



# 2016

## 环境、社会及管治报告 ESG

### Environmental, Social and Governance Report

股票代码：(HK.0588 SH.601588)





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## About this Report

The Board of Directors and the Directors of the Company hereby warrant that there are no false record, misleading statements or major content omissions in this report and are individually and jointly liable for the truthfulness, accuracy and completeness of the contents of this Report.

### Reporting Period:

This Report is the first Environmental, Social and Governance report as well as the ninth of Corporate Social Responsibility (“CSR”) report (this “Report” or “ESG Report”) of Beijing North Star Company Limited (the “Company” or the “North Star”).

This Report covers the period from 1 January 2016 to 31 December 2016, unless otherwise mentioned. The information presented in this Report provides a material, balanced and reliable disclosure of the Company’s environmental and social performances.

### Reporting Guidelines:

This Report is prepared in accordance with the “Environmental, Social and Governance Reporting Guide” in Appendix 27 to the Rules Governing the Listing of Securities and on The Stock Exchange of Hong Kong Limited (the “SEHK”) and the “Notice of Strengthen the Social Responsibility of Listed Companies and Releasing ‘the Guidelines on Environmental Information Disclosure of SSE Listed Companies’” published by the Shanghai Stock Exchange (the “SSE”).

### Reporting Organizational Boundaries:

Reporting Organizational Boundaries of this Report is based on the principle of operational control, which covers Beijing North Star Company Limited, its subsidiaries and branch companies.



# The Preface

2016, it is meant to be a marvellous year.

**This year** is the year of accelerating growth for the North Star:

The Company proactively adapted to the new normality of economic development, corresponded to the trend of macroeconomic and industry development, and harvested profits that exceed expectation. Revenue of the Company increased year on year by 36.8% to RMB9.83 billion. The total profits of the Reporting Period were RMB690 million (Hong Kong statistical calibre: profits before tax of RMB1.43 billion). With the Company further implementing three major strategies including “low-cost expansion, brand expansion and capital expansion”, and constantly explored innovative development which brought about constantly positive results. During the Reporting Period, the Company signed 4 contracts of hotel operation and management, 4 contracts in relation of convention consulting service and 2 contracts in relation of hotel consulting service, and preliminary established the “North Star Convention and Exhibition” brand with the strategic layout of nationalized and multi-city extension; Meanwhile, it continued to promote the in-depth development in the existing regions and the expansion to new cities, and during the Reporting Period, the Company obtained an aggregate of 14 land parcels with a newly added land reserve of approximately 3.7 million square meters. At the end of the Reporting Period, the “North Star” brand of estate already covered 11 cities with an expected nationalized developing prospect. Besides, with continuously broadened financing channels and constantly innovated financing modes, the Company raised proceeds effectively at the lowest financing cost

**This year** is a fantastic year for the North Star: The Company sped up projects turnover, and recorded remarkable increase in sales results of development properties and achieved total sale amount RMB22.6 billion. As a result, the Company successfully edged itself into the top 100 real estate enterprises in China and achieved a historical breakthrough. North Star Events Group successfully completed the G20 Hangzhou Summit with “North Star Standard” reception services, which become another success for the Company to participate in organising the most significant foreign affair activities after hosting events such as the 1990 Asian Games, the 2008 Olympic Games and the 2014 APEC Summit, and this experience also set a precedent for the Company’s reception of state-level foreign affairs activities by providing and managing convention venues.

**This year**, is the year of promoting energy saving and conservation developing for the North Star: During the Reporting Period, the comprehensive energy consumption of the investment properties held by the Company in Beijing was 20,545 tonnes of coal equivalent with a year on year decrease of 6%. Therefore, the Company was specially granted the title of “Construction Entity for Demonstration Base of Energy Saving and Environment Protection as Well as Low Carbon Education in Beijing” by Beijing Municipal Commission of Development and Reform.

**This year** is the year of promoting public welfare and social responsibility for the North Star: The Company organized charitable activity with the theme of “Thanksgiving and Walking Together”, and has donated to “Beijing Chunmiao Children’s Aid Foundation” for 5 consecutive years, which accumulatively donated RMB4.75 million to benefit total 165 orphans suffering from congenital disease.

**Along the way**, the North Star has always kept pursuing quality and effective growth tirelessly. Looking forward the year of 2017, the people of North Star with the mission of “To create property value, and build a business foundation to last a century” will continually adhere to the enterprise tenet as “Repay our shareholders, dedicate ourselves to society, cherish our staff”, pay attention to the harmonious with the environment and society, and achieve the growing up with stakeholders. Meanwhile, with the directions of “expansion at low cost, operation with light asset, support by new economy, and development of high-end service industry”, the North Star will keep implementing three major strategies including “low-cost expansion, brand expansion and capital expansion” to build the nation’s top-notch brand enterprise of comprehensive real estate and the most influential brand enterprise of convention and exhibition in China.

**To this end**, the people of North Star will ride the winds, break the waves and forge ahead!



# Highlights



**37%**

Operating income increased by 37%



**6%**

Comprehensive energy consumption decreased by 6%



**Top 100**

Edged into the top 100 real estate enterprises in China



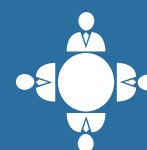
**3 Million**  
kWh

Accumulatively exchanged 20 thousand LED lights to save over 3 million kWh electricity consumption



**4.75 Million**

Accumulatively donated RMB4.75 million to "Beijing Chunmiao Children's Aid Foundation"



**10**

10 newly signed contracts in relation to management and consultation service



**3.7 Million**  
m<sup>2</sup>

Newly added land reserve of approximately 3.7 million m<sup>2</sup>



**8**

Eight projects have been rated as green buildings



Successfully completed the G20 Hangzhou Summit reception services

# Company Overview

## About the Company

Beijing North Star Company Limited was established by its sole promoter, Beijing North Star Industrial Group Limited Liabilities Company on 2 April 1997. The shares of the Company were listed on the Hong Kong Stock Exchange (SEHK Stock Code: 0588) in May in the same year. In October 2006, the Company's A shares were issued and listed on the Shanghai Stock Exchange (SSE Stock Code: 601588).

The Company's total registered capital is 3,367,020,000 shares, of which 2,660,000,000 shares (representing 79.002% of the total share capital) are A shares and 707,020,000 shares (representing 20.998% of the total share capital) are H shares.

The Company is principally engaged in development properties, investment properties (including hotels) and commercial properties.

The development properties business mainly set foot in Beijing aiming to expand beyond Beijing. In recent years, as the Company continued to deepen the regional exploration and development in new cities, a multi-level nationwide development layout covering a number of regions is gradually taking shape. The development properties consist of the development and sales of residential units, apartments, villas, offices and commercial buildings of different classes and features. The development projects are spread in the key cities in 11 hot regions including Northern China, Central China, Eastern China and Southwest China, and there are over 30 projects proposed to be built or under construction. Both the development scale and market share of the Company have been continuously enhanced.

Properties held and operated by the Company involve convention and exhibition, hotel, office, apartment and shopping malls, with a total gross floor area exceeding 1,270,000 m<sup>2</sup>, out of which 1,200,000 m<sup>2</sup> is in the Asian-Olympic core district in Beijing. Its operating items mainly include the National Convention Centre, Beijing International Convention Centre, InterContinental Beijing Beichen, North Star V-Continent Beijing Parkview Wuzhou Hotel, Beijing Continental Grand Hotel, National Convention Centre Hotel, Hui Bin Offices, Hui Xin Offices, North Star Times Tower, North Star Century Center, Hui Yuan Apartment, North Star Shopping Centre (Asian Games Village Branch (亚运村店)), B5 Commercial Area of North Star Green Garden, etc. Projects outside Beijing include Intercontinental Changsha (长沙北辰洲际酒店).

While optimising and consolidating traditional properties held, the Company strengthened resources integration and exerted continued efforts on the expansion of new businesses and new technologies of exhibition industry relying on North Star Exhibition Group (北辰会展集团). The brand operation and provision of management services for exhibitions and hotels saw significant achievements in recent years. North Star Exhibition Group provides consulting service and entrusted management for up to 18 exhibition and hotel projects in Beijing, Hebei, Hubei, Jiangxi, Guangdong, Shandong, Hainan and other provinces and municipalities, resulting in the gradual formation of a diversified service profit model centering on entrusted management and the continuous enhancement of the brand influence of "North Star Exhibition".

Adhering to the principle of maximizing shareholders' profit and on a historic mission to "create property value, build a century's foundation", the Company continues its great effort to develop into a nationally leading integrated real estate enterprise and China's most influential exhibition-brand enterprise.

## Core Ideology

Enterprise Mission: Repay our shareholders, dedicate ourselves to society, cherish our staff

Enterprise Tenet: To create property value, and build a business foundation to last a century

Enterprise Strategies: Low-cost expansion, brand expansion and capital expansion

Enterprise Target: To establish a national large-scale and first-class real estate enterprise with comprehensive operations

## Anti-Corruption Policy

The North Star resolutely implements the Anti-Corruption Policy, sets up specialized disciplinary inspection & supervision department and formulates rules and regulations to restrict behaviours of employees.

Besides, the Company establishes a particular system for petition letters to ensure the independence and privacy for the petition procedures to protect the employee's appeal channel.



## Two Brands:

Build the nation's top-notch brand  
enterprise of integrated real estate

Build the most influential brand  
enterprise of convention and exhibition

## Three Strategies:



**Low-cost  
Expansion**

**Brand  
Expansion**

**Capital  
Expansion**

## The Company Awards

As an important intangible asset, brands and awards are regarded as the fundamental driving force for the Company's performance guarantee and sustainable development. For a long time, the Company holds the mission as "To create property value, and build a business foundation to last a century" and adheres the target of "To build the nation's top-notch brand enterprise of integrated real estate and the most influential brand enterprise of convention and exhibition in China" and keeps shaping a good brand image. Through the tireless efforts, the Company receives high recognition from different communities. During the Reporting Period, the Company and its subsidiaries accumulatively received a total of 29 professional awards awarded by related authority agencies. The details are shown in the following table:

### The awards and honours of Beijing North Star Company Limited and its subsidiaries/projects in 2016

No.	Award name	Time	Company/Project being awarded	Granting Authority
1	Professional Leading Brand of China Complex Estate	2016.09	Beijing North Star	China's TOP 10 Real Estate Research Group (10 Consecutive Years)
2	Beijing Top 20 Funds and Credits for Real Estate	2016.06	Beijing North Star	Major Beijing Bank Authority, 《Reference News • Beijing Reference》 (2 Consecutive Years)
3	2016 Top 10 Leadership Real Estate Influence Brand	2016.12	Beijing North Star	Beijing Evening News
4	2016 Quality Model Real Estate in China (Beijing)	2016.03	North Star Royal Oak Villa	Sofang Website
5	2016 Sina High Tasty Influence Award	2016.12	North Star Royal Oak Villa	Sina Website
6	2016 Leadership Hot Sale Real Estate	2016.12	North Star • Villa 1900	Beijing Evening News
7	2016 Real Estate Golden Project	2016.12	North Star • Villa 1900	Beijing Youth Daily
8	2016 Hangzhou Real Estate Top 10 Sale Amount	2017.01	North Star Olympic Garden	Hangzhou Institution of Real Estate, Hangzhou Real Estate Agents Association, Transparent Sales Network
9	2016 China Real Estate Billboard "Annually Brand Value Real Estate"	2016.11	Changsha Central Garden Real Estate Co., Limited	China Real Estate Billboard Association
10	2016 Top 10 Popular Real Estate	2017.01	Changsha Central Garden Real Estate Co., Limited	0731 Real Estate Web, Changsha Real Estate Information Centre
11	Green Building Demonstration Project	2016.09	Wuhan North Star Guangguli Project	Department of Housing and Urban-Rural Development of Hubei Province
12	Changsha High Quality Structure Project	2016.07	North Star Delta Project E4 District	Changsha City Construction Project Quality Supervision Station, Changsha City Construction Industry Association
13	Changsha Green Construction Site	2015.12	North Star Delta Project E4 District	Changsha City Construction Project Safety Supervision Station

## The awards and honours of Beijing North Star Company Limited and its subsidiaries/projects in 2016

No.	Award name	Time	Company/Project being awarded	Granting Authority
14	2016 Golden 5-Star Excellent Innovative Management Award	2016.07	Beijing North Star Times Exhibition Co., Ltd.	《China International Conference & Exhibition》Magazine
15	2016 China Conference Industry Golden Finger • Influential Exhibition Service Agency	2016.12	Beijing North Star Times Exhibition Co., Ltd.	China Conference & Exhibition Industry Trade Association
16	9th Conference of Conference Ecology and Conference Hotel Development – 2016 Excellent Conference Hotel	2016.11	China National Convention Centre	9th Conference of Conference Ecology and Conference Hotel Development Association (3 Consecutive Years)
17	2016 Excellent Conference Hotel	2016.11	China National Convention Centre	China Conference Hotel Union (3 Consecutive Years)
18	15th Capital Tourism “Zijin” – Best Community Award	2016.12	Beijing International Convention Centre • Beijing Continental Grand Hotel	Beijing Tourism Administration (9 Consecutive Years)
19	Annually Best Conference Hotel – Golden Chair Award	2016.03	InterContinental Beijing North Star	Business Award Travel Magazine
20	Tripadvisor – Excellent Award	2016.10	InterContinental Beijing North Star	Tripadvisor
21	2015-2016 9th Best Conference Hotel – Golden Chair Award	2016.04	Intercontinental Changsha	Business Award Travel Magazine (2 Consecutive Years)
22	2016 CHA China Hotel Award – Best Service (Luxury)	2016.06	Intercontinental Changsha	《LifeStyle》Magazine (2 Consecutive Years)
23	Tripadvisor – Excellent Award	2016.06	Intercontinental Changsha	Tripadvisor
24	Sinodis 2016 Global Gourmet Excellent Dining Venue Award	2016.08	Intercontinental Changsha	《Global Gourmet》Magazine (2 Consecutive Years)
25	New Travel – 2016 Annual Featured City Resort	2016.11	Intercontinental Changsha	《New Travel》Magazine (3 Consecutive Years)
26	Golden Building Award for Real Estate of China – Annual Beijing Most Potential Value Office	2016.12	North Star Times Tower	China Real Estate Chamber of Commerce Office Chapter Limited
27	Golden Building Award for Real Estate of China – Annual Beijing the Most Exemplary Office	2016.12	North Star Century Centre	China Real Estate Chamber of Commerce Office Chapter Limited
28	Annual Office Promotion Award – Best Office Operator	2017.01	North Star Office Management Company	Website of Office of China
29	Crystal Award	2016.04	North Star Apartment Management Branch Company	China Hospitality Association



## Our Stakeholders

“As a state-owned A + H listed real estate company, the North Star focuses on repaying the shareholders, but also listens to the demands and suggestions of the investors, creditors, suppliers, employees, communities and other stakeholders to promote market recognition of the Company’s value.”

### Investors

The diversified communication channel is established through communication mechanisms such as on-site road show, study on domestic and foreign investors, teleconference, special column for investor relations and hotline. The Company should develop communication with the investors in an overall manner. Strong support should be provided for the investors’ research and decision-making to enhance investors’ understandings and recognition on the Company’s development.

### Creditors

During the Reporting Period, the Company paid interest income/investment income of RMB1,698.42 million. Among them, the total repayment of capital and interest of RMB1.5 billion “06 North Star” debt is completed in May 2016. Bond interest of “14 North Star 01” and “14 North Star 02” is RMB129.83 million; the investment income of the insurance claims plan is RMB27.53 million; and bank and other trust interest is RMB1,466.19 million.

By the end of 31 December 2016, the above interest had been paid on time.

### Suppliers

In the selection of suppliers, the North Star applies green, low-carbon and energy-saving concepts into development. For the property development, under the same conditions, the Company gives priority to the design institutes and contractors which have green building qualifications; for property holding, North Star V-Continent Beijing Parkview Wuzhou Hotel chooses environmentally friendly materials for disposable products which can be degradable; and the China National Convention Centre (the “CNCC”) Multi-function Hall installs frequency conversion devices for fans and circulating water pumps, and constantly upgrades split air conditionings to more efficient energy-saving air conditionings.





## Our Clients

The North Star regards clients' needs as our own responsibility, and sets the target as "growing up with clients". The Company focuses on the health of the clients, protecting the privacy of clients, organizing interactive activities for clients. Through these efforts, the North Star takes care of clients, establishes long-term harmonious relationship with clients and provides better service for clients.

### Health and Safety of Clients

The Company believes that to guarantee the quality of products and services, and to maintain of regional stability are the keys to ensure health and safety of clients. The Company's five high-star hotels strictly abide by the quality management system. In the process of food ingredients procurement, qualifications of suppliers are strictly reviewed, and suppliers' health permits, business licenses, product certification and other relevant documents would be kept for record in order to trace the source of food ingredients to ensure the food safety easily.

In addition, with the rising influence of the North Star exhibition, a variety of high-end conference both at home and abroad and some political conference are held in the Beijing Olympic core area, which requests higher requirements on regional security level, the police force and related contingency plans. To cater the characteristics of the concentrated and large number of exhibitors and the complex structures of major exhibitions, the Company formulates security work program and contingency plans to ensure the safety of both clients and business management process.



During the Reporting Period, the Company successfully completed safety security works for 2,608 conventions and countries including Beijing Two Sessions, China Beijing International Fair for Trade in Services, World Winter Sports (Beijing) EXPO etc. and protected around 3.5 million guests.

### Clients Privacy

The Company puts the clients' need as the major priority, and respects personal privacy. All client information collected at real estate marketing process is authorized by the owners, and the relevant information is only used for client relationship management. Property holding-related projects develop and strictly follow the process of protecting clients' safety and privacy. For example, the hotels regularly conduct the safety and privacy specific training for the front-line staff.

During the Reporting Period, the Company did not receive any complaint about violation of client privacy.

### Guests Experience

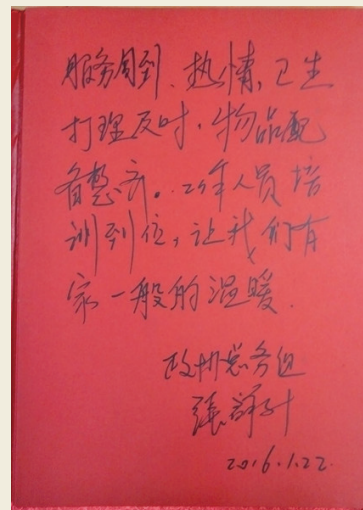
The Company owns 1.2 million m<sup>2</sup> property in the Olympic core area with different functions including conferences, exhibitions, hotels, offices and apartments constituting the "North Star Exhibition Service Functional Area". The advantages of the strategy of taking the exhibition as a lead to further develop other business gradually appear. During the Reporting Period, two convention and exhibition enterprises under the North Star, the CNCC and the Beijing International Convention Centre, successfully completed hosting the 4<sup>th</sup> China Beijing International Fair for Trade in Services, the Forth Session of the 12<sup>th</sup> CPPCC National Committee, the 39<sup>th</sup> International Organization for Standardization (ISO) Conference, the 1<sup>st</sup> International Winter Sports (Beijing) Expo and many other major exhibition activities for different industries with high standard and quality service, and all these activities were highly praised. In addition, in 2016, the North Star Exhibition successfully completed the G20 Hangzhou Summit with "North Star Standard" reception services by providing management team that focused on safe operation and high standard service.

Perfect Standard Service  
+  
Value-Added Service

Professional,  
Detailed, Effective,  
User-friendly Service



## Case Study



In January, the 4<sup>th</sup> Session of the 12<sup>th</sup> CPPCC National Committee's reception in the Beijing International Convention Centre perfectly completed its service amid thunderous applause. The CPPCC members, staff, media journalists, and police soldiers all gave praise to the high-quality reception service provided by the North Star Exhibition which once again achieved a wonderful service demonstration.



In May, the 4<sup>th</sup> China Beijing International Fair for Trade in Services ("CIFTIS") was opened in CNCC. Although it is the third consecutive year for CNCC to hold this convention, the CNCC still completed reception service with high standard and enthusiasm.



The organising committee of the CIFTIS expressed their satisfaction for the reception service team, which provided considerate service such as lift control service, news centre service and scientific service for leaders. In June, the minister of business department of Beijing International Service Trade Affairs Centre said in an interview that the CNCC took politics and overall situation into account and gave a high standard service. And all staff showed diligent, proactive and enthusiastic working attitude which was very impressive.



## Case Study



The Group of Twenty (G20) leaders of the 11<sup>th</sup> Summit was successfully concluded on 5 September in Hangzhou, China. As one of most important diplomatic events in China this year, G20 Summit presented a wonderful event to the world, and let the world feel the Chinese characteristics. The elite exhibition management team of the North Star, as the Hangzhou G20 Summit designated exhibition service provider, once again perfectly demonstrated the “Chinese service” with the “North Star standard”.

During the preparation of G20 Summit, the North Star team proposed and implemented 114 stadium renovation programs and applied international standards to materials merchandising procedures; the North Star team also established three-level security framework and conducted real-time monitoring for food hygiene; from the towel thickness, slippers style, comb texture, hanger selection and other toilet supplies tailored to the staff standing posture, the North Star checked every detail in food safety. The North Star also took climate

difference into beard making and readjusted the recipe of beard. Many foreigners gave high praise of food like “Beggar’s Chicken”, “Green Package Stewed” and “West Lake Lotus Root Starch”. The exhibition management team of the North Star successfully completed the service protection in high quality in the G20 Summit with selfless dedication to patriotism, excellent spirit of service, pursuit of excellence in the spirit of innovation, fighting spirit of courage and spirit of teamwork, which perfectly shows the North Star’s standard, speed and protection. The North Star consolidates its leading position in the industry. The Group has gained recognition for the glory of Beijing and China from the General Office of the Communist Party of China, Ministry of Foreign Affairs and Provincial and Municipal leaders.







## Owners Activities

The real estate development projects under the Company conducted various activities and established a harmonious family with owners.



26 March,  
"Date with the Spring"  
handmade course -  
North Star • Villa 1900



9 April,  
the North Star Wuhan recognized  
"North Star Contemporary Best+" fun  
sports competition. The competition  
included several items and provided  
a communication channel for  
owners.



15 May,  
the Owners  
of "North Star  
Contemporary  
Best+"  
participated in  
hiking activity.



June to August,  
"Changsha Century View"  
carried out Children's  
talent competition with  
educational theme series  
activities. And the final play  
"the Star of North Star"  
was conducted in the Centre  
Park of North Star which  
attracted many participants.



21 May,  
North Star • Villa 1900  
conducted family  
activity "Cake DIY".  
Children had a happy  
time making DIY cake,  
and parents recorded  
the sweet moment.



In May,  
"North Star Red Oak Villa" held  
"the Prettiest Cook". During  
the activity, owners discussed  
and communicated about the  
kitchen's decoration and function  
improvement.



# Our Environment

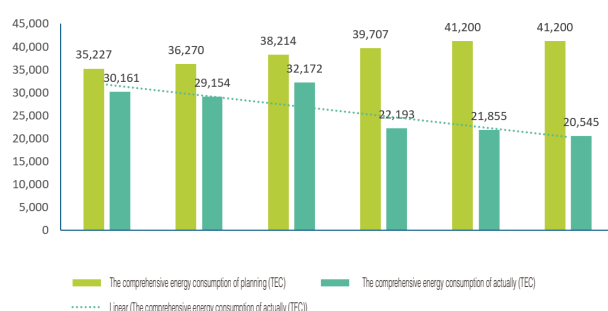
“The North Star believes that energy saving is not only a concept, it is an act which should be implemented in every management aspect. Being regarded as a social responsible enterprise, the North Star has always been managed in a sustainable vision and guided by environmental conservation policy.”

## Energy Conservation Measures & Energy Consumption Reducing Goal



During the “12<sup>th</sup> Five-Year Plan”, the comprehensive energy consumption for property holding projects in Beijing achieved 5-consecutive-year decreasing and excessively completed the task from Beijing Municipal Commission of Development and Reform by 4.4%, which did some contribution to the capital's “Blue Sky Action”. In 2016, as the first year of the “13<sup>th</sup> Five-Year Plan”, the comprehensive energy consumption of the Company was 20,545 tonnes of coal equivalent, which decreased 6% compared with the same period last year. It reflected the perseverance and the hard work of the North Star on energy saving.

The Comprehensive Energy Consumption of 2011-2016



In addition, the Company implemented the environmental conservation requirements by municipal government and positively completed the task. By the end of 2016, the Company got sewage permit by passing the re-inspection and disciplined discharge standard.

## The Company complies with:

- Energy Conservation Law of The People's Republic of China
- Clean Production Promotion Law of the People's Republic of China
- The Measures of Beijing Municipality on Water Conservation
- Circular Economy Promotion Law of the People's Republic of China

## Environmental Protection Centre – Energy-Saving Office

The Company established the Energy-Saving Office in 1991 which is specifically responsible for energy-saving management. The Energy-Saving Office takes continuous measures to improve environmental performance and monitors the effectiveness of the improvement of 1.1 million square meter property holding projects in Beijing. In this way, the North Star gradually improves method of energy consumption and achieves target of energy saving.

## Energy-Saving Management

Through the strengthening of equipment management, inspection and maintenance, the equipment is in the best economical operation and reducing energy consumption. In addition, the Company keeps exploring the latest technology and energy conservation methods, and adapts equipment for energy-saving technology and complies with the principles of energy conservation and environmental protection during new equipment sourcing.

In addition, according to the requirement of “General principle for equipping and managing of the measuring instrument of energy in organization of energy using” (GB17167-2006), the Company enhances the management of monitoring equipment. During the “12<sup>th</sup> Five-Year Plan”, nearly 20,000 pieces of monitoring equipment were checked to enhance the energy-saving works.





## Upgrade Facilities

### Chiller Upgrade



At the energy-saving aspect, through the clean production works, the Lithium bromide refrigerator located at Asian Games Village East Heat Station has been used for the second cooling season, and totally saved comprehensive energy consumption of 2,000 tonnes of coal equivalent. The no-negative-pressure water supply system has been running for more than 288,000 hours and saved nearly 200,000 kWh of electricity. Besides, Hui Xin Offices transferred Lithium bromide chiller to more efficient screw water chiller, and in this way the unit refrigerator consumption reduced to 76% of the original one, which is expected to save more than 300 tonnes of coal equivalent a year.

Before Upgrade



After Upgrade



Before & After Chiller upgrade

### Green Lighting Plan



3 million kWh =  
500 air condition  
operation for a year

The Company conducted "Green Lighting Plan" from 2013 to 2016 and cumulatively replaced nearly 20,000 LED lights which saved more than 3 million kWh of electricity.

### Water-Saving Company



The China National  
Conventional Center:  
Saving 130,000 tonnes of  
water = filled up 52 standard  
swimming pools

The Company enhances the water conservation management, and six business companies under the North Star carried out water balance test work. Through the analysis of the internal water consumption, abnormal water consumption was identified for further improvement. The Company got the "Creating Water-Saving Company" honour which was issued by Beijing Water Authority.

The CNCC takes the advantage of recycled water such as toilet flush, irrigation and chilling water. In 2016 alone, 130,000 tonnes of tap water was saved.



The CNCC water recycling system

## Raise Energy-Saving Awareness



Under the energy-saving publicity week every June, the Company actively propagandas energy conservation laws, politics and related knowledge to the public.

In order to continuously improve the energy-saving awareness and the knowledge of law and policy of management staff, the Company regularly organizes specific training and encourages all staff to participate. By the end of the Reporting Period, total 5 staff got the “Energy Manager” certificate.



## Green Building Development



The North Star brings green building concept to the newly developed properties. Green building standards are referred during both design and construction process. And all new projects in Beijing are referred as the “Beijing Residential Building Energy Conservation Design Standard” (DB/J11-602-2006) and the “Green Building Evaluation Standard” (GB/T50378-2014).

The Company also pays attention to the development of green building assessment. From now on, a total of 8 projects have got green building certification. The North Star Delta Project A1 District office is certified as the Golden Level by LEED-CS.



No.	Project Name	Rating	Award Time
1	The North Star Delta A1 Parcel Office Tower	LEED Gold Certified in Core & Shell System; Certificate of Green Building Design Label – Two Stars	2014
2	The North Star Delta B1E1 District Tower 1–3, 5	Certificate of Green Building Design Label – One Star	2015
3	The North Star Delta B2E2 District Tower 3, 5–8	Certificate of Green Building Design Label – One Star	2016
4	The North Star Delta B2E2 District Tower 2	Certificate of Green Building Design Label – Two Stars	2016
5	The North Star Delta E6 District Residential Tower 1–7	Certificate of Green Building Design Label – One Star	2016
6	The North Star Delta E4 District Residential	Certificate of Green Building Design Label – One Star	2016
7	Changsha Xiangfu Century Residential District Tower 2–15	Certificate of Green Building Design Label – One Star	2016
8	“North Star Guangguli” in Wuhan	Green Building Demonstration Project	2016



## Case Study: Continuous Energy-Saving Efforts – V-Continent Beijing Parkview Wuzhou Hotel

As a high-star hotel in the North Star, V-Continent Beijing Parkview Wuzhou Hotel (the “Hotel”) commits to providing first-class products and services and puts innovative energy-saving concept into operation and management, and in this way to make a positive contribution to sustainable development.

### Taking Advantage of Water Resources

#### Establishing Integrated Recycle Water Treatment System

In daily operation, the Hotel collects water from shower and basin to do some water treatments and the recycled water is used for toilet flush.

#### Electrolysing of Cooling Tower Circulating Water

The Hotel uses electrolytic water treatment system to control the hardness, alkalinity, conductivity and residual chlorine of the circulating cooling water to achieve the effect of sterilization and algae removal, which obviously improves the utilization of water to achieve water saving purpose. Through this processing system, the energy consumption is saved.

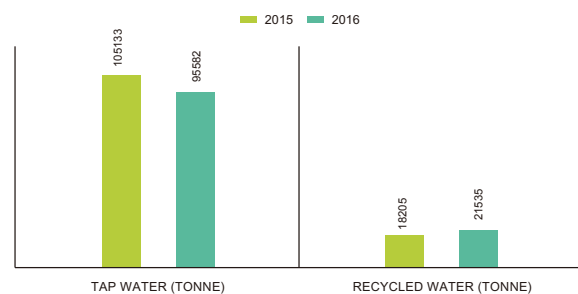
#### Improving the Guest's Water Saving Awareness

Through interacting with guests, the Hotel asks the guests to enjoy the hotel's services in a lower-carbon and environmentally friendly way of life.

The Hotel placed a “water drop” shape of eco-friendly card in the bedside cabinet, suggesting that the bed would be changed every other day. For those who have specific requirements, the eco-friendly card can be placed on the bed so that the room keepers can replace the bed in time. Besides, there is an eco-friendly card with “We Are Family” at the bottom of mirror in the bathroom, reminding that guests could hang the towels which do not need to be replaced. All kinds of detergent in the Hotel use non-phosphorus formula to minimize the harm when discharging water.

During the Reporting Period, the tap water consumption is 95,582 m<sup>3</sup>, which is 9% of decrease compared with the year of 2015. The recycled water consumption is 21,535 m<sup>3</sup>, which is equivalent to 9 standard swimming pools, which is 18% of increase compared with last year.

WATER CONSUMPTION OF THE HOTEL



Due to the outstanding performance on water saving, the Hotel was honoured as “Water-Saving Company” by Beijing Water Authority.







## Case Study: Continuous Energy-Saving Efforts – V-Continent Beijing Parkview Wuzhou Hotel

### Waste Reuse, Recycle and Treatment



#### Linen Reuse

The old linen would be especially marked and reused, such as towels used as dust cloth, and then distributed to various departments as cleaning cloth. This action would both reduce the purchase of cleaning supplies and reuse the old linen.

#### Dry and Wet Garbage Sorting

The Hotel reduces waste from the source. In 2016, the Hotel produced totally 128.75 tons of dry garbage and 226.2 tons of wet garbage, and both of them are fewer than last year.



Paper Recycle



Mercury-containing Lamps Recycle



Cartridges Recycle



Used Batteries Recycle

#### Recycling of Hazardous Waste

The Hotel selects qualified suppliers for hazardous waste management, transportation and disposal, and collects hazardous wastes such as mercury-containing lamps and cartridges. During the Reporting Period, the Hotel disposed a total of 165kg of waste fluorescent tubes and 140kg of cartridges.

#### Reducing Waste from Sources

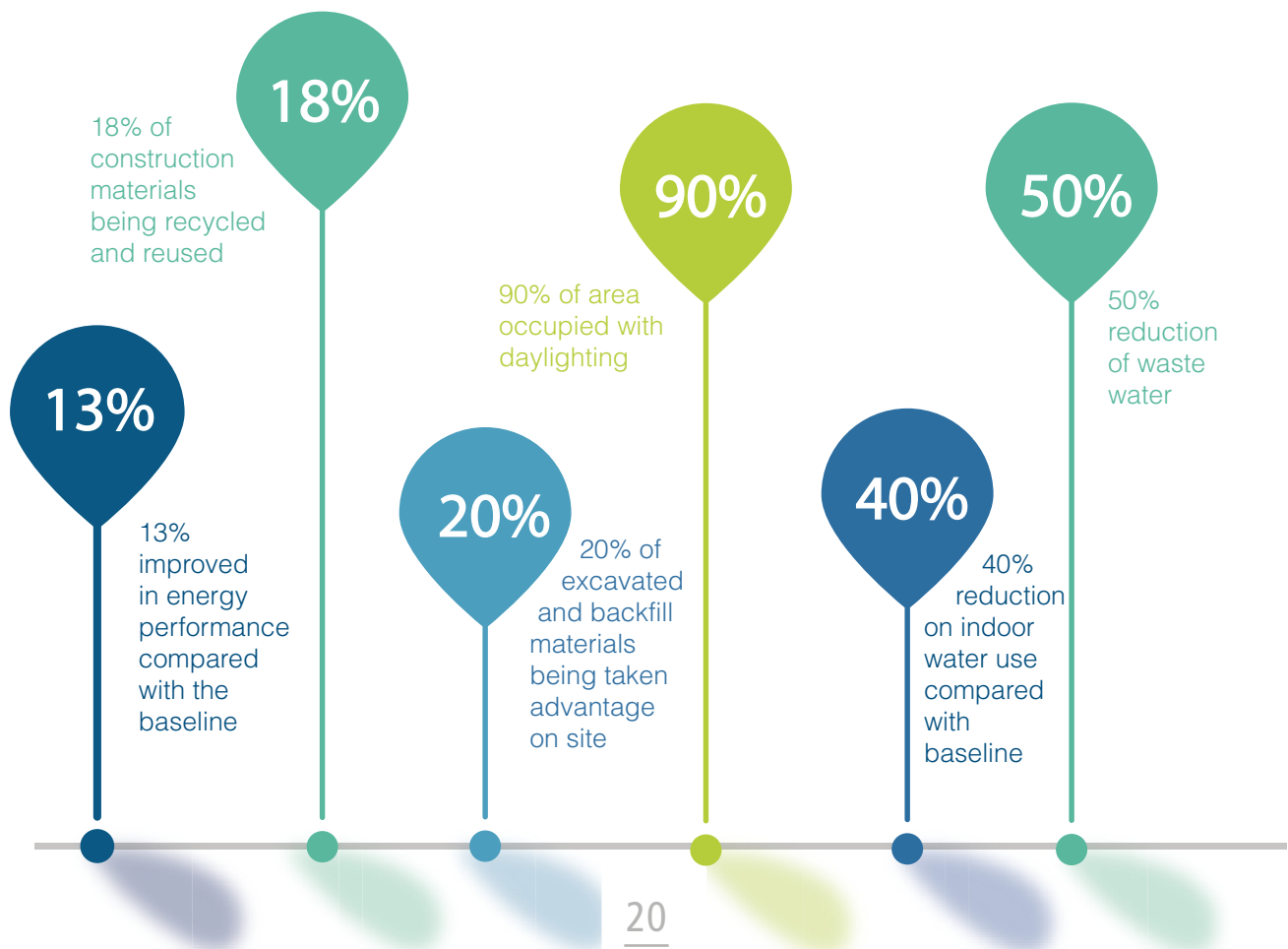
All consumable packaging in the Hotel rooms uses biodegradable and environmentally friendly materials and no plastic bags and other unnecessary packaging products is used in rooms to reduce the non-degradable garbage.



## Changsha North Star Delta A1 Parcel Office Tower

Changsha North Star Delta A1 Parcel Office Tower, the total construction area of 79,000 square meters, is one of the landmarks in the top central business district. The project achieves 14% of energy savings and is awarded the LEED (Energy and Environmental Design Pioneer) for Core & Shell Gold for its planning, architectural design, materials, technology and other innovations, and this project is also awarded with the Certificate of Green Building Design Label – Two Stars.

In the architectural design aspect, the project applies overall energy-saving design and chooses environmentally friendly materials, which gets outstanding performance on energy saving and water consumption. In addition, the building also complies with the principle of minimizing environmental nuisance like pedestrian-and-vehicle dividing and land conservation.







## Technology Applied



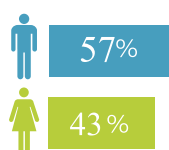




# Our Employees

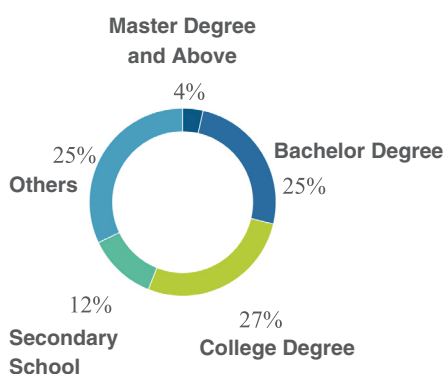
Under the “people-oriented” concept, the North Star commits to promoting the development of both employees and enterprises. The Company cherishes the value of each employee, and takes care of staff growth, and makes effort to create a better development platform for employees in the process of management.

## Staff Composition (By the end of 31 December 2016)

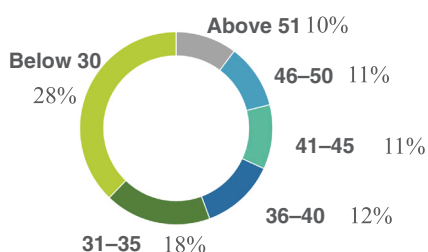


The number of employees in the Company and its subsidiaries is 5,345.

The Total Number of Employees	5,345
Female	2,284
Male	3,061



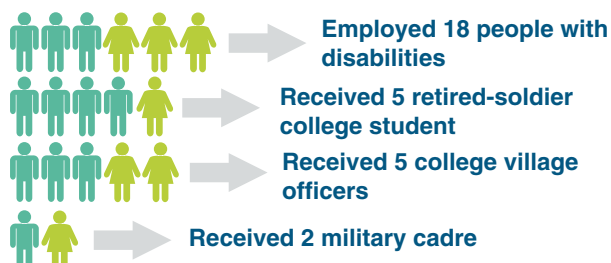
Education Level	No.
Master Degree and Above	189
Bachelor Degree	1,347
College Degree	1,457
Secondary School	637
Others	1,715
Total	5,345



Age Structure	No.
Above 51	548
46-50	578
41-45	577
36-40	668
31-35	954
Below 30	2,020
Total	5,345



## Opportunities and Recruitment



The company strictly enforces the “Labour Law of the People’s Republic of China”, and resolutely puts an end to the employment of child labour and forced labour, and holds zero-tolerance attitude towards any illegal behaviour.

Companies adheres to the principle of transparency on employee selection, and pays attention to the value of each employee. In 2016, through the establishment of a series of principles like “strict entry, strict serve” and external staff recruitment requirements, the Company further implements the “standardization of recruitment process”.

To release the pressure of employment of graduates and establish student intern platform, the Company makes effort on enhancing both the number of graduate employment and student training. During the Reporting Period, the Company participated in over 50 graduate specific recruitments and accumulatively employed 125 of college graduates in total. In addition, the Company offered over 700 intern opportunities for on-campus students to better adapt to the society.

The Company organized characteristic recruitments including college village officers, the disability, retired-soldier college students, female college students, family members of army, college graduates and postgraduates. In the Reporting Period, the Company totally employed 18 people with disabilities, and received 2 military cadres, 5 retired-soldier college students and 5 college village officers, which played a positive role on social responsibility.

## Employee Welfare and Benefit

The Company pays attention to the health of employees, and continuously improves welfare and benefit system to ensure each employee could contribute to works without worries.

Besides paying the statutory insurance for employees on time, the Company provides supplementary medical care, enterprise annuity, employee mutual insurance and many other supplementary benefits for employees, and in this way to increase life security and satisfaction for employees.

In details, the Company labour union actively implemented the mutual insurance and insurance claims work. During the Reporting Period, 175 people received hospital claims of RMB181,200 in total; 4 people received major disease claims of RMB42,700; 1 female worker got special disease claims of RMB12,700. As the result of the outstanding performance of the insurance and claims work, the North Star labour union was rated as “Employee Mutual Safeguard Advanced Unit” and “Excellent Employee Mutual Safeguard Work in 2015”.





## Employee Development

To realise the personal value of employees and help business development, the Company combined theory with practice in an orderly manner to promote the implementation of the training program for employees.

On one hand, the Company through diverse ways such as skills competition, participating in the industry skills competition, etc. carries out professional training and builds a platform for skill communication. During the Reporting Period, with the atmosphere of “skilled

priority”, over ten subsidiaries carried out skilled training and competition, and around 1,600 employees participated in a total of 83 competitions and accumulatively 152 times of trainings. 73% of frontline employees participated in trainings.

On the other hand, some topic trainings like “Leadership Plan” and “Eagle Plan” are carried out targeting to professional talent to enhance the training efforts for the improvement of management skill.



During the year, the Company focused on the weaknesses of employees and the growth point of enterprise development. To build the service platform for the employees, employees' skills competition and inter-communication exhibition activities were carried out. Among them, 4 hotels of the Company carried out “wedding theme creative display” and “Chinese and Western style of innovative pastry” competition which focused on the skill communication. After the competition, all Chinese and Western style pastries were recommended to the North Star exhibition G20 Summit service team, which showed the strength of the North Star.





## Employee Life

“The North Star Cup” series of art and sports events not only enhance the internal cohesion, also help employees to build a more positive attitude to work.



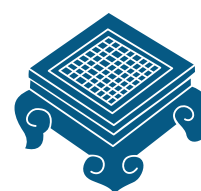
### Home of Employee



The North Star badminton team participated in the 7<sup>th</sup> badminton game in Beijing and won the 5<sup>th</sup> by group.



The North Star chess team participated in the 7<sup>th</sup> staff chess game and won the 8<sup>th</sup> by group.



The North Star table tennis team participated 10<sup>th</sup> the “Harmony Cup” in Beijing and won the 5<sup>th</sup> of union system.



The North Star set up painting and calligraphy association for the staff who have hobbies of painting and calligraphy staff skills to build communication platform.





## Our Communities

The North Star regards repaying to the community as its own responsibility. The Company attaches significant importance to the interdependence of enterprises and society, and pursues the opportunities to share the value with community and building a harmonious community.

### Social Donate



#### Donating to "Chunmiao"

The North Star has donated to "Beijing Chunmiao Children's Aid Foundation" from 2012, which accumulatively donated RMB4.75 million to benefit 165 orphans in total who suffer from congenital heart disease.

Over 270 volunteering activities were carried out and the North Star has funded an education homestay's basic expenses for consecutively 4 years. Besides, 33 orphans were helped by the North Star.



## Helping the Distressed



### Visiting the No. 1 Social Welfare Institute in Changsha

In September, the employees of Intercontinental Changsha visited the No.1 Social Welfare Institute in Changsha. They learned about the condition of dormitory and living. At the same time, they also learned the volunteer condition of welfare institute. The employees brought some daily necessities like clothing, electronic reading machine, mobile DVD machine and storage boxes to the elderly and children.

## Public Benefit



### Maintaining the environment of the Xiang River

To improve the surrounding environment of community residents, hotel guests and the public, on 26 September, more than 150 employees of Intercontinental Changsha participated in cleaning of the riverside road of approximately 2km in length. 300 kilogramme of garbage were removed. The hotel hoped that this action could raise the awareness of environmental protection and could maintain the beauty of the Xiang River.

## Public Benefit



### Encouraging Green Travel

With the wide application of new energy vehicles, the Company actively promoted charging pile construction in the Asian Games Village which is now completed and put into use. This measure would decrease charging average service radius to 1km in the Asian Games Village area and brought more convenience for the public.

## Public Benefit



### Qingming Planting Activity

In the early spring, the North Star office company invited customers and employees to carry out planting activity. As the theme of "Green Our Home", this activity tried to enhance everyone's environmental awareness.





## Content Index of Environmental, Social and Governance Reporting of SEHK

Subject Areas, Aspects and General Disclosures	Description	Pages	Remark
<b>Environmental</b>			
Aspect A1: Emissions			
General	Information relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	P14, P18–P20	
KPI A1.5	Description of measures to mitigate emissions and results achieved	P15, P17	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	P18	
Aspect A2: Use of Resources			
General	Policies on the efficient use of resources, including energy, water and other raw materials Note: Resources may be used on production, in storage, transportation, in buildings, electronic equipment, etc	P14–P17, P19–P20	
KPI A2.1	Direct and/or indirect energy consumption by type and in total	P14	
KPI A2.2	Water consumption in total	P15, P17	
KPI A2.3	Description of energy efficiency initiatives and results achieved	P14–P15	
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	P15, P17	
Aspect A3: The Environment and Natural Resources			
General	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to minimizing the issuer's significant impact on the environment and natural resources	P19–P20	
Subject Areas, Aspects and General Disclosures	Description	Pages	Remark
<b>Social</b>			
Aspect B1: Employment			
General	Information relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	P22–P23	
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	P22	
Aspect B2: Health and Safety			
General	Information relating to providing a safe working environment and protecting employees from occupational hazards on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	P23, P25	
Aspect B3: Development and Training			
General	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities Note: Training refers to vocational training. It may include internal and external courses paid by the employer	P24	

## Content Index of Environmental, Social and Governance Reporting of SEHK

Subject Areas, Aspects and General Disclosures	Description	Pages	Remark
Social			
Aspect B4: Labour Standards			
General	Information relating to preventing child and forced labour on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	P22	
Aspect B5: Supply Chain Management			
General	Policies on managing environmental and social risks of the supply chain	P9	
Aspect B6: Product Responsibility			
General	Information relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	P10-P13	
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored		
Aspect B7: Anti-corruption			
General	Information relating to bribery, extortion, fraud and money laundering on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	P5	
Aspect B8: Community Investment			
General	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	P25-P26	



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