

粤海投資有限公司 GUANGDONG INVESTMENT LIMITED

Stock Code : 0270

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2017

1. ABOUT THIS REPORT

This report is the 2017 environmental, social and governance ("ESG") report published by Guangdong Investment Limited (hereinafter referred to as "GDI" or the "Company", and together with its subsidiaries, collectively referred to as the "Group", "we" or "us"). This report was prepared in accordance with the Environmental, Social, and Governance Reporting Guide (the "ESG Reporting Guide") issued by The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). In the 2017 financial year, the Company has complied with the "comply or explain" provisions set out in the ESG Reporting Guide.

When preparing this report, the Company has maintained adequate engagement with its stakeholders through third-party independent advisers and has endeavoured to ensure the information disclosed herein is in compliance with the four reporting principles of materiality, quantitative, balance and consistency under the Stock Exchange's ESG Reporting Guide. The Group will continue to enhance data collection so as to improve our performance pertaining to social responsibility and be more transparent in disclosure.

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1.1 SCOPE OF THE REPORT

This report summarises the efforts made by and accomplishments of the Group in corporate social responsibility during the period from 1 January 2017 to 31 December 2017. This report covers the various aspects of corporate governance, environmental protection, employee care, quality management and community care. Our operations comprise six business segments, namely, water resources, property investment and development, department store operation, hotel ownership, operation and management, energy projects as well as road and bridge operation. Guangdong Land Holdings Limited (stock code: 00124), being a subsidiary directly held by the Company, is also listed on the Stock Exchange. Its corporate social responsibility performance, which is not covered in this report, is set out in the 2017 Environmental, Social and Governance Report of Guangdong Land Holdings Limited (available at <u>www.gdland.com.hk</u> for downloading).

1.2 CONTACT INFORMATION

If you have any questions or feedback on this report and its contents, please feel free to contact us at: Address: 28th and 29th Floors, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong Tel: (852) 2860 4368 Fax: (852) 2528 4386 Website: www.gdi.com.hk 2. ABOUT GDI

2.1 COMPANY PROFILE

The Company, formerly known as Union Globe Development Limited ("Union Globe"), was incorporated in 1973 and obtained its listing status on the stock market in Hong Kong in the same year. In January 1987, an enterprise owned by the Guangdong provincial government acquired a majority stake in Union Globe and changed its name to Guangdong Investment Limited in July 1988. Currently, the Company is a constituent stock of the Hang Seng China (Hong Kong-listed) 100 Index, Hang Seng China-Affiliated Corporations Index and the Hang Seng Composite Industry Index – Utilities. The Company (stock code: 00270) is currently listed on the Main Board of the Stock Exchange.

As at the date of publication of this report, the Company's ultimate controlling shareholder, 廣東粵海控股集團有限公司 (Guangdong Holdings Limited[▲], hereinafter referred to as "Guangdong Holdings"), holds approximately 56.49% shareholding interest in the Company through its wholly-owned subsidiary, GDH Limited. Guangdong Holdings is a provincial, wholly state-owned company which is under the supervision of the State-owned Assets Supervision and Administration Commission, the People's Government of Guangdong Province.

[▲] The English name of the entity marked with a "▲" is a translation of its Chinese name, and is included herein and in other sections of this report for identification purpose only. In case of any inconsistency, the Chinese name shall prevail.

2.2 COMPANY SIZE

As at 31 December 2017, the market capitalisation of GDI exceeded HK\$68 billion. The Group has more than 7,000 employees in total and more than 140 wholly-owned and controlling subsidiaries.

GDH Limited, being the immediate controlling shareholder of GDI, is the largest conglomerate of Guangdong Province outside Mainland China. The Group is principally engaged in six core businesses, namely, water resources, property investment and development, department store operation, hotel ownership, operation and management, energy projects as well as road and bridge operation with business coverage in Mainland China, Hong Kong and Macau. At the same time, it directly holds approximately 73.82% shareholding interest in Guangdong Land Holdings Limited, a company listed on the Stock Exchange (stock code: 00124). 6



2.3 DESCRIPTION OF MAJOR BUSINESS SEGMENTS

WATER RESOURCES

The water resources business mainly covers natural water supply, tap water supply, sewage treatment and waterworks construction. It invests in and operates more than 30 water projects, serving tens of millions of users in Hong Kong as well as various provinces in Mainland China. Most of the water resources projects in Mainland China are located in various areas of Guangdong, including Shantou Guangdong Water Company Limited[♠], Guangzhou Nansha GDH Water Co., Ltd.[♠], Dongguan Changping Jinsheng Water Co., Ltd.[♠], Dongguan Qingxi Guangdong Water Co., Ltd.[♠] and Meizhou Guangdong Water Co., Ltd.[♠] Other large-scale projects include Hainan Danzhou Tap Water Company Limited[♠] in Hainan as well as Wuzhou Yuehai Jianghe Water Company Limited[♠] and Wuzhou Yuehai Huanbao Fazhan Company Limited[♠] in Guangxi.



PROPERTY INVESTMENT AND DEVELOPMENT

The Group is engaged in property investment and development in Hong Kong, Panyu, Guangzhou and Tianjin. It is headquartered at Guangdong Investment Tower, a 28-storey

commercial building located at Connaught Road Central in Hong Kong. The gross development area ("GFA") of this property attributable to the Group is approximately 14,132 m². The other properties mainly include the Guangzhou Teem Project, the Tianjin Teem Project and the Panyu Wanbo CBD Project amongst which the Teem Plaza in Guangzhou comprises a shopping mall, an office building and a hotel. With a favourable location in the prime area of Guangzhou, Teemall of the Teem Plaza has a GFA and lettable area of approximately 160,000 m² and 106,000 m² respectively.



DEPARTMENT STORE OPERATION

The Group's Guangdong Teemall Department Stores Ltd.▲ and 廣州市天河城萬博百貨有限公司 are engaged in department store operation. These two companies own a total of nine department stores, namely Teemall Store, Teemall Store – Beijing Road Branch, Ao Ti Store, Dong Pu Store, Dongguan Store, Nanhai Store, Yuehaiyangzhong Hui Store, Wan Bo Store and Tianjin Teemall Store with a total leased area of approximately 183,400 m². 8



HOTEL OWNERSHIP, OPERATION AND MANAGEMENT

As at the end of 2017, the Group's hotel management team managed a total of 32 hotels (including five starrated hotels owned by the Group) in Hong Kong, Macau and Mainland China. Sheraton Guangzhou Hotel, which is owned by the Group, is managed by Sheraton Overseas Management Corporation.

ENERGY PROJECTS

The energy projects mainly consist of the Zhongshan Power Plant Project ("ZTP") and the Yudean Jinghai Power Project. ZTP has two 300 MW heat and electricity generators with a total installed capacity of 600 MW. The Yudean Jinghai Power Project (of which the Group holds a 25% effective interest) has four power generators with a total installed capacity of 3,200 MWh.





ROAD AND BRIDGE OPERATION

The road and bridge operation refers to the investment in the Xingliu Expressway Project in Guangxi Zhuang Autonomous Region. The project comprises a main line of approximately 100 km in length and three connection lines to Xingye (including Shanxin connection line), Guigang and Hengxian with an aggregate length of approximately 53 km. The Group wholly owns Guangxi Xinchangjiang Gonglu Company Limited ("Xinchangjiang") which is engaged in the operation of the Xingliu Expressway.

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2.4 COMPANY STRATEGY

The Group is committed to consolidating the operational development of its existing business and expanding its core businesses in order to generate continuous and steady investment returns for shareholders. Through optimising asset portfolio, strengthening capital management, enhancing management standard and corporate governance, further fortifying competitive strengths and enhancing the market influence of the Group, they stand to provide strong support for the enterprise's long-term, steady and sustainable development.

In line with its strategic development plan, the Group will continue its investment in water resources management, property investment and development as well as infrastructure business segments in a proactive and prudent manner. The Group continues to actively explore market investment opportunities in areas such as untreated water and urban water supply, sewage treatment and integrated water environment management. The Group will fasten the pace of project acquisitions and development of new business in an effort to further expand its scale, while continuing to optimise its asset structure and facilitate further business integration.

Faced with the trend of globalisation, the Group will continue to capitalize on Hong Kong's status as an international financial centre, improve its capital utilization efficiency, strengthen its capital management capabilities and foster effective value enhancement of capital. Meanwhile, the Group will optimize its human resources operations and further improve the professionalism of its management. The Group will step up its efforts in strengthening corporate culture and enhance corporate core competencies.

Please refer to the 2017 annual report of GDI for more details relating to the business operations and financial position of the Group (available at <u>http://www.gdi.com.hk/en_US/investor-relations/financial-reports/</u>).

3. CORPORATE SOCIAL RESPONSIBILITY STRATEGY

As a responsible company, GDI believes that our operation not only affects the interests of our shareholders but also each stakeholder. Accordingly, we always take into account our stakeholders' interests in making our decisions. Through formulating engagement objectives with stakeholders, we have obtained advice and recommendations from stakeholders on the development of GDI via a number of channels. To identify material ESG issues, we have also conducted an assessment on two dimensions; importance to our stakeholders and importance to our operations. As these ESG issues serve as important reference for corporate decision-making, we have carried out scientific assessment and analysis thereon.

Based on our own development and with reference to the ESG Reporting Guide issued by the Stock Exchange, our corporate social responsibility strategy is mainly divided into three parts:



We hope the publication of this ESG report serves as an important channel for stakeholders to obtain information on the ESG performance of GDI. Accordingly, we have devoted great efforts to preparing this report in order to deliver a comprehensive disclosure of our performance for this financial year.

3.1 ESG STRUCTURE AND DIVISION OF RESPONSIBILITIES

The Board of the Company, being the highest decision-making body in our ESG structure, is responsible for the leadership, decision-making and supervision of our ESG performance. GDI's key subsidiaries formulate environmental and social objectives on a regular basis each year, implement various measures, collate information and report to the headquarters for coordination.

Board and Senior Management of GDI

- Coordinate and oversee ESG performance
- Strategic decision-making
- Review and approve plans

Key companies at subsidiary level

- Formulate ESG management objectives
- Execute ESG management tasks
- Environmental and social information reporting

3.2 CONSIDERATION OF ESG

ISSUES

The ESG Reporting Guide states that a listed company has to report on material issues closely associated with the business of the company. Given the difference in nature and stakeholders of the Group's core business segments, the degree and level of materiality of ESG issues for each segment vary:

WATER RESOURCES:

- Environment and natural resources
- Water supply quality and product safety
- Research and development ("R&D") of environmental protection technology
- Sewage treatment quality

PROPERTY INVESTMENT AND DEVELOPMENT:

- Green building
- Energy efficiency
- Use of land and resources

DEPARTMENT STORE OPERATION:

- Product responsibility
- Customer satisfaction
- Supply chain management

HOTEL OWNERSHIP, OPERATION AND MANAGEMENT:

- Service quality control
- Energy management
- Environmentally friendly products
- Employee training

ENERGY PROJECTS:

- Use of resources
- Emissions
- Occupational health and safety
- Community relations

ROAD AND BRIDGE OPERATION:

- Road safety
- Service quality control
- Energy consumption

3.3 STAKEHOLDER ENGAGEMENT

To reflect the characteristics of our business segments, we have identified the following categories of stakeholders which are crucial to the development of GDI. We have also formulated relevant engagement objectives and channels for each stakeholder category so as to obtain their advice on the ESG issues stated above.

Stakeholder categories	Engagement objectives	Channels
Government departments and regulatory authorities	 Comply with the laws and regulations of the place of business Make tax payment in accordance with the law Maintain a sound relationship with the local government Support the local government's rule by law Satisfy the compliance requirements of regulatory authorities 	 Understand the latest laws and regulations Understand the compliance requirements of regulatory authorities Communicate actively to facilitate mutual understanding
Shareholders and investors	 Enable investors to keep abreast of the Company's development Gain investors' trust Gain investors' support on management's decision-making Maximise investment returns for investors 	 Regularly publish financial and operating information and data Convene general meeting Communicate proactively to address investors' concerns

Schedule 1: Engagement with stakeholders in day-to-day operation

Stakeholder categories	Engagement objectives	Channels
Employees	 Gather employees' view on the Group's development Collate employees' recommendations for improvement Understand the needs of employees Enable employees to understand the vision of the Group Strengthen team cohesion Provide a work environment suitable for self-development of employees 	 Employee occupational health and safety training Employee care Open recruitment Company union Cultural and sports events for employees Opinion platform
Consumers	 Understand consumers' views on the products of the Group Deliver products that cater for consumers' needs Provide dedicated services to consumers Safeguard consumers' personal information Formulate marketing strategies that adhere to business ethics 	 Compliant marketing communication Corporate information disclosure Product information disclosure Consumer complaints and feedback channels
Business partners and suppliers	 Establish long-term rapport Create a mutually beneficial outcome Achieve an atmosphere of mutual trust Cooperate to deal with ESG matters 	 Ongoing communication mechanism Responsible procurement policy Open and fair procurement guidelines Senior level communication and visits

Stakeholder categories	Engagement objectives	Channels
Local community	 Create social value for the place of business Facilitate economic development of the place of business Safeguard the interest of local residents Protect the local environment 	 Organise community events Strengthen communication with the community Integrate environmental protection elements into the course of design Engage in active exchange with local government and organisations

In preparing the ESG report, we have actively obtained advice from various categories of stakeholders through different channels to understand their concerns and recommendations on the ESG performance of GDI. Going forward, we will use it as an important reference for our policy formulation and project implementation. A third-party professional entity was engaged to carry out comprehensive communication with all the stakeholders from a multi-dimensional perspective via face-to-face meetings, phone interviews, questionnaires and site visits. Finally, the issues the stakeholders most concerned with were selected for disclosure in this report.

3.4 MATERIALITY ANALYSIS ON ESG ISSUES

Effective ESG management requires comprehensive identification and materiality analysis by a company on relevant issues, which lays a solid foundation for its own management and information disclosure. GDI, through active communication with stakeholders and after taking into account internal management's expectations of its own development, has identified and conducted materiality analysis on the following ESG issues from two perspectives, namely, "materiality on stakeholders" and "materiality on GDI's development" with the assistance of a third-party professional entity. A materiality matrix for GDI's ESG issues was then created which forms the basis of GDI's ESG management guidelines and the scope of disclosure for this report. With respect to the engagement with stakeholders, during the year, we conducted a survey with many stakeholders internally and externally via the various means of questionnaires, phone interviews and face-to-face interviews. A list of the material issues after our analysis is set out below. Based on the above analysis, as compared with 2016, we have added three material issues, namely, waste management, use of raw materials and supplies as well as the R&D and utilisation of environmentally friendly technologies:



Step 2:

Stakeholders questionnaire – understand and analyse the issues of concern to stakeholders via online questionnaires, phone interviews and face-to-face interviews.

Step 3:

Ranking the issues by materiality – prepare the ESG materiality matrix based on the results of the questionnaire.

Step 4:

Effective verification and examination – confirm the materiality issues after verification by the management of the Company and a third party.

ESG aspects	ESG issues	Materiality issues selected
A1 Emissions	Greenhouse gas and air pollutant emissions	\checkmark
	Sewage treatment	 Image: A set of the set of the
	Waste management such as recycling or integrated use of materials and proper disposal of obsolete equipment	✓
A2 Use of Resources	Energy consumption and energy saving measures (such as electricity use)	<i>✓</i>
	Water resources utilisation and water saving performance	<i>✓</i>
	Use of raw materials and supplies (such as untreated water and fuels for electric power generation)	✓
A3 The Environment and Natural Resources	R&D and utilisation of environmental protection technology (such as new environmentally friendly processes and materials)	<i>✓</i>
	Emphasis on bio-diversity	
	Compliance with relevant environmental protection laws and regulations	<i>✓</i>
B1 Employment	Employee background (such as gender, age, region and ethnicity) diversity and equal opportunity	\checkmark
	Human rights protection	
B2 Health and Safety	Safeguard employees' occupational health and safety	<i>✓</i>
B3 Development and Training	Employees' remuneration package, development and training	✓
B4 Labour Standards	Prohibition of child and forced labour	

ESG aspects	ESG issues	Materiality issues selected
B5 Supply Chain Management	Environmental performance assessment of suppliers/contractors/service providers	1
	Labour code compliance assessment of suppliers/contractors/service providers	
	Human rights performance assessment of suppliers/contractors/service providers	
	Community performance assessment of suppliers/contractors/service providers	
B6 Product	Safeguard customers' health and safety	\checkmark
Responsibility	Safeguard quality of products and services	✓
	Safeguard intellectual property rights	
	Safeguard customers' privacy and personal information	
	Comply with laws and regulations relating to products and services	\checkmark
	Comply with laws and regulations relating to marketing	
	Handle customer complaints	\checkmark
B7 Anti-corruption	Anti-corruption	1
B8 Community Investment	Community contributions (at business level, such as employment of local residents and engagement of local suppliers; at non- business level, such as participation in charitable activities)	1
	Impact of daily operations on the surrounding community	
	Comply with laws and regulations relating to the community	✓

4. ENVIRONMENTAL PROTECTION

Environmental protection is one of the key foci of GDI in fulfilling its social responsibilities. GDI embraces the national trend of environmental protection and regards the gradual enhancement of the environmental protection performance of each business segment as its development objective. As an industry pioneer, we insist on caring for the environment, efficient use of resources, energy saving and emission reduction as well as green operations so as to fulfill our social responsibilities. In a bid to promote sustainable development, we strictly abide by the Environmental Protection Law of the People's Republic of China during business operation so as to monitor and manage the impact of project development on the environment and minimise environmental risk arising therefrom.

4.1 ENERGY SAVING, EMISSION REDUCTION AND GREEN OPERATIONS

As part of our overall environmental protection policies, the Group has relevant policies in place for each business segment to ensure our operations do not exploit the local environment and natural resources. The operational processes of all our business segments do not involve the use of packaging materials.

GDI HEADQUARTERS

GDI headquarters upholds a green development strategy which promotes an all-round green office targeted at energy saving and emission reduction. With a view to achieving an energy efficient and environmentally friendly workplace, measures including paperless board portal, paperless office, switching to energy efficient facilities, strengthening energy conservation promotion, requiring employees to uphold the "eight offs" policy before leaving the office and centralised management of office-use vehicles have been adopted.

We have formulated a number of energy saving measures for the office. The cooling and lighting systems in the office are closely related to energy utilisation. Taking our Guangdong Investment Tower in Hong Kong as an example, firstly, with respect to the cooling system, we encourage colleagues to readily switch off the air-conditioner when leaving the office and set the temperature of the air-conditioner in the office to 26°C or above. In addition, our operations department adjusts the temperature of the water-side system on a quarterly basis to minimise unnecessary power wastage in the cooling system. We also regularly inspect the water-side pipe thermal system to reduce wear and tear and avoid additional power loss.

As to our lighting system, we have installed a timing equipment which automatically switches off lights during non-office hours, and upgraded the lighting system in the staircase areas of the building to motion sensor lighting. We also educate employees to save resources and encourage them to timely turn off non-essential lights at lunch hour (non-office hours). All lights must be turned off when leaving meeting rooms. At the same time, the Company has also switched to LED lighting in the common area to enhance energy efficiency. Furthermore, we encourage employees to switch off office equipment including their own PCs after work. In 2017, total consumption of electricity at the headquarters and office was 91,897 kWh.

WATER RESOURCES

Guangdong Water Group (H.K.) Limited ("Water Group HK") and GH Water Supply (Holdings) Limited ("GH Water Holdings") are mainly responsible for GDI's water resources business.

Water Group HK is an integrated water resources company engaging in tap water operations and sewage treatment. It invests in and operates more than 30 water projects, serving tens of millions of users in Guangdong, Guangxi, Jiangsu and Hainan. Water Group HK ranks among the top water resources companies in China all in terms of size, revenue and profit.

GH Water Holdings is a sino-foreign cooperative joint venture established after the restructuring of Guangdong Dongjiang-Shenzhen Water Supply Engineering Management Bureau in 2000, responsible for the management of the Dongshen Water Supply Project and the supply and sale of untreated water to Hong Kong, Shenzhen and Dongguan.

The quality of water supply and the water supplier's long-term operations and sustainable development are directly affected by the environment surrounding the water sources. The water resources segment is always mindful of the impact of its operations on the environment. We strictly comply with environmental laws and regulations and adopt modern management mechanisms to manage our impacts on the environment in a regulated manner. Specifically, in 2008, GH Water Holdings obtained the international quality management system certification ISO 9001 and successively formulated the Water Quality Control Regulations, Water Quality Monitoring Management Regulations, Water Quality Emergency Response Plan, and other policies to regulate daily production. GH Water Holdings also actively optimised and utilised advanced production process to provide efficient solutions for a safe, high-quality and energy efficient water supply. To reflect the effective implementation of environmental management, our international environmental management system certification ISO 14001 obtained in 2006 further covers office waste and office energy conservation.

In 2017, the water resources segment managed a total of 35 tap water supply plants and 25 sewage treatment plants of which electric power consumption arising from business operations amounted to 531.22 million kWh.

The water supply business is responsible for the supply and purification of our scarce water resources where no sewage discharge is involved in the process. The sewage treatment business is responsible for processing the water contaminated due to human activities. The concentration of various pollutants in the water will be reduced to a level which is suitable for discharge in the process. During the year, the water discharged after sewage treatment contained 2,242.47 tons of Chemical Oxygen Demand (COD), 177.48 tons of Ammonia (NH₃) and 34,926.38 tons of sludge. COD and NH₃ were down by 12,188.41 tons and 1,948.05 tons respectively during the sewage treatment process.





GDI understands that water resources are scarce and endeavours to explore the opportunities to optimise the utilisation of water resources in all aspects, including technology, construction, R&D and supervision.

Guangdong Investment Limited Environmental, Social and Governance Report 2017

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Meizhou Waterworks' pipeline leakage control project

Our urban pipeline leakage detection and damage control technology, which was developed by our R&D department and at the national forefront, is applied across Meizhou Waterworks since 2015. So far the cumulative investment amounted to approximately RMB16 million. In 2017, average leakage and damage rate of pipelines was down by 18.5% from 2016. The project saves approximately 6.86 million tons of water year on year and reduced the complaint rate of water supply shortage by 22.45% as compared to 2016.



Small-sized sewage treatment device

Case Study

> Our MA2/O small-sized sewage device developed by our R&D department is a onestop treatment device integrating decontamination, chemical cleaning and automated control with low operating costs and low discharge of sludge. Capitalising on the Internet of Things technology, remote supervision involving no on-site manpower significantly reduces the costs of operation and management and is suitable for sewage treatment in rural areas. The project has obtained seven patents and is well received by various local governments, which is conducive to the development of sewage treatment, a livelihood-related project.



Shangpu and Yantian Phase II pumping unit upgrade project

The pumping stations in Shangpu and Yantian of the Phase II expansion of the Dongshen Water Supply Project has been established and operating since the 1980s. Located in the proximity of the Yantian Tunnel which runs alongside the upgraded Dongshen Water Supply Project, these two multi-stage pumping stations diverting water to the Yantian Reservoir were once the main water supply pumping stations after the completion of the Phase II expansion of the Dongshen Water Supply Project. Upon completion of the construction of Yantian Tunnel in the Phase III expansion of the Dongshen Water Supply Project, these two pumping stations no longer form part of the main water supply system. Currently, these two pumping stations, together with the Yantian Reservoir are primarily engaged in water supply to the surrounding regions for domestic and agricultural uses, which is conducive to economic development in these areas.

GH Water Holdings has upgraded the pumping units at the Shangpu and Yantian pumping stations to strengthen water supply to Hong Kong and Shenzhen. Electric power savings of approximately RMB270,000 per annum was achieved after the replacement of the mechanical and electrical equipment at these pumping stations was complete. The repair and maintenance cycle of five sets of power generation units at the two stations was extended from the current 2 years to 4 years, translating into repair and maintenance cost savings of approximately RMB320,000 per annum. In aggregate, the savings reached approximately RMB600,000 per annum.



Water quality monitoring system

Leveraging on the Laboratory Information Management System ("LIMS"), a comprehensive water quality monitoring system has been constructed. LIMS monitors and controls water quality all the way from pollutant sources, natural water, treated water and pipeline water to achieve group-wide deployment of water quality monitoring and smart and digitalised laboratory testing.

The laboratory centre (being the water environment monitoring centre) (hereinafter referred to as the "laboratory centre"), as the core of the water quality monitoring system, is primarily responsible for water quality monitoring, analysis and assessment, monitoring and analysis of pollutant sources and scientific research on water quality for the Dongsheng Water Supply Project. At the same time, it undertakes the key role of supervising the water quality of its subsidiaries and provides technical support and detection service for complex projects of the subsidiaries.

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Case Study The laboratory centre is equipped with large-scale and state-of-the-art apparatuses and equipment of international standard worthing more than RMB30 million. The existing monitoring capacity not only covers all of the three major water quality standards, namely surface water, drinking water and sewage in Mainland China, but also extends to popular projects beyond the standards and the detection indicators of World Health Organization's drinking water hygiene standards with a detection capacity of more than 500 items.

In recent years, the laboratory centre continues to explore advanced detection technologies. Its Solid Phase Extraction and Measurement of 6 Environmental Estrogenic Compounds in Water – High Performance Liquid Chromatography – Tandem Mass Spectrometry (《水中6種環境雌激素類化合物的測定固相萃取–高效液相色譜–串聯 質譜法》) detection method, which is developed by our R&D department, has been approved by the judging panel of the Standards Committee of Guangdong Province (廣 東省標準委員會) and was officially launched in June 2017.



Jiangsu Province:	Xuzhou, Baoying, Xuyi, Gaoyou, Yizheng
Guangxi Zhuang Autonomous Region:	Wuzhou
Hainan Province:	Danzhou
Guangdong Province:	Meizhou, Fengshun, Shantou, Shanwei, Qingxi, Nansha,
	Zhaoging, Yunfu, Kaiping, Gaozhou, Suixi, Shenzhen

PROPERTY INVESTMENT AND DEPARTMENT STORE OPERATION – TEEM PLAZA AND TEEMALL DEPARTMENT STORE

Teem Plaza is situated at a prime location in Guangzhou and is one of the most popular shopping malls. As a major business segment of the Group, Guangdong Teem (Holdings) Limited (hereinafter referred to as "GD Teem") has in place relevant environmental policies for energy saving, water use management and waste management and recycling and made remarkable achievements in green operations.

Energy Saving

In 2017, total electricity consumption of GD Teem Group was 68,638.31MWh and total gasoline consumption of office-use vehicles was 21,679.52 litres. By actively exploring various ways to save energy and reduce consumption, GD Teem Group effectively controlled the gross greenhouse gas emissions to 43,314.01 tons of CO₂ equivalents.



Notes:

- 1. Gross consumption of GD Teem Group refers to the aggregate consumption of Guangzhou Teemall, Teemall Department Store and its branch stores, Teem Tower, Sheraton Guangzhou Hotel and Tianjin Teem Shopping Mall.
- 2. Based on the area of GD Teem Group in operation of approximately 665,994 m².
- 3. Carbon emission is calculated at the gross electricity consumption based on the emission factor of China Southern Power Grid and the gross gasoline consumption.

Energy consumption improvement at Teemall Department Store

Our department store operation segment – Teemall Department Store attributes lighting and air-conditioning as the main source of power consumption after energy review. Accordingly, the store focused its efforts on lighting and adopted the "Energy Performance Contracting" (EPC) model at Dong Pu Store and Ao Ti Store by replacing "T8" fluorescent lamps and large bow lamps with LED lamps to improve energy saving. The replacement work at Dong Pu Store was completed on 28 March 2017. After the LED replacement, the results and energy saving efficiency both met the expected targets. Average monthly tariffs saved from April to December amounted to RMB67,876.18 and power savings was approximately 681.87 MWh. Ao Ti Store also completed the replacement of 1,927 "T8" fluorescent lamps and 2,990 large bow lamps with LED lamps in November 2014. The electricity consumption and savings of our ongoing efforts are set out below.

Gross electricity consumption at Dong Pu Store



1,000,000

1,500,000

2,000,000



RMB

0

500 000

Case

Study



are included in the figure for 2017

Water use management

In 2017, gross water use was 632,464 tons. We endeavour to save water via various control measures and technological improvement projects. For instance, during the year, Teem Tower reasonably adjusted the flow of public water use, translating into water savings of 1,089 tonnes per annum. In addition, we understand the impact of water pollution on the surrounding environment and therefore work relentlessly in the area of emission reduction. Teemall has been practising recycling of reclaimed water in the sewage treatment system since 2008, translating into water savings of 36,000 tons per annum. In 2017, the gross sewage discharge of GD Teem was only 649,196.8 tonnes and attained the grade III discharge standard under Guangdong Province's Discharge Limits of Water Pollutants (DB4426-2001).



Note:

1. Based on the area in operation of GD Teem Group of approximately 665,994 m².

Upgrading of GD Teem's sewage treatment facilities

Case Study

In recent years, GD Teem has upgraded the 80-ton and 100-ton sewage treatment floatation facilities and channels for Teemall whereby some of the facilities have been replaced to enhance the sewage treatment capacity. The sewage after treatment meets the grade III sewage discharge standards under Guangdong Province's Discharge Limits of Water Pollutants (DB4426-2001).



Sewage treatment pumps



Air compressor



Dissolved air tank



Air floatation pool

Waste management

GD Teem has devoted relevant resources to waste management, particularly the management of domestic waste and food waste of the property. Through the coordination of Teem Plaza's professional team, domestic waste and food waste produced at Teem Plaza are collected and delivered by external entities possessing professional qualifications to ensure proper waste disposal. Given the above effective waste management measures, Teem Plaza's non-hazardous waste recycling rate in 2017 was 98.71%.



HOTEL OWNERSHIP, OPERATION AND MANAGEMENT

The Group's hotel management team managed a total of 32 hotels. Five hotels, namely, Wharney Guangdong Hotel (Hong Kong), Guangdong Hotel (Hong Kong), Guangdong Hotel (Shen Zhen), Guangdong Hotel (Zhu Hai) and Sheraton Guangzhou Hotel are owned by the Group. Except for Sheraton Guangzhou Hotel, the other four

hotels are managed by our hotel management team. By formulating a two-wheel driven strategy via our hotel management and property platforms, we strive to refine our management and service. From the core mid-to-high-end urban business hotel products to the supplementary leisure resort hotel products, we endeavour to offer competitive products to enhance brand value.

Energy Saving

In 2017, the gross electricity consumption of the four hotels owned and managed by the Group was 12,517.31MWh; the gross gasoline consumption of office-use vehicles was 47,517 litres; and the gross diesel consumption of diesel generators and diesel boilers was 101,240 litres. Through our initiatives to explore ways to save energy, the hotel segment effectively reduced the gross greenhouse gas emissions to 8,257.97 tons.



Note:

1. Carbon emission is calculated at the gross electricity consumption based on the emission factor of China Southern Power Grid and the gross gasoline and diesel consumption.

Through refined management, our hotel segment strives to reduce the energy consumption of hotels without compromising guests' pleasure and security. We have put in place guidelines for each hotel so as to make energy saving and cost reduction an ongoing task. We encourage our employees to take an active role in daily work to strengthen management of electricity use and develop the habit of energy and electricity saving. In addition to fostering the sense of responsibility and urgency on "energy and electricity saving", cost reduction is equally important. On this note, we will continue to join hands with our employees to explore ways of implementing these initiatives. In 2017, the hotel segment mainly reduced energy consumption through newly-installed energy efficient equipment. For example, at Guangdong Hotel (Shen Zhen), lamps in the office area, canteen, western restaurant and the tenant and public areas were replaced with energy efficient LED lamps. So far, up to 350 fluorescent lamps have been replaced in phases.

Replacement with LED lamps

Guangdong Hotel (Shen Zhen) carried out an energy-saving lighting replacement project, replacing 270 original fluorescent lamps in the office, canteen, leased premises and other areas (consuming 40 KWh of electricity) with 90 energy-saving LED lamps, and the general fluorescent lamps in the lobby and corridors with 120 energy-saving LED lamps.

At the same time, the western restaurant of Guangdong Hotel (Shen Zhen) underwent replacement works. A total of about 130 fluorescent lamps, incandescent lamps and decorative lamps in the restaurant were all replaced with energy-saving LED lamps. After replacement with the new energy-saving LED lamps, the hotel can save approximately 19,584 KWh of electricity throughout the year based on the estimates of 16 business hours of the hotel.

Use of environmentally friendly materials for all projects

As it is open to the public, the western restaurant of Guangdong Hotel (Shen Zhen) has the responsibility to safeguard the health and safety of its customers. To this end, most of the decorative materials used in the restaurant's renovation and decoration works were environmentally friendly so that a green and healthy environment can be created. An example is the use of bamboo charcoal paint to ensure the dining environment is safe and free from odours.



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Case Study

Service quality enhancement

Guangdong Hotel (Shen Zhen) practises the principle of "energy and electricity saving" in enhancing the quality of its services. Through the hard work of all the employees, it steps up efforts on energy conservation to improve the electricity management system and cultivate the habit of saving electricity. To enhance energy efficiency, we will also purchase energy-saving products in the market to replace obsolete equipment in refurbishment works, such as changing to new central air-conditioning units and refrigerators with lower power consumption.

Water use management

In 2017, the total water consumption was 194,885 cubic metres, down by 4% from 202,544 cubic metres in 2016. This was attributable to our various management measures and replacement of old facilities. For example, old water pumps were phased out. In addition, the gross sewage discharge of our hotel segment this year was 185,141 tons. We will continue to spare no effort in reducing sewage discharge.

Waste management

Resources are allocated to and measures have been taken for the hotel segment. Currently, we implement the basic garbage classification and recycling policy. Wastes are regularly transported away by qualified contractors. Recyclable wastes such as plastics and domestic wastes are dealt with by professional recyclers. In 2017, the hotel segment produced domestic wastes totalling 1,278 tons, all of which were properly recycled. We help save the environment by alleviating the pressure on landfills.

ENERGY PROJECTS – ZTP

Adhering to the objectives of achieving excellent results, production safety and stability and remarkable environmental efficiency, ZTP thoroughly follows the national direction of both conservation and development by placing energy saving as its priority in its growth strategy, while reasonably utilising energy and reducing energy consumption to enhance economic benefits. Insisting on optimising the energy consumption indicators of power generation units, ZTP endeavours to strengthen its corporate value creation and sustainability. Pursuant to a series of national and provincial policies on standards such as the Energy Conservation Law of the People's Republic of China. the Implementation Measures on the Energy Saving of Power Plants of Electric Power Companies in Guangdong Province and the Regulation on the Environmental Monitoring of Power Plants, ZTP has formulated the Standards on the Supervision and Administration of Energy Saving of Zhongshan Thermal Power Co., Ltd. and the Standards on the Supervision and Administration of Environmental Technology of Zhongshan Thermal Power Co., Ltd. for its own development, which set out the administrative functions, scope of supervision as well as the contents, monitoring and assessment of various supervisory tasks of the company during the production period, so that internal supervision is more systematic, scientific, institutionalised and in compliance with the laws and regulations under a transparent system.

ZTP generates electric power by heat and electricity generators. Pollutants such as nitrogen oxides, sulphur oxides, smoke and dusts are inevitably emitted during production and transportation of raw materials. We have put in place a strict and routine control policy in this regard. In addition to regular compliance checks by professionals, maintenance checks are carried out annually.

Going forward, we have kicked off a series of emission reduction projects, which include the shutting down of the aged power generation units used before and the heat and electricity generation expansion project which is essentially the replacement of small generators with large generators ($\pm \overline{\times}$). Since the shutting down of aged power generation units and the implementation of the above project, pollutants such as nitrogen oxides, sulphur oxides, smoke and dusts have been greatly reduced. In

addition, through the replacement of small generators with large generators ($\pm \pm 1$) to centralise regional heating supply, 152 users have by far been connected to the new generators. More than 80 scattered small heating boilers have been replaced, thus maximising the pollutant reduction efforts in Zhongshan.

In 2017, the consumption and emission data for various types of energy are as follows:

Energy consumption



Note:

 Carbon emissions are estimated based on the Accounting Method and Reporting Guidelines on Greenhouse Gas Emissions by Electric Power Generation Enterprises in China published by National Development and Reform Commission of China.

We conduct strict screening on the wastes produced. Transport and processing of wastes are carried out by professional third-party companies in accordance with the laws and regulations. General wastes including gypsum, ashes and residues are recycled via a central system into construction materials. ZTP has entered into waste transfer agreements with construction material companies to make the best possible use of waste.
	Production (tons)	Comprehensive utilisation (tons)	Comprehensive utilisation rate
Gypsum	62,183.03	62,183.03	100%
Ashes	256,607.26	256,607.26	100%
Residues	18,498.14	18,498.14	100%

Case Study

Environmentally friendly and energy efficient revamp

ZTP's 2 X 300MW heat and electricity generator project (the "Expansion Project"), aiming at the replacement of small generators with large generators ($\pm \pm \pm \sqrt{3}$) has demonstrated our commitment to environmentally friendly measures. As for the design and selection of equipment to tackle flue gases, state-of-the-art techniques of the highest standards are applied to deal with the issues in a comprehensive manner.

The flue gas from coal-fired boilers is the main pollutant to the atmosphere. Major pollutants in the flue gas include sulphur dioxide (SO_2), nitrogen oxide (NO_x) and fumes. The Expansion Project is invested with a capital of RMB250 million to strictly control pollutant emissions in the flue gas via the construction of desulphurisation, denitrification and dust removal facilities. The technological processes involved in flue gas management are classified into the following three types:

1. SO₂ control measures:

Utilising China's most advanced single tower dual loop calcium carbonate $(CaCO_3)/$ calcium sulfate $(CaSO_4)$ wet desulphurisation process, its designed desulphurisation efficiency is up to 99.0%, which strictly controls the emission of SO₂ to below 35mg/Nm³.

2. NO_x control measures:

Low nitrogen burning (LNB technology) and SCR denitrification technology are adopted. The boiler burner adopts the domestically-advanced lean-burn technology to improve air distribution and minimise the generation of NO_x from the source of heat of the boiler with optimal combustion conditions. China's most advanced and mature SCR denitrification technology (selective catalytic reduction denitrification technology) is also adopted for denitrification behind the boiler and the removal efficiency is up to 89%. Using both boiler burners and denitrification systems at the same time can strictly control emissions of NO_x to less than 50mg/Nm³.

3. Smoke and dust control measures:

The advanced electric-bag compound dust removal technology (electrostatic dust removal followed by bag dust removal) is adopted and the designed dust removal efficiency is up to 99.95%. After entering into the dust removal system, flue gas containing large amounts of dust will be charged in the electrostatic dust removal area and large amounts of dust will be removed under the effect of the electric field. The unremoved hard-to-charge and fine-grained dust will be put into the bag dust removal area and will be filtered in the filter bag for smoke and dust control. In addition, this project has an additional wet-type electrostatic precipitator behind the desulphurisation system, achieving a dust removal efficiency of as high as 85%. Dust emissions can be kept in strict control to no more than 10mg/Nm³.

Table 1 Comparison between the new and old standards and the ZTP's designed emission standard

Pollutant	Old Standard Implementation Standard	National Standards for New Power Plants ¹	"Ultra Low Emission" ²	ZTP
SO ₂ (SO ₂ , mg/Nm ³)	200	50	35	approximately 15
NO _x				
(NO _x , mg/Nm ³)	200	100	50	approximately 40
Smoke and dust				
(mg/Nm ³)	30	20	10	approximately 3

Notes:

- 1. The National Standards for New Power Plants is derived from the special emission limit under the Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011);
- The "Ultra Low Emission" is derived from the Notice of the 'Proposal on Comprehensive Implementation of Ultra Low Emission and Energy Efficient Improvement for Coal-Fired Power Plants' Forwarded by the Office of Environmental Protection of Guangdong Development and Reform Commission (Yue Fa Gai Neng Dian [2016] No.75).

"Clear sewage" and "Recharging with running water"

"Clear sewage": Most of the sewage from the project is reused after treatment and only 60m³/h of the water from the cooling tower is discharged into the nearby rivers (Man Lie Yong). Water draining out of the cooling tower is clean sewage.

"Recharging with running water": In response to recharging rivers through water diversion as required by the local environmental protection bureau to improve the water quality of the nearby rivers (Man Lie Yong), our pumping station has a special sewage pump to divert water from Jiya Shuidao into Man Lie Yong. The water intake reaches 2,000 cubic metres per hour.

ROAD AND BRIDGE OPERATION – XINCHANGJIANG

We uphold the principle of green operation in our road and bridge construction projects. During the reporting period, no violation of laws and regulations in relation to waste gas and greenhouse gas emissions, water and land pollution as well as hazardous and nonhazardous wastes was identified. We also actively implemented the energy efficiency programme and made considerable achievements in energy saving.

The Group is engaged in the operation of Xingliu Expressway via its wholly-owned subsidiary, Xinchangjiang. In 2017, the statistics on energy consumption and greenhouse gas emissions are as follows:



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Gross diesel consumption 9,381.31 litres



Gross gasoline consumption **62,623.42** litres

Gross greenhouse gas emissions⁽¹⁾ **844.32** tons of CO₂ equivalents

Note:

1. Carbon emission is calculated at the gross electricity consumption based on the emission factor of China Southern Power Grid and the gross diesel and gasoline consumption.



Xinchangjiang office lighting and circuit improvement project

In 2017, Xinchangjiang launched the "Guigang Office Building Lighting Fixtures and Circuits Improvement Project" pursuant to the requirements of the "Cost Reduction, Efficiency Enhancement and Micro-Innovation Programme". It spent RMB20,050 to purchase lamps and deploy water and electrical utilities maintenance personnel for replacement of LED lamps, hoping that potential safety hazards can be reduced through energy saving, emission reduction and circuit optimisation. 16,430 KWh of electricity in total had been saved.

At the Guigang office building, old-style fluorescent lamps with ballasts have been used for more than 14 years since they were installed in 2003, which are out of line with the principle for environmental protection as much power was consumed. After assessment, a total of 120 sets need to be replaced. At the same time, the air-conditioning cables on the second floor originally designed as small-diameter lines have resulted in a greater load on the cables and an increase in power consumption, making them prone to short circuit and thus leading to electrical fire. Upon implementation of the project, new LED lamps can save 45 kWh of electricity (calculated based on 8 hours per day) compared to the old-style lamps and the issue of safety hazards caused by fire arising from short circuit due to too limited load can be completely solved.

4.2 COOPERATION WITH PARTNERS

Cooperation with tenants, customers and business partners

We also actively promote our green strategy to our partners. Through cooperation with tenants, customers and business partners, we hope the community can work towards sustainable development. Taking GD Teem as an example, the following environment-related events have taken place in the past few years:

(1) GD Teem actively participated in and organised various environment-related activities. It participated in the Earth Hour lights off event in the past few years and encouraged the tenants of the shopping mall and Teem Tower to participate. During the event, lights inside and outside the building were turned off. The Earth Hour lights off event was held on 25 March 2017. In total, 175 people participated in the event.

- (2) On 27 May 2017, GD Teem, together with government departments such as Guangzhou Tobacco Control Office and Tianhe Tobacco Control Office, held the charitable World No Tobacco Day 2017 environmental protection campaign in North Gate Square and Northeast Gate Square in Tianhe to promote healthy living to the community.
- (3) GD Teem played an active role in promoting low-carbon travel. On 16-31 August 2017, GD Teem jointly held a cool summer event with ofo. During the event, people could ride ofo yellow bikes to Teem Plaza and enjoy a free summer drink at the finishing point of the riding route.
- (4) On 1 July 2017, GD Teem teamed up with Guangzhou Tiker Sport Development Co., Ltd. to hold the Teem Tower Race of the 2017 International Vertical Marathon Series in North Gate Square and Teem Tower. The event was well received with 500 contestants, which aroused enthusiasm among citizens to participate in tower running and physical exercise.

Implementing green procurement

Adhering to the "sunshine" procurement management philosophy, we have formulated a stringent and regulated management system as well as a supply chain policy to require our suppliers to meet certain green standards.

GD Teem has attained 100% responsible procurement for five consecutive years, whereas the hotel management companies have also achieved a rate of over 90% for five consecutive years. For Guangdong Hotel (Zhu Hai), the hotel has reviewed the supplier pool and compiled a list of qualified suppliers with priorities to those who supply environmentally friendly products. The hotel also states the environmental protection requirements in the contract to monitor the suppliers' performance.

At the same time, Xinchangjiang requires all the contractors to abide by environmental protection and civilised construction whereby they are bound by the terms relating to the environment and health in the construction contracts entered into with Xinchangjiang.

5. CARING FOR EMPLOYEES

Employees are fundamental to the survival and development of a company. Through a sound benefits system, professional on-the-job training, recreational facilities and the code of conduct, we take care of both the physical and mental health of our employees. At the same time, we have created a friendly working environment with good working atmosphere to give employees a sense of belonging and allow them the opportunity to grow with the Group.

5.1 DIVERSITY AND EQUAL EMPLOYMENT POLICY

In the course of development, GDI truly understands that only the most outstanding team can offer the best products and services to consumers. GDI adheres to diversity and fair management policy in employee management so that its team members with different backgrounds can collaborate with each other in areas of profession and culture. At the same time, our subsidiaries in Mainland China strictly follow the provisions of the Labour Law of the People's Republic of China and have made payment for "five insurances and one fund" for their employees in a timely manner. We also purchase critical illness insurance and personal accident insurance for our employees. Other benefits including body checks, heat control subsidies and single child subsidies are provided. Apart from taking relevant measures to ensure that our employees are entitled to statutory leave benefits, the Company has also provided them with additional leave benefits, such as marriage leave, bereavement leave and casual leave. We have also taken into full consideration of the industry characteristics in determining employees' remuneration packages so that the Group's employees can perceive our appreciation of their work.

GDI follows the principles of "fairness, justice and openness" in areas of recruitment, remuneration distribution and promotion. At the same time, child labour and forced labour are strictly prohibited. Among which, as to recruitment, all forms of gender, race, religion and age discrimination are prohibited. We implement a dual (both ability and integrity) selection approach on merit basis. As to promotion, we endeavour to create an environment with fair competition and implement a "compete for post" approach in adherence to the principle of equal opportunities for job promotion. As to remuneration packages, we stick to the principles of "distribution according to work, remuneration determination according to position and same remuneration for same post" to provide an equal employment environment for talented professionals.

As at 31 December 2017, GDI had 7,087 employees, up by 10% from last year.

GDI HEADQUARTERS

"China Dream Guangdong Passion" karaoke final contest

On 27 June 2017, Guangdong Holdings hosted the "China Dream Guangdong" Passion" karaoke final contest at the Guangzhou Railway Workers' Cultural Palace. GDI and a number of its subsidiaries, including water resources segment, GD Teem and Xinchangijang actively participated and outstanding results were achieved.



WATER RESOURCES

Case Study

"Singing New Melody and Spreading GDH Culture" trekking event

To improve the physical health of employees and create a harmonious working atmosphere, the water resources segment consecutively organised two trekking events in Huangniupu Reservoir and Forest Park themed "Singing New Melody and Spreading" GDH Culture" in celebration of May 1 festival on 15 April and 22 April 2017 respectively. More than 400 employees from various departments and subsidiaries of the Company participated. The starting point of the trekking event was at the car park of Huangniupu Reservoir and Forest Park. Participants trekked the green trail along the park for a total

distance of 12km. When they returned to the resting point, a quiz show with prizes on Water Group HK's management principles was organised to create a learning environment where everybody was involved and eager to learn.



"China Dream Guangdong Passion" karaoke contest

Case Study

To better build the platform to display employees' artistic talents and further enrich the leisure life of employees, GH Water Holdings organised the karaoke contest themed "China Dream Guangdong Passion" at 4/F, Dongshen Sports Centre in the morning of 20 May 2017. The contest comprised solo, group and duet singing. Participants were high-spirited and delivered their best performance. Audience responded with rounds of applause and marked the apex of the event, which displayed a healthy image of GH Water Holdings' employees.



Guangdong Investment Limited Environmental, Social and Governance Report 2017

Nature and culture trip in autumn

In November 2017, the water resources segment consecutively organized two nature and culture trips in autumn. More than 600 employees from various departments and subsidiaries of the Company attended. It took place at Shenzhen Haishang Countryside Tourism Zone with a rich programme, including lakefront green trail, Jitang rural zone, native farmer customs, rural plaza, fun corner, water village, peachgrove and ecopopular science sculptures. The union also introduced sports games including hula hoop, skipping rope, shuttlecock and volleyball to allow employees to experience the joy of exercise.



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Case Study Outing activity for young employees

To inspire young employees with team spirit and to increase cohesion for corporate development, Water Group HK's youth work office organised an outing activity themed "Gathering forces of the youth for corporate development". The outing programme included teambuilding, "virtual rail", "horizontal bar", "Yurt Circle" and a pop quiz on corporate culture. These activities not only strengthened team collaboration, enhanced cohesion, highlighted personal challenge and boosted courage, but also strengthened the exchange between colleagues from different departments.

New joiner seminar

To help new joiners understand the corporate culture and timely solve the problems encountered at work, on 23 September 2017, Water Group HK's youth work office organised the 2017 new joiner seminar at the conference room on 1/F of the office at which newly joined employees introduced themselves and talked about their experience upon joining. Leaders of the company and persons-in-charge of the relevant functional departments had a face-to-face exchange with the new joiners and answered all questions raised by new joiners on career development, education and training. They also introduced the corporate culture and encouraged newly joined employees to quickly fit into their roles and adapt to the environment so as to align their own positioning with corporate development. New joiners expressed that they would diligently perform their duties and work hard to embrace the tasks ahead with a new attitude to make due contributions to the development of the water resources segment.



PROPERTY INVESTMENT AND DEPARTMENT STORE OPERATION – TEEM PLAZA AND TEEMALL DEPARTMENT STORE

Sports Games

Case Study

The employees of the headquarters of GD Teem joined hands with the employees of its subsidiaries, approximately 169 persons in aggregate, to attend the sports games held on 26 December 2017, which built up cooperation and understanding between the employees. This kind of social activity helped strengthen communication between the employees from different departments and group companies of GD Teem Group. At the same time, it eased the work pressure of employees, allowing them to embrace the new challenges ahead in a more upbeat manner.



Case Study

Outing activity organised by Nanhai Branch of Teemall Department Store

Nanhai Branch of Teemall Department Store organised its first outing activity on 22-23 March 2017, bringing all employees to Nansha Wetland Park in Panyu District for activities such as shuttlecock kicking and cycling. It provided employees with an opportunity to get close to nature and relax while enhancing team spirit making employees ready for the next moves.





GD Teem photography class

To create an excellent corporate culture and provide an art learning platform for employees fond of photography, GD Teem Group and Guangzhou Mobile Photographic Arts Association organised a mobile photography training on 15 April 2017. Employees were brought to a flower cultivation base in the suburbs of Guangzhou to learn cell phone shooting techniques. An event named "Outstanding Mobile Photography Works Collection" was also held. This training course has been held for many years and is well received by the employees.

HOTEL OWNERSHIP, OPERATION AND MANAGEMENT

A variety of union activities

Both Guangdong Hotel (Shen Zhen) and Guangdong Hotel (Zhuhai) are responsible for organising recreational and exchange activities with the aim of securing benefits for employees. For example, Guangdong Hotel (Zhuhai) organised the Women's Day event and an employees' outing in March and April 2017, which were attended by 225 employees. Guangdong Hotel (Shen Zhen) organised a number of activities such as staff birthday parties, an outing on the Women's Day, a tour of the Grand Canyon of Overseas Chinese Town East, and an autumn tour for employees working overtime on the National Day and were attended by more than 260 employees collectively. Staff morale and the sense of belonging have been improved.





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Case Study

ENERGY PROJECTS – ZTP

Case Study

"Blooming Young Power and Pooling Team Forces" youth fun development event

To improve cohesion among young members of the Company, in the afternoon of 4 May 2017, the General Branch of the Youth League of ZTP organised more than 30 youth league members to participate in a youth fun development event under the theme of "Blooming Young Power and Pooling Team Forces". According to the rules of the event, all participants were randomly divided into 2 groups to compete. The development event comprised six games, including Iron Man Challenge, Bubble War, Sticky Wall and Kangaroo's Melon. They were not only great fun but focus was also put on the ability of team members to cooperate with each other. The high degree of unity and cooperation and the relentless efforts shown in every team during the games have demonstrated the youth's spirit of being positive, challenging and indomitable. The event has also further enhanced friendship among the youth league members.



Guangdong Investment Limited Environmental, Social and Governance Report 2017

"Scholar's Incense" book club

The first phase of ZTP "Scholar's Incense" book club was successfully held on 17 July 2017. A total of 20 employees from various departments participated in the event to talk about their reading history and the influence of books on their growth. The event aims to create an atmosphere for knowledge acquisition and conscious learning. At present, more than 50 employees have joined the event. Selecting books on the Chinese traditions and history, literature, science, sci-fi travel, psychology, social management and so forth, they alternately host reading and sharing activities to allow employees exchange ideas on their reading experience so as to share the fun of reading and cultivate the good habit of reading among employees.



Youth symposium for youth league members

Case Study

> ZTP held a youth symposium on 22 May 2017. The symposium featuring activities such as micro-movies, theatrical performances and lectures attracted more than 60 young employees from various departments to participate. The activities on that day included self-introduction by new employees, micro-movie watching and group discussion, reading group on "Doing Things Right for the First Time", corporate culture training and young staff cultural performances, fully demonstrating the vitality of young people and further enhancing cohesion.



ZTP guitar club

Following the establishment of the basketball club, badminton club, table tennis club and book club, ZTP Guitar Club was officially established on 24 July 2017 in the witness of more than 20 guitar enthusiasts. Since the beginning of the year, ZTP has put the focus of its employees' cultural development on hobbies. According to their expertise and willingness, ZTP supports employees with special skills to voluntarily organise interest groups and provides financial support for the interest groups to enrich the cultural life of employees, striving to create a home-like environment for employees.



Case Study

Basketball match

On 7 August 2017, ZTP Basketball Club held a basketball friendly match with the basketball team of Huangpu Secondary School to promote employees' health and sportsmanship. Although it was a training game, the match was intense and exciting locked in a long stalemate. The players played a wonderful match on clever tactics and perfect cooperation.



ROAD AND BRIDGE OPERATION – XINCHANGJIANG

Case Study

March 8 Women's Day spring tour event

Xinchangjiang organised the March 8 International Women's Day spring tour event on 9 March and 11 March of 2017. A total of 123 female employees participated. Highlights of the event included a visit to Nanning City and group games, reflecting the Company's care and gratitude towards its employees.



Chess game and ball games

In order to promote team communication and enhance cohesion, Xinchangjiang held a chess game on 27 April 2017 and badminton and table tennis group games in June-August 2017, which were attended by 79 employees and 230 employees respectively. As a result, a good corporate culture has been established.



Case Study

Caring for employees birthday celebration

Xinchangjiang cares about the work life of employees and celebrates its employees' birthdays with cakes and gifts so as to create a warm family-like environment to show appreciation and care as well as to improve team cohesion.

5.2 OCCUPATIONAL HEALTH AND SAFETY

To strengthen the management of production safety and with reference to the Group's administrative measures on documentation of production safety, measures for examination of production safety (Trial), administrative provisions on production safety, notice on entity establishment and staffing regarding production safety of subsidiaries and the comprehensive emergency plan regarding contingencies, an emergency leadership squad has been set up by the Group. Various group companies are in strict compliance with relevant policies and attach great importance to employees' physical and mental health. Comprehensive management of employees' health and safety is implemented from policy formulation to daily regulation of conduct and professional auxiliary support.

Attention and prevention of occupational diseases is fundamental to safeguarding the mental and physical health of employees of the Group. In addition to engaging employees in occupational body-checks, we also help employees enhance mental and physical health through formulating the relevant systems, improving the working environment, providing occupational disease protective devices and strengthening promotion of occupational disease prevention. For example, GH Water Holdings has formulated the Administrative Provisions on Occupational Health which set out the terms of reference of the management entity and various departments, major causes of occupational hazards, inspection requirements on working environment with potential occupational hazards and frequency of body checks for workers.

At the same time, we strictly follow the state and regional laws and regulations, including the Labour Contract Law of the People's Republic of China, Occupational Safety and Health Ordinance of Hong Kong, etc. to purchase social insurance and employer liability insurance for all employees in an effort to create a comfortable and safe working environment for employees. During the year, no death due to work injury was incurred. In 2017, there were a total of 20 incidents of work injuries.

GDI HEADQUARTERS

Case Occupational health and safety training

GDI headquarters required all employees to participate in the occupational health and safety training conducted on 15 November 2017. The training includes teachings about the importance and basic knowledge of occupational health and safety, such as safe posture and office gymnastics, to prevent sub-health status and occupational diseases and thus maintain the physical and mental health of employees. Employees who are aware of and report any security risks will be awarded. This can help the Company improve its occupational health and safety standards with a bottom-up approach.

Case Study

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Study

Fire drill

Every year, GDI headquarters holds two fire drills which should be participated by all employees. In 2017, fire drills were conducted on 13 June and 8 November to ensure that employees have sufficient fire emergency knowledge and are well aware of the correct escape routes so as to reduce potential safety hazards and enhance the efficiency in dealing with fire accidents.

WATER RESOURCES

Establishment of production safety management system

GH Water Holdings has formed a production safety committee comprising the chairman, general manager and other members including management of the company, deputy director of Dongshen Branch, persons-in-charge of various departments. A production safety office comprising the company's safety division head as the director and the company's registered safety officer as the deputy director is also set up, which states the first responsible person and direct responsible person for production safety in each department. A company-wide safety management network is set up with 19 designated safety management personnel, all of whom are directly managed by the safety office.



At the same time, it has built a production safety management system for five principal businesses (namely operational safety, equipment safety, occupational safety, environmental safety and educational training) and four fundamental businesses (namely dangerous source management, inspection and assessment, emergency and accident, organisational protection) to achieve safety management both horizontally and vertically.



Based on this management system, production safety management targets and indicators are formulated and laid down for each level at the beginning of each year whereby the safety management targets for each department and personnel is stated and the progress of accomplishment of the targets and indicators is regularly monitored. A sound production safety accountability system is established whereby letters of production safety liability at each level were signed and the progress of accomplishment according to these letters were examined.

"Stay away from sub-health" video seminar

On 19 January 2017, a video seminar on "Stay away from sub-health" was organised, inviting deputy superintendent of Shenzhen Longgang District of Traditional Chinese Medicine Hospital to talk about the tips and tricks of using Chinese medicine to keep healthy through eating and drinking, living habits, hobbies and exercise, and give a detailed description on healthcare targeting at different body conditions, common meridian healthcare and massage modes.



Case Study

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Case Study

Practical training at Shenzhen Safety Training Base

In the morning of 26 July 2017, the safety office arranged the new joiners to attend the practical training at Shenzhen Safety Training Base whereby new joiners learned how to accurately and timely report fire and correctly use fire extinguishers and experienced the simulation of fire scene, allowing them to have a full picture of the system of fire escape and rescue.



Featured video seminar on "Prevention and treatment of myocardial infarction and sudden cardiac death"

In the afternoon of 29 September 2017, the featured video seminar on "Prevention and treatment of myocardial infarction and sudden cardiac death" was organised, inviting deputy chief physician, ER division of Peking University Shenzhen Hospital to talk about the basic knowledge of coronary heart disease, acute myocardial infarction, pathogenesis, clinical performance, diagnosis and treatment, first-aid and prevention.



Case Study

Case Study

Drill on emergency disaster relief

On 14 July 2017, Yantian Reservoir carried out an emergency disaster relief drill on reservoir flooding and landslide. The drill was jointly organised by the government of Fenggang Town and GH Water Holdings at which Dongguan Municipal Water Bureau, Dongguan Municipal Office of Three Controls, Three Controls Command Post of Fenggang Town and Emergency Rescue Team of Fenggang Town also participated.



PROPERTY INVESTMENT AND DEPARTMENT STORE OPERATION

Case Teem Plaza and Teemall Department Store

Seminar on office fitness

On 31 August 2017, professional trainers were invited to give a seminar on workplace health knowledge which was attended by more than 30 office employees. The seminar focused on three main sections, namely, the sub-health phenomenon among office workers, improving habits, and indoor fitness. Through individual demonstrations, interaction with employees, and onsite guidance, the seminar has provided participants with the basic knowledge of office fitness whom are advised to improve physical fitness with practice.



HOTEL OWNERSHIP, OPERATION AND MANAGEMENT

Case Study Production safety accountability system

The head office of the hotel management segment implements the production safety accountability system under which a production safety management committee is established, all members of which shall sign a letter of safety production responsibility specifying their duties, safety objectives, and rewards and punishments. On the other hand, a system of safety production standardisation and certification is implemented at the hotels. Employees are required to receive orientation and on-job safety training and can only take office upon passing the examination. In June 2017, a month-long "Safety Production Month" campaign was held to strengthen the awareness of safety management among employees. In order to improve the ability of its employees to respond to and escape from safety incidents, the hotel conducts regular fire drills and occasional emergency drills. A safety emergency manual has also been developed to familiarise employees with all emergency response measures, such as emergency evacuation plans as well as emergency plans at times of sudden elevator failure and blackout.

ENERGY PROJECTS – ZTP

Case Study

Safety standardisation development project

ZTP places great emphasis on safety in production and actively implements standardised production safety. It aims to achieve first class compliance through promoting various safety measures and assumes responsibility for the safety of each employee and resident of the surrounding neighborhood. Taking investigation and management of workplace safety hazards as important means to ensure safety in production, and by committing to the goal of "zero safety hazard", we actively responded to the Group's spirit in safety work conference and carried out various large-scale safety inspections.

In addition, ZTP pays attention to employees' occupational health. During the year, we have completed occupational disease status evaluation status and invited experts to host occupational health seminars so as to enhance employees' knowledge in occupational health protection.

ROAD AND BRIDGE OPERATION – XINCHANGJIANG

To ensure our employees are in good health, Xinchangjiang organised a body check for its employees in the morning of 16 and 19 May 2017. Xinchangjiang attaches great importance to the safety of road facilities construction. In 2017, 6 safety training sessions and drills were held, including the "Production safety education training", "Safety alert education training", "Emergency drill on flood damage", "Training on the use of gas mask" and "Drill on the use of fire hydrant" to familiarise the employees with production safety and management procedures and allow them to master the emergency skills when dangerous accidents arise.

Case Study

Production safety education training

On 19 May 2017, Xinchangjiang had a production safety education training aiming at familiarising employees with safety management processes, such as production inspection and management, emergency and dangerous job safety management, etc and was attended by 58 employees. Experts on safety supervision were invited to



host the training. Through illustration and analysis of case studies on typical accidents, the trainers provided insightful details from a professional perspective about the importance of safety management so as to safeguard the safety of highway facilities and equipment, maintenance and construction workers as well as vehicles running on the highways.

Safety alert education training

On 19 April 2017, Xinchangjiang held a safety alert education training on maintenance projects and requested a total of 60 management and onsite construction employees to participate in the training. The production safety education training started off with key-area and high-risk operating personnel. The training focussed on video education and onsite explanation of safe working procedures using common and simple methods to provide a lively safety alert education lesson for participants at the site. It has truly put safety training and education into practice by encompassing the front-line staff.



Case Study

Emergency drill on flood damage

On 20 June 2017, Xinchangjiang carried out a rainfall-triggered landslide emergency drill on the slope of the down line of the Guangzhou-Kunming Expressway. A total of 26 employees participated in the drill through which it is hoped that losses caused by sudden disasters can be minimised, dangerous situations occurred along the road sections under jurisdiction can be dealt with promptly, and the ability to handle emergencies can be improved.



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Training on the use of gas mask

In order to raise the awareness of safety precautions among employees, promptly deal with hazardous chemical spills along the road sections under our supervision and protect the lives of personnel handling the accidents, gas masks are provided at toll stations and inside road patrol vehicles. On 10 August 2017, a total of 75 related departmental heads participated in a gas mask training. Through theoretical explanations and on-site demonstrations, the training has enabled the staff to learn how to use the gas mask.



Case Study

Case Study

Drill on the use of fire hydrant

Taking the opportunity of the "Summer Fire Drill" campaign, Xinchangjiang organised drills on the use of fire hydrant on 30-31 August 2017. The training has allowed 85 employees to gain a deeper understanding of the fire protection facilities. The employees will strictly abide by the Company's fire safety management system in actively identifying and troubleshooting fire hazards.



5.3 OCCUPATIONAL DEVELOPMENT AND TRAINING

Growth of employees drives the development of a company. GDI attaches great importance to personnel development, training and reserve. To achieve this, we actively optimise the employee training system, endeavour to expand the career development path of employees and fully explore the growth potential of employees. Through building a reasonable career ladder, we stimulate team development and ensure employees make the most of themselves.

At the beginning of the year, GDI formulates annual training plan by designated department based on the corporate strategies and business needs. Major contents of the plan include personnel training system, lecturer course programme, business support and sustainable occupational development studies. Upon drafting of the training programme, it will be submitted to the department head and management of the Company for review and approval. Subsequent training programmes will commence based on the annual plan.

In 2017, the total number of hours of training taken by employees of various business segments was 218,997 hours and the average number of hours was 31 hours. The total number of training hours and average number of training hours of employees of various segments by gender and category are set out below.





Note:

Case Study

1. The figures are arrived at after rounding off to the nearest integer.

GDI HEADQUARTERS

Talent training system improvement

GDI has formulated the Regulations for the Management of Training for Hong Kong Employees of the Head Office of Guangdong Investment Limited (Interim), encouraging employees to participate actively in training organised by the Company or internal bodies to improve corporate governance standards. Employees may also use their spare time to participate in job-related training and continuing education and may receive subsidies upon approval. These regulations help encourage employees to take the initiative to participate in training and examination for vocational qualifications, and strengthen their cohesion and ability for personal development planning, thereby grooming more talented staff for the Company.

Professional seminars

GDI supports its employees to participate in research and exchanges at professional seminars, such as training seminars on venture capital organised by external fund companies attended by the investment management department and the symposium on the "Belt and Road Initiative" investment and financing case study analysis organised by the government, which facilitate policy and strategy formulation and process improvement. Upon approval by their respective department heads and company leaders, employees are allowed to participate in professional training, continuing education and seminars relating to their work organised by bodies outside of the Company and GDH Limited. The relevant fees will be paid by the Company when approved.

WATER RESOURCES

Training programme on business administration for water resources segment

Water Group HK joined hands with Wuhan University to organise the 2017 MBA training programme for water resources segment for employees to attend two classes each month at weekends. There are a total of 16 classes which last for 32 days. The programme commenced in April 2017 and a total of 26 students enrolled. The training requires students to apply what they have learned into practical work and helps students build good habits of study hard and think hard. By putting what they have learned into practice, it provides strong support for individual progress and corporate development.



Case Study

Case Study Training programme for assistants to regional marketing general manager of water resources segment

In the first half of 2017, the water resources segment organised training for assistants to regional marketing general manager. The training, comprising five weeks of theory training and 13 weeks of internship, aims to enhance the market expansion capabilities in each region through theory learning and practical exercise to provide human capital and intellectual support for the business development and attainment of strategic indicators of the water resources segment.



New joiner training

Water Group HK organised a new joiner training from 10-14 July 2017 for employees who joined in 2017 via campus recruitment, introducing various charters and systems of the company, corporate culture, history and industry knowledge so that the new joiners can have a comprehensive understanding of the company to better perform their duties.

PROPERTY INVESTMENT AND DEPARTMENT STORE OPERATION – TEEM PLAZA AND TEEMALL DEPARTMENT STORE

Case <u>S</u>tudy

All-round on-the-job training

According to the Employee Training Management Regulations of Guangdong Teem (Holdings) Limited, all employees of GD Teem Group and its subsidiaries are required to receive a number of special training courses including "orientation training", "departmental on-the-job training", "business course training", "management training" and "departmental expertise training" to enhance their service standards, management skills and professional ethics.

Case

Studv

Business leader management training course

In 2017, GD Teem held seven professional business leader management training courses with a total of 395 participants. The training includes "Efficient Team Building and Operation", "Marketing Tactics in the WeChat Era", "Strategy in the Business Circle", "Interdepartmental Communication and Collaboration", "Emotion and Stress Management", "Fine Management of Shopping Mall Floor Areas" and "Writing of Official Documents", providing comprehensive training of outstanding management personnel required by the Group and allowing senior management to obtain the latest market information and develop the most effective strategic development plans for the Company.

Case

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HOTEL OWNERSHIP, OPERATION AND MANAGEMENT

Case Study

Advanced training course

The hotel segment conducts a variety of advanced all-around ability training courses throughout the year to enable employees to acquire knowledge in different job areas. For example, in May 2017, industry-renowned technology companies were invited to hold the "Hotel Information Management Training" to give briefings on technology development trends, new product concepts and ways of providing one-stop hotel information solutions. More than 50 employees participated in the training.

To further enhance the skills of its employees in information technology, throughout 2017, head office of the hotel management segment arranged all employees to study online training courses in its Institute of Online Education so as to meet system upgrading and customer needs.

In addition, the hotel held the "Training on the New Normal for the Hotel Industry and its Countermeasures", "Financial Management Training", "Human Resources Management" and "Quality Management Training" in August, November and December, respectively. More than 150 middle and senior managerial personnel participated in the training. As a result, overall standard of the business was also improved.

Case Study

Service ambassador programme

To further foster the spirit of the craftsman among the employees, Guangdong Hotel continues to explore the characteristics of its services and encourages its employees to establish the concept of "dedication to the job, customer first and providing quality services at all times". From 2017 onwards, the hotel management headquarters carried out the "Service Ambassador" programme of Guangdong (International) Hotel Management Group at the member hotels at which a group of "Service Ambassadors for the Quarter" and "Service Ambassadors for the Year" are selected. The programme has effectively improved the service standards of the hotels.

ENERGY PROJECTS – ZTP

Case "Double Eagle Programme"talent training implementation proposal

ZTP launched the "Double Eagle Programme" in 2017, which comprises two major sections, the "Young Eagle Project" and the "Adult Eagle Project". In response to its future development, the Company hopes to reserve some talented people competent for key management and technical positions and middle and senior managerial posts for the creation of a talent pool. By establishing leadership, working and supervisory groups combined with scientific and effective personnel training and development plans, the Company can wisely tap, evaluate and cultivate key talents, build a career ladder for employees and resolve the problem of shortage in skilled personnel so as to provide manpower for its sound and sustainable development.

In 2017, quarterly training plan was developed and implemented in response to the "Double Eagle Programme". Specifically, it includes the "Double-Eagle Programme Promotion Training" and "Training on Enhancing Leadership", etc.

ROAD AND BRIDGE OPERATION – XINCHANGJIANG

Case Study

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Effective management system

The Administrative System on Key Personnel Selection and Deployment has been formulated by Xinchangjiang which effectively explores and promotes high calibre management personnel internally and attracts management talents in the market to enhance the overall quality of our key personnel, thus safeguarding our business development. In addition, Xinchangjiang has also formulated the Administrative Measures on Performance Assessment which is in line with our incentive mechanism of adhering to the principle of remuneration determination according to position, ability and workload. This can effectively mobilise our human resources and get the employees motivated to work.

All-round on-the-job training programme

In 2017, Xinchangjiang organised a total of 28 trainings, including the professional training on expressway traffic survey system in Guangxi, the Group's propaganda training on general competency (leadership) model, the training for all-region expressway and bridge maintenance engineers, the anti-corruption training and the training on production safety certification of management personnel etc.
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Case Study Intensive training for toll station employees

From 17 to 25 May 2017, Xinchangjiang organised an intensive training for all employees of the toll collection department. A total of 129 people enrolled in the training with an attendance rate of 100%. After the 8-day intensive training, the knowledge of the toll collection employees was refreshed, alongside with a further enhancement in team discipline, cohesion and execution capabilities. Their identity in the Group was also enhanced.



Case Study

Regular cross-business training

At Xinchangjiang, a cross-business training is organised on every Thursday for the management personnel above first-line managers to help them familiarise with the business of each department and enhance their management capabilities. In 2017, 25 internal professional trainings on production safety, comprehensive risk management, section responsibilities management and maintenance management were carried out with more than 40 people in each training session.



6. QUALITY CONTROL

> GDI is in strong pursuit of providing the highest standard of services and excellent products to customers across the entire supply chain. In particular, we place great emphasis on communication with customers and suppliers, thus laying a solid foundation for safe, reliable and efficient operations. Apart from this, we are also committed to combating corruption and enhancing the level of corporate governance to create more value for customers and investors.

6.1 RESPONSIBLE SUPPLY CHAIN MANAGEMENT

WATER RESOURCES

Our water supply projects have been one of the key businesses of the Group. To ensure that the water quality meets the highest standard, stringent management objectives and effective management solutions have been formulated for our water supply projects according to the requirements on quality, environment and occupational health and safety management systems.

Construction Projects

All our major projects are subject to open, fair and impartial tendering process to select suitable suppliers. In addition, we put much emphasis on industrial safety and maintain close contact with various major suppliers to ensure that suppliers are in compliance with the relevant local laws and regulations in the course of construction. We have formulated the Administrative Measures for Tendering which state the duties and responsibilities of various departments in the tendering and procurement process and regulate construction projects with different budgets. We maintain strict discipline toward tendering. This is crucial for ensuring the progress, quality and safety of construction projects.

- Other Tendering Projects

Other tendering projects are also subject to our stated fair process. With respect to certain procurement products, we will look into feasibility and endeavour to implement responsible purchasing to select products that are more environmentally friendly.

HOTEL OWNERSHIP, OPERATION AND MANAGEMENT

To ensure the quality of products and quality of suppliers' service as well as maintain a steady relationship between each hotel and its suppliers, suppliers of products provided to the hotels are subject to proper review management under the Procedures of Supplier Review to ensure that the products provided by suppliers fulfil the requirement stated by the Company and the issues identified are dealt with and resolved in a timely manner.

These review procedures are applicable to all the activities under supplier review management, which require:

- (1) each hotel to submit the quarterly supplier review by the 10th of the following month from the end of each quarter.
- (2) the materials department of each hotel to carry out professional review whereby the relevant review panel will rank them in terms of product quality, after-sales service and overall evaluation using a scoring system pursuant to the Supplier Review Form.

At the same time, the purchasing department is responsible for:

- (1) providing the list of key suppliers. Each hotel should carry out overall evaluation of the performance of key suppliers on a quarterly basis.
- (2) proper filing of the review report, review record, quality record, product samples and background information of the suppliers. If key materials suppliers provide any substandard product and no significant progress is made on improving product quality after communication, such suppliers should be disqualified.
- (3) building the supplier profile for those who have passed the review, engaging with strategic suppliers for key and strategic supplies.
- (4) the contents of the supplier review, including the level of assurance regarding the product and service quality, delivery and after-sales service, overall evaluation etc.

6.2 QUALITY CONTROL OF SERVICE

Providing customers with excellent service is crucial to the sustainable development of business of the Group. To this end, we have established a comprehensive and multidimensional service system to assure the safety and comfort of customers. We have a dedicated customer service team which allows us to handle customer requests and serve them in a more effective and systematic manner.

PROPERTY INVESTMENT AND DEPARTMENT STORE OPERATION – TEEM PLAZA AND TEEMALL DEPARTMENT STORE

With respect to the fire safety of Teem Tower and Teemall, relevant administrative policies and emergency response plans have been formulated, including the Administrative Measures for Warehouse of Tenants at Teem Tower, Administrative Measures for Security Check of Teem Tower, Manual on Maintenance of Fire Control

Equipment, Fire Control Emergency Plan, Regulations on Fire Safety and Employee Fire Safety Requirements to protect the safety of customers and tenants. As to the tenants of Teem Tower, we have strict requirements on equipment, safety, hygiene and cleanliness, which are clearly stipulated in the tenancy contract. Non-smoking billboards are placed to remind the tenants of the smoking restriction. In case of smoking violations, a written warning will be sent to the companies in which the violators are employed and an explanation will be made to the tenants of the concerned floors.

At Teemall Department Store, we endeavour to enhance the quality of service and management while providing dedicated service to customers to deliver a pleasant shopping experience for them. We have formulated the Policy on Customer Satisfaction Survey of Teemall Department Store to regularly listen to customers' feedbacks and requests, to further improve the work quality at various departments and retail outlets as well as the framework of the customer satisfaction survey. We have in place a service pledge to ensure the best service is provided to customers. Teemall Department Store also strictly implements the "first inquiry accountability" system and sets aside a special fund for handling complaints and continues to streamline the procedures for the use of fund. Teemall Department Store also optimises after-sale services, among which, the improved return policy, delivery, group buying and convenient services provide a more intimate shopping experience for customers. In maintaining customer relationships, Teemall Department Store has set up a customer relationship management system to maintain effective communication. To uphold product quality, the company has established and implemented the ISO 9001 quality management system. As to the tenants of Teem Tower and Teemall Department Store, we maintain close contact with them to learn more about their needs. Where tenants are in any doubt as to the shop and operation details, a communication channel under the administration department is available for them to give feedbacks. Other functional departments such as tenant acquisition agencies and property management companies will also pass the feedbacks of tenants to us. We will then swiftly devise and come up with a solution based on the specific issues, thus drawing GD Teem and its tenants closer.



Teemall Department Store's service pledge

Teemall Department Store endeavours to provide the highest quality service to customers. Taking a customer-oriented approach, it adheres to the principles of "providing more professional and dedicated services" in strict compliance with the Product Quality Law of the People's Republic of China, Law of the People's Republic of China on Protection of Consumer Rights and Interests and Provisions on Partial Replacement/Return of Merchandise. To maintain the good reputation of Teemall Department Store, Teemall Department Store has made the following service pledges (extract):

Replacement/Return:

- 1. If any quality issues arise for any products sold by the company, consumers may opt for return, replacement or repair upon presentation of consumer receipt or valid purchase voucher within 7 days from purchase; or opt for replacement or repair within 15 days from purchase.
- 2. Once the products are sold by the company, if there is any change in preference of consumers where they are not satisfied or no longer in need of the products purchased, they may opt for replacement or repair upon presentation of consumer receipt or valid purchase voucher at the original counter within 15 days from purchase, provided that the products are not stained, damaged or destroyed and remain in saleable condition (other than those marked non-refundable if without quality issues).

Delivery service: Free delivery, installation and configuration services are available for merchandise purchased at the company, including bulky home electrical appliances and fitness equipment.

Convenient service: (When carrying out promotional activities, the following procedures will be adjusted according to the actual conditions of each store, including hotline and members' special hotline) The company has a customer reception room where designated personnel accommodate and handle customers' calls, mails and visits during business hours to ensure all requests are handled. We will respond to customers' enquiries within 24 hours. Missing person announcements and first aid service are available to properly address customers' needs.

Sincere service:

The company has a reasonable suggestion system in place for customer feedback and welcomes the valuable opinions made by customers about our services. Customers who provide constructive and feasible advice to the company will be given a VIP membership card to enjoy shopping privileges.

Complaints on merchandise and service at Teemall Department Store

Based on the two categories of merchandise quality and service quality, Teemall Department Store makes a detailed tracking record of the respective dates of occurrence and handling of complaint, level of severity, customer particulars, amount involved, issue of complaint, person-in-charge of handling complaint and investigation results. In 2017, 35 complaint cases regarding merchandise quality were received and 24 complaint cases regarding service quality were received. The conciliation rate was 100%.

ROAD AND BRIDGE OPERATION – XINCHANGJIANG

Case Study

Case

Study

To build a service quality system featuring "sound counter image to serve vehicles passing the toll station"

In 2017, Xinchangjiang revised and republished five service quality systems namely the Regulation on the Standard of Service Quality of Toll Collection, Toll Collection Quality Service, Operational Standards on Civilised Service (Trial), Implementation of Civilised Service Assessment and the Implementation Proposal on Launching the 'Civilised Service' Star Rating Competition (Revised).

Case Study

To formulate service quality indicators and execute at each toll station using the KPI system

The service quality indicators have been formulated with reference to the regulations and requirements of the expressway industry in Guangxi to regulate toll collection and enhance the service quality of toll collection so as to better implement personalised service at each toll station and truly uphold the "sound counter image to serve vehicles passing the toll station". (The indicators are: Actual collection: above 99%; deviation: below 0.80%; quality issues in relation to generalised service: $\leq 0.01\%$; processing time: ≤ 6 seconds/vehicle at entrance and ≤ 13 seconds/vehicle at exit.)

Guangdong Investment Limited Environmental, Social and Governance Report 2017

Operational procedures of Complaint Reporting

We have introduced the standardised customer service hotline (96333) for the expressways in Guangxi and formulated the Complaint Reporting Management System to regulate the operational procedures on complaint reporting. At the same time, the Regulation on Service (Customer Service) Etiquette of Controllers has been formulated to provide quality service and respond to the requests of drivers and passengers 24/7 so that Xinchangjiang is subject to the public's supervision. In 2017, 1,966 cases of business enquiries, 1,021 cases of rescue dispatch, two cases of appreciation and 51 cases of groundless complaints were processed. The customer service hotline not only can timely solve the problems of the public, but also upholds quality service, thus establishing a sound image for Xingliu Expressway.







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Case Study

Special training on civilised service

Case Study

We endeavour to enhance service quality through introducing innovative service models and benchmarking learning. On 18-19 April 2017, Xinchangjiang arranged 129 toll collection personnel to visit the benchmark unit: Nanning Branch of Guangxi Communications Investment Group in two groups for a 2-day special training on civilised service.



Guangdong Investment Limited Environmental, Social and Governance Report 2017

Civilised service assessment

To improve the service quality, Xinchangjiang has innovatively introduced a set of measures on developing the systematic civilised service training with a view to creating a civilised service brand with its own features. For example, regular onsite survey on civilised service, engagement of external administrative and professional controllers, civilised service assessment and monthly election of "Star of Civilised Service" are carried out. In 2017, five toll stations of Xinchangjiang earned the province's title of "Youth Civilisation Unit".





Case

Study

6.3 QUALITY CONTROL OF PROJECTS

WATER RESOURCES

Adhering to the mission of sustainable development, GH Water Holdings endeavours to improve project quality where each professional and dedicated employee strives to ensure water safety, setting product quality control and monitoring as top priority along our operation.

We have obtained the ISO 9001 quality management system certification and internally formulated quality strategies, quality objectives and management system planning. It guarantees that there will be no deviation in the process of quality control from the intake source to the ultimate water supply to customers. We have also established various mechanisms to handle emergencies. All contingencies relating to quality, environment and safety shall be dealt with according to the General Contingency Plan for Emergencies, Emergency Rescue Plan for Production Safety Incidents, Emergency Response Plan for Facility Incidents of Dongshen Water Supply Project and Water Quality Emergency Response Plan for Unusual Water Quality Incidents of Dongshen Water Supply Project. We will continue to optimise management, technology and other support service to create value for our customers.

In 2017, the water resources segment kicked off the sewage standard enhancement project combining the technology features of enhanced degritting, dephosphorisation, optimised water distribution and integrated denitrification filtering. The MA2/O small-sized integrated sewage treatment device was developed by its own R&D department helped reduce the operating costs and sludge discharge in the course of filtering. Utilising the Internet of Things technologies, remote monitoring and unattended operation are possible, which greatly reduce the operating and monitoring costs. This is particularly suitable for sewage treatment in rural areas. The project has obtained 7 patents. It has been successfully put in place in Xingning, Wuhua and Dapu and is well recognized by the local governments.

Looking into the future, GH Water Holdings will strengthen the operational management and the development of sewage network infrastructure facilities based on the integrated treatment device to give full play to sewage treatment, a livelihood-related project.





WATER RESOURCES

Field trip to Dongjiang River which supplies water to Hong Kong

During 14 to 15 April 2017, a delegation of the Panel on Development, Legislative Council of Hong Kong Special Administrative Region visited Guangdong Province to learn about the water supply from Dongjiang River to Hong Kong. The delegation comprising 18 Hong Kong legislative councillors, key officials of the Development Bureau and personnel of Legislative Council Secretariat visited Heyuan, Huizhou, Dongguan and Shenzhen and studied the water source protection, water supply system and water quality monitoring along Dongjiang River. On 15 April 2017, the delegation arrived at GH Water Holdings and visited Taiyuan pumping station, bionitrification station, Dongshen Branch 110 command centre and Shenzhen Reservoir. The delegation showed gratitude to the local governments of Guangdong Province and GH Water Holdings for their efforts in maintaining water quality and safety of Dongjiang Water.





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ENERGY PROJECTS – ZTP

In 2017, ZTP's energy industry and environmental protection work saw a significant breakthrough. In response to the requirements of National Development and Reform Commission of "promote the ultra-low emission development of coal-fired power plants" and in pursuit of more stable operations, ZTP underwent a major repairs and maintenance check for all of its facilities in the first half of 2017.

On 2 March 2017, ZTP officially kicked off the A-Standard Maintenance project regarding the No.2 generation unit. After 51 days and nights of "battle", the project, comprising a total of 823 standard items and 7 technology transformation items, was successfully completed. The amount incurred was approximately RMB10 million. The new generation unit is top-notch in terms of environmental facilities configuration. First, continuous screw-type ship unloader is used to build a green terminal. Second, it is equipped with closed coal transportation corridor and coal bunker to control dust emission in the entire process. Third, full sealing device is adopted for the treatment of ashes and residues to ensure a clean environment. The principle of "Everybody is the first responsible person of safety" was upheld throughout the check to strengthen safety supervision. The quality of the check was in line with the stipulated standards of repairs and maintenance check, thus laying a solid foundation for the safe and stable operation of the generation unit. After the execution of the latest emission standard - Emission Standard of Air Pollutant for Thermal Power Plants (GB13223-2011) (the "Standards"), the entire environmental design-build of the expansion project not only satisfies the Standards' emission limit on coal-fired generation units, but greatly exceed the Standards' requirements or even fulfils the emission standards on clean energy, such as natural gas combustion. The major repairs and maintenance check together with the expansion project represented a heavily invested project of ZTP in its performance of social responsibilities as a state-owned enterprise to achieve the target of ultra-low emission of flue gas and become a leading super clean green power plant in China.

ZTP's coal-fired generation unit has passed the acceptance inspection by the provincial environmental bureau where the concentration of its smoke, dust, SO_2 and NO_x emissions is far below the ultra-low limits. It meets the standard under the government's feed-in tariff support programme where a subsidy of RMB0.05 per KWh is granted thereunder. On this basis, we will continue to work with the government to generate positive impacts on local economic and social development. First, we will continue to make significant contributions to energy saving and emission reduction in Guangdong Province and Zhongshan City. Second, we will continue to maintain stable power supply to enhance our position as the power load centre in the Pearl River Delta region while shouldering the responsibilities in the course of energy transformation in China.

6.4 ANTI-CORRUPTION

The Group continues to build a robust anti-corruption framework and ensures that all our operations strictly comply with national anti-bribery laws including the Law of the People's Republic of China on Anti-Corruption and Bribery. With reference to the Basic Regulations for Internal Control of Enterprises formulated by Guangdong Holdings, and with a focus on "three flows and three points" (the "three flows" are logistic flows, fund flows and information flow; and the "three points" are key points, risk points and control points), we have optimised our corporate policies and procedures so that the internal control system of the Group is "rigidly bound". We promote internal control and anti-corruption, comprehensive budgeting and safety production, "three systems" management (i.e. quality, health and environmental management systems), comprehensive risk management as well as corporate operating activities and efficiency enhancement, with a view to increasing our execution capabilities and overall management level.

The Group takes a proactive approach toward the internal control policies issued by the headquarters and encourages employees and suppliers to engage in business in good faith to gain the trust of their customers. We have prepared the List of Goals and Mission for Discipline Inspection and Supervision Tasks in which task details, goals and mission in relation to anti-corruption are enlisted. At the same time, we have devoted more effort to anti-corruption education and promotion to thoroughly implement innovation and protection of the anti-corruption system. Our employees regularly receive training on anti-corruption and we have established an internal control and risk management system according to the latest regulatory requirements. We have also formulated the Policy for Employees to Raise Concerns on Potential Wrongdoings so as to enable staff to raise their concerns on any wrongdoings or misconduct in relation to the Group in a confidential manner.

During the reporting year, there was no pending or concluded litigation in relation to corruption against the Group or its employees.

WATER RESOURCES

Case Discipline education month

The water resources segment held the discipline education month which included multiple viewings of educational videos, research on anti-corruption, preparation of anti-corruption propaganda and training materials, study on typical warning case study materials, compilation of featured articles, and distribution of anti-corruption propaganda materials and promotional videos to various units. It also pushed ahead the anti-corruption education and demonstrated education efforts. At the same time, it enhanced the sense of self-discipline and the ability to fight corruption to create an anti-corruption atmosphere.



PROPERTY INVESTMENT AND DEPARTMENT STORE OPERATION – TEEM PLAZA AND TEEMALL DEPARTMENT STORE

Teemall Department Store

Case

Study

To promote anti-corruption and probity, Teemall Department Store has established a culture of integrity across the company. Employees have to hand over all the gifts received and abide by the reimbursement policy. Combined with the actual conditions of the company, Teemall Department Store's Administrative Measures on Treatment of Handing over Gifts (the "Measures") has been formulated according to the Regulation on Rewards and Penalties of Employees of Teemall Department Store, the Anticorruption and Integrity Accountability System of Teemall Department Store and the Group's Administrative Measures on Treatment of Handing over Gifts. The Measures are applicable to all the gifts received by the employees of the company from other business units at work (including but not limited to tendering, procurement, funding approval, bank account opening, appointment and dismissal assessment, employee rewards and penalties, work appraisal and audit).

The Measures requires that:

Recipients – all gifts that are difficult to refuse must be handed over regardless of value and category.

Administration department - responsible for keeping and processing the gifts.

Finance department – as the department that processes the gifts to the company, it is responsible for handling the gifts handed over by the recipients and transferring them to the administration department.

ROAD AND BRIDGE OPERATION – XINCHANGJIANG

Xinchangjiang

Case

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By signing the Anti-Corruption Responsibility Statement and formulating the Standards on Management Behaviours (Trial) and the Employee Manual on Anti-corruption, we comprehensively carry out the control point inspection of anti-corruption risks. The Schedule of Anti-corruption Risk Management, which is formulated by various departments, is posted on the wall for the employees to abide by such that a transparent system is in place at all times. In 2017, no violations against laws or regulations were identified.

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At the same time, the "Yibashou" responsibility culture is implemented at all departments which clearly states the "one ticket veto" in assessing the anti-corruption issues. Coupled with the accountability system, we further strengthen the overall responsibilities of the department's person-in-charge as to anti-corruption.

We have introduced the disciplinary education month programme. Through organising the employees democratic meeting and watching educational videos on anti-corruption, we endeavour to raise the anti-corruption awareness of employees. At the same time, the management take the lead to seriously learn and thoroughly implement the "Three-Major and One-Large" system to strengthen self-inspection and self-discipline. Dynamically combining two responsibility systems, anti-corruption efforts, internal control development and daily operations, the management of anti-corruption risks is beginning to bear fruit.



Viewing of the documentary



7. CARING FOR COMMUNITY

The community is the carrier of businesses. As a responsible corporate citizen, while developing our business, we bear in mind the need to repay the society and community in which we operate. Leveraging our strengths in the industry, we actively explore means of contribution to society to support regional economic development, constructive industry development and public welfare participation in building a warm, mutually beneficial and harmonious society together. The Group endeavours to explore new channels of public welfare and upholds a charitable attitude which brings public welfare into our business. By incorporating the philanthropic spirit into our corporate culture, we strive to contribute to the local community and society in a way ought to be done by an enterprise. Currently, our charity efforts mainly include providing assistance to those in need via government organisations and community groups. In 2017, our community efforts are summarised as follows:



Our community efforts by business segment are as follows:

WATER RESOURCES

GDI endeavours to assist the Group in its poverty alleviation efforts. The water resources segment makes use of its patents and technologies to develop the poverty alleviation project and build the "green and ultra-filtration water purification system" so as to provide safe drinking water to the deprived areas. The project involved the construction of pipelines and purification facilities. After three months of construction and configuration, the water purification system officially commenced operation on 22 September 2017, providing quality and safe drinking water to approximately 1,500 people at the deprived areas.

The project is located at Shijiao Village, Lianzhou Town, Qingyuan City. The main water source of drinking water of three small villages in Shijiao Village, namely Shaping, Longzhuzhai and Liugongbang, has been polluted in which various unhealthy substances are higher than the limit. The village lacks water processing facilities as well as laws and regulations governing the safety of drinking water. Under the poverty alleviation water conservancy project, a water purification system is introduced utilising the ultra-filtration water purification process as the core technology to effectively remove metals such as iron and manganese, suspended particulates and microorganisms in the water. Processed water meets the Standards for Drinking Water Quality (GB5749-2006). The system is fully automated and is easy to use in terms of daily maintenance. Remote monitoring of operational data is available, making it particularly suitable for the water supply in rural areas and small towns.

The construction of drinking water system has effectively solved the most fundamental and urgent need in the deprived areas under the poverty alleviation programme, enabling the supply of safe drinking water to villagers, and is well received among the local villages. More importantly, this community investment project has witnessed our initial success in the small-scale equipment development of our green film process, which provides a good demonstration of promotion and application of safe water supply projects in rural areas.



Water purification facilities

WATER RESOURCES

Case Study

Receiving various parties from Hong Kong to visit Dongshen Water Supply Memorial Park

In the morning of 24 February 2017, The Hong Kong Buddhist Association organised a visit to Dongshen Memorial Park. Approximately 100 students from Buddhist Lam Bing Yim Memorial School were invited to learn about the physical models of Dongshen Water Supply Project, visit the photo exhibition and watch the video of the development history of Dongshen Water Supply Project.



In the morning of 28 May 2017, a team of approximately 20 officers from Hong Kong Legislative Council visited Dongshen Water Supply Project. First, they visited Dongshen Memorial Park to learn about the history of development, construction progress and operational management of Dongshen Water Supply Project, and watched the promotional video titled "Passion about Dongshen Water". Later, the team made a field trip to Jinhu pumping station for the water supply equipment and visited the physical models, exhibition photos and pumping station equipment of Dongshen Water Supply Project.



In the morning of 19 August 2017, approximately 400 people visited Dongshen Water Supply Memorial Park. They are the third batch of visitors under "I SEE · I KNOW" activity, which aims to help Hong Kong youths learn more about Chinese culture. The event was held by The Hong Kong Chinese Enterprises Association as the primary organiser and GDH Limited as the co-organiser.



On 11 November 2017, The China Civic Education Promotion Association of Hong Kong organised the "Water Comes Over the Hills From the East" tracing history event, bringing 500 Hong Kong teenagers to visit Jinhu pumping station of GH Water Holdings and Dongshen Water Supply Memorial Park to learn about the details and development history of Dongshen Water Supply Project which takes a key role in water supply to Hong Kong.



Case Study

Donation to the renovation project on Lingjiangfang Culture Room in Dongbei Village, Dongbei Town, Lianzhou

Dongbei Village, Dongbei Town, Lianzhou is the group's corresponding poverty alleviation point, as well as a key village under the targeted poverty alleviation programme in Guangdong Province. GH Water Holdings renovated Lingjiangfang Culture Room for recreational purposes of villagers as part of its efforts under the targeted poverty alleviation programme. It was expected that final acceptance inspection procedures will be completed in April 2018.



Selecting an official to take a temporary post in Xinjiang

A company supportive working group to assist Xinjiang has been set up by the water resources segment where the chairman serves as group leader and the general manager serves as deputy group leader. A professional technical official with high political calibre and well-versed in economic trades, business acquisition, introduction of investors and park planning and construction has been selected to take a temporary post in the Economic Development Bureau in Caohu Industrial Park, Caohu, Xinjiang to support local economic development.

PROPERTY INVESTMENT AND DEPARTMENT STORE OPERATION – TEEM PLAZA AND TEEMALL DEPARTMENT STORE

"Sending warmth with your heart" public welfare event

GD Teem Group's Guangdong Teem Property Operation Management Limited organised a public welfare event titled "Sending warmth with your heart" from July to August 2017. 134 of its employees paid visit to singleton elderly and children with special needs. In this regard, GD Teem specially prepared some supplies such as knitted caps, scarfs, socks and milk for each senior and each child. It also actively called for employees' donation of clothes, toys and children's books. In addition to sending supplies, employees also visited a famous local wonton restaurant on their own initiative to learn how to make dumplings and brought to the elderly home after cooking so that the seniors could taste the delicious wontons made by the employees. After enjoying the wontons, employees were split into groups to chat with the seniors, escort the seniors back to their rooms and clean the elderly centre. With a clear division of labour, employees worked for the elderly with a caring heart.



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At the welfare home, more than ten special children need care and attention, among which the youngest one is a few months' old orphan. Once arrived, our employees were welcomed enthusiastically by the children. Led by their caretakers, they followed the music they are familiar with and started performing their signature dance happily – square dance. After that, employees formed small groups to chat and play with the children, teach them to learn the words and clean the premises. In between their laughs, the children showed their innocent smiles, drawing the hearts of the employees and the children closer.

The event provides an opportunity for the employees to participate in public welfare, show their care and give back to society. Looking ahead, GD Teem will attract more volunteers to participate in these events to show our care and contribution to the public welfare.



Maintaining the order of parking of shared bicycles in the area surrounding Teemall

From 19 to 20 August 2017, Guangdong Teem Property Management's volunteers participated in the site clearance regarding the parking of shared bicycles at non-motor vehicle sites in the area surrounding Teemall. During the anniversary celebration of Teemall, there was an endless stream of shoppers coming for shopping using shared bicycles. The shared bicycles that were not parked at non-motor vehicle parking spaces seriously affected the use of passage of other vehicles and pedestrians and therefore resulted in safety hazards. The volunteers there, who are also our employees, had to move the shared bicycles deliberately parked in the area surrounding the mall one by one to the non-motor vehicles' parking space nearby in a neat and tidy manner in a sizzling hot weather when the temperature hit above 35°C. It took them rounds to move the shared bicycles in a continuous flow of pedestrians. At the same time, volunteers patiently explained to the shoppers who travelled to the mall by shared bicycles the rules of parking. To those who were about to park their bicycles, the volunteers also gave kind instructions to prevent illegal parking. The joint efforts strengthen the sense of order of riders and pedestrians in the area surrounding the mall.



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Case Study Born to be different • Healing garden – GD Teem & Green Pet public welfare visit

GD Teem Group made use of its venue and worked with a local organisation, Green Pet to organise a public welfare exhibition. The purpose of the exhibition is to raise public awareness and demonstrate different public welfare issues through exhibition in the plaza. Capitalising on its influence, GD Teem was responsible for venue arrangement, publicity and gifts-giving. One of the topics was about autism where the designs and drawings of autistic patients were displayed to allow the public to communicate with autistic children and clear the misunderstanding about autism. In addition, GD Teem worked with Green Pet and organised the "Born to be different • Healing garden – GD Teem & Green Pet public welfare visit" on 2 September 2017 to visit an autism school at which approximately 30 volunteers participated in the event.



2017 Earth Hour Environmental Movement

The 2017 Earth Hour Environmental Movement was held at the Avenue of Stars, Haixinsha, Guangzhou. It is the seventh consecutive year that Canton Tower has participated in the event. In response to the environmental movement on 25 March 2017, at 8:30 pm, GD Teem switched off the festive lights on the exterior of the tower where 175 people have supported and participated in the event. The event was jointly organised by Environmental Protection Foundation of Guangdong Province, Environmental and Public Welfare Promotion Association of Guangdong Province with the purpose of sending the message of "Living in a sustainable way: Starting with your living habits to create a blue future".



Case Study

International Day Against Drug Abuse and Illicit Trafficking on 26 June in Tianhe District

In the morning of 26 June 2017, the International Day Against Drug Abuse and Illicit Trafficking promotion event themed "national drug control invites everyone" had its grand opening at North Gate of Teem Plaza at which more than 200 people attended the event including leaders and members of Narcotics Division of Tianhe District, representatives of volunteer groups against narcotics and the general public. To allow the mass to get the gist of drug prevention picturesquely, a number of booths were set up including the narcotics control VR experience booth, narcotics control robot demo booth, narcotics control exhibition booth and narcotics control knowledge and consulting.

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Case

Study



ENERGY PROJECTS – ZTP

Case Study

Public welfare donation

Since 2014, ZTP has been raising funds for the surrounding villages for three consecutive years. So far, an aggregate of approximately RMB540,000 has been raised with approximately RMB180,000 each year. We will continue this donation campaign from 2017 to 2019. Through organising fundraising activities such as poverty alleviation day and donation to distressed employee month, employees took their own initiative to raise funds and created the atmosphere of "working hand-to-hand and heart-to-heart to help those in distress", thus displaying ZTP's spirit of fraternity.

Case Study

Provision of water and electrical construction and installation services to distressed households

It is the group's policy to regularly carry out poverty alleviation projects. In 2017, ZTP capitalised on the industry strengths and invested approximately RMB100,000 in helping four households in Dongbei Village with its water and power problems. At the same time, it carried out the tap water pipe renovation for three households and provided obsolete wire replacement and electrical wire re-installation services to 47 distressed households during which our professional electric technicians were sent to the sites to provide guidance and carry out acceptance inspection.

Guangdong Investment Limited Environmental, Social and Governance Report 2017

Case Study Volunteers worked as ushers at the Xindi School Gala



ROAD AND BRIDGE OPERATION – XINCHANGJIANG

Case Study

Voluntary donation to distressed employee

The father of an employee from Xinchangjiang's toll collection department was diagnosed with tuberculosis and lung cancer in early 2017. There are seven people in the family in which the parents do not have a normal job to earn a living and need to raise two little sisters and one little brother with the burden of tuition fee. Since the diagnosis, the non-affluent family has been building its debts. The colleagues voluntarily raised a donation of RMB14,194, thus showing a high sense of solidarity and cohesion of the company.



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Donation to Xinchangjiang Hope Primary School

To care for the left-behind children and make concerted efforts to fulfil its corporate social responsibilities, Xinchangjiang organised a donation campaign, raising funds of RMB14,700 for Xinchangjiang Hope Primary School to improve the campus environment.



Case Study

Case Study

Voluntary donation to severely sick employee

An employee from Xinchangjiang's toll collection department who underwent a brain tumour surgery remains in a deep coma. The large medical bills are weighing on the non-affluent family. All the employees of the company voluntarily donated RMB105,580 to alleviate some of the treatment expenses.