



粵海置地控股有限公司
Guangdong Land Holdings Limited

(Incorporated in Bermuda with limited liability)
Stock Code: 0124

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017



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About this Report

Guangdong Land Holdings Limited (hereinafter referred to as “Guangdong Land”, “We” or “the Company”) and its subsidiaries (collectively “the Group”) is pleased to publish our second Environmental, Social and Governance Report (the “Report”). The Report is compiled with reference to the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) as set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited published by The Stock Exchange of Hong Kong Limited (“HKEx”) and the “Guangdong Province Real Estate Corporate Social Responsibility Guide*” published by the Guangdong Real Estate Association*.

To meet the four reporting principles as stipulated in the ESG Reporting Guide imposed by HKEx, namely materiality, quantitative, balance and consistency, and to ensure the Report content can fully reflect the expectations of various stakeholders, we continued to engage an independent third-party consultant this year to communicate with our stakeholders in an effort to streamline the entire reporting process. We will continue to strengthen our information collection activities for reporting in order to enhance our disclosure in the performance and information on social responsibility matters.

** The English name of the term or entity marked with an asterisk is a translation of its Chinese name, and is included herein for identification purposes only. In the event of any inconsistency, the Chinese name shall prevail.*



Scope of the Report

This Report summarises Guangdong Land’s efforts and achievement in respect of environmental, social and corporate governance, covering various aspects including corporate governance, environmental protection, caring for employees, quality management, caring for the community and other aspects during the period from 1 January 2017 to 31 December 2017. Unless otherwise indicated, the coverage of the Report includes all operating segments that have significant impacts on the Company.

Access to the Report

This Report is available in both Chinese and English versions for readers. To conserve environmental resources, the Report will only be uploaded and published in electronic format to the websites of HKEx and Guangdong Land respectively. Interested parties may download the Report from the website of Guangdong Land (<http://www.gdland.com.hk>). For more information about corporate governance or other information of the Company, please refer to our annual report and the Company’s website.

Contact Us

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Chairman's Statement



2017 is a year of nurture and preparation for the transformation of the Company and the development of the Buxin Project. During the year, our staff braved against the odds and strains under the sound leadership of the board of Directors of the Company (the "Board") and strong commitment of the Company's management to meticulously implement the deployment plans for various tasks.



The Group continued to reinforce the construction for the Buxin Project located in Luohu District of Shenzhen City. Thanks to the concerted effort of different parties, the project attained healthy progress and significant achievements including management enhancement, project construction in the Northwestern Land parcel, conceptual design of the Southern Land and the Northern Land parcels, establishment of business invitation system, tender and bid, as well as production safety. The Northwestern Land of the Buxin Project was named a "Demonstration Site for Production Safety" by the Housing and Construction Bureau of Shenzhen Municipality in 2017.



The Group's Buxin Project is currently under development and construction and would likewise benefit from the strong development momentum in the Guangdong-Hong Kong-Macau Greater Bay Area. Located in Luohu District, Shenzhen City, the Buxin Project has an enormous development potential. The Group will invest appropriate resources to develop the project, in order to create and release the value of the project, and will consider arranging external financing to support the development of the project. At present, the Group has a strong financial position with a strong controlling shareholder and enjoys ample project and financial resources. Looking ahead, the Company aspires to capitalise on opportunities and take an active approach in contemplating and delving into first-tier and second-tier cities in the mainland China, particularly those located in the Guangdong-Hong Kong-Macau Greater Bay Area and the Pearl River Delta Region, so as to seek out opportunities for real estate development and investment projects, procuring the Company's stable and healthy development in the long run.

Apart from eyeing on the future development of the Group, we fully understand that, as a member of the society, the Company is not only a wealth creator, but also a carrier of social values. We will be proactively fulfilling our social responsibilities, promoting technology innovation, thoroughly implementing the development concept of energy conservation, emissions reduction and low-carbon environmental protection, and proactively initiating designated poverty alleviation and charitable activities in order to give back to society. We will also try our best to align with the national and local development advocacies such as green buildings, sponge cities and other major blueprints in order to contribute to the steady and sustainable development of the country.

HUANG Xiaofeng
Chairman

Hong Kong, 11 July 2018



About Guangdong Land



Guangdong Land, with its headquarters situated in Hong Kong, is a subsidiary of a conglomerate of Guangdong Province operating outside mainland China, namely GDH Limited. The Company is also a 73.82%-owned subsidiary of Guangdong Investment Limited which is listed on the Main Board of the HKEx (stock code: 0270).

Since August 1997, the Company (formerly known as “Guangdong Brewery Holdings Limited 粵海啤酒集團有限公司”) has been listed on the Main Board of the HKEx (stock code: 0124). In July 2004, the Company changed its name to “Kingway Brewery Holdings Limited 金威啤酒集團有限公司”, with subsidiaries principally engaged in the businesses of investment holding and the production, distribution and sale of beer at the time. In order to have better development in the Group’s business, enhance the efficiency and potential of its assets, and create greater returns for its shareholders, the Company sold its beer production, distribution and sale business in 2013 and changed its name to “Guangdong Land Holdings Limited”. The Chinese name “ 粵海置地控股有限公司 ” has been adopted as the Company’s second name as well. The change in name reflected the Company’s post-transformation corporate strategy and its business objectives in specialising in real estate development and investment.

The Company’s flagship development project, the Buxin Project, is located in the Buxin Area of Luohu District in Shenzhen City. It has a total site area of approximately 66,500 square metres, and is within walkable distance of the Buxin and Tai’an metro stations of Shenzhen Metro. The Buxin Project is intended to be developed in two phases into a multi-functional commercial complex comprising commercial buildings, offices, business apartments, conference and exhibition centres and other functions. This multi-functional complex will use jewellery as the main theme and will cater the demands for office, exhibition halls, shops, apartments with full facilities, shopping malls and other living facilities brought about by the blooming gold jewellery trading and design, exhibition, high-end customisation and other related businesses in the surrounding area.

Given the Buxin Project is well-located in an area with economic and geographical advantages, the shortage of land resources for property development in the area, and its compliance with the local government’s development planning, the Company is confident about the prospects of the Buxin Project. The Company believes that China’s economy will continue to grow steadily in the future, and the relevant measures will drive the real estate market towards steady and healthy development, and will create more and better opportunities for the related enterprises.

The Company has a strong professional management team that possesses extensive experience in the development, investment and management of real estate projects. Team members, who have been engaged in large-scale real estate investment and development projects, have rich experience in market positioning, planning, financing, overall co-ordination and management.

Please refer to the published annual reports of Guangdong Land to learn more about the Group’s business operation and financial positions, which can be downloaded at http://www.gdland.com.hk/en/index.php?section_id=5&page_id=10.

** the Chinese names were used for identification purpose only*





Social Responsibility Management

Our Philosophy

The Company focuses on implementation of and promotion of awareness in social responsibility related measures internally, and hopes to demonstrate a sense of responsibility and an exemplary role externally. Our core values of “three honests” and “four stricts” (“three honests” are to be honest in thought, word and deed; “four stricts” are to set strict standards for work, organisation, attitude and observance of discipline), and our corporate culture of integrity, honesty, responsibility, collaboration and efficiency, are the essence of corporate social responsibilities. We will continue to fulfil our mission and integrate corporate social responsibility into our daily operation and the daily lives of our employees, so that everyone in the Company is working hard towards our common goal.

Corporate Social Responsibility Management Structure and Functions

Our corporate social responsibility management structure is divided into three tiers, under which the Board is responsible for leading, deciding and supervising the related issues. Under the co-ordination and day-to-day management of the Company’s headquarters, each functional department is responsible for the implementation and reporting of work.



- The Board
- Leading Environmental, Social and Governance management
 - Decision-making and supervision of relevant affairs



- The Company’s headquarters
- Collaboration and communication
 - Co-ordinating compilation of the Report



- Functional departments and operational branches
- Data control and management
 - Assisting the implementation of corporate social responsibility measures and data collection





Relationship with Stakeholders and Material Issues



As a responsible company, we believe that our operation should consider not only the benefits of our shareholders, but also that of each of our stakeholders. As such, we believe that it is necessary to take the interests of the stakeholders into consideration during the decision-making process. We set communication objectives with stakeholders when obtaining their views and suggestions of the Group's development from multiple channels. We have identified material environmental, social and governance ("ESG") issues from the two dimensions concerning the importance to stakeholder themselves and to the Company's business development. The result was then subjected to scientific assessment and analysis to eventually provide an important reference for our corporate decision-making.

We hope this ESG Report will become an important channel for stakeholders to gain access to the Group's ESG performance. This Report is meticulously prepared to provide a comprehensive disclosure of our performance during the financial year.

Communication with Stakeholders

We identified the following key stakeholder groups of Guangdong Land, and specifically developed appropriate communication objectives and communication channels for each stakeholder group. We have been continuously optimising and strengthening the accessibility and efficiency of the communication channels during the process.



Stakeholders	Communication objectives	Communication channels
Government departments and regulatory authorities	<ul style="list-style-type: none"> • Comply with local laws and regulations • Pay taxes according to laws • Maintain good relationship with the local government • Support local government's rules • Comply with the requirements of the regulatory authority 	<ul style="list-style-type: none"> • Understand the latest laws and regulations • Understand compliance requirements of each relevant regulatory authority • Proactive communication to improve mutual understanding
Shareholders and investors	<ul style="list-style-type: none"> • Explain the latest development of the Company to shareholders and investors • Gain shareholders' and investors' trust • Gain shareholders' and investors' supports for management decisions • Generate maximum investment returns for shareholders 	<ul style="list-style-type: none"> • Disclose financial and operational information and data regularly • Shareholders' General Meeting • Proactive communication to answer queries



Stakeholders	Communication objectives	Communication channels
Employees	<ul style="list-style-type: none"> Understand the views of employees on the Company's development Collect suggestions for improvement from employees Understand employees' needs Let the employees understand the Company's development directions Strengthen team cohesiveness Provide a working environment that is favourable for employees' development 	<ul style="list-style-type: none"> Occupational, health, safety training for employees Caring for employees Open recruitment Labour union Staff cultural and sports activities Feedback channels
Customers	<ul style="list-style-type: none"> Understand customers' views on the Company's products Provide products that fit the needs of customers Provide customers with more considerate services Protect customers' personal information security Maintain and develop marketing strategies which are more in line with business ethics 	<ul style="list-style-type: none"> Compliant marketing communication Corporate information disclosure Product information disclosure Customers' complaints and feedback channels

Stakeholders	Communication objectives	Communication channels
Business partners and suppliers	<ul style="list-style-type: none"> Establish a long-term and stable co-operative relationship Create a win-win situation Create a co-operative atmosphere of mutual trust Jointly solve environmental and social problems 	<ul style="list-style-type: none"> Continuous communication mechanism Responsible procurement policy Fair and open procurement guidelines Communications and visits between senior management members
Local community	<ul style="list-style-type: none"> Create social values for the local communities Promote economic development for the local communities Protect the interests of local residents Protect the local environment 	<ul style="list-style-type: none"> Organise social charitable activities In-depth community communication Integrate environment-friendly elements into the design process Communicate proactively with local government agencies

During the preparation process of the Report, we actively collected the views of various stakeholders through various channels to obtain their feedback and suggestions on our ESG performance, which would be an important source of reference for our future policies and project developments. We conducted a comprehensive and all-round stakeholder engagement in various ways, such as face-to-face communication, telephone interviews, questionnaires and on-site visits with the assistance of an independent third-party professional consultant. Finally, we identified the issues that are of most concern to all our stakeholders and disclose them in the Report.



Materiality Analysis on ESG Issues

Effective ESG management requires an enterprise to have comprehensive identification and materiality analysis of the relevant issues, in order to set the foundation for its own management and information disclosure. Combining proactive communication with all stakeholders and the management's vision of our own business development, Guangdong Land has identified the following ESG issues, and analysed the importance of the issues based on the two dimensions of "significance to our stakeholders" and "importance to Guangdong Land's business development" with the assistance of the third-party professional consultant, so as to set the foundation for Guangdong Land to design its ESG management guidance and define the disclosure scope of this Report. To gauge stakeholder's views on importance of various issues, we have conducted a survey for around 100 internal and external stakeholders through various channels, such as face-to-face interviews and questionnaires. Below is the list of material ESG issues we identified:

ESG aspects	ESG issues	Material issues selected
Emissions	Waste	✓
	Wastewater	✓
	Greenhouse gases	✓
Use of Resources	Water conservation	✓
	Energy conservation	✓
	Environmental impact of raw material consumption	✓
The Environment and Natural Resources	Soil degradation, pollution and restoration	
	Investment in environmental protection measures	
	Biodiversity	



ESG aspects	ESG issues	Material issues selected
Employment	Diversification of background of employees	✓
	Employees' loyalty	✓
	Fair compensation and promotion	✓
	Equal opportunities for employees	✓
Health and Safety	Occupational health and safety of employees	✓
Development and Training	Employees' training and education	✓
Labour Standards	Settlement of dismissed and laid-off employees	
	Mediation and handling of employee disputes	
	Prevention of child and forced labour	
Supply Chain Management	Co-operation with suppliers to improve labour performance	✓
	Co-operation with suppliers to improve environmental performance	✓
	Priority given to suppliers with better environmental and social performance	✓
Product Responsibility	Customer privacy and personal data protection	
	Building quality guarantee	✓
	Service quality guarantee	✓
	Customer satisfaction	✓
	Respect for intellectual property rights	
Anti-corruption	Anti-corruption	✓
Community Investment	Understand the needs of the community	✓
	Promote community construction and development	✓
	Charitable activities	✓
	Integrate the concept of supporting community development into daily operations	✓
	Support and participate in community activities	✓



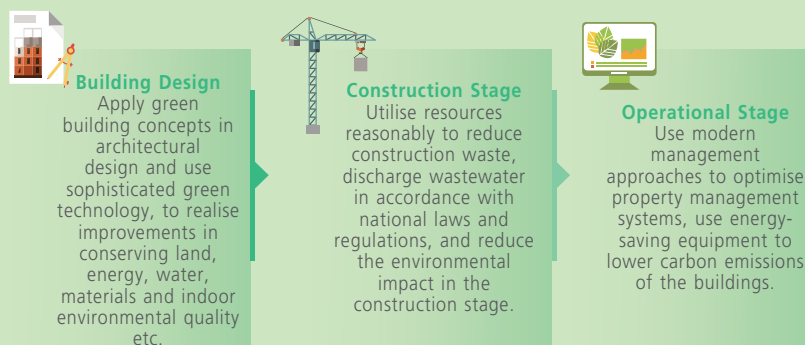
Environmental Protection



Environmental protection is one of the most important elements for Guangdong Land to implement social responsibility. We believe that people and nature can co-exist in harmony, and that business development does not necessarily take place at the expense of the environment. Therefore, we are committed to protecting the natural environment of the communities where we operate, reducing energy consumption, carbon emissions and local environmental impacts of the Company's operations strictly in accordance with the "Environmental Protection Law of the People's Republic of China". Guangdong Land is also committed to being environment-friendly. We actively implement various measures at our operation sites and offices to reduce the environmental impact of our daily operations.

Achieving Green Buildings

The Company takes full account of environmental considerations in developing new construction projects. New buildings must comply with the requirements imposed by the central government and local governments in relation to environmental protection and energy conservation. Green buildings are constructed with suitable design to enjoy the benefits of energy savings, health and environmental protection. At construction phase, we ensure all the activities at construction sites are performed in strict conformity with the related laws and regulations of related regions, including but not limited to requirements in respect of environmental protection, wastewater treatment and noise control. The main contractors of our development projects are clearly aware of our strong emphasis on environmental protection and our commitment to achieving green buildings development with them.



In respect to the architectural design of the flagship development project, the Buxin Project, the "1-star" level criteria of the China Green Building Label is adopted to guide design of the Northwestern Land development under the project to enhance its green features and reduce negative impact on the environment and surrounding residential households. With a variety of measures including energy conservation of external wall, water saving irrigation system, multi-layered greening system, water-saving devices, itemised measurement of energy consumption, reasonable architectural layout and noise control, the project realises the design concept of green buildings.

Green Design	Functions
Energy conservation of external wall	<ul style="list-style-type: none"> External walls are built with specific material to achieve a 50% energy saving efficiency
Water saving irrigation system	<ul style="list-style-type: none"> The green irrigation system adopts highly effective water-saving irrigations including spray irrigation and micro irrigation for water conservation
Multi-layered greening system	<ul style="list-style-type: none"> Greening can effectively mitigate urban heat island effect and ameliorate microclimate
Water-saving devices	<ul style="list-style-type: none"> Utilising water-saving devices of grade 2 water efficiency for water conservation
Itemised measurement of energy consumption	<ul style="list-style-type: none"> Using multi-functional power meters to measure energy consumption by segments of air-conditioning, power supply, socket and specialised usage separately
Reasonable architectural layout	<ul style="list-style-type: none"> Ensuring effective ventilation within surrounding activity areas of the buildings Ensuring adequate lighting inside the buildings to create a comfortable environment for users whilst saving energy
Noise control	<ul style="list-style-type: none"> Performing simulation analysis on the outdoor environment of the project to ensure minimal indoor noise impact from transportation nearby



We have stepped up efforts in attaining green construction management by various initiatives during construction works. In respect of dust reduction at construction sites, dust control measures including suspended particulates monitoring systems, vehicle-washing facilities at entrances and exits, high pressure automatic sprinkler system, soil covering, greening works on vacant parcels and high pressure fog cannons are in place. In respect of energy conservation, low voltage LED light strips are installed for lighting at the basement of construction sites, safety passages and stairways while energy saving LED lamps are also adopted at office corridors. In respect of resources conservation, we utilise reusable aluminum formwork instead of conventional wood formwork for construction. In respect of waste recycling, used reinforcement steel and short head reinforcement steel are recycled to manufacture other construction components. In respect of wastewater treatment, we have set up wastewater sedimentation tanks to purify water. All of the above measures reflect our all-round considerations for environmental protection.

Automatic sprinkler system



Dust suppression cannon



Suspended particulates monitoring system



Wastewater sedimentation tank



Low voltage LED light strips



Energy saving lamp at office corridors



Manufacturing steel bar supports from used reinforcement steel



Manufacturing positioned steel bars from short head reinforcement steel





Contributing to the Construction of a Sponge City

Joining hands with the relevant government departments, Guangdong Land strives to address various water problems and improve ecological problems including urban heat island effect during the urbanisation of Shenzhen City. In strict compliance with the requirements of the “Implementation Plan for Sponge City Construction in Shenzhen City”, the Buxin Project is planned, designed and constructed with an aim to rebuild the relationship between city, people and water. The Northwestern Land and municipal roads of the Buxin Project are designed with sunken greenbelts, permeable pavement, curb-opening castings, rain garden and rainwater reuse system, for the purposes of rainwater absorption, storage, infiltration and release, which in turn allow rainwater drainage, water resources recycling and reuse, and urban flood resilience enhancement.

Design of a Sponge City	Functions
Sunken greenbelts	<ul style="list-style-type: none"> Rainwater retention and reducing rainwater runoff As part of the rain garden, combining with other landscape architectures to enhance the visual effect
Permeable pavement	<ul style="list-style-type: none"> Paving with water permeable bricks and constructing sub-pavement drainage pipes to discharge infiltrated rainwater to rainwater pipe network
Curb-opening castings	<ul style="list-style-type: none"> Adopting curb-opening castings in intervals at both sides of the greenbelts to ensure the discharge of surface runoff to greenbelts by gravity
Rain garden	<ul style="list-style-type: none"> Allowing drainage of excessive rainwater
Rainwater reuse system	<ul style="list-style-type: none"> Building rainwater collection tank to collect surface and roof rainwater for irrigating greeneries, and road and garage cleaning after treatment

Green Office

Guangdong Land has actively promoted the green office concept and has been committed to reducing the use of water, electricity and paper in office in order to build and promote a green and energy saving office. In 2017, the broken light tubes in offices were replaced gradually with LED light tubes for energy conservation. We understand that employee participation is of great importance for practical environmental protection achievements in addition to the Company’s efforts. Our current measures are as follows:

- Turn off lights and air conditioners of the conference rooms and other places after use;
- Encourage employees to turn off the power supply of their own office equipment including computers when leaving offices;
- Arrange employees to check whether the lighting and equipment of the conference rooms are turned off from time to time;
- Encourage employees to turn off unnecessary lighting during non-office hours at noon;
- Set various electrical appliances to standby mode or power saving mode;
- Encourage employees to use the other side of printed papers; and
- Conduct knowledge publicity activities, speech campaigns on environmental topics, and various competitions and awards.

In addition, we also roll out centralised management measures, including using energy-efficient lighting if possible and adjusting air conditioning temperature in the office to not lower than 26°C. We also endeavour to achieve a paperless office, which is in line with the major principle of waste minimisation.

We engage qualified contractors for waste handling to enhance social and environmental efficiencies through waste separation, collection and treatment. In respect of recyclables, we separate and recycle metals, glass, plastics and cartons to reduce wastage of resources. In respect of hazardous waste, we collect and properly treat used batteries and light tubes to avoid environmental pollution.



Our environmental data in 2017 are as follows:

Resources consumption:

	2017 Annual	2016 Annual	Change
Total electricity consumption (kWh) ^(Notes 1, 2)	879,572	717,944	+23%
Total gas consumption (kg)	7,290	8,820	-17%
Total fuel consumption (L)	15,821	14,762	+7%
Total water consumption (m ³)	13,508	13,376	+1%

Greenhouse gas and air pollutant emissions:

	2017 Annual	2016 Annual	Change
Greenhouse gas emissions (Scope 1) (tons) ^(Notes 3, 4)	619	521	+19%
Nitrogen oxides (NO _x) emissions (kg) ^(Note 5)	252	236	+7%
Sulphur oxides (SO _x) emissions (kg) ^(Note 6)	0.25	0.23	+9%

Wastewater and waste generation:

	2017 Annual	2016 Annual	Change
Total discharge of wastewater (tons)	11,146	12,069	-8%
Waste light tubes and lamps generation (pcs) ^(Note 7)	35	21	+67%
Waste computers and electrical appliances generation (pcs) ^(Note 7)	3	2	+50%
Empty ink and toner cartridges generation (pcs) ^(Note 7)	18	20	-10%

Notes:

1. Electricity consumption for 2016 has been restated to enhance the scope of data coverage.
2. 2017 is a critical year for the Group to advance the Buxin Project, which led to busier work that increased electricity consumption.
3. Including greenhouse gas emissions due to consumption of electricity, gas and fuel. Emission related to electricity consumption is calculated based on emission factors of The Hongkong Electric Company Limited (0.79 ton/MWh) and South China Power Grid (0.63035 ton/MWh) whilst emissions related to gas and fuel consumption are calculated based on the "Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Other Industrial Enterprises" published by the National Development and Reform Commission.
4. 2017 is a critical year for the Group to advance the Buxin Project, which led to busier work that increased electricity and fuel consumption, related greenhouse gas emissions have also increased as a result.
5. Including NO_x emissions due to gas and fuel consumption. Emission related to consumption of fuel by mobile sources is calculated with emission factor applicable to China's context (21.24 kg/ton(fuel)) whilst emission related to gas consumption is calculated based on emission factors stipulated in the "Reporting Guidance on Environmental KPIs" published by HKEx.
6. Including SO_x emissions due to gas and fuel consumption, which are calculated based on emission factors stipulated in the "Reporting Guidance on Environmental KPIs" published by HKEx.
7. Data covers waste generation amount of the Hong Kong headquarters, but not office buildings in the mainland China. We will continue to strengthen waste-related data collection and disclosure.



Caring for Employees



Employees form the basis of the survival and development of an enterprise, and are key to the sustainable development of the Group. By regulating behaviour and conduct, building a sound welfare system, providing opportunities for skills development and setting up an all-round mechanism for physical and mental well-beings, Guangdong Land creates a quality work environment for its employees, allowing the mutual growth of its employees and the Company. All of the Group's policies, which comply with the "Labour Law of the People's Republic of China", the "Labour Contract Law of the People's Republic of China" and other employment related laws and regulations enacted by the national government, are complemented with the internal Staff Handbook to provide guidance for the daily operation and administrative procedures for employees.

In the pursuance of creating an embracing, cohesive and dynamic work environment, Guangdong Land published the "Corporate Culture Establishment Program" in 2015 as our management approach for employment, safety, training and development, which we persistently uphold in our operations. In addition, we have also organised group activities and charity events to show our care for the needy, which not only brought positive effect to the community, but also enhanced communication and interaction among the staff, thereby fostering the mutual growth of the Group, the community and the staff.



Diverse and Fair Employment Policy

Guangdong Land's success is attributable to the dedicated efforts of our 225 responsible and outstanding employees. We persistently uphold a diverse and equal management policy, allowing our team members from all backgrounds to co-operate with each other on the professional and cultural levels. In addition, we fully consider industry characteristics when determining employee's remuneration and welfare. This enables our employees to receive recognitions at work and continue to fulfill their full potentials, which lays the foundation for the Group's business development in the future.

Guangdong Land advocates a corporate culture of diversity and harmony by acquiring talents from various backgrounds and striving to create a harmonious and embracing team. The Group acts upon an open, fair and equal recruitment policy, by which child labour and forced labour are strictly forbidden and human rights are respected. No discrimination regarding race, colour, religion, sex, nationality, ethnicity and age is allowed. By adhering to the philosophy of "recruiting based on the needs", an equal and supportive work environment is provided for top-notch talents with different backgrounds. In 2017, we employed a staff member with disability, allowing him to develop to his full potential and pursue his dreams. He is now one of our loyal and trustworthy members in the team.

In 2017, Guangdong Land revised the "Measures of Performance Appraisal" with details of the rewards system to ensure a fair, reasonable and transparent remuneration system, thereby motivating our staff to co-operatively work with high efficiency and creating purpose-oriented working atmosphere to attract and retain talents. We will continue to review the effectiveness of employee incentive mechanism, so as to ensure committed and valuable staff members are being recognised.



Employee statistics	Total number of employees (Note 1)	Employee turnover	Employee turnover rate (Note 2)
Total	225	39	17%
By gender			
Female	66	8	12%
Male	159	31	19%
By age group			
Under age of 30	44	17	39%
Between age of 30 and 50	153	19	12%
Over age of 50	28	3	11%
By employee category			
Management and senior grade	11	0	0%
Intermediate grade	26	2	8%
Junior grade	188	37	20%

Notes:

1. Total number of employees as at 31 December 2017.
2. Employee turnover rate is calculated based on the total number of employees as at 31 December 2017.

Occupational Health and Safety

Health and safety at work has been the core value that Guangdong Land strictly maintains at all times during its operation. All of Guangdong Land's business activities are performed and implemented in accordance with national standards. Our requirements on health and safety are formulated based on relevant laws and regulations including the "Labour Law of the People's Republic of China", the "Fire Protection Law of the People's Republic of China" and the "Law of the People's Republic of China on Prevention and Control of Occupational Diseases". We also review and update such requirements regularly.

Only with healthy bodies and delightful minds can our employees devote themselves to work and bring vitality to the Company. We implement production safety accountability system, which requires management to be held responsible for taking care of staff's health, and supervisors at various levels to be responsible for daily management and monitoring. In addition to continuous improvement on staff's health management measures and accident prevention measures, we act in strict accordance with national and regional legal and regulatory requirements to buy social insurance and employer liability insurance for all employees, providing full coverage for our employees and creating a comfortable and secured work environment.

Besides, regular and constant safety training is crucial to the cultivation of safety awareness. Therefore, our safety management office of the Company organises activities, like fire and first-aid drills in the "Month of Production Safety" every year to get our staff prepared for any emergencies. The management of the Company also regularly attends external safety training to ensure that they are aware of any updates of related laws and regulations in a timely manner. Our efforts in safety and health have been paid off by reaching zero work-related injury, loss or fatalities in 2017 in respect of all the staff.

Occupational health and safety statistics	2017 Annual
Number of lost days due to work injury	0
Number of work-related fatalities due to work	0
Number of work injuries due to work	0



Career Development and Training

Employee growth is the driving force of corporate development. The Group highly values talent development, training and reservation, and actively improves its staff training system. We also strive to fully leverage the potentials of employees and promote innovative thinking. Through reasonable talent promotion channels, we stimulate team development to ensure we can unleash their talents and utilise their ability accordingly.

Guangdong Land promotes a learning culture within the Group and encourages employees at all levels to actively equip themselves with work-related skills and enhance their capabilities. We arrange induction training for all new employees, helping them adapt to the working environment swiftly and get acquainted with the Group's values and corporate culture. A dedicated department is responsible for formulating the annual training plan based on the Company's strategies and business needs at the beginning of each year. The plan mainly focuses on aspects including talent training system, lecturer curriculum system and sustainable career learning and development, etc. Meanwhile, we also provide professional training relevant to our business operations, including design, construction and marketing, with the aim of equipping the employees with necessary skills. Department heads and the Company's management will approve the training plans after they have been devised. Afterwards, the training plans will be passed down and training programmes will be implemented according to the annual plan. In addition, we encourage our employees to join external self-enrichment courses and provide them with corresponding allowances, so as to support employees' personal development and cater for the Group's business growth.



Statistics of employee training	Number of employees who received training	Percentage of employees who received training	Average training hours (hours) <small>(Note 3)</small>
Overall	148	66%	13.3
By gender			
Female	33	50%	8.3
Male	115	72%	15.4
By employee category			
Management and senior grade	8	73%	35.5
Intermediate grade	24	92%	24.4
Junior grade	116	62%	10.5

Note:

3. Average training hours is calculated as the total number of training hours provided to employees in the category over the total number of employees in that category.

Employee Communication and Care

Guangdong Land attaches great importance to employees' physical and mental health, with its policy, daily regulation of conduct and professional counselling work managed in a proper and consolidated manner. We provide the employees with competitive staff benefits, including arranged leaves, holidays, overtime pay, allowances and reimbursements of telecommunication and meal expenses, all of which are set out in the Staff Handbook. Our human resources department of the Company also organises a wide range of activities regularly to help employees achieve work-life balance.

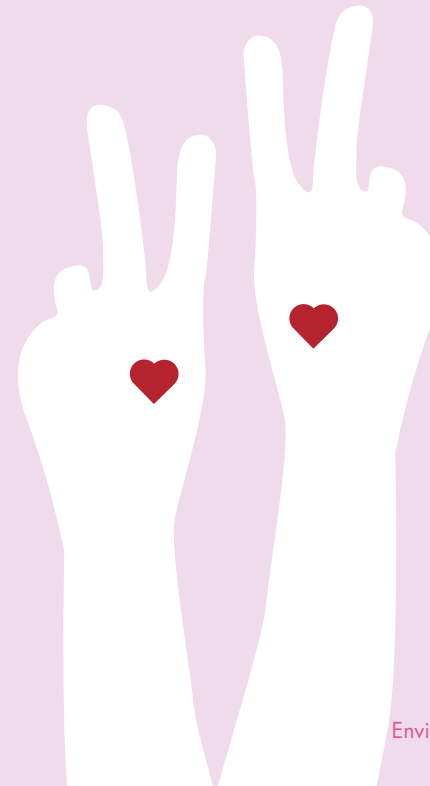


In August 2017, we held the annual staff badminton competition for our Shenzhen employees, which has received active participation from various teams and departments. Echoing the theme of “Getting everyone involved, healthy and happy”, we built up friendship and teamwork among departments. With the great support from the Company’s management and employees, this event not only enriched employees’ lifestyle, but also established a platform for communication and interaction, thereby strengthening the team cohesion and sense of belonging.

“Guangdong Land (Shenzhen) Co., Ltd.* Staff Badminton Team Competition 2017”, maintaining physical and mental health of employees



We also recognise that employees’ feedback is crucially important to understanding their needs and inspiring management decision-making. Therefore, we strive to establish transparent communication channels to ensure the voice of every employee is being heard and their requests are being responded. The current internal communication channels include email, WeChat and the Chairman’s Mailbox. In addition, Guangdong Land organises the two-way communication meeting “One Report and Two Consultations” every year. “One Report” represents the report of the Group’s management to the employees regarding the recruitment and selection of talents for the year, while “Two Consultations” represents the employees’ participation in expressing opinions on both the overall recruitment and the internal promotions of senior management of the Group. Our human resources department will issue the summarised statistics report and make improvements accordingly, reflecting our emphasis on the employees’ views.





Quality Management

Adhering to the principle of “Full-hearted Commitment and Mutual Harmonious Development”, Guangdong Land strives to provide services and products of the highest quality and safety standards to customers in a responsible manner. We are also committed to better responding to the customers’ requests through closer communication, making every endeavour to create long-term values.

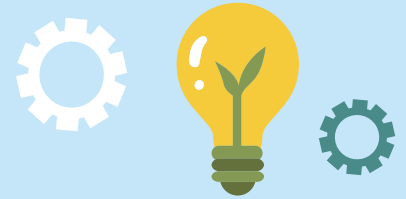
Meanwhile, we value our relationship with business partners and establish a rigorous and fair tendering and procurement procedure. We also strengthen communication with suppliers and integrate resources from different parties to promote better modes of operations, thereby enhancing the sustainability of our supply chain. Besides, we are dedicated to anti-corruption, enhancing the level of the Company’s governance and creating higher values for stakeholders.

Responsible Supply Chain Management

The Group is engaged in the development and investment of real estate business and collaborates with various suppliers and contractors in design, construction, marketing and daily services. In compliance with the relevant national and local requirements, all of our procurements are undertaken by the tendering and procurement department. It introduces and selects suitable suppliers based on the needs of each business division. Our major procurement projects are conducted in an open, fair and impartial tendering process, and as for services and projects with technical constraints, we send an independent invitation to tenders in order to meet the different needs of our projects.

This year, we have revised the “Guangdong Land Holdings Limited’s Administrative Measures for Tendering Management”, the guideline on the Group’s operation processes for all tendering and procurement, which clearly defines the division of responsibilities of various departments in tendering and procurement processes, regulates construction projects of different budgets and administers strictly the discipline required in tendering. This plays an important function in ensuring progress, quality and safety of construction projects. We constantly monitor all bid-winning suppliers to ensure their compliance with our requirements. For example, design units and construction contractors are required to possess safety certificates and safety construction permits respectively. Besides, we maintain close liaison with major suppliers to ensure that their operation and construction processes are in line with the relevant local laws and regulations.

For the year ended 31 December 2017, we co-operated with a total of 319 suppliers from different regions in various ways. The majority of these suppliers are located in the mainland China.



Service Quality Management

Abiding by the principle of quality-oriented and guaranteed service, we value the interests of every customer. We therefore regularly train our salespersons to provide sufficient product information for customers, and to patiently answer questions on the relevant products from customers or potential customers, in order to increase customers’ confidence in the Company’s products. During the reporting period, we did not receive any complaint pertaining to service quality.

Project Quality Management

With a strong emphasis on building safety and quality, Guangdong Land has always been upholding the safety philosophy of “Dual Responsibility and Accountability for Dereliction of Duty” and promoting the notion of “Life and Safety Always Come First” through continuous optimisation of the internal policies and safety administrative measures. To ensure construction quality and safety of the projects, we formulate “Construction Site Management System” and “Safety Management Operational Guidelines” for our projects and implement a production safety accountability system to ensure on-site supervision by a registered safety officer, who is responsible for overseeing the whole construction process at the construction site. Apart from protective shelters, standardised construction sites and regular checking, maintenance and inspection of machineries and equipment, we have introduced an intelligent management system — face recognition: achieving management of “designated machinery by designated staff” by inputting the driver’s information in advance; tower crane anti-collision system: pre-setting minimum safety distance to avoid collision during operation. Committed to the provision of the safest and most reliable services, we have adopted the aforementioned measures to mitigate the potential risks in the construction process.





In addition, based on the "Production Safety Laws of the People's Republic of China" and "The Administrative Regulations on the Work Safety of Construction Projects", we formulated the "Guangdong Land Safety Emergency and Contingency Plan", which specified in detail the emergency handling procedures for various incidents, including collapsing, welding, mechanical failure and fire. We aim to better mitigate the risks of potential hazard and enhance the overall handling capabilities of employees, preventing the occurrence of major accidents.

At the end of 2017, in respect of the Northwestern Land development of the Buxin Project, we participated in the "Hundred-day 'Sword' Wielding Rectification Campaign for Construction Projects, Implementing Corporate Responsibility for Safety Production throughout the City" initiated by the Housing and Construction Bureau of Shenzhen Municipality. The competent administrative departments of construction at municipal and district levels performed a comprehensive evaluation of each project under construction within the scope of supervision. At the end of the campaign, we were honoured the title of "Demonstrative Site for Production Safety", exemplifying the government and community's encouragement and recognition for our standardised, regularised and systematic management approach in production safety.

The construction of the Northwestern Land of the Buxin Project was awarded the title of "Demonstrative Site for Production Safety" at the "Hundred-day Sword Wielding Campaign" organised by the Housing and Construction Bureau of Shenzhen Municipality



Anti-corruption

Anti-corruption is not only an important part of the Guangdong Land's policy, but also one of its core values. We strictly comply with the relevant laws including the "Anti-corruption Laws of the People's Republic of China", and encourage employees and suppliers to obtain the trust of customers through honest and reliable business practices.

We have made up the "List of Tasks for the Objectives of Disciplinary Inspection and Monitoring Work", which lists the details of all work items, objectives and tasks related to anti-corruption matters, fully strengthening the implementation of our anti-corruption system and mechanism. We have also established internal control and risk management system in accordance with the latest regulatory requirements. To promote the culture of integrity, employees of the Company regularly receive relevant training on anti-corruption topics. In order to prevent corruption in the supply chain, our tender evaluation processes and programs are conducted in standardised procedures with reference to the established system and required to be approved by the dedicated leadership task force.

To ensure effectiveness of the anti-corruption initiatives, the Company conducts disciplinary inspection and monitoring audit work on an annual basis. We adopt an one-vote veto system for integrity building, any involvement in corruption case will cause disqualification during appraisals on the staff's performance. In 2017, on the basis of strengthening our sense of responsibility, we reinforced monitoring, disciplinary, accountability and audit works. Meanwhile, we implemented anti-corruption safeguard systems and customised integrity monitoring measures for the projects, including leadership task force for integrity building, work regular meeting system, information reporting system, regular supervision and inspection, and irregular spot check for progress in anti-corruption works, in order to remind and alert employees of their important roles in this regard. Besides, we provided channels for employees to report any unethical behaviour on an anonymous basis and such reports will be followed up by the Group's legal and audit department and party-masses work department. During this reporting period, there was no legal litigation related to corruption.



Caring for the Community



Society is the carrier of businesses. As a responsible corporate citizen, Guangdong Land never forgets to give back to our community and society which carry us, while developing the corporate economy. Leveraging on our advantages as a member of the real estate industry, we actively develop modes and ways to contribute to our society, support local economic growth, promote positive industry development, participate in charity work and build a warm, mutually supportive and harmonious society together.

Guangdong Land has always been exploring new channels and methods to integrate charity work into our business and to implant the spirit of dedication in our corporate culture. We embrace an attitude of engaging ourselves in charity work to deliver results but not just for the sake of it. We are dedicated to make contributions that a corporation should make to local communities and societies. Currently, our charitable events are mainly conducted by partnering with government and community organisations to provide assistance to those in need. In 2017, we devoted approximately 1,300 volunteering hours, and provided assistance of RMB9,000 in total. We will continue to identify community activities that suit our corporate philosophy in the future.

Projects Supporting Community Development

In full embrace of the philosophy of “Full-hearted Commitment and Mutual Harmonious Development”, Guangdong Land listens carefully to the voices of the community and responds to its needs while pushing ahead the development of its real estate projects, in an effort to cultivate a more harmonious community as always. In 2017, the Group fully commenced the first phase of the development of the Buxin Project, which aimed to develop the Buxin Project, located at the South-eastern area of the Buxin region, Luohu District in Shenzhen City, into a community with convenient transport links and abundant educational and medical resources, striving to optimise and enhance the living standard of the area. Meanwhile, we expect to bring the local residents a more comfortable modern urban lifestyle and spare great efforts in building a modern consumption model in the area in order to cater to its needs.

The Buxin Project — An innovative commercial complex under the development of the Greater Bay Area



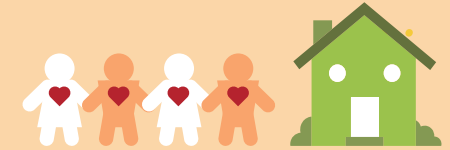
Showing Community Care

In 2017, Guangdong Land organised and took part in various charitable events, including projects for environmental protection and promoting assistance for the less advantaged, which showed our care for the community and contributed to the building of a harmonious community.

On 12 March 2017, Guangdong Land organised the voluntary activity “Collecting Refuse and Protecting the Marine Ecology”. Volunteers made joint efforts to clean the beach for creating a beautiful coastal environment for the public.

The voluntary activity “Collecting Refuse and Protecting the Marine Ecology” aimed to protect the environment





On 26 May 2017, the volunteer team of Guangdong Land organised the “Join Hands in Celebrating Dragon Boat Festival and the Festival for the Disabled” at the Occupational Health Centre in Dongxiao Street. Together with its members, we showed care for the disabled and cultivated a positive social culture of helping the disabled among our staff through various activities such as storytelling and making dumplings.

We showed our care for the disabled in the event “Join Hands in Celebrating Dragon Boat Festival and the Festival for the Disabled”



On 10 June 2017, Guangdong Land organised an outdoor volunteering activity named “Charity Walk for Sunshine and Greenways” to promote a healthy and uplifting corporate culture. The activity attracted over 80 people to participate in protecting social resources by cleaning greenways and clearing up shared bikes along the route.

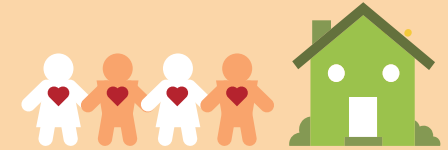
Our staff worked together to clean greenways in the activity “Charity Walk for Sunshine and Greenways”



On 29 September 2017, initiated by Guangdong Land, the rehabilitation centre for people with disabilities in Luohu District held a charity sale event with the theme of “Linking Hearts and Delivering Love” at the office building of Guangdong Land. The activity was greatly supported by our staff and all money raised would be fully contributed to charitable programmes for the disabled.

Handcrafts made by the disabled were sold out in the charity sale event of “Linking Hearts and Delivering Love”





“Hopeful Spring Bud” Student Assistance Activities

Poverty alleviation has long been the focus of our charity work. Benefitting from our past experience, we understand that deployment of resources, including human resources and capital, is required at the planning stage, while clear objectives and efficient means are required at execution stage for the continuous enhancement in poverty alleviation programmes. Assisting beneficiaries to meet their actual needs is our fundamental mission; hence their opinions and expectations are of great importance to us. Through precisely grasping their needs, we lead them out of poverty on the basis of co-operation, and set an exemplary example in the society. This is our mission as a corporate citizen.

In July 2016, Guangdong Land put forward the “Hopeful Spring Bud” student assistance activities for charitable fundraising, which targeted at the impoverished students in Dongpo Village, Dongpo Town in Lianzhou City, aiming to encourage the students to study hard and improve living standards for giving back to the society in the future. The activity received donations from a total of 62 donors from the Company’s senior management or above and the staff members. In 2017, fruits of the student assistance activities blossomed. One of the impoverished students who had received assistance was successfully admitted into university with outstanding results, paying off the hard work. The Company designated members of the poverty alleviation team to offer reward and extend congratulations.

An impoverished student was successfully admitted into university with the aid from “Hopeful Spring Bud” student assistance activities, embarking her way out of poverty



In November 2017, some of the staff members of Guangdong Land visited Dongpo Village in Lianzhou, Qingyuan to commence the poverty alleviation activities and provide an education allowance of RMB1,500 and daily necessities to a child of an impoverished household in Dongpo Village, encouraging the child to concentrate on academics and contribute to the development of his hometown and the country in the future. The activities aimed at facilitating the harmonised development between rural areas and cities, contributing towards mutual prosperity and harmony of the society.

“Hopeful Spring Bud” student assistance activities continue to help lift more students out of poverty





Appendix – Content Index of HKEx ESG Reporting Guide



The ESG Reporting Guide		This Report
Aspects	General Disclosures and Key Performance Indicators ("KPIs")	Section/Statement
A. Environment		
A1: Emissions	General Disclosure	Environmental Protection
	A1.1 The types of emissions and respective emissions data	Environmental Protection
	A1.2 Greenhouse gas emissions in total and intensity	Environmental Protection
	A1.3 Total hazardous waste produced and intensity	Environmental Protection
	A1.4 Total non-hazardous waste produced and intensity	Environmental Protection
	A1.5 Description of measures to mitigate emissions and results achieved	Environmental Protection
	A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Environmental Protection



The ESG Reporting Guide		This Report
Aspects	General Disclosures and KPIs	Section/Statement
A2: Use of Resources	General Disclosure	Environmental Protection
	A2.1 Energy consumption in total and intensity	Environmental Protection
	A2.2 Water consumption in total and intensity	Environmental Protection
	A2.3 Description of energy use efficiency initiatives and results achieved	Environmental Protection
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Environmental Protection
A3: The Environment and Natural Resources	A2.5 Total packaging material used and per unit produced	The Group's main business is in property development and investment, which does not involve a large amount of packaging materials
	General Disclosure	Environmental Protection
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Environmental Protection



The ESG Reporting Guide		This Report
Aspects	General Disclosures and KPIs	Section/Statement
B. Social		
B1: Employment	General Disclosure	Caring for Employees
	B1.1 Total workforce by gender, employment type, age group and geographical region	Caring for Employees
	B1.2 Employee turnover rate by gender, age group and geographical region	Caring for Employees
B2: Health and Safety	General Disclosure	Caring for Employees
	B2.1 Number and rate of work-related fatalities	Caring for Employees
	B2.2 Lost days due to work injury	Caring for Employees
	B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored	Caring for Employees
B3: Development and Training	General Disclosure	Caring for Employees
	B3.1 The percentage of employees trained by gender and employee category	Caring for Employees
	B3.2 The average training hours completed per employee by gender and employee category	Caring for Employees

The ESG Reporting Guide		This Report
Aspects	General Disclosures and KPIs	Section/Statement
B4: Labour Standards	General Disclosure	Our business is exposed to a very low risk in child and forced labour. As such, it has not been selected as a material issue
	B4.1 Description of measures to review employment practices to avoid child and forced labour	
	B4.2 Description of steps taken to eliminate such practices when discovered	
B5: Supply Chain Management	General Disclosure	Quality Management
	B5.1 Number of suppliers by geographical region	Quality Management
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Quality Management



The ESG Reporting Guide		This Report
Aspects	General Disclosures and KPIs	Section/Statement
B6: Product Responsibility	General Disclosure	Quality Management
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	The Group's main business is in property development and investment, which is unlikely to be involved in product recalls
	B6.2 Number of products and service related complaints received and how they are dealt with	Quality Management
	B6.3 Description of practices relating to observing and protecting intellectual property rights	Our business has a low risk in intellectual property rights. As such, it has not been selected as a material issue.
	B6.4 Description of quality assurance process and recall procedures	Quality Management
	B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored	Our business is exposed to a very low risk in this area. As such, it has not been selected as a material issue

The ESG Reporting Guide		This Report
Aspects	General Disclosures and KPIs	Section/Statement
B7: Anti-corruption	General Disclosure	Quality Management
	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Quality Management
	B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Quality Management
B8: Community Investment	General Disclosure	Caring for the Community
	B8.1 Focus areas of contribution	Caring for the Community
	B8.2 Resources contributed to the focus area	Caring for the Community

