

港龍中國地產集團有限公司

Ganglong China Property Group Limited
(Incorporated in the Cayman Islands with limited liability)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2022



Environmental, Social and Governance Report

Overview

Ganglong China Property Group Limited (“Ganglong China Property”) and its subsidiaries (collectively the “Group” or “we”) are pleased to present the Environmental, Social and Governance (“ESG”) Report (the “Report”) for 2022, which demonstrates the Group’s strategies and performance in corporate sustainable development. Ganglong China Property is an established property developer in the Yangtze River Delta Region of the People’s Republic of China (the “PRC”), business primarily focus in Shanghai, Hangzhou, Nanjing, Suzhou, Nantong, Huzhou, Taizhou, Yancheng, the Greater Bay Area and etc.

About this Report

This Report has been prepared in strict compliance with the requirement under Appendix 27 – Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) of Rules Governing the Listing of Securities on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”), for the period from 1 January 2022 to 31 December 2022 (the “Reporting Period”). The reporting boundary of this Report is defined according to the revenue, gross floor area and net assets value of various development projects of the Group during the Reporting Period. Following this principle, the reporting boundary of this Report include the Group’s twelve project companies and the headquarter office in Shanghai. Key Performance Indicators (“KPIs”) that need to be revealed compulsorily as required by the ESG Reporting Guide are all addressed in the “Environmental Sustainability” and “Social Sustainability” sections of this Report. Alongside with the reporting principles of the ESG Reporting Guide, this Report also discloses the related laws and regulations that have been complied.

Stakeholders’ Engagement

Stakeholders refer to the groups and individuals materially influencing or being influenced by the Group’s businesses. The Group’s stakeholders include government, regulatory authorities, shareholders, investors, directors, employees, customers, suppliers and general public. We strongly believe that effective communications with stakeholders help to understand the sustainability topics which are material to them. It allows us to respond appropriately and effectively, and to prepare this Report based on the topics that are important to them. During the Reporting Period, our communication activities with stakeholders include:

Stakeholders	Communication Activities
Government and Regulatory Authorities	Compliance reports
Shareholders and Investors	Annual general meeting Interim and annual reports Financial and other listing compliance announcements Investor meetings Non-deal investor roadshows Corporate website
Directors	Board meetings
Employees	Employee satisfaction survey Performance appraisal Internal newsletters Employee activities such as training courses, seminars and annual dinner
Customers	Daily operational sales activities Customer newsletters Customer enquiry hotline and email Customer satisfaction survey and feedback form Corporate website

Environmental, Social and Governance Report (Continued)

Stakeholders

Suppliers

Media and General Public

Communication Activities

Supplier seminars and briefings
Performance evaluation and review
On-site inspections and visits

Management media interviews
News announcements
Corporate social media
Outreach and voluntary services
Sponsorships and donations
Corporate website

The Group welcomes stakeholders' opinion and feedback, especially to our approaches and performance on sustainable development. Readers are welcomed to share their valuable views with the Group in following ways:

Contact: Investor Relations Department

Phone number: +852-2688 0855

Email: ir@ganglong.net.cn

Materiality Assessment

Sustainability risks are unique for different companies due to differences in business model. The Group collects stakeholders' opinions on sustainable development issues related to our business through the above-mentioned various communication activities. It allows the Group to identify the ESG topics that need to be prioritized among various issues and formulate more effective ESG strategies and actions. Based on the key concerns of stakeholders, industry characteristics, business nature and market prospects, the Group has identified the following four sustainability topics as most relevant and material:

1. Environmental Protection;
2. Water Resource Management;
3. Waste Management;
4. Diversity and Inclusion.

Board Inclusiveness

The Board of Directors (the "Board") of Ganglong China Property is the highest governing body responsible for formulate the Group's ESG strategies. The Board regularly integrates the Group's ESG goals into businesses, identifies and manages our sustainability risks, and provides improvement recommendations. Under the Board, the Group has set up a dedicated team consists of Company Secretary and the Risk Control Department to assist the implementation of sustainability policies. This team regularly reports the Group's ESG performance to the Board and ensures the Group's information disclosure on sustainable development complies with the ESG Reporting Guide. For enhancing our ESG data collection and consolidation, the Group invited an independent third party sustainability consultant to give advices on our future sustainability approaches.

Environmental, Social and Governance Report (Continued)

Board Statement

The Board is well aware of the importance of corporate sustainable development and actively integrates ESG topics into the Group's business decisions. The Board is fully responsible for the Group's ESG strategies and information disclosure. The Board continues to assess the ESG risks faced by the Group, and guides the management and monitoring of ESG topics that have been identified as relevant to the Group. To ensure effective implementation of the Group's ESG measures, the Board requires the management to report regularly the performance of the Group's various ESG topics. The list of material ESG issues and risks provided by management will be reviewed by the Board to ensure appropriate risk mitigation measures are in place. All ESG information disclosures, policies, targets and guidelines of this Report are reviewed and endorsed by the Board. The Board also confirms the content of this Report. Should you have any questions about this Report, please feel free to give feedback to the Board. The Board ensures that the questions will be properly addressed.

Environmental Sustainability

Emissions

The Group's core property development business consumes certain amount of various natural resources. Thus greenhouse gas ("GHG") is directly and indirectly generated. We therefore strictly adhere to the green construction principle and promote the use of sustainable building materials in our construction projects. Meanwhile, innovative designs and technical optimization measures are adopted to improve the efficiency of the use of various resources and reduce the generation of GHG and unnecessary emissions. The Group strictly complies with relevant environmental protection laws and regulations in relation to property industry in the PRC. Pollutants are discharged in strict accordance with the statutory requirements and standards. Most of our buildings have obtained the two-star certificates of the "China Green Building Design Label", which demonstrates that our designs and use of construction materials are in compliance with environmental protection standards.

During the Reporting Period, the Group generated 87.3kg Nitrogen Oxide, 0.5kg Sulphur Oxide and 7.2kg Particulate Matter. The GHG emissions for the Group were 4,759.1 tonnes of carbon dioxide equivalent for the same period. Our GHG emissions were mainly came from the Scope 2 Indirect Emissions stated in the ESG Reporting Guide, which was the electricity used in daily operations. The Group's Scope 1 Direct Emissions stated in the ESG Reporting Guide was mainly attribute to the vehicles and gasoline used in daily operations, while the Scope 3 Other Indirect Emissions were from the paper used. To offset the Group's emissions, we newly planted 6,721 trees for the Reporting Period.

Table 1: Various Emissions in 2022

Gases	Unit	Amount
Nitrogen Oxide (NO _x)	Kg	87.3
Sulphur Oxide (SO _x)	Kg	0.5
Particulate Matter	Kg	7.2

Table 2: Various GHG Emissions in 2022

KPIs	Unit	Amount	Intensity* (Unit/RMB Million Revenue)
Scope 1 (Direct Emissions)	Tonnes of CO ₂ equivalent	73.1	0.0
Scope 2 (Indirect Emissions)	Tonnes of CO ₂ equivalent	4,621.3	0.4
Scope 3 (Other Indirect Emissions)	Tonnes of CO ₂ equivalent	64.7	0.0
Total	Tonnes of CO ₂ equivalent	4,759.1	0.4

*Note: Intensity was calculated by the Group's revenue of RMB11,892.3 million for 2022.

Environmental, Social and Governance Report (Continued)

Other wastes generated by the Group are mainly daily operation wastes at project construction sites and offices. We require employees, contractors, suppliers and other business partners to minimize waste generation, purchase and use durable and environmental-friendly products. Specialized garbage bins are placed in our construction sites to collect wastes from constructions and workers separately. Wastes are collected in different categories such as toxic, hazardous, recyclable and non-recyclable, for easy recycling and disposal. The waste classification and recycling systems are also implemented in our offices. Recycling bins are used to classify wastes and then deliver them to recycling centers for disposal by professional sanitation service companies. We acknowledge the importance of reducing wastes from sources. The Group has basically accomplished paperless office by encouraging employees to use electronic documents and utilize electronic communications to reduce paper usage. We also promote reusing old office equipment and changing the habit of throwing away immediately after use.

Table 3: Hazardous and Non-Hazardous Wastes in 2022

Wastes	Major Items	Unit	Amount	Intensity* (Unit/RMB Million Revenue)
Hazardous Wastes	Batteries	Tonnes	11.9	0.0
Non-Hazardous Wastes	Daily Solid Commercial Wastes	Tonnes	69.3	0.0

*Note: Intensity was calculated by the Group's revenue of RMB11,892.3 million for 2022.

Use of Resources

The Group strictly controls the consumption of various resources in daily operations and implements measures to use resources effectively. During the Reporting Period, our major resources consumed were electricity, water, gasoline and paper.

Table 4: Usage of Various Resources in 2022

Resources	Unit	Amount	Intensity* (Unit/RMB Million Revenue)
Electricity	kWh	4,741,593	398.7
Water	m ³	443,636	37.3
Gasoline	Liter	30,990	2.6
Paper	Kg	13,484	1.1

*Note: Intensity was calculated by the Group's revenue of RMB11,892.3 million for 2022.

Environmental, Social and Governance Report (Continued)

- **Electricity**

The Group's electricity consumption arises mainly from construction sites and office daily operations. We always remind our staff to reduce electricity consumption. Energy saving and reducing emission educations are conducted to ensure all staff observe electricity saving measures. Energy saving, efficient and environmental-friendly construction equipment and office supplies are adopted in operations. Followings are the electricity saving measures implemented by the Group:

- ✓ Using intelligent lighting system such as LED lightings;
- ✓ Using time control switches for lightings in public areas and adjusting the control according to seasonal changes;
- ✓ Displaying "Turn off the lights after work" posters in prominent positions of construction sites and offices;
- ✓ Upgrading to energy-efficient lifts;
- ✓ Encouraging employees to use less air conditioning and maintaining indoor air temperature at 25 degree Celsius;
- ✓ Checking the shutdown of electrical appliances every day to prevent people from leaving without turning off electrical appliances;
- ✓ Purchasing electrical appliances with energy-saving labels.

- **Water**

The Group's water consumption is mainly from construction sites and office daily operations. We pay special attention to the effective use and conservation of water. We regularly emphasis the importance of water conservation to employees and require them to save water. Our water conservation measures include:

- ✓ Using water efficient equipment, plumbing, sanitary facilities and sprinklers in construction sites and offices;
- ✓ Formulating water recycling measures for properly recycle and reuse water;
- ✓ Using rainwater collection system to collect, store and reuse rainwater for watering plants and cleaning roads;
- ✓ Cutting off unnecessary water usage at sources, and monitoring water usage in construction sites and offices;
- ✓ Posting "Water Conservation" signs in prominent positions of construction sites and offices;
- ✓ Reminding staff to turn off the taps after using;
- ✓ Repairing or replacing water facilities immediately once water leakage is found.

- **Gasoline**

The Group's gasoline consumption is mainly attributable to business vehicles used in daily operations. We implemented following measures to reduce gasoline usage:

- ✓ Promoting the use of low emission gasoline;
- ✓ Purchasing electric vehicles or vehicles with low fuel consumption;
- ✓ Using shuttle bus instead of gasoline private cars;
- ✓ Requiring staff to travel by public transportations if possible;
- ✓ Encouraging staff to conduct video and audio conferences to replace on-site meetings, reducing business travels and the use of transportations.

Environmental, Social and Governance Report (Continued)

- **Paper**

The Group's paper consumption is mainly from sales and marketing materials, and office daily operations. Our priority is to procure environmental-friendly paper and following measures have been implemented to reduce paper usage:

- ✓ Default setting double-sided printing for printers;
- ✓ Recycling of used papers;
- ✓ Effectively using email, intranet, scanner and etc. to transmit or store documents electronically;
- ✓ Purchasing paper from environmental-friendly suppliers;
- ✓ Using electronic means to promote the Group's products and reducing paper promotional materials.

Given the Group's business nature, we did not consume any packaging materials.

Environmental and Natural Resources

The use of construction materials and environmental management of construction sites are the behaviors that have direct and significant impact on the environment and natural resources for the Group. The Group strives to seek more effective and innovative business management and operation initiatives to protect the environment, and reduce natural resources consumption. We promote environmental-friendly workplaces such as paperless offices and construction materials recycling. We also support the development of smart communities and green residential areas, of which sustainability is considered in site planning and facilities management.

We believe that good building material management does not only reduce operating expenses, but also reduce the impact on the environment. During construction, we focus on monitoring the impact on the environment by the suppliers of cement, steel, aluminum alloy, glass and paint, as well as the control of formaldehyde in interior decoration materials. The Group's "Supplier Management and Operation Guidelines" stipulates the professional qualifications and enterprise scale of construction material suppliers, and also gives priority to green suppliers. We emphasize cracking down on counterfeit and shoddy construction materials, and conduct on-site inspections of construction materials in accordance with the requirements of the "Guidelines for Engineering Quality Management and Operation". We require contractors to sign tripartite contracts with the designated building material suppliers, and clearly require that suppliers cannot be changed after the cooperative relationship is established.

In addition, we strictly ensure that contractors comply with all relevant environmental protection laws and regulations, and require them to take the following measures during project construction to minimize the impact on the surrounding environment:

- ✓ Setting up atomized spray equipment and sprinklers to control dust and air pollutants in construction sites;
- ✓ Installing washing equipment at the gate to ensure that vehicles are fully washed and cleaned before leaving construction sites;
- ✓ Covering bare soil to reduce suspended ash;
- ✓ Setting up sewage prevention and control facilities such as septic tanks, grease traps, sedimentation tanks and etc.;
- ✓ Sealing design for the storage of toxic construction materials;
- ✓ Using low-noise and low-power construction equipment;
- ✓ Installing noise monitoring equipment to monitor the noise loudness level.

- **Green Building**

The Group is dedicated to designing and operating our buildings in accordance with the most rigorous and green building principles. We install effective thermal insulation system to prevent unnecessary heat loss or gain, and hence reduce energy consumption. We also aim to adopt more flexible and environmental-friendly building elements such as employing lightweight partition design to enable rapid room adaptation for various purposes, and reduce wastes during renovations. Our persistence in promoting green building is reflected in various property development projects. We aim to obtain environmental building certifications as objective standards to assess our green building performance. During the Reporting Period, the Guangdong Huizhou and Jiangsu Huaian projects within the reporting boundary of this Report have been obtained the "China Green Building Design Label".

Environmental, Social and Governance Report (Continued)

Climate Change

Climate change is the most severe challenge the world is facing. Rising temperatures and extreme weather are seriously affecting our community and the Group's business operations. We regularly review the impact of our daily operations on climate change and are committed to adopting environmental-friendly operating measures to reduce GHG emissions. Meanwhile, we regularly assess the climate change risks on business operations, and enhance our resilience to climate change and avoid against any possible economic loss. During the Reporting Period, the Group identified the following climate-related risks which may induce operational and financial disruptions, and included them in the monitoring list and arranged the corresponding mitigation measures.

Climate Risks	Mitigation Measures
Physical Risks	
✓ Extreme weather caused by climate change may lead to various natural disasters such as hurricane, flooding and wild-fire, which will affect business operations and supply of raw materials.	✓ Develop emergency response measures for maintaining normal business operation.
✓ Potential damage on properties due to the climate change.	✓ Commit to adopting environmental-friendly and low-carbon operating measures to reduce GHG emissions and pressure on global climate change.
	✓ Increase the use of environmental-friendly construction materials and reduce dependence on single supplier.
	✓ Incorporate new climate resilient designs to mitigate potential damage on properties.
Transition Risk	
✓ More stringent corporate sustainability policies and information disclosure requirements by the PRC government and regulatory authorities.	✓ Conduct regular review and analysis of the PRC and international sustainability information disclosure requirements.
	✓ Appoint independent sustainability consultant to enhance ESG information disclosure and data collection.

Looking ahead, the Group will continue to closely monitor the environmental protection policies and regulatory trends in the PRC and worldwide. We will invest in corresponding environmental protection constructions when appropriate to enhance the sustainability performance.

Sustainability Targets

After communicating with stakeholders and considering the potential business development in coming years, the Group has set sustainability targets of the GHG emission intensity, hazardous/non-hazardous wastes generation intensity and intensity of the use of various resources will be maintained at the level of the Reporting Period for the next three to five years. We will continue to adopt the measures in this Report to achieve the targets.

Social Sustainability

Employment

The Group attaches great importance to talents. We firmly believe that talents can bring us continuous business growth and they are our valuable assets. We are committed to creating a friendly and harmonious environment for every employee. The Group strictly complies with the “Labour Law of the People’s Republic of China” and other related laws and regulations. Our staff are treated non-discriminatively with respect to recruitment, employment, training, promotion, remuneration, dismissal and retirement, and irrespective of their gender, race, age, disability, family status, marital status, sexual orientation, religion beliefs, nationality or any other factors unrelated to work. Staff diversity and inclusion are one of the Group’s top priorities. We seek to promote employees’ awareness of equal opportunity and anti-discrimination. We prepared gifts for female employees on the International Women Day to appreciate their services. As of 31 December 2022, the board of directors of our several subsidiaries consisted of 50% female members.

The Group is committed to attracting outstanding talents and all our recruitment follows the principles of openness and fairness. The labor contracts with new employees are signed in accordance with equality, voluntariness and mutual negotiations. “Employee Handbook” is provided to all employees to protect their rights. We support youth development and launched internship programs over the years to provide students with real-life on-the-job experiences and opportunities. We also organize campus recruitment events to hire university graduates with skill and potential.

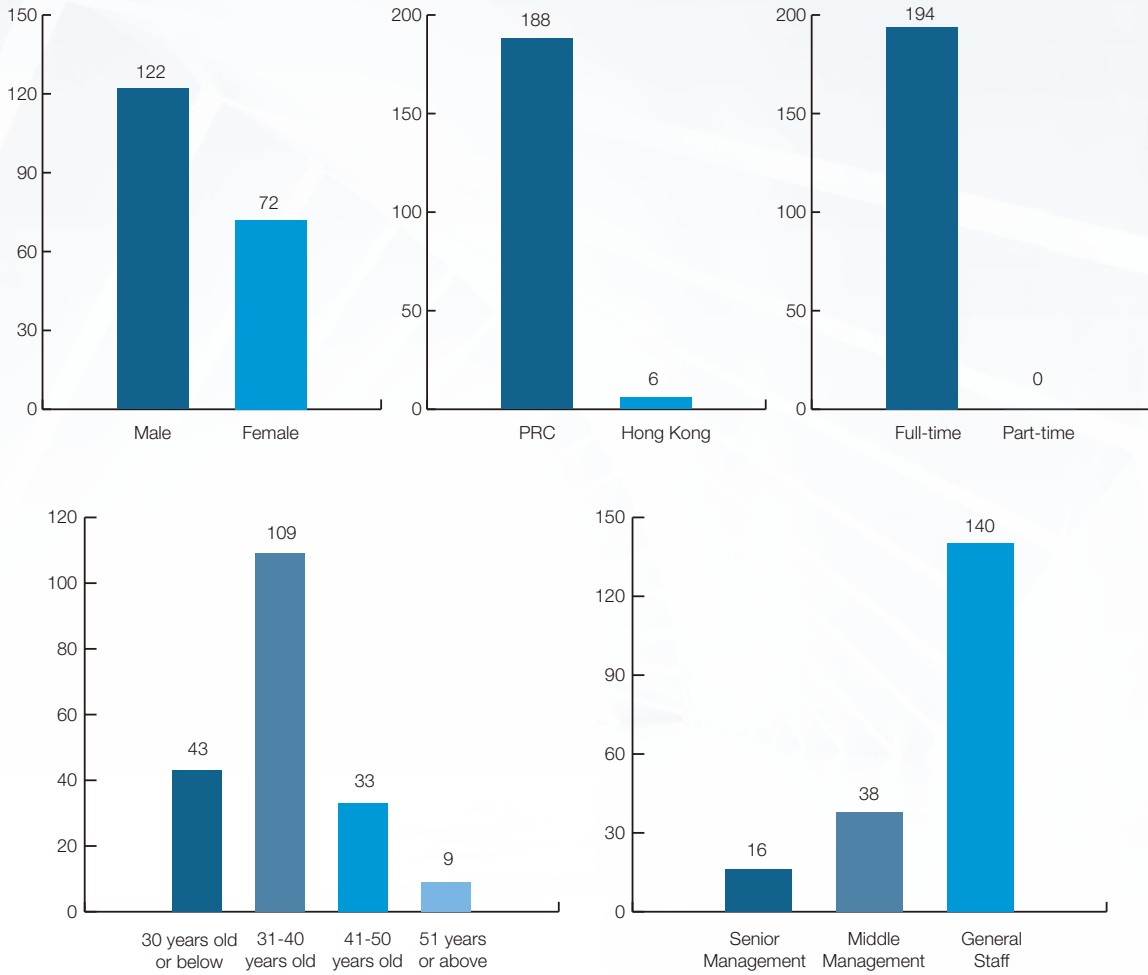
In order to retain outstanding talents, the Group conducts employee performance appraisals twice a year to assess employees’ performance as the basis for rewards and promotions. We promote well-performed and high-potential employees, and adjust employee salaries based on performance appraisal results. Staff promotions and rewards are purely based on their performance, capabilities, professional ethics, work attitude and whether they are suitable with our corporate culture. At the same time, the Group has established a clear dismissal system to dismiss employees reasonably and legally in accordance with the laws and provisions of the “Employee Handbook”. Any unfair or unreasonable dismissal is strictly prohibited.

The Group offers competitive remuneration to its staff. We regularly update the human resources structure and salary management manual to adjust our salary standards. The Group sets the working hours of employees according to the laws. In addition to paid statutory holidays, employees also enjoy sick leave, maternity leave, paternity leave, marriage leave and funeral leave. Social insurance and pensions are also paid for all employees according to the laws. Other employee benefits include annual leave allowances, subsidies, housing allowances, birthday benefits, heatstroke prevention and cooling supplies for front-line workers, and etc.

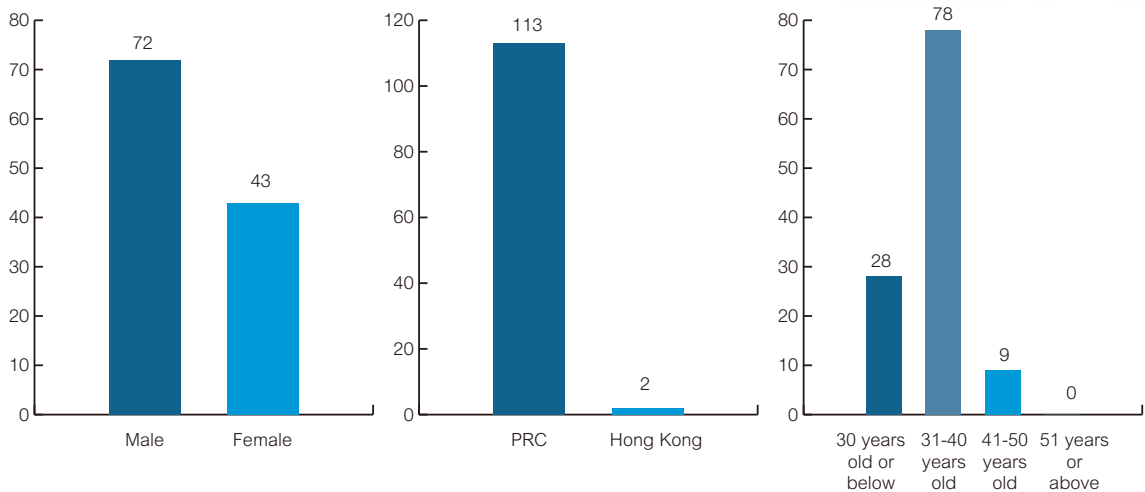
As of 31 December 2022, the number of employees within the reporting boundary of this Report was 194. During the Reporting Period, 115 employees left.

Environmental, Social and Governance Report (Continued)

Employees by Category as of 31 December 2022



Employee Turnover by Category in 2022



Environmental, Social and Governance Report (Continued)

During the Reporting Period, the Group was in full compliance with relevant laws and regulations regarding remuneration, dismissal, recruitment, promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, welfare and etc.

Occupational Health and Safety

The businesses of the Group involve handful of processes with potential occupational health and safety risks. Thus we pay special attention to create a safe and healthy working environment for the staff. The Group strictly complies with the laws and regulations related to occupational health and safety including the “Production Safety Law of the People’s Republic of China”, the “Prevention and Control of Occupational Diseases Law of the People’s Republic of China” and the “Regulation on Work-Related Injury Insurance of the People’s Republic of China”. Our “Safety and Operational Management Guideline” requires all employees to report any workplace hazards to their supervisors immediately. We regularly conduct workplace inspections to identify potential risks and follow-up corrections will be carried out immediately to prevent accidents. Management regularly reviews the safety inspection reports submitted by various relevant departments and monitors the progress of follow-up corrections.

In order to strengthen the safety supervision of contractors and prevent the outsourced construction accidents, we strictly review the safety management capabilities of contractors and state the safety regulations that they must abide by. We implement the following construction site safety management measures to ensure the safety of workers:

- ✓ Checking and supervising contractors to implement safety construction measures in accordance with contracts;
- ✓ All construction site workers must wear adequate protective equipment including hard hats and leather boots;
- ✓ Identifying high-risk work procedures;
- ✓ Conducting on-the-job trainings, and providing construction plans and operating procedures for workers before construction;
- ✓ Posting major danger signs at high-risk construction locations to warn people entering the areas that they must abide by relevant safety instructions;
- ✓ Ensuring adequate sanitation facilities are provided on-sites;
- ✓ Providing first aid equipment such as medical kits and stretchers at workplaces;
- ✓ Requiring workers to report on-site safety accidents immediately and assisting in investigations.

We also improve the quality of the indoor environment for employees who require working in offices for long time, including renting green facilities and greening workplaces.

In addition, working hours and rest time of our employees are according to the laws to ensure that they have sufficient rest time. Occupational safety and health trainings for employees are provided to enhance their safety and health awareness. We organize wellness programs for employees such as regular recreational and sports activities to improve their physical fitness. Annual physical examinations are also offered to employees.

Environmental, Social and Governance Report (Continued)

During the Reporting Period, the COVID-19 pandemic still had an impact on the Group's daily operations. While we are committed to maintaining normal business operations, we also have a responsibility to ensure the health and safety of our stakeholders and employees during the pandemic. We strictly align with the government's disease prevention and control policies and regulations. Followings are the anti-pandemic measures implemented:

- ✓ Organizing employees for vaccination;
- ✓ Providing sufficient anti-pandemic resources for employees;
- ✓ Providing employees health insurance covering COVID-19;
- ✓ Disinfecting workplaces frequently;
- ✓ Setting up separate mask disposal points from general wastes;
- ✓ Providing health guidance and recommendations on the prevention of COVID-19 including wearing of masks, maintaining at least one meter social distance and properly disposing used masks.

During the Reporting Period, the Group did not in violate of any relevant laws and regulations regarding occupational health and safety. For the past three years, the Group has not recorded any work-related fatalities and loss of working days due to major industrial accidental injuries.

Development and Training

Integrity, responsibility, pragmatism and efficiency are the core values of the Group's corporate culture. Therefore, we pay special attention to relevant education and training in corporate talent development. "Ganglong Academy" is the professional talent training system established by the Group to enhance professional quality and management capability of staff. It is positioned as the Group's knowledge center. Through the development of core human capital and strengthening the promotion of corporate culture, staff organizational capabilities and business growth could be promoted. We arrange regular trainings to employees according to their positions, roles, career goals and needs. Training content include different modules ranging from onboarding, business, operation management, financial management, marketing, training for the trainers, management trainee induction to leadership training for different management levels. Employees are expected to broaden their horizons and realize their potential through the comprehensive training courses. We utilize technology such as online trainings to enhance training effectiveness. For middle to senior management trainings, we specially launch the "Longxiao Training Scheme" to enhance their management and leadership skills and prepare for the Group's future strategic development plan.

During the Reporting Period, the Group provided 3,754 hours of training for employees within the reporting boundary of this Report, which represented an average of 19.4 hours of training per employee.

Table 5: Training Hours of Employees by Category in 2022

	Senior Management	Middle Management	General Staff	Total
Number of Training Hours	389	702	2,663	3,754
Number of Employees	16	38	140	194
Average Training Hours per Employee	24.3	18.5	19.0	19.4

	Male	Female
Number of Training Hours	2,062	1,692
Number of Employees	122	72
Average Training Hours per Employee	16.9	23.5

Environmental, Social and Governance Report (Continued)

Labour Standards

The Group is fully aware that child and forced labour violate basic human rights. We strictly comply with relevant laws and regulations, and implement strict measures to prevent child and forced labour. During the recruitment process, we require applicants to present their identity documents including identity cards, graduation certificates, employment history and etc., to ensure that the age and other personal information provided are correct and can be legally employed. We also require all contractors and suppliers to strictly prohibit the employment of child labor or forced labor.

During the Reporting Period, the Group did not violate any laws and regulations in relation to the prevention of child and forced labour.

Supply Chain Management

In light of the Group's strong support for sustainable development, we also expect our contractors and suppliers could fulfill the same social responsibility. We give priority to selecting environmental-friendly and socially responsible contractors and suppliers, and strictly monitor the ESG performance of the entire supply chain. Through the "Green Supply Chain", we include sustainable development into consideration in the procurement process. Internal policies and procedures have been established as operational guides for employees in the selection, management and evaluation of contractors and suppliers.

When selecting contractors and suppliers, we conduct background checks and on-site inspections. We select contractors and suppliers in open manner, giving them fair and transparent competition opportunities. We require contractors and suppliers to comply with the Group's expectations for ethical standards including business integrity, fair competition, environmental sustainability, legal compliance and human rights. Contractors and suppliers are required to declare their interests to avoid conflict or transmission of interests. After the cooperation is confirmed, we conduct quarterly performance reviews of existing contractors and suppliers to ensure their continued compliance. Our contracts with contractors stipulate that contractors must pay the workers' salaries on time. Besides, we encourage suppliers to avoid using materials that may have adverse impacts on the environment. Regular spot checks are conducted to prevent suppliers from using inferior materials. In the event of unqualified performance, we immediately require contractors and suppliers to timely correct the problems. If the requirements are still not met, it will lead to cancellation of cooperation.

During the Reporting Period, there were 2,202 contractors and suppliers for the Group within the reporting boundary of this Report. All of them were from the PRC.

Environmental, Social and Governance Report (Continued)

Product Responsibility

As a responsible property developer, Ganglong China Property believes that customer safety is paramount. The Group strictly complies with the “Administration of the Urban Real Estate Law of the People’s Republic of China”, “Regulation on Urban Real Estate Development and Management Control of the People’s Republic of China” and other relevant laws and regulations. We are committed to developing high quality and safe housing products.

Policies regarding quality assurance are in place to ensure our products and services are satisfactory, and comply with relevant rules and standards. Our product quality assurance system closely supervises and monitors the situation from property design, surveying, construction to completion. We regularly inspect construction sites to ensure the quality of contractors’ works. We also ensure that properties are developed in accordance with relevant government standards through internal and external inspections and project acceptance processes. The building materials we used have been tested by testing centers to ensure that the lightning protection and fire safety systems of the buildings meet the relevant inspection standards. All housing products we delivered to customers have passed inspection and obtained acceptance certificates issued by relevant government departments. Our properties have been obtained the “China Green Building Design Label” to ensure the environmental protection of the properties, and customers can live in a sustainable and healthy environment.

The Group established a customer complaint handling system and procedure to ensure timely handling of customer complaints. Customers’ feedbacks and complaints are collected through service hotlines, aftersales phone interviews and customer surveys conducted by independent consultants. Appropriate staff are assigned to follow-up and formulate suitable remedial actions to address customers’ concerns. We also set specific response time targets for customer complaints. Employees will be arranged to follow-up with customers within one hour received complaints in relation to maintenance and sales, and strive to settle the complaints within two days.

The Group recognizes its own research and development, as well as protection of intellectual property rights. Intellectual property rights are protected by the Group’s “Intellectual Property Rights Protection and Control Policy”. We are cautious about handling designs, and strictly comply with patent requirements and copyrights in adoption. Similarly we protect our intellectual property rights by patent registration and other measures. In the course of operations, the Group refuses to provide or use any products or services that violate copyrights or intellectual property rights.

The Group is fully aware the importance of protecting the privacy of customers. Customers’ personal information collected by us will only be used in accordance with the originally designated purposes. Collected customer data will be properly stored in encrypted system. The use of customer data is limited to relevant departments and employees. Each sales representative can only access data of his/her customers in the system. We often remind employees of the Group’s requirements for handling customer privacy and also stipulate employees’ responsibilities in customer privacy. We also have agreements with system providers to ensure that our data will not be distributed to any third parties.

During the Reporting Period, the Group received 315 cases of customer complaints within the reporting boundary of this Report. Customer complaints response rate was 100% and no sold products have been recalled. Furthermore, the Group did not violate any laws and regulations regarding product responsibility, intellectual property right and data privacy.

Anti-Corruption

The Group is committed to operating business with high degree of integrity, transparency and accountability. We have zero tolerance of any forms of bribery, corruption and unethical behavior. We strictly comply with the “Anti-Unfair Competition Law of the People’s Republic of China”, “Interim Provisions on Prohibition of Commercial Bribery of the People’s Republic of China” and other relevant laws and regulations. We have formulated code of conduct for employees to ensure their high standard of business conduct. All contractors and suppliers are required to sign anti-corruption agreements before establishing business relationships with us. We provide declaration forms to employees for reporting any potential conflict of interests. We provide regular anti-corruption trainings to all staff to raise their awareness and understanding of unethical behaviors and other malpractices. During the Reporting Period, the Group arranged 166 hours of trainings in relation to anti-corruption to directors and employees within the reporting boundary of this Report.

We established a whistle-blowing system including report hotline, email and self-developed integrity platform “Sunshine Ganglong”, to create a safe environment for employees to report any non-compliance or malpractices behaviors.

During the Reporting Period, the Group did not receive any corruption lawsuits against the Group or its employees. The Group was not aware of violation of any relevant laws and regulations in relation to bribery, extortion, fraud and money laundering by the Group or its employees during the Reporting Period.

Community Investment

Ganglong China Property highly values the importance of participating in community services and is committed to leverage our resources to contribute the society. During the Reporting Period, the Group’s employees participated in a total of 299 hours of volunteer services. Public welfare activities organized and participated include “Salute to the Love Person”, “Caring Health – Bringing Coolness under High Temperature”, “Lizhi Ganglong and Love in Actions” for caring our employees, workers, community sanitation workers, and etc. Besides, the Group made charitable donations of approximately RMB970,000 during the Reporting Period, mainly for the education system and anti-pandemic works. The Group will continue to encourage employees to actively participate in various charitable, voluntary and outreach activities, and build cohesion relationships with the local community of each project.



Environmental, Social and Governance Report (Continued)

The Group's achievements has always gained comprehensive recognitions from the market, industry, media and other stakeholders. In 2022, the Group has received multiple awards in respect of business performance, social responsibility, supply chain management, brand management, product quality and etc. Looking forward, the Group will continue to strive to strengthen its business practices and create sustainable values for its shareholders, customers and society.

- ✓ Top 100 Chinese Property Enterprises in terms of Sales Value
- ✓ Shanghai Contract-Abiding and Credit-Worthy Enterprise
- ✓ Shanghai Annual Contract Credit Rating AAA Enterprise
- ✓ Integrity Value Brand in 2022



Top 100 Chinese Property Enterprises in terms of Sales Value



Shanghai Contract-Abiding and Credit-Worthy Enterprise



Shanghai Annual Contract Credit Rating AAA Enterprise



Integrity Value Brand in 2022

Report Disclosure Index

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A. Environmental		
Aspect A1:	General Disclosure	
Emissions	Information on:	3-7
	(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.	
KPI A1.1	The types of emissions and respective emissions data.	3
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).	3
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	7
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.	4, 7

Environmental, Social and Governance Report (Continued)

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Aspect A2:	General Disclosure	
Use of Resources	Policies on the efficient use of resources, including energy, water and other raw materials.	4-6
	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).	4
	KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	4
	KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	7
	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.	5
	KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	6
Aspect A3:	General Disclosure	
The Environment and Natural Resources	Policies on minimising the issuer's significant impacts on the environment and natural resources.	6
	KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6
Aspect A4:	General Disclosure	
Climate Change	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	7
	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.	7

Environmental, Social and Governance Report (Continued)

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B. Social		
Employment and Labour Practices		
Aspect B1: Employment	General Disclosure	
	Information on:	8-10
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	
	KPI B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	9
	KPI B1.2 Employee turnover rate by gender, age group and geographical region.	9
Aspect B2: Health and Safety	General Disclosure	
	Information on:	10-11
	(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.	
	KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	11
	KPI B2.2 Lost days due to work injury.	11
	KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	10-11

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Aspect B3:	General Disclosure	
Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	11
	KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	11
	KPI B3.2 The average training hours completed per employee by gender and employee category.	11
Aspect B4:	General Disclosure	
Labour Standards	Information on:	12
	(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.	
	KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	12
	KPI B4.2 Description of steps taken to eliminate such practices when discovered.	12
Operating Practices		
Aspect B5:	General Disclosure	
Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	12
	KPI B5.1 Number of suppliers by geographical region.	12
	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.	12
	KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	12
	KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	12

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Aspect B6:	General Disclosure	
Product Responsibility	Information on:	13
	(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.	
	KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	13
	KPI B6.2 Number of products and service related complaints received and how they are dealt with.	13
	KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	13
	KPI B6.4 Description of quality assurance process and recall procedures.	13
	KPI B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	13
Aspect B7:	General Disclosure	
Anticorruption	Information on:	14
	(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.	
	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.	14
	KPI B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	14
	KPI B7.3 Description of anti-corruption training provided to directors and staff.	14
Community		
Aspect B8:	General Disclosure	
Community Investment	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.	14
	KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	14
	KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	14



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