# ZNREV

# SUSTAINABILITY CASE STUDY White Peak Chateau Mount Tai





#### **LOCATION**

White Peak Chateau Mount Tai, Huanshan Road, Tai'an City, Shandong Province, China

#### SUMMARY

Chateau Mount Tai is a high-quality neo-Chinese residential development located in Tai'an city at the foot of Mount Tai. White Peak ("WP"), a Swedish fund manager and developer, acquired the land in 2014 and developed it with a vision to create one of the most iconic ecocommunity in this famous and historically significant city.

### DESCRIPTION

As part of our vision to promote sustainability and ESG to China, WP has incorporated a variety of sustainable features into Chateau Mount Tai. These address the local customers' needs, which qualifies the project with the Two-Star Chinese Green Building Standard. The project has also strictly implemented the company's Health & Safety (H&S) standards during the construction process. White Peak adheres to the national laws and regulations stipulated by the People's Republic of China. In addition, White Peak's H&S management system is based on OSHAS 18001\*. The key for a successful H&S development is to create behavioral change among the workers on the sites. In 2017, Chateau Mount Tai, hosted the first Safety Day Event of the White Peak Group, attended by 291 White Peak employees and 2,800 contractors and construction workers. During the event, all participants signed the safety commitment and participated in discussions to form a detailed action plan to implement the group's H&S standard.

(\* OHSAS 18001, Occupational Health and Safety Assessment Series, is an internationally applied British Standard for occupational health and safety management system.)

#### **TYPE AND SCALE**

Residential development in two phases, with total site area of 63,000m<sup>2</sup> and total gross floor area of 66,000m<sup>2</sup>

#### TIMEFRAME

Land acquisition: Q4 2014

Construction completion: Phase 1: 2017; Phase 2: 2018





Important Information: This case study has been prepared by the contributors and the Asian Association for Investors in Non-listed Real Estate Vehicles Limited (ANREV), to provide you with general information only. It is not intended to take the place of professional advice. In preparing this case study, the contributors did not take into account the investment objectives, financial situation or particular needs of any particular person. Before acting on the information provided in this case study you should consider whether the information is appropriate to your individual needs, objectives and circumstances. No representation is given, warranty made or responsibility taken as to the accuracy, timeliness or completeness of the information contained in this newsletter. Neither ANREV nor the contributors are liable to the reader for any loss or damage as a result of the reader relying on this information.

# **ZNREV**





#### COST

The sustainability features increased the construction cost by around 10%, and the implementation of H&S management will need a dedicated team to regularly inspect, train and monitor the thousands of construction workers onsite.

#### **MAIN STAKEHOLDERS**

Developer and investor: White Peak Real Estate Investment

#### **CONTEXT AND DRIVERS**

Many lower tier cities in China are lack of quality residential developments with green and sustainable features. H&S is disregarded on the construction sites, primarily due to the extra costs associated, coupled with cost conscious end users in these markets.

To strike a balance between cost and benefit, Chateau Mount Tai carefully examined various technologies and features to identify the optimal solution that could improve the local customers' living experience and reduce their energy costs.

#### **STRATEGY**

#### Vision

To promote sustainability and ESG in China and to develop one of the most iconic eco-communities in China lower tier cities.

#### **Goals and Targets**

- Improve the local living standard and development quality
- Reduce future energy costs for end users
- Deliver outstanding investment return to the fund investors

#### **KEY FEATURES**

## Green Space and Landscape Design:

In view of the topography and the natural landscape of the site, the master plan has created multi-level open space focusing on not only visual effect but also well-connected outdoor experience within the community. The area of private gardens traditionally taken as an important selling point were reduced and substituted with public landscape belt connecting the scattered green space. Moreover, above 30% of the green area has the function of rainwater collection, such as the concave green space, rain garden etc. and above 50% of the hard pavement is water permeable. Rainwater collected will be reused in landscape irrigation.



### New Material of Façade:

The façade of Chateau Mount Tai is installed with HB self-insulation block, which is rarely seen in local comparable projects.

The façade material has many environmental friendly features including self-insulation, long lasting and easier for construction. There's no harmful gas release during its production process. The thermal insulation coefficient of the HB self-insulation block is 12% lower than normal material, indicating 12% energy saving.



### Window:

Chateau Mount Tai is installed with aluminium alloy bridge insulation three layer glass windows, featuring high-precision insulation aluminium alloy profiles, high-quality insulation, steel, and tempered insulating glass. The thermal insulation coefficient of the insulated window is 1.8W/M².k, i.e. 10% energy saving from standard level of 2.0W/M².k.





# ZNREV



#### Materials utilization:

Chateau Mount Tai utilized a high proportion of locally produced building materials, including facade made of local stone and landscape planting using local plants.

Utilizing local material reduces the energy consumption during transportation. The utilization of cast-in-place concrete and pre-mixed mortar reduces the air dust pollution.

#### **IMPLEMENTATION**

#### **Approach**

As part of White Peak's vision to promote the best practice of construction processes and standards to China, Health & Safety (H&S) is a major focus for White Peak. White Peak's H&S management system is based on OSHAS 18001. White Peak has a full time corporate H&S manager in Beijing headquarter and H&S representatives from onsite project teams. They conduct monthly H&S site inspections of all the project sites, during which the focus is on the onsite safety management of general contractors. In addition, quarterly H&S inspections are also conducted to review the supervision, training and documentation. White Peak also invites Bureau Veritas to conduct external audit once a year, which will provide scores and improvement strategies. The focus is on danger prevention including but not limited to falling objects, scaffolding, electrical safety and traffic safety.

#### Challenges

In China lower tier cities, majority of local construction companies do not pay attention to H&S. The situation may improve going forward through continuous education with comprehensive strategy and determination from stakeholders.

#### **Critical Success Factors**

Strong corporate culture and integrity are the fundamental to achieve success in sustainability and H&S initiatives which normally require long-term vision. Prudent decision making with effective implementation programs are the key to success.

White Peak has developed policies to effectively implement the H&S strategy. Any H&S issue discovered is reported to senior management and to the organisation as follows:

- All H&S issues are formally reported to CEO on an ongoing basis.
- Any ongoing H&S issues are reported during the bimonthly management meetings.
- All work sites are regularly inspected by internal staff and audited by Bureau Veritas bi-annually.
- All employees are encouraged to report any issues directly to their line manager.

#### **Progress and Outcomes**

- The project received exceptional sales result with transaction price of 30% higher than market competitors.
- Chateau Mount Tai has become an iconic development in Tai'an bringing new living standard to the local market
- The success of Chateau Mount Tai was followed with a second investment from White Peak in Tai'an.

#### INFORMATION

#### **Information Sources**

For more details on the project and the company, please contact:

Karen Xu, Head of Investor Relations White Peak Real Estate Investment karen.xu@wprei.com

[Logo]