

VAST 宏泰



2020

**ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT**

About the Report

This report sets forth the Company's concept and practices of sustainable development, discloses the opportunities and challenges in the process of joint value creation between the Company and its stakeholders, and presents the initiatives taken to achieve sustainable development, as well as the results achieved.

Time Frame

This Report discloses the environmental, social and corporate governance responsibility performance of the Company in 2020 (from January 1 to December 31), with certain contents covering a period slightly exceeding this time frame.

Name Description

In order to facilitate this presentation, "China VAST Industrial Urban Development Company Limited" is also expressed as "China VAST Development", "the Group", "the Company" and "we" throughout this report.

Report Coverage

China VAST Industrial Urban Development Company Limited in its entirety.

Preparation Basis

- The *Environmental, Social, and Governance (ESG) Reporting Guide* by The Stock Exchange of Hong Kong Ltd.
- *GRI Sustainability Reporting Standards* (GRI Standards) by Global Sustainability Standard Board
- *Guidance on Social Responsibility Reporting (GB/T 36001-2015)*

Reliability assurance

All information and cases disclosed in this report have been sourced from formal corporate documentation, statistical reports, or relevant public information. All financial figures in this report are expressed in RMB, unless otherwise stated. The Company guarantees that the content of this report does not contain any false representations, misleading statements, and material omissions, and is responsible for the authenticity, accuracy, and completeness of the content.

Report Acquisition

This report is provided in both Chinese and English versions. If there are any differences between these two versions, the Chinese version shall prevail. This report is available in both paper and electronic forms. The electronic forms of two languages are both available at www.vastiud.com.

Contents

01 **Message from the Chairman**

03 **About Us**

04 Business Operation

05 Organizational Structure

06 Performance Highlights in 2020

07 **Responsibility Feature**

09

Effectively Promoting Corporate Development and Increasing the Industry Value

- 11 Developing Industrial Towns
- 12 Expanding into Emerging Industries
- 20 Improving Corporate Governance

25

Joining Hands with Stakeholders to Reach an Open and Win-Win Cooperation

- 27 Providing High-quality Services
- 33 Enhancing Partnerships
- 35 Building a Responsible Supply Chain

56 **Responsibility Management**

56 Responsibility Culture

56 Responsibility Governance

56 Significance Evaluation

58 Stakeholder Communication

59 **Outlook**

60 **ESG Figures**

61 **Indicators Index**

63 **Feedback Form**

37

Shouldering Responsibility for Preserving Our Homeland, Lucid Waters and Lush Mountains

- 39 Building Green Industrial Parks
- 42 Advancing Green Operations
- 46 Advancing the Development of Green Industry

47

Pursuing the Dream of Creating a Better Society for All

- 49 Building a Platform for Career Development
- 54 Supporting Community Building

Message from the Chairman

2020 was an extraordinary year. Despite the impact of the COVID-19 pandemic and the complex international environment, we continued to pursue progress while ensuring stability. We rose to challenges, and pooled strengths to expand the space of industrial development and to continuously enhance our core corporate competitiveness. With concrete deeds, we made important contributions to the economic development and social stability.

Effectively promoting corporate development and increasing the industry value

In 2020, we made coordinated and targeted efforts to promote orderly resumption of work and production, while ensuring regular COVID-19 infection control is taken place. As a result, we delivered robust business performance and maintained good development momentum. Driven by institutional innovation, we integrated the aviation industry chain and innovation chain, striving to build a distinctive general aviation sector. While focusing on cultivating the healthcare big data industry, we built a new closed-end healthcare industry circulation and a health preservation brand with the characteristics of China VAST Development. We upgraded business operations and services mainly through industrial design, and built a platform providing comprehensive industrial services ranging from design and R&D, application & commercialization, project incubation, to technology and innovation transfer. We accelerated the commercialization of innovations, improved the Innovation and Entrepreneurship Base of BTH Region (Langfang) and the MOHO Advanced Business Park (two physical incubators), endeavoring to foster a business development chain and optimizing the ecosystem for innovation and entrepreneurship. Thanks to continuous efforts in innovation and transformation, the revenue of the Company reached RMB 2.4 billion, with a gross profit of RMB 1.7 billion, and a net profit of RMB 844.6 million in 2020.

Joining hands with stakeholders to reach an open and win-win cooperation

In 2020, we stayed committed to value creation for customers and spared no effort to protect customer rights and interests. We tightened control over project quality and improved services in all respects, leading to a higher degree of customer satisfaction. We deepened communication and cooperation with stakeholders including government agencies, peer enterprises, higher education institutions, and so on. Moreover, we actively built the platform for communication and business matchmaking, and shared the results of sustainable development with domestic and overseas partners. By participating in or hosting international high-level events, we promoted consultation and collaboration in the industry for common development, and significantly built up our brand influence and visibility. We established cooperation with renowned financial institutions and investment institutions at home and abroad to provide effective capital operating plans for assets operating. In national strategic areas such as the Beijing-Tianjin-Hebei region and the Yangtze River Economic Zone, we leveraged our advantage of resource integration and industrial drive to advance coordinated regional sustainable development.



Shouldering responsibility for preserving our homeland, lucid waters and lush mountains

In 2020, in strict accordance with national and local environmental protection laws and regulations, we implemented green building design and construction, protected biodiversity, and built environmentally friendly, low-carbon and energy-efficient industrial towns. We implemented the Green Management Manual in all respects and increased investment in environmental protection. Moreover, we strengthened the energy consumption system, ramped up efforts to develop clean-energy power generation projects and water-saving technology and equipment, and completed energy-saving transformation and upgrades that are suitable for green office practices, minimizing the environmental footprints of our business operations. At the same time, we continued to improve our supplier management system, evaluated supplier performance, and effectively identified and controlled the environmental factors and social risks across the supply chain, striving to build a responsible supply chain. Leveraging our advantage of resource integration, we built the VAST smart integrated energy platform to provide end users integrated energy solutions and integrated energy services based on available local resources.

Pursuing the dream of creating a better society for all

In 2020, we remained true to our original aspiration and kept on fulfilling our corporate social responsibility as a private enterprise. Cumulatively, we donated more than RMB 5.2 million in kind and in cash to support the fight against COVID-19, contributing to the victory over the pandemic with concrete deeds. Regarding employees as the Company's most valuable assets and core competitiveness, we built a community of shared future for the Company and employees, and developed an excellent and healthy career development platform, to align employee value and corporate value. Promoting the common development of the Company and society was also part of our efforts. We made full use of our existing resources and advantages to advance the cause of public welfare. We provided diversified volunteer services and participated in poverty alleviation initiatives, contributing to building a harmonious society.

The inherent difficulty of reform entails extraordinary courage, and only persistent efforts befit this commendable cause. In 2021, the global economic landscape will remain complex and grim. We need to adopt a long-term view of development, transform the great fighting spirit against COVID-19 into a majestic force for progress, and strive to promote domestic and international circulation, and inject strong momentum into China's high-quality economic development. At the same time, we will listen carefully to the voices from all sectors, look into the concerns of different stakeholders, and constantly enhance the Company's corporate social responsibility performance, so as to create a better future for all.



Wang Jianjun

Founder and Chairman of the Board of
Directors of China VAST Industrial
Urban Development Company Limited

A stylized, handwritten signature in black ink, appearing to read 'Wang Jianjun'.

About Us

Founded in June 1995, China VAST Industrial Urban Development Company Limited (Stock Code: 6166.HK) is a representative company listed on the main board of the Stock Exchange of Hong Kong Ltd., a pioneer in the construction of China's New Urbanization among the top three Chinese industrial park operators, and a domestic leading comprehensive industrial town developer. With industrial construction, park operation and infrastructure investment as its core businesses, the Company comprehensively integrates cultural tourism, healthcare, general aviation, industrial design, intelligent manufacturing, new energy and other emerging industrial resources to strongly support regional economic and social development.

In recent years, China VAST Development, in line with the Belt and Road Initiative and national strategies including coordinated development of Beijing-Tianjin-Hebei Region and development of Yangtze River Economic Belt, has kept gathering global high-end factors and resources to explore industrial potentials. With special business operation model and capability, we have undertaken industrial transfer, cultivated emerging industries and promoted regional development with remarkable results. Meanwhile we have exploited our international vision and established R&D offices, representative offices or investment promotion platforms in the United States, Germany, Italy, France, Japan, Hungary, etc. to accelerate industrial layout and realize a high-quality, efficient and balanced leapfrog development.

Operated industrial parks for

15 years

Present in

17 cities at home

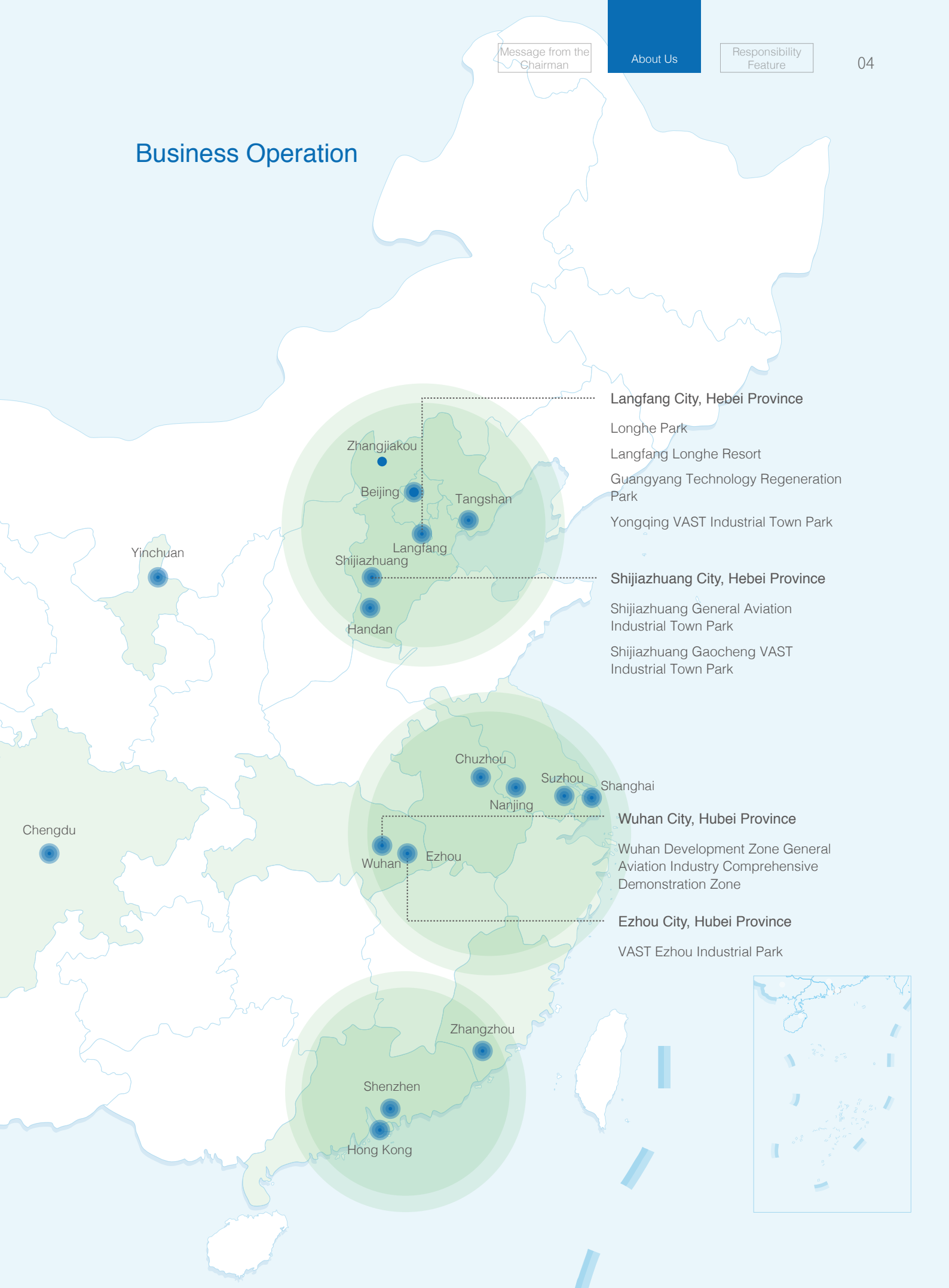
Invested in

8 industrial parks

Built

7 Tron Spaces

Business Operation



Langfang City, Hebei Province

- Longhe Park
- Langfang Longhe Resort
- Guangyang Technology Regeneration Park
- Yongqing VAST Industrial Town Park

Shijiazhuang City, Hebei Province

- Shijiazhuang General Aviation Industrial Town Park
- Shijiazhuang Gaocheng VAST Industrial Town Park

Wuhan City, Hubei Province

- Wuhan Development Zone General Aviation Industry Comprehensive Demonstration Zone

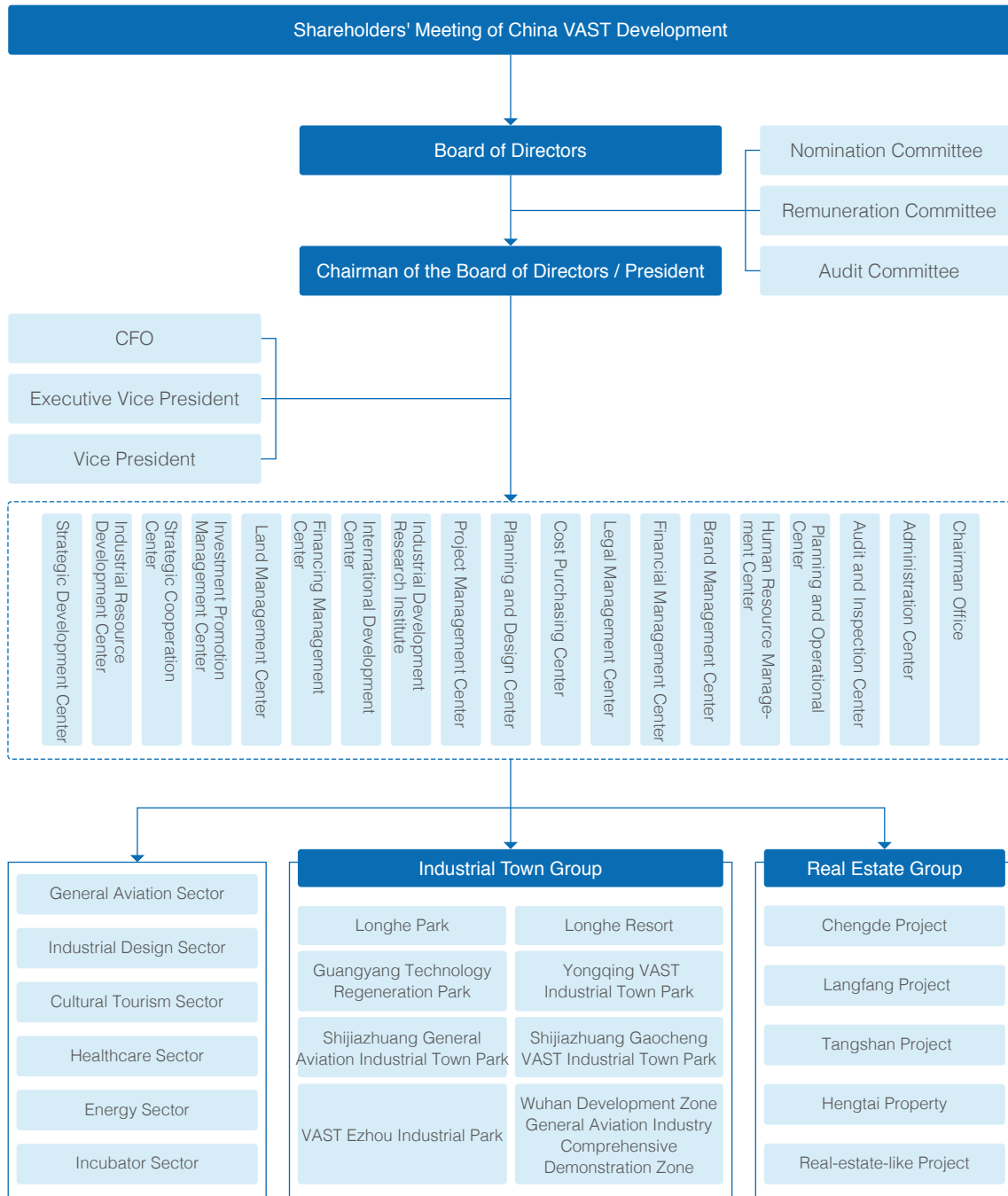
Ezhou City, Hubei Province

- VAST Ezhou Industrial Park

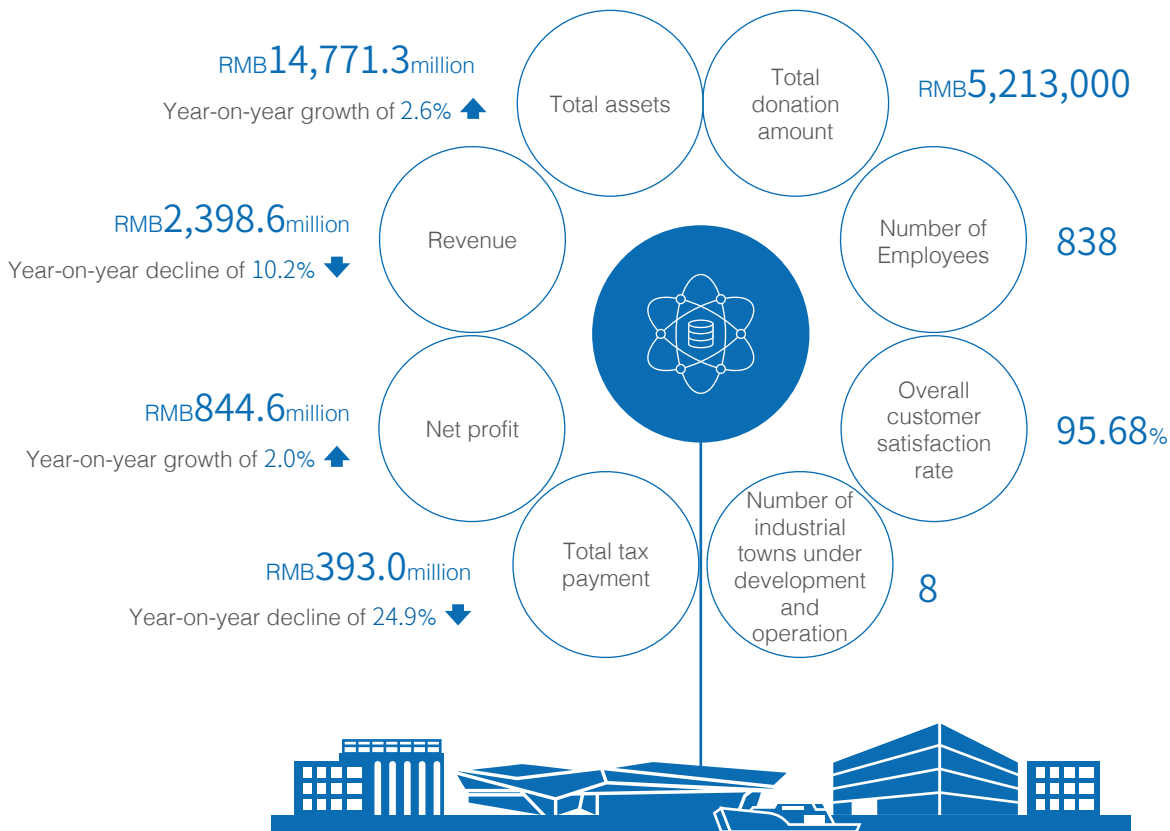


Organizational Structure

We have established an organizational structure with explicit framework, clear responsibility and complete system, according to relevant national laws and regulations, resolutions of Shareholders' Meeting and Articles of Association, to support our internal resource allocation, work flow setup, business launching and management implementation.



Performance Highlights in 2020



Honor

Honor	Awarded by
Ranked 3rd in China's Top 50 Industrial Park Operators in 2020	Fangsheng Research
Ranked 1st in the 2020 Honor Roll of China's New Urban Areas	Fangsheng Research
Top 10 Industrial Parks with Outstanding Operation Service	S-Park
Excellent Brand Award for Top 100 Hong Kong Listed Companies	Top 100 Hong Kong Listed Companies Research Centre
Private Enterprise with Outstanding Contribution to the Fight against COVID-19	All-China Federation of Industry and Commerce
Platinum Partner of Boao Forum for Asia Annual Conference 2020	The Secretariat of Boao Forum for Asia
Platinum Member of Hongqiao International Economic Forum of the 3rd China International Import Expo	China International Import Expo Bureau

Responsibility Feature

ASSISTING IN THE FIGHT AGAINST COVID-19

In early 2020, the outbreak of COVID-19 affected the life and work of hundreds of millions of people in China. Facing the severe epidemic situation, China VAST Development shouldered its responsibility, and rapidly responded to assist in the battle against COVID-19 on multiple fronts. With resolution and dedication, the Company fulfilled social responsibility during COVID-19 infection control and contributed to the economic and social development.



The Company cumulatively donated in cash and in kind more than

RMB **5** million to support COVID-19 infection control.



Donated over **20,000** pieces of medical supplies to the Company's representative offices overseas and to the Ile-De-France Regional Council.

Helping Each Other to Get Through Hard Times amid COVID-19

Concerned about the impact of COVID-19 and aware of the urgency of the situation, immediately after the COVID-19 outbreak in China, the Group proactively responded to government calls and fulfilled corporate social responsibility to fight against the pandemic. Mr. Wang Jianjun, Chairman of the Board, urgently convened meetings and teleconferences of executives to mobilize all resources and employees available, to source much-needed medical supplies worldwide, and to go all out to support COVID-19 infection control and relief.



Mr. Wang Jianjun, Chairman of the Board, convening a teleconference for the anti-virus fight



China VAST Development's donation of more than 120,000 pieces (sets) of medical supplies worth RMB 2 million to the fight against COVID-19



China VAST Development's donation of RMB 3 million to the Langfang District Red Cross Society in Langfang

Forging ahead with honor

China has waged an all-out people's war against COVID-19. Following the decisions and plans of local government, the Company implemented concrete measures against the pandemic and boosted the resumption of work and production in an orderly manner. In particular, the Company ramped up efforts to kick off key projects and engaged deeply in China International Airport Economic Development Forum, China International Import Expo and other international events to pool wisdom and strength for recovery and development. We contributed to the victory in the battle against COVID-19 and to the steady economic growth with concrete deeds.



On December 13, China VAST Development won the honor of Member Enterprise with Outstanding Contribution to the COVID-19 Fight conferred by China Real Estate Chamber of Commerce



China VAST Development's donation of 30 tons of organic vegetables and 17,500 kg of rice to Wuhan and Ezhou



ALWE

UN SDGs



Effectively Promoting Corporate Development and Increasing the Industry Value

Our Challenges

As the COVID-19 was largely put under control in China and the economy started to recover, the Chinese government introduced a slew of strong policies to ensure the steady development of macro-economy and advance high-quality industrial development. This inevitably would exert a profound and lasting impact on corporate development. Improving development quality and efficiency, pursuing the innovation-driven development, ensuring high-quality supply and creating new demands are the key words for promoting national development, and are also the fundamental paths for enterprises to improve core competitiveness and achieve sustainable development.

Our Practices

- Developing industrial towns and exploring the development of working and living spaces based on industry-city integration to facilitate the city transformation and upgrade.
- Boosting emerging industries and expanding new space for industrial development to achieve business diversity.
- Optimizing corporate governance, improving operational management efficiency, and actively protecting shareholders' lawful rights and interests to promote robust development of the Company.

Key Topics

- Promoting the development of main businesses
- Developing basic products and supporting facilities
- Upgrading existing and introducing innovative business models
- Optimizing the Company's operations and internal controls

Performance Indicators

- Total assets
RMB **14,771.3** million
- Revenue
RMB **2,398.6** million
- Net profit
RMB **844.6** million
- Total tax payment
RMB **393.0** million

Developing Industrial Towns

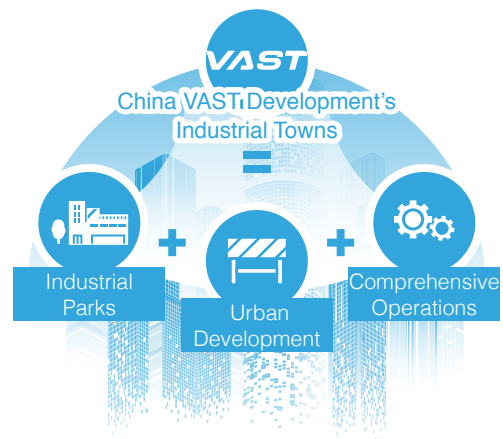
While serving industrial innovation and contributing to regional economy, China VAST Development supports the national strategies of promoting urbanization and the coordinated development of the Beijing-Tianjin-Hebei region. Taking the Beijing-Tianjin-Hebei region as core areas for development, the Group is deeply rooted in Langfang, especially the Longhe Park. At the same time, the Group pays attentions to the Yangtze River Economic Zone, small- and medium-sized cities with a good economic foundation and surrounding areas with growth potentials, as to expand business and help support urban transformation and upgrades.

As of the end of 2020, China VAST Development had launched business in

17 cities
at home and invested in
8 industrial town park projects
in
4 cities,
all being new-type parks driven by innovation and located in areas of high growth potential to accommodate the relocated high-end industries and support industrial transformation and upgrade.

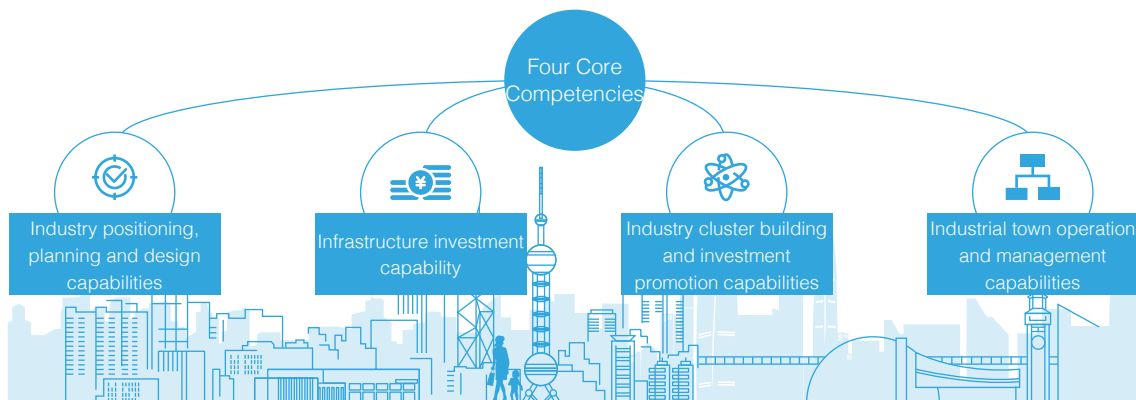
● VAST-type Innovation

China VAST Development's Industrial Towns = Industrial Parks + Urban Development + Comprehensive Operations. In other words, our industrial towns rely on industrial ecosystem building and urban development, and sustain their development by operating urban services and promoting social progress. With industrial parks as the carrier, we integrate development elements such as industry integration, urban construction, comprehensive services, operational management, and innovation and entrepreneurship, to effectively promote industrial transformation and upgrade and improve regional competitiveness. While developing industries to facilitate urban development, we also improve city services and functions to achieve regional sustainable development.



● Four Core Capabilities

We have endeavored to build the industrial ecosystem, technology commercialization platform and alliance expansion platform. Relying on our Industrial Development Research Institute, we have conducted prospective industrial studies, analysis of regional economy, scientific planning and optimization of regional functions and spatial layout. At the same time, we have completed a series of master plans, regulatory plans, detailed plans and designs to rationally allocate public facilities and promote the “industry-city integration”.



Expanding into Emerging Industries

China VAST Development continues to implement the innovation-driven development strategy and to optimize the benefits of combinations of government's measures, as to continuously promote business in emerging industries including general aviation, industrial design, cultural tourism and healthcare, etc. With these efforts, we hope to expand new space, create more opportunities and foster new engines for developments.

General aviation

The Company focuses on national strategic regions including the Beijing-Tianjin-Hebei Region and the Yangtze River Economic Zone, especially free trade pilot zones, airport economic zones and national general-aviation demonstration zones. We have proposed and implemented a new industrial park development philosophy that feature "aviation industry towns" and explore the "aviation town" development model to build a distinctive general aviation industry, support industrial and urban upgrades, and deepen the regional supply-side structural reform.

● General aviation parks

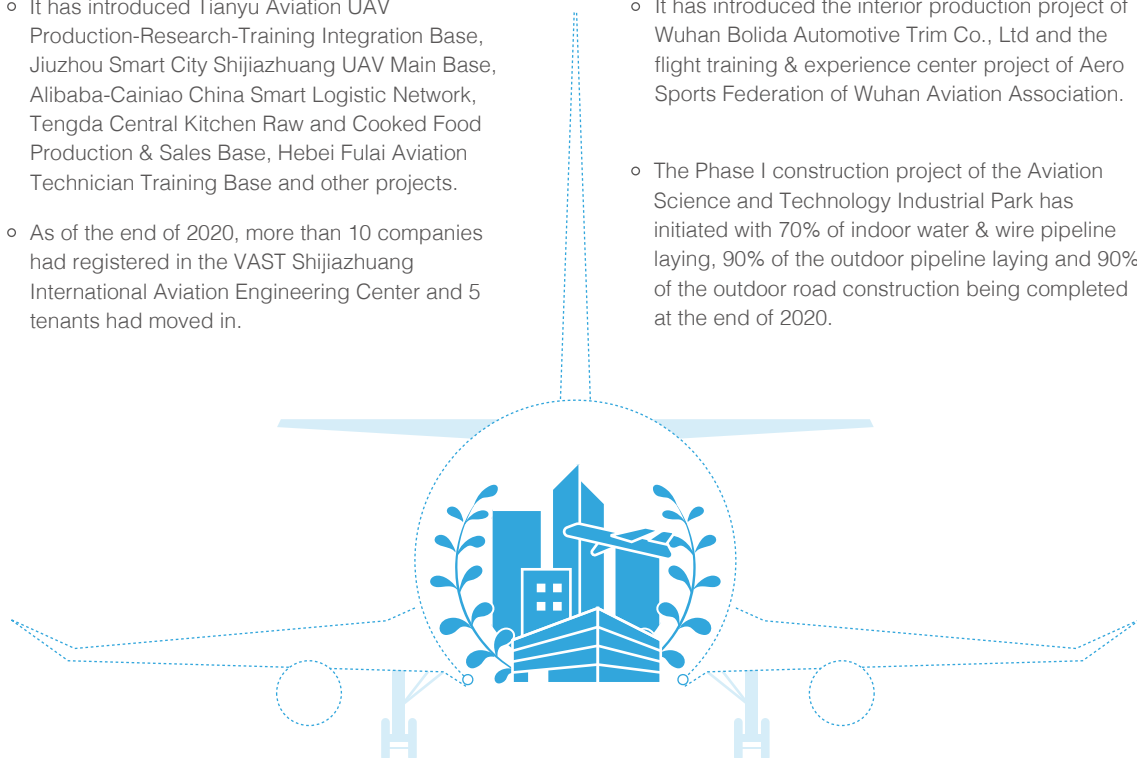
We work closely with local governments and focus on building comprehensive aviation industrial parks that provide services for the commercial aircraft industry chain, comprehensive services for low-altitude industry, and financial innovation services for aviation industry.

Shijiazhuang General Aviation Industrial Town Park

- It has introduced Tianyu Aviation UAV Production-Research-Training Integration Base, Jiuzhou Smart City Shijiazhuang UAV Main Base, Alibaba-Cainiao China Smart Logistic Network, Tengda Central Kitchen Raw and Cooked Food Production & Sales Base, Hebei Fulai Aviation Technician Training Base and other projects.
- As of the end of 2020, more than 10 companies had registered in the VAST Shijiazhuang International Aviation Engineering Center and 5 tenants had moved in.

Wuhan Development Zone General Aviation Industry Comprehensive Demonstration Zone

- It has introduced the interior production project of Wuhan Bolido Automotive Trim Co., Ltd and the flight training & experience center project of Aero Sports Federation of Wuhan Aviation Association.
- The Phase I construction project of the Aviation Science and Technology Industrial Park has initiated with 70% of indoor water & wire pipeline laying, 90% of the outdoor pipeline laying and 90% of the outdoor road construction being completed at the end of 2020.



● Hebei Airport Economic and Industrial Development Think Tank

As a strategic partner of Beijing Daxing International Airport Langfang Airport Economic Zone (hereafter referred to as “the Langfang Airport Economic Zone”) for global investment promotion, China VAST Development has co-initiated Hebei Airport Economic and Industrial Development Think Tank (hereafter referred to as “the Hebei Airport Development Think Tank”) with Hebei Airport Economic Zone Group Co., Ltd, and engaged deeply in the development of the Langfang Airport Economic Zone.



Professor John D.Kasarda, the first man who promoted aviation-driven economic development, is appointed as Director General of the Hebei Airport Development Think Tank. The think tank has set up 3 committees and 9 industry expert committees, hired 27 experts from various industries, and forged strategic cooperation with 8 enterprises. Drawing on the experience and proven practices of the experts in global airport economy sector, the think tank charts a blueprint for the comprehensive development, covering top-level design, construction & management, and smart operation, in the entire process ranging from planning, construction to operation for the Langfang Airport Economic Zone.



Benchmarking against the development models of aviation metropolises in advanced overseas hub airports and airport economic zones like Ireland, the UK, France, Germany, etc., the Hebei Airport Development Think Tank supports the development of the Langfang Airport Economic Zone in six aspects: airport economic policy consultation, strategic planning and design, introduction of overseas resources, roadshows at conventions & exhibitions worldwide, airport business operations, and asset management for the new airport economic zone.



Leveraging its own market-oriented mechanism and the competencies of China VAST Development, as a listed company, in industry positioning and global industry cluster building, the Hebei Airport Development Think Tank builds two platform brands for the Langfang Airport Economic Zone: The Airport Economic Forum and the International Supply Chain Aviation Summit. In doing so, the think tank deepens investment promotions in targeted industries and helps build a global industrial ecosystem.

● Serving aviation events

We actively undertook the 3rd China International Airport Economic Development Forum and the International Aviation Supply Chain Leadership Summit during the 3rd China International Import Expo, and co-organized the 2nd Smart General Aviation Development Forum, providing domestic and overseas partners with platforms of communication and cooperation.

Cooperation with Leading Companies

- We continue to promote exchange in the industry, actively communicate with leading companies in France, the UK and Germany, and have established partnerships with China Express Air General Aviation Co., Ltd., China Aviation Rescue & Emergency Co., Ltd., etc. to build a global aviation industry chain platform and promote international cooperation in investment promotion.

Cooperation with Industry Organizations

- We were awarded the Vice-Chairman Unit of General Aviation Chapter of China Air Transport Association under Civil Aviation Administration of China.
- We were awarded honors such as the Vice-Chairman Unit of General Aviation Chapter of China Information Industry Association, and the Strategic Partner of the Smart General Aviation Development Forum by General Aviation Chapter of China Information Industry Association under the National Development and Reform Commission.
- The Aviation Sports Management Center of the State Sports General Administration provides business guidance and matchmaking services for the China VAST Development's flying camps in Wuhan and Langfang.
- We carried out exchange and cooperation with the Major Equipment Division of the Ministry of Industry and Information Technology Equipment Industry Development Center on the development of the industry.



Case

The 3rd China International Airport Economic Development Forum

Co-hosted by the Ministry of Commerce and the People's Government of Hebei, the 3rd China International Airport Economic Development Forum was co-organized by Langfang Municipal Government, Hebei Provincial Development and Reform Commission, China VAST Development and the Hebei Airport Development Think Tank. With a global vision for aviation and airport development sectors, this forum provided an online global communication platform to discuss the development trends and models of aerotropolis in the post-COVID-19 era and proposed suggestions for further development of the Langfang Airport Economic Zone.



The 3rd China International Airport Economic Development Forum



Case

The 3rd International Aviation Supply Chain (IASC) Leadership Summit

As the only industry partner of the IASC Leadership Summit, China VAST Development co-hosted the 3rd edition of the Summit with Donghao Lansheng (Group) Co., Ltd. and several overseas organizations. The event attracted the participation of more than 300 global airlines, manufacturers, aviation materials suppliers, aviation finance companies, as well as upstream and downstream companies in the aviation sector. The attendees discussed how to promote the development of the aviation sector amid the pandemic, and gathered innovation resources at home and abroad to speed up the development of the aviation sector in the new era.

"Accelerating the recovery of the aviation industry and advancing the development of the aviation manufacturing sector require enhanced cooperation of the global aviation industry chain, supply chain, and service chain."

—Wang Jianjun, Chairman of the Board

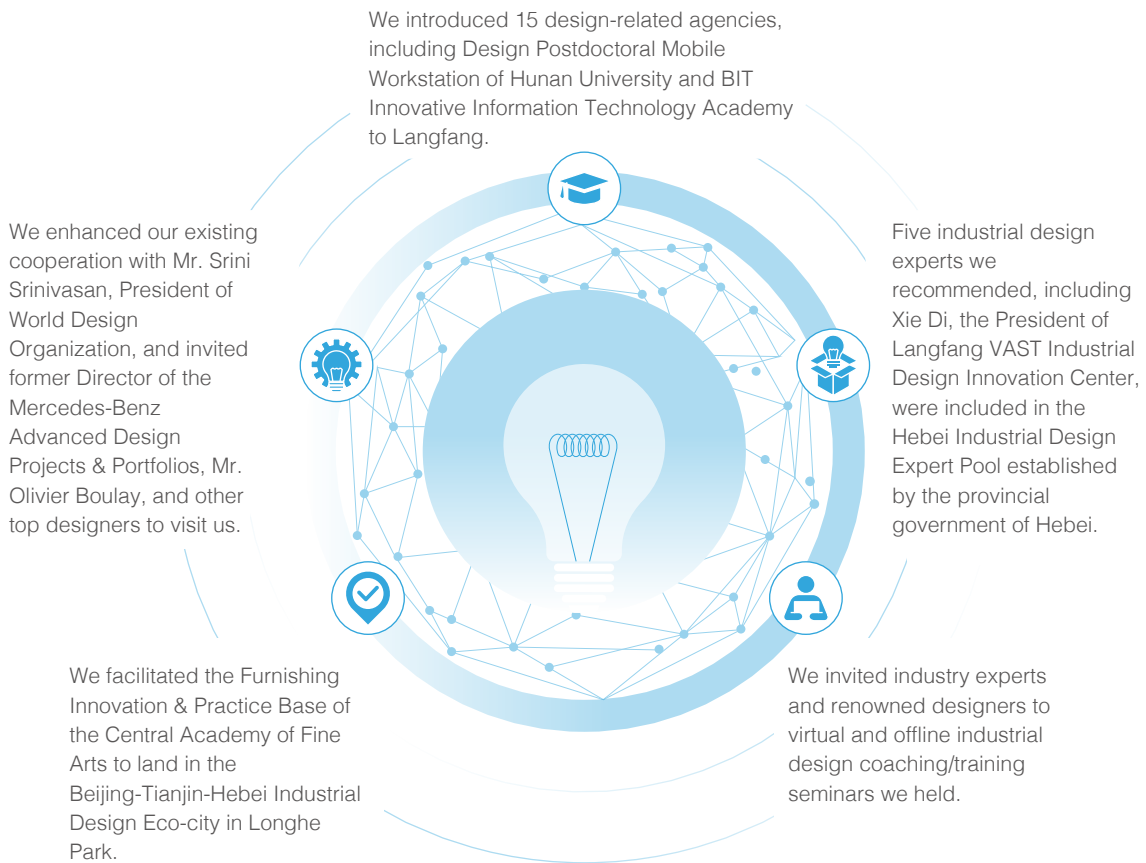


The 3rd IASC Leadership Summit

Industrial design

The Company regards industrial design as an important means to upgrade industrial operations and services. Under the industry-university-research integrated service model, we work with universities and design agencies to integrate global design innovation resources and build the Beijing-Tianjin-Hebei industrial design ecosystem and industry chain. The goal is to provide manufacturers with systematic solutions for product positioning, design, R&D, sales channel building, brand marketing, and etc., and ultimately to build a platform that provides integrated industrial services including innovation, R&D, application testing, project incubation, and commercialization.

● Introducing high-end talents to promote industrial transformation and upgrade



● Exploring new ways of services to promote economic resumption

The Company participated in the special action under the theme of “Win the Fight against COVID-19 Pandemic & Help Design Enterprises with Customer Acquisition and Digitalization Transformation”, which was jointly initiated by more than 50 industrial design organizations across the country including China Industrial Design Association. The Company organized peer companies in Langfang to participate in this special action. It helped over 100 companies communicate with domestic design institutions via Internet. Quite a few of these companies have showed intentions of cooperation and eventually signed formal contracts.

Organizing activities to advance the industry-university-research institute integration



We cooperated with Beijing Institute of Technology and LKK Institute of Design to set up designer training workshops in Langfang in order to cultivate local industrial design talents.

We undertook Langfang Industrial Design Week, Langfang Industrial Design Hebei Benchmarking Tour and other activities to promote further integration of industrial design and manufacturing. In cooperation with the Organizing Committee of China Red Star Design Award, we held the virtual training sessions for China Red Star Design Award, and mobilized more local companies to increase investment in industrial design.



Promoting typical cases to drive the city-wide application of industrial design

We collected industrial design applications from design institutions and manufacturing enterprises across our city. In total, we sorted out 26 typical cases of industrial design services and applications, and on top of that compiled the *2020 Collection of Cases of Industrial Design Facilitating Industrial Transformation and Upgrade in Langfang*, promoting model innovators in the manufacturing sector and playing a key role in demonstrating and promoting the application of industrial design.



The Opening Ceremony of the 3rd Langfang Industrial Design Week

Healthcare

Taking developing the healthcare big data sector as the core, the Company has set up the industry investment fund to improve regional diagnosis and treatment quality. Relying on the innovation and startup incubator and the industry investment fund, the Company moves deep into three segments of the healthcare sector: disease prevention, medical treatment, and health preservation. In addition, we have introduced medical care, rehabilitation, senior care, nursing, and vocational education services and facilities from Europe, America, and Japan through investment, merger & acquisition, and business cooperation, and localized them with VAST genes. Through constant innovation, replication and amplification, we endeavor to build a closed loop for China VAST Development's healthcare business, to build a VAST healthcare brand and to better serve Chinese customers' demands for healthy and high-quality lives.

● Building a green channel for cooperation between medical institutions

The Company introduces high-quality medical resources from Beijing, Tianjin and other places across the country, even abroad, to accelerate the development of health information platforms. Moreover, the Company continues to improve the quality of medical services and management by creating a green medical channel, and promotes the implementation of VAST Healthcare Strategy.

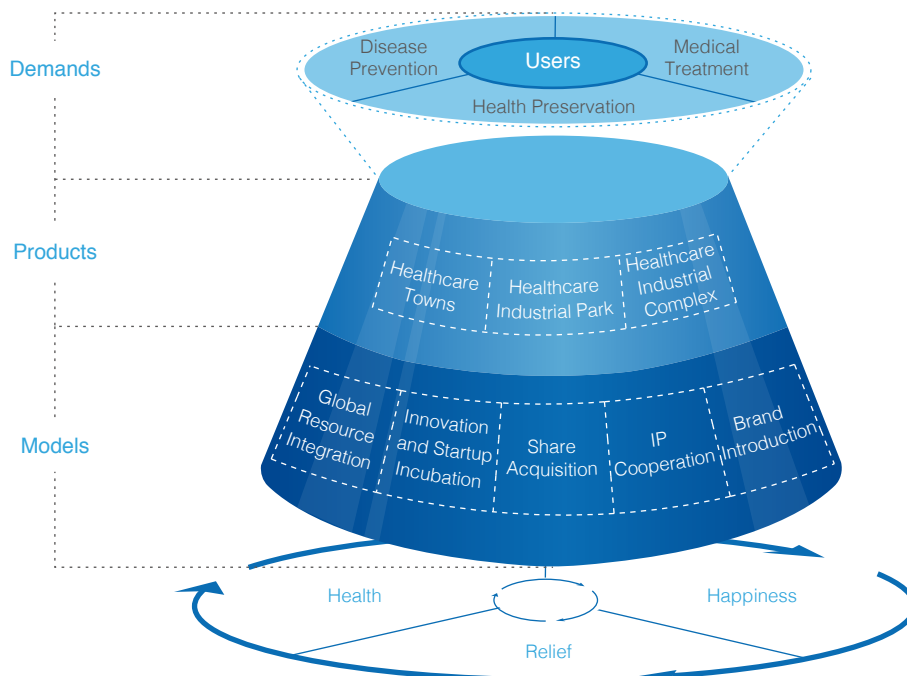
● Completing industrial and benchmarking analysis



We specially studied the construction and operation conditions and models of the branches of 65 different Grade III Level-A hospitals in Beijing, sorted out the "community-based clinic" and "Internet plus medical" business models suitable for China VAST Development, and continuously improved the closed loop of the healthcare ecosystem.



We continued to expand exchange and cooperation with central state-owned enterprises and local governments in Beijing, Shanghai, Harbin, Baoding, Zhangjiakou, Sanya and other places across the country, analyzed resources and entry points for cooperation, and leveraged the strengths of state-owned enterprises to realize the integration of high-quality resources and to innovate in healthcare development models.



Technological innovation

In response to the call of building China into a science and technology powerhouse, the Company accelerates technological innovation efforts in various fields and seizes opportunities in global technological competitions. China VAST Development earnestly pursues innovation-driven development, actively improves two physical incubators, the Innovation and Entrepreneurship Base of BTH Region (Langfang) and the MOHO Advanced Business Park, and strives to build a high-tech service platform. With these efforts, the Company aims to provide physical space and supportive services for the incubation of scientific and technological advances, promote the rapid development of resident enterprises, and speed up the commercialization of scientific and technological advances and innovations.

As of the end of 2020, Tron Space had cumulatively interacted or cooperated with more than

50 industry associations.

In 2020, we held

62 virtual and offline activities,
visited

235 peer enterprises,
and developed

251 industrial resources.



The MOHO Advanced Business Park provides a favorable environment for high-tech innovation and startup

The MOHO Advanced Business Park is mainly open to domestic and overseas strategic emerging industries (e.g., electronic information, industrial design, biomedicine, new materials and new energy) and headquarters economy. It prioritizes the development of startup incubators, creative workshops, innovation centers and other new maker spaces, and provides diverse platforms covering R&D, incubation, pilot test, production, operation, as well as cultural development, education, training and display, creating a favorable environment for high-tech innovation and startup.

In 2020, the Park continued to optimize the soft and hard environment, raised the service awareness, and actively provided enterprises with one-stop services before, during and after they moved in. Moreover, it provided updated preferential policies to meet the needs of enterprises for accelerated development. At the height of COVID-19, we gave away protective equipment to re-opening enterprises; we reached out to financial institutions to provide financing support for incubated enterprises via multiple channels to solve their actual difficulties; for tenant enterprises hard hit by the pandemic, we granted them a grace period or exempted or reduced their rent, so as to help them get through the difficult times.



The MOHO Advanced Business Park



The Innovation and Entrepreneurship Base of BTH Region (Langfang) certified as a national technology business incubator

Through policy guidance, project guidance, startup coaching, technical support, technology investment and financing, and other S&T services, the Innovation and Entrepreneurship Base of BTH Region (Langfang) helps incubated enterprises improve the startup success rate, promotes the commercialization of S&T achievements, and fosters a high-end industry cluster represented by new materials, energy conservation and environmental protection, and high-end equipment manufacturing industries.

In 2020, the Base was certified as a national technology business incubator, passed the provincial review and recognition of entrepreneurship & innovation demonstration base, and won the honor of the Langfang Municipal Research and Practice Base for Primary and Secondary School Students. It helped 12 resident enterprises be recertified as “Small and Medium-sized Technology Company” and obtain corresponding technology support funds. So far, it has attracted a total of 146 resident enterprises, incubated 54 small and medium-sized technology companies and 5 high-tech enterprises, and created more than 2,300 jobs.

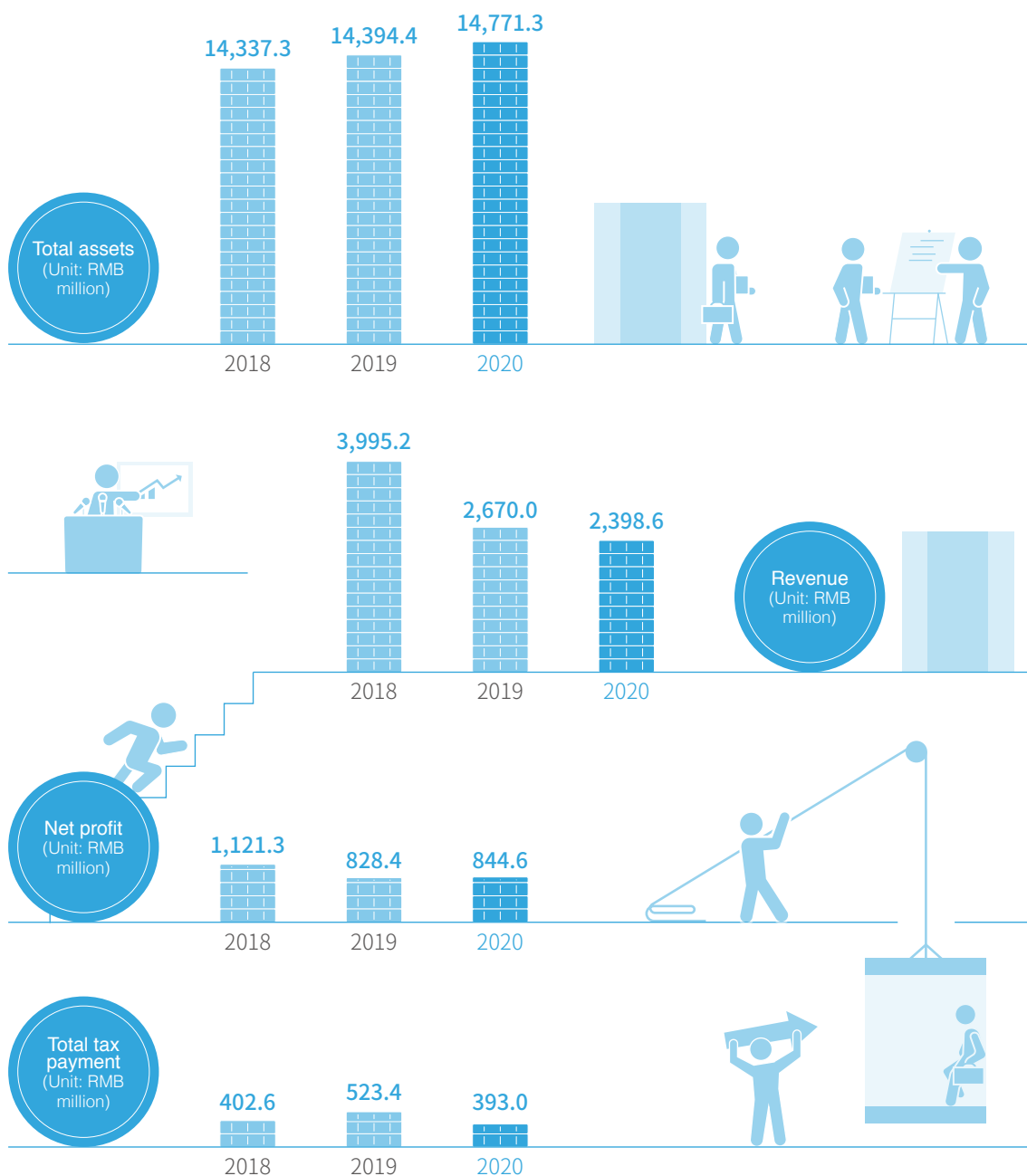


The Innovation and Entrepreneurship Base of BTH Region (Langfang)



Improving Corporate Governance

In 2020, despite the impact of COVID-19 and complex domestic and foreign environment, China VAST Development continued to improve corporate governance and operational risk control, maintaining steady and sound business operations as well as development momentum. At the same time, we enhanced communication with the capital market and optimized investor relations management. We increased the corporate transparency by more timely and meaningful corporate disclosures through open and honest communications.



Enhancing operation and management

In strict accordance with the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the Listing Rules)*, *Company Law of the People's Republic of China*, *Hong Kong Companies Ordinance* and other relevant laws and regulations, we continue to improve our anti-corruption measures, protection of intellectual property rights (IPR) and internal risk management. We continuously increase efficiency and reduce cost to ensure a stable and sustainable long-term development.

Anti-corruption

In 2020, we fully acted on the Company's guideline for anti-corruption, reflecting anti-corruption requirements in every specific work task. We ramped up internal anti-corruption education, especially alerted employees of the possible consequences of corruption. We further improved the relevant punishment and preventive system and advocated business integrity, providing a strong guarantee for the Company's stable operation and management.

2 times
anti-corruption trainings for new employees

6 posts
on anti-corruption and internal control pushed through the OA System

Improving corporate policies on anti-corruption

Referring to the *Foreign Corrupt Practices Act (FCPA)* and *UK Bribery Act (UKBA)*, we have amended the *Anti-Fraud Administrative Measures* and the *Rules of Accountability for Corporate Policy Violations*.






Setting up an anti-corruption column

The anti-corruption column is launched on the OA System, including five sectors: Anti-corruption Culture, Institutional Construction, Internal Control, Audit Updates and Complaints & Reporting.

Joining the Enterprise Anti-Fraud Alliance

We make public our complaint & whistleblowing channels and the relevant policies on our official website. We encourage real-name whistleblowing and offer incentives to the whistleblower, so to ensure the complaint & whistleblowing channels are unimpeded.

The whistleblowing policies and channels

 <p>Complaints filed will be strictly confidential.</p>	 <p>There is whistleblower reward for reporting wrong doings.</p>	 <p>The principle is no liability will be applied to false complaints.</p>	 <p>Real-name whistleblowing is encouraged.</p>	 <p>File a complaint if you have any tips about wrongdoing.</p>
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Joining the Enterprise Anti-Fraud Alliance

We become the director unit of the Enterprise Anti-Fraud Alliance (EAFA), and promoted our anti-fraud philosophy through participation in activities organized by EAFA to mark the International Anti-corruption Day.

IPR Protection

We value the protection of IPR and patents. We have registered several trademarks in accordance with the *Trademark Law*, *Patent Law* and *Anti-Unfair Competition Law of the People's Republic of China* as well as other relevant laws and regulations. We actively safeguard our and stakeholders' lawful rights as well as our brand and corporate image. We continuously enhance our competitive advantages and avoid the harm of trademark, copyright and patent infringement.

Risk management

We completed

24 special audits

of our platforms, business units, projects under construction and the Group's functional departments, covering marketing, planning, engineering, operational management, etc.

We actively respond to and meet the regulatory requirements of The Stock Exchange of Hong Kong Ltd. Following the *Basic Internal Control Norms for Enterprises* and its implementation guidelines, *Internal Control - Integrated Framework* by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our internal control policies, evaluation methods and risk response strategies, we self-evaluate the effectiveness of our risk management and response system on top of routine and special-purpose oversight of internal control. In the company-wide scope, we identify and assess the high-risk areas and units included in the scope of evaluation; and we improved our internal control, laying a solid foundation for a sustainable long-term corporate development.

● The risk management and response system

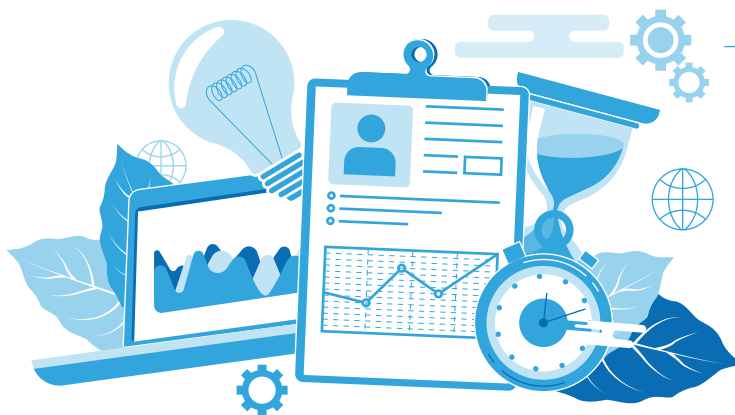
The Company continues to improve the risk management and response system, oversees the implementation of processes and policies in high-risk areas, to effectively control corporate risks. By improving corporate governance and standardizing operations, we ensure the sustained, stable, healthy and orderly development of the Company.

Conducting risk investigations

Through the "top-down, bottom-up, and vertical collaboration" risk investigations, we identify key links of internal control.

Implementing special audits

The Group's Audit and Inspection Center perform special audit of the design and implementation of our risk control measures for supervision and inspection purposes.



Keeping track of the rectification progress

The Group's management at all levels takes the problems identified seriously and actively make rectification. The Audit and Inspection Center constantly tracks the rectification progress.

Raising risk awareness

The management clarifies risk indicators and control points to enhance employees' understanding of the importance of internal control and risk management.

Cost reduction and efficiency increase

Facing challenges along fast economic development, we have actively promoted transformation and upgrade, and continuously improved our operational management, information management, financial management, etc. Moreover, we conscientiously reduce costs and increase efficiency to boost the healthy development of the Company.

Reducing procurement costs

The standardization of the contract text

In 2020, we released nine standardized contract templates for power engineering, well digging and drawdown, furniture, fixtures & equipment and decorations, procurement of tree seedlings and solar energy procurement, etc., bringing the total standardized contract templates to 22 by the end of 2020, speeding up the contract drafting and countersigning process.



The OA System handled over

15,300 requests

and made more than

600 improvements;

1,193 ERP software services were delivered;

We held more than

750 video conferences and teleconferences

for a total of

1,621 hours.

Centralized bulk purchase

We choose the appropriate way to call for bidding according to the degree of importance and urgency of the project, and carry out centralized bulk purchase.

Carrying out strategic cooperation on volume discount

In 2020, we signed 11 strategic cooperation agreements on volume discount to reduce costs, effectively increase the efficiency of bidding and purchase.

Enhancing information management

The OA collaborative office system (OA System)

We reorganized and improved the optimization mechanism for back-end business nodes, prioritized planning for frequent and repeated data changes. We enhanced efforts in the statistics and summary for key processes, monitored the approval efficiency of key processes, and identified problems if any, in a prompt manner and tracked and reported the rectification progress.

The videoconference system

As part of the regular measures to COVID-19 infection control, in 2020, we added *Tencent Meeting* and *Dingtalk* to the original *263 Videoconference System*, together with the 24x7 office telephone system, to support smooth hosting of all working meetings.

The enterprise resource planning (ERP) system

The system realizes full-lifecycle management of asset warehousing, claiming, allocation, retirement, inventory, ledger, and classification, etc., from offline to online, from paper to digital. The system perfects the linkage between it and our financial general ledger system.

Protecting shareholders' rights and interests

We actively protect the interests of investors. We have standardized corporate governance and protected investors' rights to know and to participate in major corporate matters, so that they can co-create and share the Company's long-term value.

4 regular meetings
of the Board of Directors

2 meetings
of Audit Committee

2 meetings
of Remuneration Committee

2 meetings
of Nomination Committee

Over
70 investor visits or calls
received

27 announcements
released

Over
70 roadshows
held

Over
40 securities companies, funds,
and private equity institutions, etc.
received the information on the
development progress and prospect of
China VAST Development

Strengthening the decision-making procedures

In strict accordance with the *Listing Rules* and *Hong Kong Companies Ordinance* as well as the *Articles of Association*, we make sure that the Board of Directors and Shareholders' General Meeting perform their due duties without the worry of crossing rights and responsibilities, and that their decisions are made, implemented and assessed in an open, transparent, fair and reasonable way.

- The Board of Directors consists of nine directors and is responsible for supervising the Company's management, business, strategic policies and financial performance.
- According to the *Listing Rules*, we set up the Nomination Committee, Remuneration Committee and Audit Committee, and give full play to their roles in audit and supervision, remuneration and performance assessment, and nomination for key posts, etc.

Board of Directors

Shareholders' General Meeting

In strict accordance with the *Listing Rules* and *Articles of Association*, we specify the method of convening, notification, holding, deliberation and voting of Shareholders' General Meeting, and make sure shareholders can fully exercise their rights to know, express, question and vote.

Investor relations management

We always treat investors' interest as first priority and take concrete deeds to protect them: we disclose meaningful information timely and in strict accordance with regulatory requirements; we strengthen investor communication; and we continuously increase the corporate transparency.

Improving information disclosure practices



In accordance with the *Listing Rules*, we continuously improve information disclosure to make it more standardized and professional.

Diversifying communication channels



We communicate with investors via the annual report, interim report, announcements, and official website and host investor roadshows and meetings from time to time to address investors' concerns and questions about the Company's business and performance.

DOPE



COOPERATION

UN SDGs



Joining Hands with Stakeholders to Reach an Open and Win-Win Cooperation

Our Challenges

As economic globalization advances and China's reform speeds up, market competition becomes fiercer and enterprises accelerate their reforms and transformation. As innovative, integrated and open development for all becomes the theme of the times, stable partnerships, resource sharing and industrial platform co-building become the common goal across industries. Listed companies need to work hard to win high recognition from capital market. All these will undoubtedly bring challenges and opportunities for us.

Our Practices

- We firmly control project quality, fully protect customer rights and interests, and endeavor to deliver premium services in all aspects from customer perspective.
- We actively build platforms for strategic cooperation and sharing, and work with domestic and overseas partners to share the results of sustainable development.
- In line with national strategies for regional development, we give full play to the driving role of industrial development and promote the coordinated and sustainable regional development.

Key Topics

◦ Providing high-quality services

◦ Carrying out strategic cooperation

◦ Building a responsible supply chain

Performance Indicators

◦ Overall customer satisfaction rate:

95.68%

◦ Safe and civilized construction evaluation result:

96 points
(hundred-mark system)

◦ Major accident and casualty rate:

0%

◦ Percentage of national strategic suppliers signing the *Integrity Procurement Agreement*:

100%

Providing High-quality Services

China VAST Development stays committed to value creation for customers. We firmly control project quality, fully protect customer rights and interests, and endeavor to deliver premium services in all aspects from customer perspective. We work constantly to improve customer satisfaction and bring a real sense of safety, gain and happiness to our customers.

Quality projects

Quality and safety are the cornerstones of all work. The Company continues to enhance quality and safety management of the whole process of construction, operation and maintenance, abides by quality commitments and safety standards, and strives to build high-quality projects.

● Safety Risk Control

Through control of key safety risk points, we identify and assess the risks, reducing casualties and economic losses below the average level of the industry. Moreover, we predict and prevent workplace safety risks, and eliminate factors leading to unsafe behaviors, to guarantee safety in all respects.



Strengthening workplace safety institutional construction

We clarify the standards before construction, and build a system that focuses on engineering, archives, personnel management and guidance for special operations, providing professional technical supports and standard business processes to assist platforms and projects in improving project management.



Identifying workplace safety risks

We tighten risk control over deep foundation pit construction, foundation pit support, drawdown and drainage, external erection, high-altitude operation, inner framework erection, hot work (welding, waterproofing), and special equipment (group tower operation).



Making technical clarifications against safety risks

We ensure personnel hold valid certification, improve hardware facilities such as protection for edge operations, warning signs, pedestrian passages and personal protective equipment, and optimize work safety education and training, hot work approval procedure and other relevant policies and procedures.

Formulated
12 project management policies

Major accident and casualty rate 2018-2020:
0 %



Work Safety Training

● Safe and civilized construction sites

In line with rules issued by relevant government departments on work safety and civilized construction, we include the *Work Safety Agreement* in the general contract. At the same time, we sign the *Project Management Regulations* with the general contractor, which involves the *Safe and Civilized Construction Management Regulations* and other internal policies. We also make technical clarifications to the general contractor for safe and civilized construction, to ensure standardized and orderly safety control and civilized construction of the projects.

The general contractor organizes the construction unit and the team leaders to participate in project safety inspection led by the project safety officer and headed by the project supervisor.

The project department organizes the project supervisor and the general contractor to conduct routine inspections of work safety and civilized construction on every Thursday, and irregular or special inspections at least once a month.

Considering the different construction characteristics between seasons, we conduct large-scale seasonal safety inspections on the construction site, to eliminate safety hazards, if any, caused by the change of season.

The project safety supervision department records the hidden safety hazards identified, and then determines the correction measures, sets a deadline and designates responsible persons. The information sheet will be sent to the responsible person to sign and confirm the rectification shall be made accordingly.



Safe and civilized construction evaluation result:

96 points

Complaints received against construction:

0


Safety inspection

● Project quality control


To ensure project quality, we resolutely abide by the *Construction Law*, *Work Safety Law*, *Regulation on the Quality Management of Construction Projects*, and other relevant laws and regulations. At the same time, we have formulated the *Construction Project Evaluation Policy*, *Project Data Management Policy and Assessment Criteria*, *Post-Project Evaluation Policy*, *Project Acceptance Checklist: Key Node, Roles and Responsibilities*, *Operation Guide for Leakage Prevention in Underground Garages*, and other targeted inspection policies and norms that meet the actual needs of the project to ensure project quality.



Main steps of quality inspection



Before project construction, the project director organizes responsible persons of each function to review construction drawings, design documents and construction plans, timely report problems, errors, and necessary design changes to the design and supervision units.



The on-site engineer peruses the design documents and gets familiar with the design dimensions. After completing each process, the on-site engineer timely inspect project quality with the supervision engineer, adding endorsements to relevant inspection certificates.



The project department organizes the monthly quality inspection for projects under construction, led by the project manager, and involving responsible persons of functions on the construction site. For any problems identified, correction measures will be promptly formulated and be completed by the given deadline.

Field measurement coverage rate

15-20 %**14** quarterly quality evaluations and special inspections

Percentage of projects that passed the first acceptance check

100 %

We implement the dual-inspection mechanism in construction measuring and unreeling. Large- and medium-sized construction projects are dual-inspected by the Company and the project department. General projects are dual-inspected by the project management department by cross-checking the measurement results obtained by different persons with different methods.



The raw materials must go through a strict inspection and test control procedure before entering the construction site. Those with poor quality or incomplete quality certificates and reports will be rejected.



The Company organizes quarterly inspections and checks project quality in accordance with the *Construction Project Evaluation Policy*, to identify and solve problems.

Safeguarding customers' rights and interests

The Company continuously pays attention to customers' opinions and suggestions, optimizes service content and quality, and implements all-round measures to safeguard customers' basic rights and interests.

Improving complaint channels

The Company actively develops an unimpeded customer feedback channel. Our office telephone numbers are made public at the customer service desk and on bulletin boards in each project premise. We classify and verify the complaints one by one immediately after receipt, timely respond to customer concerns, and continue to improve customer experience. In 2020, we revised the *Response to Customer Complaints and Praises* and established the complaint mechanism for home owners.

Protecting customer privacy

We pay full respect to and protect customer privacy. In strict accordance with the *Tort Law*, we collect and manage customer information carefully, and prohibit any unauthorized disclosures of home owners' name, portrait, address or phone numbers. At the same time, the home owners' files are kept in special cabinets, managed by dedicated customer service specialists. Without permission, no personnel would be allowed to access these files. All these measures will effectively protect the customer privacy.

Overall customer satisfaction rate

95.68%

Percentage of customer complaints resolved

100%

Customer information leakage

0

Providing services to the satisfaction of customers

Always taking customer demand as the starting point, the Company strives to provide more thoughtful services in better ways for home owners and tenant enterprises, continuously pursuing higher customer satisfaction.

Property management services

Improving community amenities

We installed EV charging piles, promoted the transformation and upgrade of community intelligence, and maintained and took care of facilities in public areas such as fitness equipment and children's playgrounds, creating a favorable living environment.

Publicizing garbage sorting

We disseminated garbage sorting knowledge and demonstrated how-to to residents, raising residents' awareness of garbage sorting and recycling.

Holding community activities

We organized campaigns of building model city, activities of building a civilized community and volunteer activities, enriching residents' lives in leisure time.

Customer satisfaction surveys

We conducted monthly satisfaction survey among home owners via call backs, home visits and on-site interviews, etc., involving 10,322 respondents throughout the year.



Beautifying the Community Environment



Marking Emergency Exits



Installing EV Charging Piles



Transformation and Upgrade of Community Intelligence

Industrial park services



Project Investment and Implementation

We help resident enterprises reach out to the Administrative Examination and Approval Authority, Investment Promotion Bureau, Land and Resources Bureau, Planning Bureau, Ecological & Environmental Protection Bureau, banks, consultation companies and other departments and organizations, and provide required materials and go through procedures for project implementation, construction and operation.



Administrative Agency Service

We work with the Public Security Bureau, Taxation Bureau, the Administrative Examination and Approval Authority and other departments and provide full-process administrative agency services for daily operation of resident enterprises, and guide or assist them with employee account transfer, company information changes, tax registration and other services.



Financial Services

We recommend financial institutions such as banks, funds and securities companies to resident enterprises, and provide them with investment, guarantees for credit lines, and investment consulting, lifting them out of financing difficulties.



Business Startup and Innovation Services

We provide policy interpretation (e.g. policies on human resources, science and technology, finance, etc.), and services on venue leasing, roadshows, introducing to industry alliances, technology transfer, business communication, etc.



Enhancing Partnerships

China VAST Development believes in win-win cooperation, actively seeks to establish long-term partnerships of mutual trust and mutual benefits with key resource holders across the industry chain, and shares the results of sustainable development with domestic and overseas partners.

Enhancing strategic cooperation

The Company actively builds the platform for strategic cooperation and resource sharing, and intensifies cooperation with government departments, peer enterprises, colleges and universities as well as other stakeholders to exploit more public resources for the implementation of corporate strategies.



China VAST Development and COGOGL establish a comprehensive strategic partnership

On April 14, China VAST Development and COGOGL signed a strategic cooperation agreement in Langfang to formally establish a comprehensive strategic partnership. The two parties will give full play to their respective advantages, and explore new directions and new paths for the development and operations of industrial towns and real-estate investments in key cities and regions. The two parties will introduce advantageous resources to jointly create advanced industrial parks that are intelligent, innovative and high-tech. At the same time, in-depth cooperation will be carried out on projects under the Belt and Road Initiative, for the Coordinated Development of the Beijing-Tianjin-Hebei Region and the development of Guangdong-Hong Kong-Macao Greater Bay Area, etc. to accelerate the building of a developed and beautiful Langfang and support the high-quality development of regional economy.

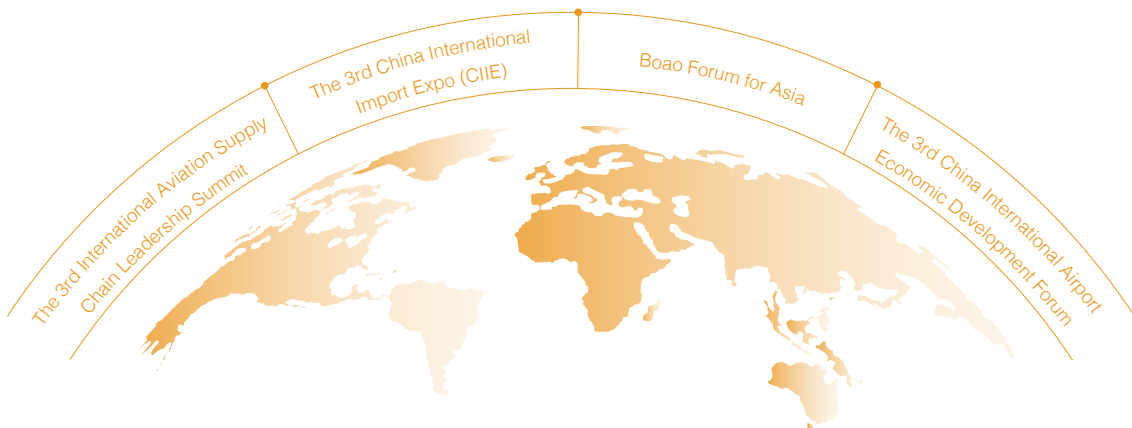
中国宏泰发展 中国海外宏洋集团 战略合作签约仪式

中国领先的产业市镇综合发展商
Leading Comprehensive Developer of



Contributing to overseas prosperity

We actively respond to the Belt and Road Initiative and “go global and introduce global resources” based on complementary advantages and through win-win long-term cooperation. With a global vision, we reallocate industrial resources to promote the Company’s high-quality development in a steady pace.



High-end international events we attended in 2020



Case

China VAST Development at the CIIE empowers the development of aviation economy

On November 4, the 3rd China International Import Expo and Hongqiao International Economic Forum kicked off at National Exhibition and Convention Center (Shanghai). As a platinum member of the event, China VAST Development held three closed-door meetings to discuss with the representatives of the Investment Promotion Bureau of the Ile-De-France, Thales Group, Royal Aeronautical Society, Rolls-Royce and Haite Group about how to land aviation equipment maintenance centers, aviation training centers, pilot training bases, service centers and other projects in relevant domestic industrial parks. By this move, we hoped to build a service platform for aviation companies to “go global and introduce global resources,” accelerate the reshaping of industrial structure and drive high-quality economic development.



Mr. Wang Jianjun, Chairman of the board, at a CCTV interview

Building a Responsible Supply Chain

In strict accordance with the Company's *Supplier Management System* and *Supplier Performance Evaluation System*, we have completed the information collection, screening, inspection, shortlisting and whitelisting of existing and pending suppliers and been able to dynamically updated suppliers' information. We launched our first supplier performance evaluation, effectively identifying and controlling the environmental and social risks suppliers facing in various links across the supply chain.

● Our first supplier performance evaluation

We have comprehensively evaluated the construction suppliers and materials & equipment suppliers that were contracted before August 2020, graded them to whitelist some and disqualify some others for management purpose, so to create long-term mutually beneficial partnerships and continuously improve corporate risk management.



● Identifying environmental and social risks across the supply chain

We continue to improve the *Supplier Management System* and *Supplier Performance Evaluation System*, and effectively control the risks that might arise in cooperation with suppliers. We conduct on-site risk inspections of shortlisted suppliers, hold the inspection team accountable, and select suppliers with competent qualifications and capabilities in the bidding. Moreover, we have published integrity announcements and the whistleblowing hotline on the homepage of the bidding documents, and signed business integrity agreements with suppliers, building a strong defense against risks for high-quality corporate development.



87 suppliers inspected

84 suppliers whitelisted

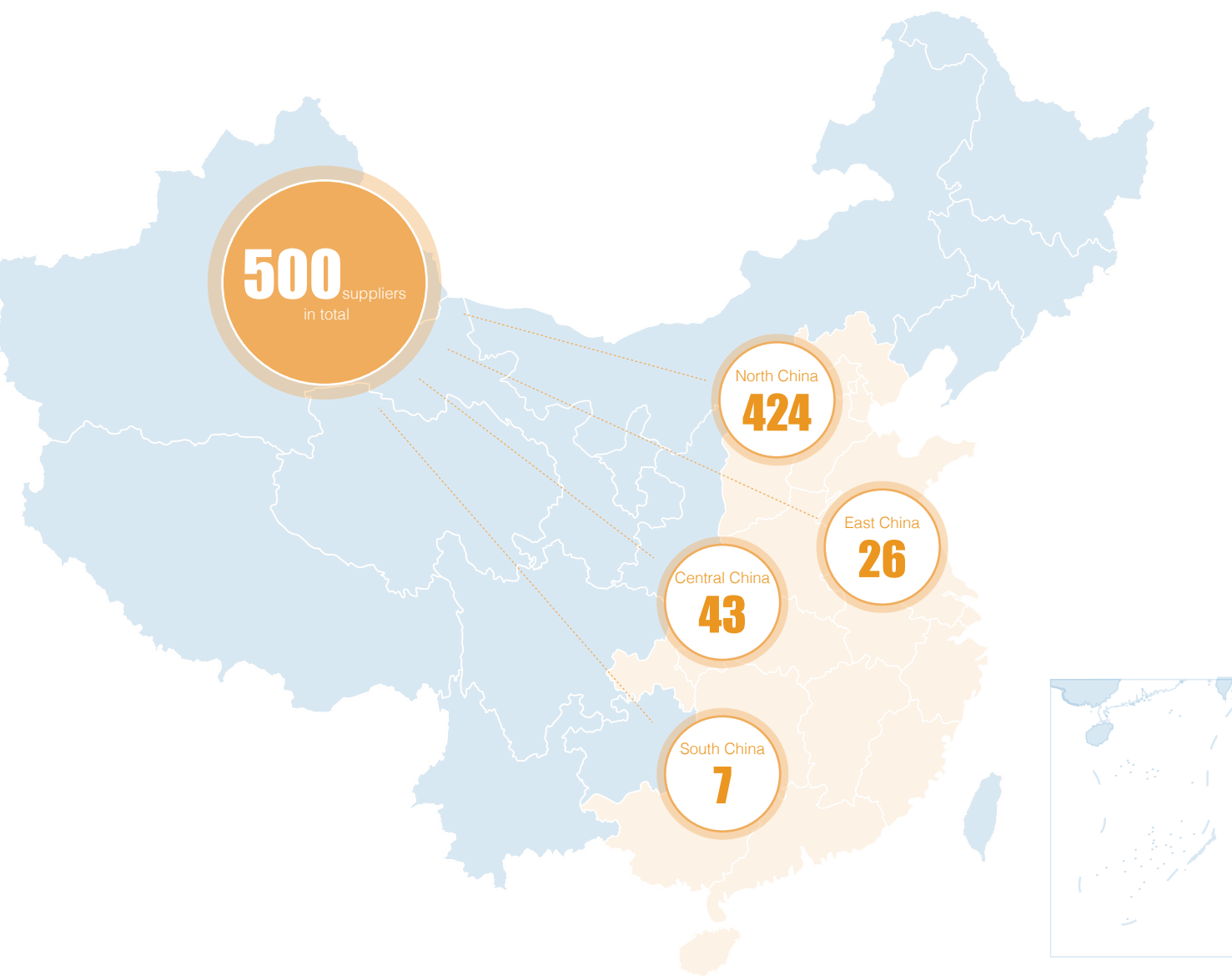
500 suppliers whitelisted in total

21 strategic suppliers

RMB **32.794** million of annual purchase from strategic suppliers

Percentage of national strategic suppliers signing the Integrity Procurement Agreement

100%





ENVIRONMENT

UN SDGs



Shouldering Responsibility for Preserving Our Homeland, Lucid Waters and Lush Mountains

Our Challenges

With the continuous development of globalization, climate change and resource depletion have become main challenges for human sustainability. Concepts such as green building and green development are catching on across the world, subtly reshaping the landscape across industries. As an important force in promoting sustainable development, enterprises expand space for growth while combating climate change and advancing green urban development. How to enhance core competitiveness while fulfilling corporate social responsibilities is a question that demands our attention.

Our Practices

- We strengthen land and energy use efficiency to build industrial parks that are more energy-saving, environmentally friendly, low-carbon, efficient, and harmoniously coexist with nature.
- We practice green operations, reduce emissions and resource consumption, and continue to promote green office practices.
- We integrate green technologies to develop energy conservation and environmental protection industries and promote the development of these green industries.

Key Topics

◦ Strengthening environmental management capacity

◦ Practicing green operations

◦ Carrying out green cooperation

Performance Indicators

◦ Ecological damage and pollution incidents:

0

◦ Year-on-year water consumption decrease:

9.35 %

◦ Electricity generated by solar energy:

About **400,000** kWh

◦ Non-hazardous waste treatment rate:

100 %

Building Green Industrial Parks

China VAST Development pursues high-standard green urban development, and acts in line with the *Environmental Protection Law of the People's Republic of China* and other governing laws and regulations. In building energy-saving, environmentally friendly, low-carbon and high-efficiency industrial towns, the Company highlights the core competitiveness of industrial towns and greens the entire life cycle of the industrial parks to empower urban development.

Green design

All our newly projects are developed in strict accordance with *Assessment Standard for Green Building, Design Standard for Green Building, Standard for Water Saving Design in Civil Building* and other national standards of green building, so our green buildings are designed. In particular, Longhe Park has formulated technical standards of landscaping to build courtyard- and garden-esque environment.

To save energy and reduce emission, the Longhe Conference Center project adopts sponge city technology and two-star green building standards. The lighting system with automatic control is installed to reduces energy and electricity costs.



Indoor Environmental Quality

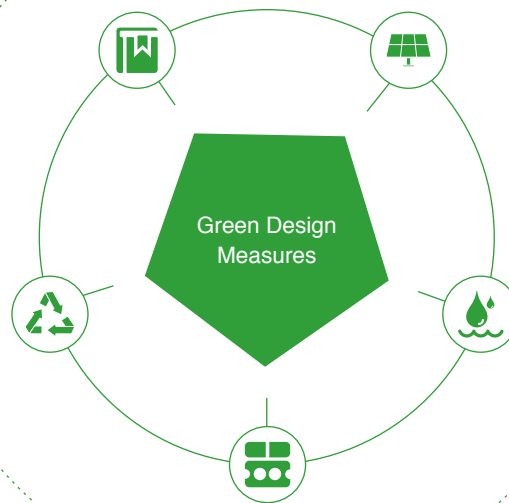
- Ensuring indoor environment quality in accordance with *Code for Design of Sound Insulation of Civil Buildings*, *Standard for Lighting Design of Buildings*, *Design Code for Heating Ventilation and Air Conditioning of Civil Buildings*, *Indoor Air Quality Standard* and other regulations.

Energy Conservation and Utilization

- Optimizing the design of building shape, orientation, building distance, window-to-wall ratio, etc.; setting the percentage of openable window area at 30%; adopting the solar heating system to save energy and reduce emissions.

Land Use Efficiency and Outdoor Environment

- Selecting sites in line with the construction planning requirements; meeting daylight access standards; setting up special extraction channels for kitchen fume; conducting domestic sewage pre-treatment; average rate/ratio of green space and floor area our projects is 35.02% and 1.85 respectively.



Water Conservation and Utilization

- Improving the drainage system; adopting water-saving techniques in irrigation and landscaping.

Materials Conservation

- Applying commercial concrete, ready-mixed mortar, interlocking blocks, and walls composed with external thermal insulation composite boards; using hot-rolled ribbed steel bars of no less than 400MPa for ordinary steel bars longitudinally stressed in beams and columns in the concrete structure; avoiding a lot of decorative components in the building.

Green construction

Vegetation Protection

- We improved the construction plan of deep foundation pits to reduce the excavation and backfill amount.
- For sites with a long construction period, new landscaping work shall be arranged according to requirements.
- Upon project completion, temporary facilities would be demolished to restore vegetation in a timely manner.

Waste Management

- We enhanced waste management in strict accordance with relevant regulations.
- We hired certified third-parties to regularly transport and dispose of waste.
- We strengthened comprehensive governance of dumping sites to prevent slope instability and slag loss.

Noise Control

- We used low-noise equipment to prevent noise impact on the surrounding area.
- We ran a strict schedule of construction and transportation, to reduce operations of noise equipment at night.

Dust Control

- We enclosed the construction site and installed dust reduction equipment.
- We applied wet earthwork, spraying waters to reduce dust during construction.
- We used sealed transportation and set up induction-type car wash pools.



0 environmental damage and pollution incident



0 toxic substance contamination incident



0 noise complaint



0 suspended solid pollution incident



The induction-type car wash pool

Biodiversity conservation

Planting Suitable Trees in Different Land Principle

Different types of green space have different ecological environments and landscaping requirements. Thus, it is necessary to choose suitable plants and landscaping for different lands.

Prioritizing Native Plants Principle

Native plants are highly adaptable and have sufficient seed supply and strong ecological functions. They can build a relatively stable plant landscape with local characteristics.

Integrating Urban Landscaping and Plant Biodiversity Principle

To promote urban development, we need to protect the existing trees, flowers and grass. We forbid the relocation of old or big trees into the city. We reject blind pursuit of large lawns or large squares.

Integrating In-Situ and Ex-Situ Preservation Principle

While protecting existing plants, we give priority to the cultivation of native plants. We actively introduce non-native but suitable plants for landscaping and domesticate rare and endangered tree species.

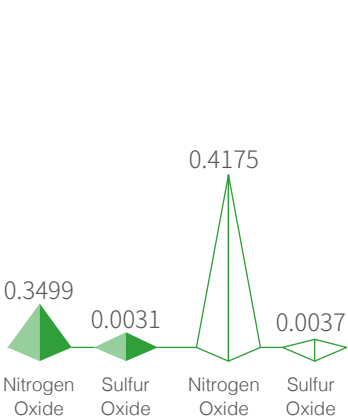


Measurement of the Seedling (Trunk Diameter)

Advancing Green Operations

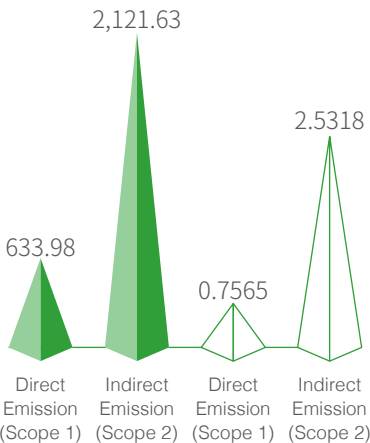
China VAST Development values the harmony between industrial operation with resources and the environment. We practice the low-carbon, green operation of industrial parks, fully implement the Company's *Green Management Manual*, and continue to increase investment in environmental protection. In response to climate change, we adopt energy-saving technology and management, and promote green office practices to minimize the adverse environmental impact.

■ Volume (ton)
□ Density (Kg/Person)



Exhaust Emissions in 2020

■ Volume (ton)
□ Density (Kg/Person)



Carbon Dioxide Emissions in 2020

Direct Energy Consumption (Scope 1)		
Type	Gasoline (L)	Natural Gas (m³)
Volume	246,835.94	23,792
Density	294.55 L / person	28.39 m³ / person
Indirect Energy Consumption (Scope 2)		
Type	Electricity Consumption (kWh)	
Volume	2,121,632.53	
Density	2,531.78 kWh / person	

Energy Consumption in 2020

Tackling climate change

Climate change is a major challenge facing all mankind. Attaching great importance to the impact of project operations on the city, climate and environment, the Company fully taps into the potential for energy conservation and emission reduction, improves energy efficiency, and reduces carbon dioxide emissions. At the same time, we have stepped up climate change awareness efforts, conducted safety inspections against frost damage and fire, and actively responded to extreme weather conditions, ensuring smooth project operations.

Energy consumption management

We continue to improve the energy consumption management system, accelerate the research and development of green technologies, and promote the development of clean energy power generation projects. Moreover, we have upgraded facilities and equipment to save energy and reduce emission, striving to become a promoter and practitioner of efficient and integrated energy utilization.



Energy Consumption Management

- We have formulated the *Administrative Measures for Energy Conservation and Emission Reduction*, and implemented the *Energy Conservation Regulations and the Eight Requirements of Routine Energy Conservation* to lay a solid foundation for energy management.
- We regularly hold conferences on energy management to advance relevant work.
- We call for employees to save electricity and fuel to enhance their energy-saving awareness.



Energy-saving Technologies

- We apply active and passive energy-saving technologies in gardening & landscaping projects to effectively reduce energy consumption.
- We use intelligent lighting in office areas and other public places; we have installed limit switches in machine rooms and time-controlled switches for exhaust equipment in elevator machine rooms, and installed energy-saving water pumps in Yishujia project to reduce energy consumption and costs.



Longhe Center applies energy-saving technology to balance ecological benefits and social benefits

Relying on solar photovoltaic panels, pumps and other sophisticated mechanical control systems, Longhe Center applies active energy efficiency design and artificial means to control, store and convert renewable energy of a fixed amount at a fixed time. Based on the existing climate and site conditions, the center employs passive energy conservation design and reasonably uses plants, terrains, buildings and other elements to adjust the environment for microclimate balance, contributing to regional sustainable development.



Water resource management

We value water resource management and uphold clean production. To this end, we have accelerated the research and development of water-saving technologies and equipment, continued to enhance water resource management, and made full use of reclaimed water. In addition, we advocate water conservation, make inspections to prevent water running, dripping and leakage, phase out substandard water use utensils, and encourage water recycling among employees.

1,869.3 tons
of water consumed

2.23 tons
of water consumed per person

9.35 %
Year-on-year decrease



- Our construction sites are equipped with the domestic water supply system, and the water is purified as per hygiene standards to make sure the drinking water meets the national standard.
- Pools are strictly managed to make sure there is no waste piling, no seepage pit, seepage toilet or sewage pipeline near the pools, and no person living nearby.

- Construction measures are laid down before construction commencement. The sewage is treated and discharged in a well-organized way, to meet relevant standards.
- Construction machinery and vehicles are regularly cleaned, and the wastewater is discharged after the sedimentation treatment in the sump.
- The discharge of wastewater shall comply with *GB 8978-1996 Integrated Wastewater Discharge Standard* or local regulations on environmental protection.



- The domestic sewage is first fermented and sterilized in the septic tank, and then centrally treated in accordance with regulations or channeled to non-hazardous water bodies through special pipeline.
- Oily wastewater generated in areas such as canteens and machinery repair sites are treated in the grease traps before being discharged.

Green office

We actively promote and adapt to green office practices, and send the message of energy conservation and emission reduction to all our employees, thus contributing to China's environmental protection.

167 tons
of non-hazardous waste
discharged

132 toner
cartridges and ink
cartridges recycled

100 %
Non-hazardous waste
treatment rate

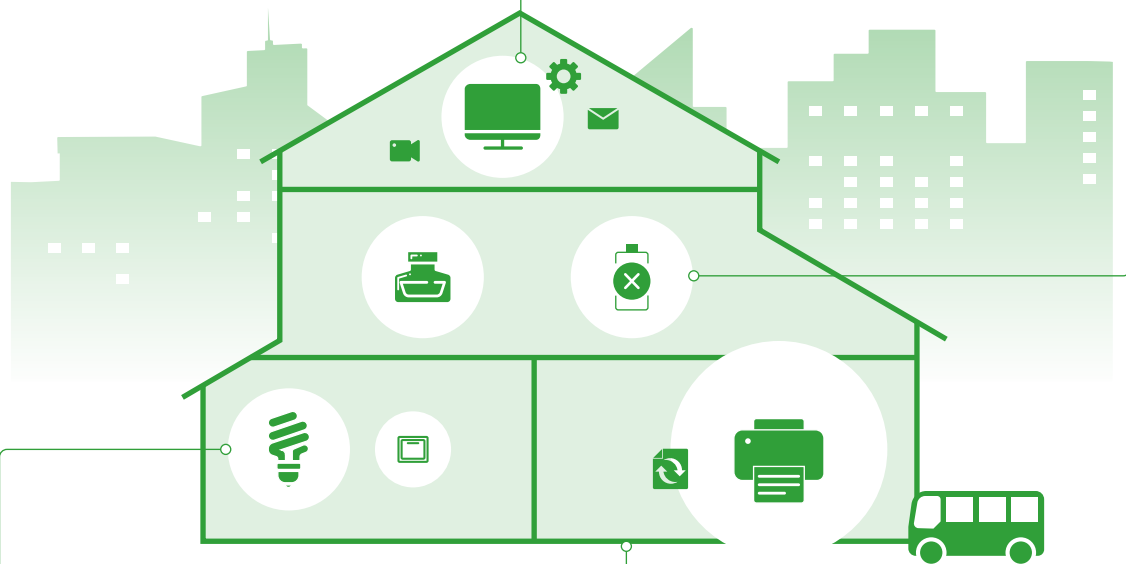
19 tons
of kitchen waste classified
and treated

Advocating Remote Working

- We make full use of the 263 Video Conferencing System, Tencent Meeting, Dingtalk and other online office systems to enable remote working and reduce business travel.
- We employ the ERP system to realize mobile review and full lifecycle asset management, and reduce materials consumption.

Recycling Office Supplies

- We recycle non-hazardous waste such as used paper, pen tubes, cardboard boxes, etc.
- We recycle hazardous waste such as toner cartridges, ink cartridges, and batteries in a non-hazardous way. Ninety percent of toner cartridges are recycled.



Smart Use of Office Equipment

- We do not turn on lights unless necessary or leave them on for long.
- We set a proper temperature for the air conditioners.
- We would turn off office equipment when we're done using it.
- We would turn off electrical facilities before leaving the office to reduce power consumption.

Leading a Low-Carbon Life

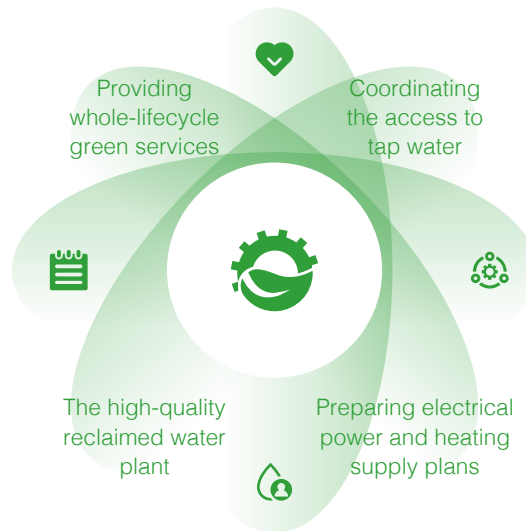
- We print on both sides of the paper.
- We encourage commuting by public transportation to reduce energy consumption.
- If we need to use company-finance vehicles, we would plan the optimal route or car-pool with colleagues to save trips and fuel.

Advancing the Development of Green Industry

In response to the national strategies of new energy development, we leverage the Company's resource advantages to build the VAST Smart Integrated Energy Platform, providing end users with customized integrated energy solutions and integrated energy services. With these efforts, we meet customers' demand for safe and stable supply of clean, low-carbon, economical and high-performance energy.

We provide resident enterprises with all-round services covering heating, electricity, water and integrated energy throughout their lifecycles.

The high-quality reclaimed water plant (phase I) in Longhe Park produces 20,000 tons of reclaimed water per day, and it will reach 50,000 tons in the long term. After the plant is put into operation, the reuse rate of reclaimed water is expected to surpass 50%, which will save about 7.3 million m³ of fresh water per year, which will improve the water environment and generate significant environmental benefits.



We have reached a cooperation agreement with the water supply company, and introduced a new model to predict water consumption of new tenants, strengthening management of industrial parks.

Considering the industrial development of Longhe Park, we have prepared the electrical power and heating supply plans to enhance the park's infrastructure and meet its development needs.



The Reclaimed Water Plant Project



IETY

UN SDGs



Pursuing the Dream of Creating a Better Society for All

Our Challenges

People are the most creative element of productivity. Enterprises are the main actor of social production and operation. All the development results of an enterprise shall be shared by its employees and the whole society. As people's demand for a better life grows, whether a company can make its employees proud, earn respect from the public and contribute to people's sense of gain, happiness and safety, will determine its corporate sustainability.

Our Practices

- We respect and safeguard employee rights, work hard to improve employees' professional skills and address their needs.
- We leverage our expertise to fight poverty, and provide public welfare services, and work with stakeholders to perform corporate social responsibilities.

Key Topics

◦ Supporting employee development

◦ Enhancing employee happiness

◦ Improving comprehensive urban benefits

◦ Devoted to social charity

Performance Indicators

◦ Social security coverage rate:

100%

◦ Proportion of female employees:

34.6%

◦ Casualty caused by work-related injuries (2018-2020):

0

◦ Total donations:

RMB **5,213,000**

Building a Platform for Career Development

Employees are the most valuable assets of an enterprise and also a solid guarantee for long-term steady corporate development. We put people first in corporate governance, and work to create a positive, efficient and enterprising workplace and an excellent and healthy career development platform, so as to align employee value and corporate value.

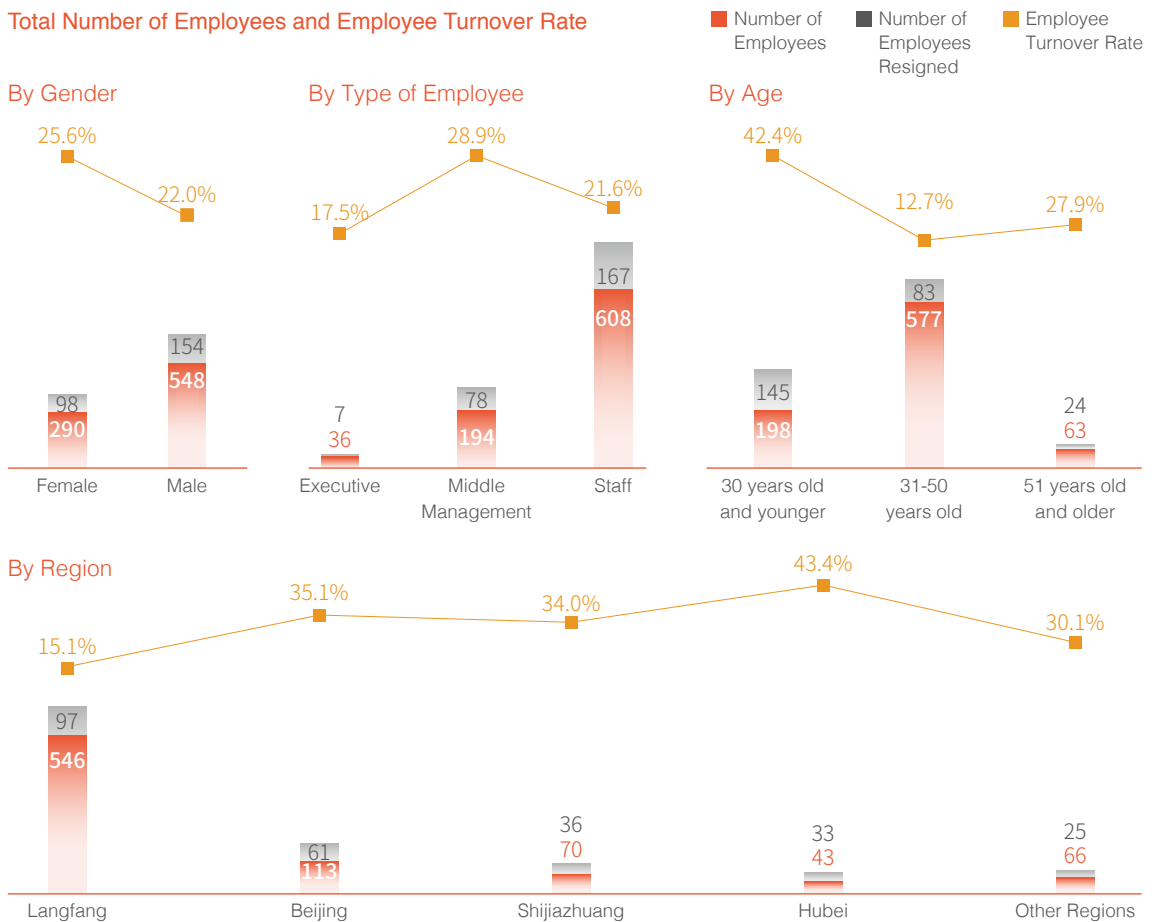
Protecting employee rights

In strict accordance with relevant laws and regulations, the Company adheres to equal employment, opposes discrimination and differential treatment, and improves performance-based compensation and appraisal systems. Moreover, the Company has established a democratic and open communication platform, provided compliant occupational health protection, and created a fair and inclusive workplace.

Sunshine recruitment

We strictly abide by the *Labor Law* and *Labor Contract Law of the People's Republic of China* and relevant laws and regulations. Moreover, we have formulated our own *Administrative Measures for Recruitment*. We forbid employment discrimination against gender, age, ethnicity, language, disability, religion, marital status and other factors, and forbid and resist child labor and forced labor in any form. In 2020, the labor contract signing rate reached 100%, with no suit against illegal recruitment, the use of child labor or forced labor.

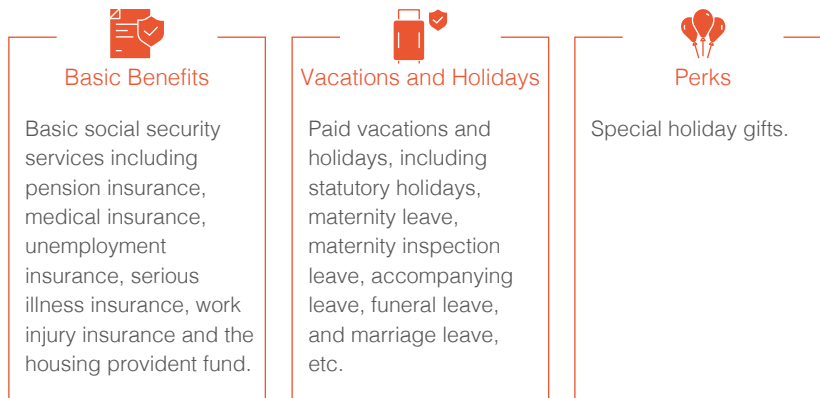
Total Number of Employees and Employee Turnover Rate



Note: Employee turnover rate= number of employees resigned/(total number of employees at the beginning of the year+ number of new employees) *100%

Compensation and benefits

We continue to improve the total compensation and performance appraisal system. By prioritizing capability and performance, we provide competitive salaries and benefits for employees to improve their sense of gain and happiness.



100%
social insurance coverage rate

Special holiday gifts worth RMB
650,000
distributed

Democratic management

We continue to improve the democratic management system. We hold the workers' congress and encourage comments and suggestions to management directly from every employees to protect employees' right to know, right to participate in and right to supervise, ensuring a timely and efficient response to employees' demands.

Occupational health

We abide by the *Labor Law of the People's Republic of China* and other laws and regulations on occupational safety and health. We take it as our primary responsibility to safeguard occupational safety and employees' physical and mental health. Specifically, we provide safety training, optimize the working environment, and implement COVID-19 infection control measures to safeguard occupational health and safety.

- Providing Work Safety Training**

We organize fire safety, work safety and other safety education and training, so to create a safety culture and enhance employees' safety awareness and self-protection capability.
- Improving the Work Environment**

We gradually install the make-up air systems and air purifiers in office areas, and open up fitness areas and tea lounges to improve the work environment.
- Providing Occupational Psychological Counseling**

We communicate face-to-face regularly with employees, and provide them with different levels of psychological counseling service to improve their mental health.

100%
employee medical examination coverage rate

100%
coverage rate of employees with health records

0 casualty caused by work-related injuries (2018-2020)

0 working days lost due to work-related injuries (2018-2020)



Building the employee development platform

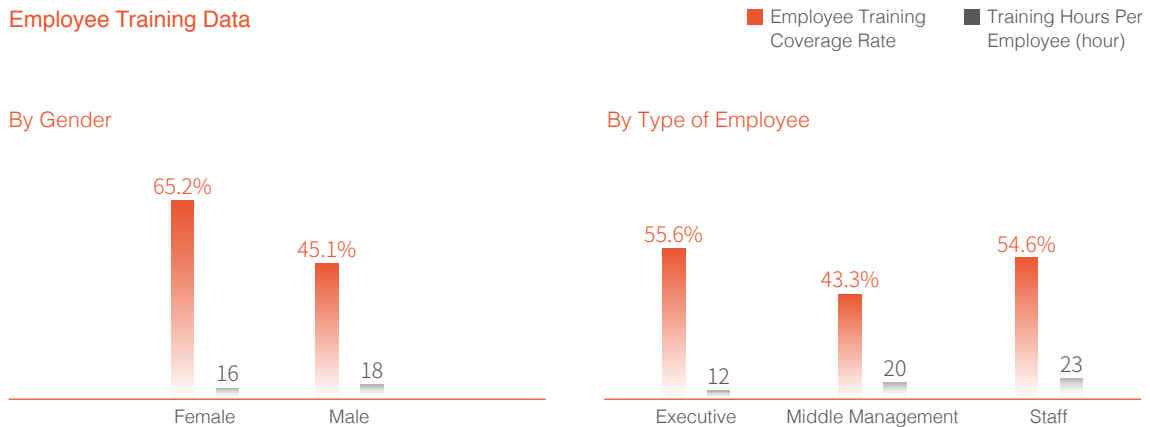
Talents are an indispensable strategic resource for an enterprise. We have built a standard ranking system, improved the employee training system, and provided fair and open promotion channels, striving to stimulate employees' vitality and realize the common development of both employees and the Company.

Employee training

We attach great importance to talent development and training. While improving the employee training system, we continue to organize diversified and targeted training sessions so as to improve employees' professional skills efficiently.

22 training courses developed involving **821** participants

Employee Training Data



Orientation Training

We attach great importance to the orientation training of new recruits and strive to build a learning-oriented organization that honors sharing, mutual assistance and integration. In 2020, the "Set Sail" orientation training camp was organized at the headquarter offline and on virtual platforms via video links. In the camp, we gave lectures and interactive activities to help 144 new hires understand the Company's development history, management policies, corporate culture, work processes, and anti-fraud system, etc. and fit in the work teams.



The "Set Sail" Orientation Training Camp

Management Training

To enable employees to learn about the country's latest industrial layout and the latest industrial policies and developments, we organized 320 employees to participate in the Government Affairs Decoding Salon in 2020. We invited Li Lei, professor at the Economics Department of the Party School of the Central Committee of CPC (National Academy of Governance) and PhD in management science, to interpret the challenges and opportunities of industrial development under the "Dual Circulation" development paradigm. Apart from introducing the background and significance of this development paradigm, Professor Li pointed out the challenges and major opportunities facing China's current industrial development, helping our employees better understand the development trend of China's economy and support their business development.



The Government Affairs Decoding Salon

Specialist Training

In order to promote communication, collaboration and cultivate specialists, we launched the "7M" Joint Work Plan in 2020 and organized 19 specialist trainings for our Land Management Center, Project Management Center, Cost Purchasing Center, and each platform company. With these efforts, we have effectively improved the software and technical skills of our professionals and thus helped support the Company's business development.



Specialist Training for the Land Management Center

Promotion channels

We continue to improve our talent development mechanism. Moreover, we have built a reasonable, transparent promotion mechanism and the employee growth platform, providing high-quality talent for the Company's rapid and robust development.



Reasonable Internal Transfer

When a position vacancy occurs, we will consider employees' career path and the post requirements to internally transfer the suitable candidate to the position, so as to avoid the waste and loss of human resources.



Talent Assessment

We conduct multi-faceted and multi-dimensional talent assessments and build the employee growth platform to help employees achieve rapid growth and make the best use of their talents in suitable positions.



Improved Employee Database

We continue to maintain the employee database. At the same time, we promote and incentivize employees with remarkable performance or contributions for four consecutive quarters, and make sure that outstanding employees are promoted to a suitable position in a timely manner.

Performance appraisal and incentive

We always regard the talent cultivation and incentive as an important strategic task. We continue to optimize the performance appraisal system to make it more open, just and fairer, and link employee hiring, promotion and demotion with salary adjustment to stimulate employees' work enthusiasm and allow them to grow together with the Company.



Setting up Performance Targets

At the beginning of each year, we set the overall performance target and break them down to functional centers, subsidiaries and business units.



Improving Performance Appraisal Format

We conduct performance appraisal on a monthly, quarterly and annual basis. The appraisal results are used as a scientific reference for employees' promotion, salary adjustment and career development.



Issuing Honors and Awards

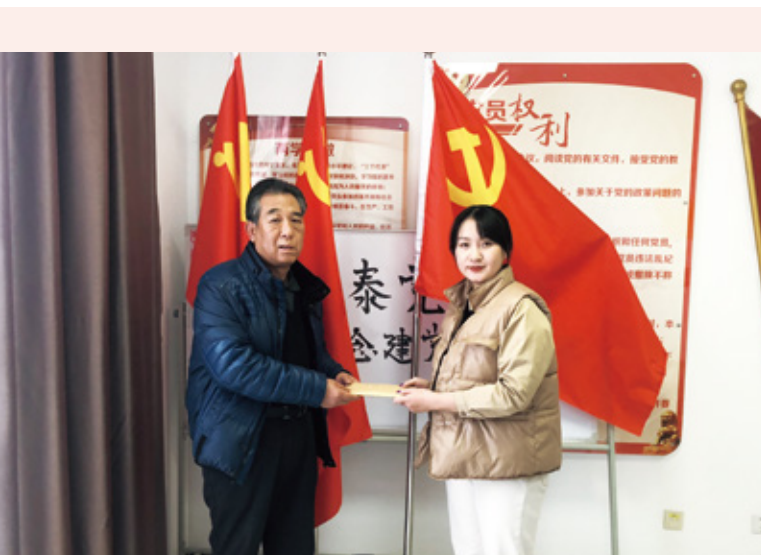
We award outstanding employees with remarkable contributions, striving to build a positive work atmosphere.

Safeguarding employee well-being

The Company stays attentive to the needs of employees and values employee care. We organize diversified cultural and physical activities, and help female employees and those in need solve practical problems, in work or in personal life, to make every employee feel cared and supported, enhancing corporate cohesion.

Employee care

We attach importance to the needs of special groups, especially female employees and employees in need. By delivering aid and healthcare services and organizing cultural activities, we foster a happy and harmonious corporate culture and create a safe haven for our employees.



Giving Allowance to One of the Employees in Need



Caring for Female Employees

- We improve the support of female employees' organization in the trade union, enhancing female employees' self-protection awareness.
- We set up the Love Cabin for pregnant and breastfeeding employees.

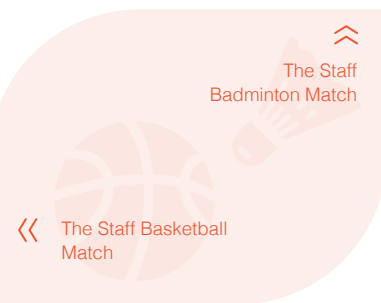


Caring for Employees in Need

- We actively perform "Five Must-Visits" activity, collecting status and household conditions of employees' in need, so to implement dynamic management of employee care.
- We visit employees in need on major holidays and give away cash and holiday gifts.

Diversified cultural and physical activities

We advocate upbeat and healthy lifestyles. Apart from regularly carrying out cultural, entertainment and physical activities, we have set up city-level employee bookstores to enrich employees' lives in leisure time. This move has enabled employees to balance work and life, bolstered work enthusiasm and cohesion, and boosted work morale.



Supporting Community Building

We never forget our roots and remain true to our original aspiration. We give back to society and continue to promote the common development with society. Leveraging the advantages of industrial town development and operation, we contribute to poverty alleviation and public welfare, and work with stakeholders to fulfill corporate social responsibilities.



The Biking Event in Langfang, organized by China VAST Development to Raise Green, Low-Carbon Awareness

Poverty alleviation

We continue to “help those truly in need and deliver genuine outcomes” in poverty alleviation and promote mutual assistance. In particular, we support industrial development, promote employment and improve occupational training and education in impoverished areas, to contribute “VAST power” to the battle against poverty. In 2020, we contributed targeted poverty alleviation fund RMB 53,000 and helped lift 10 people out of poverty.



Case

Taking multiple measures to support targeted poverty alleviation

In response to the national calls for poverty alleviation, China VAST Development takes concrete deeds to help impoverished areas and people.



Visiting an Impoverished Household with Gifts

Signing processing contracts with local impoverished households, allowing them to improve their employment rate and income locally

Giving away daily necessities to impoverished households

Improving local education to ensure that impoverished students do not drop out of school

Funding home repair and furniture purchase for impoverished households

Public welfare services



Visiting No.2 Middle School of Xuanhua District, Zhangjiakou City

We actively engage in public welfare undertakings to spread love. We organize diversified volunteer activities, and demonstrate our sense of responsibility with concrete deeds. In 2020, Chairman Wang Jianjun, together with the Hebei Alumni Association of Cheung Kong Graduate School of Business and Shanghai Joining Share Charity Foundation, visited No.2 Middle School of Xuanhua District, Zhangjiakou City, and provided financial aids to students from impoverished households, supporting the next generation’s education.

Responsibility Management

Responsibility Culture

Actively implementing ESG management, we have incorporated the ESG philosophy into every part of corporate culture and operation, promoted member enterprises and all levels in the Company to keep it in mind and live it with deeds to create more values for stakeholders through joined efforts, contributing to sustainable development of society.



Responsibility Governance

We have established the ESG management team, highly engaged by the management, to horizontally coordinate among functional departments and vertically cover all ESG working groups of member enterprises. The team organizes ESG related tasks under the leadership of the Board of Directors.

Board of Directors: Assessing ESG risks, formulating countermeasures, reviewing and approving the ESG report;

ESG working groups: Reporting the progress on ESG projects to the Board of Directors, collecting and summarizing ESG performance index data, and preparing ESG reports.

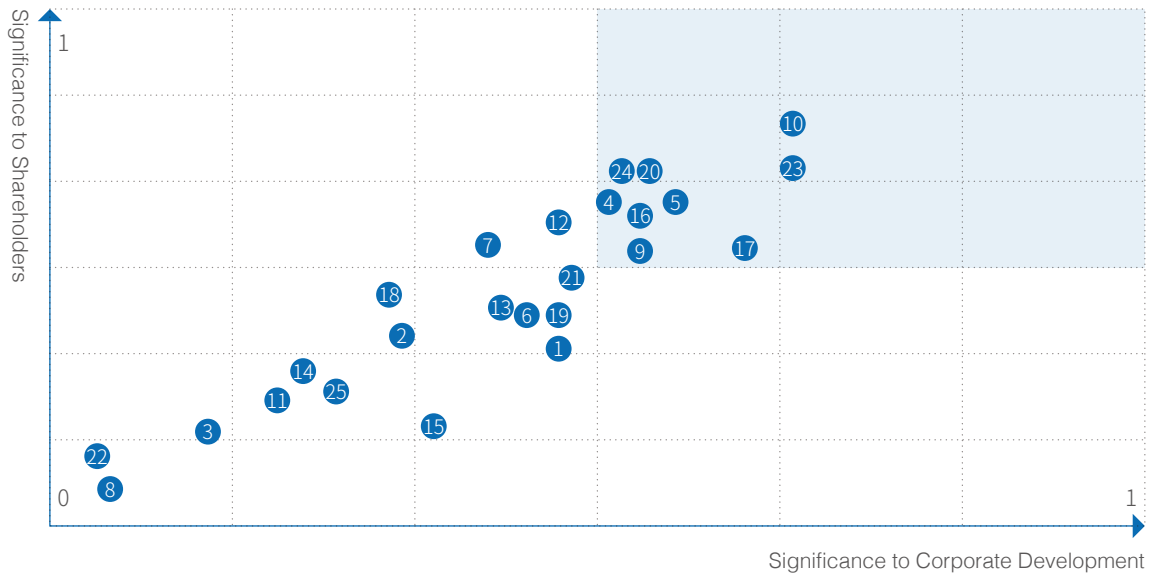
Significance Evaluation

To improve the report substantiality, we have organized significance evaluation to determine topics both the Company and stakeholders concern and guarantee the content we disclosed in reports would reflect significant impacts of the Company on economy, environment and society, and would effectively respond to concerns from stakeholders.

● Evaluation Process



◆ Evaluation Result



① Obeying laws and preventing corruption	⑩ Carrying out strategic cooperation	⑲ Employment in compliance with laws and regulations
② Establishing risk management and internal control system	⑪ Reinforcing industry-university-research communication	⑳ Supporting employee development
③ Improving corporate governance structure and rules of procedures	⑫ Developing basic products and supporting facilities	㉑ Enhancing employee happiness
④ Optimizing the Company's operations and internal controls	⑬ Providing high-quality services	㉒ Guaranteeing occupational health and safety of employees
⑤ Promoting the development of main businesses	⑭ Quality control and work safety	㉓ Improving comprehensive urban benefits
⑥ Upgrading existing and introducing innovative business models	⑮ Protecting customers' rights and interests	㉔ Devoted to community charity
⑦ Promoting the coordinated development of regional economies	⑯ Strengthening environmental management capacity	㉕ Encouraging employees to provide volunteer services
⑧ Expanding overseas businesses	⑰ Practicing green operations	
⑨ Building a responsible supply chain	⑱ Carrying out green cooperation	

Note: The topics in blue are the significant topics

Stakeholder Communication

Stakeholders	Expectations and Requirements	Communication Channel and Method	Response Measures
 Government	<ul style="list-style-type: none"> • Complying with laws, and implementing policies and regulations • Creating more wealth, tax revenue and employment opportunities • Improving services 	<ul style="list-style-type: none"> • Daily reports and communications • Conferences, forums and other communication events 	<ul style="list-style-type: none"> • Paying tax according to law • Providing life-cycle services for industrial towns through our professional advantages
 Shareholders and Investors	<ul style="list-style-type: none"> • Improving profitability • Ensuring preservation and appreciation of assets 	<ul style="list-style-type: none"> • Complied and effective information disclosure • Shareholders' meetings • Roadshows and visits 	<ul style="list-style-type: none"> • Identifying profit growth points • Issuing annual reports and announcements
 Customers	<ul style="list-style-type: none"> • Providing quality products and services • Integrity management • Reliable privacy protection 	<ul style="list-style-type: none"> • Information disclosure • Communication platform 	<ul style="list-style-type: none"> • Consistently improving products and services • Conducting satisfaction surveys • Strengthening privacy protection of customers
 Partners	<ul style="list-style-type: none"> • Integrity management • Win-win cooperation • Communicating and Sharing 	<ul style="list-style-type: none"> • Transparent and fair procurement • Daily communications • Cooperation and sharing 	<ul style="list-style-type: none"> • Building a responsible supply chain • Standardizing the supplier management system
 Employees	<ul style="list-style-type: none"> • Protecting legal rights and benefits of employees • Occupational health and safety • Fair promotion and development • Employee care 	<ul style="list-style-type: none"> • Workers' Congress • Routine training • Communication activities 	<ul style="list-style-type: none"> • Improving compensation system • Providing opportunities and platforms for learning and promotion • Enhancing employee care
 Environment	<ul style="list-style-type: none"> • Energy conservation and emission reduction • Waste disposal • Pollutant emission reduction • Green office 	<ul style="list-style-type: none"> • Environment information disclosure • Forums and communication activity 	<ul style="list-style-type: none"> • Building low-carbon parks • Constructing green buildings • Reducing the impact of business activities on the environment
 Communities and the Public	<ul style="list-style-type: none"> • Community development • Community communications 	<ul style="list-style-type: none"> • Information disclosure • Volunteer activities 	<ul style="list-style-type: none"> • Promoting local development to improve the value of the communities • Supporting public welfare programs to give back to the society

Outlook

In 2021, we will maintain the morale of forging ahead in spite of difficulties and challenges. In the new development stage, we will pursue the new development vision, continue to explore new paths for industrial operations, and penetrate deeper into industries. In particular, we will deepen the development of Longhe Park while advancing projects in other places of the Beijing-Tianjin-Hebei Region and Yangtze River Economic Belt, so to promote the integration of industrial development and urban development, to strive to build livable and business-friendly industrial towns, and to foster new growth points for the high-quality development of regional economy.



ESG Figures

Effectively Promoting Corporate Development and Increasing the Industry Value

Performance Indicators	Year 2018	Year 2019	Year 2020
Number of industrial towns under development or operation	10	10	8
Total assets (RMB million)	14,337.3	14,394.4	14,771.3
Revenue (RMB million)	3,995.2	2,670.0	2,398.6
Net profit (RMB million)	1,121.3	828.4	844.6
Total tax payment (RMB million)	402.6	523.4	393.0

Joining Hands with Stakeholders to Reach an Open and Win-Win Cooperation

Performance Indicators	Year 2018	Year 2019	Year 2020
Major accident and casualty rate	0%	0%	0%
Safe and civilized construction evaluation result (Score)	82	95	96
Percentage of national strategic suppliers signing the <i>Integrity Procurement Agreement</i>	100%	100%	100%

Shouldering Responsibility for Preserving Our Hometown, Lucid Waters and Lush Mountains

Performance Indicators	Year 2018	Year 2019	Year 2020
Carbon dioxide emissions (t)	2,523.8	2,501.3	2,755.61
Annual electricity consumption (10,000 kWh)	206.0	172.2	212.2
Annual water consumption (t)	9,609.7	2,062.0	1,869.3

Pursuing the Dream of Creating a Better Society for All

Performance Indicators	Year 2018	Year 2019	Year 2020
Total number of employees	1,148	938	838
Proportion of female employees	46.0%	36.2%	34.6%
Total donation amount (RMB)	15,089,000	3,052,000	5,213,000

Indicators Index

Aspects	General Disclosures and KPIs		Page	Note
A. Environmental	Aspect A1: Emissions			
	General Disclosure	Information on the policies and 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.	● P39/P42	
	A1.1	The types of emissions and respective emissions data.	● P42	
	A1.2	Greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	● P42	
	A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	● P45	
	A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	● P45	
	A1.5	Description of measures to mitigate emissions and results achieved.	● P39/P40/P41/P44	
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	● P45	
	Aspect A2: Use of Resources			
	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	● P43/P44	
	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).	● P42	
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	● P44	
	A2.3	Description of energy use efficiency initiatives and results achieved.	● P43	
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	● P44	
	A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	● —	Not applicable, the company's business does not involve the packaging material used for finished products.
	Aspect A3: The Environment and Natural Resources			
	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	● P42/P43/P44	
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	● P42/P43/P44	
	B. Social	Employment and Labor Practices		
Aspect 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.	● P49/P50/P52/P53	
B1.1		Total workforce by gender, employment type, age group and geographical region.	○ P49	
B1.2		Employee turnover rate by gender, age group and geographical region.	○ P49	
Aspect 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.	● P50	
B2.1		Number and rate of work-related fatalities.	○ P50	
B2.2		Lost days due to work injury.	○ P50	
B2.3		Description of occupational health and safety measures adopted, how they are implemented and monitored.	○ P50	

Aspects	General Disclosures and KPIs		Page	Note
B. Social	Aspect B3: Development and Training			
	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	● P51/P52	
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	○ P51	
	B3.2	The average training hours completed per employee by gender and employee category.	○ P51	
	Aspect B4: Labor 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 labor.	● P49	
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	○ P49	
	B4.2	Description of steps taken to eliminate such practices when discovered.	○ —	No violations during the reporting period.
	Operating Practices			
	Aspect B5: Supply Chain Management			
	General Disclosure	Policies on managing environmental and social risks of the supply chain.	● P35	
	B5.1	Number of suppliers by geographical region.	○ P36	
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	○ P35	
	Aspect 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, labelling and privacy matters relating to products and services provided and methods of redress.	● P27/P28/P29/P30	
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	○ —	No products sold or shipped subject to recalls for safety and health reasons during the reporting period.
	B6.2	Number of products and service-related complaints received and how they are dealt with.	○ P31	
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	○ P21	
	B6.4	Description of quality assurance process and recall procedures.	○ P29/P30	
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	○ P31	
	Aspect B7: Anticorruption			
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.	● P21		
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.	○ —	No corruption lawsuits during the reporting period.	
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	○ P21		
Community				
Aspect 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.	● P7/P54/P55		
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	○ P7/P55		
B8.2	Resources contributed (e.g. money or time) to the focus area.	○ P7/P8/P55		

Note: the icon of ● means "comply or explain" provisions, the icon of ○ means recommended disclosure provisions.

Feedback Form

Dear readers:

Thank you for reading the China VAST Industrial Urban Development Company Limited 2020 Environmental, Social and Governance Report. To better satisfy your needs, provide you with more valuable information, improve our social responsibility performance, and enhance our ability and standards in fulfilling our social responsibility, we sincerely hope you could provide valued opinions by giving us feedback in the following ways.

Our contact information:

Address: Units 3707-08, 37/F, West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong

Tel: 852-2912 6300

Fax: 852-2886 3739

Optional questions: (Please tick in the corresponding boxes✓)

1.What do you think about this Report in reflecting the Company's environmental, social and governance performance and its significant impact?

Very Good Good Fair Bad Very Bad

2.What do you think about the clarity, accuracy, and completeness of information and indicators disclosed in the Report?

Very Good Good Fair Bad Very Bad

3.What do you think about the content arrangement and style design of the Report?

Very Good Good Fair Bad Very Bad

Open questions:

1.Which parts of the Report are you most interested in?

2.What information do you think should be reflected but not included in the Report?

3.Do you have any suggestions for our future ESG Reports?

China VAST Industrial Urban Development Company Limited

2020 Environmental, Social and Governance Report

Tel: 852-2912 6300

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