



GLORY 国瑞

GUORUI PROPERTIES LIMITED 國瑞置業有限公司

(於開曼群島以「Glory Land Company Limited (国瑞置業有限公司)」的名稱註冊成立的有限公司，並以「Guorui Properties Limited」的名稱在香港經營業務)

(Incorporated in the Cayman Islands with limited liability under the name of "Glory Land Company Limited (国瑞置業有限公司)" and carrying on business in Hong Kong as "Guorui Properties Limited")

香港聯合交易所股份代號 Stock Code : 2329

環境、社會
及管治報告
Environmental,
Social and
Governance Report

2018



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ABOUT THIS REPORT

Guorui Properties Limited and its subsidiaries (“Guorui Properties”, “the Group” or “we”) are large-scale property developer and operator engaging in projects including large urban complexes and boutique residences and certain high-quality commercial properties. We are pleased to publish our Environmental, Social and Governance report (the “ESG Report”) which demonstrates our performance in the environmental, social and governance aspects and enables the Group to build a positive brand image and achieve sustainable development.



REPORTING FRAMEWORK

The ESG Report was prepared based on the “Environmental, Social and Governance Reporting Guide” (the “Guide”) under Appendix 27 of the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited. The scope and content covered are in compliance with the disclosure obligations of “comply or explain” provision under the Guide. Readers may refer to the last section headed “Appendix II: Content Index of Hong Kong Stock Exchange ESG Reporting Guide” for quick referencing. For the detailed information of the corporate governance of the Group, please refer to the section headed “Corporate Governance Report” from the annual report and the official website of the Group (<http://glorypty.com>). This report is published in Traditional Chinese and English versions. In case of discrepancy, the Traditional Chinese version shall prevail.

SCOPE OF THE REPORT

The ESG Report focuses on the core business of the Group in the People’s Republic of China (the “PRC”) from the period of 1 January 2018 to 31 December 2018 (the “Reporting Period” or the “Year”). The environmental key performance indicators (“KPIs”) of 19 offices and 16 site projects of the Group were collected to demonstrate the overall performance of the Group for the reporting principle of quantitative and, where applicable, to provide information for the previous year for comparison.

CONTACT INFORMATION

Your opinions will be highly valued. If you have any enquiries or suggestions, please email at: ir@glorypty.com.

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INFORMATION OF THE GROUP

Established in 1994, Guorui Properties is one of the best property companies in China, with Grade A standards in property development and property management and ranking 60th among the top 100 listed property companies during the Year. The Group was successfully listed on the main board of the Hong Kong Stock Exchange in 2014 and it has made breakthroughs in standardized corporate management, business scale, market share, product mix and investment diversification.





During the Reporting Period, the Group achieved satisfying performance by adopting flexible approaches:

CONTRACTED SALES

↑ 47%



In addition, the Group acquired 3 high-quality land plots this Year, with its distribution in different regions, which further consolidated its strength in land resources:

Beijing Tianjin Hebei – 44%

↑ 97%

Yangtze River Delta & Belt and Road Initiative – 25%

Pan Pearl River Delta – 31%



1,670 ten thousand m² land reserve

For the Year ended, the new land reserve is approximately 7.92 million m²



RMB 2,823/ m² average land cost



1,300 billion value in total

In 2019, the new saleable price exceeded 50 billion

OBJECTIVES AND DIRECTIONS

Amid the current tightening financial policies, the Group carefully screened premium projects for investment. In terms of urban layout, we continued to deepen the operation in cities where we have strategic presence, focused on the key cities in the four major regions, being the “Beijing Tianjin Hebei” region, the “Yangtze River Delta” region, the “Pearl River Delta” region and the economic corridor of the “Belt and Road Initiative”; in view of the increased policy and financial pressure emerged in first-tier cities including Beijing, Shanghai, Guangzhou and Shenzhen, the Group will strictly control the risks, remain cautious in countercyclical land acquisition and avoid acquisition of any land at a high price; the core districts in second-tier cities are capable of competing with first-tier cities and the demand for low-density products for improved residential purpose is gradually increasing in areas surrounding second-tier cities, giving rise to development opportunities in the future to some extent; in respect of third- and fourth-tier cities, we selected land with strong supporting resources, such as the government, schools, hospitals, subways, core commercial areas and other regional strong resources, with a view to avoiding the risks arising from limited market capability faced by third- and fourth-tier cities.

3. ACHIEVING SUSTAINABLE DEVELOPMENT

Guorui Properties has always attached high attention to creating value and the corporate spirit of “Reaching Win-win Solutions and Laying Foundation for Business Growth”. In addition to making profits, the Group adheres to promoting sustainable development in both the environment and society. We are committed to the responsibility of corporate citizenship in promoting the practice and innovation of green buildings, adopting environmentally-friendly measures to protect the environment, cherishing our employees, maintaining smooth operation and creating harmonious society.

3.1. STAKEHOLDER ENGAGEMENT

As for open and promising enterprise, opinions and expectations from stakeholders are especially important to the Group’s development. We identify the major internal and external stakeholders, understand their expectations and requirements through appropriate communication channels in an open and active manner.

Major stakeholders	Communication channels
Customers	Customer satisfaction survey and feedback form, customer advisory team, customer service center, activities for increasing customer loyalty, site visit by customer relationship managers, daily operation/interaction, online service platform, telephone and mail box
Employees	Employee survey, employee feedback channels (forms or suggestion box), performance assessment, group discussion, conference, work performance review, business presentation, seminar/workshop/talk, publications (staff newsletter), staff meeting and staff intranet
Shareholders/investors	Results announcement, senior management meeting, face-to-face meeting, annual general meeting and other general meetings, interim and annual reports, corporate newsletter, letter/circular and meeting notice to shareholders, results announcement and environmental, social and governance (ESG) meeting
Suppliers	Suppliers management system, meeting, suppliers/contractors assessment system and site visit

Major stakeholders	Communication channels
Business partners	Report, meeting, visit and talk
Peers	Industry forum and interaction activity, strategic cooperation project and group's notice
Community/non-governmental organizations	Donation, community investment program and seminar/talk/workshop
Media	Press conference, news release, senior management interview, results announcement and gathering with media
Regulatory authorities	Compliance report, written letter in response to public consultation and meeting

The ESG Report is designed to cover the four aspects to address all stakeholders' concerns, including "Green Culture", "Staff-oriented", "Social Welfare" and "Fostering of Brand".



4. GREEN CULTURE

The Group was rewarded as one of the China's Top 10 Real Estate Developers for Social Responsibility in 2018, environmental protection is part of the emphasis. We will work jointly in controlling emissions' sources, reducing the use of resources and arousing employees' awareness of environmental protection.

4.1. FOCUSING ON CARBON EMISSIONS

The Global Carbon Project, an international research institution, organized the United Nations Climate Change Conference (COP 24) in Poland on 5 December 2018 and released the Global Carbon Budget. It was estimated in the report that greenhouse gas (GHG) emissions in 2018 increased by 2.7% as compared to 2017, the highest record in the past years. As no effective measures have been taken in a number of countries, the world has to add its effort to attain the lenient "2°C global warming limit" set under the Paris Agreement.

China is the world's largest emitter with its carbon emissions increased by almost 500 million tonnes due to the slowdown in economic growth and the loosening policies for regulating air pollution and carbon emissions implemented by some local governments. As a PRC enterprise, it is our responsibility to minimize the emissions and prevent from climate disasters. We will act in compliance with major policies such as the National Plan on Climate Change 2014-2020 (《國家應對氣候變化規劃(2014-2020 年)》) and National Climate Change Adaptation Strategy (《國家適應氣候變化戰略》) and review the GHG emissions generated from the Group's operation while preparing the ESG Report.

Greenhouse Gas Emissions Management

We conducted the carbon audit for the 19 offices and 16 site projects of the Group based on the "Greenhouse Gas Protocol" (《溫室氣候盤查議定書》) developed by the World Resources Institute and the World Business Council for Sustainable Development and the ISO14064-1 set by the International Standards Organization. The GHG emissions generated during the Reporting Period are summarized as follows:

Summary of GHG Emissions		Unit	2018
Scope 1	Direct GHG emissions	Tonnes of CO ₂ equivalent (CO ₂ e)	1,188.4
Scope 1	GHG removal	Tonnes of CO ₂ e	33.7
Scope 2	Indirect GHG emissions	Tonnes of CO ₂ e	6,307.5
Scope 3	Other Indirect GHG emissions	Tonnes of CO ₂ e	1,871.3
Total GHG emissions		Tonnes of CO ₂ e	9,333.5
Total GHG emissions intensity (per 1,000 square meter of floor area)		Tonnes of CO ₂ e/1,000 m ²	3.7

Scope 1: The direct GHG emissions generated from sources owned and controlled by the Group.

Scope 2: GHG emissions indirectly generated by electricity generation, heating and cooling or steam purchased by the Group.

Scope 3: Emissions include GHG emissions indirectly generated by sources that are not owned or directly controlled by the Group but related to the Group's business activities.

As for the carbon audit, the GHG emissions cover the fuel consumption from mobile sources (Scope 1), the generation of purchased electricity (Scope 2), water consumption and flight emissions during employees' overseas business trips, waste disposal and paper consumption (Scope 3), which are emitted with GHGs of carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and Sulphur hexafluoride (SF₆).

Emissions Mitigation

The Group has formulated the below emissions reduction measures according to the above sources of GHG:

Emissions source	Initiative	Objective
Vehicles of the Group	<ul style="list-style-type: none"> Regular vehicles' maintenance Inflate tires Cut out engine idling Offer low carbon driving training to employees Use electric or hybrid vehicles When employees with company vehicles go out for business purpose with employees who are not being assigned with vehicles, transportation is provided by employees with company vehicles. 	<ul style="list-style-type: none"> Vehicles can be repaired timely if damages were found Keep tires properly inflated Reduce heat generated Drive vehicles in a proper way to reduce fuel consumption Enhance air quality and reducing carbon emissions Increase the utilization rate of vehicles with proper arrangement
Business trip by air	<ul style="list-style-type: none"> Employees who went for business trip for the Year decreased by 5.28% as compared to last year Use video conferencing to replace non-essential business trip Direct flight is preferred for the inevitable business trip 	<ul style="list-style-type: none"> Reduce GHG emissions mainly generated from business
Tree planting	<ul style="list-style-type: none"> 1,467 trees were planted in total during the Year 	<ul style="list-style-type: none"> Reduce GHG emissions and promote green environment

During the Year, the Group places importance to the comprehensiveness of GHG emissions' calculation, and the calculation was divided into 3 scopes to present data. Site project and its respective office of Guizhou and Wuxi are newly were this Year to disclose the environmental performance of the Group with greater transparency. We plan for next year feasible mitigation measures for offices and site projects from the evaluation of emissions from various scopes and sources. The total of GHG emissions during the Year was 9,333.5 tonnes of CO₂e and the intensity was 3.7 tonnes of CO₂e per 1,000 square meter of floor area, experienced with 0.6% reduction of the intensity compared with last year. We closely monitor the GHG emissions and other environmental indicators with an aim to contributing to the environment by regulating our performance.

4. GREEN CULTURE

4.2. GREEN BUILDING



Guorui • Xi'an Financial Center, an international Grade A office

Green buildings have become the highlight in the real estate industry. Guorui • Xi'an Financial Center, an international Grade A office completed at the end of 2018 which was awarded with the “China Hundred Cities New Landmark”, was integrated with the following green building elements to reduce carbon footprints and demonstrate the characteristics of the era of landmark buildings:

International commercial building standards with global influences

- US LEED precertification (gold level)
- Chinese green building standard (2-star)

Greening

- 100 meter layered vertical greening

LOW-E unit glass curtain wall

- Level 5 thermal performance, less ultraviolet radiation, better thermal insulation and heat isolation function, creating low-carbon offices in multiple aspects, minimizing energy consumption in offices

Air-conditioning system

- Flexible partition control to meet the needs in offices in multiple aspects

PM2.5 Central air conditioning system

- PM2.5 filtration system, level 3 purification system, 95% purification effect, creating a three-dimensional ecological aerobic space comprehensively

Technology

- Top ten intelligent technology office systems

Guorui Properties acts as property developer, the development, planning and construction of projects lead to the pollution of land, air, water, noise, natural resources. As a result, it is needed to engage a third party environmental company to conduct an environmental impact assessment regarding the projects in accordance with the “Environmental Protection Law of the PRC” (《中華人民共和國環境保護法》). Such assessment report shall include the corresponding investigation, supervision and evaluation results of the atmosphere, water, noise and other factors to ensure the emissions standards set by the various regional governments are met at construction and subsequent stages.

4.3. GREEN CONCEPT

In addition to integrating the concept of green building into our projects, we have put the following measures in practice in our daily offices’ operation,

Energy management

Energy accounts for large consumption in both project sites and offices. GHG emissions can be greatly reduced by adopting effective control measures. We are committed to implementing various energy conservation measures and strengthening our energy management. During the Year, the Group’s total electricity consumption was 9,759.6 MWh and the power consumption intensity was 3.8 MWh per 1,000 square meter of floor area. We adopted the below energy-saving measures, so we reduced the consumption intensity by 28.4% compared with the last year.

As for the management for air conditioning system, we will set the system temperature at 26°C and apply sleeping mode where possible, and will turn off the air conditioner for about an hour when the ideal temperature is reached. Furthermore, the filters are cleaned regularly to improve the energy efficiency of the system. Meanwhile, air conditioners are installed away from direct sunlight and our employees are allowed not to wear ties and full suits in hot weather and put on casual wear every Friday for the purpose of reducing the energy consumption of air conditioners.

In terms of lighting, we use lamps that reduce power consumption and energy efficiency, and remove the lamps in bright locations. We regularly clean the lighting equipment for increasing energy efficiency. In our offices, we have different lighting areas and individual switches are installed so that other employees are not affected when the system is switched off in separate areas where lighting is not required.

Management of water resources

Proper treatment of the waste water generated from our projects is one the Group’s missions. The design and construction process of the projects are determined in accordance with the principle of “rainwater and sewage diversion”. The daily sewage generated during the operation of the projects will be discharged to the sewer after being treated in a tertiary septic tank. Moreover, we will set up the complete sewage treatment facilities with slag and oil separator installed in advance before commencing our projects to treat wastewater dregs.

4. GREEN CULTURE

Furthermore, we strictly monitor the usage of water in offices by taking the following water-saving initiatives:

- Post water-saving reminder stickers in washrooms;
- Promptly fix the dripping faucet;
- Lower the water pressure;
- Regularly check for leakage or overflow in concealed water pipes and tanks; and
- Use cleaning utensils with water-saving labels

During the Year, the Group's total water consumption was 338,535.3 cubic meters and the total power consumption intensity was 132.6 cubic meters per 1,000 square meter of floor area, representing a decrease of 51.2% as compared with the last year. Since most of collection this Year did not include the site projects that are with high water consumption, while the water consumption within the offices, that leads to the large reduction.

Resource management

We have implemented a paperless office system that replaces paper records and created a working environment where electronic communication technology is applied for information sharing and Internet faxes are installed to screen for junk faxes. In addition, our computers and printers have been defaulted to the double-sided printing and ink-saving mode. Notices are also posted at prominent positions next to the printers to remind employees to use smaller font size, narrow line spacing and print on recycled papers.

Waste treatment

Non-hazardous waste and hazardous waste were treated properly in different ways. Our ultimate goal is to reduce waste at source and increase the recycle rate.

Non-hazardous waste

During the Year, we generated a total of 5,815.0 tonnes of non-hazardous waste, with the intensity of 2.3 tonnes per 1,000 square meter of floor area, the total generation is reduced by 183,839.6 tonnes compared with last year. Recycle bins are placed in offices and project sites to encourage our employees to recycle paper, metal and plastic items by sorting them. For the sake of reducing source of waste, we will reuse stationery items such as envelopes, folders and file cards and use the pens that ink can be refilled. All construction waste and other waste generated from our projects are delivered by the Environmental Hygiene Department to the municipal solid waste landfills in accordance with the instructions of the environmental impact assessment to achieve "Disposing Waste Every Day" and zero tolerance to the approaches are taken to the illegal dumping of waste.

Hazardous waste

During the Year, we generated a total of 17.5 kg of hazardous waste, with the intensity of 0.01 kg per 1,000 square meter of floor area. Although the generation of hazardous waste this Year has increased 14.45 kg compared with last year, we actively use recyclable toner cartridges/ink cartridges and rechargeable batteries instead of disposable and non-recyclable products. In addition, we also engage qualified collection and recycling companies to dispose the hazardous waste properly as to ensure that negative impacts caused to the environment can be minimized.

5. STAFF-ORIENTED

Our employees are one of the most valuable assets. We are committed to attracting and retaining talents with fair and equitable employment practices and by providing competitive benefits, caring for employees' health and safety and improving our training and development mechanisms. We strictly abide by the laws and regulations related to employment and labor standards, such as the Labor Law (《勞動法》), the Labor Contract Law (《勞動合同法》), the Law on the Protection of Minors (《未成年人保護法》) and the Provisions on the Prohibition of Using Child Labor (《禁止使用童工規定》) of the People's Republic of China, to ensure employees are protected under the laws.

5.1. EMPLOYMENT PRACTICES

Our Human Resource Department has formulated the "Employee Handbook" (《員工手冊》) based on the above mentioned laws and regulations which stipulates the major information of the rules and regulations as well as general policies.

Our Human Resources Department recruits employees pursuant to the personnel management permissions, fixed management regulations and annual plans. The Human Resources Department publishes the approved recruitment information on the open recruitment platform and collects the candidates' information on such platform. Subsequently, both Human Resources Department and recruiting department will select the candidates according to their resume, qualifications, working experience and abilities required by the relevant positions, not subject to ethnic group, race, gender, religious belief, disability, and nationality, so as to avoid any discrimination. Candidates who fulfil our expectations will receive interview invitation and who perform well will be recruited. In accordance with the laws and regulations under the Labor Contract Law (《勞動合同法》), the Group signs the labor contract with employees to clarify the major terms including their duties and benefits as to prevent from forced labor. In addition, the Group has zero tolerance of recruiting child labor. Staff from the Human Resource Department will strictly verify the identity and other qualification documents of the employees to ensure all new employees satisfy the legal minimum working age. During the Reporting Period, the Group did not involve in any non-compliance related to discrimination, employment of child labor or forced labor.

5. STAFF-ORIENTED

We also concern about the departing employees. The Human Resource Department meets the employees who have submitted the resignation application to understand their reasons for leaving the Group and discuss about their evaluation of the position and working situation so as to adopt effective and feasible measures to enhance the Group as a whole.

A good relationship with employees

Guorui Properties actively established good relationships with its employees and organized various of employee activities during the Reporting Period to maintain work-life balance and to increase communication. We have excellent staff presentations and publicly praise the contributions of our employees to the Group in the intranet. At Christmas, the Human Resource Department organized a Christmas event and employees' birthday party, and spent a pleasant afternoon throughout the game playing. In addition, the basketball competition is one of the popular employees' activities, and the team spirit was reflected in the team competition. Employees reflect that the group can organize more activities in the future to further enrich their life.



Basketball competition



Birthday and Christmas party

5.2. REMUNERATION AND WELFARE

Remuneration is one of the key considerations for employees. We provide fixed annual salary and quarterly performance bonus to the employees for their contribution made to the Group. The Human Resource Department adjusts employees' annual salary with reference to internal and external compensation standards, their competitiveness, experience and skill. In addition, we give all employees a performance appraisal every year and quantify their performance according to their working performance, attitude, results and teamwork. The appraisal results will reflect in their salary adjustment and quarterly performance bonuses so as to encourage employees to keep working hard.

In addition to statutory holidays, paid annual leave, maternity leave, sick leave, work injury sick leave, marriage leave, funeral leave and other legal leave and statutory guarantees such as Five Social Insurances and One Housing Fund, we also provide our employees with the following additional benefits:

Annual body check	Communication subsidy	Meal allowance for business trips or overtime work on public holidays	Vehicles offered or subsidy on fuel fees provided to employees with senior positions
Share option and incentive scheme	Public holidays	Five-day work	Festival subsidy
Wedding gifts	Birthday greetings	Hospitalization subsidy	Subsidy on the occasion of a funeral

5. STAFF-ORIENTED

5.3. HEALTHY AND SAFE WORKPLACE

As the Group is engaged in real estate development, we especially concern about the health and safety conditions of our site workers. We strictly abide by the Prevention and Control of Occupational Diseases Law (《中華人民共和國職業病防治法》), the Safe Production Law (《中華人民共和國安全生產法》), Workplace Occupational Health Supervision and Management Regulations (《工作場所職業衛生監督管理規定》), the Regulation on Work-Related Injury Insurances (《工傷保險條例》), the Fire Protection Law of the People's Republic of China (《中華人民共和國消防法》) and other relevant laws and regulations so as to create a safe working environment. During the Reporting Period, the Group did not record any fatal incidents as a result from work-related injuries or accidents.

We customize an "Occupational Safety and Health Management Plan" (《職業安全健康管理方案》) for each of our projects and our chief engineer in charge of the project will identify and estimate the risk of the major hazards of the project caused to occupational safety and health of employees and provide relevant solutions for avoiding against accidents. For each of the projects we also establish an occupational safety and health management council to ensure effective management of occupational safety and health. The council conducts, either on a regular or irregular basis, inspection and supervision on our construction environment and workplaces regarding work-at-height, dust, poisonous, flammable and explosive items, noise, temporary electricity, hole protection, falling objects from height, safety protection for on-site personnel, safe operation of machinery and external scaffolding and such inspection results are kept for record. When problems are identified, the causes are analyzed promptly for implementing improvement measures.

For each project, the Group offers safety education and training sessions for new construction workers and all personnel on a regular basis to ensure all workers have learned the basic knowledge of safe production and emergency response. Moreover, new employees who did not attend safe production training sessions are not allowed to work by the construction contractors and qualified construction personnel are provided with adequate and qualified protective equipment.

5.4. COMPREHENSIVE TRAINING AND DEVELOPMENT OPPORTUNITIES

The Group encourages its employees to make self-improvement and serve customers with a professional image. We formulate targeted training programs and plans under the "Human Resources Management System-Training Management" (《人力資源管理制度 — 培訓管理》) according to the different requirements of various positions and development directions of the Group.

As for internal training, we engage corporate trainers who are able to prepare teaching materials integrating knowledge and experience to provide on-site trainings to our employees to enhance training effectiveness. After each training session, we conduct a training follow-up assessment to review the effectiveness of the training, course materials and application. As for external training, we allocate funds according to our budget to jointly launch courses with external professional training institutions, professors from higher education institutions and management personnel from well-known enterprises. The training programs organized during the Reporting Period are as follows:

Type of training		Scope of training
Talent training	Training for middle and senior management	Convey corporate culture and value, knowledge and skills training for middle management, real estate business management practices, real estate management expertise and skills, etc.
	Training for senior management	Management ability training, professional quality training, visit and exchange, participation in social management reporting meetings and seminars, training for senior management organized by high-end training institutions
On-job training		Professional knowledge, skills training, new systems of the Group, management improvement, new knowledge and skills training
Rotation training		The companies organize three-month, six-month and one-year job duties' rotation
Other trainings	Special training	Promote industrial knowledge, information, basic management knowledge, skills and employee professionalism training
	Exchange learning	Experience exchange and learning involving management and business
	Departmental teaching training	Enable employees to enhance knowledge, broaden their horizons, improve business skills and quality
Outgoing visit tours		Visit tours related to business or management
Overseas training		Training related to employees' positions or development needs

5. STAFF-ORIENTED

New Staff Orientation

The Group pays special attention to adaptation of new working environment of the new employees. Employee induction training enables the new staff to speed up their understanding of business and institutional processes and the training urges and guides them to learn. In addition, we designate a number of leaders to guide the fresh employees such as introducing daily working flows and standards and help them familiarize with their job duties and proper working manners. New employees who pass the probationary period will be evaluated by their leaders in accordance with the “Induction Guidance Evaluation Form” (《入職引導效果評估表》) and the Human Resources Department may take reference to such evaluation results.



New Staff Orientation

6. BRAND FOSTERING

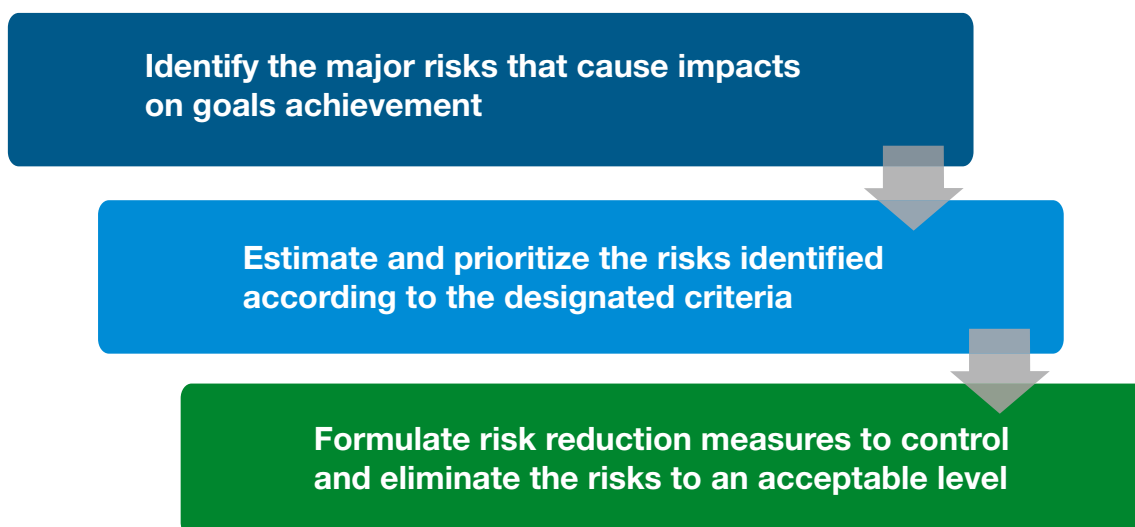
“Specification” is the necessary way for the Group to further develop. We aim at maintaining good relationships with our suppliers and customers and establishing healthy governance policies, striving to lay an evergreen foundation and create a long-lasting brand for our Group.

6.1. INTEGRITY ENTERPRISE

Risk Management

Guorui Properties is committed to forming and maintaining a sound corporate management mechanism and to complying with the laws and regulations such as the Anti-Money Laundering Law 《中華人民共和國反洗錢法》 and the Criminal Law of the People’s Republic of China 《中華人民共和國刑法》 through thorough review and strengthened systems to achieve compliance operations. During the Reporting Period, the Group did not involve any cases related to corruption and litigation.

The Board adheres to achieving a win-win situation with its shareholders. Therefore, we develop a sound and adequate risk management and internal control system and manage risks by reviewing and taking the following steps to evaluate the effectiveness:



Anti-bribery and fraud management

Guorui Properties recognizes the construction projects are frequently happened the cases of bribery, fraud and other violations. We strictly prohibit employees from maintaining improper cooperation or taking advantage from their duties to receive benefits due to the relationships between their relatives or friends. In the meantime, we sign an integrity letter with our partners to clarify the responsibilities and obligations of both parties and to protect the legitimate rights and interests.

Anti-money laundering management

The Group has established the audit committee which regularly monitors and reviews financial statements, annual reports and accounts, interim reports and quarterly reports to assess whether money laundering has occurred. In addition, the committee is responsible for giving and providing recommendations to the Board for any material or unusual projects proposed by the internal audit department or the external auditor, which helps establish a targeted and effective plan.

6.2. TENDERING AND PROCUREMENT MANAGEMENT

The Group formulates the “Supplier Management and Operation Guidelines” (《供方管理操作指引》), adopts the following steps systematically and rigorously to select suitable suppliers who are eligible under the construction categories to provide materials and equipment:



Step 1: Prequalification and Inspection

The Group issues prequalification document to suppliers who fulfil the bidding requirements and request them to submit a copy of the certificate, references of similar projects completed in the past three years, profiles of the organization structure of the entity and personnel. We arrange the main production and R&D bases for suppliers to store materials and equipment, including production workshops, raw material warehouses, materials testing laboratories, R&D centers, materials and equipment storage rooms and keep the current record of similar engineering use status, after-sales service and so on. We also monitor the business management, quality and progress management measures, the comprehensive ability of the proposed project manager and the main personnel of the project team, the projects completed or the projects under progress of the suppliers under the construction category. In addition, we also pay attention to suppliers in terms of their environmental and social risk management. In estimating the quality of suppliers, we take into account whether the suppliers care for their employees, minimize the impacts they cause to the environment and operate business in compliance with norms.

Step 2: Classification of Suppliers

We will classify the selected suppliers into three categories: “Qualified Suppliers”, “Proposed Suppliers” and “Unqualified Suppliers”:

Qualified suppliers	If there is no other cooperation record within 2 financial years from the date of completion of the final performance assessment, suppliers will automatically be classified into the “Proposed Supplier” list after the expiration.
Proposed suppliers	If there is no cooperation record within 2 financial years, suppliers are required to be evaluated, otherwise they may not participate in the bidding or be awarded any contract within the Group.
Unqualified suppliers	Suppliers shall not participate in any bidding or be awarding any contract of the Group and its subsidiaries within 2 financial years.

Suppliers are required to sign the contract and the attached “Integrity and Responsibility Letter” (《廉政責任書》) to clarify that there shall be no illegal acts such as corruption or bribery which may damage the interests of the Group.

Step 3: Evaluation of Supplier Performance

We conduct performance assessments on a regular basis regarding quality, project schedule, management, technical capabilities, civilized construction, time control, service standards and other factors of the suppliers and update the supplier list based on the results.

6.3. COMMUNICATION WITH CLIENTS

The Group adheres to the corporate philosophy of “Responsible Real Estate Development” and provides its customers with premium products and professional services. We develop a new platform, strictly follow the procedures for handling complaints and collect feedbacks on services or products of Guorui Properties. For advertising, our sales brochures and other promotional materials are strictly reviewed to ensure the authenticity before being released to the market in order to comply with the laws and regulations under the Advertising Law of the People’s Republic of China (《中華人民共和國廣告法》). During the Reporting Period, the Group did not receive any complaints from its customers. We will explore different channels to interact with our customers so as to gradually increase the level of customer satisfaction and continue to make improvement.

Guorui Online Property Trading Platform

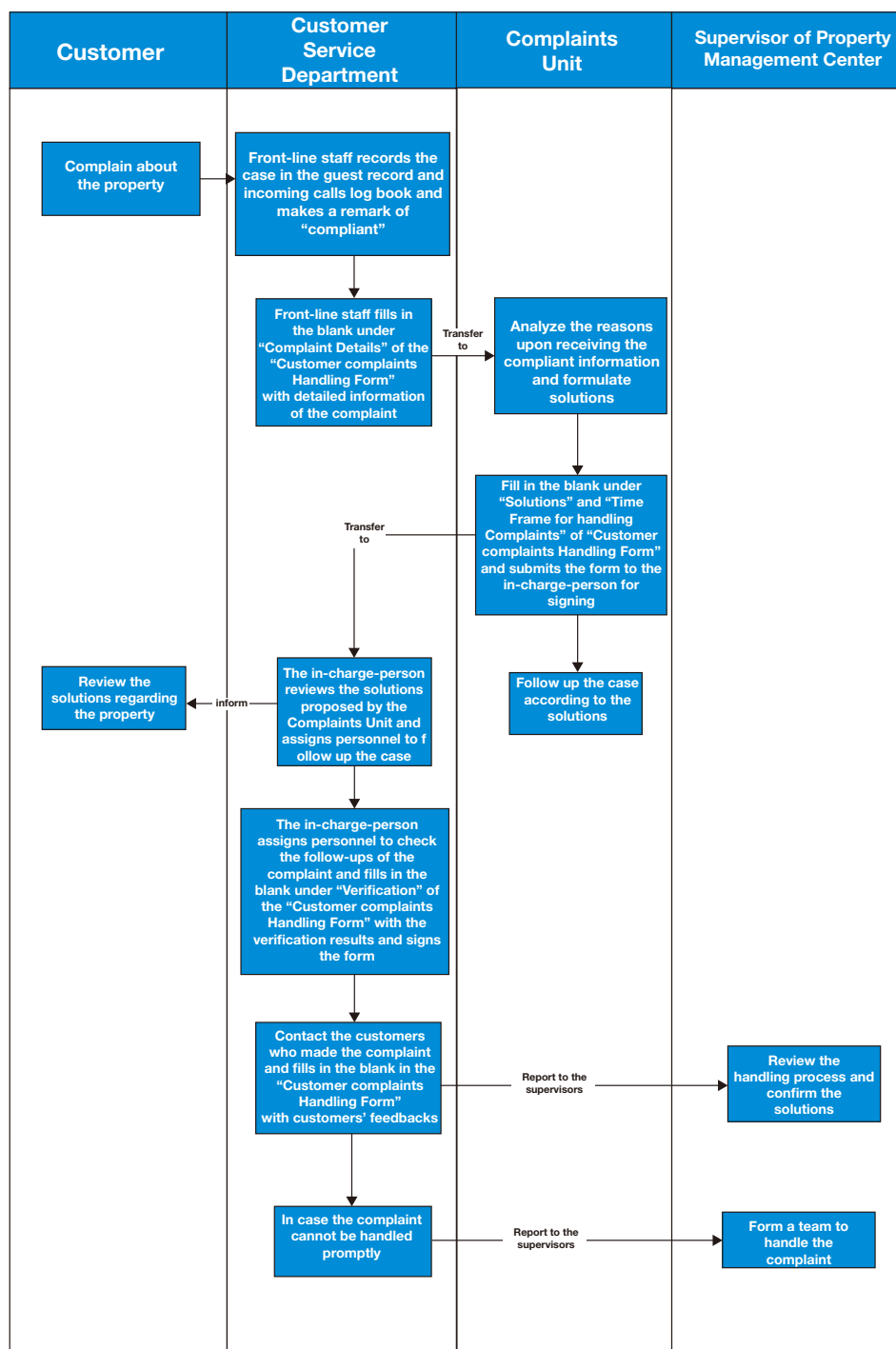
During the Reporting Period, the Group successfully launched the Guorui Online Property Trading Platform, which is a one-stop platform for official products trading leveraging big data and technology that provides comprehensive functions such as the official property-for-sale list, VR property tours, map for searching property, online appointment for viewing property and online payment for intention money. Our products are displayed in multiple dimensions in the platform and customers are provided with property information which is more authoritative, more effective, better in quality, more convenient and more favorable so that they can easily receive useful information from the Internet and save much time as compared with the traditional property viewing.



To promote the new property purchase experience under the “Internet + era” century, Guorui Properties also launched the promotional event of “Guorui Mega Sale for the Year across China” while the online platform was released to the market. Moreover, we will continue to optimize and integrate various service functions to strengthen the unique advantages of the Guorui Online Property Trading Platform, enabling the consumers to grasp the first-hand information of our products and satisfy their home-purchase needs in an easy way.

Customer Complaints Handling Guidelines

As for handling customer complaints, we form the “Customer Complaints Handling Guidelines” (《顧客投訴處理作業指導書》) to standardize the definition, classification, processing procedures and statistical analysis of the complaints so as to give response to customers’ valuable opinions in a proactive, timely and effective manner. Below is a flowchart of the Group’s complaints handling process:



Upon handling the cases and passing the relevant verification, our customer service supervisors will contact all customers (apart from special condition) who have complained and receive and record their feedbacks through telephone or in-person visit. All departments of the Group shall take reference to the objective evidence identified in the complaint handling process, fill in the “Corrective Action Report” (《糾正措施報告單》), take corrective measures and verify their effectiveness in a timely manner to avoid against the reoccurrence of similar complaints. In addition, our Customer Service Department completes the “Customer Complaints Handling Quarterly Analysis Report” (《顧客投訴處理季度分析報告》) regarding customer feedbacks and complaints before the 5th day of the first month of each quarter and reports the analysis results to the management.

6.4. PRIVACY PROTECTION

Guorui Properties has formulated an “Information Management System” (《信息化管理制度》) to ensure the security of its system information and to improve the management for information systems based on the principles of system and technology protection.

The Group sets up an office automation system (the “OA System”) for information sharing, management, administrative office and management assistance and it is managed by the Operation and Construction Management Center. Employees are required to store the shared information in the designated directory of the OA system and the designated module of the Mingyuan system to ensure the effective asset management of the Group.

Our professional personnel check the newly acquired computer equipment and installs anti-virus software, firewalls, security isolation products and security monitoring products and such equipment shall be approved by the Operation and Construction Management Center before being used. In addition, certain regional companies may consider installing network – encryption hardware (such as VPNs, encryption cards, etc.) when necessary to avoid from losses as a result of leakage of the Group’s important assets.

7. SOCIAL WELFARE

Guorui Properties is committed to promoting charity events and actively performing the social responsibility as a listed company. During the Year, the Group made charitable donations of up to RMB27,570,000.00 to promote the traditional virtues of helping the poor. Among them, the Chaoshan Chamber of Commerce, Beijing (“Chamber of Commerce”) has become an important part of the annual public welfare. The Chamber of Commerce is not only a promoter of philanthropy, but also calls for enterprises to focus on public welfare and giving back to the society. For example, the sponsoring unit lends a helping hand in the event of difficulties or disasters for the country and our hometown at the first time. In the future, we will continue to strengthen the horizontal relationship with the domestic and foreign tide group organizations, and actively explore the development space for the Beijing Chaos Chamber of Commerce.



We realize that the Group did not participate in many community activities during the Year and hence we continue to encourage our staff to care for those in needs and understand the community development where we operate business while the Group provides professional assistance and financial supports to the society. Looking forward, we will continue to integrate our business into public welfare. In other words, we will proactively contribute to the social community while developing our business.

APPENDIX 1: SUSTAINABILITY DATA STATEMENTS

Environmental ¹	Unit	2018
Emissions		
Emissions of nitrogen oxides	kg	44,000
Emissions of sulphur dioxides	kg	28,820.8
Emissions of particulates	kg	15
GHG Emissions		
Direct GHG emissions (Scope 1)	tonnes CO ₂ e	1,188.4
Direct GHG Removals (Scope 1)	tonnes CO ₂ e	33.7
Indirect GHG emissions (Scope 2)	tonnes CO ₂ e	6,307.5
Other indirect GHG emissions (Scope 3)	tonnes CO ₂ e	1,871.3
Total GHG emissions (Scope 1, 2 & 3)	tonnes CO ₂ e	9,333.5
Total GHG emissions intensity (per thousands of square meter of floor area)	tonnes CO ₂ e/'000m ²	3.7
Fuel Consumption		
Gasoline consumption	tonnes	13.9
Natural gas consumption	ten thousand cubic meter	2.3
Liquefied petroleum gas consumption	tonnes	302.0
Consumption by the fleet		
Gasoline	litre	351,996.3
Energy consumption		
Total electricity consumption	MWh	9,759.6
Total electricity consumption intensity (per thousand square meter of floor area)	MWh/'000m ²	3.8
Water consumption		
Total water consumption	m ³	338,535.3
Total water consumption intensity (per thousand square meter of floor area)	m ³ /'000m ²	132.6
Non-hazardous Waste		
Production of non-hazardous waste	tonnes	5,815.0
Total non-hazardous waste recycled	tonnes	34.5
Total disposed non-hazardous waste intensity (per thousand square meter of floor area)	tonnes/'000m ²	2.3
Hazardous Waste		
Production of hazardous waste	kg	17.5
Total production of hazardous waste intensity (per thousand square meter of floor area)	kg/staff	0.01
Social	Unit	2018
Total employees	no. of people	1,550
Female employees	no. of people	897
Male employees	no. of people	653

¹ The collection boundaries of environmental KPIs include 19 offices and 16 site projects of the Group

APPENDIX 2: CONTENT INDEX OF HONG KONG STOCK EXCHANGE ESG REPORTING GUIDE

Indicator			Related Chapter
A. 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.	4. Green culture
	A1.1	The types of emissions and respective emissions data.	4.1 Focusing on carbon emissions
	A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity.	4.1 Focusing on carbon emissions Appendix 1: Sustainability Data Statements
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	4.3 Green concept Appendix 1: Sustainability Data Statements
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	4.3 Green concept Appendix 1: Sustainability Data Statements
	A1.5	Description of measures to mitigate emissions and results achieved.	4.1 Focusing on carbon emissions
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	4.3 Green concept

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Indicator			Related Chapter
A2 Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	4.3 Green concept
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity.	4.3 Green concept Appendix 1: Sustainability Data Statements
	A2.2	Water consumption in total and intensity.	4.3 Green concept Appendix 1: Sustainability Data Statements
	A2.3	Description of energy use efficiency initiatives and results achieved.	4.3 Green concept
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	4.3 Green concept
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable to the Group since our business does not involve packaging materials
A3 The Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	4.2 Green building
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4.2 Green building

Indicator			Related Chapter
B. Social			
B1 Employment	General Disclosure	Information on the policies and 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.	5. Staff-oriented 5.1 Employment practice 5.2 Remuneration and welfare
	B1.1	Total workforce by gender, employment type, age group and geographical region.	Appendix 1: Sustainability Data Statements (Total workforce by gender) Will disclose other KPIs in the future
	B1.2	Employee turnover rate by gender, age group and geographical region.	Will disclose in the future
B2 Health and Safety	General Disclosure	Information on the policies and 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.	5.3 Healthy and safe workplace
	B2.1	Number and rate of work-related fatalities.	5.3 Healthy and safe workplace
	B2.2	Lost days due to work injury.	5.3 Healthy and safe workplace
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	5.3 Healthy and safe workplace
B3 Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	5.4 Comprehensive training and development opportunities
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Will disclose in the future
	B3.2	The average training hours completed per employee by gender and employee category.	Will disclose in the future

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Indicator			Related Chapter
B4 Labour Standards	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	5.1 Employment practices
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	5.1 Employment practices
	B4.2	Description of steps taken to eliminate such practices when discovered.	5.1 Employment practices
B5 Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	6.2. Tendering and procurement management
	B5.1	Number of suppliers by geographical region.	Will disclose in the future
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	6.2. Tendering and procurement management
B6 Product Responsibility	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	6. Brand fostering
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Will disclose in the future
	B6.2	Number of products and service related complaints received and how they are dealt with.	6.3 Communication with clients
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Will disclose in the future
	B6.4	Description of quality assurance process and recall procedures.	Will disclose in the future
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	6.4 Privacy protection

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Indicator			Related Chapter
B7 Anti-corruption	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	6.1 Integrity enterprise
	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.	6.1 Integrity enterprise
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	6.1 Integrity enterprise
B8 Community Investment	General Disclosure	Policies on community engagement to understand the needs of communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	7. Social welfare
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	7. Social welfare
	B8.2	Resources contributed (e.g. money or time) to the focus area.	7. Social welfare



GLORY国瑞

GUORUI PROPERTIES LIMITED

國瑞置業有限公司