages 13-29)</li> </ul>
	102-19	Delegating authority	<ul style="list-style-type: none"> <li>AR: Corporate Governance Report (Pages 13-29)</li> </ul>
	102-20	Executive-level responsibility for economic, environmental, and social topics	<ul style="list-style-type: none"> <li>SR: Sustainability Organisational Structure (Page 4)</li> </ul>
	102-21	Consulting stakeholders on economic, environmental, and social topics	<ul style="list-style-type: none"> <li>SR: Consulting Our Stakeholders (Page 6)</li> </ul>

Disclosure number	Disclosure title	Page reference and remarks	
102-22	Composition of the highest governance body and its committees	<ul style="list-style-type: none"> <li>AR: Corporate Governance Report (Pages 13-29)</li> </ul>	
102-23	Chair of the highest governance body	<ul style="list-style-type: none"> <li>AR: Corporate Governance Report (Pages 13-29)</li> </ul>	
102-24	Nominating and selecting the highest governance body	<ul style="list-style-type: none"> <li>AR: Corporate Governance Report (Pages 13-29)</li> </ul>	
102-25	Conflicts of interest	<ul style="list-style-type: none"> <li>AR: Corporate Governance Report (Pages 13-29)</li> <li>AR: Directors' Statement (Pages 30-32)</li> <li>SR: Sustainability Strategy (Page 5)</li> </ul>	
102-26	Role of highest governance body in setting purpose, values, and strategy	<ul style="list-style-type: none"> <li>AR: Corporate Governance Report (Pages 13-29)</li> </ul>	
102-27	Collective knowledge of highest governance body	<ul style="list-style-type: none"> <li>AR: Corporate Governance Report (Pages 13-29)</li> </ul>	
102-28	Evaluating the highest governance body's performance	<ul style="list-style-type: none"> <li>AR: Corporate Governance Report (Pages 13-29)</li> </ul>	
102-29	Identifying and managing economic, environmental, and social impacts	<ul style="list-style-type: none"> <li>SR: Sustainability Materiality (Page 7)</li> </ul>	
102-30	Effectiveness of risk management processes	<ul style="list-style-type: none"> <li>AR: Corporate Governance Report (Pages 13-29)</li> </ul>	
102-31	Review of economic, environmental, and social topics	<ul style="list-style-type: none"> <li>SR: Sustainability Report (Pages 1-25)</li> </ul>	
102-32	Highest governance body's role in sustainability reporting	<ul style="list-style-type: none"> <li>SR: Sustainability Organisational Structure (Page 4)</li> </ul>	
102-33	Communicating critical concerns	<ul style="list-style-type: none"> <li>SR: Sustainability Materiality (Page 7)</li> </ul>	
102-34	Nature and total number of critical concerns	<ul style="list-style-type: none"> <li>SR: Sustainability Materiality (Page 7)</li> </ul>	
102-35	Remuneration policies	<ul style="list-style-type: none"> <li>AR: Corporate Governance Report (Pages 13-29)</li> </ul>	
102-36	Process for determining remuneration	<ul style="list-style-type: none"> <li>AR: Corporate Governance Report (Pages 13-29)</li> </ul>	
102-37	Stakeholders' involvement in remuneration	<ul style="list-style-type: none"> <li>AR: Corporate Governance Report (Pages 13-29)</li> </ul>	
102-38	Annual total compensation ratio	<ul style="list-style-type: none"> <li>AR: Corporate Governance Report (Pages 13-29)</li> </ul>	
102-39	Percentage increase in annual total compensation ratio	<ul style="list-style-type: none"> <li>AR: Corporate Governance Report (Pages 13-29)</li> </ul>	
<b>Stakeholder engagement</b>	102-40	List of stakeholder groups	<ul style="list-style-type: none"> <li>SR: Consulting Our Stakeholders (Page 6)</li> </ul>
	102-41	Collective bargaining agreements	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>
	102-42	Identifying and selecting stakeholders	<ul style="list-style-type: none"> <li>SR: Consulting Our Stakeholders (Page 6)</li> </ul>
	102-43	Approach to stakeholder engagement	<ul style="list-style-type: none"> <li>SR: Sustainability Strategy (Page 5)</li> </ul>
	102-44	Key topics and concerns raised	<ul style="list-style-type: none"> <li>SR: Consulting Our Stakeholders (Page 6)</li> </ul>
<b>Reporting practice</b>	102-45	Entities included in the consolidated financial statements	<ul style="list-style-type: none"> <li>AR: Investments in Subsidiary Corporations – Note 22 to the Financial Statements (Pages 81-85)</li> </ul>

Disclosure number	Disclosure title	Page reference and remarks
102-46	Defining report content and topic Boundaries	<ul style="list-style-type: none"> <li>SR: Sustainability Materiality (Page 7)</li> </ul>
102-47	List of material topics	<ul style="list-style-type: none"> <li>SR: Sustainability Materiality (Page 7)</li> </ul>
102-48	Restatements of information	<ul style="list-style-type: none"> <li>SR: Restatements (Page 3)</li> </ul>
102-49	Changes in reporting	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>
102-50	Reporting period	<ul style="list-style-type: none"> <li>SR: Scope of Sustainability Report (Page 3)</li> </ul>
102-51	Date of most recent report	<ul style="list-style-type: none"> <li>SR: Scope of Sustainability Report (Page 3)</li> </ul>
102-52	Reporting cycle	<ul style="list-style-type: none"> <li>Annual</li> </ul>
102-53	Contact point for questions regarding the report	<ul style="list-style-type: none"> <li>SR: Sustainability Contact (Page 3)</li> </ul>
102-54	Claims of reporting in accordance with the GRI Standards	<ul style="list-style-type: none"> <li>SR: Scope of Sustainability Report (Page 3)</li> </ul>
102-55	GRI content index	<ul style="list-style-type: none"> <li>SR: GRI Content Index (Pages 22-25)</li> </ul>
102-56	External assurance	<ul style="list-style-type: none"> <li>No external assurance</li> </ul>
<b>GRI 200: Economic disclosures (applicable sections only)</b>		
<b>Economic performance</b>	201-1	Direct economic value generated and distributed <ul style="list-style-type: none"> <li>AR: Financial Highlights (Page 5)</li> </ul>
<b>Procurement practices</b>	204-1	Proportion of spending on local suppliers <ul style="list-style-type: none"> <li>SR: Green Development (Pages 9-11)</li> </ul>
<b>Anti-corruption</b>	205-3	Confirmed incidents of corruption and actions taken <ul style="list-style-type: none"> <li>There is no incidences of corruption.</li> </ul>
<b>Anti-competitive behavior</b>	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices <ul style="list-style-type: none"> <li>There is no legal actions for anti-competition.</li> </ul>
<b>GRI 300: Environment disclosures (applicable sections only)</b>		
<b>Energy</b>	302-1	Energy consumption within the organisation <ul style="list-style-type: none"> <li>SR: Environmental Sustainability (Pages 15-16)</li> </ul>
	302-4	Reduction of energy consumption <ul style="list-style-type: none"> <li>SR: Environmental Sustainability (Pages 15-16)</li> </ul>
<b>Water</b>	303-1	Water withdrawal by source <ul style="list-style-type: none"> <li>SR: Environmental Sustainability (Pages 15-16)</li> <li>SR: Sustainability Scorecard (Page 21)</li> </ul>
<b>Emissions</b>	305-1	Direct (Scope 1) GHG emissions <ul style="list-style-type: none"> <li>SR: Environmental Sustainability (Pages 15-16)</li> <li>SR: Sustainability Scorecard (Page 21)</li> </ul>
	305-2	Energy indirect (Scope 2) GHG emissions <ul style="list-style-type: none"> <li>SR: Environmental Sustainability (Pages 15-16)</li> <li>SR: Sustainability Scorecard (Page 21)</li> </ul>
	305-3	Other indirect (Scope 3) GHG emissions <ul style="list-style-type: none"> <li>SR: Environmental Sustainability (Pages 15-16)</li> <li>SR: Sustainability Scorecard (Page 21)</li> </ul>
<b>Laws and regulations</b>	307-1	Non-compliance with environmental laws and regulations <ul style="list-style-type: none"> <li>There is no non-compliance with environmental laws and regulations.</li> </ul>
<b>GRI 400: Social disclosures (applicable sections only)</b>		
<b>Employment</b>	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees <ul style="list-style-type: none"> <li>SR: Employee Motivation (Pages 17-18)</li> </ul>
<b>Occupational health and safety</b>	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities <ul style="list-style-type: none"> <li>SR: Operational Safety (Pages 12-14)</li> <li>SR: Sustainability Scorecard (Page 21)</li> </ul>

Disclosure number	Disclosure title	Page reference and remarks
<b>Training and education</b>	404-1	Average hours of training per year per employee <ul style="list-style-type: none"> <li>SR: Employee Motivation (Pages 17-18)</li> <li>SR: Sustainability Scorecard (Page 21)</li> </ul>
	404-2	Programs for upgrading employee skills and transition assistance programs <ul style="list-style-type: none"> <li>SR: Employee Motivation (Pages 17-18)</li> </ul>
	404-3	Percentage of employees receiving regular performance and career development reviews <ul style="list-style-type: none"> <li>SR: Employee Motivation (Pages 17-18)</li> <li>SR: Sustainability Scorecard (Page 21)</li> </ul>
<b>Diversity and equal opportunity</b>	405-1	Diversity of governance bodies and employees <ul style="list-style-type: none"> <li>SR: Employee Motivation (Pages 17-18)</li> <li>SR: Sustainability Scorecard (Page 21)</li> </ul>
<b>Non-discrimination</b>	406-1	Incidents of discrimination and corrective actions taken <ul style="list-style-type: none"> <li>There is no incidents of discrimination.</li> </ul>
<b>Child labor</b>	408-1	Operations and suppliers at significant risk for incidents of child labor <ul style="list-style-type: none"> <li>Child labour is strictly prohibited.</li> </ul>
<b>Forced or compulsory labor</b>	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor <ul style="list-style-type: none"> <li>Forced and compulsory labour is strictly prohibited.</li> </ul>
<b>Socioeconomic compliance</b>	419-1	Non-compliance with laws and regulations in the social and economic area <ul style="list-style-type: none"> <li>There is no non-compliance with socioeconomic laws and regulations.</li> </ul>