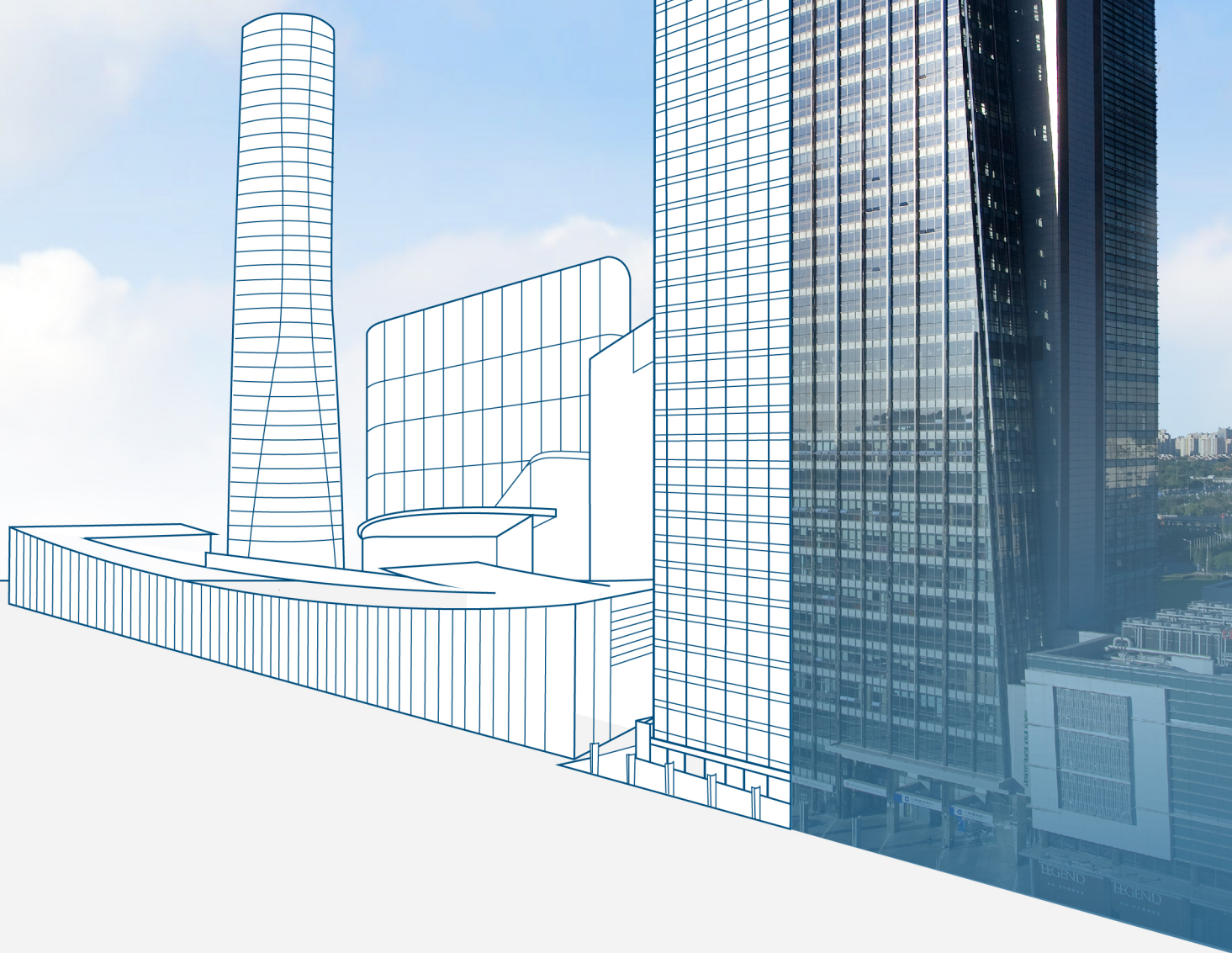




2021[★]

企业社会责任暨 环境、社会及管治报告

Corporate Social Responsibility &
Environmental, Social and Governance Report



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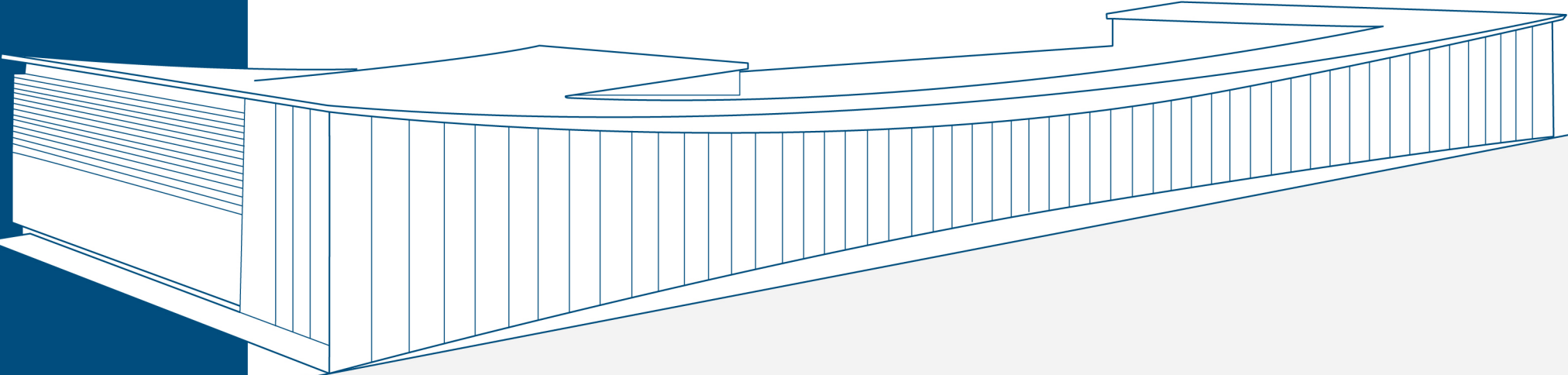
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ABOUT THE REPORT

Beijing North Star Company Limited is delighted to publish its 14th *Corporate Social Responsibility Report* and the 6th *Environmental, Social and Governance Report*. The board of directors and all the directors of the Company warrant that there are no false records, misleading statements or major omissions in the Report, and they shall be individually and severally liable for the authenticity, accuracy and completeness of the contents.

The purpose of the Report is to present the environmental and social issues related to the sustainable development of the Company to all stakeholders, so that, they can better understand the Company's sustainable development philosophy, actions and related performance.

The Report is prepared in both simplified Chinese and English. In case of any discrepancy between the two versions, the simplified Chinese version shall prevail.

Reporting Period

Unless otherwise mentioned, the Report mainly describes the specific policies and performance of the Company in terms of environmental, social and sustainable development from January 1, 2021, to December 31, 2021. For continuity and comparability, some information in the Report shall be extended as needed.

Reporting Organisational Boundary

The reporting organisational boundary of the Report is based on the principle of materiality. Unless otherwise mentioned, the material content of the Report covers Beijing North Star Company Limited and its subsidiaries. The boundary of environmental key performance indicators includes properties held in Beijing by the Company, while the boundary of social key performance indicators includes Beijing North Star Company Limited and its subsidiaries.

Reporting Guidelines

The Report is prepared in accordance with the *Guidelines on Environmental Information Disclosure of Listed Companies of Shanghai Stock Exchange* published by the Shanghai Stock Exchange and the *Environmental, Social and Governance Reporting Guide* under Appendix 27 of the *Main Board Listing Rules of the Stock Exchange of Hong Kong Limited* published by the Stock Exchange of Hong Kong Limited. The Report follows the reporting principles of *Environmental, Social and Governance Reporting Guide* related to “Materiality”, “Quantitative”, “Balance” and “Consistency”. Please refer to the below table to understand how the Company has applied the reporting principles when preparing the Report.

Reporting Principles	The Company's Principle Application
<div>Materiality</div> <p>The issuer should report when the board of directors has determined the environmental, social and governance issues which can significantly impact the shareholders and other stakeholders.</p>	<p>When preparing for the Report, a professional consultancy group has assisted the Company to conduct a materiality assessment, which identified the related material issues to Beijing North Star and its key stakeholders. Afterwards, the related information of the material issues has been collected and disclosed accordingly in the Report.</p> <p>Moreover, the Company's board of directors has already been notified of the results of the materiality assessment and approved the Report.</p>

Reporting Principles	The Company's Principle Application
<div>Quantitative</div> <p>Related historical key performance indicators should be measurable. The issuer should set targets for reducing its individual impacts (could be actual numbers or directional, proactive statements). This enables the efficiency of the environmental, social and governance policies and management system to be assessed and verified. Quantitative data also comes with a remark, which describes its purposes and impacts, and provides comparable data when appropriate.</p>	<p>The Company has already provided information on the standards, methodologies, assumptions and calculation tools used for the reporting of emissions/energy consumption in” COMPREHENSIVE PERFORMANCE”.</p> <p>Key performance indicators for historical data have been measured in this report. The Company has set targets to reduce individual impact, including actual figures or directional, forward-looking statements.</p>
<div>Consistency</div> <p>The Issuer should use consistent reporting methods so that the environmental, social and governance data can conduct meaningful comparison in the future. The issuer should disclose in the report any changes to the methods or KPIs used, if any, or any other relevant factors affecting a meaningful comparison.</p>	<p>Methodologies adopted by the Company are consistent with the one used last year.</p>

Board Statement

The ESG governance structure of Beijing North Star mainly consists of the Board of Directors, the Secretary to the Board of Directors and the ESG special personnel of the Work Department of the Board of Directors.

- 1) The Board is mainly responsible for reviewing the Company's ESG policies and strategies, explaining the connection between relevant matters and the Company's business, and approving ESG reports;
- 2) The Secretary to the Board is responsible for reviewing the ESG report and reporting to the Board;
- 3) Through data and information collection, the ESG special personnel understands the progress of ESG-related matters and prepares work reports.

In the future, Beijing North Star will, with reference to the requirements of the *Environmental, Social and Governance Reporting Guide*, optimise the ESG governance structure, improve the responsibilities of the Board, and continuously improve the ESG governance capabilities.

Confirmation and Approval

The contents disclosed in the Report are in compliance with the information disclosure requirements of the *Guidelines on Environmental Information Disclosure of Listed Companies of the Shanghai Stock Exchange* issued by the Shanghai Stock Exchange, as well as the ESG information disclosure requirements of the “Mandatory Disclosure Requirements” and “Comply or Explain” under the *Environmental, Social and Governance Reporting Guide* in Appendix twenty-seven to the *Main Board Listing Rules of the Stock Exchange of Hong Kong Limited* issued by The Stock Exchange of Hong Kong Limited. The Report was confirmed by the ESG special personnel of the Company in March 2022 and was approved by the Board of Directors of the Company.

Report Acquisition and Feedback

The Report is available in both online and print versions. The online version can be viewed and downloaded on the Company's website, the Shanghai Stock Exchange and the HKEXnews website of Hong Kong Exchanges and Clearing Limited. If you would like to request the print version of the Report or have any questions, comments or feedback on the Report, please send an email to northstar@beijingns.com.cn to contact us.

DEFINITIONS

In the Report, unless the context otherwise requires, the following terms shall have the meanings set out below:

“Beijing North Star”, “the Company”	▶ Beijing North Star Company Limited
“BNSIGC”	▶ Beijing North Star Industrial Group Limited Liabilities Company
“ESG”	▶ Environmental, Social and Governance
“the Report”	▶ 2021 ESG Report of the Company
“Reporting Period”, “the Year”	▶ from January 1, 2021 to December 31, 2021
“Municipal SASAC”	▶ The State-owned Assets Supervision and Administration Commission of Beijing Municipal
“Municipal Party Committee”	▶ Beijing Municipal Committee of the Communist Party of China
“Municipal Government”	▶ Beijing Municipal People’s Government
“CIFTIS”	▶ China International Fair for Trade in Services
“Properties held in Beijing”	▶ the properties of around 1.2 million m² held by the Company in Beijing
“Xin Cheng Property”	▶ Beijing North Star Xin Cheng Property Management Co., Limited of the Company
“Apartment Management”	▶ Apartment Operation and Management Branch of the Company
“Public Facilities Management Company”	▶ Public Facilities Management Branch of the Company
“Office Building Company”	▶ Office Building Operation and Management Branch of the Company
“Capital Convention Group”	▶ Capital Convention (Group) Co., Ltd.
“NSREG”	▶ Beijing North Star Real Estate Group
“National Convention Centre”	▶ Main Building of the China National Convention Centre of the Company
“National Convention Centre Hotel”	▶ China National Convention Centre Grand Hotel of the Company
“V-Continent Wuzhou”	▶ North Star V-Continent Beijing Parkview Wuzhou Hotel of the Company
“Beijing Continental Grand Hotel”	▶ Beijing Continental Grand Hotel of the Group
“Beijing International Convention Centre”	▶ Beijing International Convention Centre of the Company
“InterContinental Beijing”	▶ InterContinental Beijing Beichen of the Company
“Social Insurances and Housing Fund”	▶ Endowment Insurance, Medical Insurance, Unemployment Insurance, Employment Injury Insurance, Maternity Insurance and Housing Provident Fund
“Dual-carbon goals”	▶ General Secretary Xi Jinping announced at the general debate of the seventy-fifth Session of the United Nations General Assembly that “China will increase the strength of its nationally determined contribution, adopt more powerful policies and measures, strive to peak carbon dioxide emissions before 2030, and strive to achieve carbon neutrality before 2060”.
“COVID-19”	▶ Coronavirus disease 2019
“IHG”	▶ “InterContinental Hotels Group PLC”
“HACCP”	▶ “Hazard Analysis Critical Control Point”
“EBMS”	▶ “Event Business Management System”

THE REPFACE

2021 is the first year of the Fourteenth Five-Year Plan and the 100th anniversary of the founding of the Communist Party of China. It is also a year for Beijing North Star to adhere to its original aspiration of social responsibility, and continue to create value in fulfilling economic responsibilities, promoting rural revitalisation, and exploring the development path of carbon neutrality.

In 2021, facing the challenges brought by the recurrence of the COVID-19 pandemic, Beijing North Star strengthened its understanding of overcoming difficulties, fulfilled its responsibility of safe production, and promoted the resumption of work and production. During the Year, the operating revenue is RMB 22,094,296,000, representing a year-on-year increase of 22.77%, and the profit before tax is RMB 1,581,214,000, representing a year-on-year increase of 4.54%.

In 2021, Beijing North Star, together with its branches and subsidiaries, successfully prepared for the Winter Olympics with high quality, safeguarding the national, comprehensive and international exhibition and forum activities such as the 2021 China International Fair for Trade in Services, the 2nd United Nations Global Sustainable Transportation Conference and the 4th session of the 13th Beijing Municipal Committee of the Chinese People’s Political Consultative Conference, and interpreting the “Chinese Service” style to the world again.

In 2021, Beijing North Star actively implemented Xi Jinping’s Thought of Ecological Civilisation and important instructions on carbon peak and carbon neutrality, strived to explore the path of green, low-carbon and environmental protection development, successfully completed the annual carbon emission rights performance, and supported the low-carbon development of enterprises with practical actions.

In 2021, Beijing North Star deeply understands the importance of taking the road of socialism with Chinese characteristics for rural revitalisation in the Fourteenth Five-Year Plan and contributed to the promotion of rural revitalisation strategy and injected vitality into the development of agriculture and rural areas through industrial assistance, employment assistance, consumption assistance and public welfare assistance.

In 2021, Beijing North Star adhered to the core value of “Loyalty and Responsibility, Co-creation and Mutual Benefit”, continuously conveyed love to the disadvantaged groups in the society, and actively carried out the assistance work for orphans, poor children with severe difficulties. For the ninth consecutive year, Beijing Chunmiao Charity Foundation provided RMB 950,000 medical assistance funds to help nearly 400 poor children with severe difficulties.

Looking forward to the future, Beijing North Star will keep in mind the mission and responsibility of a state-owned enterprise, unswervingly implement the concept of innovative development, adhere to the general tone of seeking progress while maintaining stability, and strive to create a world-class exhibition brand enterprise and a leading composite real estate brand enterprise in China, so as to contribute to achieving stable and long-term economic development, social stability and harmony, and comprehensively building a modern socialist country!



COMPANY OVERVIEW

About the Company

Beijing North Star Company Limited was established by Beijing North Star Industrial Group Limited Liabilities Company on 2 April 1997. The shares of the Company were listed on the Hong Kong Stock Exchange in May in the same year. In October 2006, the Company's A shares were issued and listed on the Shanghai Stock Exchange.

As at the end of the Reporting Period,

the Company's total registered capital is

3,367,020,000
shares

of which

2,660,000,000
shares

(representing

79.002%

of the total share capital)
are A shares

and

707,020,000
shares

(representing

20.998%

of the total share capital)
are H shares

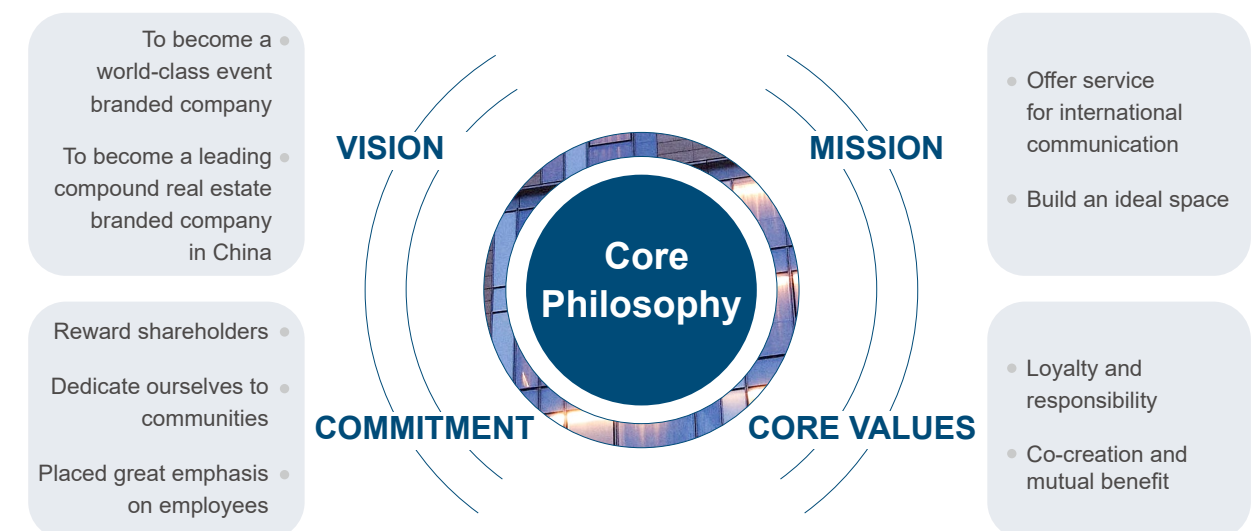


With over 20 years of development, the principal businesses of the Company include development properties and convention and exhibition and investment properties (including hotels). The development properties business mainly set foot in Beijing aiming to expand beyond Beijing. In recent years, as the Company continued to deepen the regional exploration and development in new cities, a multi-level nationwide scale development layout covering a number of regions is gradually taking shape, and a property development system of different classes and features, covering residential units, apartments, villas, offices and commercial buildings, has been established. As at the end of the Reporting Period, the development properties projects have established presence in 15 cities, namely, Beijing, Guangzhou, Changsha, Wuhan, Hangzhou, Chengdu, Suzhou, Nanjing, Langfang, Hefei, Ningbo, Chongqing, Wuxi, Haikou and Meishan, and the development scale of the Company has been continuously enhanced.

The investment properties business taking convention and exhibition as a lead to actively drive the synergetic development of hotels, office buildings, apartments and other businesses. Properties held and operated by the Company include the National Convention Centre, Beijing International Convention Centre, Intercontinental Beijing Beichen, North Star V-Continent Beijing Parkview Wuzhou Hotel, Beijing Continental Grand Hotel, National Convention Centre Hotel, North Star Century Centre, Hui Bin Offices, Hui Xin Offices, North Star Times Tower, and Hui Yuan Apartment in the Asian-Olympic core district in Beijing, and Intercontinental North Star Hotel and Changsha North Star International Conference Center in Changsha, with a gross area exceeding 1,280,000 m².

While optimising and consolidating properties held, the Company relied on its affiliated Capital Convention (Group) Co., Ltd., strengthened resources integration in its convention and exhibition business, exerted continued efforts on the expansion of new businesses and new technologies of exhibition industry, explored and developed various businesses, including operation and management of exhibition venues, sponsoring and undertaking of conventions and exhibitions and supporting services, education and consulting services related to conventions and exhibitions, and security services for high-end state-level and political level activities and events, and constantly carry out innovation in operation with light assets in respect of the convention and exhibition business, thus facilitating high-quality development of the Company.

Adhering to the principle of maximising shareholders' value and on the mission to "offer service for international communication" and to "build an ideal space", the Company continues its great effort to become a world-class event branded company and a leading compound real estate branded company in China.



COMPANY AWARDS

Beijing North Star adheres to the path of internationalisation, branding and professional development, and strives to become an industry benchmark. Over the years, the Company has received high recognition from various sectors of society for its excellent brand image, brilliant strategic management, professional operation team and first-class service standards.

Some of the awards and honours received by Beijing North Star Company Limited and its branches and subsidiaries/ projects in 2021:

Awards	Awarded Time	Winning Company/Projects	Granting Authority
Beijing North Star			
Top 500 Real Estate Developers in China in 2021 – No. 74	2021.03	Beijing North Star	China Real Estate Association
Top 10 Real Estate Developers of Comprehensive Development in China in 2021	2021.03		China Real Estate Association
Top 100 Real Estate Enterprise in China in 2021- No. 62	2021.03		China Real Estate Top 10 Research Group
Star of the Top 100 in China Real Estate Industry in 2021	2021.03		China Real Estate Top 10 Research Group
Top 10 of the SSE-SZSE Listed Real Estate Companies for Investment Value in 2021	2021.05		China Real Estate Top 10 Research Group
Top 10 of SSE-SZSE Listed Real Estate Companies for Wealth Creation Ability in 2021	2021.05		China Real Estate Top 10 Research Group
Noteworthy Real Estate Companies of the Capital Market in 2021	2021.05		China Real Estate Top 10 Research Group
2021 China Excellent Real Estate ESG Development Enterprise	2021.05		China Real Estate Top 10 Research Group
China Real Estate Fashion Awards - Comprehensive Operator of China Real Estate Annual Influence in 2021	2021.09		Guardian (the third consecutive years)
2021 Top 10 of Leading Brand Value in Comprehensive Real Estate Development in China – Real Estate Enterprise with Comprehensive Operations	2021.09		China Real Estate Top 10 Research Group (the fifteenth consecutive years)
ESG Outstanding Enterprise in 2021	2021.12		Xindichan (the third consecutive year)
Top 10 Responsible State-owned Enterprises in 2021	2021.12		Beijing Evening News
“Excellent” level in the 2020 energy-saving target responsibility assessment of key energy-consuming units	2021.12		Beijing Municipal Commission of Development and Reform and Chaoyang District Commission of Development and Reform of Beijing Municipality (the tenth consecutive year)

Beijing North Star Real Estate Group			
Ankang Cup Excellent Project, Changsha	2021.01	Changsha North Star Real Estate Development Co., Ltd. A3 Project	Changsha Municipal Housing and Urban-rural Development Bureau
Class I QC Achievements in Beijing: Research on method of construction of ultra-high independent cylindrical	2021.04		Beijing Construction Industry Federation
Class II QC Achievements in Beijing: Improving the passing rate of TOP waterproof coils on metal roof	2021.04		Beijing Construction Industry Federation
Class II QC Achievements in Beijing: Improvement of large-area concrete floor crack control technology	2021.04		Beijing Construction Industry Federation
CSCEC III QC Achievements: Research on method of construction of ultra-high independent cylindrical	2021.04		China Construction Industry Association
Golden Cup BIM Competition	2021.05		National Intelligent Building and Residential Area Digital Standardization Technical Committee

Beijing North Star Real Estate Group			
Patent of cement residue cleaning device at the construction site of commodity buildings	2021.09	Changsha North Star Real Estate Development Co., Ltd. A3 Project	State Intellectual Property Office
Third Prize of the First New Infrastructure Cup Intelligent Construction Excellent Construction Case Competition in China	2021.09		China Building Materials Distribution Association
2021 “SMART BIM” Intelligent Building BIM Competition	2021.10		RICS Royal Institution of Chartered Surveyors, GUAS Guangdong Urban Construction Institute
“Youlu Cup” National BIM Technology Competition	2021.11		Talent Exchange Center of the Ministry of Industry and Information Technology
Vice Chairman	2021.07	Chongqing City Centre	Talent Exchange Centre of the Ministry of Industry and Information Technology
Chongqing City Centre of NSREG	2021.07		Chongqing Real Estate Chamber of Commerce
Capital Civilised Unit	2021.01	Xin Cheng Property	Capital Spiritual Civilisation Construction Committee
Quality Structure Engineering in Chengdu	2021.10	Chengdu North Star Luming Mansion	Chengdu Housing and Urban-Rural Development Bureau
Changsha Excellent Structure Project	2021.10	Changsha Binchen Real Estate Co., Ltd	Changsha Construction Industry Association

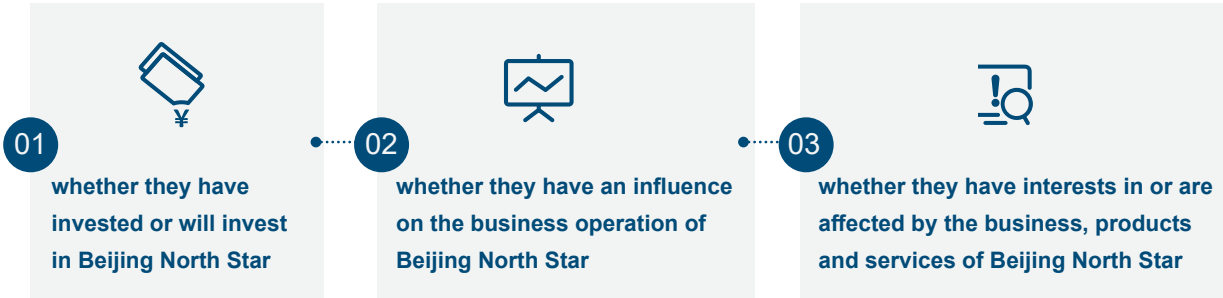
Capital Convention Group			
Best Service Hotel in China	2021.01	InterContinental Beijing	Beautiful China Hotel Industry Leader Summit & Golden Olive Award
Top 100 MICE Hotels in China	2021.06		<i>China TOP100 Best MICE Hotel</i>
Excellent Service Hotel of the Year	2021.11		China Hotels Fashion List Awards
Best Service Hotel	2021.12		China's Best Hotel Awards
Best Owner Representative			
Best Hotel Owner of the Year			
Best Conference Hotel in China	2021.12		China Business Association Award Travel Golden Chair Award
First Prize of the thirty-fourth Beijing Enterprise Management Modernisation Innovation Achievements	2021.01	National Convention Centre	Beijing Enterprise Management Modernisation Innovation Achievement Review Committee
Excellent Member Unit of the Party Building Coordination Committee	2021.06		Working Committee of Olympic Village, Chaoyang District, Beijing
Positive Contribution Award for Service Guarantee and Preparation of Square Activities in Celebration of the 100th Anniversary of the Founding of the Communist Party of China	2021.07		Service Guarantee and Square Activities Headquarters
2021 China International Fair for Trade in Services	2021.09		China International Fair for Trade in Services 2021
Best Restaurant Hotel	2021.01	V-Continent Wuzhou	Lifestyle
The Best Business Hotels	2021.03		Meituan Hotel
Most Valuable New Brand	2021.04		Enjoyable

RESPONSIBLE COMMUNICATION








Stakeholder Communication

Beijing North Star firmly believes that the sustainable development of an enterprise needs consensus among stakeholders. To reach the consensus, the Company has established a wide range of effective communication channels with stakeholders to gain an in-depth understanding of the needs and expectations of all, so as to evaluate the issues that the Company needs to focus on and deal with in its sustainable development process.

Beijing North Star determines whether the relevant individuals or groups are the Company’s key stakeholders through the following aspects:



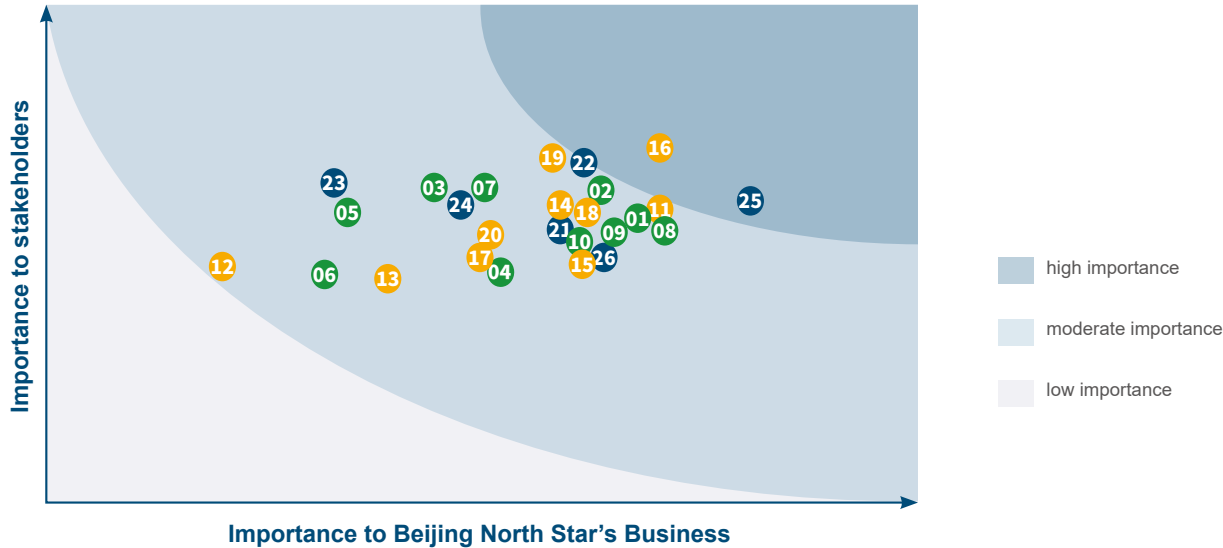
In 2021, the Company's key stakeholders included government and regulators, investors and shareholders, clients, employees, suppliers, media, the public, etc. To facilitate the effective communication with different stakeholders, the Company has established various channels and effectively responds to the information requests of stakeholders.




Key Stakeholders	Communication Channels
 Government and Regulators	·Attend conferences ·Report regularly ·Accept inspection and supervision
 Investors and Shareholders	·Annual general meeting ·Investor Relations on the official website ·Investor relations hotline ·Information Disclosure ·Investor survey ·The Shanghai Stock Exchange E-interaction ·Investor collective reception day ·Strategic meeting
 Clients	·Client service hotline ·Client satisfaction survey ·Advertisement on social media
 Employees	·Employees interview ·Corporate training ·Employee activities ·Promotion mechanism
 Suppliers	·Telephone interview ·On-site inspection ·Supplier conferences
 Media	·Press conferences ·Interview
 The Public	·Community engagement ·Charity ·Rural revitalisation ·Advertisement on social media

Materiality Assessment

In 2021, based on its development strategy and business characteristics, the Company analyses and confirms the material issues with reference to the previous material issues of Beijing North Star, important international and domestic ESG information disclosure guidelines, as well as comprehensively considering the industry development trend and the sustainable development issues that are widely concerned at home and abroad, as shown in the matrix below. In response to the key stakeholders' information requests, the Report mainly focused on these material topics and disclosed relevant information accordingly.

Matrix of Beijing North Star 2021 Materiality Assessment



 Environmental	01 Green office and operation 02 Green building 03 Greenhouse gas emission and management 04 Solid waste disposal and management 05 Wastewater discharge and management 06 Exhaust gas emission and management 07 Water use and efficiency 08 Energy use and efficiency 09 Material use and efficiency 10 Impact assessment and related mitigation measures for project construction
 Social	11 Client satisfaction 12 Community investment and engagement 13 Supply chain management 14 Employee benefits and promotion mechanism 15 Ensuring service quality 16 Health and safety of clients 17 Labour standards 18 Career development and training for employees 19 Occupational health and safety 20 Employment and employee welfare
 Governance	21 Anti-corruption 22 Financial performance and investor interests 23 Anti-competitive behaviour 24 Corporate information disclosure 25 Social and economic compliance 26 Stakeholders communication

¹The topics marked with blue are “high importance” and the rest are “moderate importance”.

01

STABLE MANAGEMENT

- (1) Improving Corporate Governance
- (2) Promoting Integrity
- (3) Advancing Supplier Management
- (4) Protecting Intellectual Property Right
- (5) Guaranteeing Pandemic Prevention and Safety



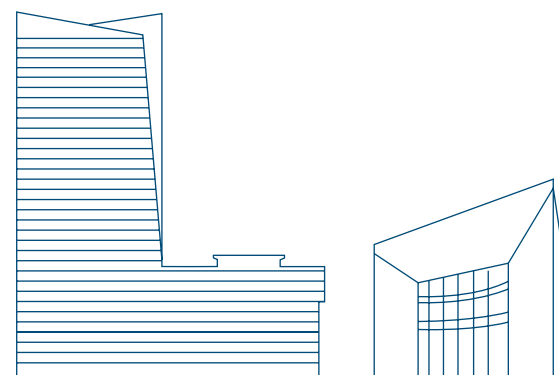
Improving Corporate Governance

As a state-owned real estate company listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, Beijing North Star adheres to its consistent principle of maximising shareholders' value, safeguarding the legitimate rights and interests of investors and creditors. The Company attaches great importance to creating space for win-win development for its partners. The Company carefully considers the opinions and suggestions of various parties and improves the market's and investors' recognition of the value of the Company.

Beijing North Star fulfils its information disclosure obligations and strictly complies with the requirements on information disclosure in the *Stock Listing Rules of the Shanghai Stock Exchange*, the *Main Board Listing Rules of the Stock Exchange of Hong Kong Limited*, and the *Articles of Association* and the *Administrative Rules on Information Disclosure* of the Company. During the Reporting Period, the Company maintained full communication and interaction with investors and creditors through hosting domestic and overseas investors surveys, teleconference, establishing Investor Relations columns on the Company's website, and Investor hotlines to fully safeguard the rights and interests of investors and creditors.



Beijing North Star deeply realises that scientific, systematic, standardised and professional management will help enterprises identify and prevent market risks and achieve efficient and healthy development of enterprises. Therefore, Beijing North Star is committed to continuously improving its corporate management. During the Reporting Period, the Directors, Supervisors and senior management of the Company, following the regulatory requirements of the places where the Company is listed, strengthened their business training and continuously improved their ability to perform their duties by participating in courses and online learning. During the Reporting Period, the corporate governance of the Company was in compliance with the *Company Law of the People's Republic of China*, the *Code of Governance for Listed Companies* and the relevant requirements of the China Security Regulatory Commission.



Giving Back to Investors and Creditors

During the Reporting Period, Beijing North Star completed the profit distribution of the Company for 2020 in accordance with the dividend standards and procedures stipulated in the *Articles of Association* and the *Dividend Distribution Plan for Shareholders*, fully protecting the legitimate rights and interests of the Company's shareholders. As considered and approved at the 2020 Annual General Meeting, the Company's profit distribution plan for the year 2020 was based on the total share capital of the Company 3,367,020,000 shares, and a cash dividend of 0.030 yuan (tax included) was paid per share. The profit distribution plan has been completed (among which the distribution of cash dividends for A-shares was completed on 2 July 2021 and the dividends for H-shares were distributed on 23 July 2021), with a total cash dividend of RMB 101,010,600, accounting for 79.26% of the net profit attributable to ordinary shareholders of the Company for 2020.

During the Reporting Period, to protect the legitimate rights and interests of creditors, the Company actively fulfilled the relevant information disclosure obligations and maintained information transparency regarding the interest payment of corporate bonds and medium-term notes. As of December 31, 2021, the interest payments of corporate bonds and medium-term notes such as "20 North Star 01", "14 North Star 02", and "16 North Star 01", "19 North Star 01", etc., have been paid in full on schedule. There have been no circumstances under which the Company has failed to pay the interest of its current bonds in full and on schedule.

In the future, the Company will comprehensively consider policy circumstance, interest rate level, its structure of assets and liabilities and other factors, in the combination of its major business development, to fully utilise the advantages of the "Headquarters Financing" model, for building a diversified financing platform based on traditional bank financing, and constantly exploring a variety of capital market financing tools. The Company will constantly optimise the Company's capital structure and debt structure, through corporate bonds, medium-term notes, asset securitisation, and other ways, to lay a solid foundation for the sustainable development of the Company and achieve high-quality development.



a cash dividend of

0.030

yuan (tax included) was paid
per share



a total cash dividend of RMB

101,010,600



accounting for

79.26%

of the net profit attributable to ordinary
shareholders of the Company for 2020

Promoting Integrity

In order to promote business development, the Company promoted the clean Party governance construction and built a clean and positive development environment by improving internal systems, optimising anti-corruption reporting procedures and carrying out relevant training.

In terms of system construction, the Company strictly complied with the *Criminal Law of the People's Republic of China* and other laws and regulations. In order to consolidate the primary responsibility of supervision, the Company has compiled the *Discipline Inspection and Supervision Manual of Beijing North Star*. As important guidance for precise supervision and pre-supervision, the *Manual* clarified the key points of supervision, refined the specific contents of supervision, listed the methods and methods of supervision, extended supervision to all levels of operation and management, effectively improved the quality and effect of supervision and discipline, and improved the Company's supervision system.

In terms of whistle-blowing procedures, Beijing North Star collects information on whistle-blowing through letters, visits, emails and mailboxes. In strict accordance with the relevant provisions of the superior, the Company comprehensively strengthens the whistle-blowing work, timely understands the relevant situation, and follows up and supervises in real-time. In addition, using information technology, the Company has set up an online complaint reporting channel, a complaint reporting window on the OA platform, and built a five-in-one complaint reporting channel of " letters, interviews, telephone calls, network, and WeChat" to collect petition information in a variety of ways. At the same time, the Company standardised the management of petition ledgers, unified the number of all petitions, clarified the contents, handling methods, responsible persons and disposal results of the petitions, and implemented dynamic management to ensure that the reconciliation and cancellation records are clear and accurate.

Reporting Channels

letters

interviews

telephone calls

network

WeChat

Case Publicity Month of Party Conduct and Clean Government Construction

In 2021, Beijing North Star steadily promoted the construction of party conduct and clean government, continued to improve the capability of leading cadres of party members at all levels to resist corruption, strengthened the ideological consciousness and action consciousness of "not daring to corrupt", "not being able to corrupt", and "not willing to corrupt", and built an effective mechanism of "Three Don'ts". It carried out the publicity month activity of Party conduct and clean governance construction with the theme of "learning from the history of the Party for a century, and being a clean and honest North Star person". During the Reporting Period, a total of 976 people visited the anti-corruption education base in batches, distributed 753 anti-corruption education materials, issued 30 warning education CDs, and recommended the reading of 140 anti-corruption books. In addition, the Company held a warning education conference of "learning from cases, promoting reforms from the case", and constantly enhanced the ability to resist risks by analysing typical cases and summarising experience and lessons. During the Year, the Company held a total of 16 warning meetings, deeply analysed 26 anti-corruption cases, and 1,898 people participated in the anti-corruption knowledge test. Eight hundred and thirty-seven copies of *A Letter to Leaders at All Levels and Their Family* were distributed to the family members of the leaders of various enterprises in the form of family books, introducing the Company's comprehensive and strict governance of the Party and anti-corruption work, and working with the family members of party members to build a solid family defence line of anti-corruption, promotion of anti-corruption and anti-corruption with practical actions.



"Learning from the case, promoting reform from the case" warning education conference

Beijing North Star actively organised and initiated legal publicity activities and held the training course of "law shield" for legal personnel to further improve their knowledge, skills and professional quality of the legal personnel team. It also organised a series of publicity activities such as the "Good Life Civil Code Companion" and the "12·4" National Constitution Day and Constitution Publicity Week to form a good atmosphere of learning law, respecting law, abiding by law and using by all employees, and actively cultivated the corporate governance culture with the characteristics of Beijing North Star.

²During the Reporting Period, the anti-corruption training of Beijing North Star did not include the directors of the Company, but the directors of the Company strictly complied with relevant laws and regulations and did not involve in any corruption litigation cases. In the future, the Company will gradually improve the mechanism for directors to participate in anti-corruption training.

Advancing Supplier Management

To further promote the construction of a resource-saving and environment-friendly society, guide and promote suppliers to actively fulfil their environmental and social responsibilities, and build a responsible supply chain, Beijing North Star has formulated internal policies such as the *Administrative Measure for Supplier Management*, the *Procurement Tender Management Regulations*, the *Requirements on Green and Environmental Procurement*, and the relevant internal selection management measures, so as to effectively integrate the concept of sustainable development into the supplier management mechanism. In terms of business development and business process management, the Company shares environmental and social responsibility risks with suppliers, shares development opportunities, jointly identifies and monitors risks and opportunities in the supply chain, and actively implements a centralised and efficient business service procurement strategy, which is an important measure for the Company to practice sustainable development.

Beijing North Star strictly implements the supplier access and elimination mechanism, and conducts qualification reviews on suppliers through bidding, comparison and selection in accordance with relevant systems. The review includes but is not limited to business license, qualification level, service scope, bank credit, performance level, cooperation projects, reputation level, etc., and blacklists the dishonest suppliers. For suppliers that have established cooperative relationships, we implement comprehensive supervision and inspection to fundamentally solve potential problems or weak links in the supply chain, and avoid their affiliated suppliers from involving illegal acts. As of December 2021, the total number of suppliers that have established long-term cooperation with the Company is 1,562, all of which are from mainland China, none of which is from Hong Kong, Macao, Taiwan or overseas.

As of December 2021 the total number of suppliers that have established long-term cooperation with the Company is

1,562

The Company conducted environmental and social risks screening and control for

1,375

suppliers

The number of suppliers that have passed the quality, occupational health and safety, environmental or energy management system certification is

671

In addition, in line with the low carbon and green development concept, the Company strictly adheres to every aspect of environmental protection management in the supply chain. By specifying the terms and conditions of relevant environmental protection requirements and service content in the supplier bidding and selection documents, and stating that suppliers who can provide relevant environmental protection qualification certificates are preferred, the Company selects suppliers who meet the Company's green procurement requirements, and at the same time, jointly inspected and accepted by the demand and inspection departments, thus achieving a win-win situation on promoting economic development and environmental protection side by side.

The Requirements on Green and Environmental Procurement lists the responsibilities of suppliers:

1. Actively learn green and environmental protection related knowledge, and keep an obligation to pass relevant knowledge to all personnel of the company;



2. Recommend energy-saving and environmentally-friendly products that have passed the environmental label product certification, energy-saving product certification or other certification approved by the state under the same conditions, and carry the relevant certificates together with the goods at the time of delivery;

3. Conduct relevant environmental protection tests on logistics vehicles on time, prohibit the use of highly polluting and high-emission transportation vehicles, and regularly provide the procurement department with relevant supporting documents for the compliance of environmental protection monitoring of logistics vehicles;



4. The products or raw materials supplied need to meet the requirements of green packaging, do not use toxic and hazardous substances as packaging materials, and use recyclable, degradable or harmless packaging materials to avoid excessive packaging and minimise the consumption of packaging materials on the premise of meeting the demand.

Beijing North Star firmly resists the occurrence of violations of employees' legal rights and human rights in the supply chain and eliminates any illegal activities such as no bidding when there should be bidding, dividing the project to prevent bidding, or creating fake bidding, bid ridding, collusion bidding, bribery during bidding process etc. All suppliers' selection procedures comply with laws and regulations.

Protecting Intellectual Property Right



Beijing North Star attaches great importance to intellectual property protection, put it in a more prominent position. The Company improves the intellectual property management level by strengthening the construction of brand management system, employing intellectual property consultants to provide professional intellectual property legal support and service, as well as special training lectures. After years of efforts and accumulation, the Company has made remarkable achievements in the development of intellectual property. The management system of intellectual property has been gradually improved, the protection of trade secrets has been continuously strengthened, the number of trademark, copyright and other intellectual property registration has increased substantially, and the protection effect, application efficiency and influence of intellectual property have been significantly improved.

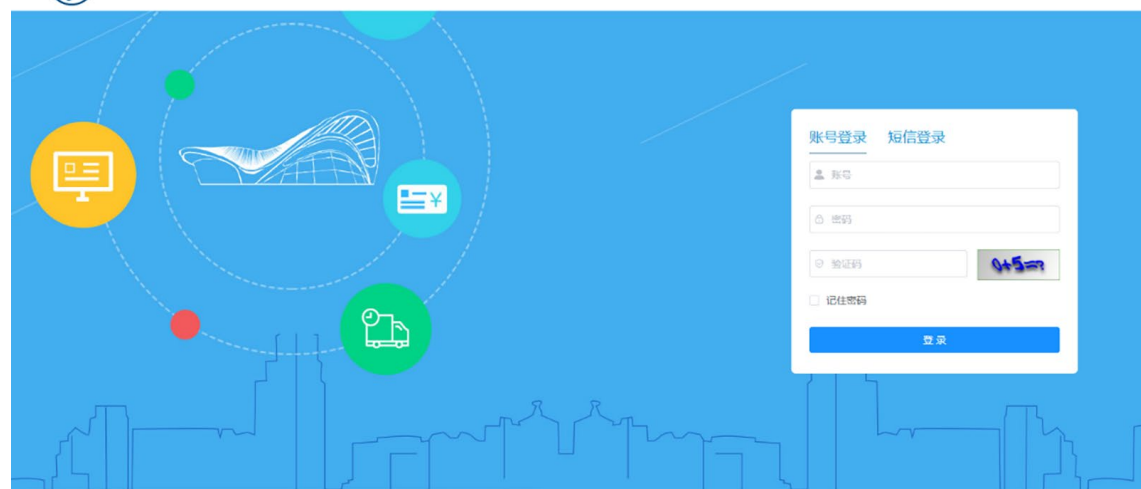
Case

Beijing North Star developed the first independent intellectual property venue management system in China

The first venue management system with independent intellectual property rights developed by Beijing North Star is an important application based on the platform of North Star intelligent convention and exhibition and is an important part of the information infrastructure of the Company. In the future, it can fully empower the management and output management of convention and exhibition venues, and strengthen the core competitiveness of Beijing North Star in convention and exhibition.

The system adopts the "Software as a Service" (SAAS) model for design and deployment, centralised data storage, standardised management process and data structure, breaks the data islands, and effectively accumulates exhibition data, so as to truly strengthen the general platform, strengthen the back office, strengthen management and control, and assist in scientific decision-making, providing strong support for the construction of a more intelligent and smarter venue service of Capital Convention Group.

North Star Exhibition Venue Management Information System



North Star Exhibition Venue Management Information System

Guaranteeing Pandemic Prevention and Safety

Coordinate Pandemic Prevention and Operation



NSREG inspected the Changsha Project on site

In February 2021, at the end of the Spring Festival holiday, members of the management team of Beijing North Star went to various city centre projects of NSREG to carry out on-site investigation and research, requiring all city centres to improve their political position, prepare well for overcoming difficulties, and go all out to promote the construction of various projects. Relevant personnel responded quickly, resumed work on a large scale, pushed forward the construction of various projects promptly, earnestly performed safety and quality responsibilities, built a solid line of defence for safe production, strengthened safety inspections, strengthened source management such as hazard source identification, risk assessment and control, and comprehensively investigated and rectified safety and quality hazards. In addition, NSREG has formulated targeted emergency plans, implemented resources such as emergency teams, emergency supplies and equipment, and adopted various effective measures to actively create a safe and harmonious social environment.

Actively Implement Pandemic Prevention Measures

Adhering to the highest standards of epidemic prevention and control, Beijing International Convention Centre successfully completed the guarantee work of the fourth meeting of the 13th Beijing Municipal Committee. Prior to the meeting, all employees were tested for nucleic acid, and more than 20 types and 50,000 pieces of anti-epidemic materials were purchased. During the meeting, temperature measurement registration was strictly carried out on a daily basis to dynamically check the implementation of epidemic prevention measures. The room is equipped with "epidemic prevention packs", the dining table is equipped with partitions to increase the distance of the venue, and each restaurant and entrance of the venue is equipped with various epidemic prevention materials.

Beijing Continental Grand Hotel served as the only official media reception hotel for the 2021 CIFTIS. To ensure safety and stability during the meeting, Beijing Continental Grand Hotel formulated 12 special plans and plans for security and emergency response.

The Office Building Company strictly implemented the requirements for pandemic prevention and control, established a weekly reporting system for pandemic prevention and control, strictly implemented the filing procedures for going out of Beijing, the online approval process for leaving Beijing, and timely carried out the investigation of personnel with medium and high risks staying outside Beijing or returning to Beijing to ensure the safety of personnel. According to the key changes of prevention and control, the office building company inspected the implementation of prevention and control measures such as temperature measurement, QR code scanning, mask-wearing, one-meter line and cold chain food in all buildings and commercial projects to provide guarantee for the epidemic prevention and control of buildings.

Promote Vaccination for Employees

Beijing North Star firmly believes that the health of employees is the foundation of stable operation. In 2021, Beijing North Star actively promoted the COVID-19 vaccination work. On the basis of fully mastering the early vaccination of employees of branches and subsidiaries, it mobilised and deployed, actively promoted, coordinated and ensured the orderly progress of the vaccination work. As of the end of 2021, the Company had a 95.6% vaccination coverage rate of employees in Beijing, 99% vaccination rate of auxiliary employees and 100% strengthened immunity vaccination rate.



anti-epidemic materials

20 types
50,000 pieces



As of the end of 2021

the Company had
95.6%
vaccination coverage rate
of employees in Beijing

99%
vaccination rate of
auxiliary employees

100%
strengthened immunity
vaccination rate



02

CUSTOMER FIRST

- (1) Improving Service Level
- (2) Strengthening Quality Management
- (3) Fully Implementing Safety Responsibilities
- (4) Guaranteeing Customer Rights and Satisfaction

Providing customers with high-quality services is the cornerstone for the survival, profitability and sustainable development of an enterprise, which directly affects the brand image of an enterprise. With the aim of providing high-quality services for customers, Beijing North Star has established a collaborative service mechanism that links up and down to effectively improve customer satisfaction and create value together with customers.

During the Reporting Period, the Company strictly complied with the relevant laws and regulations of the PRC, covering areas including but not limited to health and safety, advertising, labelling, privacy matters and remedial methods of providing products or services. In order to further deepen the management of product and service responsibility, the Company has engaged experienced legal advisors to formulate reasonable and effective solutions based on their professional opinions. In the course of business operation, the Company resolutely cracks down on illegal construction and illegal sales to safeguard the rights and interests of customers in a practical manner.

Improving Service Level

Guarantee Major Events with High-Quality Service

In 2021, Beijing North Star cooperated with its branches and subsidiaries to escort a number of major activities, and took every activity seriously with first-class standards and work attitude of pursuing excellence.

During the period when the COVID-19 pandemic was normalised, Beijing North Star attached great importance to the prevention and control of the pandemic, and used digital innovative business models in many national, comprehensive and international exhibitions and forum activities to reduce offline contact, while expanding the boundary of exhibition services.

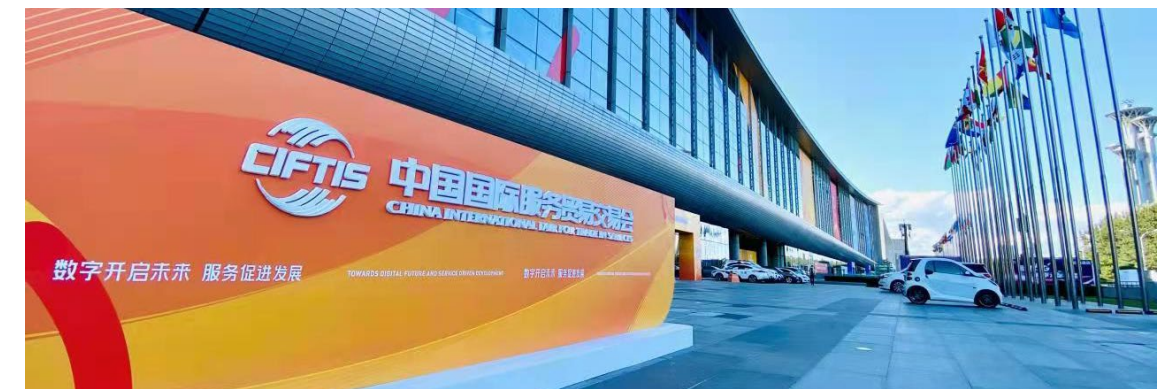


Case

CIFTIS guarantee work meets new digital transformation

In order to welcome the 2021 CIFTIS, Beijing North Star introduced four strategic investors, i.e. Beijing Capital Tourism Group Co., Ltd., Beijing Shougang Construction Investment Co., Ltd., Jingdong Technology Holding Co., Ltd., and GL events China Limited, to form Capital Convention Group. Capital Convention Group has fully participated in the organisation of this year's CIFTIS, such as investment promotion and exhibition, market development, etc., realised the cross-regional cooperation between the two venues of the National Convention Centre and Shougang Park, and achieved a new breakthrough in market-oriented and professional operation, laying a solid foundation for the development of the entire industry chain of convention and exhibition.

The annual CIFTIS successfully attracted 12,276 enterprises from 153 countries and regions to participate in the conference through online and offline integration, focusing on hot topics such as digital economy, national dual-carbon goals and service industry expansion. As a professional contractor of the digital service zone of the 2021 CIFTIS, Capital Convention Group, with the theme of "creating a new pattern of digital services and a new era of shared service trade", planned and carried out exhibitions in four aspects, namely digital governance, digital experience, digital transformation and digital trust, to present the changes brought by digital services to production and lifestyle and government social governance, and to outline the future of digital economy. Capital Convention Group has laid a foundation for market-oriented development by revising and launching new modules such as the new official website of the CIFTIS and 2D display poster, improved user experience and increased network information security by optimising the registration process of exhibitors and establishing audit procedures for booths, improved the security and controllability of closed meetings through the function of cloud meetings. Through rich English services, the international level of services has been effectively improved, and the comprehensive innovation of exhibition and convention methods has been achieved.



National Convention Centre Venue



Shougang Park Venue



Serving with an attention to detail

This year's CIFTIS was successful. Capital Convention Group, as a professional operator of this years' CIFTIS, won praise from all parties. As the venue of the CIFTIS, the National Convention Centre won the "Demonstration Case of Development Potential Service" award of the 2021 CIFTIS.

Case

Successful completion of the cultural and artistic performance celebrating the 100th anniversary of the founding of the Party

In June 2021, the *Great Journey*, a cultural and artistic performance celebrating the 100th anniversary of the founding of the Party, was held at the National Stadium. The National Convention Centre undertook the service guarantee task of the VIP and main performance teams in the performance viewing area. This event has one of the tightest schedule, heaviest tasks, strictest standards and the highest specifications among all the events since the commencement of business.



Beijing North Star Service Team

In order to guarantee high-quality service, the Party Committee of the National Convention Centre has set up two security teams with nearly 600 people, which respectively undertake the service of VIP performance and hotel accommodation of the main performance team. In addition, the Party Committee has also set up a "storm troop" consisting of 118 Party members to provide support to the security team. During the period when the guarantee task became closed due to the COVID 19, the Labour Union of the enterprise provided warm service packages for the guarantee team. The logistics team provided all-around protection. Ultimately, the service team overcame difficulties, fulfilled its mission and lived up to its trust, carried forward the tradition of daring to fight hard and being able to win, and successfully completed the service guarantee for more than a thousand people.

Case

Supporting the 2022 Beijing Winter Olympics

InterContinental Beijing, V-Continent Wuzhou, Beijing Continental Grand Hotel and National Convention Centre Hotel, as the Olympic (Paralympic) family hotels, are responsible for providing accommodation reception, conference and meal services for international guests during the Beijing Winter Olympics.

In order to ensure the service of the big family hotels, Beijing North Star has set up an internal task force to comprehensively coordinate the preparations for the big family hotels and contracted hotels, and selected 25 key personnel to join the hotel operation team of the Beijing Winter Olympics Organising Committee to fully cooperate with relevant work. The hotel operation team of the big family has fully renovated the guest rooms and renovated the rooms for 797 guest rooms of 4 big atrium hotels and two contracted hotels respectively, striving to create a more comfortable living environment for Olympic guests.

In addition, Beijing North Star has formulated a total of 123 emergency plans for production safety, network security, epidemic prevention and control, public opinion management, emergency response, etc., carried out 436 job drills, and trained 7,550 service personnel for the Winter Olympics, contributing to the holding of the "simple, safe and wonderful" Olympic Games.



Beijing North Star leaders conduct on-site guidance



Comprehensive drill for hotels and contracted hotels in the Winter Olympics (Paralympics)

Refining Catering Hygiene Management

In the normalised period of COVID-19 prevention and control, the number of catering business activities is increasing. Beijing North Star strictly implements various pandemic prevention measures and adheres to the working principle of both prevention and control and operation.

The hotels under Beijing North Star strengthened epidemic prevention and control efforts, conveyed the local requirements and spirit of pandemic prevention and control to the guests in a timely manner when the guests checked in, filled out the registration form according to the requirements of the industry and the public security department, and supervised the guests to do a good job in pandemic prevention and control. During the stay of guests, the hotel designated personnel to measure their body temperature twice a day, and established a real-time monitoring system for pandemic risks. A temporary quarantine observation room is set up at the entrance of the hotel lobby and the entrance of the staff passage in case fever, suspected or confirmed cases' found. The hotels also provide a clean, reassuring and safe dining service and environment for incoming guests.

Dining service guarantee

- All seating in the public area of the reception and the catering business area is limited by one seat each to avoid close contact and communication between guests;
- A "one-metre safety line" is set in the waiting area
- Clean and disinfect indoor and outdoor tables and chairs and the dining environment four times a day;
- Place utensils only when guest arrives, and promote the use of public chopsticks;
- Register incoming clients and record their body temperature to ensure the safety and health of guests and restaurant staff.



Actively implementing catering and epidemic prevention measures



The catering department of Apartment Management Company arranged catering hygiene management according to the food and beverage hygiene management regulations issued by the Food and Beverage Department of the Market Supervision Bureau during the epidemic, and ensured food safety at all levels.

Restaurant Hygiene

- Disinfect restaurant furniture and public equipment twice a day and open the windows for ventilation
- Extended the high temperature disinfection time of tableware
- Food delivery service personnel are required to wear hygiene and protective equipment
- Scattered dining areas for service staff

Kitchen hygiene

- Chefs' physical health monitoring
- Use disinfectant to wipe kitchen floors
- Use UV light to disinfect in the cold meat room
- Separate processing of raw and cooked ingredients using exclusive tools

Cooking

- Food delivery centre temperature reaches 75 °C 15 seconds



Strengthening Quality Management

Strictly Control the Quality of Food Ingredients

In terms of food safety, the Company's hotels strictly abide by the food safety management system, and implement the *Civil Code of the People's Republic of China*, the *Food Safety Law of the People's Republic of China* and other relevant laws and regulations. The Company arranges special personnel for food raw materials to inspect and accept products, ensure quality and validity period, and cooperate with the Food and Drug Administration to do a good job in food sampling and food sample retention as required. The hotels also carry out food safety education and training on a regular basis, and comprehensively raises the legal administrative level of food safety supervisors and their awareness of food safety.

A number of hotels of the Company regularly review and evaluate the performance of suppliers based on the existing supplier scoring system. The scoring items cover the suppliers' HACCP plan management, quality management system, food storage environment, production control, hygiene control, personnel management, etc. According to the result, the Company implements the reward policy for excellent suppliers and requests the unqualified suppliers to improve within a specified time limit or replace the unqualified suppliers.



At the stage of normalisation of the COVID-19 pandemic, some of the Company's hotels responded to the national pandemic prevention requirements by tracing the cold chain of imported cold chain food, and keeping detailed records in the inventory purchase and delivery registration system to ensure food safety.

Case V-Continent Wuzhou builds a cold chain information platform

In 2021, V-Continent Wuzhou revised the *Regulations on the Management of Bidding for the Purchase of Goods and Services*, which further stipulates the bidding, selection, price comparison, procurement, supervision and management. In accordance with the requirements of epidemic prevention and control, the hotel has established a cold chain information platform in strict compliance with national regulations in terms of cold chains of imported food ingredients.

The hotel strictly follows the requirements of COVID-19 pandemic prevention and control, and requires suppliers' delivery personnel to present nucleic acid tests and codes, and to trace the source of imported cold chain food. The hotel receiving department checks the relevant inspection information of the goods to trace the source. The security department monitors the relevant testing materials of the delivery personnel.

Main incentive methods implemented according to the supplier score results:



assist suppliers to establish quality and safety management system and improve their product quality

Preferential cooperation

preferential signing of next year's purchase

Expand cooperation

increase the quantity of procurement and extend cooperation to the subsidiaries

Long-term cooperation

establish long-term supply cooperation and a strategic alliance relationship

Constructing Qualified Projects

Beijing North Star has established a project quality management target review system, which implements project quality management objectives step by step every year, continues to strengthen review, conducts regular quality sampling inspection for all projects under construction, conducts project self-inspection, city centre inspection and a three-level prevention and control system for NSREG evaluation before delivery, and the evaluation can only be delivered to customers after passing the evaluation. If a customer raises a problem with the quality of the house at the time of house delivery, the relevant department will conduct a detailed review and repair.

To ensure the quality of houses, NSREG improved the process control process from the following aspects:

System construction

The Company revised the *Measures for Inspection and Assessment of Project Management of Beijing North Star Real Estate Group* and other systems, increased the content of safety management hierarchical inspection, clarified the objectives of project quality and safety control, optimised and improved the scope of the project management system, continued to promote the standardisation and refinement of project management of NSREG, and improved the project engineering management level;

Organise third-party project management inspection

The Company organised and completed a total of 64 third-party project quality safety inspection and evaluation work for the self-operated projects of North Star Real Estate Group this year and conducted 18 inspection frequencies for three city centres and five fine decoration and delivery projects. The overall quality and safety conditions of the inspected projects were controllable, and the inspection results of the projects were steadily improved;

Inspection of construction management behaviour of NSREG

Organised and carried out an inspection of construction management behaviour of nine self-operated projects of NSREG, and each project has rectified and responded to the problems as required;

Organising urban centres to carry out bi-monthly inspection of project management

The inspection results are published on the portal of each city centre of the OA office platform on time;

The Company deeply decomposed the annual work plan and participated in the necessary management actions of the project process

Carefully sorted out the essential yearly work of the department, decomposed at each level, assigned responsibilities to each person, formulated the examination objectives, formulated the *2021 Work Plan Deep Operation Breakdown Form of the Engineering Management Centre*, and strictly implemented the departmental management by the requirements.

At the same time, we require all contractors to:

- Implement the quality management system


Comply with national mandatory standards

Ensure the quality standards of construction in progress

Standardise the completion and record of engineering technology data to keep pace with the construction progress

Case North Star Villa 1900 Project Improving Housing Quality Inspection Mechanism

The North Star Villa 1900 project has maintained a meticulous attitude concerning housing quality inspection. The relevant departments inspect the quality of the house one month before the house is delivered to the customer. In case of any problem, the relevant departments will be arranged to repair the home to ensure no quality problem before the house is delivered.



Housing quality inspection and problem-solving

Fully Implementing Safety Responsibilities

Primary Responsibility


The Party Committee shares common responsibilities with the Administration
One position with two responsibilities
Joint control and management
Accountability for dereliction of duty

Working Policy

Taking precautions as the main task
Every unit is responsible
Highlighting key points
Ensuring safety

Work Requirements

Perfectly safe



Strengthens all kinds of safety protection measures following the work requirements of "perfectly safe", to make thorough deployment and strengthen implementation.

The Company has signed the *Work responsibility Agreement of Safety and Stability* with its branches and subsidiaries, which clarifies the responsibilities and tasks of each enterprise in safety and stability work. Each enterprise has signed a responsibility letter with its subordinate enterprises, departments, teams, individuals and commercial customers, leasing contractors, labour dispatch units, etc., and earnestly implements the primary responsibility of safety and stability level by level, with a signing rate of 100%.

In 2021, the Company had no major production safety accidents, no major fire accidents, no preventable criminal cases and security cases, and no major traffic accidents.

In terms of product safety, the *Three-year Action Plan for Special Rectification of National Production Safety* in 2021 has entered the centralised tackling stage. According to the *Three-year Action Plan*, the list of hidden problems and institutional measures in the centralised tackling location will be dynamically updated, special rectification efforts will be made for crucial and challenging issues, and governance measures will be implemented and improved. To this end, the Company conducted special inspections, identified 43 issues through seven special projects under the *Three-year Action*, and completed corresponding rectification. Since the implementation of the *Three-year Action*, the Company has made positive progress and achieved remarkable results in studying General Secretary Xi Jinping's factual statement on safe production, implementing the primary responsibility of enterprise safe production, building a hidden danger investigation and management system, construction project safety rectification, fire safety rectification, traffic safety rectification, and internal safety prevention rectification.

For a long time, in operation and management, Beijing North Star has always placed safety production responsibility as its top priority. Against the backdrop of the normalisation of the COVID-19 pandemic, Beijing North Star continued to improve pandemic prevention measures, strengthened safety protection, and carried out targeted safety inspection and supervision. Before each reception of introductory meetings and event safety guarantee work, Beijing North Star timely and comprehensively understood and mastered the tasks and requirements of the reception work, investigated the hidden dangers of work, focused on strengthening the position related to fire prevention, stability maintenance, security and traffic management, supported the implementation of the post safety responsibility system, consolidated the details of the work plan, formulated unique techniques for security and emergency handling, and organised special drills such as fire prevention to improve various safety protection measures comprehensively.

Guaranteeing Customer Rights and Satisfaction

Privacy Protection of Customer Information

In terms of customer privacy protection, following the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* and other relevant regulations, the Company has formulated and implemented the *Administrative Measures for Legal Affairs of the Company* and *Implementation Rules for Contract Management of Beijing North Star and BNSIGC* to meet customers' needs for privacy protection. The head of each branch and subsidiary is responsible for the supervision, while the discipline inspection committee and integrity supervisor are responsible for maintenance. During the Reporting Period, the Company did not receive any complaint regarding customer information leakage.

At the same time, the increasingly complex network security situation poses challenges for Beijing North Star to protect customer privacy. Therefore, following the *Cybersecurity Law of the People's Republic of China* and other relevant laws and regulations, Beijing North Star did an excellent job in network security and informatisation, strictly implemented the responsibility system for network security work, solidly promoted the network security protection system and capacity building, effectively built the Company's network security barrier, and continuously created a new situation for network security work. The Company and its subsidiaries continue to improve the network information security protection system from physical security, network security, system security to application security, data security, security management and security organisation.

Case Xin Cheng Property strictly manages owner information and files

Xin Cheng Property strictly manages the owner's information and files in the jurisdiction. If it is necessary to search for relevant owner's knowledge and owner's files, it will make enquiries following the following requirements:

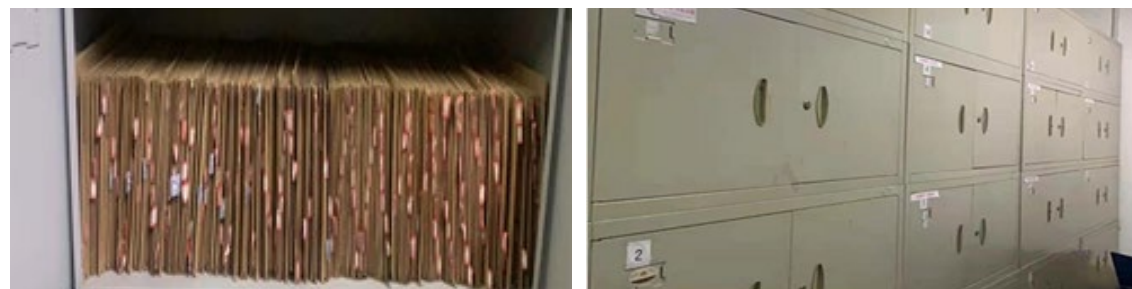
In general, the Company does not make external information inquiries

The owner can only make inquiries with his or her ID card

Non-property owners shall hold the property owner's power of attorney and relevant identification documents before making inquiries

The Company shall cooperate with the personnel with public inspection laws related information and certificates

The Company has included the owner's information and owner's files in the *List of Secret Matters of North Star Xin Cheng Property*, and the owner's files and information are stored separately in the particular file cabinet and file box of each property project, which is strictly controlled by the customer service supervisor of each property project and the property project manager.



File cabinet stores owner information and files separately

Customer Satisfaction Management

During the Reporting Period, the customer satisfaction level of Beijing North Star has reached 91.58%, and the customer satisfaction level of convention and exhibition, hotel, office building, apartment have reached the benchmark enterprise level in the industry, indicating that the Company has continuously paid attention to and optimised the implementation of customer satisfaction in recent years.

During the Reporting Period, Beijing North Star adopted the implementation standards for customer reception services at sales sites and the "mystery guest" inspection mechanism to supervise and improve customer services in multiple dimensions. In terms of handling customer complaints, as of 31 December 2021, Beijing North Star received a total of 26 customer complaints (including exhibitions, hotel, office building, and apartment) throughout the year. All complaints were communicated with the relevant project companies as soon as possible, and feedback was completed.

In 2021, the average customer satisfaction rate of convention and exhibition, hotel, office building, and apartment was

91.58 %



100 %

of complaints were responded adequately and handled.

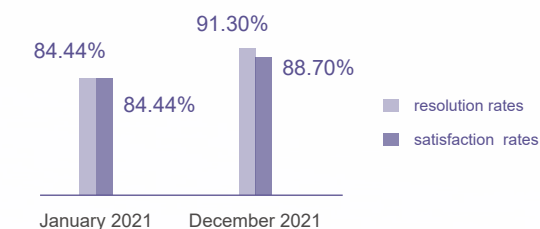


In terms of complaint handling and response, the Company continued to improve the "immediate handling of complaints" system and carried out relevant work and examination, ensuring timely research and deployment and ensuring the efficient implementation of various work. At the same time, the Company actively responded to customer demands, found and solved the root causes of customer complaints, sorted out the sensitive points of customer complaints, fundamentally improved the quality of products and services, and prevented the recurrence of similar complaints.

Case During the year, the work satisfaction of "immediate handling of complaints" continued to rise

In 2021, Beijing North Star held the 2021 training session on "immediate handling of complaints" for citizens' hotline service to help employees deeply understand the reform requirements of relevant departments at the municipal level to enhance the people's sense of gain, happiness and security as the overall goal of work, strengthen the Company's ability to "receive complaints as soon as possible" in all aspects of employment, solve the problems of the people within the scope of service management of branches and subsidiaries, and effectively achieve the goal of "the people have a call, I have a response".

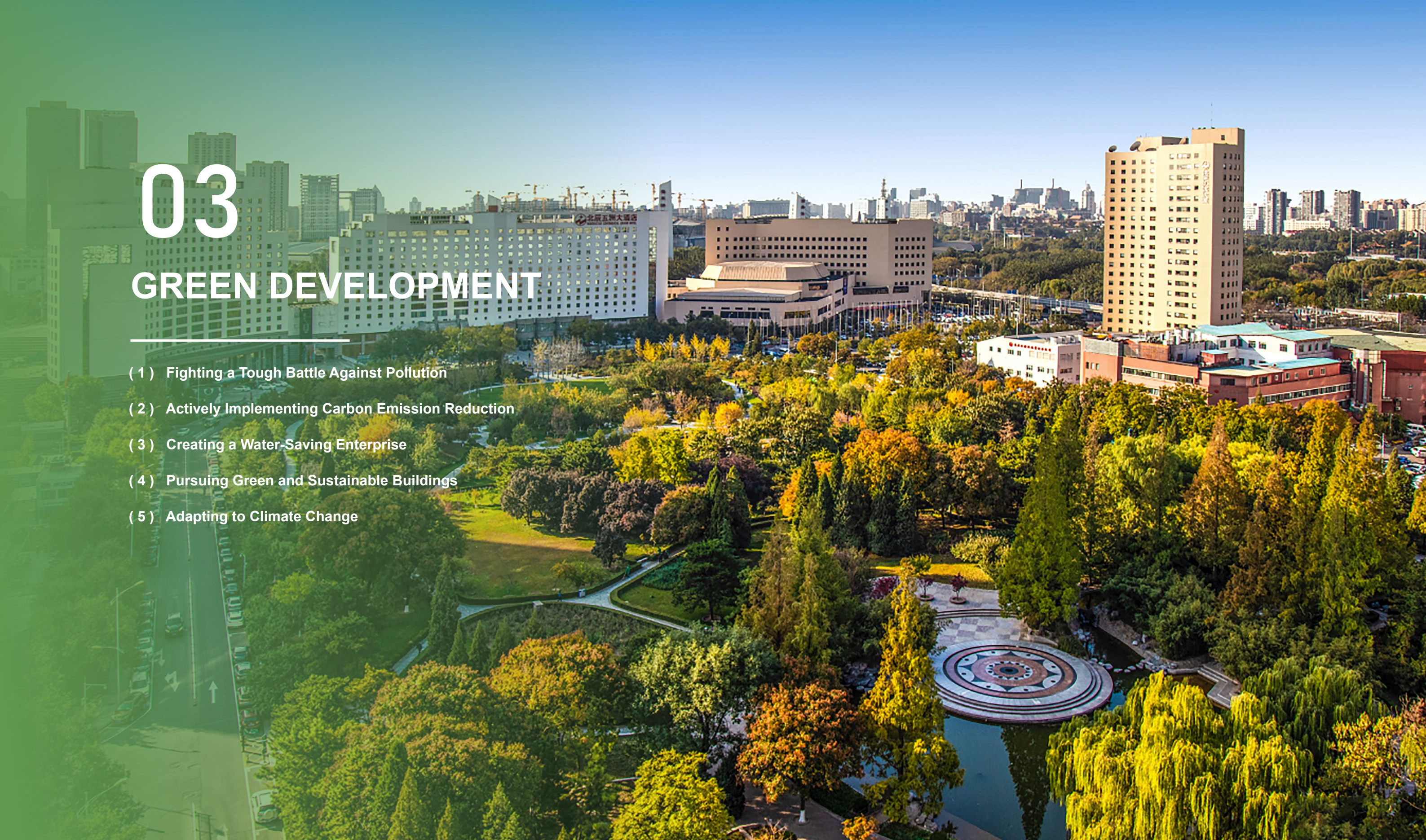
From January 2021 to December 2021, 1,032 complaints were received from the public. The resolution and satisfaction rates increased from 84.44% and 84.44% in January 2021 to 91.30% and 88.70% in December 2021, respectively. The ability to solve the public's demands and the work level of corporate service has been steadily improved.



03

GREEN DEVELOPMENT

- (1) Fighting a Tough Battle Against Pollution
- (2) Actively Implementing Carbon Emission Reduction
- (3) Creating a Water-Saving Enterprise
- (4) Pursuing Green and Sustainable Buildings
- (5) Adapting to Climate Change



China strives to achieve carbon peak by 2030 and carbon neutrality by 2060. It is a major strategic decision made by the Communist Party of China Central Committee after thorough consideration, and a solemn commitment of China to address global climate change. Beijing North Star deeply implements the spirit of the central government and always implements the concept of energy conservation and environmental protection in all aspects of work. After the proposal of the dual-carbon goals, Beijing North Star gives full play to the demonstration and leading role of green and low-carbon development, implements the green development policy of low-carbon and environmental protection, increases investment in environmental protection, practices garbage classification, and combines industrial advantages to improve the green level of buildings, create a green supply chain, and adhere to the sustainable development path of low emissions and high efficiency.

Fighting a Tough Battle Against Pollution

In 2021, Beijing North Star actively formulated pollutant emission targets, paid close attention to pollutant discharge management, optimised the disposal and management of non-hazardous and hazardous wastes, and committed to deepening the battle of pollution prevention and control, contributing to the realisation of the national dual carbon goals. The Company implemented unified standard management for its owned properties. As of December 31, 2021, the pollutant discharge permits of the Company and its branches and subsidiaries have passed the re-inspection and achieved up-to-standard discharge.

Pollutant emission target

The emission target of air pollutants and water pollutants meets the environmental protection requirements



for example, nitrogen oxides emission is less than

30mg/m³

Advancing Pollution Discharge Management

Beijing North Star believes that the sustainable development of an enterprise should achieve the comprehensive growth of economic value and environmental value. Therefore, during business operation, the Company strictly abides by the relevant laws and regulations of the PRC on air pollution emissions, sewage discharge, solid waste treatment and noise control, identifies the primary "pollution sources" such as kitchen fumes and exhaust gas, dust, domestic wastewater, domestic waste and construction waste, and formulates targeted response measures. For example, the Company installs fume separators, filters and other purification treatment facilities in the kitchen and regularly cleans them to treat flue gas emissions, effectively preventing the direct emission of harmful gases to the atmosphere from the source. Through technological transformation, the emission gas meets the requirements

of the *Integrated Emission Standard of Air Pollutants (DB11/501-2017)*. The emission gas can only be put into operation after passing the inspection to ensure that the emission meets the standards.

In terms of water pollution prevention and control, Beijing North Star treats the discharged wastewater for pre-treatment by the *Measures of Beijing Municipality for Administration of Drainage and Water Recycling* to ensure that the water quality meets the discharge standards. Together with its branches and subsidiaries, Beijing North Star comprehensively sorted out and investigated the rainwater and sewage pipe network to achieve the same flow of rain-free sewage. The rainwater and sewage pipe network are washed regularly every year, and the discharged water quality is tested irregularly to refine the sewage discharge management.

In addition, to control the air pollutants and sewage discharge from the hotel business, the Company continued to strengthen the relevant management standards of the industry and carefully complied with and implemented industry emission standards such as the *Emission Standards of Oil Fume for the Cooking* and the *Technical Guidelines for the Formulation of National Water Pollutant Emission Standards (HJ 945.2-2018)*. The Company regularly (once every two months on average) organises the cleaning of the kitchen oil fume hood, equipment pipelines, oil separators and fans, etc., and conducts scheduled maintenance of the kitchen water and smoke hood equipment to ensure that the appropriate equipment usually operates.

Standardised Hotel Pollution Control Policies

Kitchens are equipped with Fresh Air Duct(FAD) & Exhausted Duct(EAD) facilities, and complied with oil fume emission standard

Clean the kitchen fume purifiers, fume hoods and flues every two months and issue the emission test reports

Kitchens are equipped with grease separators; defatted sewage is discharged into the municipal sewage pipe network, and the sludge is treated by qualified institutions

Entrust the specialised environment appraisal organisation to carry on the overall environment management appraisal regularly every year

Temporary storage of hazardous waste shall be set up, and hazardous waste liquid generated in daily operation shall be dealt with by qualified institution on a regular basis

Non-Hazardous Waste Treatment and Management

Beijing North Star strictly abides by the *Waste Disposal Ordinance*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and other laws and regulations, and actively classifies, recycles and reuses waste.

Targets of non-hazardous waste disposal and management

The Company continues to strengthen the management of non-hazardous waste in owned properties in terms of waste classification, recycling and reuse



In terms of domestic waste management, Beijing North Star implemented the *Regulations of Beijing Municipality on the Management of Waste Classification*, kept promoting waste classification, strengthened incentives and guidance, strengthened daily management, promoted habit cultivation, achieved the reduction of domestic waste, and improved the consciousness and accuracy of sort and placement. At the same time, the Company made full use of *North Star Daily*, WeChat official account, bulletin board, etc., to carry out extensive publicity of waste sorting and do an excellent job in demonstration construction. In October 2021, the supervision and inspection team of Beijing SASAC conducted an on-site inspection on the work of Beijing North Star as a demonstration unit for household waste classification and fully affirmed the Company's household waste classification.



Special inspection of waste classification



Four-coloured garbage bins

To reduce the discharge of construction waste, Beijing North Star actively promotes and applies green recycled materials in its projects. Starting from the source, it improves the recycling rate of raw materials, reasonably optimises the construction process and reduces the amount of construction waste generated on-site. In addition, landfilling is carried out according to local conditions to reduce the transportation volume of construction waste. For construction

waste, it formulates consumption plans and measures and arranges special personnel responsible for the supervision and inspection of waste removal and disposal to maximise the reduction and efficiency of waste.

The hotels of the Company choose degradable environmental protection products as packaging materials when purchasing consumables and do not use excessive packaging products in guest rooms to reduce

unnecessary non-degradable waste. As the Company's businesses do not involve the purchase and use of large quantities of packaging materials,, the data of packaging materials is not disclosed.

Based on reducing non-hazardous waste, the Company continues to strengthen the recycling of various materials. The hotel classifies, separates and uses recyclable waste generated in guest rooms. For example, waste towels in guest rooms are dyed and used as rags in public areas. The discarded bed sheets are made into inner pillow

bags, and the used soap heads, shampoo and bath in guest rooms are recycled to laundry rooms for cleaning rag glass. In addition, plastic products are centrally recycled by a particular recycling enterprise entrusted by the Company. The "COMPREHENSIVE PERFORMANCE" has disclosed the amount of recycled and reused glass products, plastic products, waste

towels of hotel rooms, soap, and toothbrushes.

Hazardous Waste Treatment and Management

The Company selects and identifies hazardous wastes by the *Directory of National Hazardous Wastes* and selects qualified suppliers in the operation, transportation and disposal of hazardous wastes for centralised collection and disposal of hazardous wastes. In addition, to further strengthen the control of hazardous waste generated in the Company's office and production environment, and to protect the health and safety of employees, the Company has formulated and implemented the *Regulations on the Management of Hazardous Wastes* to strictly regulate the classification, storage, recording, transportation and disposal of hazardous waste generated in the Company's daily operations. The primary hazardous wastes include waste lamps containing mercury, electronic wastes, waste ink cartridges, etc. The Company has adequately treated the above wastes following the *Regulations on the Management of Hazardous Wastes*.

Hazardous waste disposal and management Target:

to continuously improve the disposal and management of hazardous waste



Steps of Waste Treatment:

- Classification
- Storage
- Recording
- Transportation
- Disposal

In addition, some of our hotels have adopted IHG's hazardous substance management policies, which mainly include the following aspects:

Identify and carefully manage the isolated storage areas for hazardous substances in the hotel, including cleaning liquid, paint, paint remover and diluent, to avoid potential health and environmental risks and improve the safety of the working environment.

Training on risk identification and proper handling procedures for employees responsible for hazardous substance disposal.

Each hazardous substance is properly transported and disposed of by qualified recycling agencies.

Actively Implementing Carbon Emission Reduction

In terms of the use of energy and resources, Beijing North Star adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, conscientiously implemented the concept of green development, strictly complied with the relevant provisions of the *Law of the People's Republic of China on Energy Conservation* and the *Environmental Protection Law of the People's Republic of China*, and combined with the established internal rules and regulations of the Company to strengthen energy management. Based on ensuring technical feasibility and reasonableness, it reduced consumption, reduced losses, eliminated waste of resources, and maximised energy use efficiency. Currently, the energy management system of Beijing North Star has obtained ISO50001 certification.

As early as the Company was founded, it established the Equipment Energy and Resource Management Energy Saving office to strengthen the management and monitoring of energy use of the properties held by the Company in Beijing, support daily energy conservation management, and implemented the concept of environmental protection. The Company continues to optimise the energy management system, conducts monthly statistics on the energy use of each branch and subsidiary, and draws energy consumption comparison curves. The company formulates energy conservation and emission reduction targets and practical environmental protection solutions based on the figures.

In 2021, to actively support the national dual-carbon goals, Beijing North Star formulated emission reduction goals and stimulated the potential of energy conservation and emission reduction through the following key measures to consolidate the foundation for low-carbon development of enterprises:

	Strengthen leadership, formulate carbon emission reduction and carbon neutrality work plans, decompose carbon emission indicators, and implement a target responsibility system.
	Implement energy conservation and emission reduction, pollution reduction and efficiency enhancement, and green, low-carbon and environmental protection management systems.
	Focus on the transformation of vital energy-consuming units and essential energy-consuming equipment, actively promote the application of new technologies and new products for energy conservation and emission reduction and strengthen the supervision of carbon emission reduction.
	Continue to implement work such as energy conservation target responsibility verification, carbon dioxide emission verification, energy audit, clean production audit and power consumption limit management for public buildings, consolidate the essential measurement management, increase the secondary measurement meter allocation rate, and strive to reach more than 95%.
	Strengthen energy-saving publicity, training and education, and advocate green and low-carbon work and lifestyle.
	Continuously improve the examination, reward and punishment mechanism.

At present, Beijing North Star has completed the performance of carbon emission rights in 2020. After the completion of the version, together with the remaining quota in the past, 17,507 tons of carbon dioxide emission quota remained in the account of the listed company.



Energy-saving and emission reduction targets

Energy-saving and emission reduction targets: Through energy-saving and emission reduction measures, the carbon dioxide emissions at the end of 2021 decreased by

0.8%

compared with the weighted average value of emissions for the three years from 2018 to 2019, and successfully completed the fulfilment of carbon dioxide emissions

Creating a Water-Saving Enterprise

Under the guidance of the scientific outlook on development, Beijing North Star adheres to the principle of conservation first and has formulated a strict water resources management system. It strictly controls the water consumption indicators of its subsidiaries every year, implements the indicator responsibility system, decomposes the responsibilities to each enterprise at all levels, conducts inspections according to the implementation of the indicators, and vigorously promotes the laws and regulations related to water conservation. In addition to its daily operations, the Company actively develops and implements water-saving targets, promotes the use of reclaimed water, accelerates the recycling of water resources, and promotes the construction of water-saving society with practical actions.

Target of water resource utilisation efficiency:

guide enterprises to introduce municipal reclaimed water or establish reclaimed water treatment systems according to the regional conditions of their subsidiaries, and apply reclaimed water treatment systems to strive for a daily reuse rate of over **95%** of domestic wastewater

Case North Star Real Estate Group Water Conservation Measures

From construction to office, NSREG actively formulates and implements water-saving measures in its operation, including but not limited to the following criteria:

- When signing professional subcontracting or labour contracts, the water-saving quota indicators are included in the contract terms for measurement and verification.
- Measurement tests shall be conducted regularly at each stage of construction, and the records of measurement tests shall be kept.
- Water-saving systems and water-saving appliances are adapted for domestic water consumption at construction sites, office areas and living areas, with the configuration rate of water-saving instruments reaching 100%. Water-saving slogans are posted in bathrooms and toiletries.
- Centralised water supply points are set up in the living area, and tap water can be consumed directly, convenient and hygienic.
- Reasonably arrange the on-site water route, adopt reasonable pipe diameter and pipeline, and reduce water leakage in pipe network and water appliances. We use pressure sprays and laminated steel for concrete maintenance to protect water, save water, and strictly prohibit watering from conserving concrete. Natural precipitation is fully collected for sprinkling on the road to reduce dust, washing vehicles, greening, watering, etc.

Since the official launch of the South-to-North Water Diversion Middle Line Project at the end of 2014, the water shortage in the Beijing-Tianjin-Hebei region has been alleviated. During the Reporting Period, as most of the properties held by the Company are in Beijing, and the water used in the Company's daily operations is purchased water, the Company did not face any difficulty obtaining water during the Reporting Period.



Pursuing Green and Sustainable Buildings

Beijing North Star actively implements Xi Jinping’s Thought of Ecological Civilisation and the applicable, economic, green and aesthetic construction policy for the new era during the Fourteenth Five-Year Plan period, creates sustainable buildings with a sound system and first-class labels, and contributes to the green transformation and sustainable development of the economy.

The Company has internally formulated relevant management rules and regulations such as the *Evaluation Standard for Green Construction Projects*, the *Standard for Green Building Evaluation* and the *Acceptance Standard for Construction Quality of Energy-saving Building Projects*, which clearly stipulate the basic principles of green building research and development, promotion of green environmental protection concept, and adherence to green development and ecological priority, so as to ensure the coordinated economic development and ecological environment.

In recent years, the Company has incorporated the concept of green design into its development and operation of properties. From planning construction to subsequent processes, the Company has implemented green buildings and relevant, sustainable development standards. For newly developed properties, energy-saving and environmental-friendly construction materials are selected. For new projects in Beijing, the *Energy-saving Design Standards for Residential Buildings in Beijing (DB11/891-2020)* and the *Standard for Green Building Evaluation (GB/T50378-2019)* are all referenced. For projects under construction by NSREG across the country, relevant standards are also actively used.



Environmentally-Friendly Construction

The Company conscientiously implements the requirements of the national and municipal governments on environmental protection, including but not limited to the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Pollution from Environmental Noise* and other significant laws and regulations, actively completes various environmental protection tasks assigned by superior units, and reduces the impact of project construction on the surrounding environment by formulating and unifying relevant internal management policies and measures. During the Reporting Period, the Company did not significantly negatively impact the environment and natural gas sources.

During the construction process, Beijing North Star strictly complied with the requirements of the competent authorities of the industry to cover the exposed part of the construction site, set up spraying facilities on the top side of large-scale public construction projects, equipped with dust mist reduction cannon and increased the area of spreading to suppress dust effectively. At the same time, the Company strictly reviews the construction organisation and design, actively adjusts the process and optimises the process with the design unit, supervision unit and construction unit, and reduces secondary on-site processing and on-site mixing operations through off-site prefabrication of components and purchase of commercial concrete, so as further to reduce the generation of pollutants in the construction process.

Case

Several projects of North Star Real Estate Group adopted green building-related standards

- Suzhou North Star Guanlan Mansion is designed and constructed by the one-star standard of the *Standard for Green Building Evaluation*.
- The construction in progress of Chongqing Yuelai No. 1 Project has been implemented following the *DBJ50-071-2016 Chongqing Residential Building Energy Saving 65% (Green Building) Design Standard* issued by Chongqing, and the first, second and third phases have successfully obtained the silver-level label of energy efficiency evaluation (Green Building).
- North Star Xianglu is designed and constructed by the one-star standard of the *Standard for Green Building Evaluation*.
- Haikou Chang Xiu Shi Jia Project carries out planning design and construction application following the *Hainan Province Green Ecological Community Technical Standards*. The construction drawing design and deepening are carried out by the *Hainan Province Residential Building Energy Conservation and Green Design Standards* and the *Hainan Province Green Building Design Description Chapter (2019 Edition)*. All residential buildings are fully decorated, and prefabricated construction is adopted.
- The North Star Mansion project B6902 land parcel, B6903 land parcel and B7001 land parcel are designed and constructed following the one-star standard of the *Standard for Green Building Evaluation*. The North Star Mansion project B7102 land parcel is designed and built by the basic level of the *Standard for Green Building Evaluation*.
- Chengdu North Star Luming Maison Project was designed and constructed following the two-star standard of the *Standard for Green Building Evaluation*. The Langfang Chenrui Project is designed by the one-star standard of the *Standard for Green Building Evaluation* of Hebei Province.
- Hangzhou Fuyang Chenchun Lancheng Project has obtained two-star green buildings and adopted renewable recycled materials as much as possible in design to effectively reduce the utilisation rate of non-renewable materials. Several energy-saving and emission reduction measures were adopted in the whole area, including prefabricated components, whole-area refined decoration, air source heat pump, and whole-house heat preservation.







Case

North Star Real Estate Group Environmental-friendly Construction Plan

North Star Real Estate Group requires the construction site to organise and minimise the disturbance to the site, respect the original environment of the site, and formulate environmental-friendly construction-related plans to clarify the following:

- protected areas, protected objects and protective methods within site
- Reduce the four-connection and one-stop (water, electricity, road, network and site formation) and the disturbed areas of earthwork excavation and reduce the layout of temporary facilities and construction pipelines
- Reasonably plan and arrange the construction land of the general contractor and the subcontractor to avoid secondary moving
- Reasonably plan the traffic connection within the construction site to ensure smooth transportation
- Clarify the methods of waste elimination and disposal and reduce the impact of contaminated waste on the site ecology and environment; The construction site is closed for construction

At the same time, North Star Real Estate Group is committed to achieving “six 100 points” in the construction process:

 100% enclosure of construction sites	 100% hardening of roads on construction sites	 100% method operation of earthwork and demolition	 100% airtight transportation of muck vehicles	 100% washing of cars entering and leaving the construction sites	 100% coverage of piling up of materials on construction sites
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to reduce the impact of construction on the environment in an all-round and full-process manner

Green Office and Operation

Based on its situation, the branches and subsidiaries of Beijing North Star have formulated diversified and rich green office and operation measures, striving to achieve the dual objectives of resource conservation and cost reduction.

Case The National Convention Centre Promotes “Electronic Office” and Resource Recycling

- Fully implement “electronic office”, give full play to the role of electronic platforms such as OA collaborative office system, Event Business Management System (EBMS) and OPERA hotel management system, establish efficient work communication process, and reduce the use of office paper.
- Set up “recycled paper” recycling boxes in the printing area to promote paper recycling for wastepaper.
- For electronic office products, special personnel are regularly invited to maintain and adequately extend the service life of the equipment, and professional institutions are asked to evaluate the recycling, recycling production and harmless treatment.
- Replace and obtain office supplies such as waste batteries and printer cartridges for unified recycling management.
- Give priority to green and energy-saving product suppliers, adopt a standardised procurement system and electronic procurement platform to purchase products and services with a less negative impact on the environment, and jointly promote environmental protection and low-carbon office with partners.

Case V-Continent Wuzhou Energy Conservation and Consumption Reduction

- Strengthen the management, inspection, repair and maintenance of air conditioners in public areas, refine the management system of fresh air and air-conditioning units, and regularly adjust the temperature of the air-conditioning regions and the shutdown time of air-conditioning units through the building automatic control system, to do an excellent job in energy conservation.
- Set the water temperature of the refrigerating machine according to the outdoor temperature.
- Each department must set the air-conditioning temperature in the business premises at 26 degrees Celsius in summer and 18 degrees Celsius in winter. At the same time, the actual environmental temperature is constantly measured and adjusted appropriately according to the environmental temperature and the needs of customers.
- Implement the implementation rules of energy conservation and consumption reduction to ensure that other office equipment such as lights, air conditioners and computers are turned off when leaving.
- The Engineering Department will take the lead to adjust the use time of specific equipment in the kitchen and laundry rooms of the hotel, together with the guest room department and the food and beverage department, to avoid power consumption during peak hours.
- Gradually transform the lighting system in the public area of the hotel, replace all damaged traditional light sources with LED light sources, and reduce the energy consumption of the lighting system based on meeting the existing lighting system's illumination, colour index, colour temperature, power factor, passive light-adjusting and intelligent control.
- The hotel formulates a paper usage plan every year to control the procurement volume. Employees of all departments can consciously use double-sided printing of office paper at work.

Adapting to Climate Change

2021 is a year of frequent extreme weather. The frequency and intensity of disasters such as floods and rainstorms have increased, and the possibility of significant severe weather and climate events has enhanced, which may easily have a considerable impact on the Company's construction, power supply, water supply and drainage, and even pose a threat to the safety of construction workers.

In 2021, due to the significant rainfall during the flood season and the frequent occurrence of rainstorm warnings, to effectively carry out safety production during the flood season, the Company set up a flood prevention leading group and a flood prevention available control room and successively issued the *Notice on Work Safety during the Summer Flood Season* in 2021 and the *Notice on Further Strengthening Safety Work during the Summer Flood Season*, requiring all enterprises to set up a flood prevention leading group and a flood prevention emergency rescue team, carefully revise flood prevention emergency plans, improve emergency response capabilities, establish a flood prevention and disaster relief material ledger, and timely complete the maintenance, update and supplement of flood prevention and disaster relief materials, to effectively ensure the smooth passage of extreme weather in relevant regions.

04

PEOPLE ORIENTED

- (1) Improving Talent Management
- (2) Caring for Employees' Health
- (3) Caring for Employees' Life



Beijing North Star firmly believes that employees are the key to the sustainable development of an enterprise. In 2021, Beijing North Star continued to adhere to the “people-oriented” management philosophy, committed to creating a platform for the growth of employees, ensuring the health and safety of employees through multiple measures, creating an ingenious, warm and inclusive working environment, and moving together with employees.

Improving Talent Management

During the Reporting Period, Beijing North Star strictly complied with the relevant laws and regulations in China relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, remuneration and benefits, prevention of child labour and forced labour. The Company adopts a zero-tolerance attitude towards the employment of child labour and forced labour. All candidates must provide legal and valid identity documents before employment to ensure compliance in employment. If any cases of child and forced labour were found, the Company would perform corresponding procedures in accordance with the above laws and regulations. During the Reporting Period, the Company did not have any cases of illegal employment, child labour or forced labour.

The Company has established internal policies and management measures, including the *Management Measures of Labour Contract*, the *Management Measures of Employees’ Salary*, the *Management Measures of Recruitment and Allocation*, the *Provisions on the Employment of Certain Positions*, the *Management Measures for Paid Annual Leave of the Headquarters*, the *Management Measures for Management Level Salary (Trial)*, and the *Supplementary Medical Insurance Plan for Employees*, etc. Beijing North Star updates relevant system documents from time to time in accordance with changes in external laws and regulations, taking into account the Company’s internal procedures and actual conditions, so as to effectively protect the legitimate rights and interests of employees.

According to the *Management Measures of Labour Contract*, Beijing North Star provides employees with:

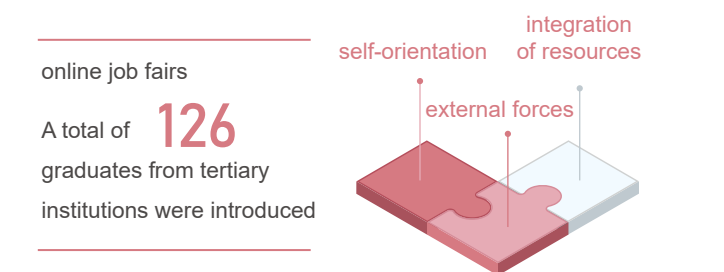
<div>¥</div> <div>Reasonable salary and people-oriented benefits</div>	<div>🕒</div> <div>Working hours stipulated by national labour laws</div>	<div>🏠</div> <div>Annual leave, personal leave, sick leave, marriage leave and maternity leave, etc.</div>
<div>📈</div> <div>Performance appraisal, salary adjustment and promotion plan</div>	<div>🛡️</div> <div>Pay social insurance and housing fund for employees in accordance with national and local laws and regulations</div>	<div>📄</div>



Diversified Talent Acquisition

According to the *Management Measures of Recruitment and Allocation* established by the Company, regardless of campus recruitment or social recruitment, the Company adheres to the principle of transparent and open talent selection, and in accordance with the recruitment principle of "strict control over the entry and appointment processes". The Company earnestly implements the recruitment process of "transparency in employment standards and standardised recruitment process", respects each applicant while minimising the risk of enterprise employment. During the Reporting Period, the Company did not receive any complaints of infringements on the rights and interests of applicants and employees.

In 2021, Beijing North Star successively organised its branches and subsidiaries to participate in a number of “online job fairs” organised by Beijing Municipal Human Resources and Social Security Bureau and Municipal SASAC. A total of 126 graduates from tertiary institutions were introduced, and the campus recruitment work for 2020-2021 was carried out jointly with NSREG and Capital Convention Group. Online publicity and lectures were conducted in the form of “self-orientation + integration of resources + external forces”.



The Company attaches great importance to the introduction of diversified talents, respects and treats employees of different genders, ages, religious beliefs, ethnicities, cultural backgrounds, families and health conditions fairly, and is committed to creating a fair, diversified and creative team and providing a working environment suitable for each employee’s development. In 2021, through the "Excellent Training Program" recruitment activities, retired college student recruitment fairs, and poverty alleviation and employment recruitment fairs, a total of 4 retired college students and 1 fresh graduate from poverty-stricken areas in Inner Mongolia were introduced.



Strengthening Talent Cultivation

Beijing North Star strictly follows the established *Management Measures of Training* and *Management Measures of Cross-training*, respects and helps each employee to realise their personal value, and constantly builds a perfect talent training system and reasonable promotion channels to help each employee realise their career development blueprint. The Company hopes to improve the professionalism of employees and enhance the overall strength of the Company through a sound training mechanism.

In recent years, with the Company's continuous deepening of the two-pronged development strategy of "Convention & Exhibition + Real Estate", the Company's demand for various talents, especially professional talents and senior management talents, has increased significantly. In order to meet the relevant needs, the Company has set up a leading group for talent work. By strengthening internal selection and training and market-oriented selection, the Company holds training courses for fresh graduates, corporate leaders and young talents, promotes the construction of a high-quality professional leadership team, selects excellent and well-matched talent teams, and provides talent guarantee for the development of the Company through the training of special talents of the Capital Convention Group and practical talents of the NSREG.

Development strategy



Convention & Exhibition



Real Estate

Case 2021 Orientation Training for New Graduates

In order to improve the comprehensive quality of employees, stimulate the vitality of the organisation, and strengthen the cultivation of innovative, applied and skilled talents, the Beijing North Star Party School and the Human Resources Department of Beijing North Star jointly held the 2021 orientation training for new graduates, with 141 new graduates from the Company's headquarters and 14 enterprises under its jurisdiction participating in the training.

This training not only strengthened the new employees' understanding of the Company's mission and core values, but also gained a deep understanding of Beijing North Star's vision of "to become a world-class event branded company, to become a leading compound real estate branded company in China". It also helped new employees to find their own position and quickly adapt to their positions.



Beijing North Star orientation training for new graduates

Case Seminar on Improving Management Capability of Corporate Leaders

Beijing North Star attaches great importance to leadership team building and talent training. In 2021, the Organisation Department of the Party Committee, the Party School and Renmin University of China jointly held a seminar on improving the operation and management capabilities of enterprise leaders, aiming to build a high-quality professional leadership team with "loyalty to the Party, courage to innovate, good governance to the enterprise, great prosperity to the enterprise, and integrity". A total of 200 people from the department heads of the headquarters, members of the Company's leadership team and some young department-level reserve personnel participated in the training.

The seminar took the form of centralised off-the-job learning, through on-site lectures, outward bound training, visiting experience, Q & A exchanges, etc., to learn and implement Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the important speech of General Secretary Xi Jinping on "July 1" and the history of the Party, deeply analyse the economic situation of the Fourteenth Five-Year Plan, interpret the three-year action plan for state-owned enterprise reform, and conduct systematic training based on human resources, financial management, high-performance organisation management, etc.



Beijing North Star seminar to improve operation and management capability

Caring for Employees' Health

Beijing North Star places great importance to the physical and mental health of employees, regularly organises employees to go to medical institutions for physical examination, improves employee welfare protection, and ensures that every employee can devote to work with a full mental and healthy body. In addition, in order to further improve the supplementary medical security system and reduce the medical expenses borne by retirees for serious diseases, the Company continued to implement the *Supplementary Medical Insurance Programme for Employees* and the *Implementation Measures for Mutual Assistance in Medical Treatment for Retirees with Critical Illness* to effectively improve the level of medical security.



Caring for Employees' Life

In order to create a safe and comfortable working environment, the Company continues to maintain the equipment and facilities in the office and other operating sites to ensure that indoor lighting is suitable and air circulation is maintained. The hardware facilities in the pantry are regularly maintained and renovated, and the office areas and operating sites are equipped with restrooms, activity rooms and mother-and-baby rooms to meet the diverse needs of employees.

In addition, the Company is committed to enhancing employees' sense of belonging and caring for every employee with wholeheartedly. During the Reporting Period, the Company carried out different forms of caring activities for employees to make them feel warm.



Case A Series of Activities to Celebrate "March 8" International Women's Day

In order to celebrate the 111th International Women's Day on March 8 and demonstrate the demeanour of female employees, Beijing North Star carried out a series of activities such as female leaders representative symposium, female worker director learning exchange and sharing, online legal knowledge competition on the protection of female employees' rights and interests, online psychological care live class, healthy walking, etc. Among them, the activity of "Walk for the Winter Olympics, North Star Women's Online Walking" was well-received by female employees, with nearly 2,000 participants and 78% exceeded 10,000 number of steps.



A series of activities to celebrate "March 8" International Women's Day

Case Serving Employees in the Closed-loop Winter Olympics

At the sprint stage of preparation for the Winter Olympics, the labour unions at all levels of Beijing North Star thoroughly carried out various tasks in relation to the logistics support for employees in the closed-loop of the Winter Olympics.

Based on "targeted services, wonderful activities, and meticulous condolences", the Labour Union has formulated and issued the *Work Plan of the Labour Union on the Care for Winter Olympics Employees*, which integrates multiple resources to provide comprehensive assistance for employees at all levels. Through the establishment of seven emergency support service teams, the Company adopted the "one-on-one" hand-in-hand service form for enterprises around the inner ring, and accurately and efficiently solved the difficulties for employees, established a staff care service team, and the labour union, the Youth League Committee and the Party Committee Publicity Department jointly opened a service mailbox to respond to the needs and confusion of employees in a timely manner, allocated special consolation money for seven enterprises serving the Winter Olympics. The Company completed the employee first-aid skills and corporate trainer training as planned.

Case "Delivering Coolness" Summer Heat Prevention Activity

In line with the spirit of "caring for employees" and starting from caring for the work and life of front-line employees, in August 2021, the Office Building Company distributed heatstroke prevention supplies to front-line employees such as customer service, cleaning and security on the hot summer day, and expressed gratitude to employees for their hard work. The "Delivering Coolness" activity brought employees a refreshing atmosphere while stimulating their enthusiasm for work, reflecting the care of Beijing North Star's subsidiaries for employees.



"Delivering Coolness" Summer Heat Prevention Activity

05

CONTRIBUTING TO THE SOCIETY

- (1) Supporting the Rural Revitalisation
- (2) Caring for Children's Growth
- (3) Caring for the Community



Beijing North Star will uphold the core values of “Loyalty and Responsibility, Co-creation and Mutual Benefit”. During the Reporting Period, the Company's main forms of participation in social welfare include helping rural revitalisation and public charity donations and protecting the interests of the people in the places where it operates by carrying out comprehensive renovation plans for old communities.

Community/ Charity Donation:	Investment in Rural Revitalisation:
950,000 Yuan	9.011 million Yuan

Supporting the Rural Revitalisation

Promoting the effective connection between poverty alleviation and rural revitalisation is one of the key tasks of China in the Fourteenth Five-year Period. During the Reporting Period, Beijing North Star focused on industrial assistance and coordinated the promotion of employment assistance, consumption poverty alleviation, charity donation and other key tasks. In order to strengthen the overall coordination of rural revitalisation and assistance, the Company has established a leading group and working group for this task. In terms of employment assistance, the Company has recruited 27 graduates from poor families in Inner Mongolia. In terms of consumption poverty alleviation, the Company purchased a total of RMB 7,887,700 products in the innovation and entrepreneurship centre, which directly drove the development of industries in the supported areas. In addition, the Company continued to carry out in-depth consumption poverty alleviation, charity donation and industrial poverty alleviation in Inner Mongolia Autonomous Region.

Charity Donation to Support Industrial Poverty Alleviation

The Oroqen Autonomous Banner in Inner Mongolia Autonomous Region is one of the key counties for national-level rural revitalisation. After learning that some of the equipment of the edible fungi bacteria packaging factory in Zhongxing Village, Nuomin Town, Oroqen Autonomous Banner, Inner Mongolia is ageing and the layout of the bacteria maintenance room is unreasonable, etc., Beijing North Star donated RMB 500,000 to the People's Government of Nuomin Town, Oroqen Autonomous Banner, Inner Mongolia as soon as possible to help solve the problem of disinfection and sterilisation in areas such as pre-cooling workshops, vaccination workshop and test room, as well as supplementary equipment. After the assistance, the production capacity of the antibacterial packaging factory is expected to increase from 800,000 bags to 1,000,000 bags per year, the bacterial packaging yield rate will increase from 85% to over 95% per year, and the annual revenue is expected to increase by RMB 100,000 per year.

Targeted Assistance to the Weak Collective Economy Area in Huairou District

According to the unified deployment of the Municipal Party Committee and Government and the Municipal State-owned Assets Supervision, in the Fourteenth Five-year Period, Beijing North Star will complete the income increase and assistance tasks of three villages with weak collective economy, namely Dashizi Village, Yinhe Gou Village and Xuying Village, Tanghe Kou Town, Huairou District. In 2021, Beijing North Star acquired 54,600 catties of agricultural products from three poverty-stricken villages in Tanghe Kou Town, Huairou District through the village collective equity economic cooperative, including 7,200 catties of corn and 47,408 catties of sand sweet potatoes, helping to increase income by nearly RMB 500,000, and successfully completed the target task of achieving an annual operating income of no less than RMB 100,000 for the poor villages.

In the future, Beijing North Star will give full play to its advantages in the industry, rely on its hotels and canteens, and continue to provide consumption assistance based on business needs, actively assist the targeted villages to expand the sales of agricultural products, continuously stimulate the endogenous motivation of the public, and help the targeted villages to achieve rural revitalisation.

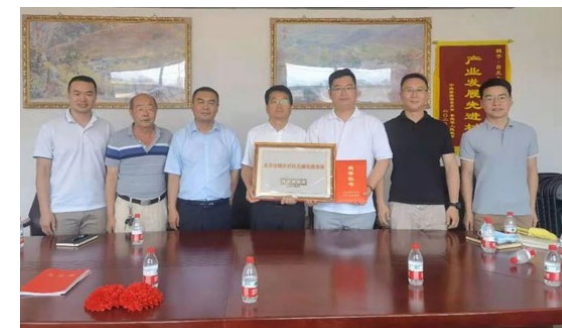


Agricultural Products Consumption Assistance In Three Villages Of Poor Collective Economy In Tanghe Kou Town

Rural Revitalisation in Baihu Tou Village

Beijing North Star deems taking homestay as an important starting point and engine to promote rural revitalisation and carries out a series of assistance work such as rural tourism industry planning and design, consumption poverty alleviation, charity donation, and Party building assistance.

2021 is the third year for the targeted poverty alleviation project in Baihu Tou Village of Beijing North Star. The Office of the Rural Revitalisation Leading Group of Municipal SASAC conducted an on-the-spot investigation on the operation status of the high-end homestay project constructed in Baihu Tou Village, and highly recognised the project's role in enhancing the collective economy, promoting per capita income, and developing integrated tourism industry. At the same time, it fully affirmed the achievements of Beijing North Star in actively driving the whole village to get rid of the poverty and become rich and increase income. Beijing North Star also won the honour of “Advanced Group of Urban and Rural Community Co-construction in Beijing” for its outstanding performance in the “one enterprise, one village” pair-up assistance work.



Beijing North Star won the honour of “Advanced Group of Urban and Rural Community Co-construction in Beijing”

Caring for Children’s Growth

2021 is the ninth year of cooperation between Beijing North Star and Chunmiao Charity Foundation. The Company donated another RMB 950,000 to the Chunmiao Charity Foundation, of which RMB 800,000 was used for medical assistance projects and RMB 150,000 was used for supporting the operation and development of Chunmiao Charity Foundation. During the nine years, the “Beijing North Star • Chunmiao” Foundation donated a total of RMB 8,550,000 to provide medical assistance funds for 375 orphans and children with serious illnesses, and organised 615 online and offline volunteer activities and training sessions. These figures fully demonstrated the public welfare achievements of Beijing North Star.

Caring for the Community

In 2021, Beijing North Star carried out comprehensive renovation of old communities in an orderly manner, and signed the *Cooperation Agreement on Renovation of Old Communities* with the Asian Games Village Street, to integrate the comprehensive renovation of Anhui Beili community environment and local special renovation of Huiyuan residential area into the renovation agreement. Xin Cheng Property has invested nearly RMB 600,000 to fully build a new energy vehicle public charging station with 12 electric vehicle charging stations and 10 electric vehicle charging ports, which not only completely solved the problem of no public charging facilities in Anhuili community, but also prevented the fire accidents caused by the illegal charging of electric vehicles.



Electric vehicle charging stations put into use

06

OUTLOOK

During the Fourteenth Five-Year Plan period, Beijing North Star will continue to strengthen its operation and management, actively fulfil its economic responsibilities, strengthen the prevention of various risks, and work together with partners to build a solid foundation for corporate development.

At the same time, the Company will adhere to the path of sustainable development, continue to conduct in-depth research on the whole thought of carbon peak and carbon neutrality in China and Beijing, and explore more detailed and effective energy conservation, emission reduction, green and low-carbon environmental protection measures based on the current status of its owned properties, so as to lead the Company to further develop towards high-quality development.

In the future, Beijing North Star will continue to fulfil social responsibility, continue to inject momentum into rural revitalisation, support consolidating and expanding the achievements of poverty alleviation and the effective connection between rural revitalisation to build a beautiful China.



APPENDICES

COMPREHENSIVE PERFORMANCE

All the statistical and calculation methods used in the Report are annotated. Data of previous years and data of some indicators have been sorted out and presented. Unless otherwise stated, the data provided in this section are the data collected for the corresponding year or as at 31 December of the corresponding year. The relevant data of “Green Development” in this section is mainly from the properties held by the Company in Beijing (including but not limited to the headquarter, Apartment Management Company, Office Building Company, National Convention Centre, National Convention Centre Hotel, the V-Continent Wuzhou, Beijing Continental Grand Hotel, Beijing International Convention Centre, as well as the InterContinental Beijing, the Public Facilities Management Company and the Land Branch of Beijing North Star). "N/A" in each list indicates the year in which the relevant data is not disclosed or counted, or the data is not available for comparison.

STABLE MANAGEMENT

Prevention of bribery and corruption:

Indicator	2021	2020	2019
Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees	0	0	0
Number of legal cases involved bribery, extortion, fraud and money laundering	0	0	0
Number of employees receiving anti-corruption training	2,982	2,279	-

CUSTOMER FIRST

Quality of Product and Service

Product and service performance:

Indicator	2021	2020	2019
Number of legal cases in which products and services are suspected of having safety and health problem	0	0	0
Number of lawsuits in which products and services are suspected of infringing intellectual property rights	2	2	1
Number of complaints about leaking clients' information	0	0	0
Number of complaints from customers	26	25	-
Clients' satisfaction rate (%)	91.58	87.67	93.10

GREEN DEVELOPMENT³

Emissions

Atmospheric pollutant emissions⁴:

Indicator	2021	2020	2019
NOx (tonne)	3.77	2.80	5.32
SOx (tonne)	0.018	0.014	0.026

Greenhouse gas (GHG) emissions⁵:

Indicator	2021	2020	2019
GHG emissions (tonne CO ₂ eq)	59,120	57,447	68,926
Direct emissions (Scope 1) (tonne CO ₂ eq)	908	728	1,330
Indirect emissions (Scope 2) (tonne CO ₂ eq)	58,213	56,720	67,598
Emission reduced by held trees (tonne CO ₂ eq)	1	1	2
Total GHG emissions per m ² of floor area (tonne CO ₂ eq)	0.0732	0.0699	0.0839

3 During the Reporting Period, some branches and subsidiaries changed fuel oil stoves to gas stoves, and with the gradual stabilisation of the pandemic, business activities increased, and energy consumption increased, which in turn affected atmospheric pollutant emissions and greenhouse gas emissions; Meanwhile, the total amount of hazardous and non-hazardous waste also increased due to the increase in the number of meetings, food and beverage and various operating activities of the Company.

4 The scope of this calculation only covers the total amount of air pollutant emissions caused by the use of gas stoves, boilers and other natural gas-fired equipment in the Company's properties held in Beijing in 2021. The calculation method of air pollutant emissions was referred from the *Manual for Urban Sources of Pollution Coefficient in the Second National Census* published by the State Council of the People's Republic of China and the *Reply on the Emission Coefficient of Sulfur Dioxide from Gas Facilities (Natural Gas Used in Municipal Pipelines) in Beijing* published by the former Ministry of Environmental Protection of the People's Republic of China.

5 The calculation method and relevant emission factors of this greenhouse gas emission list are based on the *Guidelines for Carbon Dioxide Emission Accounting and Reporting for Enterprises (Units) in Beijing (2018 Edition)* issued by the Beijing Municipal Bureau of Ecology and Environment, the *Notice on the Preparation of 2018 Carbon Emission Reporting and Verification and Emission Monitoring Plan* issued by the Ministry of Ecology and Environment of the People's Republic of China, and the *Greenhouse Gas Protocol: Corporate Accounting and Reporting Standards* issued by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The Company's greenhouse gas emissions in 2021 include direct greenhouse gas emissions caused by the use of motor vehicles, gas furnaces, boilers and other natural gas-fired equipment, and indirect greenhouse gas emissions caused by the use of purchased electricity and purchased heat.

Non-hazardous waste:

Indicator	2021	2020	2019
Total non-hazardous waste produced (kg)	3,046,858	1,525,469	2,377,515
Kitchen waste (kg)	1,785,819	954,251	1,749,852
General waste (kg)	1,261,039	571,218	627,663
Total non-hazardous waste produced per m ² of floor area (kg)	3.67	1.86	2.89
Legally disposal rate of non-hazardous waste (%)	100	100	100

Hazardous waste⁶:

Indicator	2021	2020	2019
Total hazardous waste produced (kg)	9,452	4,370	1,924
Fluorescent tube contained mercury (kg)	5,820	3,395	735
Electronic waste (kg)	2,638	446	404
Used battery (kg)	334	255	564
Used cartridge (kg)	616	275	221
Waste oil for cleaning air-conditioning system (kg)	44	0	0
Total hazardous waste produced per m ² of floor area (kg)	0.0114	0.0053	0.0023
Legally disposal rate of hazardous waste (%)	100	100	100

6 For relevant data conversion, the Company calculated according to the average quality of different waste.

Emission and discharge compliance:

Indicator	2021	2020	2019
Number of cases involving illegal emission	0	0	0

Use of Resources
Energy consumption^{7 8}:

Indicator	2021	2020	2019
Total energy consumption (MWh)	119,992	115,109	148,541
Purchased electricity (MWh)	48,562	44,363	62,192
Natural gas (MWh)	3,970	2,882	5,537
Petrol (MWh)	332	310	481
Diesel (MWh)	96	288	381
Purchased heat (MWh)	67,032	67,266	79,950
Total energy consumed per m ² of floor area (MWh)	0.15	0.14	0.18

Water Consumption:

Indicator	2021	2020	2019
Total water consumption (m ³)	676,075	601,844	981,702
Percentage of purchased municipal water (%)	100	100	100
Total water consumed per m ² of floor area (m ³)	0.84	0.73	1.20
Wastewater ⁹ discharge (m ³)	621,989	553,696	903,166

Mitigate Natural and Environmental Impacts

Waste recycled and reused¹⁰:

Indicator	2021	2020	2019
Glass (kg)	62,764	9,303	102,570
Plastic (kg)	83,691	7,803	102,701
Discarded towel (piece)	15,097	30,806	34,625
Used soap (kg)	726	1,774	3,936
Used toothbrush (piece)	133,824	124,695	333,000

Greening environment:

Indicator	2021	2020	2019
Held trees with height above or equal to 5 meters	53	48	94

Environmental protection compliance:

Indicator	2021	2020	2019
Number of cases involving damage to the natural environment	0	0	0

7 The scope of calculation includes the total resources consumption of the Company's property holding projects in Beijing. Energy consumption data was based on the amount of purchased electricity and fuels consumed and the relevant conversion factors provided by the International Energy Agency.

8 Some branches and subsidiaries completed the fuel stove renovation project to upgrade their own fuel stoves (using diesel as fuel) to gas stoves using natural gas as fuel. In addition, the increase in operating activities after the pandemic stabilised, resulting in an increase in natural gas consumption and a decrease in diesel consumption.

9 For relevant data conversion, the Company calculated according to the average quality of different waste.

10 After the epidemic stabilised, the Company's conference volume, catering volume and various business activities increased, resulting in an increase in the waste recycling of glass products and plastic products; In order to host large-scale events, some branches and subsidiaries renovated such items, resulting in a decrease in the recycling of soap and towel.

PEOPLE ORIENTED

Employment

Employee structure:

Indicator	2021	2020	2019
Total number of employees	5,588	5,690	5,852
By gender			
Male	3,181	3,249	3,403
Female	2,407	2,441	2,449
By educational background			
Master's Degree and above	278	302	290
Bachelor's Degree	1,806	1,912	1,834
Tertiary education diploma	1,484	1,490	1,555
Secondary education diploma	544	630	593
Others	1,476	1,356	1,580
By age group			
Above 50	778	649	616
30 to 50	3,370	3,435	3,344
Below 30	1,440	1,606	1,892
By geographical region			
Mainland China	5,581	5,690	N/A
Hong Kong, Macao and Taiwan regions	0	0	N/A
Overseas	7	0	N/A
By employee category			
Senior management	61	75	N/A
Middle management	474	532	N/A
General employee	5,053	5,083	N/A

Remuneration:

Indicator	2021	2020	2019
Ratio of basic salary and remuneration of female employees to male employees			
Management	1.0	1.0	1.0
General employees	1.0	1.0	1.0

Employee turnover¹¹:

Indicator	2021	2020	2019
By gender			
Male (%)	11.6	7.8	15.5
Female (%)	13.2	10.1	23.3
By age group			
Above 50 (%)	4.1	2.8	9.1
30 to 50 (%)	9.4	5.8	8.9
Below 30 (%)	21.8	16.5	34.2
By geographical region			
Mainland China (%)	12.3	8.8	N/A
Hong Kong, Macao and Taiwan (%)	Not Applicable ¹²	Not Applicable ¹³	N/A
Overseas (%)	0	Not Applicable ¹⁴	N/A

Training and development:

Indicator	2021
Percentage of trained employees (%) ¹⁵	100
By gender ¹⁶	
Male (%)	56.93
Female (%)	43.07
By employee category ¹⁷	
Senior management (%)	1.09
Middle management (%)	8.48
General employee (%)	90.43
Training hours per capita	
By gender	
Male	44.17
Female	55.20
By employee category	
Senior management	127.02
Middle management	73.44
General employee	45.68

¹¹ Employee turnovers include dismissal of employees, voluntary resignation of employees, and internal transfer of employees of Beijing North Star. The loss of employees in 2021 was mainly due to the impact of external factors such as the pandemic, and the Company's business adjustment, which led to the loss of employees.

¹² The total number of employees and the total employee turnover are 0.

Occupational Health and Safety

Employees' health and safety:

Indicator	2021	2020	2019
Work-related fatalities (case)	0	0	0
Number of reportable work injury ¹⁸	29	18	1
Injury rate (per 200,000 hours work)	0.519	0.315	0.017
Occupational disease rate (%)	0	0	0
Number of lost day due to work-related injury	799	781	3

¹³ The total number of employees and the total employee turnover are 0.

¹⁴ The total number of employees and the total employee turnover are 0.

¹⁵ Percentage of employees trained = Employees who took part in training / Number of employees x100%

¹⁶ Breakdown for employees by gender = Number of male or female employees took part in training / Employees who took part in training x100%

¹⁷ Breakdown for employees by employee category = Number of senior management or middle management or general employees took part in training / Employees who took part in training x100%

¹⁸ Work-related injuries are accidents. In the future, Beijing North Star will continue to strengthen the management and prevention of health and safety.

CONTRIBUTING TO THE COMMUNITY

Community Investment

Charity:

Indicator	2021	2020	2019
Amount of community/charity investment (RMB 0'000)	95	95	95
Accumulative number of helped children with congenital diseases	375	330	283

Rural Revitalisation¹⁹:

Indicator	2021	2020	2019
Money invested in the poverty alleviation work (RMB 0'000)	901.1	967.9	887.5
Of which: Industrial poverty alleviation products (RMB 0'000)	50	150	N/A
Of which: Helping to sell poverty alleviation products (RMB 0'000)	790	680.6	N/A
The number of registered poor household helped	71	191	N/A
Number of people receiving vocational skills training in poverty alleviation projects for employment transfer (person/time)	-	35	N/A

¹⁹ The amount of investment includes the funds invested in poverty alleviation projects and the funds converted from materials.

LEGAL COMPLIANCE

The operation of Beijing North Star is in compliance with laws and regulations. The laws and regulations that the Company has complied with include but not limited to the contents listed herein.

The laws and regulations corresponding to the Environmental, Social and Governance Reporting Guide	Compliance of the Company
A. Environmental	
Aspect A1: Emissions	
<ul style="list-style-type: none">Environmental Protection Law of the People's Republic of ChinaAtmospheric Pollution Prevention and Control Law of the People's Republic of ChinaLaw of the People's Republic of China on Prevention and Control of Water PollutionLaw of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid WastesLaw of the People's Republic of China on Prevention and Control of Pollution from Environmental NoiseAir Pollution Control OrdinanceEmission Standards of Oil Fume for the CookingWater Law of the People's Republic of ChinaRegulation on Urban Drainage and Sewage TreatmentTechnical Guidelines for the Formulation of National Water Pollutant Discharge Standards (HJ945.2-2018)Ozone Layer Protection OrdinanceNotice of the State Council on Issuing the Work Plan for Greenhouse Gas Emission Control during the Thirteenth Five-Year Plan PeriodRegulation on the Administration of Ozone Depleting SubstancesWaste Disposal OrdinanceDirectory of National Hazardous WastesPollution Control Standard for Hazardous Waste StorageRegulation on the Administration of the Recovery and Disposal of Waste Electrical and Electronic ProductsEmission Standards of Beijing Municipality on Air Pollutants for Catering IndustryBeijing Municipality Comprehensive Emission Standard of Air PollutantsRegulations of Beijing Municipality on the Management of Waste ClassificationCatalogue of Disposable Products Not Allowed in Beijing HotelsDischarge Standard of Water PollutionBeijing Municipality Emission Standard of Water PollutionMeasures of Beijing Municipality for Administration of Drainage LicenseMeasures of Beijing Municipality for Administration of Drainage and Water Recycling	<p>During the Reporting Period, the Company did not violate any laws and regulations related to air emissions, the discharges into water and land, the generation of hazardous and non-hazardous waste and the control of noise listed in this chapter.</p>
Aspect A2: Use of Resources	
<ul style="list-style-type: none">Law of the People's Republic of China on Promoting Clean ProductionCircular Economy Promotion Law of the People's Republic of ChinaLaw of the People's Republic of China on Energy ConservationMeasures for the Management of Energy Conservation in Key Energy-using UnitsThe Energy Conservation Inspection Scheme	<p>During the Reporting Period, the Company did not violate any laws and regulations related to the use of resources.</p>

Aspect A3: The Environment and Natural Resources

- Environmental Impact Assessment Ordinance
- Law of the People's Republic of China on Environmental Impact Assessment
- Land Administration Law of the People's Republic of China
- Soil Pollution Prevention and Control Law of the People's Republic of China
- Water and Soil Conservation Law of the People's Republic of China
- Noise Control Ordinance
- Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise
- Energy Saving Design Standard for Residential Buildings
- Standard for Green Building Evaluation

During the Reporting Period, the Company did not violate any laws and regulations related to the environment and natural resources.

B. Social

Aspect B1: Employment

- Labour Law of the People's Republic of China
- Labour Contract Law of the People's Republic of China
- Regulation on the Implementation of the Employment Contract Law of the People's Republic of China
- Social Insurance Law of the People's Republic of China
- Law of the People's Republic of China on the Protection of Minors
- Law of the People's Republic of China on the Protection of Women's Rights and Interests
- Provisions on the Prohibition of Using Child Labor
- Law of the People's Republic of China on the Protection of Disabled Persons
- Regulation on Paid Annual Leave for Employees

During the Reporting Period, the Company did not violate any laws and regulations related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare listed in this chapter.

Aspect B2: Health and Safety

- Production Safety Law of the People's Republic of China
- Fire Protection Law of the People's Republic of China
- Law of the People's Republic of China on the Prevention and Control of Occupational Diseases
- Labour Insurance Regulations of the People's Republic of China
- Provisions on the Supervision and Administration of Occupational Health at Work Sites
- Regulation on Work-Related Injury Insurances

During the Reporting Period, the Company did not violate any laws and regulations on providing a safe working environment and protecting employees from occupational health listed in this chapter.

Aspect B4: Labour Standards

- Provisions on the Prohibition of Using Child Labour

During the Reporting Period, the Company did not violate any laws and regulations on preventing child and forced labour listed in this chapter.

Aspect B6: Product Responsibility

- Construction Law of the People’s Republic of China
- Production Safety Law of the People’s Republic of China
- Food Safety Law of the People’s Republic of China
- Trademark Law of the People’s Republic of China
- Implementation Regulations of the Trademark Law of the People’s Republic of China
- Product Quality Law of the People’s Republic of China
- Law of the People’s Republic of China on the Protection of Consumer Rights and Interests
- Copyright Law of the People’s Republic of China
- Standardisation Law of the People’s Republic of China
- Law of the People’s Republic of China on Import and Export Product Inspection
- Cybersecurity Law of the People’s Republic of China
- Regulations of the People’s Republic of China on Safety Protection of Computer Information Systems
- Advertising Law of the People’s Republic of China
- Tort Law of the People’s Republic of China
- Patent Law of the People’s Republic of China
- Electronic Commerce Law of the People’s Republic of China
- Intellectual Property Law of the People’s Republic of China
- Measures for the Supervision and Administration of Food Safety in Food and Beverage Service
- Measures for Quality Management of Construction Projects
- Administrative Provisions on the Work Safety License of Construction Enterprises
- Property Management Services Ordinance
- Personal Data (Privacy) Ordinance
- Product Environmental Responsibility Ordinance
- Sale of Goods Ordinance
- Consumer Goods Safety Ordinance
- Trade Descriptions Ordinance
- Basic Requirements for the Graded Protection of Information Security Technology and Network Security
- Regulations on the Implementation of Internet Security Protection Technologies
- Administrative Measures for Internet Information Services
- Administrative Measures for the Security Protection of Computer Information Networks Linked to the Internet

During the Reporting Period, the Company did not violate any laws and regulations on health and safety, advertising, labelling, privacy matters relating to products and services provided and methods of redress listed in this chapter.

Aspect B7: Anti-corruption

- Company Law of the People’s Republic of China
- Criminal Law of the People’s Republic of China
- Anti-Corruption and Bribery Law of the People’s Republic of China
- Anti-Unfair Competition Law of the People’s Republic of China
- Law of the People’s Republic of China on Bid Invitation and Bidding
- Anti-Money Laundering Law of the People’s Republic of China

During the Reporting Period, the Company did not violate any laws and regulations on bribery, extortion, fraud and money laundering listed in this chapter.

SEHK ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs		Locations of Disclosure or Remarks
A. Environmental		
Aspect 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.	Fighting a Tough Battle Against Pollution, LEGAL COMPLIANCE
KPI A1.1	The types of emissions and respective emissions data.	COMPREHENSIVE PERFORMANCE
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	COMPREHENSIVE PERFORMANCE
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	COMPREHENSIVE PERFORMANCE
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	COMPREHENSIVE PERFORMANCE
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Fighting a Tough Battle Against Pollution
KPI 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.	Non-Hazardous Waste Treatment and Management Hazardous Waste Treatment and Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Actively Implementing Carbon Emission Reduction
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	COMPREHENSIVE PERFORMANCE
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	COMPREHENSIVE PERFORMANCE
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Actively Implementing Carbon Emission Reduction
KPI 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.	Creating a Water-Saving Enterprise
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Due to the nature of the Company’s business, matters relating to packing materials are not applicable.
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer’s significant impacts on the environment and natural resources.	Pursuing Green and Sustainable Buildings, Environmentally-Friendly Construction
KPI A3.1	Policies on minimising the issuer’s significant impacts on the environment and natural resources.	Pursuing Green and Sustainable Buildings, Environmentally-Friendly Construction

Subject Areas, Aspects, General Disclosures and KPIs		Locations of Disclosure or Remarks
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Adapting to Climate Change
KPI 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.	Adapting to Climate Change, Actively Implementing Carbon Emission Reduction
B. Social		
Employment and Labour Practices		
Aspect 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 relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Improving Talent Management, LEGAL COMPLIANCE
KPI B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	COMPREHENSIVE PERFORMANCE
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	COMPREHENSIVE PERFORMANCE
Aspect 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.	Caring for Employees' Health, LEGAL COMPLIANCE
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	COMPREHENSIVE PERFORMANCE
KPI B2.2	Lost days due to work injury	COMPREHENSIVE PERFORMANCE
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Caring for Employees' Health
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Strengthening Talent Cultivation
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	COMPREHENSIVE PERFORMANCE
KPI B3.2	The average training hours completed per employee by gender and employee category.	COMPREHENSIVE PERFORMANCE

Subject Areas, Aspects, General Disclosures and KPIs		Locations of Disclosure or Remarks
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Improving Talent Management, LEGAL COMPLIANCE
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Improving Talent Management
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Improving Talent Management
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Advancing Supplier Management
KPI B5.1	Number of suppliers by geographical region.	Advancing Supplier Management
KPI 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.	Advancing Supplier Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Advancing Supplier Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Advancing Supplier Management
Aspect 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.	CUSTOMER FIRST, LEGAL COMPLIANCE
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Due to the nature of the Company's business, this does not apply to the Company.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	COMPREHENSIVE PERFORMANCE, Customer Satisfaction Management
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Protecting Intellectual Property Right
KPI B6.4	Description of quality assurance process and recall procedures.	Constructing Qualified Projects
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Privacy Protection of Customer Information

Subject Areas, Aspects, General Disclosures and KPIs

Locations of Disclosure or Remarks

Aspect B7: Anti-corruption

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Promoting Integrity, LEGAL COMPLIANCE
KPI 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.	COMPREHENSIVE PERFORMANCE
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Promoting Integrity
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Promoting Integrity (In the Reporting Period, the anti-corruption trainings did not include the directors of the Company. This situation has been explained in the corresponding chapter.)

Community

Aspect B8: Community Investment

General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	CONTRIBUTING TO THE SOCIETY
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	CONTRIBUTING TO THE SOCIETY
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	COMPREHENSIVE PERFORMANCE

Reader’s Feedback

Dear Sir/Madam,

Greetings!

Thank you so much for reading the 2021 Corporate Social Responsibility & Environmental, Social and Governance Report of Beijing North Star Company Limited. If you have any comments or suggestions on this Report, please kindly fill in the feedback form below and send it to us by mail, e-mail or fax. We would like to express our deep gratitude for your valuable comments!

1. Which chapters do you think provide you with important information?

- ☐ THE PREFACE
- ☐ COMPANY OVERVIEW
- ☐ COMPANY AWARDS
- ☐ RESPONSIBLE COMMUNICATION
- ☐ STABLE MANAGEMENT
- ☐ CUSTOMER FIRST
- ☐ GREEN DEVELOPMENT
- ☐ PEOPLE ORIENTED
- ☐ CONTRIBUTING TO THE SOCIETY
- ☐ OUTLOOK
- ☐ COMPREHENSIVE PERFORMANCE
- ☐ LEGAL COMPLIANCE

2. Could you please evaluate this Report from below the perspectives?

Legibility	<input type="checkbox"/> Very Good	<input type="checkbox"/> Good	<input type="checkbox"/> Not Good
Completeness	<input type="checkbox"/> Very Good	<input type="checkbox"/> Good	<input type="checkbox"/> Not Good
Cogency	<input type="checkbox"/> Very Good	<input type="checkbox"/> Good	<input type="checkbox"/> Not Good
Layout and Design	<input type="checkbox"/> Very Good	<input type="checkbox"/> Good	<input type="checkbox"/> Not Good
Overall Impression	<input type="checkbox"/> Very Good	<input type="checkbox"/> Good	<input type="checkbox"/> Not Good

3. What do you suggest for our next report?

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