

**HUIJING** 滙景

Huijing Holdings Company Limited

滙景控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 9968

*INSPIRING  
GROWTH TOGETHER*

Environmental, Social &  
Governance Report **2020**



# TABLE OF CONTENTS

## **2 Message from Management**

## **3 Message from the Editor**

## **4 Feature Story – Together against COVID-19**

4 Internal Prevention and Control

4 Community Donation

4 A Look to the Future

## **5 Governance**

5 Strengthening the Board's Role

5 Improving Internal Risk Prevention and Control

6 Implementing Corporate Compliance Management

7 Engaging Stakeholders

## **11 Society**

11 Creating a Good Working Environment

16 Delivering Quality Service

17 Focusing on Supplier Management

18 Participating in Social Contribution Activities

## **19 Environment**

19 Promoting Green Construction

20 Practising Green Operations

## **21 Summary of Key Performance Indicators**

21 Environmental Performance

22 Social Performance

## **24 HKEx ESG Reporting Guide Content Index**



# MESSAGE FROM MANAGEMENT

With this Environment, Social and Governance Report 2020, we are pleased to share with all stakeholders our efforts and achievements in all aspects of sustainability over the past year. As a socially responsible property development company, we have always strived to embed sustainability into our business approach and daily operations. In 2020, we saw many tangible efforts in the aspects of “governance”, “social” and “environment”, such as strengthening risk management, understanding customer needs, improving people development and enhancing our environmental data collection capabilities.

In the sudden outbreak of COVID-19, we quickly took preventive and control measures to protect the health of our employees. We also made donations to hospitals and communities in the early stage of the outbreak, contributing more than RMB6 million to the community-wide fight against the epidemic.

Steady progress has also been made in our philanthropic activities covering urban construction. In 2020, we supported the development of the communities in which we are headquartered through donations to the Dongguan Shatian Charity Association and the Dongguan Qingxi Charity Association. Our charitable work was recognised by the Community Chest of Hong Kong’s “Award of Excellence”.

In the future, we will continue to improve our governance and transparency, provide first-class quality properties to our customers, grow with our employees, and focus on environmental protection and resource conservation, fulfilling our corporate social responsibility, as well as promoting the win-win and sustainable development of our business, society and the environment.

# MESSAGE FROM THE EDITOR

Huijing Holdings Company Limited (the “Company”), listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “HKEx”) (stock code: 9968), together with its subsidiaries (collectively the “Group”), is principally engaged in property development and investment in the People’s Republic of China (the “PRC”).

Following the first publication of the Environmental, Social and Governance (“ESG”) Report in June 2020, the Company has made it a policy and practice to publish such report annually in order to continuously improve transparency in disclosure and to keep stakeholders informed of the Group’s actions on sustainable development. Now in the second year of publication, this report outlines the Group’s ESG management approach, plans, initiatives and performance, and demonstrates the Group’s sustainability commitments for the financial year from 1 January 2020 to 31 December 2020 (the “Year”).

This report has been prepared in accordance with the requirements of the Environmental, Social and Governance Reporting Guide (“ESG Guide”) issued by the HKEx in relation to “Comply or explain” Provisions and Recommended Disclosures, while determining the content based on the reporting principles required by the ESG Guide, including materiality, quantitative, balance and consistency. Guided by the materiality principle, this report covers the operations of the Group’s headquarters in Dongguan and its three regional offices in Southern, Central and Eastern China. The Group will continue to review the scope of disclosure in the light of business development and expand the scope where appropriate.

<b>Materiality</b>	<b>Quantitative</b>
Identifying key ESG issues relating to the core business and various stakeholders through stakeholder engagement and ensuring that these are highlighted in the report	Presenting the Group’s performance in a quantitative manner and providing comparative data where appropriate
<b>Balance</b>	<b>Consistency</b>
Providing balanced and objective picture of achievements and challenges	Using consistent disclosure methods to enable stakeholders to compare the Group’s performance year on year

As compared to the ESG Report 2019, the main body of the report is divided into three chapters on “Governance”, “Society” and “Environment”, allowing the results of the Group’s stakeholder engagement to be better aligned with ESG topics and to receive a structured and complete response in the report. The report also includes a feature on “Fighting the Pandemic” to showcase the Group’s actions and responsibilities in response to the event that had a significant impact on the Year.

This report is available in Chinese and English and has been uploaded to the websites of the HKEx and the Company. Any questions or comments on this report could be addressed to Unit 2403–2408, 24/F, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong.

# FEATURE STORY – TOGETHER AGAINST COVID-19

The outbreak of COVID-19 in the Spring Festival in 2020 disrupted the normal pace of work and life around the world. Faced with the sudden outbreak, the Group reacted quickly and, in addition to its internal prevention and control efforts, participated in various ways in the fight against epidemic throughout society.

## Internal Prevention and Control

The Group is highly aware of the potential impact of the epidemic on the health and safety of its employees. Besides conducting temperature tests, rotating shifts, requiring regular disinfection of office areas and providing epidemic prevention materials such as masks, alcohol sprays and disinfectant solutions, the Group has also launched a series of online courses to educate employees on epidemic prevention. The courses cover epidemic prevention policies, travel safety, catering safety, identification of epidemic prevention materials, nucleic acid testing and vaccine knowledge to ensure that employees' epidemic prevention capabilities are enhanced.

## Community Donation

At the beginning of the COVID-19 outbreak, there was a shortage of medical and protective supplies in areas where the epidemic was severe, such as Wuhan. Under such circumstances, the Group donated RMB5 million to Wuhan Leishenshan Hospital through the Wuhan Charity Federation for the purchase of protective gears, medical equipment, medicines and other supplies. At the same time, the Group mobilised resources to support the prevention and control work of frontline medical staff in its operation area and donated a total of RMB1 million worth of N95 medical masks to Dongguan Ninth People's Hospital, Dongguan Donghua Hospital, Dongguan Kanghua Hospital, Dongguan Houjie Hospital and Dongguan Changpingzhen Community Health Service Centre through the Dongguan Charity Federation.

Besides, the Group continued to pay attention to the epidemic prevention and control work in the communities by making donations to support Wanjiang Gonglian, Chashan Shangyuan, Chashan Shuichang, Xiegang Caole, Xiegang Licun, Qishi Xinnan, Qingxi Qingxia, Qingxi Sanxing, Qingxi Sanzhong, Zhangmutou Town and Qishi Village in Dongguan, conveying the Group's desire to work with the communities to overcome difficulties and move forward together.

During the Year, the Group invested over RMB6 million in cash and material donations to combat the epidemic.

## A Look to the Future

At present, life and work in China gradually return to normal as the outbreak is under control. However, it is undeniable that COVID-19 has brought about significant changes to the global economy, security and direction of development, which may also have an impact on the Group's business. In the face of this unpredictable outlook, the Group will improve its ability to identify risks and seize opportunities and continue to drive the sustainable development of its business and value chain in the new economic climate.

Sustainable development is an ongoing process that must balance the pursuit of economic prosperity with addressing social and environmental issues. Having an effective governance structure and system in place is particularly important for implementing sustainable development, enabling managers to strategically promote corporate citizenship in decision-making and enhance the integration of sustainability awareness and behaviour in all aspects of the business. The Group continues to strengthen its governance capabilities in the area of sustainability by adhering to strict ethical business standards and maintaining communication with stakeholders in the hope of achieving shared economic and social value.

## **Strengthening the Board's Role**

The Board has overall responsibility for the Group's ESG matters, including setting ESG objectives and priorities, assessing and identifying ESG risks, ensuring the effectiveness of relevant response policies and practices, and reviewing and approving ESG disclosures.

With a view to expanding the Group's sustainability efforts and further improving the effectiveness of ESG management, the Board authorised a senior manager to establish an ESG Working Group. Under the leadership of this senior manager and with the participation of relevant functions, project leaders and employees working on various material ESG issues, the ESG Working Group is responsible for developing and refining the Group's ESG-related priorities, objectives and action plans based on the latest market trends and needs obtained through regular stakeholder engagement and materiality analysis. It is also responsible for implementing ESG decisions and policies at the day-to-day operational level and for preparing ESG reports. In addition, the Working Group assists the Board in understanding the risks and opportunities associated with the Group's business and in continuously improving the sustainability mindset of the Group's employees and other stakeholders.

## **Improving Internal Risk Prevention and Control**

The Group's risk identification and management process has been developed in accordance with the principles of COSO (the Committee of Sponsoring Organizations of the Treadway Commission). The Board is responsible for assessing and determining the nature and extent of risks that the Group is willing to accept in achieving its strategic objectives, and for providing strict oversight in the development and maintenance of risk management policies, frameworks and procedures to facilitate the most effective management of enterprise risks. Management is responsible for establishing and maintaining an effective risk management and internal control system and providing a systematic approach to guide business units in monitoring and controlling risks in each risk domain, including regulatory risk, decision risk, market risk, financial risk, human resources risk, supply chain risk and quality risk, in accordance with the "Three Lines of Defense Model".

# GOVERNANCE

## Key ESG-related Risk Factors

Risk Factors	Potential Impacts	Responses
<b>Construction Safety</b>	Safety risks may be involved in the construction of the Group's property development projects, including working at height, operation of machinery and heavy lifting. Safety incidents threaten the lives and health of contractors' workers and may result in construction delays and financial losses to the Group.	Contractors are required to implement safety management on site and to provide safety equipment and arrange safety skills training for their employees.
<b>Talent Drain</b>	The development and success of the Group's business depends to a large extent on the recruitment and retention of talent. The loss of talent will adversely affect the Group's continued growth.	The Group provides competitive remuneration and benefits, as well as a platform for personal and professional development. It also organises a wide range of corporate events to strengthen ties with its employees.

During the Year, the Board, through its Audit Committee, undertook a comprehensive review of the effectiveness of the risk management system and engaged external consultants to update the Group's major risks and improvement plans. Going forward, the Group will further identify ESG risks that are closely related to its business and refine its management efforts to improve long-term risk resilience.

## Implementing Corporate Compliance Management

The businesses and activities of the Group are conducted in accordance with the laws and are guided by the principles of honesty, integrity, fairness and impartiality. Under the supervision of the Audit Committee, the Group ensures that effective compliance procedures are in place and that all laws and regulations relating to its business are strictly complied with, including those relating to the environment, such as the Environmental Protection Law of the PRC, the Law of the PRC on the Prevention and Control of Environmental Noise Pollution, the Regulations on the Administration of Construction Project Environmental Protection and the Temporary Regulations on the Environmental Inspection of Completed Construction Projects, as well as the Urban Real Estate Administration Law of the PRC, the Advertising Law of the PRC, the Labor Contract Law of the PRC and the Law of the PRC on Work Safety, which are related to business practices, employees' rights and community development. During the year, the Group was not aware of any violations of laws and regulations relating to ESG matters.

# GOVERNANCE

In order to strengthen compliance management, the Group has also incorporated the code of conduct into the work systems and action manuals of various businesses and departments. Through a series of institutional documents such as the Employee Handbook, the Recruitment Management System and Implementation Rules, the Intellectual Property Management Measures, the Protocol on Receiving Gifts and the Complaint Report Management System, the Group's assets, interests and corporate image are protected while employees are guided to perform their duties.

---

## **Integrity Management**

With honesty and integrity always being cornerstones of its corporate code of conduct, the Group is against corruption in any form. The section on "Managing Integrity and Confidentiality" in the Employee Handbook states that employees are not allowed to accept gifts, hospitality, kickbacks or bribes in the performance of their duties. It is also clearly stated in the Protocol on Receiving Gifts that for gifts that cannot be refused or returned, the receiving unit or individual should report to the Audit and Supervision Centre or the Administration Department of the district or municipal companies.

Regular trainings are also provided to communicate anti-corruption knowledge and policies to directors and employees. During the Year, a total of 2 directors and 213 employees received relevant training.

---

## **Data Protection**

The Employee Handbook stipulates that all confidential information, including that provided by customers and business partners, must be kept secure and must not be used without permission. In view of the increasing popularity of electronic devices, the Group has also completed the construction and roll-out of anti-virus systems to enhance protection against viruses and spyware in order to safeguard network security and stability.

---

## **Intellectual Property Protection**

Employees are required to take measures to protect the Group's trademarks, patents, copyrights and other intangible assets in accordance with the provisions of the Intellectual Property Management Measures to enhance the Group's core competitiveness. The Group also attaches importance to the protection of third party intellectual property rights, so that no infringement of intellectual property rights of third parties such as peers and partners occurred.

---

Should employees, customers, suppliers or other partners discover any misconduct, including corruption, bribery, unfair competition and other violations of corporate norms, they can report to the Group through the internal complaint telephone number, supervision mailbox and face-to-face conversation with staff of the Supervision Department in accordance with the Regulations on Complaint and Reporting Management. Upon receipt of a report, the Supervision Department is responsible for conducting direct investigation or referring the matter to other departments according to the type of reported problem, and following up on the progress and outcome of the matter. If the report is substantiated, the Group will offer a cash reward to the whistleblower. During the whole process, the information of the whistleblower will be kept strictly confidential.

## **Engaging Stakeholders**

The progress of a company on the path to sustainability relies on close liaison and cooperation with various stakeholders. As such, the Group communicates with internal and external stakeholders on a daily basis through various communication channels and encourages stakeholders to express their views. In particular, with regard to ESG management, the Group strives to improve its operational strategies and initiatives to create greater value for society through communication and collaboration with its stakeholders.

# GOVERNANCE

To plan stakeholder communications in a more systematic manner, the Group identifies key stakeholders by reference to the following criteria:

- o groups or individuals for whom the Group has legal, financial, operational or other responsibilities
- o groups or individuals who are significantly affected by the Group's business
- o groups or individuals who have a significant impact on the Group's operating performance

Through an analysis conducted by the above criteria, the key stakeholders identified by the Group are directors and senior management, employees, investors and shareholders, suppliers, customers and communities. Their views and expectations of the Group are captured through the various key communication channels described below.

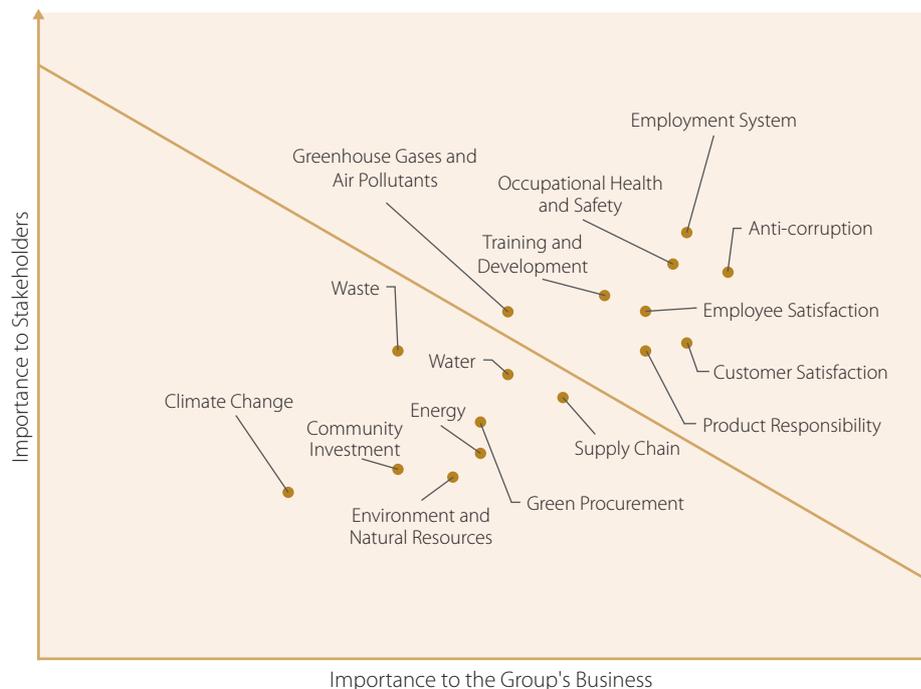
Key Stakeholders	Issues of Concern	Key Communication Channels
<b>Directors and Senior Management</b>	<ul style="list-style-type: none"> <li>• Compliance management</li> <li>• Risk management</li> <li>• Operational stability</li> <li>• Stakeholder communication</li> </ul>	<ul style="list-style-type: none"> <li>• Board meetings</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Employee health and safety</li> <li>• Development and training</li> <li>• Equal opportunity</li> <li>• Compensation and benefits enhancement</li> </ul>	<ul style="list-style-type: none"> <li>• Regular meetings</li> <li>• Regular training</li> <li>• Grievance channels</li> <li>• Performance evaluation meetings</li> </ul>
<b>Investors and Shareholders</b>	<ul style="list-style-type: none"> <li>• Operational compliance</li> <li>• Risk management</li> <li>• Anti-corruption</li> <li>• Economic performance</li> <li>• Investor communications and rights</li> </ul>	<ul style="list-style-type: none"> <li>• Annual General Meeting and other shareholders' meetings</li> <li>• Public information such as annual and interim reports, announcements and circulars</li> <li>• Business roadshows</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Fair and open procurement</li> <li>• Stable business relationships</li> <li>• Timely and adequate information sharing</li> </ul>	<ul style="list-style-type: none"> <li>• Tendering meetings</li> <li>• Site visits</li> <li>• Evaluation surveys</li> <li>• Supplier management meetings</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Construction and service quality</li> <li>• Protection of interests and privacy</li> <li>• Complaint handling</li> </ul>	<ul style="list-style-type: none"> <li>• Satisfaction survey</li> <li>• Service hotline</li> <li>• Social media</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>• Community services</li> <li>• Environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>• Charity activities</li> <li>• Volunteer service</li> </ul>

## Materiality Assessment

In the process of preparing this Report, the Group's directors, senior management, employees across key functions, customers and suppliers have been involved in identifying key ESG issues and assessing the importance of the relevant issues to the Group's business and to them personally. The Group identified the highly important ESG issues for the Year through the following three steps:

- |           |  |                           |
|-----------|--|---------------------------|
| <b>01</b> | <b>Identifying the list of issues</b><br>With the help of the consultant, the Group identified ESG issues relevant to its business in the context of sustainability trends, national policies, industry characteristics and its own development strategy.  | <b>16 relevant issues</b> |
| <b>02</b> | <b>Establishing priorities</b><br>Following the ESG-related issues identified, the Group prepared a questionnaire and invited internal and external stakeholders to rate the importance of these issues, collecting 68 valid responses.<br><br>Through a comprehensive analysis of stakeholder input, a total of eight important issues were identified. | <b>8 important issues</b> |
| <b>03</b> | <b>Confirming important issues</b><br>Important ESG issues were discussed and confirmed by the Board and senior management for focused disclosure in the Report.   |                           |

The graph below shows the materiality matrix obtained by aggregating the survey results, reflecting the level of concern of the Group's stakeholders on different ESG issues.



# GOVERNANCE

In response to the challenge of climate change, China has announced a goal of achieving carbon neutrality by 2060. In this context, the Group's Board and senior management believe that the importance of "Climate Change" will continue to grow and that companies need to prepare in advance, therefore including this issue in the ESG areas that the Group should prioritise and address.

The highly important ESG issues for the Group are listed in the table below.

<b>Environment</b>	<b>Employment and Labour Practices</b>	<b>Operating Practices</b>
<b>Greenhouse Gases and Air Pollutants</b>	Employment System	Anti-corruption
<b>Climate Change</b>	Occupational Health and Safety	Customer Satisfaction
	Employee Satisfaction	Product Responsibility
	Training and Development	

Placing people first in conducting business is a value of the Group. The Group values long-term relationships with each other, whether with employees, customers, suppliers or communities. To employees, the Group strives to create an open, shared, equal and healthy work environment in the hope that they can achieve a balance between life and career; to customers, the Group establishes sound project construction and quality control procedures and continuously improves its service quality based on customer feedback; to suppliers, the Group actively shares industry information and works with them to improve sustainability; to communities, the Group continuously carries out or participates in rich public welfare activities in the fields of resident care and urban construction, contributing to the creation of a livable living environment.

## **Creating a Good Working Environment**

### **Employee's Rights**

The Group recognises the importance of a sound employment management system to protect the legitimate rights and interests of employees, and has formulated relevant management policies in strict compliance with the Labor Contract Law of the PRC, the Labor Law of the PRC, the Social Insurance Law of the PRC, the Interim Regulation on the Collection and Payment of Social Insurance Premiums, the Trial Measures for Maternity Insurance of Enterprise Employees and the Regulations on Management of Housing Provident Fund. These policies are communicated to employees through documents such as the Employee Handbook, the Recruitment Management System, the Regulations on Entry and Probationary Period, and the Attendance Management System to ensure that employees understand their obligations and rights.

Being an equal opportunity employer, the Group conducts its recruitment, appointment, evaluation and promotion processes in an open and fair manner based on the strengths, qualifications, abilities, suitability and contributions of candidates and employees to ensure that they are not treated differently on the basis of race, creed, colour, gender, age, nationality and religion.

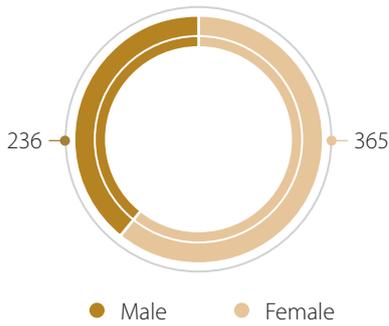
During the recruiting process, the Group's Human Resources Department or municipal companies' Human Resources and Administration Department conduct background checks on candidates, including detailed investigations on information provided by candidates such as academic certificates, qualifications, previous work experience, personality traits, team integration, salary and benefits, and reasons for leaving, to ensure the authenticity of the information and improve the overall quality and job stability of employees. This process also enables the Group to avoid employment risks, including the misuse of child labour and forced labour.

Unreasonable dismissal is prohibited under any circumstances. The Regulation Governing Personnel Changes sets forth the definition and procedures for dismissal, as well as the right of employees to initiate dismissal. The Group dismisses employees when their performances fail to meet the requirements of their positions or violate the rules and regulations. Either the Group or an employee requests termination of the employment contract, the other party must be notified at least one month in advance and the termination procedure must be properly carried out.

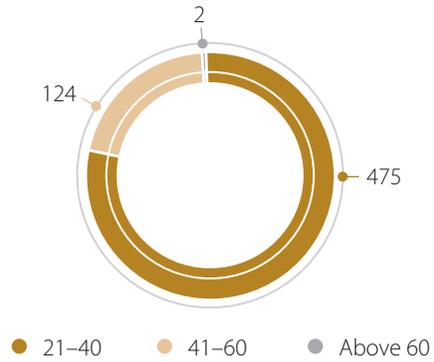
# SOCIETY

As at December 31, 2020, the Group had 601 employees. The breakdowns of employees by gender, age group and employment type are shown below.

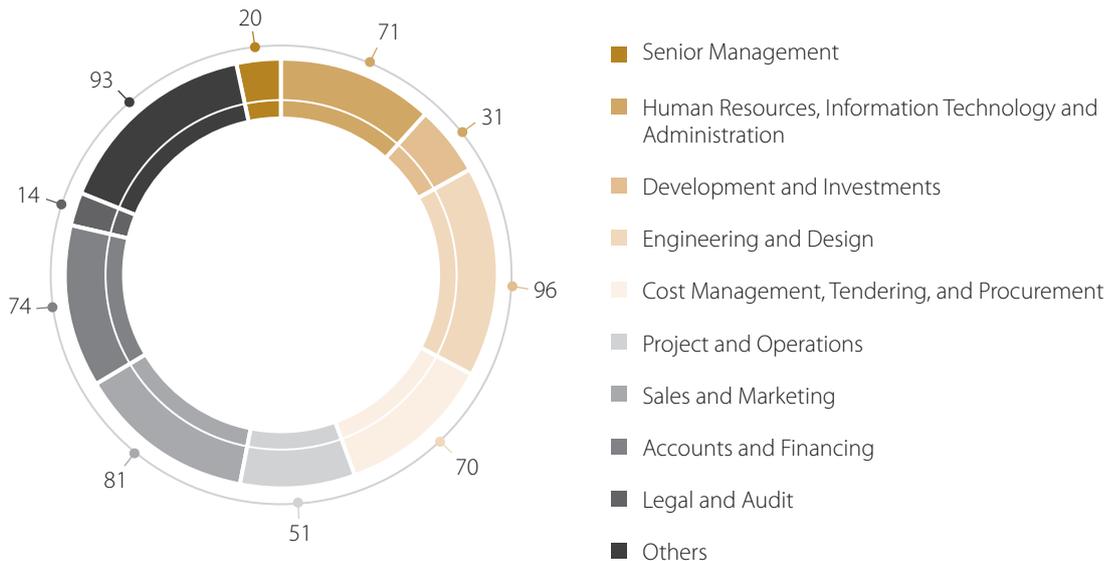
**By Gender**



**By Age Group**



**By Employment Type**



## Compensation and Benefits

Employees are valued for their dedication in their work. The Group makes every effort to improve their welfare benefits externally with reference to the local labour market and the same industry, and internally based on business and employee performance. In addition to a competitive basic salary, employees will receive a heat allowance and holiday allowance in accordance with the provisions of the Employee Handbook. Besides statutory holidays, the Group provides employees with paid leave such as annual leave, wedding leave, maternity leave, paternity leave, bereavement leave, work injury and sick leave. Employees who obtain excellent results in the annual appraisal will also receive additional rewards.

At the same time, the Group cares about the healthy life of the employees. It pays social insurance and provident fund on time, arranges group accident insurance and annual physical examination for employees, and holds leisure activities, such as, badminton matches and birthday parties from time to time.

## Occupational Health and Safety

Safeguarding the safety and health of our employees and contractors is a matter of great importance to the Group. The Group strives to create a healthy and safe working environment and to prevent dangerous accidents through protective measures, emergency response, awareness and training as well as contractor management.

### Protective Measures

A set of Office Environment Management Regulations has been developed to regulate the management of the safe and hygienic environment, such as the safety of electricity, fire prevention and the use of hygiene tools in the office. The property duty officer conducts safety and security checks on the office and records the results of the checks.

### Emergency Response

The Group also provides adequate safety equipment and first aid supplies for its employees.

An Emergency Management Regulations sets out guidelines for preventing and responding to incidents such as on-site accidents and injuries, natural disasters, pandemics and hazardous chemical spills. In accordance with the requirements, the Group has equipped its operational sites, including construction sites, with emergency equipment such as fire-fighting facilities and emergency vehicles, and conducts regular fire and flood emergency drills to ensure the responsiveness of employees and contractor workers in case of emergency.

In the case of an emergency, the Group will report information, set up an on-site command, evacuate people and report to the government, surrounding businesses and the public in accordance with the emergency plan.

### Awareness and Training

The Group offers safety education and training to all employees and runs online courses and campaigns on preventing COVID-19.

### Contractor Management

Results of safety and quality assessment are covered in the entry and exit system for subcontractors. In addition, during the construction phase, the Group prescribes workmanship specifications to contractors and ensures safe construction and operation through monthly quality and safety inspections.

No work-related injuries or fatalities were recorded during the Year.

# SOCIETY

## Talent Training and Development

The emphasis on talent training and employee development needs has led the Group to encourage lifelong learning and actively invest resources to help employees realise their self-worth. According to the Training Management Manual, the Group's Human Resources and Administration Centre prepares a training questionnaire every year in accordance with the Group's strategic objectives, annual business goals and human resources planning to understand the training needs of regional companies and departments in order to update the annual training plan. After the training is completed, the Group will also conduct a four-level assessment on the effectiveness of the training, the results of which will be incorporated into the improvement of future training contents.

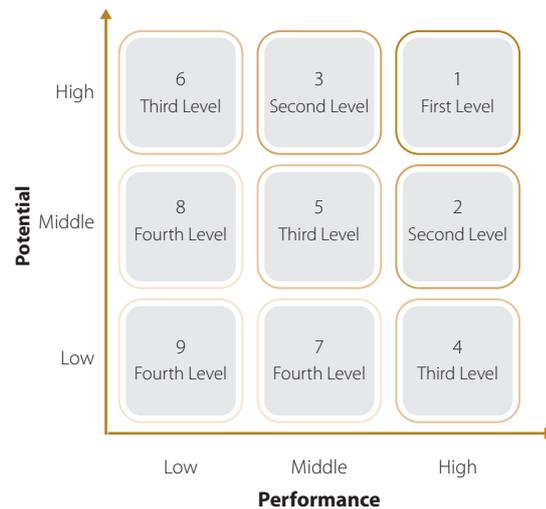
<b>Level 1: Response Assessment</b>	Feedbacks and suggestions about the training organisations, course arrangements and trainer performance, as well as their own experiences, are reflected in the Training Satisfaction Assessment Form completed by the employees.
<b>Level 2: Knowledge Assessment</b>	Employees' mastery of the knowledge, concepts and methods learned in the training is checked through written tests or practical exercises.
<b>Level 3: Behaviour Assessment</b>	Effectiveness of the training in improving the behaviour of trainees is assessed by the observation of their performance by their supervisors and colleagues.
<b>Level 4: Performance Assessment</b>	Evaluate the extent to which employees' skills have been enhanced through training and have had an impact on the achievement of performance indicators.

Trainings were conducted for different business lines during the Year to enhance the skills and self-development of employees, such as training on business etiquette for drivers and training on professional image for other employees. These trainings are aimed at equipping the Group's employees with the right skills and attitudes to prepare them to deliver the highest quality of service to customers.

A series of intensive training, special training, on-the-job coaching and one-on-one follow-up training are provided for new employees on campus and socially recruited. These training courses include business introduction, corporate culture, policies and systems and job requirements.

Besides, in order to facilitate the selection and rapid growth of core talents and to build a compound talent team, the Group compiled the Talent Pool Management Regulations (for Trial Implementation) and established a Talent Management Team during the Year. The Talent Management Team sets talent development goals from the Group level and is responsible for formulating, implementing and improving systems related to the Group's talent pool, providing the Group with a talent supply chain to support its strategic development.

Given the hierarchical nature of the positions, the Group has created eight talent pools covering strategic leadership, operational management, executive management and professional execution. Each pool has four levels, with the Talent Management Team determining each employee's level in the pool based on "performance" and "potential".



The first level, in particular, represents the key up-and-coming talent that the Group wishes to focus on. The Talent Management Team therefore signs Career Plans with employees in the first level and works together to develop accelerated growth plans. For employees at other levels, the Group also encourages their progress by offering bonuses.

### Effective Communication

To facilitate good labour relations, the Group has set up a mailbox as a grievance channel to ensure a smooth communication mechanism and a fair handling process. If an employee has any queries or disputes regarding the employment system and working environment, he or she can raise the matter with the management through his or her immediate supervisor, department head or the Human Resources Department. Upon receipt of a complaint, the Human Resources Department will investigate the matter to ensure a timely response and effective resolution of the employee's grievance. The Group also regularly disseminates corporate news and management information through channels such as the office automation system, email and WeChat Official Account to keep employees better informed of the Group's decisions and developments.

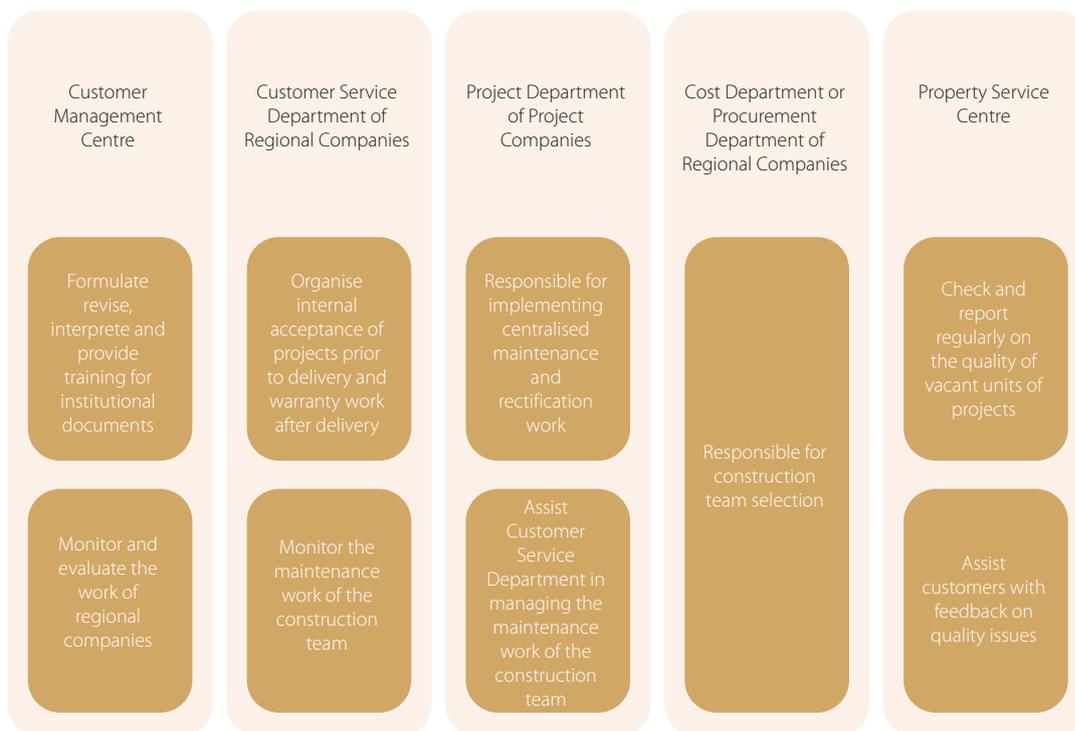
Besides, in order to improve employee satisfaction, the Group is considering conducting employee opinion surveys in the future to systematically understand their satisfaction with employment policies, benefits, training, development and corporate involvement so as to continuously improve the human resources system.

# SOCIETY

## Delivering Quality Service

### Product Quality

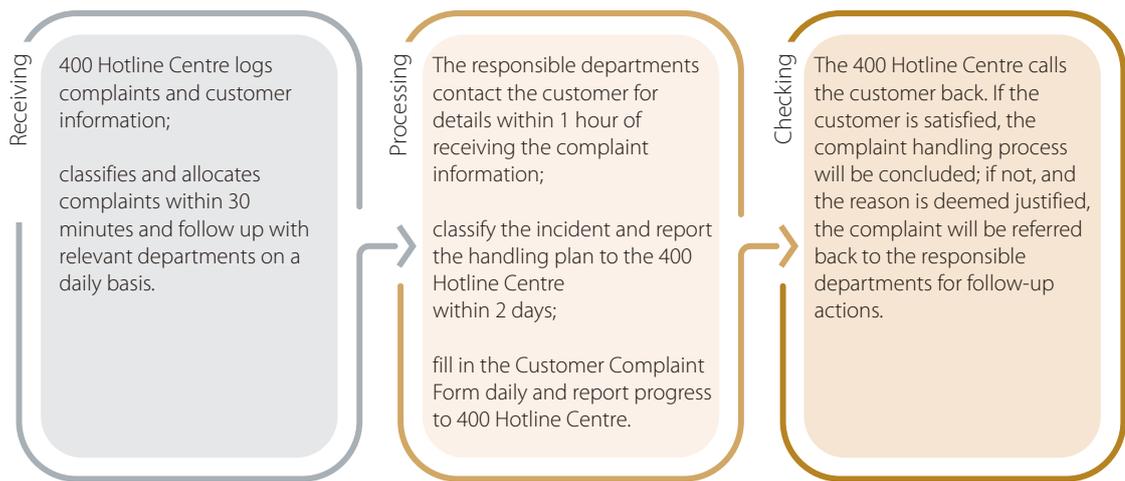
Product quality is an important part of the customers' interests. To ensure product quality, the Group has established a quality control system covering the entire process of real estate development, from design, procurement, construction to completion and other stages, to ensure stable project quality. In response to the need for quality assurance and maintenance of projects after occupation, the Group has formulated and implemented the Quality Assurance and Maintenance Management Policy for Real Estate Projects. The document specifies the responsibilities of the Customer Service Department, the Project Department and the Cost Department, as well as the quality assurance and maintenance workflow, providing standards and guidance for the quick and effective implementation of maintenance matters.



Moreover, the Group employs third party consultants to monitor the quality performance of employees and contractor workers through quarterly site visits to ensure that they meet the Group's internal quality standards and to make recommendations for improvement. If non-compliance is found, the supervisors will immediately inform the relevant personnel and management so that timely rectification can be made.

## Customer Service

With a view to ensuring accurate insight and quick response to customers' requirements, the Group has established a comprehensive system and process for handling customer complaints received from 400 hotline, which is graded and classified according to the nature and urgency of the problem, in order to improve the efficiency and quality of complaint handling and enhance customer satisfaction. The relevant requirements are set out in the 400 Hotline Customer Complaint Management Regulations.



There were 110 customer complaints received during the Year, including 20 property complaints, 58 engineering and maintenance complaints, 2 design complaints and 30 sales complaints. The customer complaint handling rate was 100%.

Further evidence of the Group's commitment to service excellence is the provision of truthful and accurate project information. The Group has established clear advertising and marketing guidelines for its employees, namely the Client Risk Prevention Work Manual for Sales Phase, to ensure that no misleading or false information is given to customers and that adverse factors, including environmental impacts such as noise, odour and radiation, are not concealed.

## Focusing on Supplier Management

Supplier performance is an important component of overall corporate performance. During the Year, the Group worked with a total of 600 suppliers. In doing so, the Group actively extended its sustainability efforts to the supply chain and established an effective supplier management system with the aim of implementing environmental and social responsibility together with them.

To standardise the selection of suitable suppliers in a fair and equitable manner, the Group has formulated and implemented the Tender Management System and Implementation Rules, which stipulates the specific application and implementation procedures for different methods such as invitation to tender, direct commissioning, piecemeal procurement and strategic procurement. During the Year, the Group also formulated the Supplier Management System and Implementation Rules to ensure the introduction, retention and development of quality suppliers, thereby enhancing the quality of products and services.

When choosing suppliers, the Group rates them based on their size, basic information, qualifications, reputation, track record and ability to perform contracts, and sets out requirements for quality, safety, health and environmental protection in the pre-qualification documents. To further safeguard the quality of suppliers and reduce supply chain risks, the Supplier Management System and Implementation Rules directly prohibit suppliers from providing false materials, bribing to obtain improper benefits, acting recklessly and cutting corners, and having major safety and quality incidents. Suppliers must also sign the Construction Workers' Wage Protection Agreement, which commits them to maintaining stable labour relations.

# SOCIETY

Each year, the Group regularly evaluates its suppliers and re-rate them in terms of quality, schedule, cost, service and cooperation. Suppliers with scores below 70 will be communicated with by the Group and asked to improve their performance. Suppliers who fail to pass the assessment or fail to improve in a timely manner will be removed from the Group's partner list. During the year, the Group completed the assessment of 501 suppliers with an average score of 73.7.

Supplier Grading	Excellent	Good	Pass	Fail
Score	90 and above	80-89	60-79	60 below
Distribution for the Year	17	214	221	49

Top suppliers will be rewarded with certificates of excellence, priority shortlisting, promotion of winning bids, priority payments and strategic partnership agreements to encourage them to continue to provide high quality products and services.

## Participating in Social Contribution Activities

A business cannot develop without the support of the community, so it should also contribute to the building of the community. With the corporate motto of "Inspiring growth together", the Group actively participates in charitable activities and encourages its employees to volunteer for local community services in the hope of meeting the practical needs of the public and creating a better community together.

The direction of community investments and services was assessed on an annual basis. During the Year, the Group's charitable activities and donations focused on the fight against the pandemic. For more information, please see the section "Feature Story – Together against COVID-19".

As an enterprise engaged in property development, the Group also continues to be concerned about urban construction and sustainable development. In the Year, it donated RMB50,000 each to the Dongguan Shatian Charity Association and the Dongguan Qingxi Charity Association for community building in these two districts.

Presented by The Community Chest of Hong Kong at the 2019/2020 Annual Award Ceremony, the "Award of Excellence 2019/2020" reflected the community's recognition of the Group's philanthropic efforts. In the future, the Group will continue to raise awareness and help the needy and the underprivileged through charitable donations and activities.



# ENVIRONMENT

One of the core elements of a sustainable world is green development. The Group integrates the concept of eco-civilisation into its construction and daily operations, and actively explores the optimal use of energy and resources to minimise negative impact on the environment in order to create a better environment and achieve a harmonious co-existence between man and nature. It has adopted and implemented the Office Environment Management Regulations to ensure that employees are aware of their responsibility to comply with and implement the Group's environmental policies and practices, and to create a green and comfortable workplace.

## Promoting Green Construction

The Group attaches great importance to environmental protection, incorporating environmental protection into the life cycle of property development and promoting ecological civilisation through green design and construction.

Prior to construction, an environmental impact assessment will be conducted for each real estate project in accordance with relevant regulations such as the Law of the PRC on Environmental Impact Assessment and the Regulations on the Administration of Construction Project Environmental Protection to ensure that the Group effectively reduces and manages the impact on the environment during the design, construction and use process. At the same time, the Group fully integrates green concepts in the design of various projects, such as the use of renewable energy sources like solar energy and geothermal heat, as well as response to the construction of sponge cities.

During the whole construction period, the Group clarifies to the contractors the environmental laws and regulations, contract terms and other internal policy requirements that they must comply with, and the Project Department monitors compliance with these requirements to reduce construction pollution emissions, depletion of natural resources and to avoid ecological damage.

<b>Waste</b>	Waste from construction work, such as construction and demolition materials, is stored in designated areas and is transferred and removed on a daily basis. Waste with hazardous components, such as chemical waste and fluorescent lamps, will be handled separately by qualified companies.
<b>Wastewater</b>	Being aware that improper treatment of wastewater may lead to pollution of land and water bodies, the Group requires its contractors to strictly follow the environmental management plan drawn up before the commencement of each project for wastewater treatment and, where appropriate, reuse the treated wastewater from the site treatment facilities and discharge the rest to the wastewater treatment plant after pre-treatment to standard through the municipal sewerage network.
<b>Air Pollutants</b>	The primary source of air pollutants on site is the use of fossil fuel vehicles and machinery. The Group therefore encourages the use of fuel-efficient vehicles and machinery and the use of light diesel oil as fuel.
<b>Dust</b>	The impact of dust on the surrounding environment is reduced by installing continuous closed board fencing and regular water spraying.

Additionally, the Group is committed to creating a green supply chain by working with environmentally friendly suppliers and prioritising the sourcing of materials from neighbouring regions and environmentally friendly materials.

# ENVIRONMENT

## Practising Green Operations

### Emissions Management

Global climate change-induced changes in precipitation patterns have led to an increasing number of extreme events such as droughts, floods and forest fires. The Group understands that excessive greenhouse gas ("GHG") emissions are a major contributor to global climate change. In response to China's goal of achieving carbon neutrality by 2060, the Group continues to promote energy conservation and emission reduction, and to promote sustainable lifestyles among its employees. In addition, to reduce the potential risks and material losses caused by extreme weather, the Group is considering the development of risk assessment plans and contingency plans to enhance resilience and adaptation to climate change.

As of 2019, the Group has begun to quantify GHG emissions, recording and assessing the GHG generated by its own operations in order to lay the groundwork for setting targets. Due to the nature of the Group's business, Direct GHG Emissions (Scope 1) arose from the combustion of fuel in vehicles and Energy Indirect GHG Emissions (Scope 2) arose from the use of purchased electricity. For the Year, the Group's total GHG emissions amounted to 225,274 tonnes of carbon dioxide equivalent. Of this, Scope 1 emissions decreased by approximately 41% to 80,413 tonnes of carbon dioxide equivalent from 136,867 tonnes in 2019, mainly due to a reduction in the frequency of vehicle use.

Vehicles also contributed to air pollutants, mainly nitrogen oxides, sulphur oxides and respirable suspended particulates. The Group is committed to improving fuel efficiency, such as preventing vehicle engines from idling, to reduce emissions.

Category	Emissions	Unit
<b>Nitrogen Oxides</b>	5.946	kg
<b>Sulphur Oxides</b>	2.643	kg
<b>Respirable Suspended Particulates</b>	1.049	kg

With respect to waste, the Group's main waste streams are domestic waste and paper from the offices. In this regard, the Group has set up sorting stations in its offices to recycle waste paper, metal and plastic and to encourage a paperless office among its employees, including reducing excessive printing. If any hazardous waste is generated, the Group is required to engage a qualified waste collector to dispose of such waste in order to comply with relevant environmental laws and regulations. Currently, the Group does not have a waste data recording and collection system in place, but plans to estimate relevant data through sampling and weighing in the future.

### Resource Conservation

Energy use has a direct link to GHG emissions and also has an impact on corporate cost control. To optimise energy efficiency, the Group has implemented a number of energy saving measures, including the use of energy efficient products such as LED lighting, regular maintenance of central air-conditioning and switching off lights in work areas during lunch hours in an effort to reduce GHG emissions. During the Year, the Group's total energy consumption was 566,338 MWh. Of this, the use of direct energy, i.e. petrol, was reduced by approximately 42%.

Apart from energy consumption, water is also used in operations. The Group has promoted awareness of water conservation among employees and completed the collection of data on water resources used in operations at the head office and the regional offices in South and East China during the Year. As water consumption is managed directly by the property companies, data for the Central China regional office is not available, but the Group will continue to try to communicate with the property companies to expand the data coverage. For the Year, the total water consumption of the head office, South and East China offices was 3,570,714 cubic metres.

# SUMMARY OF KEY PERFORMANCE INDICATORS

## Environmental Performance

### Air Emissions<sup>1</sup>

Statistics	Total	Unit
<b>Nitrogen Oxides</b>	5,946	kg
<b>Sulphur Oxides</b>	2,643	kg
<b>Respirable Suspended Particulates</b>	1,049	kg

### Greenhouse Gases<sup>2</sup>

Statistics	Total	Unit
<b>Scope 1: Direct Emissions</b> Combustion of Fossil Fuels	80,413	tonne of CO <sub>2</sub> -e
<b>Scope 2: Energy Indirect Emissions</b> Purchased Electricity	144,861	tonne of CO <sub>2</sub> -e
<b>Total GHG Emissions</b>	225,274	tonne of CO <sub>2</sub> -e
<b>GHG Intensity (by Employees)</b>	0.375	tonne of CO <sub>2</sub> -e/person

### Energy

Statistics	Total	Unit
<b>Direct Energy</b> Combustion of Fossil Fuels	328,901	MWh
<b>Indirect Energy</b> Purchased Electricity	237,437	MWh
<b>Total Energy Consumption</b>	566,338	MWh
<b>Energy intensity (by Employees)</b>	0.942	MWh/person

### Water<sup>3</sup>

Statistics	Total	Unit
<b>Total Water Consumption</b>	3570,714	cubic metre
<b>Water Consumption Intensity (by Employees)</b>	7.199	cubic metre/person

<sup>1</sup> Refers to the Road Vehicles Air Pollutant Emission Inventory Preparation Technical Guide (Trial).

<sup>2</sup> Refers to the Guidelines for Accounting and Reporting Greenhouse Gas Emissions China Public Building Operation Units (Enterprises) (Trial).

<sup>3</sup> Data for the Central China office was not included.

# SUMMARY OF KEY PERFORMANCE INDICATORS

## Social Performance

### Employment

Statistics			Total
<b>Number of Employees<sup>4</sup></b>	Gender	Male	365
		Female	236
	Age Group	21-40	475
		41-60	124
		Above 60	2
	Employment Type	Senior Management	20
		Human Resources, Information Technology and Administration	71
		Development and Investments	31
		Engineering and Design	96
		Cost Management, Tendering, and Procurement	70
		Project and Operations	51
		Sales and Marketing	81
		Accounts and Financing	74
Legal and Audit		14	
Others		93	
<b>Total Number of Employees</b>		601	
<b>Employee Turnover Rate</b>	Gender	Male	31.39%
		Female	26.02%
	Age Group	21-40	29.84%
		41-60	27.49%
		Above 60	33.33%
<b>Total Employee Turnover Rate</b>		29.38%	

<sup>4</sup> All employees in the reporting boundary are full time employees in mainland China.

# SUMMARY OF KEY PERFORMANCE INDICATORS

## Training and Development

Statistics			Total
<b>Percentage of Employees Trained</b>	Gender	Male	100.00%
		Female	100.00%
	Employee Category	Senior Management	100.00%
Middle Management		100.00%	
Other Employees		100.00%	
<b>Total Percentage of Employees Trained</b>		100.00%	
<b>Average Training Hours</b>	Gender	Male	19.10
		Female	18.08
	Employee Category	Senior Management	10.00
Middle Management		17.50	
Other Employees		19.11	
<b>Total Average Training Hours</b>		18.70	

## Supply Chain Management<sup>5</sup>

Statistics			Total
<b>Number of Suppliers</b>	Service Product Combination		374
			77
			149
<b>Total Number of Suppliers</b>		600	

## Anti-corruption Training

Statistics			Total
<b>Total Training Hours</b>	Directors		6
	Employees		234.3
<b>Total Number of People trained</b>	Directors		2
	Employees		213

<sup>5</sup> The Group applies the practice of hiring, managing and monitoring suppliers to all suppliers of the same type to ensure fairness in the system. During the Year, all suppliers within the reporting boundary were located in mainland China and 99 of them were certified to ISO 9001 quality management system.

# HKEX ESG REPORTING GUIDE CONTENT INDEX

General Disclosure and KPIs	Description	Page Number /Remarks
<b>A. Environmental</b>		
<b>A1 Emissions</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	6, 19
A1.1	The types of emissions and respective emissions data.	20–21
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	20–21
A1.3	Total hazardous waste produced and intensity.	20
A1.4	Total non-hazardous waste produced and intensity.	20
A1.5	Description of emission target(s) set and steps taken to achieve them.	20
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	19
<b>A2 Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	19
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	21
A2.2	Water consumption in total and intensity.	21
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	20
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	The Group receives its water supply from the municipal network and has no problems in sourcing water that is fit for purpose.
A2.5	Total packaging material used for finished products and per unit produced.	It has no relevance to the Group's business.

# HKEX ESG REPORTING GUIDE CONTENT INDEX

General Disclosure and KPIs	Description	Page Number /Remarks
<b>A3 The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	19
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	19
<b>A4 Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	20
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	20
<b>B. Social</b>		
<b>B1 Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	6, 11, 13
B1.1	Total workforce by gender, employment type, age group and geographical region.	12, 22
B1.2	Employee turnover rate by gender, age group and geographical region.	22
<b>B2 Health and Safety</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	6, 13
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	In the past three years, the Group did not have any work-related fatalities.

# HKEX ESG REPORTING GUIDE CONTENT INDEX

General Disclosure and KPIs	Description	Page Number /Remarks
B2.2	Lost days due to work injury.	There was no work-related injury to the Group during the Year.
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	13
<b>B3 Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	14-15
B3.1	The percentage of employees trained by gender and employee category.	23
B3.2	The average training hours completed per employee by gender and employee category.	23
<b>B4 Labour Standards</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	6, 11
B4.1	Description of measures to review employment practices to avoid child and forced labour.	11
B4.2	Description of steps taken to eliminate such practices when discovered.	No such non-compliances were identified in the Group's operations during the Year.
<b>B5 Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	17
B5.1	Number of suppliers by geographical region.	23
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	17-18
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	17-18
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	17

# HKEX ESG REPORTING GUIDE CONTENT INDEX

General Disclosure and KPIs	Description	Page Number /Remarks
<b>B6 Product Responsibility</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	16, 17
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	It has no relevance to the Group's business.
B6.2	Number of products and service related complaints received and how they are dealt with.	17
B6.3	Description of practices relating to observing and protecting intellectual property rights.	7
B6.4	Description of quality assurance process and recall procedures.	16
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	7
<b>B7 Anti-corruption</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	6-7
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 proceedings were concluded against the Group or its employees during the Year.
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	7
B7.3	Description of anti-corruption training provided to directors and staff.	23
<b>B8 Community Investment</b>		
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.	18
B8.1	Focus areas of contribution.	4, 18
B8.2	Resources contributed to the focus area.	4, 18