



粤海投资有限公司
GUANGDONG INVESTMENT LIMITED

Stock Code : 00270

ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE
REPORT
2018



ABOUT THIS REPORT

This report is the 2018 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”) contained in Appendix 27 issued by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). In the 2018 financial year, the Company strictly complied with the “comply or explain” provisions set out in the ESG Reporting Guide.

In the process of preparing this report, we maintained adequate engagement with our stakeholders through third-party independent advisers and endeavoured to ensure that the information disclosed herein was 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 sustainable development and to improve transparency in disclosure.



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1 SCOPE OF THE REPORT

This report summarises the efforts made by and accomplishments of the Group in sustainable development during the period from 1 January 2018 to 31 December 2018. The report comprehensively describes the Group's performance on sustainable development during the reporting period in various aspects, covering sustainable development strategy, corporate governance, core issues on sustainable development, business operation with integrity, green operation, protection of staff safety, people-orientation and harmonious and mutually beneficial relationship. 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 performance on sustainable development, which is not covered by this report, is set out in the 2018 Environmental, Social and Governance Report of Guangdong Land Holdings Limited (available at <http://www.gdland.com.hk> 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:

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2 ABOUT US

2.1 COMPANY PROFILE

The Company, formerly known as Union Globe Development Limited (“Union Globe”), was incorporated in 1973 and listed 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, and was admitted to the Hang Seng China Enterprises Index on 5 March 2018. The Company’s stock code for its shares listed on the Main Board of the Stock Exchange is 00270.

▲ 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.

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, 粵海控股集團有限公司 (GDH Limited, hereinafter referred to as "GDH Limited" or "GDH"). Guangdong Holdings is a provincial, wholly state-owned investment holding company under the supervision of the State-owned Assets Supervision and Administration Commission of the People's Government of Guangdong Province.

2.2 COMPANY SIZE

As of 31 December 2018, the total market capitalisation of GDI was approximately HK\$99 billion. The Group has approximately 7,000 employees in total and around 140 wholly owned and controlling subsidiaries.

GDH Limited, being the immediate controlling shareholder of GDI, is the largest overseas conglomerate in Guangdong Province. 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, the Company directly holds approximately 73.82% shareholding interest in Guangdong Land Holdings Limited, a company listed on the Stock Exchange (stock code: 00124).

ABOUT US



2.3 DESCRIPTION OF MAJOR BUSINESS SEGMENTS

WATER RESOURCES:

The water resources business mainly covers untreated 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. In particular, the designed annual capacity of Dongshen Water Supply Project is 2.423 billion tons. Total water supply to Hong Kong, Shenzhen and Dongguan during the reporting period amounted to 2.111 billion tons (2017: 1.904 billion tons), increasing by 10.9%.

Apart from Dongshen Water Supply Project, most of the water resources projects in Mainland China are located in South China and East China. During the reporting period, the total designed water supply capacity of water supply plants and the total designed sewage processing capacity of sewage treatment plants of the Company's other water resources projects amounted to 6,004,000 tons per day (2017: 5,604,000 tons per day) and 1,140,000 tons per day (2017: 686,000 tons per day), respectively.



PROPERTY INVESTMENT AND DEVELOPMENT:

The Group is engaged in property investment and development in Hong Kong, Guangzhou, Shenzhen, Tianjin and Panyu. It is headquartered at Guangdong Investment Tower, a 28-storey commercial building located on Connaught Road Central, Hong Kong. The gross floor area (“GFA”) of this property attributable to the Group is approximately 14,132 m². The other properties mainly include the Guangdong Teem Plaza Project, the Tianjin Teem Shopping Mall Project and the Panyu Wanbo CBD Project. Amongst them, Guangdong Teem Plaza comprises a shopping mall, an office building and a hotel. With a favourable location in the prime area of Guangzhou, Guangdong Teemall has a GFA and lettable area of approximately 160,000 m² and 106,000 m², respectively.

Situated at a convenient location above underground railroads, Tianjin Teem Shopping Mall is one of the leading shopping and leisure destinations in the renowned “Binjiang Dao – Heping Road” Commercial District in Tianjin, with a GFA and lettable area of approximately 205,000 m² and 140,000 m², respectively.



DEPARTMENT STORE OPERATION:

The Group’s Guangdong Teemall Department Stores Ltd.¹ (廣東天河城百貨有限公司) (“GDTDS”) and 廣州市天河城萬博百貨有限公司 (“天河城萬博”) are engaged in department store operation. During the reporting period, GDTDS and 天河城萬博 operated eight stores, namely Teemall Store, Wan Bo Store, Teemall Store – Beijing Road Branch, Ao Ti Store, Dong Pu Store, Dongguan Store, Nanhai Store and Tianjin Teemall Store, with a total lettable area of approximately 168,700 m² (2017: 183,400 m²).

ABOUT US



2.3 DESCRIPTION OF MAJOR BUSINESS SEGMENTS

HOTEL OWNERSHIP, OPERATION AND MANAGEMENT:

During the reporting period, the Group's hotel management team manages a total of 34 hotels (2017: 32 hotels), of which two are located in Hong Kong, one in Macau and 31 in Mainland China. Among the Group's five star-rated hotels, four are managed by our hotel management team, with the exception of Sheraton Guangzhou Hotel in Guangzhou, which is managed by Sheraton Overseas Management Corporation. During the reporting period, the average occupancy rate of Sheraton Guangzhou Hotel was 93.2% (2017: 90.8%) and that of the other four star-rated hotels was 76.9% (2017: 77.4%).



ENERGY PROJECT OPERATION:

The energy projects of the Group include the Zhongshan Power Project and the Yudean Jinghai Power Project. The ZTP Project has two 300 MW heat and electricity generators with a total installed capacity of 600 MW. Sales of electricity during the reporting period amounted to 2,794 million kWh (2017: 2,416 million kWh), representing an increase of 15.6%.

The Yudean Jinghai Power Project (in which the Group holds a 25% effective interest) has four power generators with a total installed capacity of 3,200 MW. Sales of electricity during the year amounted to 13,464 million kwh (2017: 12,896 million kwh), representing an increase of 4.4%.



ROAD AND BRIDGE OPERATION:

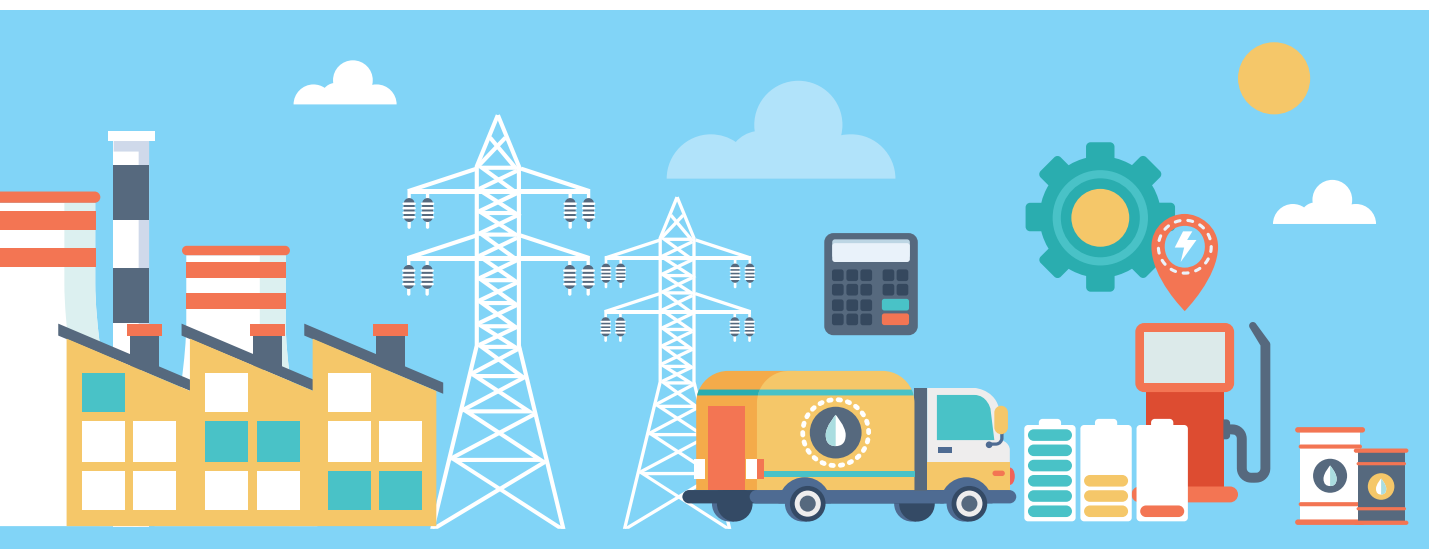
The road and bridge operation of the Group mainly represents the Xingliu Expressway Project in Guangxi Zhuang Autonomous Region. The expressway comprises a main line which is approximately 100 km in length and three connection lines (to Xingye, Guigang and Hengxian) with an aggregate length of approximately 53 km. The average daily toll traffic flow of the Xingliu Expressway was 22,447 vehicle trips during the year (2017: 20,859 vehicle trips), representing an increase of 7.6%.

ABOUT US



2.4 CORPORATE STRATEGY

While striving for green operation and sustainable development, the Group remains committed to enhancing the operational development of its existing businesses and expanding its core businesses in order to generate continuous and steady investment returns for shareholders. By optimising asset portfolio and enhancing capital operation, management standard and corporate governance, further fortifying competitive strengths and enhancing the market influence of the Group, we provide strong support for the enterprise's long-term, steady and sustainable development.



In line with its strategic development plan, the Group will continue to increase investments in water resources management, property and infrastructure business, and deepen the Group's understanding on ecological environment and biodiversity protection. The Group will also actively explore market investment opportunities in areas such as untreated water and municipal water supply, urban sewage treatment and integrated water environment management, improve the efficiency of project merger and acquisition as well as the ability of developing new business, in an effort to further improve its scale and strength in specialised segments.

Faced with the trend of globalisation, the Group will continue to capitalise on Hong Kong as an international financial centre, improve capital utilisation efficiency, strengthen capital management capabilities and foster effective value enhancement of capital. Meanwhile, the Group will optimise its human resources development and further improve the professionalism of its management. The Group will also step up its efforts in strengthening corporate culture in order to enhance corporate core competitiveness.

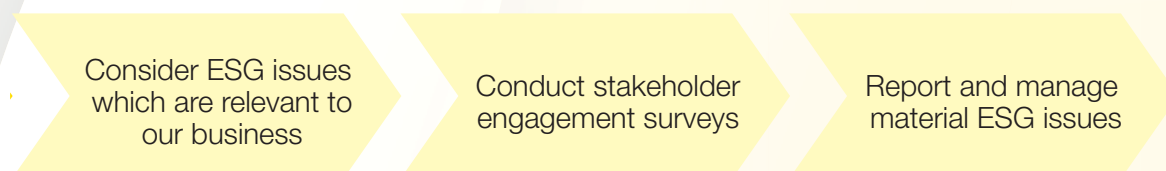
For more information on the business operation and financial position of the Group, please refer to the 2018 annual report of GDI, which is available for downloading at http://www.gdi.com.hk/en_US/investor-relations/financial-reports/.

3 CORPORATE SOCIAL RESPONSIBILITY STRATEGY

3.1 SUSTAINABLE DEVELOPMENT STRATEGY

As a responsible company, GDI believes that its operation aims to not only create value for shareholders, but also contribute to sustainable development of the Group and the society at large. Hence, in our decision-making process, we always take into account the work relating to sustainable development and stakeholder expectations. By establishing a regular communication mechanism for our stakeholders, we seek to convey the Group's vision and strategies on sustainable development to all our stakeholders via effective means and channels. In addition, different channels are mobilised to collect opinions and concerns from respective stakeholders on the Group's sustainable development efforts to enable the Group to formulate the directions and objectives for future work on sustainable development. During the year, we identified material ESG issues from two dimensions, namely, importance to stakeholders and importance to the business of GDI, and deployed scientific methodology to conduct assessment and analysis on those issues which serve as important reference for corporate decision-making.

Based on our development and with reference to the ESG Reporting Guide of the Stock Exchange, our 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. We also take this report as an important basis for reviewing the effectiveness and implementation of the Group's work regarding sustainable development. Accordingly, we have devoted great efforts to preparing this report in order to deliver a comprehensive disclosure of our performance for this financial year.

3.2 MANAGEMENT SYSTEM OF THE ESG COMMITTEE

The Board of Directors of the Company (the “Board”), being the highest decision-making body in the Group’s ESG structure, is responsible for the leadership, decision-making and supervision of the Group’s ESG performance. During the reporting period, GDI passed a Board resolution to approve the establishment of an ESG Committee (“ESG Committee”). The ESG Committee is chaired by the Managing Director of the Company and is composed of the Company Secretary, the Chief Financial Officer and senior management from all business segments. The ESG Committee resumes full responsibility for monitoring, coordinating and evaluating the Group’s risks on ESG-related issues and the direction of sustainable development strategies, and reports directly to the Board. Relevant departments have been established in GDI’s subsidiaries to implement various measures, collect information and report to the headquarters for coordination.

STRUCTURE OF THE ESG COMMITTEE:



CORPORATE SOCIAL RESPONSIBILITY STRATEGY



3.3 CONSIDERATION OF ESG ISSUES

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

WATER RESOURCES:



Environment and natural resources



Water 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

CORPORATE SOCIAL RESPONSIBILITY STRATEGY



3.3 CONSIDERATION OF ESG ISSUES

HOTEL 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

CORPORATE SOCIAL RESPONSIBILITY STRATEGY

3.4 STAKEHOLDER ENGAGEMENT PROCESS

We have identified the following stakeholder groups which are crucial to the investment and development of GDI based on the characteristics of our business segments. We have also formulated relevant engagement objectives and channels for each stakeholder group so as to obtain their advice on the ESG issues stated above.

Stakeholder groups	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	Familiarise with the latest laws and regulations Familiarise with 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 the management's decision-making Maximise investment returns for investors	Regularly publish financial and operating information and data Convene general meetings Communicate proactively to address investors' concerns
Employees	Gather employees' view on the Group's development Collect 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	Occupational health and safety training for employees Employee care Open recruitment Labour union of the Company 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 conform to business ethics	Compliant marketing communication Corporate information disclosure Product information disclosure Consumer complaints and feedback channels

Stakeholder groups	Engagement objectives	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
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 local environment	Organise public welfare events Strengthen communication with the community Integrate environmental protection elements into the course of design Engage in active exchange with the local government and organisations

In preparing the ESG report, we actively obtained advice from various groups of stakeholders through different channels to understand their concerns and recommendations on the ESG performance of GDI, which will be considered 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 that the stakeholders were most concerned with were then selected for disclosure in this report.

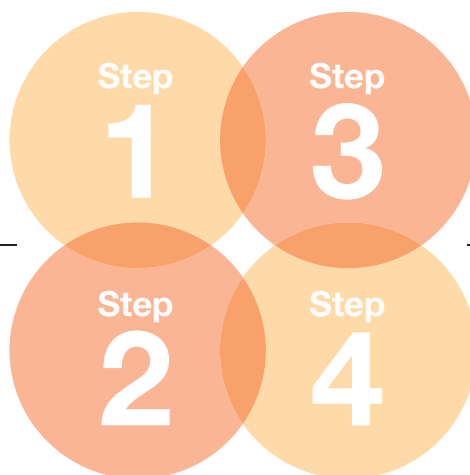
3.5 DETERMINATION OF MATERIAL ISSUES

Effective ESG management requires comprehensive identification and materiality analysis by a company on relevant issues, which lays a solid foundation for its management and information disclosure. GDI, through active communication with stakeholders and after taking into account the internal management's expectations of GDI's development, has identified and conducted materiality analysis and ranking of the following ESG issues from two perspectives, namely, "importance to stakeholders" and "importance to GDI's development" with the assistance of a third-party professional entity. The result from such materiality analysis formed 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 surveyed numerous internal and external stakeholders via various means such as questionnaires, phone interviews and face-to-face interviews. A list of the material issues following our analysis is set out below. Based on the above analysis, as compared with 2017, we have added two material issues, namely, ensuring water safety and ensuring product quality through smart water services, and have revised one original issue:

CORPORATE SOCIAL RESPONSIBILITY STRATEGY

Identify potential issues – screen out preliminary reference issues with reference to the ESG Reporting Guide of the Stock Exchange.

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



Rank the issues in terms of materiality – draw up the ESG materiality matrix based on the results of the questionnaire.

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	√
	Sewage treatment	√
	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)	√
	Water resources utilisation and water saving performance	√
	Use of raw materials and supplies (such as untreated water and fuels for power generation)	√
A3 The Environment and Natural Resources	Ensuring water security	√
	R&D and adoption of environmental protection technology (such as new environmentally-friendly processes and materials)	√
	Emphasis on biodiversity	√
	Compliance with relevant environmental protection laws and regulations	√
B1 Employment	Diversity of employee background (such as gender, age, region and ethnicity) and equal opportunity	√
	Human rights protection	
B2 Health and Safety	Safeguard employees' occupational health and safety	√

ESG aspects	ESG issues	Materiality issues selected
B3 Development and Training	Employees' remuneration package, development and training	√
B4 Labour Standards	Prohibition of child and forced labour	
B5 Supply Chain Management	Environmental performance assessment of suppliers/contractors/service providers	√
	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 Responsibility	Safeguard customers' health and safety	√
	Safeguard quality of products and services	√
	Safeguard intellectual property rights	
	Ensure product quality through smart water services	√
	Safeguard customers' privacy and personal information	
	Comply with laws and regulations relating to products and services	√
	Comply with laws and regulations relating to marketing	
	Handle customer complaints	√
B7 Anti-corruption	Anti-corruption	√
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)	√
	Impact of daily operations on the surrounding community	
	Comply with laws and regulations relating to the community	√

4 CORE ISSUES

4.1 COPING WITH SHORTAGE OF WATER RESOURCES

Freshwater is a precious natural resources. Clean and safe drinking water stands as an issue in many places around the world. One third of China is confronted with a serious shortage of water resources, which, coupled with rapid population growth, causes governments to set up policies and regulations on the total consumption, efficiency and function of water in order to tighten water resources management, which in turn, has resulted in higher operating cost of our water resources business. For instance, the State Council issued the Opinions on Implementing the Strictest Water Resources Management System in 2012, which sets out the target of limiting economic water consumption in China to 700 billion cubic metres by 2030. In addition, the rapid urbanisation in China has stimulated the demand for municipal tap water supply, with mounting pressure on untreated water supply and accelerated shortage of water resources.

As our water resources business relies heavily on sustainable water supply, we remain active in coping with the potential risks arising from “water crises” during our operation. Such water crises include water resources shortage and water pollution, which involve the quality of water resources and the sustainability of water supply and affect the operation of water companies. The water resources business of GDI is mainly undertaken by Guangdong Water Group (H.K.) Limited (“Water Group HK”) and Guangdong Yue Gang Water Supply Company Limited (“Yue Gang Water Supply”). Water Group HK is an integrated water company engaged in water businesses such as water supply and sewage treatment and it invests in and operates water projects. It serves such regions as Guangdong, Guangxi, Jiangsu and Hainan. Yue Gang Water Supply is responsible for the management of the Dongshen Water Supply Project, supplying and selling untreated water to Hong Kong, Shenzhen and Dongguan.

Firstly, we took the initiative to establish the Water Supply Management Policy of Guangdong Investment Limited and the water resources management plan, coupled with pipeline network monitoring to efficiently control pipeline leakage and damage. Special management systems have also been developed to incorporate risk management and enhancement of operations into our day-to-day work. Through technological research and development, we leverage technology platforms and approaches to improve water utilisation efficiency and prevent water pollution, with live monitoring of the key production indicators and processes of water companies. This provides technical assurance for timely and reasonable work allocation, all-rounded protection of sustainable water supply and lower operational risk in the long run.

Meanwhile, we encourage water conservation at source by developing small-scale equipment for drinking water and sewage treatment so as to adapt to scattered water demand, and promote mutual support from all parties. We are highly concerned about the impact of each operating segment on natural resources and the surrounding natural environment, actively exploring the utilisation of alternative water

resources. We also apply our expertise in the water resources business to arouse public awareness of water conservation, protection and treatment, boost public engagement and raise their water conservation awareness.

4.1.1 PROTECTION THROUGH MANAGEMENT SYSTEMS

Water resources segment has set a good example for safeguarding sustainable water supply, and has rolled out a human resources policy named the Personal Business Objective Commitment (PBC) Scheme, which pegs internal operation performance indicators to their personal performance.

To ensure consistent water resources management objectives of the water resources segment and the Company, the Company has formulated internal operational policies to improve water efficiency and the effectiveness of leakage control in pipeline networks. Our PBC Scheme is composed of quantifiable KPIs, key management themes, quarterly appraisal results and sub-items for adjustment. Based on the breakdown of strategic objectives and

CORE ISSUES

annual work focuses as provided in the balanced score sheet, apart from setting out market, finance and study results as our key management themes, we also assess waterworks and water environment management segments based on the indicators of water resources operations such as untreated water, tap water and sewage. These indicators include water leakage rate, water tariff adjustment and management of important project. Assessment results are strictly pegged to the remuneration of the persons in charge of respective subsidiaries, in a bid to encourage employees to pay attention to water shortage and improve the operational efficiency of water resources.

4.1.2 PROTECTION THROUGH TECHNOLOGICAL PLATFORMS

Municipal water supply pipeline networks are essential avenues by which water supply companies generate water supply and sale. Accordingly, leakage of such networks would cause considerable water wastage and direct economic losses. In order to reduce the leakage of and damage to water pipeline networks, water resources segment has established a strong

technical support team for pipeline networks following incessant attempts. More specifically, GDI's water resources segment collaborated with South China University of Technology and Harbin Institute of Technology to complete the development of leading domestic technology for testing and controlling pipeline network leakage. The project yielded 6 technical results, 3 breakthroughs in key technology, 7 authorised invention patents, 5 software copyrights, 3 new methods, 3 corporate standards, over 20 papers published domestically and internationally, and 1 book entitled Leakage Control Technology for Urban Water Supply Pipeline Networks. Also under the project, a number of management platforms for water supply pipeline networks have been developed, such as water supply pipeline network GIS, the Internet of Things system, the pressure control system, and the online modelling and analysis system. The results of the project have been widely applied to the companies under water resources segment and more than 20 tap water companies in Heilongjiang, Shanxi and other areas, saving over 47 million tons of water each year and production cost in excess of RMB23 million, generating enormous economic, social and environmental benefits.

Aside from pipeline network leakages, stable water supply is also affected by such adverse factors as climate change. Hence, the Dispatch Centre and the Information Centre of water resources segment jointly developed a real-time production monitoring system for the segment to timely grasp key production and operation indicators of all regional water companies, serving as a supporting platform for subsequent operation management and control.

During the severe drought in the first half of 2018, a nearly 60% decline in rainfall led to a spike in water intake among Hong Kong, Shenzhen and Dongguan users. Accordingly, the Company made a timely application to adjust the water intake plan, thus exceeding the water supply target and avoiding a fine on excessive water intake upon assessment. The Dispatch Centre worked with respective water supply management departments to analyse the water supply situation, conducted detailed surveys on the water intake dynamics of Shenzhen and Dongguan users, coordinated the water intake demand of Shenzhen and made an advance application to Dongjiang Bureau and the Water Resources Department of Guangdong Province to adjust the water intake plan so as to ensure stable tap water supply in Hong Kong, Shenzhen and Dongguan.

Water Resources: Safety Defence against Super Typhoon Mangkhut

Super Typhoon Mangkhut exerted its direct impact on Guangdong Province from 16 to 17 September 2018 as the most powerful typhoon affecting Shenzhen since 1983 and the “King of Storms” ever landing in China in 2018. At the critical moment when the Dongjiang Water Diversion Project suspended its power and water supply, the Group supplied an additional 0.7 million tons of water for Shenzhen per day to ensure normal water supply to Shenzhen residents in such adverse weather conditions.

4.1.3 REDUCING WATER CONSUMPTION

The Group makes full use of its operational advantages in waterworks and water environment management to proactively ensure water supply. In other operating segments, we explore the opportunities of improving the utilisation of water resources and reducing wastage. Besides, we have launched a variety of management measures and technological transformation projects for water conservation. Each segment has also launched its own water saving initiative, with water recycling technology adopted to ensure local water supply.

Property investment and development: Reclaimed water reuse system at Teemall

Teemall put in place the reclaimed water recycling and drainage system in 2008, reusing the “reclaimed water” through the sewage treatment system. In 2018, the sewage discharge of Guangdong Teemall was only 568,123.8 tons (2017: 649,196.8 tons) and successively met the Grade III Discharge Standard under Guangdong Province’s Discharge Limits of Water Pollutants (DB4426-2001).

By fully utilising the existing equipment, the scheme realised the reuse of reclaimed water and maintained the functions of the original design through pipeline modifications and installation of control valves. We will achieve water conservation and higher quality of sewage treatment and ultimately, the objective of reducing energy consumption and pollution.

To maintain a certain amount of water for reuse as reclaimed water, the project makes use of drainage pipes in the air flotation system and clean water intake pipes for the original sewage tank, by installing a DN-100 pipeline, six butterfly valves and stainless-steel mesh attached to the end of the drainage pipes of the

CORE ISSUES

sewage tank. The control via butterfly valves enables the reuse of reclaimed water and maintenance of the functions of the original design. Floating balls were set at a higher position in sewage tanks to enhance sewage treatment, additional recycling of industrial water and less water wastage.

Energy projects: Recycling of industrial water in ZTP

In compliance with the Water Law of the People's Republic of China, ZTP sets out its planned annual water consumption level at the beginning of every year according to the Management Measures on Planned Water Consumption Level, fills out and submits the Form of Annual Planned Water Consumption Level to Xijiang River Basin Administration of Guangdong Province for approval. The Company strictly controls the water consumption of the entire factory in accordance with the approved water consumption level. Up to 2018, the Company had not exceeded the planned water consumption.

The Group has applied its expertise and experience towards building a water recirculating system for each point of operation in ZTP. After cooling the main auxiliary equipment, the cooling industrial water then flows into the front pool of the cooling tower in the water recirculating system to make up the recirculating water of the cooling tower. In addition, the drainage water from the supplementary steam system and the impressurised water discharged from equipment and pipes flows into drainage trays of the power generation unit before being pumped into industrial wastewater tanks via the lifting pumps of the drainage trays. As such, the drainage water enters the industrial wastewater treatment system for water quality treatment.

In the industrial wastewater system, water undergoes a series of filtration before reaching neutralisation tanks for further treatment. Then, the water is ready for use on ash removal, electrical precipitation, and flushing of the ground of ash silos and coal transporting trestles.

Road and bridge business: "Resources Conservation Starts with Me" at Xinchangjiang Company

Xinchangjiang Company initiated an activity themed "Resources Conservation Starts with Me" which stressed on saving water, electricity, fuel and office supplies, in a bid to build a resource-saving enterprise. In 2018, Xinchangjiang Company consumed a total of 24,850 tons of water, representing a decrease of 5,996 tons as compared to 2017. Xinchangjiang Company also strictly controls wastewater discharge from construction activities, specifying that concrete mixing stations shall be equipped with 3-level sedimentation tanks and untreated sewage generated at the industrial site shall not be discharged directly into rivers. During 2018, Xinchangjiang Company recorded a decline in sewage discharge of 712 tons in aggregate, no environmental pollution incidents, and no complaints, fines or sanctions over environmental pollution or breach of environmental regulations.

4.1.4 IMPROVING WATER-SAVING AWARENESS

China's rapidly growing population has created extra demand for water resources as well as pressure on water supply. To improve water supply efficiency, we have been promoting among citizens knowledge on water conservation, protection and treatment in an effort to translate concepts into concrete actions. We consider that water management according to law is closely connected to improving the legal awareness of all people, the key of which is to achieve harmony between mankind and water.

Water resources: Open Day of the Dam of Shenzhen Reservoir, World Water Day and China Water Week

22 March 2018 was the 26th World Water Day, while 22 to 28 March was the 31st China Water Week. For this year, the United Nations confirmed that the theme of World Water Day was “nature for water”, and the theme for China was “implementation of national water-saving initiative and building a water-saving society”.

To allow more citizens to understand the importance of environmental protection, Yue Gang Water Supply opened the Dam of Shenzhen Reservoir to citizens on 24 March 2018. We co-organised the activity of “Protecting rivers with old and young” with the Environmental Protection and Water Resources Administration of Luohu District and Southern Metropolis Daily. We recruited over 200 citizens from 55 families citywide to form “Small droplet” parent-children water-protection teams to visit the Dam of Shenzhen Reservoir which is rarely open to the public and enjoy a bird’s eye view of the most picturesque scenery of Luohu.

By joining this activity, the participants not only appreciated the contribution by Yue Gang Water Supply to Shenzhen’s water supply and water quality protection at a close distance, but also understood the status-quo of urban water consumption in Shenzhen. Thus, they also came to realise that every citizen has his role in protection, conservation and comprehensive utilisation of water resources.



4.2 LOW-CARBON OPERATION FOR A CLEAN AND WELL-PROTECTED ENVIRONMENT

With climate change as a top concern around the globe, international organisations and governments have been engaged in continuous discussions to establish common objectives for carbon emissions reduction and search for effective mitigation measures to decelerate climate change and the series of unexpected risks arising therefrom on environment, society and economy. As early as 2013, China has formulated a number of policies for controlling carbon emissions and energy consumption, in response to the Paris Agreement signed at the United Nations. Among such policies are pilot programmes for regulating regional carbon emissions in first-tier cities such as Shenzhen, Beijing and Shanghai, with the target of reducing carbon dioxide emissions per unit of GDP by 40% to 45% by 2020 as compared to that in 2005. Under such programmes, energy consumption

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and carbon emissions are pegged to economic development performance in a bid to mobilise society and businesses to support emissions reduction.

The investments and operations of GDI are mainly located in Mainland China. As an industry leader and a responsible social citizen, GDI actively responds to low carbon and environmental protection initiated by the country, with the goal of continuously ramping up energy efficiency and reducing emissions in the operation of all business segments to mitigate the environmental risk arising from its operations.

According to the 13th Five-Year Plan of China and the growing maturity of the carbon trading market, passive carbon reduction and excessive carbon emission will bring additional risks in finance, reputation and operating efficiency to businesses. In view of this, the Group has formulated a number of environmental policies and regulations to manage its energy consumption indicators, technological development, equipment monitoring and other daily routines during its operation. It also has a comprehensive grasp of effective management of carbon emissions throughout corporate development process.

Greenhouse gas emissions	Unit	2018	2017
Water resources ⁽¹⁾			
Greenhouse gas emissions – Scope 1	tons of CO ₂ e	496.36	
Greenhouse gas emissions – Scope 2	tons of CO ₂ e	304,685.78 ⁽⁴⁾	280,006.06 ⁽⁵⁾
GD Teem and its subsidiaries (“GD Teem Group”) ⁽¹⁾			
Greenhouse gas emissions – Scopes 1 and 2	tons of CO ₂ e	37,411.49	43,314.01
Greenhouse gas emission per unit area	tons of CO ₂ /m ² of area in operation	0.056	0.065
Hotels ⁽¹⁾			
Greenhouse gas emissions – Scopes 1 and 2	tons of CO ₂ e	5,500.92	8,257.97
ZTP ⁽²⁾⁽³⁾			
Greenhouse gases – Scope 1	tons of CO ₂ e	3,393.52	2,541.03
Greenhouse gases – Scope 2	tons of CO ₂ e	383.83	2,428.99
Greenhouse gases – Scope 3	tons of CO ₂ e	/ ⁽⁶⁾	34.72
Xinchangjiang Company ⁽¹⁾			
Greenhouse gas emissions – Scopes 1 and 2	tons of CO ₂ e	734.78	844.32
Hong Kong headquarters ⁽¹⁾			
Greenhouse gas emissions – Scope 2	tons of CO ₂ e	84.21	/ ⁽⁷⁾

Notes:

- Carbon emissions are calculated at the gross electricity consumption based on the emission factor of China Southern Power Grid and the gross consumption of diesel and petrol. Carbon emissions of the Hong Kong headquarters are calculated based on the disclosure guidance of the Hong Kong Stock Exchange.
- Carbon emissions are estimated in accordance with the Guidelines on Accounting and Reporting of Greenhouse Gas Emissions from China's Power Generation Enterprises issued by the National Development and Reform Commission of China.
- The annual sales of electricity of ZTP in 2018 increased by 15.6% as compared with 2017. As a result, Scope 1 greenhouse gas emission is slightly higher than that of 2017.
- The amount of untreated water supply, urban water supply and sewage treatment of the water resources segment in 2018 have each increased in varying degrees as compared with 2017. As a result, Scope 2 greenhouse gas emission is slightly higher than that of 2017.
- The greenhouse gas emissions data for the water resources segment in 2017 only covers Scope 2 data.
- No separate disclosure was made due to the relatively small proportion of greenhouse gas emissions under Scope 3, as ZTP further promoted paperless office and video conferencing to reduce office paper consumption and employee travel in 2018.
- This is not applicable to 2017 as the greenhouse gas emissions of the Hong Kong headquarters is a new addition to the disclosure indicators under a further enlarged disclosure scope in 2018.

4.2.1 WATER RESOURCES SEGMENT

Our water resources business provides quality water resources services for tens of millions people in Southern and Eastern China. As an important utility enterprise in China, we have been exempted from key energy consumption review by the competent energy conservation authorities in Shenzhen due to our improvement in water supply efficiency and sustained outstanding performance through enhanced self-management. However, from the perspectives of energy conservation and efficiency enhancement, corporate social responsibility and favourable national policies, we remain strict in regulating the energy consumption and other environmental impacts of our water treatment technology. In 2018, we engaged a third-party energy conservation service provider to analyse and diagnose the energy consumption processes of projects within our scope such as energy generation, purchase, storage, conversion, utilisation and loss. Such analysis and diagnosis verified the high efficiency and leading performance of our main energy-consuming equipment such as pump units and air blower units, and identified potential energy-saving opportunities. We have also prepared relevant action plans, such as phasing out obsolete auxiliary generators and renovating lighting systems to continuously improve energy consumption level and avoid unnecessary wastage and emissions.

In addition to improving equipment efficiency, we control the monitoring indicators for energy consumption per unit in our daily production and operation according to the Regulations on Standard Configurations of Pump (Power) Stations of Water Group. Faced with environmental changes such as adverse weather, flood control dispatching and the quality of untreated water from Dongjiang River, we maintained high efficiency in energy consumption. In 2018, the energy consumption per unit of our systems water withdrawal function amounted to a low level of 3.75 kwh/kT·m, much lower than 5kwh/kT·m required under the national Code of Technical Management for Pumping Stations.

Based on system documents such as the Comprehensive Budget Management Measures and the Power Costs Management Measures, we optimised the dispatching and operation of water withdrawal by our water supply systems to align with the tariff mechanism during peak/base load periods for large-scale industrial power consumption in Dongguan. We have adopted

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the following different dispatching plans during peak/base load periods to reasonably allocate production resources, save the power costs for project operation and reduce energy wastage, thereby mitigating the carbon emissions caused by power wastage and attain a mutually beneficial relationship with power generation enterprises:

1. Water withdrawal takes place at the maximum design flow of water supply projects during the base load period with the lowest tariffs;
2. Water withdrawal takes place at the minimum design flow of water supply projects during the peak load period with the highest tariffs, provided that the demand of customers within the area is met;
3. Water withdrawal takes place according to the daily water demand of customers within the project area during other periods with ordinary tariffs.

During its actual operation, the Dispatch Centre will optimise its arrangement of water withdrawal flow at different time slots each day, taking into account the conditions of equipment, maintenance arrangements as well as the need for flood and storm prevention of pump stations at different levels. In recent years, we have saved approximately RMB17 million in power costs annually through optimised dispatching.

In as early as the 1980s, we have started to utilise new energy to generate power for our own use. Small hydropower stations have been constructed within the reservoir area to generate electricity by leveraging water level differences and supply approximately 20 million kwh of electricity each year, which accounted for approximately 5% of gross electricity consumption in the water resources segment. Driven by market development, we have considered incorporating

renewable energy into the energy mix of our projects, for instance, piloting solar power pump stations as well as designing and installing photovoltaic solar power generating units on the roofs and in the corridors of our buildings, with a view to further enhancing the environmental value of our production process and reducing emissions and pollution caused by energy consumption.

WATER RESOURCES: ENERGY-SAVING OR TECHNOLOGICAL TRANSFORMATION PROJECTS IN 2018

In 2018, we replaced 70 sets of 400W metal halide lamps in Zhangyang Aqueduct with 100W LED lamps; and approximately 1,000 20W fluorescent lamps in our Tangxia Office were replaced by 12W LED light tubes, saving a total of approximately 97,090 kwh of electricity each year.

4.2.2 ZTP

Pursuant to a series of national and provincial policies, 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., which are appropriate to its own development. The standards set out the management functions, scope of supervision as well as the content, monitoring and assessment of various supervision items 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.

When refurbishing the power plant in 2016, we designed all the units of equipment in line with the national ultra-low emission standards. Our current

energy consumption per unit of electricity production is as low as 320 grams of standard coal, 24% lower than 420 grams of standard coal as required by the national standards. In addition to measures for strict control of carbon emissions, we also actively coordinated with the pilot programme of carbon trading in Guangdong Province, pursuant to which, Guangdong Provincial Development and Reform Commission allocates carbon dioxide emission quota based on the actual situation every year to minimise emissions through different technological transformation projects or actions. When the carbon dioxide emissions of a power plant exceed its quota, we will purchase surplus quota from other enterprises via the carbon trading exchange to assume responsibility for its own carbon emissions and environmental impact. From the fourth quarter of 2017 to the second quarter of 2018, ZTP conducted a clean production audit on its overall operation and worked out a number of energy conservation and emissions reduction plans with strong support from various departments. After detailed communication with consultants, the plans were completed and submitted to Zhongshan Environmental Protection Bureau. In June 2018, ZTP passed the clean production audit at the on-site appraisal meeting for clean production and received praise and recognition from experts.

Energy projects: Synchronised heat, cold and electricity supply

Since the renovation and expansion of the power plant in 2016, we have begun to apply residual heat to the heating and cooling of offices and other spaces in the power plant. During the refrigeration cycle of our lithium bromide air conditioning units, lithium bromide solution absorbs residual heat to generate water vapour. During the cycle of condensation of water

vapour into water, chilled water is generated through heat and cold exchange. Such chilled water is then transported to coils in offices, production control rooms and dormitory buildings through water pumps to replace electricity-powered air conditioners to lower temperatures whilst achieving energy conservation and emissions reduction. On the other hand, we increase the water temperature through the heat exchanger of the heating equipment, with hot water transported to offices, production control rooms and dormitory buildings through water pumps for the purpose of heating in lieu of energy-consuming electric heaters, thus slashing power consumption in the plant area.

4.2.3 OTHER BUSINESS SEGMENTS

Property investment and development:

In 2018, Teem Tower won the LEED O+M V4 (LEED: Operations & Maintenance) platinum certification. A dynamic ARC platform is leveraged to reflect the environmental impact of carbon emissions by buildings in a more intuitive manner. For the first time, energy indicators include both cost and greenhouse gas emissions for assessment, with more stringent requirement on energy conservation and consumption reduction, which represents the highest benchmark for green buildings at current stage.

Property investment and development: Energy management achievement with LEED platinum certification

Teem Tower in Guangzhou won the first dynamic LEED platinum certification (LEED: Operations & Maintenance) in South China. Our intensified examination of the energy consumption system of the building aimed at improving the performance of

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the key energy consumption systems of the project, with a series of optimisation strategies put forward for energy-saving purpose.



leverage various energy combinations such as electricity and water cooling to minimise unnecessary energy consumption and emissions, while maintaining service quality. At the same time, every employee of our hotels intensifies energy conservation, help improve the power consumption management system and cultivate the habit of saving electricity.

Road and Bridge:

We have boosted our investment in energy conservation and environmental protection for the goal of constructing green and eco-friendly expressway. In 2018, we replaced the obsolete lamps in office with LED energy-saving lamps, with a new heat dissipation system installed for air cooling to improve the efficiency of power utilisation. With focus on “Starting with every individual for energy saving, emissions reduction and low-carbon life”, Xinchangjiang Company carried out an activity themed “Energy conservation starts with me” for building a resource-saving enterprise, with emphasis on saving water, electricity, fuel and office supplies. Compared with 2017, the company recorded a decline of approximately RMB46,700 in electricity expenditure, 11,369.40 litres in vehicle fuel consumption and RMB25,600 in vehicle refuelling cost in 2018.

Hotel Ownership, Operation and Management:

Every year, we conducted planning such as preparing energy budgets, objectives and work summaries for our hotels. We pay particular attention to electricity and other fuel consumption. All domestic hot water in our hotels (including all guest rooms) comes not from fuel consumption, but entirely from heating by the residual heat of air conditioners. A plate heat exchange unit system is installed in the air conditioning unit system to enable the heat generated by air conditioners to circulate continuously through heat exchangers and the domestic hot water system. Our heat exchangers



4.3 ECOLOGICAL CONSERVATION IN A HARMONIOUS AND MUTUALLY BENEFICIAL MANNER

Biodiversity is an essential condition for mankind survival, the foundation of economic and social sustainability and the guarantee of ecological safety. As early as 1992, China signed and acceded to the Convention on Biodiversity, and formulated and updated its national strategies, plans or programmes according to the national conditions. In 2010, the General Assembly of the United Nations designated 2011-2020 as the United Nations Decade of Biodiversity. Accordingly, the State Council established the National Committee of China for the International Year of Biodiversity 2010 (later renamed as the International Committee for the Conservation of Biodiversity in China) in 2010, which held a meeting to consider and pass the China Action Plan for the International Year of Biodiversity and the China Biodiversity Conservation Strategy and Action Plan (2011-2030), coordinated the national biodiversity conservation, guided the China Action in United Nations Decade of Biodiversity, and mapped out the blue print of overall objectives, strategic tasks and priority actions for biodiversity conservation in China in the next 20 years.

4.3.1 ACTIVE IMPLEMENTATION OF NATIONAL STRATEGIES

Enhancing biodiversity conservation is an essential component of developing ecological civilisation and a significant starting point for high-quality development. Against such background, we have taken the initiative in assuming our corporate social responsibility and sought a balance between corporate development and protection of ecological environment. We have actively devoted ourselves to national biodiversity conservation and governance, procuring the government to establish the Shenzhen Dongshen Water Source Protection Office, investing in human and material resources to actively assist and participate in the government's ecological environmental protection work, and putting forward management proposals on the protection of water sources to help protect the ecological environment of water sources. In addition, we have collaborated with universities to propose specific implementation plans for ecological environment protection and restoration of water sources and issue research reports. At the same time, we have conducted comprehensive assessment of soil and water conservation programmes and environmental pre-assessment for new projects focused on local communities and residents and local ecological protection, thus protecting local land resources and biodiversity in a systematic fashion.

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4.3.2 ECOLOGICAL CONSERVATION PRINCIPLES

We always adhere to the basic principles of biodiversity conservation, including conservation as a priority, sustainable use and public participation. We have taken the initiative to formulate the Biodiversity Protection Policy of Guangdong Investment Limited, as we commit to give priority to biodiversity protection in our corporate development, mitigate the impact of our operational activities on the ecological environment and actively facilitate the recovery of the ecological system. Our work on biodiversity protection has been integrated into our daily project construction, management and operation, together with targeted training to allow employees and stakeholders to attach greater importance to such work. Meanwhile, we take active measures to effectively protect important ecosystems and ecological species and ensure the safety of ecosystems. In the process of operation and development, it is forbidden to develop ecological resources in a destructive manner. Instead, we promote and facilitate the sustainable use and development of ecological resources and actively cooperate with universities and other scientific research institutions to make rational and orderly use of ecological resources by applying scientific development concepts. At the same time, we strengthen the publicity and education of biodiversity conservation within the enterprise, actively guide the participation of stakeholders and establish an effective mechanism for comprehensive biodiversity conservation.

The Guangdong Provincial Government promulgated the “Administrative Measures for the Dongshen Water Supply Project of Guangdong Province” (the “Administrative Measures”) in 1994. However, with economic and social development and the changes in the management system, the original Administrative Measures can no longer meet the needs of ecological environment protection for project management against the existing background. Yue Gang Water Supply and the Guangdong Provincial Legislative Affairs Office and the Water Resources Department jointly conducted a study on and drafted the revised version of the Administrative Measures. In response to the actual difficulties encountered in project management, the clauses in the Administrative Measures in relation to determining the scope of project management and ecological protection as well as water quality protection have been refined and clarified under the existing framework, which improved the operability of the project management measures. For example, the determination the scope of project management and ecological protection are more specific and detailed than the Provincial Water Conservancy Project Management Regulations and the Administrative Measures have been supplemented by prohibited behaviours in the scope of project management and ecological protection; the new Administrative Measures have also identified the scope of ecological protection for the protection zone of drinking water sources in principle, with clear stipulation of some prohibited behaviours critical to the protection and management of water sources and quality, which served as protection wall for water quality management and supervision of the Dongshen Water Supply Project.

Water resources: Enhancing the awareness of ecological protection through water plant open day

On 23 March, Yizheng Gangyi Water Supply Company Limited organised the “Water Plant Open Day”, in which more than 40 teachers and students from Yizheng Experimental Primary School visited the plant area and central control room of Hongqiao Water Plant. Through the activity, the students came to understand the extensive meaning behind “cherishing every drop of clear water for a beautiful future”, as well as the importance of saving water and protecting water sources.

On 22 November, Dongguan Qingxi Guangdong Water Co., Ltd. (“Qingxi Guangdong Water”) held the water plant open day themed “Source of Life, Water in Qingxi”, and invited teachers and students from Qingxi Middle School to visit the fifth water plant and experience the production process of “water of life” at zero distance. Through the visit, the students learned that the untreated water flowing into the water plant through the pipeline would go through a series of processes, such as mixing, reaction, sedimentation, filtration and disinfection, and rigorous testing to meet various indicators before being supplied to numerous households through the water supply network. The students gained a deeper impression and trust in the water supply service of Qingxi Guangdong Water. The students expressed that in the future, they must cherish water resources, save water, make scientific use of water, and call on people around them to protect the environment of water resources.

4.3.3 PROTECTION AND INSPECTION OF WATER SOURCES

In order to facilitate the improvement of ecological environment, the state implements an accountability system to meet the targets for protecting ecological environment, with annual targets and assessment schemes prepared for local governments regarding protection of ecological environment. In accordance with the requirements of relevant laws and regulations, the Shenzhen Municipal Government invested in the construction of fences for Class I water conservation zones, and Yue Gang Water Supply actively cooperated in such projects by offering to undertake the construction and management of the fencing projects for two reservoirs. In addition to successfully completing the fencing projects for two reservoirs through close cooperation with the government, Yue Gang Water Supply undertook the daily management and maintenance works of the fencing projects and the land within Class I water conservation zones upon completion of the projects.

Yue Gang Water Supply has actively advanced the implementation of regular inspection of water sources, and established the joint mechanism of Dongjiang and Dongshen water source protection in a top-down manner together with government authorities such as Shenzhen Dongshen Water Source Protection Office, Luohu District Bureau for Environmental Protection and Water Affairs and Luohu District Donghu Sub-district Office with a view to offering timely and effective assurance of water quality.

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Leveraging regular environmental inspection and full implementation of the River Chief System¹, Yue Gang Water Supply extensively assisted government authorities in water quality protection for the Dongshen Water Supply Project. At Yue Gang Water Supply, regular meetings were held every quarter to study water source protection. Furthermore, a number of joint law enforcement operations took place in the form of unscheduled onsite joint inspection and the establishment of instant-messaging working groups, pooling efforts from different parties to protect the ecological safety of water sources and effectively promoting the water source protection of Shenzhen Reservoir.



Note:

¹ River Chief System was initiated jointly by Shenzhen Spring Environmental Protection Volunteer Association (深圳市綠源環保志願者協會) and Shenzhen Evening News, with an aim to enhance public participation and social scrutiny of water pollution prevention by establishing “Shenzhen Civil River Chief System” in order to facilitate the continuous improvement in water quality of Shenzhen rivers.



4.3.4 IMPROVEMENT OF ECOLOGICAL ENVIRONMENT AND RECOVERY OF HABITATS

Water resources segment vigorously cooperates with universities. It has signed service cooperation agreements with a number of universities such as Tsinghua University, Sun Yat-Sen University, Tongji University, Harbin Institute of Technology, South China University of Technology, Jinan University and Chongqing University to form an industry-university-institution alliance (產學研聯盟) to work on improving ecological environment and habitat restoration.

Since 2011, water resources segment has been cooperating with the Institute of Hydrobiology, Jinan University in the field of water ecological management, such as carrying out the research projects of “A Study on the Countermeasures against Cyanobacteria Bloom Risks in Shenzhen Reservoir and Yantian Reservoir” and “A Study on Water Ecological Maintenance Technology of Dongshen Water Supply Reservoir”. In 2018, GDI’s water resources segment and Jinan University officially established a long-term consulting service relationship, under which Jinan University shall

provide us with technical support in water ecological management and issue a “Water Ecological Evaluation Report of Dongshen Water Supply Project” every year. With the help and guidance of scientific research institutions, we have studied ecological fish farming, ecological scheduling and ecological monitoring, formulated the Eco-fish Management Measures and the Water Quality Scheduling Plan and set up the online water quality monitoring system of Dongshen Water Supply Project.

4.4 ENSURING OUR DIVERSIFIED BUSINESSES’ PRODUCT QUALITY AND SAFETY

As an enterprise with diversified business lines, we are exposed to risks arising from product safety and quality. Hence, we have incorporated product service and quality, environmental health and safety into the Policy on Quality, Environmental Health and Safety Management of Guangdong Investment Limited. For the water resources segment, in particular, we remain committed to proactively and effectively managing the quality and safety of our water supply engineering works, with meticulous monitoring over water supply quality to ensure the quality and safety of our water supply. Water is the source of life and one of the indispensable resources that mankind depends on for survival and development. However, with rapid socioeconomic development and the acceleration of the urbanisation process, the issues of water pollution and imbalanced water supply have become increasingly prominent. As an enterprise mainly engaged in water resources business, we are

well aware of our vital responsibilities for ensuring water quality and safety. At the same time, confronted with conspicuous contradiction between China’s socioeconomic development and water environment resources, we hope to address the quality and safety issues of aquatic products through technological approaches and visionary perspectives. Smart water services are expected to become an important way to alleviating water shortages, addressing water environment issues and ensuring water safety.

We are greatly concerned about the interaction with consumers, pay attention to user experience and constantly improve the quality of the Group’s products and services so as to meet consumer expectations.

4.4.1 SUPPORTING WATER SAFETY WITH SMART WATER SERVICES

Supported by information technologies such as the Internet of Things, mobile internet, big data and cloud computing, smart water services strengthen the refined, dynamic, digitalised and systematic management approaches to water production, operation, management and control, service provision and decision-making, offering management and decision-making support to water enterprises in terms of the production, operation, management and control and service and ultimately promoting the sustainable development of urban and social ecological civilisation.

In the water resources business segment, we further strengthened our internal control based on the ISO 9001 quality management system certification we obtained. We have incorporated quality management into the Water Quality Management Policy of Guangdong Investment Limited and the Management

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Concepts of Water Group, and issued internal policies such as the Urban Water Supply Quality Monitoring and Management Guidelines of Water Group, the Evaluation Indicator System of Standardised Operation and Management of Water Group, the Technical Regulations for Operation and Management of Urban Sewage Treatment Plants of Water Group and the Regulations on the Management of Urban Water Supply Pipeline Networks of Water Group, and required implementation of these regulations by water companies engaged in untreated water supply, tap water supply and sewage treatment and by newly acquired water companies.

A series of factors such as water source pollution, backward water treatment process, obsolete pipeline networks and secondary water supply pollution seriously threaten the quality and safety of water supply. Smart water services can build a comprehensive water management system covering the whole process by using the new generation of information technologies, sensor technology, communications technology and algorithm technology to provide close monitoring, accurate analysis and quick response to ensure the safety of water supply and consumption. Our smart water service system strictly monitors the quality and safety of water supply

throughout the stages of production management, water supply services as well as operation and control.

- **Untreated water and water safety:** Untreated water is the starting point in the production process of tap water. Since the safety of untreated water has the greatest impact on the quality of tap water, it is particularly critical to monitor the status of untreated water with advanced technologies. We have introduced the globally advanced automatic monitoring technology in the Dongshen Water Supply Project which has a water supply capacity of 8.64 million tons per day and established comprehensive systems encompassing dam safety monitoring, automatic monitoring and reporting of water conditions, water supply metering and remote transmission, satellite nephogram and video monitoring, covering all the fields of untreated water supply and management and therefore providing safe and robust guarantee for the transportation of untreated water. In addition, the Dongshen Water Supply Project has built the world's largest biological nitrification project with a daily treatment capacity of 4 million tons, which played a major role in improving the water quality of and assuring emergency response for untreated water.



Water resources: The largest untreated water pre-treatment project in the world – biological nitrification project

- **Water treatment and safety:** We have developed the optimised iterative learning and intelligent control for the whole feedback control process of clean water production, and established an overall solution for automatic control, intelligent optimisation and emergency response to improve water safety and reduce operating costs of water plants. In terms of water quality and safety control, we have a Water Environment Monitoring Centre certificated by China National Accreditation Service for Conformity Assessment (“CNAS”) which possesses 555 water quality testing capabilities and covers three major domestic standards for water quality (surface water, drinking water and urban sewage testing). We have also established a water quality monitoring network for project companies across the country. At the same time, in order to solve the problem of difficult detection of water odour, we will build a domestic database platform for water odour which will be open to the society. The completed database will provide the information of more than 700 odorous substances to facilitate the identification of causes behind such odours. In addition, we have established an early warning and forecast platform on water quality throughout the whole area to ensure water safety. The Water Environment Monitoring Centre also publishes the “Water Quality Monitoring Programme for the Dongshen Water Supply Project” every year. The water quality monitoring includes two levels of manual testing (laboratory testing and on-site testing) and online testing (testing of the water intake of the project and the water quality of the two regulating reservoirs) to have live updates on important water quality standards of water intake and supply and ensure the quality and safety of water intake and supply.

Water resources: Monitoring emerging micro-pollutants to fill domestic gaps

In addition to the 86 monitoring standards of the World Health Organisation’s Drinking Water Quality Guidelines (Fourth Edition) and the 15 water quality standards of the United States, Japan, Australia and the European Union, water resources segment has expanded the testing scope to the monitoring of emerging micro-pollutants which receive extensive social attention, such as environmental oestrogen, medicine and antibiotics, disinfection by-products and odour-prone substances, which are not included in such standards. At the same time, the “Determination of 6 Environmental Oestrogen Compounds in Water-Solid Phase Extraction – High Performance Liquid Chromatography – Tandem Mass Spectrometry”, the first testing technical standard compiled by water resources segment as a local standard in Guangdong Province, fills the gap in the use of liquid chromatography tandem mass spectrometry in environmental oestrogen detection in China.

Water resources: Smart operation and monitoring system

Water resources segment has built a unified system of KPI indicators for water operation. The system integrates operational data in the fields of customer service, water quality, finance and safety and covers all the water companies in various locations so that each company can establish its own enterprise-level database to perform analytical process for key indicators, production management, operational management, customer service management, performance management and basic information, with the aim of improving the promptness, efficiency, reliability and convenience of operation and management at all levels as well as assisting operation

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and management staff in identifying business opportunities and operational risks in a timely manner.



Water resources: Smart early warning platform for water quality

Water resources segment has incorporated the water quality system of water supply and the water quality data of all its water companies into a unified management platform. Such a smart water platform is equipped with functions such as daily management, water quality monitoring and early warning as well as system management, delivering one-stop centralised water quality management for the water supply of all water companies.



- Pipeline network and water safety: In response to the common issue of high leakage rate among urban water supply networks, we have developed a dynamic modelling technology for pipeline networks. Based on the real-time updating mechanism of basic data from the hydraulic model of water

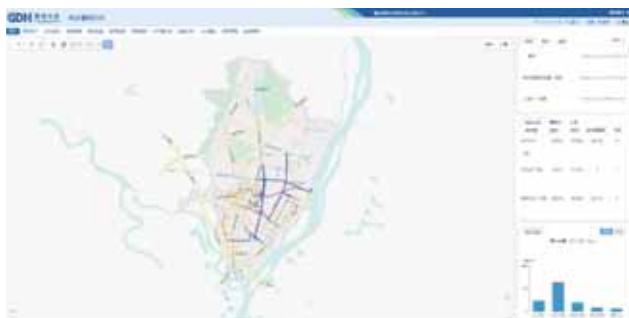
supply pipeline networks, such technology realises automatic checking of the pipeline network model to ensure the real-time and accuracy of modelling results. This technology helps us reduce the number of pipe burst cases in an effective way, improve the quality of water supply and make water supply systems more sustainable and reliable as well as upgrade the management and service quality of the water supply system.

Water resources: Supporting pipeline network leakage management through smart water services

Water resources segment has a strong research team for pipeline network technology. Leveraging major industry-university-institution projects at the provincial level and national “Special Water Projects”, the team stresses on independent innovation and has developed a number of leakage management and control technologies for pipeline networks, such as zone metering, pressure management and leakage warning. Among them, relevant technologies have been verified as internationally advanced. The team has also published a monograph titled Technologies to Control Urban Water Supply Pipeline Network Leakage and developed multiple water supply network management platforms, including water supply pipeline network GIS, the Internet of Things system, pressure management system, online modelling analysis system etc. The application of scientific technologies and platforms, together with well-regulated management standards and measures, has led to a continuous decline in leakage rates of pipe networks: Xuyi Guangdong Water Company Limited in Jiangsu recorded a leakage decrease of 6.6 percentage points within one year after joining the water resources segment and the leakage rates of water supply pipeline networks in such water companies as Nansha, Qingxi and Zhaoqing High-tech Zone were controlled within 10%.

Water resources: Smart pipeline management systems

By making full use of Geographic Information System (“GIS”) technology, water resources segment comprehensively collated the spatial graphic data on pipelines and ancillary facilities of water supply enterprises in terms of water production, delivery, distribution and consumption, on top of which a standard GIS data model was worked out for water supply pipeline networks. This creates a unified spatial database cluster of geographical information regarding pipeline networks for the water resources segment, providing information-based application support for water companies in different areas in the management of pipeline network assets, pipeline network planning and design, pipeline network monitoring, DMA zoning management and the inspection, repair and daily maintenance of such networks.



- Secondary water supply and water safety: We have been strengthening the joint participation of property services and users to pursue unified construction and management from the source, advocate water quality assurance from “source to faucet” and work to improve the quality of secondary water supply. Through synchronised adjustment of water supply pipeline networks, energy consumption management and big data analysis applications, we aim to ensure the safety of smart secondary water supply and drinking water for the future.

Water resources: Real-time monitoring of water quality and safety and making proactive response to sudden events involving water quality

Water resources segment has established a water quality monitoring network in more than 20 project companies in four provinces, municipalities and autonomous regions nationwide. The network, based on the Shenzhen Data Centre LIMS and the water quality real-time monitoring system, provides cloud application services for each project company, such as information-based laboratory management, water quality data analysis, online monitoring and early warning, to help improve the capability of the project subsidiaries to respond to water quality emergencies swiftly.



In addition, we actively responded to the increasingly stringent national emission standards by carrying out renovation projects to enhance our sewage treatment plants in Meizhou, Kaiping and Wuzhou, so as to improve the effluent quality.

CORE ISSUES

Water resources: Renovation Project for Wuzhou First Sewage Treatment Plant (梧州第一污水处理厂)

In response to the environmental protection policies of central authorities and the Wuzhou local government, and to protect the quality of drinking water sourced from Xijiang River, we launched a renovation project to enhance and expand Wuzhou First Sewage Treatment Plant in 2018. With the MBR (UCT) technique in place, the project is able to increase its sewage treatment capacity to 100,000 tons per day from 50,000 tons per day without additional land occupation. Given its unique and high capacity of enhanced sludge treatment, the plant managed to raise its effluent quality from Grade I-B to Grade I-A.



4.4.2 PRODUCT QUALITY AND SAFETY MANAGEMENT IN OTHER BUSINESS SEGMENTS

Department Store Operation:

Teemall Department Store strictly complies with relevant requirements of laws and regulations, such as the Law on the Protection of Consumer Rights and Interests, the Food Safety Law and the Product Quality Law, and pays particular attention to quality

control of goods before and during sales. It obtained the ISO 9001 quality management system certification as early as 1998.

Department Store Operation: Daily quality inspection process via sampling at Teemall Department Store

Taking the realisation of customer value as the core, Teemall Department Store actively maintains the quality of goods and services. We focus on quality control of goods before and during sale. In the pre-sale stage, we have a supplier management system in place to request certificates and invoices for product quality assurance. During sale, we would conduct quality inspection over goods already or to be put on shelves.

In addition, on-site management personnel would conduct sampling inspections of on-site merchandises on a weekly basis to further prevent problematic goods from entering the market and affecting the safety of user consumption and experience.

Hotel Ownership, Operation and Management:

Guangdong Hotel (Hong Kong), Wharney Guangdong Hotel (Hong Kong), Guangdong Hotel (Shen Zhen) and Guangdong Hotel (Zhu Hai) have all passed ISO 9000 quality system certification, and are subject to regular review and recertification. We comply with domestic laws and industry regulations such as the Industry Code of Tourist Hotels in China and Star Rating Standard, with several internal policies in place such as the Internal Guidelines for Hotel Pricing Management System and the Service Quality Management Regulations of Guangdong (International) Hotel Management Holdings Limited, continuously placing service quality and food safety as a top priority in operation management. We have

prepared and complied with the Manual for Food Safety in accordance with ISO 22000 Standard and are dedicated to establishing and maintaining effective production hygiene and safety processes and environment which meet relevant requirements of customers and laws and regulations on food safety.

Energy Projects:

ZTP strictly complies with national laws and regulations, including the Production Safety Law of the People's Republic of China, the Special Equipment Safety Law of the People's Republic of China, the Regulations on Safety Supervision over Special Equipment and the Metrology Law of the People's Republic of China. In addition, we have internal policy documents in place, such as the Comprehensive Quality Management System of the Expansion Project Command Department, the Dynamic Progress Control Management System of the Expansion Project Command Department and the Administrative Measures on Vehicles Supply Business. By establishing external and internal compliance systems, ZTP actively ensures production safety for energy and prioritises energy quality in its operation management.

Road and Bridge:

We carried out the innovative programme of "Maintenance to Achieve Roads of Premium Quality" and prepared the Implementation Plan for the Construction, Maintenance and Management of Roads of Premium Quality. The MQI index of technology status of the highway reached 90.60 in 2018, representing an increase of 1.38 from 2017, which safeguards and improves expressway traffic conditions to facilitate public commuting. In respect of the management of maintenance projects, we have introduced a third-party professional

engineering budget consultation and review as well as construction supervision mechanism, established a performance evaluation system for the construction units of maintenance projects, and strictly executed the standardised management on construction quality and safety. With our Regulatory System for Service Areas in place, we joined hands with public security, fire fighting as well as food and drug supervision authorities of our jurisdiction, to conduct supervision and inspection over our service areas on public security, food quality and service operations twice a year, in a bid to provide a safe and quality resting environment for the public.

4.4.3 PROTECTION OF CONSUMER RIGHTS AND INTERESTS

We remain attentive to the product quality, safety and service experience of our users, and stress interaction with consumers. We hope to continuously improve the quality of our products and services through customer satisfaction surveys and customer activities so as to respond to consumer suggestions and expectations.

Water Resources:

Adhering to the customer service concept of being "attentive, sincere and considerate", we encourage our local water companies to conduct user satisfaction survey on a regular basis to protect consumer rights and interests. The survey covers six dimensions, namely, corporate brand image, water quality management, water supply management, customer service, service demands of major customers, customer opinions and suggestion and it focuses on 18 types of customer service work on water supply, namely, reputation and trust, honesty and integrity, quality of untreated water, water quality protection and management, water quality monitoring

CORE ISSUES

and early warning, water supply assurance, water supply contract, water supply measurement, water volume settlement and water tariff collection, service attitude, staff professionalism, malfunction handling, water suspension arrangement, complaint handling, processing ability and work efficiency, technical support, customer communication mechanism and overall evaluation. Through the survey, **consumer satisfaction has exceeded 95%** with respect to areas such as water supply volume, water quality and service in recent years.

Property Investment and Development and Department Store Operation:

GD Teem Group conducts opinion surveys of landlords and tenants twice a year. The statistics covers overall evaluation on public hygiene, environment, greening, safety, engineering equipment and equipment management, daily administration of the management centre, as well as staff management, integrity and self-discipline of the management centre. **Overall satisfaction was 96.5% in the first half of 2018 and 97.1% in the second half of the year**, with the rate of satisfaction maintained at a high level for all items. In addition, in December 2018, a survey on customer satisfaction and a study on consumer behaviour took place in the form of online questionnaires via our WeChat public account, through which we received feedback and suggestions from customers on hardware and equipment facilities, restroom sanitation, environmental conditions of public areas, staff service attitude and onsite signage.

In response to these suggestions, we will improve our department store operation to meet consumer expectations by creating a comfortable environment for consumption, enhancing staff training and improving service awareness in 2019.

Hotel Ownership, Operation and Management:

The Hotel Management Company stays attentive to membership information security to ensure no leakage of user information. The Central Reservation System (CRS) collects membership information online and safeguard such information in a unified manner. With strict control of authority, we act under the principle of customer information confidentiality to strictly prevent information leakage.

Hotel ownership, operation and management: Supporting user information security through CRS

Consumers who wish to apply for GDHM membership may register at our official website www.gdhhotels.com or at hotel reception. After registration, online membership registration information will be directly transmitted to CRS, while the membership information registered through the reception will be directly transmitted to CRS through the PMS system. We proactively maintain the security of membership information by assigning CRS accounts based on limits of authority of each staff member and in accordance with the principle of confidentiality of customer information. No staff shall, in principle, be allowed to export membership materials in large

amounts at one time. If it is necessary to export considerable amount of information, the staff member is required to apply for approval from the information department before the CRS technical service company proceeds to export the information. This will effectively disconnect the staff from bulk data and thereby ensure the security and confidentiality of customer information.



Road and Bridge:

Faced with consumer concerns of information security and privacy as well as other social topics, Xinchangjiang Company has formulated the Administrative Measures on the Toll System Network, with regular network inspections on all the 120 computers to ensure cyber security of the toll system as well as the security and privacy of vehicle-related information. In addition, we carried out a questionnaire survey on customer satisfaction, in which we have interviewed the drivers of 1,580 vehicles. The survey found 100% satisfaction from drivers and passengers on the overall service performance of Xinchangjiang Company. Among the respondents, 62.2% were very satisfied, 29.75% were satisfied, and 8.05% were basically satisfied. In particular, commuters commended the “Five-Care” (thoughtful, careful, cheerful, considerate and sincere) tolling service.

Energy Projects:

ZTP has carried out a customer service satisfaction survey for its electricity sales business. The survey covered customer communication and contract performance, the service attitude, problem solving and coordination capability of the customer service personnel, timeliness of problem solving, overall service and impression. The survey recorded an average score of 97.65 for each item. Through the survey, we have obtained customers' suggestions on profit concession and value-added services. In 2019, we will work to strengthen communication with customers to improve energy service quality based on various suggestions.

5 OUR PERFORMANCE ON SUSTAINABLE DEVELOPMENT

5.1 RISK MANAGEMENT

The Group operates its business with great probity, and adopts high standard of integrity and business ethics as its operating principles. 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 logistics, fund flows and information flows; and the “three points” are key points, risk points and control points), we have optimised our corporate policies and procedure and formulated “rigid constraints” on the internal control system of the Group. We promote internal control and integrity, comprehensive budgeting, production safety, “three systems” management (i.e. quality, health and environmental management systems), and comprehensive risk management, so that the Company can closely integrate comprehensive risk management with other management work. Meanwhile, we regularly conduct analyses and reach conclusions on the effectiveness and rationality of the established risk management strategies, taking into account the actual situation for revisions and improvement. All such work aims to ensure that the Company enhances its execution capability and overall management standard at a steady pace.

In 2018, having summarised its experience, the Group intensified discussion and communication on corporate discipline inspection and supervision and enhanced overall integrity practice standard. The

Group also further enhanced promotion to establish its positive corporate image. While vigorously promoting integrity practice and combating corruption, we should have the courage and skills to spread integrity practice, take the initiative to voice our view and strengthen positive guidance so that all stakeholders can appreciate the achievement of our work on combating corruption and advocating integrity.

During the reporting period, we did not have any ongoing or concluded lawsuit filed against the Group or its employees in relation to corruption.

5.1.1 FUNCTIONS OF THE BOARD

The Board is responsible for leading the development of the Company, establishing strategic objectives and formulating the overall strategies and policies of the Company so as to ensure that the Company can obtain necessary financial and other resources to attain its goals. Meanwhile, the Board also oversees the management of the Company and reviews the business performance of the Company.

The Company recognises and embraces the benefits of having a diverse Board and perceives increasing diversity at Board level as an essential element in contributing to the attainment of the Company's strategic objectives and sustainable development. All Board appointments are based on meritocracy, with its own business model and specific needs taken into

account from time to time. Candidates are considered against objective criteria, having due regard to the benefits of diversity on the Board. The Nomination Committee has set measurable objectives based on five focus areas: gender, age, length of service, professional experience and skills and knowledge for the implementation of board diversity of the Company. The Nomination Committee reviews the Board Diversity Policy from time to time, to ensure its continued effectiveness.

The Board is also responsible for the Group's risk management and internal control systems and reviews their effectiveness annually. In particular, the Audit Committee ensures that the management has established effective risk management and internal control systems, and oversees the Group's risk assessment, control and management processes.

5.1.2 BUSINESS OPERATION WITH INTEGRITY

The Group's anti-corruption policy embodies the principles of high transparency, integrity and accountability. We ensure strict compliance with national laws and regulations, including the Law on Combating Corruption and Bribery of the People's Republic of China, during all our operational processes, and will also improve our internal control and risk management systems according to the latest regulatory requirements.

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In addition to strictly executing the Anti-corruption Policy of Guangdong Investment Limited, we have formulated the List of Objectives and Assignments for Discipline Inspection and Supervision, which details various work items, objectives and assignments in relation to combating corruption and advocating integrity in a bid to put into practice the innovation and protection of the anti-corruption system. In addition, dialogues regarding the construction of a clean and honest administration have taken place with key leaders and newly-appointed senior management members of the Group with an aim to identify the duties and concerns in preventing integrity-related risks. We conducted admonitory talks with staff who committed minor disciplinary violations, to encourage and require them to review and rectify the violations within a given period of time. We also promote the culture of clean practice and integrity among the staff to boost their sense of self-precaution and safeguard the fundamental interests of the Group. Furthermore, with reference to the Employee Code of Conduct on Honesty and Integrity of Guangdong Holdings Limited, the Group provides regular anti-corruption training to properly educate the employees on anti-corruption and integrity.

Water Resources:

As a principal operational arm of the Group, water resources segment is characterised by considerable investment, complex processes in project construction, numerous nodes in authorisation and extensively intertwined interests, despite that it has already been subject to rigorous supervision. Accordingly, we have established comprehensive supervision and audit management systems, such as the Internal Audit Management Measures, the Implementation Rules of Tender Supervision and Management, the Management Measures on Discipline Inspection and Supervision and the Work Guidelines on Supervision and Discipline Execution.

During the year, we conducted routine audits on nine subsidiaries under water resources segment, including, Qingxi Guangdong Water, Dongguan Daojiao Hongfa Sewage Treatment Co., Ltd. ("Daojiao Environmental Protection"), Dongguan Changping Jinsheng Water Co., Ltd. ("Jinsheng Environmental Protection") and Suixi Guangdong Water Company Limited.

For the water business segment, we have developed training courses such as Cautionary Cases on Integrity and the Procedures and Requirements for Integrity Supervision Mechanism, which formed part of the study programme of the training institute of water resources segment. Every year, we hold the Discipline Education Month activity for all the staff of our water resources segment, during which they visit the integrity education base and receive cautionary education on integrity.

Property Investment and Development and Department Store Operation:

GD Teem Group revised five of its management policies, namely, the Work Regulations for Discipline Inspection and Supervision, the Work Guidelines for Supervision and Discipline Execution, the Implementation Rules for Reminder, Enquiry Letter, Admonition and Encouragement, and Integrity Interviews, the Internal Audit Management Measures and the Management Measures on Economic Responsibility Audit. Such revision clarifies the duties and principal tasks of the staff responsible for discipline inspection and supervision, refines the requirements for interviews and discipline execution supervision and enhances the standardisation of internal audit, all in a bid to effectively boost risk prevention capability and internal management standard. During the year, we conducted internal audit for projects such as Tianjin Teem.

Hotel Ownership, Operation and Management:

Senior management members such as chairman, general manager, chief financial officer, department heads and staff holding key positions shall sign the Integrity Responsibility Statement on an annual basis to ensure that they advocate integrity and combat corruption within their scope of authority and optimise the management and supervision mechanism. At the same time, we conduct penetration-style control over two key areas, namely tender invitation and bidding as well as management of major engineering projects, coupled with dedicated review on project legality and compliance with the procedures.

On top of traditional methods of integrity education, we fully tap into our WeChat public account for Hotel Management Company to disseminate a series of discipline inspection and supervision knowledge, such as the Difference between the Supervisory Commission and the Discipline Inspection Commission, and the Supervision Law of the People's Republic of China. In addition, we issued notices and published cases on integrity during major festivals, to serve as educational reminders. We also made concrete efforts to host a range of special learning activities in an effort to provide integrity education to employees in a timely and convenient manner.

Energy Projects:

Combating commercial bribery stands as a focus in the integrity construction and anti-corruption work of ZTP. As prevention is the key to effectively addressing commercial bribery, ZTP would enter into integrity agreements with suppliers when the contract sum of materials, engineering or service contracts exceeds RMB0.2 million. Such agreements specify both parties' responsibilities for joint integrity construction and the treatment of integrity violation behaviour. In addition, integrity education takes place which primarily

comprises centralized education, special education and education through positive and negative cases. During the activity held in the year 2018, participants studied the spirit of 12 important documents, while 8 employees from different departments shared their experience of combating corruption and degradation in day-to-day work. The participants also watched 4 cautionary films on discipline and integrity education.

Road and Bridge:

Xinchangjiang Company implements a system with 133 management policies and internal control manuals, including the Requirements on Discipline Inspection and Supervision for Guangxi Xinchangjiang Gonglu Company Limited and the Accountability Management Measures of Guangxi Xinchangjiang Gonglu Company Limited. Checklists in connection with integrity risk prevention and control were also designed to amplify prevention and control at integrity risk points as well as to provide full-process control for key business and sensitive positions. In 2018, Xinchangjiang Company entered into 12 integrity contracts with external contractors, and 10 Integrity Responsibility Statements with its internal departments. Furthermore, integrity interviews and education took place, including 4 times with the management team, 379 times with employees and 3 times with business parties as well as conducting 276 times of professional ethics education for the employees.

5.1.3 WHISTLE-BLOWING MECHANISM AND PROTECTION

The Group has implemented whistle-blowing policies and procedures, advocating the culture of reporting immoral behaviour among its employees. The Company encourages its staff to report any suspicion of dishonest, immoral and illegal behaviour. All relevant cases shall be reported in a confidential and anonymous manner. The Group's employees receive

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regular training on anti-corruption and our internal control and risk management system is optimised in accordance with the latest regulatory requirements.

We have also formulated the Code of Ethics for Employees of Guangdong Investment Limited and the Policy in relation to Employees Raising Concerns over Possible Improprieties, enabling staff to raise their concerns on any improprieties or fraud in relation to the Group in a confidential manner. For misconduct of employees, the Company authorises the Internal Audit Department to carry out fair and independent investigation. After collecting adequate information, it will be submitted to the chairman of the Board or the Audit Committee to protect the identity of the whistleblower. In 2018, there were no discipline violation or case filed for the Group's business segments.

Water Resources:

With "standardised, institutionalised and refined practice" as its goal, the Supervision and Audit Department of water resources segment carefully processes the reporting and accusation from the employees and verifies the facts concerning the case reported in petition letters through timely verification and processing. In addition, the department invariably attaches great importance to all cases reported via petition letters, processes them with timely and intensive verification, reaches conclusions on the problems and situation of the persons being reported against and addresses the issues in existence accordingly. Moreover, we have set up measures to protect our whistle-blowers to ensure the confidentiality of their information and strictly forbid revenge against them.

We also provide our staff with education on integrity operations from time to time, seeking to prevent corruption from the source. We have regularised and standardized the education on integrity operations.

The Group also hosts the Discipline Education Month conscientiously, during which company leaders and key personnel visit Shenzhen Prison which is the education base for integrity education, where lessons are learnt and the sense of discipline is strengthened.

Property Investment and Development and Department Store Operation:

GD Teem Group collects information on whistle-blowing via various channels, including its WeChat public account and official APP which are open all the time irrespective of holidays. Dedicated personnel are responsible for making suggestions on how to handle the matter in strict compliance with relevant policies. The matter will be submitted for review at different levels to ensure timely handling and to achieve "zero backlog" of reported cases.

Hotel Ownership, Operation and Management:

The Hotel Management Company has formulated and issued the Rules for Whistle-blowing via Petition Letters and rendered its petition-letter whistle-blowing channel and platform open to the public throughout the process. The whistle-blowing hotline and email address are published at its official website and official WeChat account. Cases are subject to verification, processing and submission to the Hotel Management Company in accordance with relevant requirements, with verification results provided to employees in a responsible and timely manner.

Energy Projects:

To facilitate employees to report any breaches of laws and disciplines by our staff, we have published our whistle-blowing hotline, email address and postal address on our bulletin board and internal magazine entitled Zhongshan Thermal Power (《中山火電》).

Road and Bridge:

Xinchangjiang Company fully taps into the function of the customer service platform hotline (96333) to embrace effective supervision from the general public. Throughout 2018, it received and handled a total of 24 suggestions, attaining a handling rate of 100% with no complaint or report received on integrity cases.

5.2 GREEN OPERATION

GDI considers green operation as an important part for fulfilling its social responsibilities. With the Sustainable Development Policy of Guangdong Investment Limited in place, GDI is committed to strictly complying with relevant laws and requirements as well as environmental standards during its operation, with environmental protection incorporated into every operating segment to align with the national trend of environmental protection. Moreover, we fulfil responsibilities as a leading green corporate in the industry, with the sustainable development goals composed of emissions and pollutants reduction, high-efficiency production and effective use of resources.

5.2.1 ENVIRONMENTAL AND ENERGY CONSUMPTION MANAGEMENT

The Group has prepared its overall environmental protection policy, with specific policies in place for each business segment to ensure that our operation does not affect or damage the local environment and natural resources. The Group strictly complies with major environmental protection laws such as the Environmental Protection Law of the People's

Republic of China, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Law of the People's Republic of China on Energy Conservation and the Administration Measures for Environmental Surveillance. In addition, we follow the specific laws and regulations for each business segment during the overall operation, monitor and manage the environmental compliance of all projects and minimise the environmental risk arising from our operation in order to effectively push forward green environment projects.

Water Resources:

In respect of the water resources segment, our emphasis is placed on establishing an integrated management system for the environment, quality and safety. The environmental management system has been accredited with the ISO 14001 certification from the International Organisation for Standardisation, ensuring our operation of the environment management systems consistently align with the international standard. The environmental management system covers GDI's majority owned water companies including but not limited to GDI's water resources segment and Yue Gang Water Supply. During the year, we also conducted a comprehensive screening of the potential environmental risks of our subsidiaries from five perspectives, namely, "source of corporate environmental risks", "potential environmental risks in the production and operation process", "organisation structure for environmental protection of

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the company”, “environmental protection incidents” and “work emphases in corporate environmental protection”. During the screening process, we explore the sources of environmental risks in every part of our work, such as energy and water consumption, discharge of sludge, disposal of solid waste and use of disinfectants so as to ensure that there is no illegal behaviour conducted during the production process. We will further strengthen our management and control on relevant risk sources, set out a clear organisational structure for each subsidiary in respect of environmental protection, establish contingency plans as well as conduct regular inspections and drills.

Property Investment and Development and Department Store Operation:

During the LEED O+M certification process of Teem Tower, we formulated and implemented the sustainable site management and improvement plan according to the requirements of the certification system and the practical condition of Teem Tower. This includes setting sustainable and quantifiable goals for the daily management of soil, green plants and water therein, and studying and identifying low-cost site modification and improvement measures.

For indoor environment, we improved the indoor air quality of Teem Tower by testing the dedicated ventilation system of the building, conducting a questionnaire to gauge tenants’ satisfaction with the office environment by soliciting opinions on an anonymous basis from six dimensions, namely, cleanliness, comfort, lighting, soundproofing, lighting quality and air quality. We received a satisfaction rate of over 87% from tenants’ feedback.

Hotel Ownership, Operation and Management:

By supervising each hotel to maintain its facilities and equipment as planned, we tapped into their energy-saving potential. In addition, they are encouraged to reasonably use their energy-saving products and strictly control their energy consumption. During the year ended December 2018, the gross electricity consumption of the hotels was **1,276,800 kwh (or approximately 6.6%) lower than the budget**; gross gas consumption decreased by 67,700 cubic meters or 6.2% as compared with the same period last year. In addition to the scheduled work such as energy consumption estimation, goal establishment and work summary for hotels owned by us, we also reasonably controlled our energy use depending on regions and weather changes.

Energy Projects:

We aim to manage the operation of our power generation units in a refined manner, achieve safe production, optimise various economic indicators and facilitate consistent reduction of energy consumption. To this end, in 2017, ZTP established a management measure on small performance indicator competition, which involves assessing the performance of each operating department. According to the measure, 30% of its departmental assessment score shall be allocated to the competition as an appraisal item so as to motivate them to get excellent marks in the competition. For each indicator in the competition, the score will be collected by monitoring the SIS system of the power plant and calculated by software to ensure the fairness of the result. Indicators for the competition encompass key operational and monitoring indicators

which includes standard coal consumption for electricity supply, electricity consumption rate of production factories (net of administrative usage), average electricity supply and average temperature of gas supply.

Energy projects: ZTP's tax rebate for energy saving and environmental protection

Pursuant to the Notice of the National Development and Reform Commission on Issuing the Catalogue for Enterprise Income Tax Preferential Treatment for Special Equipment for Water and Energy Conservation and Environmental Protection (Version 2008), ZTP has a total of 19 sets of environmental protection equipment from 5 categories which fall within the scope of the Catalogue, **with total tax rebates of RMB525,053,600.**

Road and Bridge:

Greenery maintenance and environmentally friendly highways are the long-term operational goals of Xinchangjiang Company. It had implemented the green management plans in 2018, with a long-term mechanism in place for green and cleaning management along the highways to improve road traffic environment. During the green and cleaning management of highways and the creation of premium quality highways, we have not only established clear work management standards, goals and requirements, but also strengthened our training on daily greening

and cleaning maintenance of our maintenance workers in order to enhance their awareness of environmental protection. Meanwhile, to enhance our efforts to green and beautify the ecological environment of management areas, we have actively rolled out voluntary planting activities, in which the green teams of the maintenance department developed their own nurseries and cultivated various plants to help push ahead the greenery work of the company as a whole.





On the other hand, we have been committed to reducing the noise on the highway. We used to address the noise problem through strengthening tree maintenance and planting more trees along the highway, which turned out to be not effective. Hence, by virtue of a pavement renovation project in 2018, we engaged a third-party consultant to perform professional environmental assessment for Xingliu Expressway. Based on assessment findings, we set noise barriers at highway sections with excessive noise, which effectively mitigated the impact of vehicle noise on villages along the expressway.

5.2.2 EMISSIONS MANAGEMENT

We actively develop clean energy and production technologies and use such new technologies to minimise various emissions, including air pollutants, sewage as well as hazardous and non-hazardous wastes to protect the health of both the environment and the residents.

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In 2018, GDI and its business segments did not incur any major environmental pollution accidents or violate any relevant laws and regulations; nor were there any complaints, fines or sanctions arising from major environmental pollution or violation of environmental regulations.

Emissions		Unit	2018	2017
Water resources				
	COD emissions	tons	2,150.07	2,242.47
	COD reductions	tons	14,701.83	12,188.41
	NH3 emissions	tons	144.14	177.48
	NH3 reductions	tons	2,073.24	1,948.05
	Sludge treatment	tons	34,621.25	34,926.38
GD Teem Group⁽¹⁾				
	Hazardous waste generated	kg	2,494.09	2,435.14
	Hazardous waste recycled	kg	900.20	618.45
	Recycling rate of hazardous waste		36.1%	25.4%
	Non-hazardous waste generated	kg	277,584.00	110,683.00
	Non-hazardous waste recycled	kg	264,255.00	109,260.00
	Recycling rate of non-hazardous waste		95.2%	98.7%
Hotel				
	Total sewage discharged	tons	180,225	185,141
	Food waste generated	kg	31,750	34,635
ZTP⁽²⁾				
	Nitrogen oxides (NOx) emissions	tons	326.83	304.34
	Sulphur oxides (SOx) emissions	tons	148.66	136.02
	Smoke and dust emissions	tons	56.88	58.76
	Gypsum generated	tons	68,380.37	62,183.03
	Ashes generated	tons	285,208.85	256,607.26
	Residues generated	tons	19,281.96	18,498.14

Notes:

1. The shopping mall, department stores and office buildings operated by GD Teem Group in 2018 have increased in occupancy rate and sales as compared with 2017, and the statistical method for data collected has been further refined during the reporting period. As a result, various emissions from operation-related wastes have increased slightly as compared with 2017. However, with the rise in occupancy rate and sales, the relative increase in emissions is within a reasonable range.
2. The annual sales of electricity of ZTP in 2018 have increased by 15.6% as compared with 2017. As a result, various emissions from production-related wastes have increased slightly as compared with 2017. However, with the rise in electricity sales, the relative increase in emissions is within a reasonable range.

Water Resources:

Our water supply business is responsible for the supply and purification of precious water resources, the process of which does not involve discharging water pollutants. Our sewage business is responsible for treating the water contaminated due to human activities. During the treatment process, the concentration of pollutants in water will be reduced to a level suitable for discharge. We strictly control such indicators as chemical oxygen demand (COD), and NH₃ emissions in water, coupled with real-time monitoring via online monitoring devices and other technologies. We have been engaged in 19 sewage treatment projects in 4 provinces in China, **reducing COD and NH₃ by an aggregate of 14,702 tons and 2,073 tons respectively.**

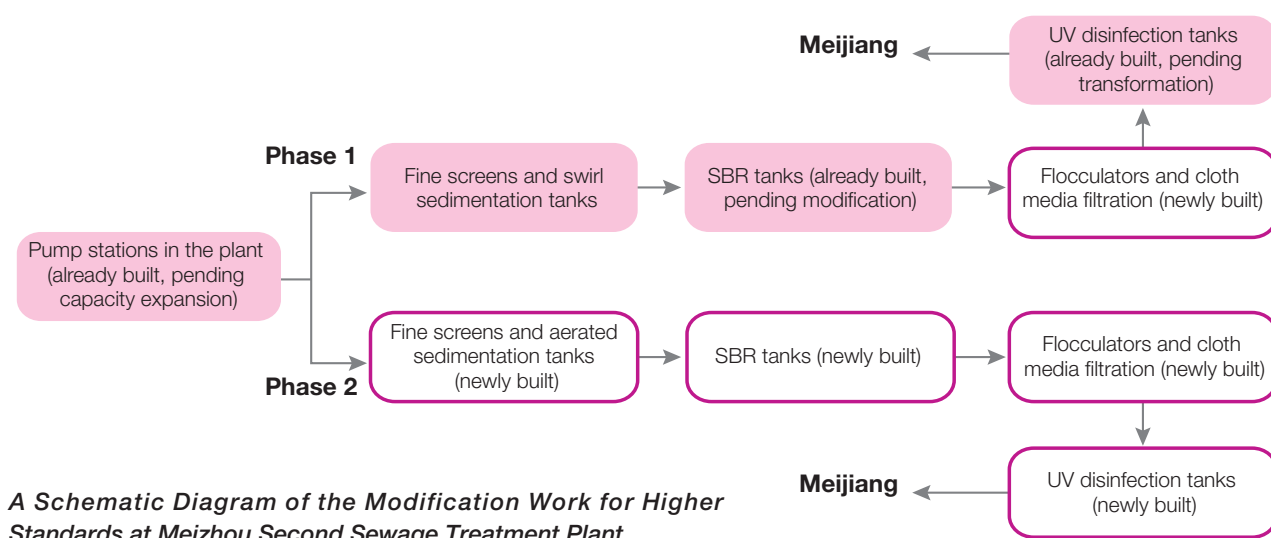
Water resources: Higher emission standard for sewage treatment plants

In response to the national initiative of energy saving and emissions reduction as well as increasingly stringent emission standards, sewage treatment plants in Meizhou and Kaiping regions have commenced their modification works to meet higher standards. These works are mainly designed to enhance and

transform the original biochemical technology processes and install new intensive treatment units (including cloth media filtration, high-efficiency sedimentation tanks and biological filters) in an aim to boost the quality of treated water from National Class I-B to Class I-A and above. Currently, the modification works for higher standards have been completed and put into operation at Kaiping First Sewage Treatment Plant, with an improved sewage treatment capacity of 50,000 tons per day. At the same time, such works are still under way at Meizhou First Sewage Treatment Plant, Meizhou Second Sewage Treatment Plant and Daojiao Sewage Treatment Plant, which are expected to be completed in 2019 and able to deliver a higher sewage treatment capacity of 210,000 tons per day.



Kaiping Jingtong Sewage Treatment Plant



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Property Investment and Development and Department Store Operation:

In respect of the property development of GD Teem Group, we strive to improve the pollutants emission of our existing properties to bolster the long-term environmental sustainability of our operations. For instance, under regulations such as the Ordinance for the Management of Construction Waste of Guangzhou, the Management of Domestic Waste Classification Ordinance and the Management Measures for Food Waste and Waste Grease, GD Teem Group has formulated relevant measures to control the generation and treatment of waste. In addition, we engaged professional third parties to collect, transport and treat the wastes to ensure proper disposal of waste. During our daily operational maintenance and facilities modification, we have prepared corresponding green management plans in relation to procuring products and materials and managing waste. As a result, we managed to reduce the environmental damage caused by material purchase, use and processing in our construction operations and solved issues in relation to daily consumables, batteries, durable products, facility alterations and expansions in buildings and sites as

well as the waste management on mercury lamps. In 2018, Teem Plaza recorded a recycling rate of 95.2% for non-hazardous wastes.

Besides, we have consistently met the Class III standard under the Discharge Limits of Water Pollutants in Guangdong Province (DB4426-2001) in sewage emissions testing through our continuous upgrading and modification work for sewage treatment equipment and pipelines.

Energy Projects:

On top of meeting the standard on factory construction, ZTP has been working to control the density of air pollutants discharged from coal-fired generation units under the Emission Standard of Air Pollutants for Thermal Power Plants and the Notice on Issues concerning the Implementation of Tariff Support Policies for Coal-fired Power Plants with Ultra Low Emissions. As a result, ZTP has substantially met the emissions limits for coal-fired power generation units, with its emission density of smoke and dust, sulphur dioxide and nitrogen oxides below 10mg/Nm³, 35mg/Nm³ and 50mg/Nm³ respectively when the oxygen content meets the standard of 6%.

Pollutant	Former Implementation Standard	National Standards for New Power Plants ¹	"Ultra Low Emission" ²	ZTP
Sulphur dioxide (SO ₂ , mg/Nm ³)	200	50	35	approximately 15
Nitrogen oxides (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 limits under the Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011);
2. "Ultra-low Emission" is derived from the Notice on the Proposal on 'Comprehensive Implementation of Ultra Low Emission and Energy Efficiency 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).
3. Entities qualified for the disposal of hazardous wastes will be engaged to transfer and dispose of hazardous wastes, and complete and handle the waste transfer bill in accordance with national regulations and file the same with local environmental authorities.

Road and Bridge:

For general wastes, ZTP will allocate storage areas and conduct regular cleaning and general wastes with sale value will be put up for sale through bidding, auction, inquiry and price comparison, subject to relevant requirements of the Company and upon evaluation by valuers. On the other hand, according to the requirements of state and local governments, ZTP has established corresponding management policies for the generation, collection, transfer, storage, utilisation, treatment, disposal and supervision of hazardous wastes. Hazardous wastes will be processed according to the following procedures:

1. Special warehouses are built to store hazardous wastes, which will be put into use after passing the inspection by local environmental authorities;
2. The department for safety supervision and production technology is responsible for reporting the information regarding the amount of hazardous wastes generated by ZTP, its storage, flow and disposal to local environmental authorities for approval; and

Xinchangjiang Company strictly controls the wastewater discharge during construction. It requires that concrete mixing plants be equipped with three-level sedimentation tanks, with regulations in place at the construction site to strictly forbid untreated sewage from discharging directly into rivers. As for waste management, the company stays committed to recycling the construction wastes generated from the replacement of broken pavement slabs and offers such replaced concrete pavement slabs to people living along the route free of charge to build simple structures such as tractor roads and village roads. As such, Xinchangjiang Company attained 100% recycling rate for broken pavement slabs. With this measure in place, **the company reduced its solid wastes by approximately 64,168 m³ for three years from 2015 to 2018.**

Xinchangjiang Company has even set up a working group for the disposal of waste materials at the operational level, to classify and store waste supplies (including maintenance and emergency supplies, electromechanical materials, machinery and equipment and other low-value daily consumables) that cannot be reused. After verifying that an item cannot be utilised, the company will find a professional purchaser in the market to dispose of the item for reasonable utilisation.

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5.2.3 RESOURCES MANAGEMENT

GDI fully promotes green office and endeavours to achieve energy saving and emissions reduction. With a view to achieving an energy efficient and environmentally friendly workplace, measures are taken at all levels, including a paperless management system, paperless office, replacement with energy efficient facilities and strengthened energy conservation promotion; Employees are required to uphold the “eight offs” policy before leaving the office and centralised management of company vehicles is in place.

The Group also manages the vehicles owned by the Company. Policies such as the Management Measures for the Deployment and Use of Vehicles and the Rules for Reception Standards clearly set out the appropriate occasions for vehicle usage and the standards for reception activities to encourage green commuting and standardised reception and avoid wastage. For example, during the operation of the power plant of ZTP, we carry out reasonable procurement of office supplies in accordance with documents such as the Management Measures for Office Supplies of ZTP so that we only purchase supplies when necessary in order to reduce unnecessary warehousing and encourage employees to cherish all resources.

Resources	Unit	2018	2017
Hong Kong headquarters			
Total power consumption	10 MWh	10.66	9.19
Water resources⁽¹⁾			
Power consumption arising from business operations	10 MWh	57,804.17	53,122
GD Teem Group⁽²⁾			
Total power consumption	MWh	70,880.82	68,638.31
Power consumption per unit area	MWh/m ²		
	of area in operation	0.11	0.10
Total gasoline consumption	litres	17,590.69	21,679.52
Total diesel consumption	litres	972.00	0
Total water consumption	tons	780,389.03	632,464.03
Water consumption per unit area	tons/m ²		
	of area in operation	1.17	0.95
Hotels			
Total power consumption	MWh	9,359.50	12,517.31
Total gasoline consumption	litres	34,840.21	47,517.00
Total diesel consumption	litres	119,863.00	101,240.00
Total water consumption	tons	200,250.00	194,885

Resources	Unit	2018	2017
ZTP⁽³⁾			
Total coal-fired power consumption	tons of standard coal	1,109,105.00	902,624.00
Total diesel consumption	litres	186,453.00	52,430.00
Water consumption for production	tons	8,248,500.00	6,498,400.00
Domestic water consumption for office area	tons	157,247.00	80,927.00
Xinchangjiang Company			
Total power consumption	10 MWh	108.34	108.15
Total diesel consumption	litres	8,179.86	9,381.31
Total gasoline consumption	litres	52,455.47	62,623.42
Total water consumption	tons	24,850.00	/ ⁽⁴⁾

Notes:

1. The amount of untreated water supply, urban water supply and sewage treatment of the water resources segment in 2018 have each increased in varying degrees as compared with 2017. As a result, the power consumption arising from business operations has slightly increased as compared with 2017. However, with the rise in water supply, the relative increase in power consumption is within a reasonable range.
2. The shopping mall, department store and office buildings operated by GD Teem Group in 2018 have increased in occupancy rate and sales as compared with 2017, and the statistical method for data collected has been further refined during the reporting period. As a result, certain operation-related use of resources has slightly increased as compared with 2017. However, with the rise in occupancy rate and sales, the relative increase in use of resources is within a reasonable range.
3. The annual sales of electricity of ZTP in 2018 have increased by 15.6% as compared with 2017. As a result, various production-related use of resources has increased as compared with 2017. However, with the rise in the sales of electricity, the relative increase in the use of resources is within a reasonable range.
4. In 2018, the scope of data statistics was further expanded. The total water consumption of Xinchangjiang Company is a new addition to the statistical indicator. Therefore, this is not applicable to 2017.

5.3 STAFF SAFETY PROTECTION

Pioneering spirit is the driving force for the Group's development, and safety protection provides guarantee for the Group to forge ahead. Ensuring the safety and health of employees and visitors is the most basic requirement. Accordingly, the Group is committed to providing necessary resources to ensure a safe and healthy workplace, as part of the Group's efforts to practice the concept of performing its responsibility and focusing on the safety of life. In 2018, we carried forward the thought of life and safety first, stressed on the prevention and restriction of serious accidents in construction works and further amplified the enforcement of safety supervision. The Group worked to fulfil its responsibilities with concrete efforts, with the determination to safeguard the safety of the employees' lives and social stability.

At the same time, the Group strictly follows national and regional laws and regulations, including the Labour Law of the People's Republic of China, the

Production Safety Law of the People's Republic of China, the Fire Control Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and the Occupational Safety and Health Ordinance of the Hong Kong Special Administrative Region. We purchase social insurance and employer liability insurance for all employees in an effort to create a comfortable and reassuring work environment for employees. During the year, we did not have any work-related injuries that led to fatal incidents. In 2018, there were a total of 21 incidents of work-related injuries and a loss of 569 working days in aggregate.

5.3.1 DEVELOPMENT OF SAFETY MANAGEMENT SYSTEM

Water Resources:

We work to strengthen our production safety responsibility and enhance the management of production safety standardisation. In 2018, water

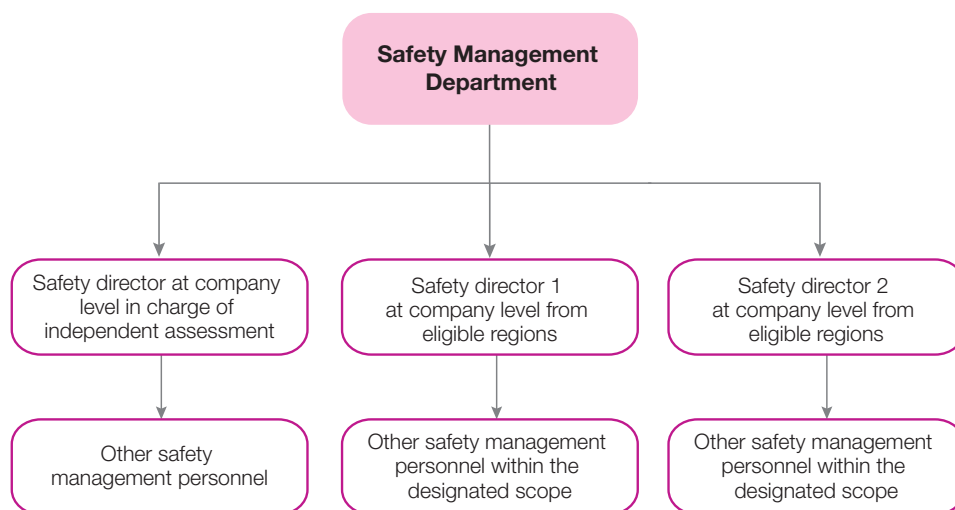
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resources segment sustained our momentum by passing the review on production safety standardisation (level 1) of the Ministry of Water Resources. Meizhou Guangdong Water Co., Ltd. (hereinafter referred to as “Meizhou Guangdong Water”), Wuzhou Yuehai Jinghe Water Company Limited and Wuhua Yuehai Huanbao Co., Ltd. obtained level 2 compliance certification. Qingxi Guangdong Water, Jinsheng Environment Protection and Daojiao Environment Protection obtained level 3 compliance certification. Under water resources segment, 11 companies have obtained the level 2 compliance certification and 7 companies have obtained the level 3 compliance certification. Production safety standardisation has become an important foundation upon which Water Group has built up its brand image as a water safety expert.

In 2018, water resources segment actively strengthened the safety management in the whole process of engineering projects which included selection of excellent contractors, urging contractors and supervision units to properly conduct safe and civilised construction and evaluating work safety of relevant parties after completion of projects. At the same time, we leveraged on methods such as third-party security inspection and remote video monitoring to strengthen our supervision and formed a multi-dimensional and all-rounded inspection pattern to amplify our security deterrence. During the reporting period, we strictly conformed to relevant internal policies such as the Manual on Quality,

Environment, Occupational Health and Safety Management Systems, the Control Procedures for Hazard Identification and Risk Assessment, the Control Procedures for Occupational Health and Safety Operation, and the Emergency Response and Accident Handling Procedures to attain occupational health and safety.

Meanwhile, production safety responsibility statements have been signed between Yue Gang Water Supply and the heads of each department as well as each functional department; production safety responsibility statements have also been signed between each functional department and its employees, each primary department, station and office; production safety responsibility statements have also been signed between the heads of stations and offices and their employees; between Water Group HK and its subsidiaries as well as the command department for project construction. The production safety responsibility system is implemented at all levels to form an all-rounded system for production safety responsibilities. In order to enhance the network development for safety supervision, we urge safety management personnel at all levels to perform their duties and to play an independent regulatory role. Water resources segment has piloted a vertical management system for safety management personnel, under which safety management personnel from regions and subsidiaries of a certain scale are placed under the direct supervision of Water Group HK so as to improve safety management efficiency.



Hotel Ownership, Operation and Management:

The Hotel Management Company attaches great importance to production safety, intensively carries out various production safety activities and actively works on fire safety. Moreover, the Hotel Management Company constantly improves various production safety management systems, conducts production safety inspections and vigorously works on the implementation of safety measures and the rectification of safety hazards. During the reporting period, we strictly complied with the Appraisal Measures for Production Safety Management of Guangdong (International) Hotel Management Holdings Limited, the Measures for Production Safety Management of Guangdong (International) Hotel Management Holdings Limited, the Production Safety Responsibility System for the Headquarters of Guangdong (International) Hotel Management Holdings Limited, the Collection of Operation Safety Procedures of Guangdong (International) Hotel Management Holdings Limited and the Collection of Safety Management Systems of Guangdong (International) Hotel Management Holdings Limited. In 2018, the Hotel Management Company clearly set out safety responsibilities and work objectives, and signed 42 production safety responsibility statements with local hotels and departments.

Energy Projects:

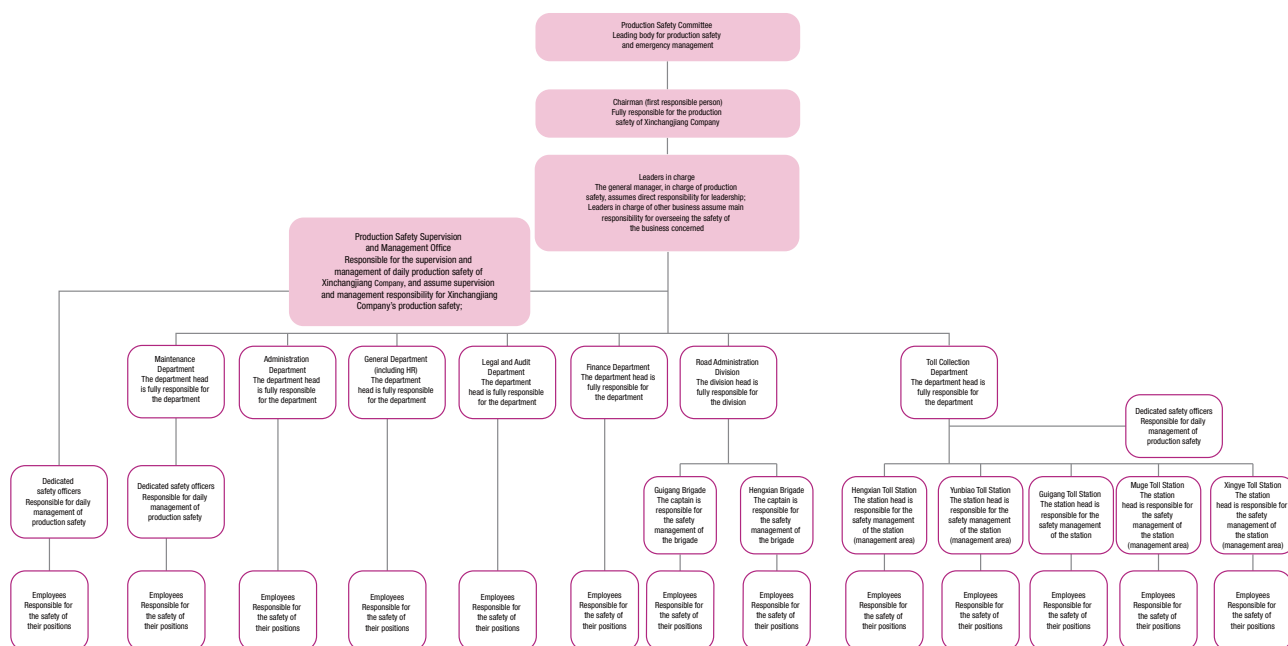
By setting up a production safety responsibility system, formulating safety management policies and operational procedures, screening and dealing with potential hazards and supervising and monitoring sources of major hazards, establishing risk analysis and pre-control mechanism, standardising production behaviour, ZTP manages to keep people, equipment, environment and management in good condition with continuous improvement, the energy project segment has formulated a total of over 40 production safety management policies and operation procedures, such as the Management Standard for Production Safety Committee, the Screening and Management System for Production Safety Hazards, the Management Standard for Production Safety Responsibilities of Personnel at All Levels, the Safety Management Standard for Relevant Parties, the Management Standard for Safety Education and Training, the Job Sheet Management Standard, the Operation Sheet Management Standard and the Fire Safety Management Standard. Every year, we review the effectiveness of such policies and release a comprehensively revised edition of such systems and procedures every 3 to 5 years. In 2018, taking into account the requirements for the establishment of production safety standardisation, we revised or re-formulated a total of more than 20 policies.

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The Standing Production Safety Management Committee of ZTP comprises a director (assumed by its chairman), an executive vice director (assumed by its general manager), a vice director (assumed by the deputy general manager in charge of production safety) and other members (assumed by other deputy general managers, department heads and the safety office director. Under the leadership of the chairman, the safety committee is engaged in production safety research, deployment, guidance and coordination during the production activities of the company, analyses the situation of production safety in a timely manner and makes decisions to solve major problems in the company's production safety work. ZTP sets goals on production safety every year, covering various safety indicators such as personnel, equipment, environment and management. The goals are then dissected to respective departments, teams and individuals according to the company's overall safety objectives. Assessment and appraisal are carried out on the completion of safety objectives each year.

Road and Bridge:

In accordance with national standards and industry norms, Xinchangjiang Company has established a management system on production safety standardisation, formed a production safety committee, and set up a department and security personnel specialising in production safety management. The company signed 271 statements and commitment letters each, with its employees on production safety responsibility, formulated 33 production management policies, provided more than 30 training sessions on safety education for more than 1,300 people, screened and managed safety hazards for 217 times, representing an investment of over RMB5.29 million. At the same time, Xinchangjiang Company invested RMB229,000 to install equipment such as monitors and probes, infrared anti-intrusion sirens, door access and wall vibration detectors in key positions of each management area, thus establishing a robust security alarm system to protect employees and the company's properties.



Production Safety Management Network of Xinchangjiang Company – Safety Assurance System

5.3.2 SAFETY EMERGENCY RESPONSE MANAGEMENT

Water Resources:

We strictly comply with the Emergency Preparedness and Response Procedures to identify potential events or emergencies so as to prevent and reduce the diseases and injuries that may arise from such events or emergencies. At the same time, we insist on formulating contingency plans in accordance with the plan, conducting regular drills and evaluating the effectiveness of such contingency plans. For unexpected safety incidents, we act according to relevant internal rules such as the Emergency Response and Accident Handling Procedures, the Overall Contingency Plans for Emergencies, the Handling Procedures for Electromechanical Equipment Accidents and the Management Measures for Production Safety of Guangdong Yue Gang Water Supply Company Limited. For irregularities in relation to safety, we follow relevant corrective measures to control the execution of procedures.

In recent years, Yue Gang Water Supply has attached growing importance to the control of flood and storm in Shenzhen Reservoir under the guidance and support of Shenzhen City and Luohu District authorities. As an institutional member of the municipal and district instruction department for three controls, Yue Gang Water Supply has set up its own instruction department for three controls and professional working group to coordinate and direct the emergency and defense works of the reservoir. In order to prevent flood and ensure water safety, Yue Gang Water Supply has established a set of management policies regarding patrolling, monitoring and maintenance and a robust emergency response system to standardise reservoir management and allocate specific persons to take charge of key sections. We coordinate with municipal and district instruction departments for three controls in dealing with typhoons and rainstorms.

Yue Gang Water Supply has adhered to scientific dispatching and pre-defence. Leveraging on those advanced real-time monitoring information systems, such as the automatic hydrologic reporting system, the remote video images and flood forecasting system, the company manages to make full use of the reservoir to regulate the flood to ensure the safety of the main dam of the reservoir as well as the urban areas in the downstream. Meanwhile, to ensure the safety of the facilities of Dongshen Water Supply Project and the stability of the areas under its management, Dongshen Water Supply Project follows the arrangement made by the General Counter-Terrorism Brigade of Guangdong Provincial Public Security Department, and participates in the joint meetings held by the Dongguan and Shenzhen Counter-Terrorism Brigades so as to promote cooperation with the police through communication and exchanges. In 2018, the Anti-Terrorism Joint Prevention Work Plan for Dongshen Water Supply Project was fully implemented. As instructed by the municipal public security bureau and approved by Yue Gang Water Supply, a training team of 30 special security members was formed in 2016, mainly responsible for protecting key targets and handling emergencies. Besides, there are 9 policemen and 347 security guards stationed at the security office. The above measures ensure that we can pass the review and inspection for national water management companies with high scores.

Water resources: Yue Gang Water Supply hosting a comprehensive emergency drill for disaster prevention jointly with the instruction department for three controls of Luohu District

Co-organised by Yue Gang Water Supply and the instruction department for three controls of Luohu District in Shenzhen City, an integrated emergency drill for disaster prevention was held at the left auxiliary dam of Shenzhen Reservoir and nearly 30 institutional members of three controls participated in the drill. Based on various emergency plans including the flood

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and typhoon control, sudden geological disasters, the safety management of Shenzhen Reservoir and flood control, a total of 10 emergency exercise scenarios for typical incidents, such as handling slope landslides, rescuing drowning people, traffic control, cleaning fallen trees from roads, evacuation, medical rescue, addressing collapsed ground and handling reservoir grease, were set up. The drill was also assisted by high-tech equipment such as water rescue robots, drones and remote video monitoring systems. The whole process of the drill closely simulated real situations for practical exercise. During the drill, participants displayed quick action, professional moves, well-knit and orderly emergency response as well as appropriate instructions.



An Integrated Emergency Drill for Disaster Prevention



A Drill for Handling Slope Landslides



A Drill for Rescuing Drowning People

Hotel Ownership, Operation and Management:

According to the requirements of the Group, the Hotel Management Company revised the Work Plan for Handling Emergencies by Guangdong (International) Hotel Management Holdings Limited, which divided emergencies into four categories, namely, natural disasters, accidents, public health and social security. The emergencies were also classified into four levels according to their severity. In addition, the revised work plan clarified the responsibilities of the leader group for handling emergencies and entities for daily work.

Hotel operation and management: Fire drills

The Hotel Management Company has a total of 326 volunteer fire-fighters, with enhanced equipment for the team as basic foundation and clear work division and it organises regular skills training and fire drills. According to the requirements of the local government, each hotel has established a small scale fire station, provides fire safety training for employees, and improves their skills for extinguishing fire at its initial stage, evacuation and escape.

Energy Projects:

ZTP has established an emergency response work system, an integrated contingency plan for emergencies and 25 special emergency plans. Through annual emergency drills, ZTP works to bolster its emergency response capabilities. During the reporting period, in response to the requirements for establishing a first-class compliance enterprise, ZTP revised the Integrated Contingency Plan for Emergencies and three special emergency plans, including the Emergency Plan for Preventing Typhoon, Flood and Strong Convective Weather, the Fire Emergency Plan and the Emergency Plan for Liquid Nitrogen Leakage. In 2018, all departments of ZTP carried out more than 20 emergency drills in total, including 6 practical drills, covering major sources of hazards, fire fighting, plant-wide power outages, and typhoon and flood prevention.

ZTP: Emergency drill for liquid ammonia leakage organised by ZTP

To further enhance the safety awareness of its employees and ensure that in the event of liquid ammonia leakage relevant departments can quickly confine its spread, and that rescuers can reach the site at the earliest possible time, ZTP organised an emergency drill for liquid ammonia leakage with the Safety Supervision Sub-bureau of Huangpu Town in Zhongshan City, the Emergency Response Office and other departments.

In this emergency drill, ZTP demonstrated its strong emergency response capability for liquid ammonia leakage and a reasonable emergency response mechanism in place, with clear work division for each emergency rescue team and unified command.



Road and Bridge:

Xinchangjiang Company has set up an emergency leadership team to coordinate emergency management. It has also established the Emergency Plan for Production Safety Accidents which includes a total of 19 contingency plans which includes an integrated plan, special plans and onsite handling plans. In 2018, Xinchangjiang Company formulated the Emergency Plan for News Crises and the Emergency Plan for Construction Safety Accidents, organised over 20 emergency drills and improved its emergency

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management system. In 2018, Xinchangjiang Company introduced social rescue forces. It set up two vehicle rescue points according to the plan and a “police-road-enterprise” platform, with more than 2,000 people mobilised to handle 418 traffic accidents and address 25 traffic congestions. This measure effectively improved the capabilities of joint rescue, rapid response and integrated emergency handling on highways and provided efficient and safe services for the public.

Road and bridge: Xinchangjiang Company carrying out a “police-road-enterprise” drill for water damage on highway slopes

On 21 June 2018, Xinchangjiang Company carried out a “police-road-enterprise” drill for water damage on highway slope. In the drill, the participating units dispatched more than 40 people and 15 rescue facilities and equipment to test the capability of addressing highway emergencies.



5.3.3 ENHANCEMENT OF PRODUCTION SAFETY MANAGEMENT

Adhering to its principle of life first and safe development, the Group is consistent in treating production safety as a top priority, continuously improves production safety, seriously carries out screening of hazards, self-examination and self-correction and identifies shortcomings so that safety hazards and risks can be identified and resolved timely. The capabilities of safety prevention and governance is bolstered such that the lives and property safety of the employees and customers can be properly protected.

Water Resources:

Safety is undoubtedly a lifeline to the water business. By developing a group-wide supporting platform for production safety management, we have improved the production safety management of our water companies, realised real-time control of the safety management process and quantitative analysis of safety status and worked out production safety analysis data such as current index, leading index, historical index as well as monthly and annual data of hourly unsafe behaviours, all in a bid to improve the standardisation and intelligence of water resources segment safety management at the implementation level. The core of production safety management is composed of risk control, operation safety, emergency response and accidents, organisation and personnel, which are basically supported by safety observation, supervision and inspection as well as education and training. Laws and regulations also provide support for safety management as a whole. In the meantime, the construction of the safety experience hall has strengthened the safety awareness of construction workers and reduced the probability of safety accidents.



Water resources: Safety experience hall

During 2018, we prepared a booklet of standard diagrams and finished the construction of the on-site safety experience hall in April, organised the production safety month activity in June, launched an emergency plan from 15 to 17 September to deal with Typhoon Mangkhut with no casualties in the test section, completing the editorial and compilation of safety management policies and emergency plans as well as laws and regulations on production safety in September and conducted daily safety and special

safety inspections. We also completed the tender for third-party safety technology services and safety standardisation consultants.

Meanwhile, we have established the safety performance appraisal system according to the safety management policy, with corresponding annual KPIs established as the EHS management objectives. In particular, our target of casualties at work or major loss of work is zero.

Safety target of the water business segment	Accumulated Yearly Figure				
	Actual	Budget	Change	Same period of last year	Change

T2 indicators

		No more			
Loss of working hours per one million working hours	0	than 52	0	0	0
Liability accident with serious injury and above	0	0	0	0	0
Occupational disease	0	0	0	0	0
Fire liability accident	0	0	0	0	0
Major equipment liability accident of RMB100,000 and above	0	0	0	0	0

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Through concerted efforts of all our staff, GDI fully met its safety targets in 2018, with no safety liability accident incurred which caused serious injury and above at work. In 2019, the Company's water business segment will remain committed to production safety standardisation as an entry point to promote safety work, further consolidate its first-class compliance results for standardisation and strive to develop into an industry benchmark.



Yue Gang Water Supply

1. Loss of working hours per one million working hours ≤ 50
2. Occupational disease: 0
3. Fire liability accident: 0
4. Major equipment liability accident of RMB100,000 and above: 0



Other Water Resources Projects

1. Liability accident of serious injury and above: 0
2. Occupational disease: 0
3. Fire liability accident: 0
4. Major equipment liability accident of RMB100,000 and above: 0

Property Investment and Development:

To perform its responsibility in production safety, the security service department of the property company under GD Teem Group increases investment in production safety, works hard on screening and addressing hazards, spares no effort in synchronised safety prevention, strengthens staff training and emergency management and constantly raises the production safety awareness of employees to create a harmonious, safe and comfortable business environment for both tenants and customers. In 2018, GD Teem Group recorded no safety liability accident in relation to production safety. In April 2018, upon recommendation and application to the All-China Federation of Trade Unions by the trade union of GD Teem Group, the security service department of the property company won the accolade of "National Pioneer Worker", which further promoted the craftsman spirit of the responsible and diligent staff of GD Teem Group. The honour has also cultivated a work atmosphere conducive to attaining excellence within the Group and facilitated corporate operation.

Hotel Ownership, Operation and Management:

Attaching great importance to production safety, the Hotel Management Company has been engaged in intensive production safety activities, more in-depth production safety management and active work on fire safety. It continuously improves production safety management policies, conducts production safety inspections, and vigorously implements safety measures and rectification of safety hazards. As a result, the company incurred no safety liability accident during the reporting period. Meanwhile, according to the arrangement under the annual work plan for production safety of the Hotel Management Company, a regional production safety cross-check inspection will take place in the middle and end of each year respectively, during which hotels will exchange their experience on production safety management and eliminate and rectify the safety hazards identified so as to further strengthen the production safety of each hotel, assess the effectiveness of and improve its production safety management.

Hotel operation and management: People-in-charge and safety personnel receiving production safety training at government agencies

To strengthen production safety management, the management team and department heads of the headquarters of the Hotel Management Company participated in the production safety training organised by the training institutions designated by the regional safety supervision department in Shenzhen. After passing the examination, they obtained the production safety training certificate for people in charge of production and operation units. The safety director of the Hotel Management Company is a safety engineer and the production safety specialist has participated in the production safety training organised by government agencies and obtained the certificate for production safety management personnel.

Energy Projects:

Since 2018, ZTP has firmly established the concept of safe development, carried forward the thought of prioritising life and safety and conscientiously implemented a series of decisions and arrangements for production safety from central and provincial governments and the provincial branch of State-owned Assets Supervision and Administration Commission of the State Council. By promoting first-class compliance in production standardisation, ZTP has continuously improved its production safety, with no production safety accidents occurring for the whole year. ZTP has largely met the standardisation requirements on safety management, equipment and facilities, operation safety, occupational health, as well as other management and on-site items. ZTP recorded sound status of its equipment and facilities and succeeded in standardising its production safety, thus meeting the safety standardisation requirements for first-class energy enterprises.

Road and Bridge:

In 2018, having enhanced its safety control measures for highway construction, Xinchangjiang Company did not record any road construction safety accidents.

Road and bridge: Knowledge training on production safety management by Xinchangjiang Company

Xinchangjiang Company organised training on production safety management to a total of 33 members comprising the management team, department heads and full-time (part-time) safety officers. After completing such training, the 33 participants obtained the Production Safety Training Certificate.



5.4 PEOPLE-ORIENTED

Employees are fundamental to the survival and development of a company. Through a comprehensive welfare system, professional on-the-job training, abundant and diverse recreational activities and reasonable employee code of conduct, GDI takes care of its staff's physical and mental health in all aspects and creates a quality work environment and a friendly working atmosphere to enable the employees

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to develop a sense of belonging and happiness and at the same time, to grow together with the Group. The Group strictly complies with all relevant labour laws and regulations such as the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, Hong Kong Employment Ordinance, Hong Kong Employees' Compensation Ordinance and Hong Kong Occupational Safety and Health Ordinance, formulates and implements relevant employment policies which are in compliance with the Company's internal standards and insists on providing remuneration and benefits for its employees in an open and reasonable manner, which practically protects all basic rights and interests of the employees. The Group stringently adheres to the laws, and strictly prohibits child labour and forced labour. Principles of anti-discrimination and diversity are implemented in recruitment, remuneration, training and promotion and all forms of discrimination over gender, region, race and religion are prohibited.

As of 31 December 2018, the Group had a total of 6,983 employees (2017: 7,087), of which 1,278 employees were at managerial level. Among the employees, 6,731 were employed by subsidiaries in Mainland China and 252 were employed by the head office and subsidiaries in Hong Kong. Moreover, during the reporting period, the Group had 703 resigned employees. Among which, 637 employees were from the subsidiaries in Mainland China and 66 employees were from the head office and subsidiaries in Hong Kong.

Total training hours by employee category (hours)

Year	2018	2017
Senior	9,389.5	10,499
Intermediate	40,305	23,916
Junior	159,203	183,799
Contract and short-term	260	783
Total training hours	209,157	218,997

Total training hours by gender (hours)

Year	2018	2017
Male	131,560	123,893
Female	80,614	95,104

5.4.1 FOCUSING ON STAFF DEVELOPMENT

The Group attaches importance to the development of each employee and establishes a fair and equitable work environment with proper reward and punishment. Their benefits and prospects are closely connected with the Company's interest and development. We strictly formulate and abide by our internal policies such as the Staff Management Regulations, the Human Resources Management Regulations and the Performance Assessment Measures, and continuously provide our staff with training and development opportunities, which include on-the-job counselling, internal full-time training or external training at the Company's expense. In 2018, the Company strived to create the environment and condition for staff training and development. To the extent that the Company's development strategy is followed, we provided our staff with trainings on professional skills and relevant knowledge necessary for their career development, guided them to make progress and encouraged them to actively participate in vocational qualification training.

In 2018, employees of various segments of GDI received a total of 209,157 hours of training, with an average of 30 hours.

Water Resources:

Focused on its staff growing along with the enterprise, water resources segment continuously engages in optimising its human resources management system in accordance with the Group's work plan, to create an incentive and restraint mechanism with clear incentive orientation and specific appraisal guidance so that the supportive role of human resources function can be fully deployed. As for staff team building, it conscientiously fulfills its job responsibility and strengthen its management to improve the staff's overall quality. Through developing an enterprise college it aims to improve its talent training approach and sharpen the core competitiveness of the company. Water resources segment organises a professional management programme, which combines theoretical study and case study to teach the staff of our water companies the system, process and experience in managing professional functions. This helps the water companies establish a systematic management model to explore further for their high-quality and efficient corporate reform and development. During the 13th Five-Year Plan period, the water resources segment accelerated its expansion, which resulted in constant growth in scale. Hence, to improve the operation and management of those newly acquired companies, we need a diverse range of senior management talents equipped with extensive technical expertise and mature management skills. We have also launched a senior talent cultivation scheme for water resources segment, a scheme that combines systematic training with rotational practice to prepare a sufficient reserve of management talents for our subsidiaries.

In 2018, the college of water resources segment started its institutional operation. In its first year, the academy focused on three aspects, namely basic facility, business system and operations supporting system, to build a comprehensive enterprise college with the unique characters of water resources segment, deliver on its mission of "providing professional knowledge service to all the staff of water resources segment, promote strategic coordination and organising cultural inheritance" and realise its vision of "becoming a first-class enterprise college". The college pursues a flat management structure. Its academic office focuses on leadership development and core talent cultivation for the company. Each teaching and research unit devotes itself to improving the professional capabilities of employees, and each water company cooperates with the headquarters in talent cultivation. The college carries out its training based on its model of "Four Capabilities", namely, leadership, professionalism, transferability and safety. In 2018, 11 company-level integrated training classes were held successfully, with over 700 training sessions provided voluntarily by departments and subsidiaries which covered all our employees. Meanwhile, the online college also helped to cultivate professional talents for the company. As of 31 December 2018, the online college had 4,366 activated members, while the cloud classroom of the water resources segment added one new internal course per week and recommended one selected course for all members to study every week. Besides, one copy of the data from the reading platform was generated and sent to all members every month. The cloud classroom had developed 43 general courses and shared 81 internal theoretical knowledge and practical cases as of 31 December 2018.

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Water resources: Practical training base for the college of water resources segment

In 2018, the college of water resources segment started to build its practical training base, which would take place in two phases. Construction of the first phase has been completed, which includes the theoretical classroom, audio-visual classroom, practical operation classroom, academic dormitory and other necessary training facilities for the training base. The second phase is expected to be completed in the first half of 2019.



Practical Operation Facilities for the Mechanics Profession at the Training Base



Classrooms of the Training Base

Property Investment and Development:

In 2018, GD Teem Group continuously devoted itself to improving staff's capability and professionalism. Teem College provided an aggregate of 17 courses, totalling 90 learning hours for 1,246 people. By the end of November 2018, GD Teem Group had launched the action learning project of Teem College and arranged tutoring on "Thesis Proposal for Group Project" for all the trainees, which encompassed the methods on how to select a project thesis and write a report. After that, review and continuous tutoring will be conducted for each group's project report by stage to help trainees complete high-quality report for their action learning projects.

Hotel Ownership, Operation and Management:

In 2018, in order to meet its development needs, the Hotel Management Company prepared the Talent Cultivation and Team Building Plan of Guangdong (International) Hotel Management Holdings Limited, to select outstanding talents accurately through fair and just training, accelerate the development of talent reserves and build a team of talents based on the actual situation of the company. The Training Management Regulations of Guangdong (International) Hotel Management Holdings Limited was also formulated according to the actual situation of the company to strengthen its management on training, improve its training system and raise

the efficiency of training. During the second skills competition for hotel management, to support innovative hotel management, the Hotel Management Company provided special training on service and management innovation for employees who attended the competition, which has improved the hotel staff's innovation awareness in an all-round manner.

The Hotel Management Company strives to develop a multi-dimensional training system with online and offline connection to better provide multi-level, multidimensional and customised training. It is difficult for the Hotel Management Company to gather employees in one location for training, as the hotels under its management are distributed in various cities across the country such as Hong Kong, Shenzhen, Shanghai, Zhengzhou and Wuhan. Against such backdrop, the Hotel Management Company has rolled out online training via E learning, an online learning platform with wide coverage, as part of its effort to promote the online training and education college of Guangdong (International) Hotel Management Holdings Limited.



Hotel ownership, operation and management: E learning, an online learning platform for the Hotel Management Company

Energy Projects:

In 2018, ZTP focused on reinforcing and implementing the Double Eagle Programmes (雙鷹計劃), special programmes designed for talent cultivation. It has also completed six management training programmes including leadership training, on-site experiential education and training at Liangjia River, skill training for internal trainers, intermediate and key management training and outdoor activities, with a capital investment of RMB160,000. In September, new members were added to the Double Eagle Programmes for the year 2018, the list of which was updated accordingly. Specifically, 48 candidates were selected into the Young Eagle Programme (雛鷹計劃) and 66 candidates were selected into Mature Eagle Programme (雄鷹計劃), totalling 114 candidates (representing an increase of 24 candidates as compared with 90 candidates in the first term in 2017). The first annual talent training assessment was completed in November and December, which provided examination and conclusive analysis for the implementation of the Double Eagle Programmes and concluded their strengths and weaknesses. The assessment has provided guidance and direction for better implementation of talent training in 2019.



Energy Projects: "Double Eagle Programmes", ZTP's special programmes for talent cultivation

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Road and Bridge:

In May 2018, all 111 toll collectors were sent by Xinchangjiang Company to Nanning East Toll Station, the “Origin of the Chinese Highway Smile Service Brand” to receive a two-day study and training activity on civilised service. By learning and preparing the Improvement Work Plan on the civilised service, the company has gradually developed a “Five-Care” service brand with its own characteristics, providing more professional, standardised and cordial service for commuters.



Road and bridge: Benchmarking against model enterprises of the industry to deliver a “Five-Care” (收费五心) toll service brand with good attitude

5.4.2 ASSURANCE OF EQUAL RIGHTS

The Group strictly complies with laws and regulations such as the Labour Contract Law of the People’s Republic of China, the Social Insurance Law of the People’s Republic of China, as well as the Employment Ordinance and the Employees’ Compensation Ordinance of the Hong Kong Special Administrative Region. The Group also has its own employment rules and regulations in place which conform to national and regional regulations. It insists on providing employees with open and reasonable remuneration and benefits, ensuring their basic rights and interests, and prohibiting any discrimination in recruitment, remuneration, training and promotion. The Group also provides pension insurance, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance and other insurance for the employees. In addition, the Company provides its employees with one physical examination each year to ensure their physical and mental health.

Water Resources:

Water resources segment stresses on regulating its emolument structure, standards and distribution as well as welfare management. It also has scientific systems in place, such as the Remuneration and Welfare Management Policy, the Performance Assessment Measures and the Staff Reward and Punishment Measures, to clearly set out the staff’s remuneration coefficient and promotion range, motivate the staff to improve their work performance, boost their work performance and the company’s operating results, and ultimately achieve the strategic objectives of the company’s development.

Property Investment and Development and Department Store Operation:

GD Teem Group has formulated the Manual of Employee Performance Management, the Regulations on Salary Management and the Management Regulations on Working Hours, Leaves and Welfare, which clearly set out the rights and interests of employees at all levels. These regulations are designed to comprehensively and objectively implement the employee appraisal and evaluation system, create a performance-oriented culture with clear responsibilities and authorities, offer equal working hours, leaves, remuneration and benefits, and encourage employees to improve their abilities and performance continuously, as the company strives to achieve transparency, fairness and openness.

Hotel Ownership, Operation and Management:

In 2018, the Hotel Management Company strived to implement its internal management system by further promoting the professional manager system as the core reform to its internal systems. The company works to optimise the remuneration system for professional managers, taking into account the actual remuneration situation of the Hotel Management Company and benchmarking with the market rates of remuneration. In-depth analysis of internal and external environment has also been made, to further benchmark with industry remuneration data, optimise the ranges of remuneration of different levels, and keep improving the transparency of the company's remuneration and welfare.

Energy Projects:

In order to optimise the talent selection and appointment mechanism and standardise the relevant policies and procedures, ZTP has formulated the Recruitment (Competitive Employment) Management

Policy and the Staff Selection and Appointment Management Policy (Tentative). The policies clearly set out three main paths for career development (namely, management, technology and skills) as well as a variety of promotion channels such as internal competition for employment and rank/salary promotion appraisal, to provide an equal development platform for employees so as to effectively motivate them. In 2018, we carried out a competition-based appraisal for adjusting some of the work positions at the Operation Department. At the same time, the company has the Remuneration Management System and the Performance Management Measures in place, to specify employee remuneration and welfare as well as the mechanism that links income distribution to performance appraisal, which is designed to strengthen the awareness of common responsibility and mutual benefit and effectively motivate the staff for better performance.



Energy projects: Performance appraisal and talent selection mechanism of ZTP

Road and Bridge:

Xinchangjiang Company has established scientific employment management systems in line with regulations. Such systems include the Implementation Rules for Salary Management, the Management Measures for Performance Appraisal, and the

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Selection and Appointment Management System for Personnel of Key Positions. In terms of recruitment, remuneration distribution and promotion, the company adheres to the principles of “fairness, justice and openness” and equal pay for the same position. In terms of promotion, we adopt competitive employment, adhere to the principle of reasonable transfer of qualified personnel to suitable positions and rational appointment and removal (人才能上能下、能進能出合理流動), implement the principles of two-way selection, and appoint candidates with both virtue, talent and outstanding capabilities. There is no discrimination in terms of race, gender, religion and age.

5.4.3 STAFF CARING ACTIVITIES

We have fully mobilised the resources of the Group and its subsidiaries to provide employees with warm-hearted care, improve their sense of happiness and sense of belonging. At the same time, we actively organise a variety of team building initiatives, sports activities and skill competitions to keep raising the level of happiness among employees and create a good atmosphere of “work happily and live healthily”.

Water Resources:

With its trade union established, water resources segment has gained extensive acclaim for actively organising employees to participate in its fun sports games and speech contests and for selecting programmes to join the Group’s arts performance. Furthermore, water resources segment ensures that its employees enjoy a comfortable work environment, suitable service environment and conditions, safe and clean work conditions as well as proper labour protection, and that they behave appropriately at work under robust corporate culture and professional ethics.

The water resources segment held its arts performance and staff award ceremony in 2018, where it presented awards to the “Top Ten Gold

Employees” in the water resources segment for their dedication at work. In addition, the arts performance, which was prepared, directed and performed by its employees, demonstrated their spirit, underlined the company’s cultural atmosphere and gathered the company’s development strength.



Water Resources: Water resources segment hosting arts performance and staff award ceremony

Property Investment and Development and Department Store Operation:

GD Teem Group has enhanced its cohesiveness by organising a series of cultural, sports and arts activities, which also demonstrated the unity, cohesiveness and positive spirit of Teem’s employees. In February 2018, GD Teem Group staged the “New Era, New Look, New Achievement” arts performance, an event co-sponsored by a total of six trade unions and prepared by 100 employees in aggregate. In addition, the trade union of GD Teem Group provides resources for daily activities such as yoga, tennis,

badminton, football, basketball and swimming, with which the employees can enjoy a wide range of cultural and sports activities. This can strengthen the cohesiveness among the employees, boost their work enthusiasm and initiative, alleviate their work pressure and build a good atmosphere of corporate culture. To reinforce the development of its corporate culture and fulfil its social responsibility, GD Teem Group organised a total of 110 employees for outdoor activities by batch in 2018, in an effort to promote cross-department communication and team building through such activities and relieve the employees' work pressure.

Property investment and management: "New Era, New Look, New Achievement", an arts performance by GD Teem Group

On 8 February 2018, GD Teem Group held an arts performance named "New Era, New Look, New Achievement", an event co-sponsored by a total of six trade unions and prepared by 100 employees in aggregate. During the arts performance, the trade unions made concerted efforts to demonstrate the diverse characteristics and style of their corporate culture.

Hotel Ownership, Operation and Management:

Hotel ownership, operation and management: "Displaying Skills and Talents, Demonstrating the Style of GDI", a skills competition by Guangdong (International) Hotel Management Holdings Limited

"Displaying Skills and Talents, Demonstrating the Style of GDI", a skills competition launched by Guangdong (International) Hotel Management Holdings Limited, took place at Bairun Guangdong Investment Hotel in Zhenjiang (鎮江佰潤粵海酒店) from 4 to 6 December 2018. Nearly two hundred excellent employees from 15 hotels of the Group gathered in Zhenjiang to compete on the same stage. The competition,

which took place by team, with contest topics which included antechamber service simulation, Chinese-style bed making, bed service at night, customised room service, table setting for a Chinese-style meal, Chinese cuisine cooking competition, customised table setting, table setting for a western-style meal, western cuisine cooking competition, and knowledge contest. In the afternoon of 6 December 2018, service innovation and management training was held and awards were conferred to the winners.

Road and Bridge:

On 16 January 2018, Xinchangjiang Company held its second fun winter sports games to enrich employees' cultural life, enhance corporate solidarity and cohesion, and showcase the style and positive spirit of the employees of Xinchangjiang Company.



Road and bridge: Fun winter sports games of Xinchangjiang Company

Road and Bridge: A Fun Sports Game of the GDH Group

On 5 May 2018, Xinchangjiang Company organised 40 employees to participate in "Energetic New GDH, Embarking on a New Journey", the first fun sports games held by the GDH Group's trade union. During

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the event, they won general championship and ranked first in the style show, emerging as a bright star of GDH at the sports venue.



5.5 HARMONIOUS AND MUTUALLY BENEFICIAL RELATIONSHIP

GDI is committed to developing harmonious and win-win partnerships and places great emphasis on assuming social responsibility. In order to grow together with its partners, the Group continues to improve its management capabilities and increase management transparency to build a clean, fair and transparent supply chain management system, allow more capable suppliers with great potential to join us and create a better future together. Meanwhile, we hope to extend the spirit of doing good and being helpful to the community and inherit the good tradition of altruism.

5.5.1 SUPPLY CHAIN MANAGEMENT

GDI has been committed to working with our suppliers to pursue sustainable development and minimise the environmental, social and governance risks in the supply chain. With the Policy on Sustainable

Supply Chain of Guangdong Investment Limited in place, we encourage and prioritise our cooperation with suppliers who have environmental and safety certifications. Green development concepts, such as construction safety and environmental protection, have been included in our construction contracts and performance evaluation. By doing so, we hope to enhance green supply chain management as well as the sense of social responsibility and the capability of honest contract performance of enterprises in the supply chain, all under a transparent and fair mechanism for supplier selection and management. Our Management Measures for Tendering clearly sets out the disciplines and duties of various departments and personnel involved in tendering. During the tendering and bid evaluation process, it is necessary to state the personnel who should abstain from tendering and bid evaluation, such as those who have an relationship of interest with the bidder, worked for the bidder less than two years ago and have relatives at the bidder. Our Internal Audit Department audits the compliance and effectiveness of the Group's bidding management by responsibility, including whether the bidding system, procedure and work guidelines are scientific, rational and effective as well as the implementation thereof. Furthermore, we have incorporated the integrity agreement into the tendering and procurement contracts of products and services in all segments, which clearly stipulates the joint responsibility of both parties for integrity and the penalty for any breach. At the same time, GDI continues to actively promote the localisation of suppliers. Under the same terms and conditions, we would prioritise local suppliers to establish a mutually beneficial partnership, so as to reduce our carbon footprint in the transportation of materials and drive local economic development.

Water Resources:

Water resources segment has issued and implemented internal policies such as the Management Measures for Tendering, the Management Measures for Procurement, the Management Measures for Suppliers Information Database, the Rules of Procedure for the Tendering and Procurement Management Team, and the Operational Guidelines on Suppliers Rating. In the Management Measures for Tendering, we identify different responsibilities for the bid evaluation team and the supervision team so as to maintain a fair, impartial and open work order in the bid evaluation process. In the Management Measures for Procurement, we explicitly state the duties of various departments and their leaders, and categorise the approval authority based on individual matters for approval. Additionally, we have explicit and fair examination requirements for suppliers' qualification, under which related suppliers are not allowed to take part in bidding for the project procurement. The Supervision and Audit Department follows the internal policies under the Implementing Rules on Bidding Supervision and Management, to supervise bidding and procurement work. We will immediately terminate the employment contracts with those who falsify, collude with the suppliers or accept benefits from the suppliers in the procurement process. For those who commit a serious violation, once verified by the Supervision and Audit Department, relevant responsible persons and their units will be held accountable.

Property Investment and Development and Department Store Operation:

GD Teem Group has actively established a comprehensive supplier database and blacklist database during the year. A total of over 2,000 suppliers have been sorted out and classified based on the supplier database and the evaluation results of suppliers for the ten years from 2008 to 2018. The supplier database was then divided into seven categories and 142 subcategories. This will effectively improve the comprehensiveness and accuracy of the supplier database and enhance the work efficiency for subsequent supplier management. Furthermore, we collected relevant information to update the supplier blacklist, in a bid to prevent operating risks in our supply chain. In the future, we will provide all of our employees with special training on tendering and procurement, to ensure the compliance of each project and improve the transparency and fairness in our supply chain operations.

Hotel Ownership, Operation and Management:

The Hotel Management Company has issued and implemented the Management Measures and Implementation Rules for Tendering, and observes the principles of legal compliance, transparency and protecting the rights and interests of enterprises when conducting relevant bidding management. In particular, we stipulate that the assessors of bidding

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evaluation shall not contact bidders privately, accept any financial or other benefits from them, enquire the bidding organiser of their intention as to who will be the successful bidders, accept any intention made explicitly or implicitly by any unit or individual, exclude specific bidders, or performing their duties in a subjective and unfair manner. We strictly follow the bidding requirements and avoid any corruption or dishonesty in the bidding evaluation process.

Energy Projects:

ZTP upholds a win-win, honest and responsible corporate culture. As clearly set out in the Employee Handbook, employees shall not seek personal gains through the customer resources and transaction channels obtained in the course of employment, or engage in bribery. We have issued and followed the Management Measures for Tendering and the Management Measures for Regular Operational Expenditure as our internal policies, to standardise the compliance procedure and integrity policies in the bidding process. In order to facilitate employees to report any corruptions or violations of laws and disciplines, we have released the whistle-blowing hotline and mail address in our publicity column and our internal magazine Zhongshan Thermal Power. Employees are welcome to jointly supervise and report any non-compliance.

Road and Bridge:

Xinchangjiang Company has issued and implemented the Implementation Rules for Tendering Management, the Management Requirements for Materials Procurement, and the Management Measures for the Evaluation of Contract Performance. Meanwhile,

whole-process management has taken place for key businesses and sensitive positions according to the management policies and internal control system, which includes the Regulations on Discipline Inspection and Supervision and the Management Measures for Accountability. In 2018, we entered into 12 integrity agreements with external contractors and ten integrity responsibility statements with our internal departments. We conducted three reverse reviews and return visits in relation to the procurement and tendering of major or sensitive materials, as well as 11 contract performance evaluations for 20 major cooperative suppliers with a view to reinforcing our bottom line for anti-corruption.

5.5.2 ENGAGEMENT IN COMMUNITY BUILDING

GDI firmly believes that our business development is inextricably connected with our corporate social responsibility. Hence, we are actively involved in charitable activities to show our concern about community welfare, striving to give more back to our communities. We notice the difficulties faced by small and medium-sized water companies in their growth and cooperate with them so as to push for industry progress. GDI is committed to encouraging its employees to care for disadvantaged groups and communities through various charitable activities such as fundraising, promotion of ecological protection, supporting activities and blood donation.

We actively invest resources to fulfil our social responsibilities. During the reporting period, our volunteer activities totalled 1,812.6 hours, with a total of RMB377,000 donated.

We have actively responded to the nation's call for poverty alleviation by holding targeted support activities in Dongbei Village, Lianzhou County, Qingyuan City of Guangdong Province.

The water resources segment has donated over 300 books to Dongbei village, and organised its staff to provide financial support to 26 disadvantaged locals and 12 students.

In late September 2018, the management personnel of our hotel operation and management segment visited Dongbei Village for the Mid-Autumn Festival. Through both financial and physical support, we provided grants to Hope and Spring Bud School (希望春蕾學校), and helped farmers to shed poverty and improve their quality of life.

ZTP has also undertaken a hydropower engineering modification project for households with financial difficulty in Dongbei village. We provided utility modification for a total of 59 disadvantaged households in Dongbei Village, which was completed and ready for use on 30 January 2018.

Water resources: Supporting small and medium-sized water companies to jointly promote industrial progress

As an influential player in the water industry in China, water resources segment pays great attention to the development of small and medium-sized water companies in this industry. We acquired shares in Guangzhou Nansha GDH Water Co., Ltd. ("Nansha Water Company") and Meizhou Guangdong Water successively, in the capacity of a strategic investor. We also support small and medium-sized companies in the following ways:

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- Leveraging on GDI's capital and financing strengths to provide the joint venture companies with loans and guarantees to alleviate their financial stress;
- Further resolving their financial difficulties through additional fund contribution to address debt issues such as historical indebtedness;
- Meeting the water demand for urban development by expanding Nansha Water Company and building Meizhou Xincheng Water Plant (梅州新城水廠);
- Introducing the management technology and culture of GDI, to improve water supply service, ensure safe water supply and meet residents' demand for improving water quality; and
- Maintaining the stability of staff in small and medium-sized companies by ensuring that there is no dismissal and that staff remuneration and benefits are protected.



Property investment and development: Pink parking spaces and barrier-free parking spaces in Teem

Our property investment and department store operation segment has marked out pink parking spaces and barrier-free parking spaces for women drivers and mobility-impaired consumers, respectively. Such parking spaces are wider and closer to store entrances and parking lot exits, making it easier for these consumers to locate their vehicles.



Property investment and development: Blood donation for public welfare

To actively respond to the nation's call, a total of 97 employees from GD Teem Group participated in voluntary blood donation activities in 2018. Through active involvement in such activities, we aim to show our gratitude and pass on our good wishes. This also represents our staff's care for local communities and the Group's sense of corporate responsibility for serving the public and giving back to society.



Property investment and development: Care for children with autism and enjoy an unforgettable Mid-Autumn Festival together

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During the Mid-Autumn Festival which fell on 24 September 2018, we held a public welfare activity for children with autism, namely the Children from Stars, at Teemall. We hosted an activity of making “luminous pinwheels” and DIY osmanthus cakes for the children from Sunshine Service Association for the Mentally Handicapped (陽光心智障礙者服務協會). With the help of teachers and parents, these children made beautiful luminous pinwheels and delicious osmanthus cakes.



Property investment and development: 2018 International Vertical Marathon at Teem Tower

Through this activity, we hope to help the children with autism to adapt to society, and wish each of them to have an unforgettable Mid-Autumn Festival. We also appeal to the public to care for children with autism and those disadvantaged groups.

In 2018, GD Teem Group co-hosted the International Vertical Marathon. The race at Teem Tower attracted a total of more than 4,000 contestants. By hosting the event, we delivered our healthy, sports and green values to citizens, thus raising GDI's brand awareness and its healthy and positive image for public welfare.



Road and bridge: Taking the lead in ecological protection

In March and May 2018, young employees of Xinchangjiang Company participated in a tree planting volunteer activity named “Planting Trees to Help the Poor and Benefit People’s Livelihood” in Hengxian, Nanning, Guangxi and an aquatic ecology protection activity named “Protecting the Mother River and Sharing the Yu River Water”, respectively. Through engagement in these two activities, we seek to boost employees’ awareness of ecological and environmental protection, develop the concept of green civilisation and establish the green value of harmonious co-existence between man and nature.

In February 2018, the staff of Xinchangjiang Company and Hengxian Women’s Federation reached the countryside to provide one-on-one support to children in need. We presented festival gifts to the children and learned about their current difficulties in life and study. Our staff encouraged the children to work hard to gain knowledge, inspiring them to make progress and do good through the power of philanthropy.



Road and bridge: One-on-one support to children in need

6 SOCIAL RECOGNITION

Awards	Issuer	Recipient
LEED EBOM v4 Platinum Certification (the first dynamic LEED platinum certification programme in South China)	LEED	Teem Tower in Guangzhou
2018 Golden Pearl Awards – Service Excellence Hotel of the Year	GHM Hotel General Managers Society	Guangdong Hotel (Hong Kong)
2018 Golden Pearl Awards – Green Hotel of the Year	GHM Hotel General Managers Society	Guangdong Hotel (Hong Kong)
2018 Golden Pearl Awards – Award for Facilitating Harmonious Labour Relations	GHM Hotel General Managers Society	Guangdong Hotel (Shen Zhen)
National Excellent Enterprise with Foreign Investment – Encouragement Award for Safety and Environmental Protection	Shenzhen Association of Enterprises with Foreign Investment (深圳外商投資企業協會)	Guangdong Hotel (Shen Zhen)
National Excellent Enterprise with Foreign Investment – Excellent Award for Tax Contribution and Revenue (雙優企業獎)	Shenzhen Association of Enterprises with Foreign Investment	Guangdong Hotel (Shen Zhen)
National Excellent Enterprise with Foreign Investment – Quality Progress Award	Shenzhen Association of Enterprises with Foreign Investment	Guangdong Hotel (Shen Zhen)
2017 Top 10 Influential Enterprises in the water industry in China	H2O China	Water Group

Awards	Issuer	Recipient
Guangdong Provincial Archives “Upper Second” Enterprise		Yue Gang Water Supply
Nomination Award for Top 10 Craftsmen of Enterprises Directly under Guangdong Provincial Government	State-owned Assets Supervision and Administration Commission of Guangdong Province	Water Group
China Hotel Golden Horse Award – Top 10 China Hotel Management Company	Annual Meeting of China Hotel Industry	The Hotel Management Company
Excellent Proprietary Brand	Federation of Guangdong Provincial Enterprises (廣東省企業聯合會)	Guangdong Hotel (Shen Zhen)
Outstanding Women’s Federation in Nanning (南寧市巾幗文明崗)	Nanning Municipal Women’s Federation (南寧市婦女聯合會)	Yunbiao Toll Station of Guangxi Xinchangjiang Gonglu Company Limited (廣西新長江高速公路有限責任公司)
Outstanding Youth Organisation for Professionalism of Guangxi Zhuang Autonomous Region	Expressway Network Toll Management Centre of Guangxi Zhuang Autonomous Region	5 toll stations under Guangxi Xinchangjiang Gonglu Company Limited

APPENDIX: CONTENT INDEX FOR ESG REPORTING GUIDE

Environmental, Social and Governance Reporting Guide Index			Disclosure page
Environmental			
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	P27-32, 51-59
	A1.1	The types of emissions and respective emissions data	P54-57
	A1.2	Greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	P28
	A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	P54
	A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	P54
	A1.5	Description of measures to mitigate emissions and results achieved	P27-32, 51-59
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	P51-59
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	P22-27, 51-59
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kwh in '000s) and intensity (e.g. per unit of production volume, per facility)	P58-59
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	P58-59
	A2.3	Description of energy use efficiency initiatives and results achieved	P58-59
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	P23-32
	A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced	N/A

Environmental, Social and Governance Reporting Guide Index			Disclosure page
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	P22-27, 33-37
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	P22-27, 33-37
Social			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	P69-78
	B1.1	Total workforce by gender, employment type, age group and geographical region	P70
	B1.2	Employee turnover rate by gender, age group and geographical region	P70
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	P59-69
	B2.1	Number and rate of work-related fatalities	P59
	B2.2	Lost days due to work injury	P59
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	P59-69
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	P69-78
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	P70-73

APPENDIX: CONTENT INDEX FOR ESG REPORTING GUIDE

Environmental, Social and Governance Reporting Guide Index			Disclosure page
	B3.2	The average training hours completed per employee by gender and employee category	P70-73
B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	P69-78
	B4.1	Description of measures to review employment practices to avoid child and forced labour	P70
	B4.2	Description of steps taken to eliminate such practices when discovered	P70
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain	P78-80
	B5.1	Number of suppliers by geographical region	P79
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	P78-80
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	P37-45
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	N/A
	B6.2	Number of products and service related complaints received and how they are dealt with	P43
	B6.3	Description of practices relating to observing and protecting intellectual property rights	P36, 39-41
	B6.4	Description of quality assurance process and recall procedures	P37-45
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B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	P46-51
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	P46-51
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	P46-51
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	P80-85
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	P80-85
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