

Research on ESG sustainable development reports of China’s benchmark listed real estate companies in 2022

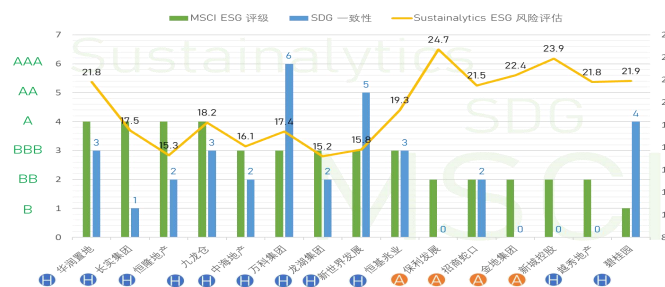
By HU Qiancong

Abstract: 2022 was a quite extraordinary year, and it also had a scarring effect on 2023. Climate change has had intensified natural and social risks; the external environment was complex and severe; and China was one year closer to achieving the “double carbon” goal. China’s real estate market continued to endure pressures and go through accelerating changes. All the above factors have highlighted the importance of steady development and promoting sustainable business. Multiple studies have shown that corporate ESG (environmental, social and governance) performance is positively correlated with operating performance and investment value. As international investors increase their participation in China’s capital market, corporate ESG capabilities and performance are getting more and more attention. This article selects listed companies in the A-share and H-share real estate sectors with a market value exceeding RMB 30 billion (hereinafter referred to as “Benchmark Listed Real Estate Companies”), which have released a 2022 sustainability report. By tracking the international ESG rating index, ESG key data disclosure and important sustainable development measures, the essay analyzes the status, achievement, challenges and opportunities of the sustainable development of China’s real estate industry.

Key words: ESG rating, real estate, ESG disclosure, green transformation

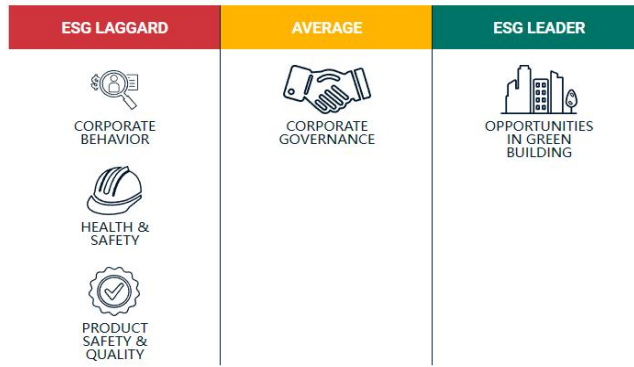
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Representative sustainability ratings and indices of benchmark listed real estate companies in 2023



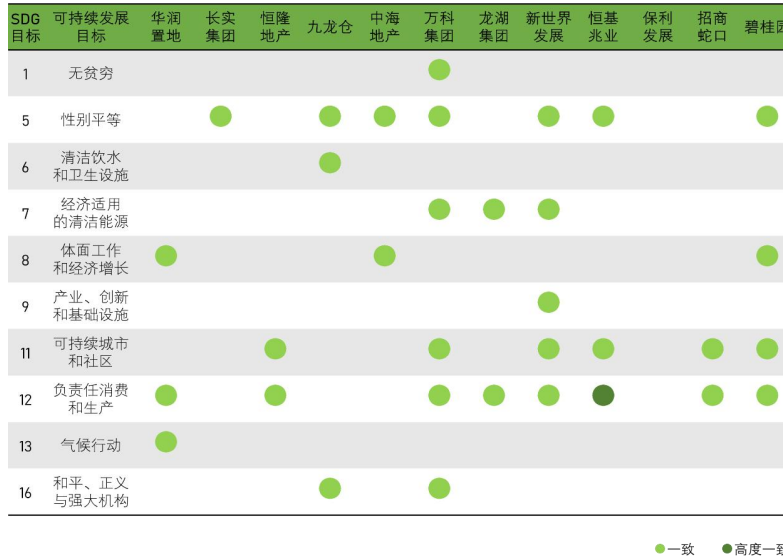
Data source: MSCI Ratings, Morningstar Sustainalytics





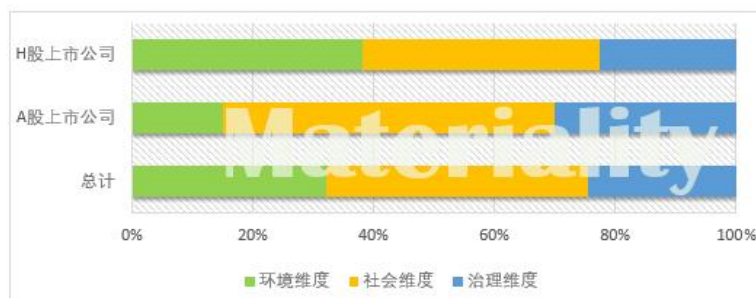
Data source: Country Garden Holdings Company Limited’s key issue list from MSCI

MSCI 2023 alignment assessment of United Nations Sustainable Development Goals (SDGs)



Data source: MSCI Ratings

The scope of highly important issues concerning the sustainable development of benchmark listed real estate companies in 2022



Statistical method: Taking the TOP10 important issues (regarded as highly important issues) in each sample company’s sustainable development report for statistical analysis



Highly important issues for the sustainable development of benchmark listed real estate companies in 2022



Statistical method: Taking the TOP10 important issues (regarded as highly important issues) in each sample company’s sustainable development report for statistical analysis

| 标杆上市房企装配式项目发展数据 | |
|-----------------|---|
| 华润置地 | 装配式建筑项目260个；装配式建筑总面积达4,348.34万方 |
| 龙湖集团 | 装配式建筑项目380余个，总建造体量超过 2,000 万方，涵盖住宅、公寓、办公、商业、医养等多种业态。已申请 150 项装配式相关专利。 |
| 越秀地产 | 采用装配式的标段比2021年提升10.7%，占在建标段总数的55%。 |
| 新城控股 | 2022年，约 45% 新建 开发项目实现装配式建造，装配式实施的面积累计超过 2,200 万方，实现了 7 种类型的装配体系应用，最高装配率达 95%。 |
| 招商蛇口 | 2022年，装配式建筑面积为2,002.50万方，占新开工及在建项目面积59.90%，较上年提升8%。 |

Data source: Prefabricated building data in sample corporate sustainability reports

Carbon emission indicators and related information disclosure of benchmark listed real estate companies in 2022

| MSCI 上市评级 | 地区 | 上市房企 | MSCI 隐含温度上升指标 | 脱碳减排目标 | | 温室气体减排进度 (与基准年比较, 未设定目标的与2021年比较) | 范围三披露范围 |
|-----------|----|-------|-----------------------|--------|--------------------------------------|--------------------------------------|-----------------|
| | | | | 基准年 | 温室气体减排目标 | | |
| A | 香港 | 华润置地 | 1.8°C 2°C aligned | | | 总排量140.3%(范围一、二); 排放强度143.7%(范围一、二) | 无披露 |
| A | 香港 | 长实集团 | 1.9°C 2°C aligned | 2019 | 2030年前范围一、二、三排放量150% | 强度125% | 外购承包商排放 |
| A | 香港 | 恒隆地产 | 1.4°C \ 1.5°C aligned | 2018 | 2030年范围一、二单位面积排放强度170% | 排放强度138%(范围一、二) | 外购货品及服务、下游租赁资产等 |
| A | 香港 | 九龙仓 | 2.0°C 2°C aligned | 2017 | 2030年范围一、二排放强度125% | 排放强度125%(范围一、二) | 部分项目建筑工地 |
| BBB | 香港 | 中海地产 | 1.6°C 2°C aligned | 2019 | 2030年范围一、二单位面积排放强度130%以上 | 排放强度122.9%(范围一、二) | 员工航空差旅 |
| BBB | 香港 | 万科集团 | 1.7°C 2°C aligned | 2021 | 2030年印力商业旗下至少20个购物中心区的排放量19% | 总排量166.7%; 排放强度10.1% | 租户使用燃料及外购电力 |
| BBB | 香港 | 龙湖集团 | 1.7°C 2°C aligned | | | 排放强度115.2%(范围一、二) | 无披露 |
| BBB | 香港 | 新世界发展 | 1.9°C 2°C aligned | 2015 | 2030年能源和碳排放强度150% | 排放强度120% | 资本商品及下游出租资产 |
| BBB | 香港 | 恒基兆业 | 2.1°C misaligned | | | 总排量18%(范围一、二); 排放强度112.7%(范围一、二) | 无披露 |
| BB | 内地 | 保利发展 | 1.7°C 2°C aligned | | | 总排量112.3%(范围一、二) | 无披露 |
| BB | 内地 | 招商蛇口 | 1.6°C 2°C aligned | 2020 | 2025年排放总量增加不超过116%, 2030年峰值增加不超过146% | 总排量1303% | 无披露 |
| BB | 内地 | 金地集团 | 1.7°C 2°C aligned | | | 总排量1125%(范围一、二); 排放强度185.4%(范围一、二) | 无披露 |
| BB | 内地 | 新城控股 | 1.7°C 2°C aligned | | | 总排量10.55%(范围一、二); 排放强度157.8%(范围一、二) | 已披露 |
| BB | 香港 | 越秀地产 | 1.7°C 2°C aligned | 2021 | 2030年商办建筑单位面积排放强度135% | 总排量111.3%(范围一、二); 排放强度130%(范围一、二) | 无披露 |
| B | 香港 | 碧桂园 | 1.8°C 2°C aligned | | | 总排量180%(范围一、二); 排放强度170%(范围一、二) | 无披露 |

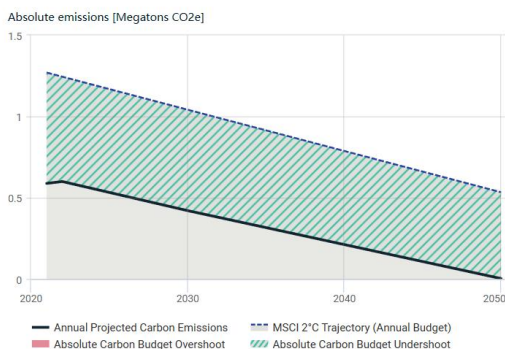
Data source: MSCI implied temperature rise indicator, and environmental responsibility data in sample corporate sustainability report



Hang Lung Properties Limited

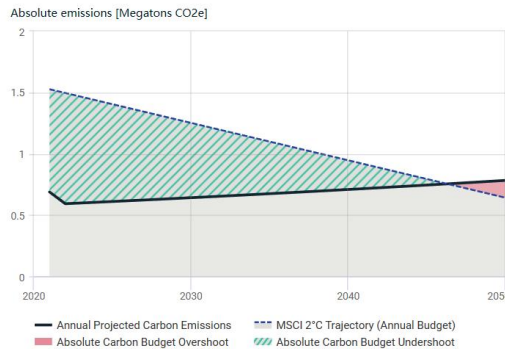
Wharf Holdings Limited

2°C Trajectory



Decarbonization data as of July 17, 2023*

2°C Trajectory



Decarbonization data as of July 17, 2023*

Data source: Comparison of MSCI Pre 2050 forecast of carbon emissions and the goal of controlling global temperature rise below 2 degrees

Production safety-related indicators and other negative disclosures of benchmark listed real estate companies in 2022

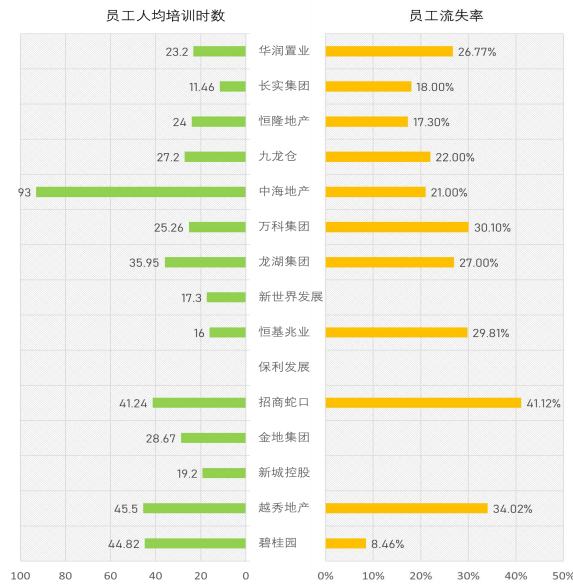
| MSCI 评级 | 上市地区 | 上市房企 | 损失工时受伤比率 (LTIFR) | 工伤人数/安全生产事故 | 因工伤损失工作日数 | 工伤死亡人数 | 出勤率 | 产品及服务的投诉 (宗) |
|---------|------|-------|------------------|-----------------------------|----------------------|--------|----------------|--------------|
| A | 香港 | 华润置地 | 0 | 相关方责任一般及以上等级事故较2021年下降43% | | 0 | | 26,515 |
| A | 香港 | 长实集团 | | | 10,329.5 (较2021年↓9%) | 0 | | 25,004 |
| A | 香港 | 恒隆地产 | 0.75 | 52 | 1,349 | 0 | 1.67% | |
| A | 香港 | 九龙仓 | 1.2 | | 1,685 | 0 | 1.78% | |
| BBB | 香港 | 中海地产 | | 0 | | 1 | | 3,967 |
| BBB | 香港 | 万科集团 | | 安全生产责任事故较2021年有所下降 | 234 | 2 | | |
| BBB | 香港 | 龙湖集团 | | 相关方责任一般及以上等级安全生产事故较2021年↓5% | | | | |
| BBB | 香港 | 新世界发展 | 0.7 | | | | | |
| BBB | 香港 | 恒基兆业 | 10.03 (LTIFR) | 19 | 10,058 | | 男1.77%; 女2.31% | |
| BB | 内地 | 保利发展 | | | | | | |
| BB | 内地 | 招商蛇口 | | 2 | 126 | | | |
| BB | 内地 | 金地集团 | | | 6,442.50 | | | |
| BB | 内地 | 新城控股 | | 轻伤1; 事故9 | 93 | 1 | | |
| BB | 香港 | 越秀地产 | | | 1,464 (较2021年↑232%) | 1 | | |
| B | 香港 | 碧桂园 | | 3 | 452.5 (较2021年↑86%) | | | |

Note ①: Lost Time Injury Frequency Rate (LTIFR) per million working hours in Henderson Land Development Co Ltd: 6.89 for male direct employees, 10.03 for female direct employees, 3.16 for male subcontractors

Data source: Social responsibility data of sample corporate sustainability reports



Key indicators of talent retention for benchmark listed real estate companies in 2022

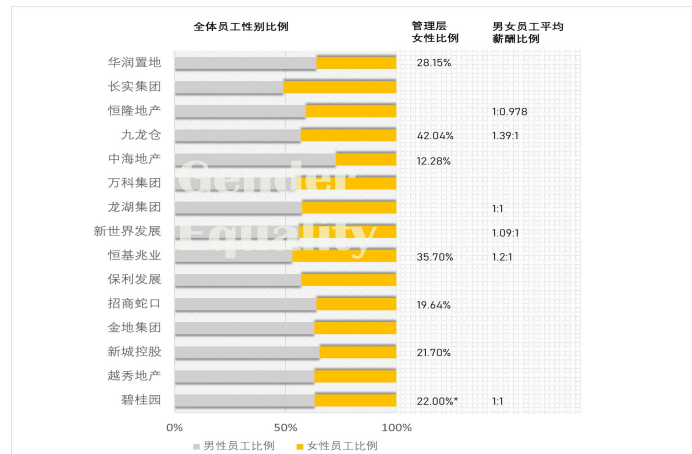


Note ①: Average training hours per employee (CHINA OVERSEAS PROPERTY GROUP CO., LTD: 12.98 for males, 11.46 for females; Henderson Land Development Co Ltd: 17 for males, 16 for females)

Note ②: Employee turnover rate (China Resources Land Limited is the average value of development, commerce, and property systems; Longfor Group Holdings Limited. is the average value of real estate/non-real estate channels; China Merchants Shekou Industrial Zone Holding Co., Ltd: 39.31% for males and 41.12% for females)

Data source: Social responsibility data of sample corporate sustainability reports

Indicators related to equal opportunities for women in benchmark listed real estate companies in 2022

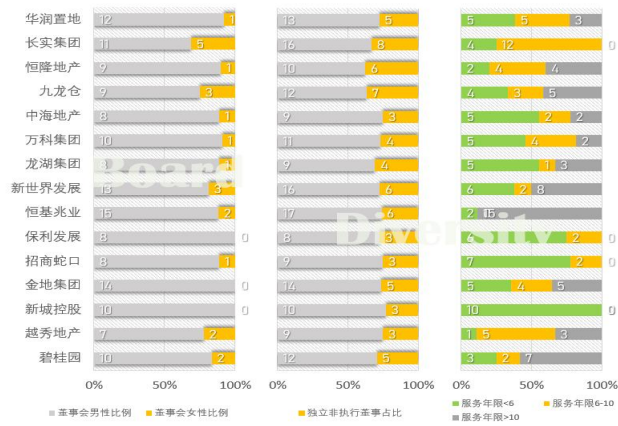


Note ①: The proportion of women in Country Garden Holdings Company Limited’s management: 22% in middle management and 18.57% in senior management

Data source: Social responsibility data of sample corporate sustainability reports



Diversity indicators for the board of directors of benchmark listed real estate companies in 2022



Data source: Sample corporate sustainability reports, and corporate governance data in annual reports



