



GLORY 国瑞

GUORUI PROPERTIES LIMITED 國瑞置業有限公司

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

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

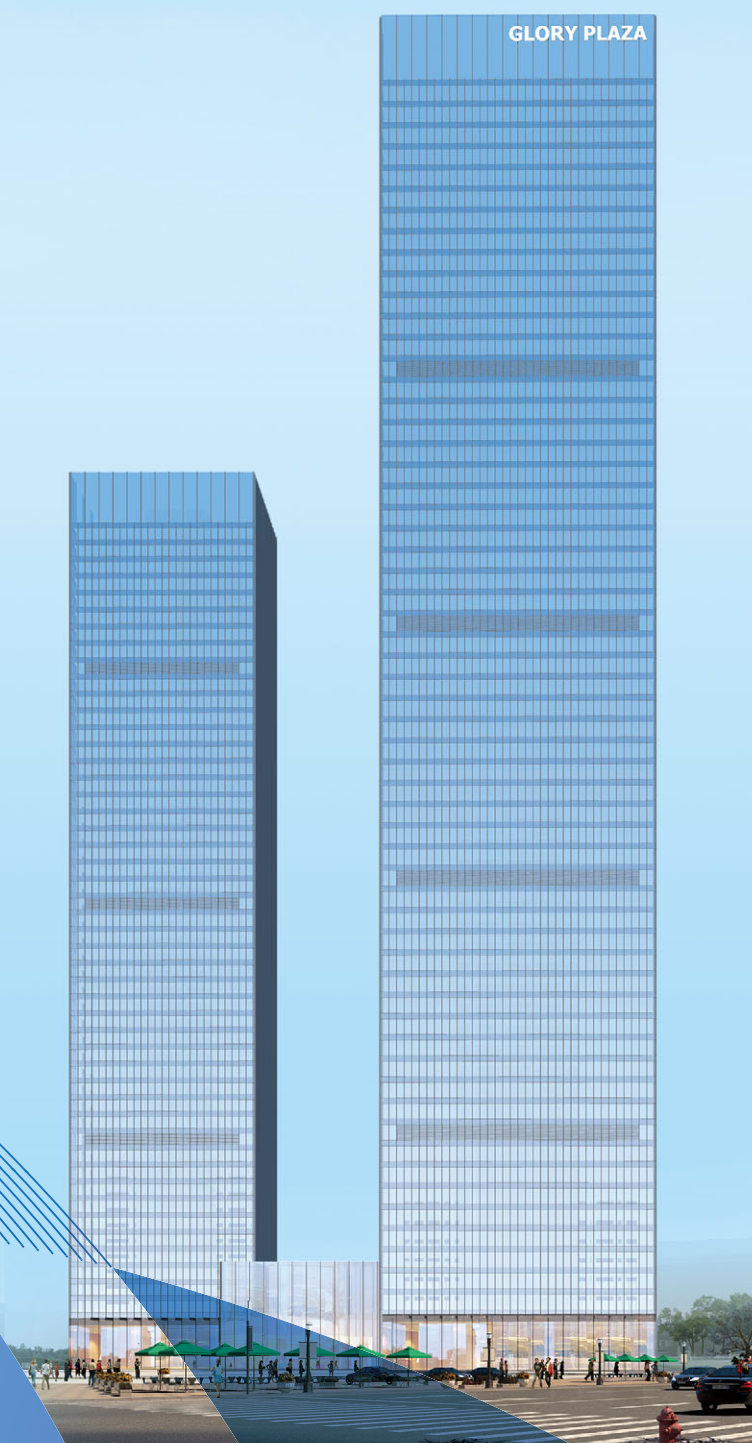
香港聯合交易所股份代號 Stock Code : 2329

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

2020

Contents

| | |
|---|----|
| 1. About this Report | 2 |
| 2. About Guorui Properties | 3 |
| 3. Sustainable Development Approach | 4 |
| 3.1. Communications with Stakeholders | 4 |
| 3.2. Materiality Assessment | 6 |
| 4. Green Infrastructure Management | 7 |
| 4.1. Greenhouse Gases Emissions | 7 |
| 4.2. Green Operations | 9 |
| 4.3. Green Buildings | 11 |
| 5. Compliant Operation | 14 |
| 5.1. Customer-oriented | 14 |
| 5.2. Anti-corruption | 16 |
| 5.3. Supply Chain Management | 17 |
| 6. Employee-oriented | 18 |
| 6.1. Employment Rights | 20 |
| 6.2. Salary and Benefits | 21 |
| 6.3. Vocational Development | 23 |
| 6.4. Health and Safety System | 26 |
| 7. Contributing to Social Welfare | 28 |
| Appendix 1: Sustainability Data Statements | 30 |
| Appendix 2: Index of Hong Kong Stock Exchange ESG Reporting Guide | 34 |



1. About this Report

Guorui Properties Limited and its subsidiaries (“Guorui Properties”, “the Group” or “we”) disclose the policies, initiatives and key performance indicators (KPIs) of the related subject in the environmental and social areas for the period from 1 January 2020 to 31 December 2020 (the “Reporting Period” or the “Year”) through this Environmental, Social and Governance Report (the “ESG Report”), demonstrating to stakeholders our principles and philosophy on sustainable development so as to fulfilling our corporate social responsibilities.

BASIS OF PREPARATION

The ESG Report was prepared based on the “Environmental, Social and Governance Reporting Guide” (the “Guide”) under Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The content of the ESG report is in compliance with the disclosure obligations of “Comply or Explain” provisions under the Guide, with additions of some recommended disclosures. Readers may refer to the last section headed “Appendix 2: Content Index of Hong Kong Stock Exchange ESG Reporting Guide” for quick reference. For detailed information on corporate governance of the Group, please refer to the section headed “Corporate Governance Report” in the annual report and the official website of the Group (www.glorypty.com).

REPORTING LANGUAGE

This Report is published in Traditional Chinese and English versions. In case of discrepancies, the Traditional Chinese version shall prevail.

REPORTING SCOPE

We collected and disclosed the environmental KPIs of 19 offices and 17 site projects this Year, while collecting and disclosing the social KPIs of the Group.

CONTACT INFORMATION

Your opinions towards this Report are highly valued. If you have any enquiries or suggestions, please email us (ir@glorypty.com).

2. About Guorui Properties

Guorui Properties was consecutively included in the Hang Seng Composite Index for the second year, becoming one of the 502 listed companies. The involvement in Hang Seng Composite Index indicates the stable development of the Group in the capital markets. In 2020, under the impacts of the COVID-19 pandemic, the Group continued to abide by the principle of “houses are built to be inhabited, not for speculation” (「房住不炒」) led by the Central Government and progressively explore property and investment projects.

In face of the impacts brought by the pandemic to the sales business, the Group actively develop online marketing channels to avoid stagnation of business during the pandemic. We introduced the modern online business model to the real estate industry. In this Year, the Group has launched an online housing sales platform called “Fangyun (房雲)” and initiated its Linked Huichun Plan for 16 Projects (十六盤聯動惠春計劃) to boost property sales.

As a socially responsible corporate, amid the challenges imposed by the pandemic onto our businesses, we granted rental concessions to merchants and other property-holding tenants during the pandemic, aiding our communities in this challenging period. In order to help tenants to overcome their difficulties, we took the advantage of the Group’s experiences in online marketing to launch a mini programme e-commerce platform to support online marketing of our tenants, while expanding commercial marketing channels.

Under the strategy of “quality improvement and pace control” (「提質控速」), the Group has adopted stricter requirements on risk control of project investments, and paid more attention to operation quality and meticulous management. With its high-quality development, Guorui Properties has again been ranked among the top 100 companies in the Results of Evaluation and Research on Chinese Listed Real Estate Companies in 2020 (《2020中國房地產上市公司測評研究成果》) published by China Real Estate Association and E-House China R&D Institute. In the future, the Group will be committed to continuously upgrading products of Guorui and improving the living quality of people, as fulfilling the development needs of the era.

Guorui Properties had been recognised and appraised by various sectors with the following rankings for the Year:



Guorui•Xiyue
Popular Property 2020 by Shencheng
Property Market
(沈城樓市報: 2020年度人氣樓盤—國
瑞•熙悅)



Guorui•Xiyue
Users' Appealing Property
2020 by Anjuke
(安居客: 2020年度年度用戶吸引
樓盤—國瑞•熙悅)



Guorui•Xiyue
Shenyang Most Core Competitive
Brand Award 2020 by House365
(365淘房: 2020年度瀋陽最具核心競爭
力品牌獎—國瑞•熙悅)

3. Sustainable Development Approach

In the past Year, facing the uncertainties brought by the pandemic, Guorui Properties has strived to maintain the stable development of our business, while fulfilling our corporate social responsibilities. Adhering to the concept of “win-win and sharing”, we are committed to creating quality living environments for clients, as well as promoting social and economic development through real estate infrastructure. We value the principle of integrity and integrate elements of sustainable development into our businesses of real estate development and management, so as to promote sustainable development of the society.

CORE VALUES

| Values | Operations |
|--|--|
| Pragmatism: foundation to establishment | <ul style="list-style-type: none"> Constructing quality properties and provide excellent services with pragmatism, valuing every employee, enabling them to grow with the Company |
| Innovation: source of development | <ul style="list-style-type: none"> Innovation and reform based on the original foundation, proactively developing green building and eco-town projects, improving quality of life of people |
| Standardization: key to management | <ul style="list-style-type: none"> Improving and standardizing processing and decision-making mechanism, maintaining good and compliant operation, provide quality services for consumers |
| Excellence: goal to pursuit | <ul style="list-style-type: none"> Strengthening the Group’s development, creating positive impacts to city infrastructure, contributing to society and economy |

We believe that opinions from both internal and external sources are very important for improving sustainability performance. Hence, we actively communicate with stakeholders in an attempt to understand their expectations and needs, their opinions in turn keep us in pace with the market, improve our business performance, and aid us in evaluating our previous shortcomings as well exploring future opportunities in sustainable development.

3.1. COMMUNICATIONS WITH STAKEHOLDERS

| Major stakeholders | Major communication channels |
|--------------------|--|
| Customers | <ul style="list-style-type: none"> Customer satisfaction surveys Customer advisory team Customer service center Site visits by customer relationship managers Daily operations/interactions Online service platforms Phone calls and emails |
| Employees | <ul style="list-style-type: none"> Employee surveys Performance assessments Work performance appraisals Business presentations Seminars/workshops/talks Publications (e.g. staff newsletter) Staff intranet |

3. Sustainable Development Approach

| Major stakeholders | Major communication channels |
|--|--|
| Shareholders/investors | <ul style="list-style-type: none">• Results announcement• Senior management meetings, face-to-face meetings• Annual general meetings and other general meetings• Interim and annual reports• Corporate newsletters, e.g. letters/circulars and meeting notices to shareholders |
| Suppliers | <ul style="list-style-type: none">• Supplier management system• Meetings• Assessment system of suppliers/contractors and site visits |
| Business partners | <ul style="list-style-type: none">• Reports• Meetings• Visits and talks |
| Peers | <ul style="list-style-type: none">• Industry forums and interaction activities |
| Community/ non-governmental organizations | <ul style="list-style-type: none">• Seminars/talks/workshops |
| Media | <ul style="list-style-type: none">• Press conferences• Press releases• Senior management interviews• Results announcements and gathering with media |
| Regulatory authorities | <ul style="list-style-type: none">• Compliance reports• Written responses to public consultation and meetings |

We will continue to strengthen ESG management by actively exploring the needs to establish an ESG working group. The ESG group will strengthen the monitoring and participation of the Board in managing, strategizing and reporting ESG issues, as well as goal-setting and regular evaluations.

3. Sustainable Development Approach

3.2. MATERIALITY ASSESSMENT

Considering the principle of materiality, Guorui Properties has commissioned an independent consulting company to conduct an ESG materiality assessment, with reference to relevant standards and guidelines, including the Guide, the Sustainability Accounting Standards Board (“SASB”) materiality issue database and peers’ examples, and to build an ESG material issues database that is most relevant to stakeholders and businesses of the Group. With further consideration of the importance and impacts of the material issues to Guorui Properties, as well as to external stakeholders, we have identified a series of material issues relevant to the Group.

Material issues of Guorui Properties

Environment

- Energy management
- Waste management
- Use of natural resources
- Pollutants emissions management
- Green buildings

Society

- Employee rights/labour standards
- Employee health and safety
- Employee training and development
- Employee welfare
- Talents Acquisition
- Procurement and supply chain management
- Green procurement and usage
- Protection of customers’ privacy
- Customers’ satisfaction and handling of complaints
- Quality control
- Guarantee of product/service health and safety
- Responsible marketing and promoting
- Community charity

Governance

- Anti-corruption
- Compliant operations
- Anti-competitive behaviour
- Responsible governance

Materiality assessment has aided us in identifying ESG issues that are relevant to our business and stakeholders, which are disclosed in this Report as key foci. Hence, this Report will cover four main aspects, including “Green Infrastructure Management”, “Compliant Operation”, “Employee-oriented Management” and “Contributing to Social Welfare”.

4. Green Infrastructure Management

Under global climate change, environmental protection management has become an important issue in corporate governance. As a responsible corporate, Guorui Properties is committed to reducing the environmental impacts brought about by our business operations, while proactively improving the Group's real estate infrastructure projects and constructing green living environment.

The Group strictly abides by laws and regulations on environmental protection, including the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國污染防治法》) and the Regulations on the Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》). In the Year, there were no cases of violations that caused severe impacts on the Group. We also ensure that the emissions of air, wastes, sewage and noise level were complied with regulatory requirements during the stages of construction and operation of our projects. Moreover, we continue to improve the designs of our projects by integrating elements of green buildings, enhancing energy efficiency and livability.

4.1. GREENHOUSE GASES EMISSIONS

The Presidents of the People's Republic of China, Mr. Xi Jinping, has announced its carbon reduction target at United Nations Annual Assembly in September 2020. The target aims to hit peak emissions before 2030 and achieve carbon neutrality by 2060, indicating the necessity of carbon emission management in the future. Keeping in pace with the national policy, we identify the source of carbon emissions in our operations, regularly collected data for monitoring, in order to manage our carbon footprints.

The greenhouse gases (GHG) emissions of the Group are mainly derived from the fuel consumption of the fixed equipment and vehicles of the Group, as well as the electricity consumption in construction and operation of projects. To calculate the GHG emissions, we took reference from the Greenhouse Gas Protocol developed by World Resources Institute and World Business Council for Sustainable Development and ISO 14064-1 established by International Organization for Standardization for calculation of our carbon emissions.

| GHG emission performance | Unit | 2020 |
|-----------------------------------|--|------------------------|
| GHG emissions | | |
| Direct GHG emissions (Scope 1) | Tonnes of CO ₂ equivalent (CO ₂ e) | 109,046.4 ¹ |
| GHG offset (Scope 1) ² | Tonnes of CO ₂ e | 7.3 |
| Indirect GHG emissions (Scope 2) | Tonnes of CO ₂ e | 9,844.1 |
| Total GHG emissions (Scope 1 & 2) | Tonnes of CO ₂ e | 118,883.2 |
| Intensity of GHG emissions | | |
| Per 1,000 square meter of area | Tonnes of CO ₂ e/1,000 m ² | 28.7 |

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

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

The scope of above environmental KPIs covers 19 offices and 17 site projects of the Group.

As the scope of environmental KPIs was different with that in the previous year and the numbers of offices and site projects covered were not the same, the data is incomparable to that in the previous year.

¹ Fuel consumption by generators, lawn mowers, herbicides and sweepers that are used in garden areas is collected in project sites during operation.

² GHG removals derived from emission reduction by trees planted in relevant buildings.

4. Green Infrastructure Management

We identify that the projects or offices produce the following emissions when using vehicles, and the emission data for the Years is as follows:

| Emission type | Unit | 2020 ³ |
|------------------------------------|------|-------------------|
| Nitrogen oxides (NO _x) | kg | 4,391.1 |
| Sulphur oxides (SO _x) | kg | 22.8 |
| Particulate Matter (PM) | kg | 88.0 |

The scope of environmental KPIs was different with that in the previous year and the numbers of offices and site projects covered were not the same. Also, the numbers of vehicles and types of vehicles changed in the Year. Thus, the data is incomparable to that in the previous year.

In consideration of the intensification of global climate change, as well as the carbon emission reduction roadmap and carbon neutrality targets set by countries including the People's Republic of China and the European Union, the Group will continue to strengthen the identification and management of risk related to climate change, and formulate a mechanism for managing related risks in reference to the framework of Task force on Climate-related Financial Disclosures (TCFD), to enable our adaptation to the country's transition to a low-carbon economy.

Based on the above sources of GHG emissions, we have continuously implemented the following measures to reduce carbon emissions:

| Emission sources | Measures |
|---------------------------------|---|
| Transport | <ul style="list-style-type: none">• Conduct maintenance for the Group's motorcade, phase out vehicles of low efficiency and high fuel consumption;• Encourage turning off of engines when not in use, prevent running of engines on idling vehicles;• Prevent waste of fuel due to unnecessary miles travelled by planning of driving routes of drivers in advance;• Select environmentally friendly vehicles, such as electric or hybrid vehicles; and• Encourage employees to use public transportation |
| Employees' participation | <ul style="list-style-type: none">• Encourage employees to use lifts less often, take stairs more; and• Promote emission reduction measures to employees through emails, posters, intranet, etc., to enhance their sense of responsibility in environmental protection |
| Organization of events | <ul style="list-style-type: none">• Avoid the use of disposable utensils in events;• Reduce packaging of product; and• Plan the route of transport and goods delivery in advanced |

³ The fuel consumption and vehicle mileage of some collection areas are only provided by estimation, and some collection areas fail to provide relevant data. Therefore, the calculated emission data does not fully represent the scope of the collection of environmental key performance indicators. We will strive to improve the accuracy of data collection in the coming year.

4.2. GREEN OPERATIONS

We are committed to protecting the environment and strive to implement various environmental protection measures in offices and construction projects.

4.2.1. Energy Saving

Our major sources of energy consumption are derived from the use of electricity in offices and construction projects. We have implemented the following energy-saving measures to reduce the use of electricity and carbon emissions:

Lighting System

- Monitor the use of electricity in office areas and construction sites, analyze abnormal power consumption and formulate targeted measures for improvement;
- Switch off lights in construction sites when not in use;
- Encourage employees to switch off lights when leaving the room;
- Apply glass design to offices for high light transmittance and encourage the use of sunlight;
- Clean lamps and other lighting equipment to enhance its energy efficiency;
- Consider energy efficiency when purchasing and replacing lamps or other equipment; and
- Set independent switches to control lighting in different areas flexibly

Air-conditioning System

- Conduct regular cleaning, maintenance and repairing for air-conditioning system to enable timely resolution of problems once discovered;
- Reduce unnecessary power consumption by using a variable speed drive that allows adjustment of water pump and fan system; and
- Allow control of wind flow and temperature according to practical needs

In this Year, the total consumption of electricity of the Group was 16,135.2 MWh, and the total energy consumption intensity was 3.9 MWh per 1,000 square meter of floor area. As the scope of environmental KPIs was different with that in the previous year and the numbers of offices and site projects covered were not the same, the data is incomparable to that in the previous year.

4.2.2. Water Saving

Water consumption of the Group is mainly derived from office operation and construction projects, with municipal water as the major water source. In terms of water conservation at offices, we actively encourage our employees to conserve water by sticking reminders on water conservation in washrooms and pantries, including turning off faucets when not in use and timely repairing of dripping faucets. The Group also arranges regular leakage tests on concealed water pipes and checks water tanks and meters to avoid water leakage.

In this Year, the Group has a total water consumption of 756,490.1 tonnes, with water consumption intensity being 182.4 tonnes per 1,000 square meters. As the scope of environmental KPIs was different with that in the previous year and the numbers of offices and site projects covered were not the same, the data is incomparable to that in the previous year. We will continue to collect data on water consumption and monitor the usage of water to ensure proper utilisation of water resources.

4. Green Infrastructure Management

4.2.3. Paper Saving

With the advancement in telecommunications, we encourage our employees to reduce the use of paper by communicating via electronic technologies, and gradually digitalize work to replace paper records. If the use of paper is unavoidable, we encourage double-sided printing by posting conspicuous reminders near the printer. The Group also encourage the setting of smaller font size and line spacing in documents that require printing to reduce the use of paper. We also promote the recycling of resources such as the collection of single-side used paper for reusing, reuse of envelopes, folders, file cards and other stationery items. Relevant departments regularly monitor paper usage and printing amount, to remind employees to reduce printing when necessary.

In this Year, the Group has consumed a total of 14,062.3 kg of paper, with an average of 19.1 kg of paper consumption per employee. As the scope of environmental KPIs was different with that in the previous year and the numbers of offices and site projects covered were not the same, the data is incomparable to that in the previous year.

4.2.4. Waste Management

The construction waste generated from site projects has a deeper impact on the Group than the daily office waste. In accordance with the requirements of the “Environmental Acceptance Checklist on the Completion of Construction Project” (《建設項目竣工環境保護驗收意見表》) and the “Review Report on the Environmental Supervision during Construction Period” (《施工期環境監理回顧性報告》) of projects, we inspect all construction activities and areas and hand over construction waste to licensed recycling companies for disposal to eliminate the occurrence of illegal disposal. The daily waste generated from the project during operation was handled by the way of “disposing waste every day” (「日產日清」).

In this Year, we generated an estimated total of 1,448.7 tonnes of non-hazardous waste, with an intensity of 2.0 tonnes per employee. We also generated an estimated total of 8,589.5 kg of hazardous waste, with an intensity of 11.7 kg per employee. Our printing equipment uses recyclable cartridges/toner cartridges and we have also placed recycling bins for used batteries to ensure proper treatment of hazardous waste. All computers of the company have specified lifespan, which will be handled over to licensed recycling companies for disposal upon expiry. As the scope of environmental KPIs was different with that in the previous year and the numbers of offices and site projects covered were not the same, the data is incomparable to that in the previous year.

Considering the abundance of data sources regarding emissions, we will continue to improve our methods of data measurement to ensure the estimation accuracy and have good preparation for target setting in the future.

4.3. GREEN BUILDINGS

Guorui Properties has actively constructed humanised working and living environment by breaking through traditional architectural concepts and incorporating more innovative environmental elements into our development projects. From project planning, construction and operations, we have integrated green management concepts and adopted green smart technologies to enhance our performances in energy efficiency, resources utilisation, waste management and so on. We will continue to monitor the emissions at the project sites, to reduce the potential environmental impacts caused by construction works.

| Stage | Working direction |
|---------------------------|---|
| Design stage | <p>Valuing energy efficiency</p> <ul style="list-style-type: none"> Complete the environmental impact assessment via third party in accordance with the requirements of the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) to ensure the energy efficiency is up to standard <p>Communicating with Stakeholders</p> <ul style="list-style-type: none"> Establish continuous communication with people under impact <p>Reducing environmental impacts</p> <ul style="list-style-type: none"> Select locations that have no material impact on the environment to protect the ecological environment |
| Construction stage | <p>Valuing safety</p> <ul style="list-style-type: none"> Ensure that constructions are safe and in compliance with regulations <p>Continuous monitoring</p> <ul style="list-style-type: none"> Ensure that all emissions meet regional standards, regularly assess environmental performance and continuously improve or formulate rectification plans, arrange regular inspection and adjust the construction of projects accordingly <p>Air quality management</p> <ul style="list-style-type: none"> Cover equipment or materials that are likely to generate dust and rinse inbound and outbound vehicles and ground <p>Noise management</p> <ul style="list-style-type: none"> Forbid high-noise work during the restricted periods and install sound-proof boards <p>Wastewater management</p> <ul style="list-style-type: none"> Discharge the waste water after three levels of sedimentation at construction sites and set up separate rainwater and sewage treatment systems to divide rainwater and sewage |
| Operation stage | <p>Compliant Operation</p> <ul style="list-style-type: none"> Strictly carry out the inspection section, obtain the Environmental Acceptance and Monitoring Report on the Completion of Construction Project (《建設項目竣工環保驗收監測報告表》) or the Environmental Acceptance and Study Report on the Completion of Construction Project (《建設項目竣工環保驗收調查報告表》) before operation of projects |

4. Green Infrastructure Management

In recent years, we tried to integrate green elements into our residential and commercial projects, including Beijing Hademen Plaza (北京哈德門廣場), Foshan Glory Shengping Commercial Centre (佛山國瑞升平商業中心), Yongqing Guorui Eco-town (永清國瑞生態城), Beijing Glory Villa (北京國瑞熙墅) etc. Two projects will be illustrated in this report. They are developed based on the concepts of green building and smart city respectively.

Case Study: Glory • Xi'an Financial Center (國瑞 • 西安金融中心)

Glory • Xi'an Financial Center is located at the core business district of JinYE Road, Xi'an. It is a Grade A cloud commercial building, covering financial business, cultural tourism, exhibitions, conferences and exchanges, casual dining and other functions, and has designed the highest tourist level in Xi'an. The project has been certified with the US LEED Green Gold Award and China's two-star green building design standards. Health and safety concepts have been implanted in every link of building design, construction, and operation management, and energy saving and consumption reduction has been enabled by new green building design and technologies.



西安CBD 丝路新地标 350米云端商务，即日起接受租赁预定

- | | |
|---|---|
|  15.3米挑高精英大堂 |  71部智能高速电梯 |
|  5.4米双空中转大堂 |  320米云顶观光层 |
|  73、74双层云顶会客厅 |  顶楼直升机停机坪 |
|  1299席至尊铂金车位 |  十大科技办公系统 |
|  全委仲量联行国际物业 |  香港上市公司 股票代码: 02509.HK |

《美国LEED绿色金奖预认证》
《中国二星级绿色建筑标准》
《达沃斯人居奖·2016最具投资价值商业地产》

The building is equipped with a 360° enclosed royal landscape space and meters of vertical greening to improve air quality and integrate the city's municipal business activities into nature to create a leisure and comfortable work space. To reduce the reliance on air-conditioning, the building is equipped with a double-silver low-radiation glass curtain wall of a Grade 5 thermal performance, to greatly reduce corporate office energy consumption through a lower UV penetration rate, higher heat preservation and heat insulation performance, as a multi-directional interpretation of low-carbon office. It is also equipped with a central air-conditioning system of first-line international brand which allows flexible zone control and is multi-faceted to meet office needs. The PM2.5 filter system has a three-level purification technology, with a purification effect of 95%, creating a comprehensive three-dimensional ecological aerobic space. It is not only technological, but also a human office. The outstanding performance of the building earned it the title of "Davos Habitat Award 2016 Most Valuable Commercial Property for Investment" (達沃斯人居獎2016年度最具投資價值商業地產).

Case Study: Tongren Guorui Intelligent Eco-town (銅仁國瑞智慧生態城)

Tongren Guorui Intelligent Eco-town is the first project by Guorui Properties in Guizhou, creating a thousand acres of smart ecological city with the “big ecological concept” (大生態理念), and cooperate with Guorui’s self-developed intelligent housing and community service system to build an ecosystem where people and nature co-inhabit in harmony. The project actively introduces the concept of sustainable development “smart city” into the community, providing safe, convenient, ecological, and comfortable smart services, to meet the needs of residents in the community for a quality life. Through the integration and connection of the urban park system, the Eco-town forms an ecological sports circulation system, and sets up pedestrian walks, jogging tracks and other sports facilities to connect communities with trails, promoting a healthy walk system, and enhancing its livability.



We make attempt to apply for green certification for suitable projects. Individual suitable projects will be evaluated according to its the sustainability with objective standards. Our green building projects incorporate environmental protection elements such as adopting efficient air-conditioning system, increasing green space, etc. as early in the project planning stage, with accordance to the green building guidelines of authorized institutions, and attach useful analysis reports, floor plans, and environmental impact reports of construction project for assessment. We have received certifications in several green projects, including “Guangdong Province One-star Grade B Certificate of Green Building Design Label (廣東省一星B級綠色建築設計標識證書)” for Foshan Glory Shengping Commercial Centre (佛山國瑞升平商業中心) and the LEED Green Gold Award from the United States for Beijing Hademen Plaza (北京哈德門廣場).

5. Compliant Operation

Guorui Properties adheres to the ethics and governance standards, with the pursuit of the values of “pragmatism as foundation to establishment” (「務實為立足之本」) and “standardization as key to management” (「規範」作「經營之道」), formulates an anti-corruption system, holding a customer-oriented attitude, proactively communicate with suppliers and contractors as well as carrying out corresponding management, to ensure compliant operations.

5.1. CUSTOMER-ORIENTED

Guorui Properties has pragmatically provided quality properties and considerate services to customers and formulated relevant regulations on customer service, project safety, and data privacy to protect customers' rights. Besides, we implemented various quality control and acceptance measures to strictly monitor project quality, to ensure their health and safety.

Upholding Excellence in Our Service

Customers' valuable opinions are utmost important in enabling the Group to improve our services. We have formulated the “Customer Complaints Handling Guidelines” (《顧客投訴處理作業指導書》) to stipulate procedures for handling complaints and allow follow-up statistical analysis, as well as classifying complaints for appropriate handling correspondingly. When received complaints concerning mismanagement of properties, we will keep record in a detailed, accurate and objective manner on the “Customer Complaints Handling Record” (《顧客投訴處理記錄表》), in addition to labelling on “Call and Visits Record” (《來電來訪記錄》), and refer to relevant departments for timely handling. The relevant department should analyze the incident and its cause, and fill in the “Handling Method” and “Deadline of Completion” sections on the “Customer Complaint Handling Record” (《顧客投訴處理記錄表》), to ensure the proper handling of the complaints. When the corresponding investigation and follow-up procedures are completed, customer service personnel will inform the customers of the results, and verify and track the results based on the handling process written by the relevant department.

For complaints regarding developers and quality of housing, we will assign relevant personnel for site visits. Regarding complaints related to external environment, public facilities in non-jurisdictional areas, etc., the complaint acceptance department will forward them to the relevant departments in the form of special reports and announce the handling results. When the handling of customers' complaints is completed and verified, customer service personnel will report to the customers with the handling status and results in a timely manner. In this Year, our customers' satisfaction level is at 80%.

Project Quality Control

Every project of Guorui Properties is required to be carried out and accepted in accordance with the “Project Engineering Management” (《項目工程管理》) and the “Engineering Quality and Safety Control Requirements” (《工程質量和安全控制要求》), so as to comply with the Construction Law of the People's Republic of China (《中華人民共和國建築法》). Regional companies carry out inspection on quality of properties based on the standards, and construction projects can only be accepted for use after passing the acceptance procedure for ensuring property safety. Our operation and engineering management center also strengthens the process control on project engineering management. The engineering department of the regional companies must supervise and ensure the weekly review meeting to understand the supervision work of each department. We inspect the building materials and monitor the storage and utilization of materials in each procedure according to the “Guidelines for the Acceptance of Materials and Equipment” (《材料設備進場驗收指引》), engineering department regularly conducts on-site inspections to monitor if the progress is on track, inspects the quality of the project, ensures the safety and civilised construction, and conducts evaluation and issue warning if necessary.

We strictly prohibit the delivery of quality certificate or acceptance as qualified projects for unqualified construction projects. For nonconforming products that do not conform with contract terms, prototypes or current specifications, the material inspection team will promptly put forward handling opinions and requires the suppliers to make rectifications. We will adopt following ways such as rejection of acceptance on defective goods, request for rectification or replacement within specified period, etc. for unqualified projects. The material inspection team will decide whether additional penalties will be imposed based on the level of breach of contract of suppliers and their cooperation in the rectification and replacement process.

Responsible Publicity Work

The Group abides by the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》) in advertising and promoting constructed residential properties. We ensure that the information and promotional material provided abide by the relevant regulations and guidelines. We will also introduce projects of the Group to our sales personnel to avoid delivery of inaccurate information to customers. Moreover, we will prohibit the provision of any fraud or misleading information in the sales brochures and other promotional materials.

Protection of Customers' Privacy

With increasing concerns of our customers over internet safety and personal privacy, Guorui Properties strives to safeguard data safety and privacy in our business operation and services. We have formulated an "Information Management System" 《信息化管理制度》) to continuously protect system information and privacy data with the principle of "Prevention at Core, Integrated with System and Technological Defense" (「預防為主、制度防範與技術防範相結合」).

Preventing Data Leakage

- Centralize the management of shared business information at department head; and
- Store of confidential documents and important information files properly, and prohibit publishing without permission

System Defense

- Management and operation personnel of the Group's computer system shall strictly abide by the security and confidentiality system, and shall be vigilant to prevent important work-related information from being stolen, leaked or altered without permission; and
- Collect and use customers' information legally, and use customers' information only for purposes as specified in the contract

Technological Defense

- Install anti-virus software for each computer and regularly update the virus database to ensure network and computer safety;
- Confidentially dispose and destroy print and magnetic media according to the national provisions;
- Delete the electronic office system account of resigned employees within 1 day; and
- Limit the rights to add and delete information in the electronic office system to only the information maintenance personnel in their assigned functional module

5. Compliant Operation

Integration of Innovative Technologies

Owing to the impacts of the COVID-19 pandemic, Guorui Properties has actively developed its online sales platform to provide convenience for customers, as well as guiding real estate business towards a smart development. During the Reporting Period, we have launched an one-stop online housing sales platform called “Fangyun (房云)”, to allow our customers the inspection of housing without leaving their home, via Virtual Reality photography, video streaming, online consultation, etc.. The precise marketing of “Fangyun” actualized by internet technologies has reduced the infection risk of citizens from going out to visit houses under the pandemic.



5.2. ANTI-CORRUPTION

We adopt a zero-tolerance attitude towards any form of corruption and collusion in the value chain, and strictly abide by the “Criminal Law of the People’s Republic of China”(《中華人民共和國刑法》), the “Anti-Unfair Competition Law of the People’s Republic of China”(《中華人民共和國反不正當競爭法》) and the “Anti-Monopoly Law of the People’s Republic of China”(《中華人民共和國反壟斷法》). In terms of governance, our audit committee has reviewed compliance procedures, internal controls, and risk management systems, and supervised the compliance of the company from the top to the bottom through management. In the anti-money laundering work, the Group will monitor and regularly review the accounts so as to disclose the financial status of the company every year, and detect money laundering activities in a timely manner and deal with it accordingly.

In terms of employee standards, we stipulate that no employee can accept any hospitality, benefits, or gifts from the customers, suppliers and contractors. If there is a conflict of interest incident, employees must declare in advance and act following the instructions by the Group.

To keep the employees stay alerted against non-compliance risks, Guorui Properties has established a reporting mechanism and is regulated by the “Management Measures on the Group’s Litigation and Arbitration Cases”(《集團訴訟、仲裁案件管理辦法》). The Group allows the employees to confidentially discuss financial reporting, internal control and to question the suspected improper matters. During the investigation process, the employees are obliged to cooperate with any internal investigation of violations and provide true and complete information, and we will archive and manage all relevant information. The Group will review the seriousness of the case and impose appropriate punishments. We will report to the law enforcement agencies when necessary for vigilant purposes.

The Group did not have any cases involving corruption litigation during the year.

5.3. SUPPLY CHAIN MANAGEMENT

Guorui Properties systematically ensures the quality and compliance of procurement services and regulates the procurement behaviors in accordance with the “Supplier Management and Operation Guidelines” (《供方管理操作指引》). We conduct three steps while bidding and the process of procurement, which includes “pre-qualification and inspection”, “supplier storage” and “supplier performance evaluation”.

We screen suppliers based on their qualifications, quality, knowledge on products or services, previous service experience, and delivery status to ensure their compliance operations. We also attach equal importance to suppliers’ environmental and social risk management. During the process of considering the quality of the supplier, whether the supplier loves its employees reduce their environmental impacts and operates in compliance with regulations is also one of the factors to be considered. We are paying more attention to environmental protection and we will give priority to suppliers who will provide environmentally friendly materials and services. For the selected suppliers, we will arrange further inspections and classify them as needed. Unqualified suppliers shall not be shortlisted for bidding or undertaking any contract between the Group and its subsidiaries within two fiscal years.

Guorui Properties also actively communicates our requirements on anti-corruption to the suppliers through regulation of contract documents. Cooperating suppliers must sign the contracts and the attached “Integrity and Responsibility Letter” (《廉政責任書》), and clarify that no corruption, bribery, and other illegal acts may occur. We will monitor the supplier and see whether they can meet the requirements of the group or not. If the requirements were not met, the supplier shall propose a rectification plan upon satisfaction.

We comprehensively and closely monitor and review the service quality of suppliers. In addition to pre-qualification and inspection before employment, we will conduct regular performance evaluations after employment, including quality, time limit, technical ability, civilized construction, timeliness, and service. In terms of the level and other aspects, the evaluation results will be used as the key indicators for the future selection of the contractors and suppliers. We will also update the name database according to the business needs and the supplier performance to ensure that all selected suppliers can provide the products and services that meet our requirements.

6. Employee-oriented

Guorui Properties cherishes every employee. In order to achieve the employee-oriented philosophy, we are committed to protecting the legitimate rights and interests of employees, and build an equal and safe working environment through multiple internal policies and the control measures. We are also willing to invest in employee training to improve their skills and build a professional and efficient team.

As of December 31, 2020, the Group had 737 employees. The breakdowns are as follows:

| Indicator | Unit | 2020 |
|---|---------------|------|
| Total employees by gender | | |
| Female employees | No. of people | 426 |
| Male employees | No. of people | 311 |
| Total employees by employment type | | |
| Full time junior employees | No. of people | 210 |
| Full time intermediate management | No. of people | 470 |
| Full time senior management | No. of people | 57 |
| Total employees by age group | | |
| Below 30 | No. of people | 158 |
| 30-50 | No. of people | 538 |
| Above 50 | No. of people | 41 |
| Total employees by geographical region | | |
| Employees in North China | No. of people | 195 |
| Employees in Northeast China | No. of people | 25 |
| Employees in East China | No. of people | 15 |
| Employees in Central China | No. of people | 92 |
| Employees in Northwest China | No. of people | 10 |
| Employees in Southern China | No. of people | 394 |
| Other employees (including Hong Kong, Macao and Taiwan) | No. of people | 6 |

The turnover rate⁴ of the Group this Year are as follows:

| Indicator | Unit | 2020 |
|---|------|------|
| Total turnover rate ⁵ | % | 18 |
| Turnover rate by gender | | |
| Female employee | % | 11 |
| Male employee | % | 20 |
| Turnover rate by age group | | |
| Below 30 | % | 10 |
| 30-50 | % | 13 |
| Above 50 | % | 3 |
| Turnover rate by geographical region | | |
| Employees in North China | % | 5 |
| Employees in North east China | % | 0 |
| Employees in East China | % | 1 |
| Employees in Central China | % | 1 |
| Employees in Northwest China | % | 0 |
| Employees in Southern China | % | 18 |
| Other employees (including Hong Kong, Macao and Taiwan) | % | 0 |

⁴ Calculation method of turnover rate: (Number of employees lost ÷ number of employees at the end of the year) × 100%

⁵ The company divested 8 major projects in November 2020, so the staff turnover rate is higher than in previous year

6. Employee-oriented

6.1. EMPLOYMENT RIGHTS

Company's culture and protection of employee rights are the foundation for the Group's steady development. We abide by the "Labor Law of the People's Republic of China" (《中華人民共和國勞動法》), the "Labor Contract Law of the People's Republic of China" (《中華人民共和國勞動合同法》), the "Law on the Protection of Minors of the People's Republic of China" (《中華人民共和國未成年人保護法》), the "Provisions on the Prohibition of Using Child Labor" (《禁止使用童工規定》) and other laws and regulations related to employment standards. The "Employee Handbook" (《員工手冊》) and "Human Resource Management System" (《人力資源管理制度》) clearly stipulate the rights and interests of employees, salary and benefits, performance training arrangements, etc. The Group also sets out the group's expectations and codes of conduct for employees, including work discipline, anti-corruption, and internal information processing such standards allow transparently employees to understand their rights and obligations.

Recruitment and Resignation

We advocate a diverse and inclusive corporate culture. The "Human Resources Management System" (《人力資源管理制度》) stipulates that we select candidates based on the factors such as the resume, qualifications, work experience, and the degree of matching with the job, and protect employees from discrimination based on gender, age, family status, disability, race, or religion when recruiting or in the workplace. We will also sign a "Labor Contract" (《勞動合同書》) with the employees in accordance with the provisions of the "Labor Contract Law of the People's Republic of China" (《中華人民共和國勞動合同法》). The contract will clearly specify the details of their duties, holiday arrangements, salary and benefits, and it will also introduce the work of the position during the interview. In order to avoid child labor and forced labor, we will collect employees' identity and education documents to prove that employees have exceeded the minimum legal working age. If the cases of violations of child labor and forced labor are found, the Group will closely cooperate with the government's investigation. During the Year, we did not find any cases of child labor or forced labor.

We are open-minded towards resignation of employees, and we will confirm the last working day with employees to complete the handover. When an employee makes a resignation request, the human resource center will meet him/her to understand the reason for his resignation, and timely identify the resignation situation related to management, and try to retain the talents.

6.2. SALARY AND BENEFITS

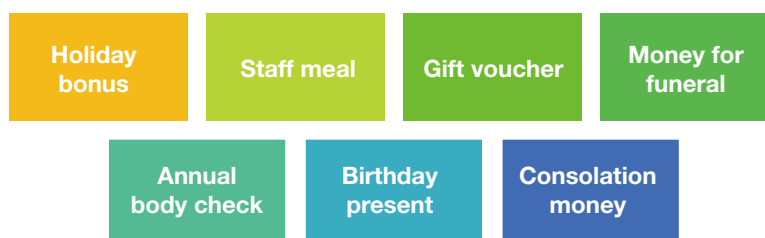
We cherish the contributions of our employees. We are committed to giving them remuneration and customised benefits commensurate with their contributions, and actively communicate with employees to establish an employee-oriented corporate culture.

Salary Management

Guorui Properties reviews the salary level of its employees every year, and tries its best to provide a competitive salary plan that closely follows the market level and tries to gather the talents. In addition, we reward employees with outstanding performance at work and encourage the employees to provide efficient and high-quality property products and services.

Welfare Management

We provide customised benefits to protect the lives of employees. In addition to the statutory holidays, five social insurances and one housing fund contributions, we also provide annual leave, sick leave, personal leave, funeral leave, marriage leave, maternity leave and other holidays. Our provisions also go beyond legal requirements. Following additional benefits are provided:



Performance and Promotion

The business success of Guorui Properties relies on a scientific performance management system. The performance system is divided into four parts, which includes performance planning, performance coaching, performance evaluation, performance results application. The management system systematically encourages the continuous improvement of employees through work goal setting, feedback and guidance, and performance evaluation. Establishing the work goals allows employees to be clear about their work direction in the coming year and the company's expectations. The goal setting will also be in line with the company's long-term strategy setting and allow the employees to develop their strengths according to business needs. We encourage internal promotion, reward outstanding employees, and try to retain talent.

6. Employee-oriented

Caring for Employees

Guorui Properties attaches great importance to team spirit and strives to create a friendly workplace. We regularly carry out employee networking activities to promote the connection between colleagues and increase the sense of belonging of employees:

The “8th March Women’s Day”Event

We have always cherished the female employees. Therefore, we gathered the female employees to celebrate Women’s Day in the headquarters and Foshan office. On that day, we have prepared many kinds of activities and holiday gifts for the female employees.



Staff Birthday Party

We had held the staff birthday party quarterly with birthday cakes and we could share the happiness together!



The Mid-Autumn Festival Event

We have held a team gathering in Mid-Autumn festival at the headquarter of the company. It was a great opportunity for all the staffs to have a gathering and share the moon cakes on this joyful day.

Special Arrangement in the COVID-19 Pandemic

In response to the outbreak of COVID-19 pandemic this year, Guorui Properties and its employees have weathered the difficulties together. The Group established an employee mutual aid fund, and made donations to the needy employees affected by COVID-19. During the epidemic, a family member of a Hubei employee who stayed behind in the Shenzhen project contracted COVID-19. Guorui Shenzhen Company took the lead in launching a fundraising activity. The group’s senior management and the employees in various departments quickly raised RMB89,235.97 and sent it to the employees. The employee’s wife was finally cured and discharged. Guorui Properties demonstrates its corporate responsibility, and provides assistance to employees who encounter sudden difficulties in the long run. The epidemic reflects our spirit of helping each other while facing difficulties.

6.3. VOCATIONAL DEVELOPMENT

Talent is an important asset of Guorui Properties. We provide employees with diversified learning channels, train talents, improve their professional knowledge and skills. We also want the employees to familiarise themselves with industry information and keep abreast of the latest trends.



The followings are the KPIs related to development and training during the reporting period:

| Indicator | Unit | 2020 |
|---|------|------|
| Percentage of employees trained by gender | | |
| Female employees | % | 80.0 |
| Male employees | % | 80.1 |
| Percentage of employees trained by employee category | | |
| Full-time junior employees | % | 80.0 |
| Full-time intermediate management | % | 80.2 |
| Full-time senior management | % | 78.9 |
| Average training hours completed per employee by gender | | |
| Average training hours per female employee | Hour | 8.0 |
| Average training hours per male employee | Hour | 9.0 |
| Average training hours completed per employee by employee category | | |
| Average training hours per full-time junior employee | Hour | 11.0 |
| Average training hours per full-time intermediate management | Hour | 9.0 |
| Average training hours per full-time senior management | Hour | 7.0 |

We provide various types of training for the employees in different positions, and try to improve their sales skills, document writing skills, professional attitude training, etc., and to improve their personal work efficiency and performance in an all-round way. In order to ensure that employees are ready for their jobs, all newly recruited employees need to receive orientation training to familiarise themselves with the business, culture and scope of work of Guorui Properties.

6. Employee-oriented

This year, we have conducted the following trainings for our employees:

| Aspect | Purpose | Examples |
|------------------|--|---|
| Project briefing | Explain the property projects to the employees, and convey the accurate and clear sales content to customers; Keep abreast of the Group's latest business development and understand the latest trends in the real estate industry |  <p>Special training on Guorui Xiyue (國瑞熙悅) LOFT and commercial villa products</p>  <p>The competitive product of Guorui</p> |

6. Employee-oriented

| Aspect | Purpose | Examples |
|----------------------|--|--|
| Skills improvement | Improve “soft power” according to the needs of the employees |  <p>Sales skills training on Foshan parking space</p>  <p>Public relation writing</p> |
| Attitude cultivation | Cultivate the business ethics and professional ethics of employees |  <p>Trilogy of Corporate Culture: The “Knowing” section of “Knowing, Believing, and Acting”</p> |

6. Employee-oriented

6.4. HEALTH AND SAFETY SYSTEM

Protecting the health and safety of our employees is our top priority. We strictly complied with the “Law on Prevention and Control of Occupational Diseases of the People’s Republic of China” (《中華人民共和國職業病防治法》), the “Law on Production Safety of the People’s Republic of China” (《中華人民共和國安全生產法》), the “Provisions on the Supervision and Administration of Occupational Health at Work Sites” (《工作場所職業衛生監督管理規定》), the “Regulation on Work-Related Injury Insurances” (《工傷保險條例》), the “Fire Protection Law of the People’s Republic of China” (《中華人民共和國消防法》) and other relevant laws and regulations. We make every effort to create a healthy and safe environment for the offices and construction sites.

We understand that prevention is the most important concept in the occupational safety and health framework. Therefore, we establish safety protection measures and provide employees with necessary protective equipment. Even in relatively safe office workplaces, we place first aid kits and emergency medicines. In terms of construction sites, we have established a safety management team to coordinate safety-related management and preventive measures, which help to identify the safety risks at construction sites as early as possible. If problems are found, they must be rectified within a limited time and follow-up inspections should be conducted. We have also established a safety early warning system to communicate with employees on dangers, injuries and diseases regularly, so that they are always alerted and will avoid accidents. If an occupational accident happens unfortunately, we will use the “Safety Production Accident Plan” (《安全生產事故預案》) to deal with the accident in accordance with the corresponding contingency procedures to minimise the potential impact. Our projects’ “Occupational Safety and Health Management Plan” (《職業安全健康管理方案》) stipulates that corresponding safety signs should be set up around hazardous areas to remind employees to stay alert. We highly emphasise safety training, firmly establish the “safety first” ideology, and improve employees’ safety awareness. Before starting the construction projects, we educate employees on fire protection knowledge in accordance with fire protection requirements, enhance their awareness of prevention, and prevent fire accidents. During the reporting period, the Group did not have any work-related injuries or deaths.

Guorui Properties also continuously enhances its employees’ knowledge and occupational safety awareness on the prevention of accidents and diseases through education, training and exercises. We regularly conduct fire escape drills so that employees can familiarise themselves with the escape route and evacuate to a safe place in an orderly manner as soon as possible.



Guanhaiju’s annual fire drill

6. Employee-oriented

In response to COVID-19, we have specially organised epidemic prevention knowledge training to prevent the epidemic to improve personal hygiene awareness, control the spread of the virus, and prevent problems before they occur.



Xi'an COVID-19 prevention knowledge training

7. Contributing to Social Welfare

Guorui Properties has been working hard to fulfill its corporate social responsibility, actively listening to and responding to the needs of the community. Even with the outbreak of the coronavirus in 2020 and many community activities have been forced to cancel, we support and contact the community in different ways. In addition to reducing or exempting the rents of merchants and other property-holding tenants during the epidemic, we also provide donations and condolences to create positive energy.

DONATION ON ANTI-EPIDEMIC ITEMS

During the hard times in the COVID-19 pandemic, in February 2020, Guorui Properties' Yongqing Project Company sent a large amount of mineral water and instant noodles to the epidemic prevention point of Yongqing County Government. These life serving materials included water and food were provided for those people in need and help them to overcome the difficulties.



Donation on anti-epidemic items

THE CHARITY EVENT “BEIJING WARMTH, KEEPING TOGETHER FOR LOVE” (「北京温暖，为爱共守」爱心活动)

In March 2020, Beijing Hademen Plaza and TimeOut Beijing jointly launched the charity event named “Beijing Warmth, Keeping Together for Love”, which has set up a charity supply station in Hardman Square, and invited merchants to provide free food, beverages, masks and other charitable items. Supply the supplies to the service providers such as epidemic prevention volunteers, couriers, delivery staff, and security guards who were closely guarding their posts. We also prepared food and heart-warming floats for them. In addition, some employees of Hardman Square also actively went to the supermarket to purchase food and beverages which were aimed to give them to the front-line workers. It demonstrated the spirit of mutual help of the Guorui Properties.



The charity event of “Beijing Warmth, Keeping Together for Love” Energy supply station

CONDOLENCES TO THE POOR

We are very concerned about the development of the community. In October 2020, we visited the poor households in Yongqing County and donated materials to the disadvantaged groups to relieve their pressure.



Condolences to the poor

In the future, we will continue to work hard to contribute to the sustainable development of society and economy, strengthen the establishment of close partnerships with the community, exert synergies, and build a livable and comfortable space.

Appendix 1: Sustainability Data Statements

| Environmental ⁶ | Unit | 2020 |
|--|--|-----------|
| Emissions | | |
| Nitrogen oxides (NO _x) | kg | 4,391.1 |
| Sulphur oxides (SO _x) | kg | 22.8 |
| Particulate Matter (PM) | kg | 88.0 |
| GHG emissions | | |
| Direct GHG emissions (Scope 1) | Tonnes of CO ₂ e | 109,046.4 |
| GHG removal (Scope 1) | Tonnes of CO ₂ e | 7.3 |
| Indirect GHG emissions (Scope 2) | Tonnes of CO ₂ e | 9,844.1 |
| Total GHG emissions (Scope 1 and 2) | Tonnes of CO ₂ e | 118,883.2 |
| GHG Emissions Intensity (per 1,000 square meter of area) | Tonnes of CO ₂ e/1,000 m ² | 28.7 |
| Electricity consumption | | |
| Total electricity consumption | MWh | 16,135.2 |
| Intensity of electricity consumption (per 1,000 square meter of area) | MWh/1,000 m ² | 3.9 |
| Water consumption | | |
| Total water consumption | Tonnes | 756,490.1 |
| Intensity of water consumption (per 1,000 square meter of area) | Tonnes/1,000 m ² | 182.4 |
| Non-hazardous waste | | |
| Total non-hazardous waste produced | Tonnes | 1,448.7 |
| Intensity of non-hazardous waste produced (per employee) | Tonnes/employee | 2.0 |
| Hazardous waste | | |
| Total non-hazardous waste produced | kg | 8,589.5 |
| Intensity of non-hazardous waste produced (per employee) | kg/employee | 11.7 |
| Paper consumption | | |
| Total paper consumption | kg | 14,062.3 |
| Intensity of paper consumption (per employee) | kg/employee | 19.1 |

⁶ The environmental KPIs include 19 offices and 17 construction projects.

Appendix 1: Sustainability Data Statements

| Social ⁷ | Unit | 2020 |
|---|---------------|------|
| Total employees | | |
| Total employees | No. of people | 737 |
| Female employees | No. of people | 426 |
| Male employees | No. of people | 311 |
| Total employees by employment type | | |
| Full-time junior employees | No. of people | 210 |
| Full-time intermediate management | No. of people | 470 |
| Full-time senior management | No. of people | 57 |
| Total employees by age group | | |
| Below 30 | No. of people | 158 |
| 30–50 | No. of people | 538 |
| Above 50 | No. of people | 41 |
| Total workforce by geographical region | | |
| Employees in North China | No. of people | 195 |
| Employees in Northeast China | No. of people | 25 |
| Employees in East China | No. of people | 15 |
| Employees in Central China | No. of people | 92 |
| Employees in Northwest China | No. of people | 10 |
| Employees in the Southern China | No. of people | 394 |
| Other employees (including Hong Kong, Macao and Taiwan) | No. of people | 6 |

⁷ The disclosure of social KPIs include the data of the Group

Appendix 1: Sustainability Data Statements

| Social ⁷ | Unit | 2020 |
|---|---------------|------|
| Employee turnover rate⁸ | | |
| Turnover rate ⁹ | % | 18 |
| Employee turnover rate by gender | | |
| Female employee | % | 11 |
| Male employee | % | 20 |
| Employee turnover rate by age group | | |
| Below 30 | % | 10 |
| 30–50 | % | 13 |
| Above 50 | % | 3 |
| Employee turnover rate by geographical region | | |
| Employees in North China | % | 5 |
| Employees in Northeast China | % | 0 |
| Employees in East China | % | 1 |
| Employees in Central China | % | 1 |
| Employees in Northwest China | % | 0 |
| Employees in the Southern China | % | 18 |
| Other employees (including Hong Kong, Macao and Taiwan) | % | 0 |
| Number of work-related fatalities and injuries | | |
| Number of work-related injuries | No. of people | 0 |
| Lost days due to work injury | Day | 0 |
| Percentage of employees trained by gender | | |
| Female employees | % | 80.0 |
| Male employees | % | 80.1 |

⁸ Calculation method of turnover rate: (Number of employees lost ÷ number of employees at the end of the year) × 100%

⁹ The company divested 8 major projects in November 2020, so the staff turnover rate is higher than in previous year

| Social ⁷ | Unit | 2020 |
|---|------|------|
| Percentage of employees trained by employee category | | |
| Full-time junior employees | % | 80.0 |
| Full-time intermediate management | % | 80.2 |
| Full-time senior management | % | 78.9 |
| Average training hours completed per employee by gender | | |
| Average training hours completed per female employee | Hour | 8.0 |
| Average training hours completed per male employee | Hour | 9.0 |
| Average training hours completed per employee by employee category | | |
| Average training hours completed per junior employee | Hour | 11.0 |
| Average training hours completed per intermediate management | Hour | 9.0 |
| Average training hours completed per senior management | Hour | 7.0 |

Appendix 2: Index of Hong Kong Stock Exchange ESG Reporting Guide

| Indicator | | | Related Chapter |
|-------------------------|--------------------|---|--|
| A. Environmental | | | |
| A1: Emissions | General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | 4. Green Infrastructure Management |
| | A1.1 | The types of emissions and respective emissions data. | 4.1 Greenhouse Gases Emissions Appendix 1: Sustainability Data Statements |
| | A1.2 | Greenhouse gas emissions in total and intensity. | 4.1 Greenhouse Gases Emissions Appendix 1: Sustainability Data Statements |
| | A1.3 | Total hazardous waste produced and intensity. | 4.2 Green Operations Appendix 1: Sustainability Data Statements |
| | A1.4 | Total non-hazardous waste produced and intensity. | 4.2 Green Operations Appendix 1: Sustainability Data Statements |
| | A1.5 | Description of measures to mitigate emissions and results achieved. | 4.2 Green Operations |
| | A1.6 | Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. | 4.2 Green Operations |
| A2: Use of Resources | General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials. | 4.2 Green Operations |
| | A2.1 | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity. | 4.2 Green Operations Appendix 1: Sustainability Data Statements |
| | A2.2 | Water consumption in total and intensity. | 4.2 Green Operations Appendix 1: Sustainability Data Statements |
| | A2.3 | Description of energy use efficiency initiatives and results achieved. | 4.2 Green Operations |
| | A2.4 | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. | 4.2 Green Operations |
| | A2.5 | Total packaging material used for finished products and, if applicable, with reference to per unit produced. | Not applicable, our Group's business does not involve packaging materials |

Appendix 2: Index of Hong Kong Stock Exchange ESG Reporting Guide

| Indicator | | | Related Chapter |
|---|-----------------------|--|--|
| A3: The Environment and Natural Resources | General Disclosure | Policies on minimising the issuer's significant impact on the environment and natural resources. | 4.2 Green Operations |
| | A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | 4.2 Green Operations |
| B. Social | | | |
| B1: Employment | General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare. | 6. Employee-oriented 6.1 Employment rights 6.2 Salary and Benefits |
| | B1.1 | Total workforce by gender, employment type, age group and geographical region. | 6. Employee-oriented Appendix 1: Sustainability Data Statements |
| | B1.2 | Employee turnover rate by gender, age group and geographical region. | 6. Employee-oriented Appendix 1: Sustainability Data Statements |
| B2: Health and Safety | General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. | 6.4 Health and Safety System |
| | B2.1 | Number and rate of work-related fatalities. | 6.4 Health and Safety System Appendix 1: Sustainability Data Statements |
| | B2.2 | Lost days due to work injury. | 6.4 Health and Safety System Appendix 1: Sustainability Data Statements |
| | B2.3 | Description of occupational health and safety measures adopted, how they are implemented and monitored. | 6.4 Health and Safety System |

Appendix 2: Index of Hong Kong Stock Exchange ESG Reporting Guide

| Indicator | | | Related Chapter |
|------------------------------------|-----------------------|---|--|
| B3: Development and training | General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | 6.3 Vocational Development |
| | B3.1 | The percentage of employees trained by gender and employee category (Such as senior management, middle management, etc.). | 6.3 Vocational Development Appendix 1: Sustainability Data Statements |
| | B3.2 | The average training hours completed per employee, by gender and employee category. | 6.3 Vocational Development Appendix 1: Sustainability Data Statements |
| B4: Labour Standards | General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor. | 6.1 Employment Rights |
| | B4.1 | Description of measures to review employment practices to avoid child and forced labor. | 6.1 Employment Rights |
| | B4.2 | Description of steps taken to eliminate such practices when discovered. | 6.1 Employment Rights |
| B5: Supply Chain Management | General Disclosure | Policies on managing environmental and social risks of the supply chain. | 5.3 Supply Chain Management |
| | B5.1 | Number of suppliers by geographical region. | Consider to disclose in the future |
| | B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. | 5.3 Supply Chain Management |

Appendix 2: Index of Hong Kong Stock Exchange ESG Reporting Guide

| Indicator | | | Related Chapter |
|----------------------------------|--------------------|---|--|
| B6: Product Responsibility | General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | 5.1 Customer-oriented |
| | B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | Consider to disclose in the future |
| | B6.2 | Number of products and service related complaints received and how they are dealt with. | 5.1 Customer-oriented Consider to disclose number of complaints in the future |
| | B6.3 | Description of practices relating to observing and protecting intellectual property rights. | Consider to disclose in the future |
| | B6.4 | Description of quality assurance process and recall procedures. | 5.1 Customer-oriented |
| | B6.5 | Description of consumer data protection and privacy policies, how they are implemented and monitored. | 5.1 Customer-oriented |
| B7: Anti-corruption | General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have significant impact on the issuer relating to bribery, extortion, fraud and money laundering. | 5.2 Anti-corruption |
| | 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. | 5.2 Anti-corruption |
| | B7.2 | Description of preventive measures and whistleblowing procedures, how they are implemented and monitored. | 5.2 Anti-corruption |
| 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. | 7. Contributing to Social Welfare |
| | B8.1 | Focus areas of contribution (Such as education, environment issues, labor needs, health, culture, sports, etc.). | 7. Contributing to Social Welfare |
| | B8.2 | Resources contributed to the focus area. | 7. Contributing to Social Welfare |



GLORY 国瑞

GUORUI PROPERTIES LIMITED
國瑞置業有限公司