



GLORY 国瑞

GLORY HEALTH INDUSTRY LIMITED
國瑞健康產業有限公司



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

(formerly known as "Glory Land Company Limited (国瑞置业有限公司)"
and carrying on business in Hong Kong as "Guorui Properties Limited")
(Incorporated in the Cayman Islands with limited liability)

香港聯合交易所股份代號 Stock Code : 2329

環境、社會及管治報告

Environmental, Social
and Governance Report

2022

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1. About this Report

Glory Health Industry Limited and its subsidiaries (“**Glory Health**”, “**the Group**” or “**we**”) outline our efforts, strategies and objectives in terms of environmental, social and governance (or “**ESG**”) for the period from 1 January 2022 to 31 December 2022 (the “**Reporting Period**” or the “**Year**”) through this Environmental, Social and Governance Report (the “**ESG Report**” or the “**Report**”), and demonstrate our vision and commitment to fulfill the concept of sustainable development and corporate social responsibilities.

REPORTING STANDARDS

The Report was prepared based on the “Environmental, Social and Governance Reporting Guide” (the “**Guide**”) under Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), and in compliance with the requirements of “Comply or Explain” provisions under the Guide, and the four reporting principles (materiality, quantitative, balance and consistency). Readers may refer to the last section headed “Appendix 2: Content Index of Hong Kong Stock Exchange ESG Reporting Guide” for quick reference. For detailed information on corporate governance of the Group, please refer to the section headed “Corporate Governance Report” in the 2022 annual report and the official website of the Group (www.glorypty.com/).

Materiality	We have identified and disclosed the process and the criteria for identifying material ESG issues in the Report, as well as a description of material stakeholders and the process and results of stakeholder engagement.
Quantitative	We have disclosed the statistical standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of KPIs.
Balance	The Report provides an unbiased picture of our positive and negative information.
Consistency	The statistical approaches used to disclose data in the Report are consistent with those of last year. If there are any changes to the statistical methods or KPIs or any other relevant factors that affect meaningful comparison, we will make clear explanation in the Report.

REPORTING SCOPE

As the Group is engaged in property development business, we collected environmental KPIs of 20 offices and 16 site projects during the Year. Unless otherwise specified, the social KPIs disclose the Group’s performance.

REPORTING LANGUAGE

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

APPROVAL OF THE REPORT

This Report was approved by the board of directors on 31 March 2023 after being confirmed by the management.

FEEDBACK ON THE REPORT

We value your views on this Report. If you have any inquiries or suggestions, please feel free to contact us by email: ir@glorypty.com.

2. About Glory Health

Glory Health demonstrates the stable development of the Group in the capital markets. Leveraging its high-quality development, Glory Health has established a competitive advantage, won market recognition and realised corporate and social value with its outstanding product quality and impressive performance. Glory Health has completed several well-known projects, including Beijing Glory City and Glory Jinta development project. In the future, the Group will be committed to continuously upgrading products of Glory and improving the living quality of people, as fulfilling the development needs of the era.

3. Sustainable Development Strategy

3.1 BOARD STATEMENT

The board of directors believes that good ESG governance is essential to the success of the Group and the enhancement of stakeholder value. As the highest decision-making body of the Group, the board of directors is collectively responsible for ESG matters of the Group, by determining the overall ESG strategies of the Group and understanding related risks, so as to review the ESG performance of the Group. The board of directors identifies the ESG management approaches, strategies, priorities and objectives of the Group, and supervises the management and performance of these ESG issues. It also considers and approves the content of the annual ESG report, determines the focus and prioritization of the Group's sustainability, and finalizes the setting of environmental goals and regularly reviews the progress of environmental targets, with an aim to ensure that the management approach is effective in minimising the environmental impact of the Group's operations.

3.2 COMMUNICATIONS WITH STAKEHOLDERS

We strongly believe that each of our stakeholders plays a crucial role in sustaining the success of our business in the challenging market, therefore we hope to better understand their expectations and needs. We will continue to maintain communication with internal and external stakeholders to help promote the growth of business and social development.

Stakeholders	Major communication channels	Issues of concern
Customers	<ul style="list-style-type: none">• Customer satisfaction surveys• Customer advisory team• Customer service center• Daily operations/interactions• Online service platforms• Phone calls and emails	<ul style="list-style-type: none">• Customer information security• Business codes
Employees	<ul style="list-style-type: none">• Employee surveys• Performance assessments• Business presentations• Seminars/workshops/talks• Publications (e.g. employee newsletter)• Employee intranet	<ul style="list-style-type: none">• Remuneration strategy• Occupational safety

3. Sustainable Development Strategy

Stakeholders	Major communication channels	Issues of concern
Shareholders/investors	<ul style="list-style-type: none"> • Results announcement • Senior management meetings, face-to-face meetings • Annual general meetings and other general meetings • Interim and annual reports • Corporate newsletters, e.g. letters/circulars and meeting notices to shareholders 	<ul style="list-style-type: none"> • Business strategy and sustainability • Financial performance
Suppliers	<ul style="list-style-type: none"> • Supplier management system • Assessment system of suppliers/contractors • Meetings • Site visits 	<ul style="list-style-type: none"> • Fair competition • Business codes
Business partners	<ul style="list-style-type: none"> • Reports • Meetings • Visits and talks 	<ul style="list-style-type: none"> • Fair competition • Business codes
Peers	<ul style="list-style-type: none"> • Industry forums and interaction activities 	<ul style="list-style-type: none"> • Technological innovation
Community/ non-governmental organizations	<ul style="list-style-type: none"> • Seminars/talks/workshops 	<ul style="list-style-type: none"> • Sustainable development
Media	<ul style="list-style-type: none"> • Press conferences • Press releases • Senior management interviews • Results announcements • Gathering with media 	<ul style="list-style-type: none"> • Timely disclosure of information • Improvement of the Company's competitiveness
Regulatory authorities	<ul style="list-style-type: none"> • Compliance reports • Written responses to public consultation and meetings 	<ul style="list-style-type: none"> • Compliance with laws and regulations • Business codes

3. Sustainable Development Strategy

3.3 MATERIALITY ASSESSMENT

As there is no significant change in strategic direction of the Group and the business development of its operations during the Year, the materiality issues identified by the Group in 2020 remain applicable for the Year, after taking full consideration of the mutual importance of various ESG issues to stakeholders and the impact on them. The Group has made reference to extensive standards and guidelines, including the Guide of Hong Kong Stock Exchange, the materiality issue database of Sustainability Accounting Standards Board (“SASB”) and peers’ examples, in order to more truly reflect the environmental and social issues of concern to stakeholders. During the Year, the Group has identified 22 issues which have been finally confirmed by the board of directors and the management, and disclosed in the Report.

ESG Materiality Issues

Environmental:	Social:	Governance:
<ul style="list-style-type: none">• Air pollutant emissions• Waste management• Energy management• Use of natural resources• Green buildings	<ul style="list-style-type: none">• Talents acquisition• Employee welfare• Employee health and safety• Employee training and development• Employee rights/labour standard• Procurement and supply chain management• Green procurement and usage• Responsible marketing and promoting• Guarantee of product/service health and safety• Quality control• Customers’ satisfaction and handling of complaints• Protection of customers’ privacy• Community charity	<ul style="list-style-type: none">• Anti-corruption• Anti-competitive• Responsible governance• Compliance operations

4. Excellent Talent Team

The Group believes that employees are the most important asset of a company. As the business grows, the Group must establish sustainable human capital to attract and retain talents. During the Year, the Group had 492 employees. The breakdowns are as follows:

Indicator	Unit	2022
Total employees by gender		
Female employees	No. of people	219
Male employees	No. of people	273
Total employees by employment type		
Full time junior employees	No. of people	277
Full time intermediate management	No. of people	200
Full time senior management	No. of people	15
Total employees by age group		
Employees below 30	No. of people	44
Employees of 30-50	No. of people	396
Employees above 50	No. of people	52
Total employees by geographical region		
Employees in Northern China	No. of people	160
Employees in Northeastern China	No. of people	35
Employees in Eastern China	No. of people	72
Employees in Central China	No. of people	27
Employees in Northwestern China	No. of people	36
Employees in Southern China	No. of people	161
Other employees (including Hong Kong, Macao and Taiwan)	No. of people	1

4. Excellent Talent Team

The turnover rate of the Group for the Year are as follows:

Indicator	Unit	2022
Total turnover rate¹	%	35.4
Turnover rate by gender		
Female employees	%	36.9
Male employees	%	34.2
Turnover rate by age group		
Employees below 30	%	40.6
Employees of 30-50	%	35.6
Employees above 50	%	29.4
Turnover rate by geographical region		
Employees in Northern China	%	53.1
Employees in Northeastern China	%	4.90
Employees in Eastern China	%	21.3
Employees in Central China	%	40.9
Employees in Northwestern China	%	30.7
Employees in Southern China	%	31.4
Other employees (including Hong Kong, Macao and Taiwan)	%	0.0

¹ Calculation method of turnover rate: (Number of employees lost in the category ÷ total number of employees in the category) × 100%

4.1 EMPLOYEE RIGHTS

In line with the purpose of safeguarding the rights and interests of employees, Glory Health is committed to providing employees with a just, fair and open working environment, where employees are enabled to give full play to their personal talents and make greater contributions to the society. In the course of operation and management, we strictly abide by the labor-related laws and regulations of the People's Republic of China, including the "Labor Law of the People's Republic of China" (《中華人民共和國勞動法》), the "Labor Contract Law of the People's Republic of China" (《中華人民共和國勞動合同法》), the "Law on the Protection of Minors of the People's Republic of China" (《中華人民共和國未成年人保護法》), and the "Provisions on the Prohibition of Using Child Labor" (《禁止使用童工規定》), to protect the basic rights and interests of employees.

In order to better protect the rights and interests of employees, we have formulated the "Employee Handbook" (《員工手冊》) and "Human Resource Management System" (《人力資源管理制度》), which clearly stipulate the rights and interests of employees, salary and benefits, and performance training arrangements, and also specify expectations and codes of conduct for employees, including work discipline, anti-corruption and internal information processing, to ensure the fairness and transparency of employees' work, thus allowing them to better understand their respective rights and obligations. We will continue to strengthen the protection of employees' rights and interests and create an enabling working atmosphere in a way that provides a favorable platform and good opportunities for their personal growth and career development.

Recruitment and Resignation

With consistent adherence to the corporate culture of maintaining employment equality and promoting diversity and integration, the Group has been committed to providing fair and equitable employment opportunities for job seekers. In order to ensure the fairness and transparency of the recruitment, we have established the "Human Resource Management System" (《人力資源管理制度》), which clearly stipulates the principles of selecting candidates. We will comprehensively consider candidates on merit based on the factors such as the resume, qualifications, work experience and the degree of matching with the job, and strictly prohibit any discrimination based on age, gender, race, religion, health status and other factors.

We set up the "Labor Contract" (《勞動合同書》) to prevent forced labor. In addition, the Company signs labor contracts with employees, specifying job responsibilities, vacation arrangements and remuneration packages, and introduces the job position during the interview to protect the rights and interests of employees. Furthermore, we review the identification documents of applicants to ensure that they are of legal working age, and also specify working hours in the Employee Handbook to prevent forced labor and practice ethical recruitment. When handling resignations, we will understand the reasons for resignation, require employees to cooperate closely to ensure a smooth transition, and actively take measures to manage the resignation process, so as to safeguard the rights and benefits of employees, while practicing the firm commitment to promoting employees' development and retaining talents.

As of the Year, we have not found any violations of child labor and forced labor. If any cases of violations are found, we will closely cooperate with the government's investigation to jointly maintain a good employment environment.

4.2 REMUNERATION AND BENEFITS

We are committed to fostering an employee-centered corporate culture. We review the remuneration level of our employees on an annual basis, with efforts to provide a competitive remuneration package that meets market standards to attract and retain talents. Moreover, we reward employees who perform exceptionally well in the work to express our appreciation for their contributions.

In addition to remuneration and benefits, our employees also enjoy comprehensive holiday benefits, including annual leave, personal leave, marriage leave, maternity leave, bereavement leave and compensation leave, etc., enabling them to strike a good balance between work and life. We provide five social insurances and one housing fund for all full-time employees as well as medical insurance supplemented by the Group.

4. Excellent Talent Team

Performance and Promotion

We attach great importance to the performance and promotion of our employees. We have established a performance assessment mechanism and system which is fair, reasonable and transparent, including performance planning, performance coaching, performance evaluation and application of performance results. Our employees are encouraged to improve themselves through goal setting, feedback and evaluation. The Company sets job objectives on a regular basis, provides guidance, and allows employees to develop their skills based on business needs. Additionally, we encourage internal promotion and retention of talents for outstanding performance.

Caring for Employees

We strive to achieve all-round talent cultivation and actively build a platform for employees to realize self-worth. We organize welfare activities for employees during festivals to create a positive, healthy and harmonious atmosphere. We also regularly carry out employee networking activities and social events to encourage and foster camaraderie among colleagues.

4.3. DEVELOPMENT AND TRAINING

In terms of talent training, we focus on growth and development, while providing an extensive platform for career development. We keep abreast of the latest trends by offering various types of trainings throughout the Year.

The followings are the KPIs related to development and training during the Reporting Period:

Indicator		Average training hours (hour)	Ratio of employees trained ²
By gender	Female employees	4.5	100
	Male employees	5	100
By employee category	Full-time junior employees	7	100
	Full-time intermediate management	6	100
	Full-time senior management	3	100

² Number of trained employees for such category ÷ number of employees for such category at the end of the Year × 100%

4.4 HEALTH AND SAFETY

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

We have established a safety management team, and a dedicated safety management team, responsible for coordinating and planning safety management preventive measures, which help to identify the potential safety risks at construction sites as early as possible. We regularly check the identified potential security risks, and carry out rectification and follow-up inspections within the specified time, so as to ensure that security risks are under control. We have established a safety early warning system to conduct regular communications with employees in relation to dangers, injuries and diseases, enabling them to keep alerted and avoid accidents as much as possible.

Protecting the health and safety of our employees is one of our top concerns. In strict compliance with relevant laws and regulations, we have established a series of security measures. We have set up a safety management team, responsible for the coordination and management of safety matters. We carry out safety inspections and hidden danger investigations on a regular basis, and have developed emergency plans. In addition, we also highly emphasize safety training of employees to improve their safety awareness and coping capacity. The “Occupational Safety and Health Management Plan” (《職業安全健康管理方案》) under our projects firmly establishes the “safety first” ideology, and improves safety awareness of our employees. Before starting the construction projects, we educate employees on fire-fighting knowledge to enhance their awareness of prevention, thus eradicating fire accidents.

During the Reporting Period, we had no work-related fatalities and loss working days due to work-related injuries in the past three years (including the Year). We will continue to improve the safety management system to provide employees with a healthier and safer working environment.

5. Compliant Operation Planning

With the pursuit of the values of “pragmatism as foundation to establishment” (「務實為立足之本」), Glory Health is dedicated to building a positive corporate culture and maintaining a fair and equitable business environment to ensure compliant operations.

5.1 QUALITY MANAGEMENT

The Group is committed to providing customers with high-quality properties and service experience by establishing various management rules, strictly implementing acceptance procedures to guarantee project quality, and taking measures to ensure the quality of products and services provided. It shows that the Group has been upholding a high sense of responsibility and the principle of integrity in managing customer relationships. Glory Health will continue to improve its management level and provide customers with better services.

Project Quality Control

The Group strictly abides by the “Construction Law of the People’s Republic of China” (《中華人民共和國建築法》) and prepares acceptance criteria and procedures such as the “Project Engineering Management” (《項目工程管理》) and the “Engineering Quality and Safety Control Requirements” (《工程質量和安全控制要求》) for each project.

We have formulated the “Guidelines for the Acceptance of Materials and Equipment” (《材料設備進場驗收指引》) to regulate each of the examination, storage and utilization of building materials, so as to ensure the quality of materials and constructions. Engineering Department is also routinely assigned to perform on-site inspections to monitor if the progress is on track, examine project quality, ensure the safety and civilized construction, and conduct evaluation and issue warning if necessary. We perform inspection on building materials pursuant to the “Guidelines for the Acceptance of Materials and Equipment”, and control the storage and use of various links to ensure the quality of materials and constructions. The Engineering Department conducts regular on-site inspections of projects under construction, to monitor if the progress is on track, examine project quality, ensure the safety and civilized construction, and conduct evaluation.

A material inspection team has been formed to oversee non-conforming materials that do not meet the contract terms, prototypes or current specifications. If any defective materials are found, we will reject the acceptance of defective goods and request for rectification or replacement within specified period. Regional companies shall perform inspection on quality of properties based on the standards required under the “Regulation on Project Engineering Management” before the properties are delivered for use. The inspection and acceptance of any construction project is subject to acceptance inspection. To guarantee quality, all construction projects are in compliance with national standards, technical standards and other relevant quality requirements. We strengthen our quality inspection and supervision over construction quality to ensure the safety of properties.

Upon the completion of any project, if there is any dissatisfaction with the quality of the property, relevant personnel will be promptly assigned for on-site investigation. Besides, regarding complaints related to external factors including public facilities outside our jurisdictional areas, we will conduct special investigations and publicize the handling results. Subsequently, our customer service team will contact the customer involved to outline the complaint resolution process and outcome, once such complaint has been successfully resolved and confirmed to be satisfactory. We prohibit to issue a quality certificate for any substandard construction project or accept it as one which is up to standard. For unqualified goods that do not conform to the contract terms, prototypes or current specifications, our material inspection team will promptly put forward handling opinions and require the supplier involved to carry out remedial actions. The material inspection team will decide whether additional penalties will be imposed based on the level of breach of contract by suppliers and their cooperation in the rectification and replacement process.

In the Year, no products and services of the Group are subject to recalls for safety and health reasons.

5.2 CUSTOMER-ORIENTED

The Group is committed to improving its service quality, and actively paying attention to customer feedback in a way that enhances customer satisfaction. We have formulated the “Customer Complaints Handling Guidelines” (《顧客投訴處理作業指導書》), to classify common complaints and stipulate corresponding procedures for handling, while conducting follow-up statistical analysis. Detailed, accurate and objective description will be recorded on the “Customer Compliant Handling Record” (《顧客投訴處理記錄表》) for complaints concerning mismanagement of properties and will be referred to relevant departments for timely handling. We ensure that our staff record any customer’s complaint immediately for analysis to understand the cause and nature of such complaint. The staff or team responsible for handling the complaint must start investigation of its cause and track the progress of its resolution. With all details recorded, results of such complaint shall be tracked and recorded upon the resolution of it.

We strictly comply with the “Advertising Law of the People’s Republic of China” (《中華人民共和國廣告法》). The Group is committed to ensuring the validity and accuracy of product descriptions and promotional materials, in an effort to avoid any misleading and fraud acts. In light of this, we strengthen employees’ training and awareness of the validity of information, ensure the sales team gaining a full understanding of the project before the launch, and check the compliance of the preparation and release of sales publications, so as to avoid misleading customers. We believe in the philosophy of integrity management, and abide by relevant regulations and industry guidelines, to provide customers with true, accurate and objective information. During the Year, Glory Health did not violate any relevant laws and regulations in relation to advertisements and labels of product and service.

5.3 INFORMATION AND PRIVACY PROTECTION

Protecting customer data is of the utmost importance to us. We have developed an information management system that follows the principle of “Prevention at Core, Integrated with System and Technological Prevention” (「預防為主、系統預防與技術預防相結合」) to ensure data security and customer privacy. The System aims to regulate the management of system information and protection of data privacy.

The Group attaches great importance to the security and privacy of customer data, values and protects confidential data. The “Information Management System” (《信息化管理制度》) has been developed to regulate data protection. We follow the principle of “Prevention at Core, Integrated with System and Technology” (「預防為主、制度與技術相結合」) to implement information authority management. The business department manages the shared data of the business in a unified manner. Authority is required for any access to all confidential documents and important data files. We require our employees to strictly adhere to the security and confidentiality system when using computer systems to process customer information, and not to steal, leak, or alter important work-related information without permission. The electronic office system account of resigned employees will be removed within one day. To avoid data leakage due to cyber-attacks, we require all suppliers and contractors to follow the legal procedures stated in the contract when processing customer information. Furthermore, we regularly upgrade the virus database and install anti-virus software for each computer. Electronic equipment is disposed in accordance with relevant national regulations.

During the Reporting Period, we did not receive any complaints or litigations regarding data protection and privacy protection.

In terms of intellectual property, the Group complies with national policies, laws and regulations on intellectual property, including but not limited to the Patent Law of the People’s Republic of China (《中華人民共和國專利法》).

5. Compliant Operation Planning

5.4 BUSINESS ETHICS

We strictly abide by the “Criminal Law of the People’s Republic of China” (《中華人民共和國刑法》), the “Anti-Unfair Competition Law of the People’s Republic of China” (《中華人民共和國反不正當競爭法》) and the “Anti-Monopoly Law of the People’s Republic of China” (《中華人民共和國反壟斷法》), in an aim to cultivate a good corporate culture and maintain a fair and just business environment. We value compliance risk management, and have implemented a rigorous review process to ensure the effective operation of our compliance procedures, internal control and risk management systems. Our risk management system monitors compliance from top to bottom of the corporate governance structure. We disclose the financial condition of the Company on an annual basis to prevent money laundering. We also regularly review accounts and continue to monitor, with commitment to prevent, detect and report all occurred or suspected misconducts such as fraud, violations or fraud. As the COVID-19 pandemic remain rampant in 2022, we have failed to provide anti-corruption training to our Directors and employees to ensure the safety and health of our employees. The Group recognizes the importance of anti-corruption training, and will arrange such training as soon as practical.

The Group is committed to establishing the corporate culture of fairness and integrity, and adopts zero tolerance for corruption. The Group understands that an integrity and honest working environment depends on the joint participation of all employees. Employees are required not to accept any benefits from customers, suppliers or contractors. We recognize the importance of avoiding conflicts of interest and request all employees to disclose any such situation and act under the Company’s instructions. We have formulated the “Management Measures on the Group’s Litigation and Arbitration Cases” (《集團訴訟、仲裁案件管理辦法》) to prevent any corruption and fraud. We are committed to fostering a culture of integrity where employees are enabled to report any suspicious activity through established channels and the confidentiality of their identities is ensured. We will take appropriate actions for any violations, including report to law enforcement agencies.

During the Year, the Group did not have any litigation cases involving corruption or violate laws and regulations that have a significant impact on the operation of the Group.

5.5 SUPPLY CHAIN MANAGEMENT

We make efforts to improve supply chain management by not only considering factors such as qualifications, service quality and cost-effectiveness of suppliers, but more importantly, reviewing their compliance with governance, labor and environment standard. We have formulated the “Supplier Management and Operation Guidelines” (《供方管理操作指引》), under which we conduct three steps during the bidding and procurement process, including “pre-qualification and inspection”, “supplier storage” and “supplier performance evaluation”.

We endeavor to manage the social risks of suppliers, and attach importance to the integrity of suppliers. Therefore, we sign the “Integrity and Responsibility Letter” (《廉政責任書》) with them, which clarifies our opposition to any form of corruption, bribery and other illegal acts. Meanwhile, suppliers that can deliver environmentally friendly materials and services are preferred, and their compliance with governance, labor and environment standard will also be reviewed. Those suppliers or subcontractors who fail to meet the Group’s standards are required to perform rectifications. We will also update our supplier database according to our business needs and the supplier performance, to ensure that products and services provided by all suppliers meet our environmental and social standards.

In the Year, the Group had a total of 809 major suppliers in the construction category and has implemented relevant supplier practices.

Regions	Beijing	Shenyang	Shantou	Hainan	Shanghai	Xi’an	Zhengzhou	Tongren	Foshan	Shenzhen	Yongqing	Suzhou
Major suppliers	200	157	120	94	47	39	38	35	23	20	18	18

6. Green Operation

Glory Health strictly abides by laws and regulations related to environmental protection, including the “Environmental Protection Law of the People’s Republic of China” (《中華人民共和國環境保護法》), the “Pollution Prevention and Control Law of the People’s Republic of China” (《中華人民共和國污染防治法》) and the “Regulations on the Administration of Construction Project Environmental Protection” (《建設項目環境保護管理條例》) to ensure legal and compliant operations. Glory Health is committed to building a green living environment, and actively optimizing its property construction projects by integrating more elements of green buildings and enhancing energy efficiency. Meanwhile, it strictly supervises the emissions of air, wastes, sewage and noise level during the stages of construction and operation of our projects, in efforts to minimise the impact of business operations on the environment.

During the Reporting Period, there were no cases involving violations of relevant regulations on environmental protection that caused material impacts on the Group.

6.1 GREENHOUSE GASES EMISSIONS

We understand that greenhouse gas emissions (GHG) are closely related to the impact of climate change. In efforts to contribute to addressing climate change, we actively practice low-carbon operations, to minimise our carbon footprint during operations. The calculation of our carbon emissions is based on the Greenhouse Gas Protocol developed by World Resources Institute and World Business Council for Sustainable Development and ISO 14064-1 established by International Organization for Standardization. After inspection, the GHG emissions of the Group are mainly derived from the fuel consumption of the fixed equipment and vehicles of the Group, as well as the electricity consumption in various offices and during the construction and operation of projects. The scope of environmental data in the Report covers 20 offices and 16 site projects of the Group. During the Year, the total GHG emissions of the Group were 8,954.92 tonnes of CO₂e, which was lower than last year. We have made good progress towards the target as some of our projects have come to the final stage during the pandemic for the Year, and we have used less vehicles to reduce gasoline consumption. Among them, the sources of GHG emissions are as follows:

GHG emission performance	Unit	2022
GHG emissions		
Direct GHG emissions (Scope 1) ³	Tonnes of CO ₂ equivalent (CO ₂ e)	621.03
GHG offset (Scope 1) ⁴	Tonnes of CO ₂ e	48.67
Indirect GHG emissions (Scope 2)	Tonnes of CO ₂ e	8,382.56
Total GHG emissions (Scope 1 & 2)	Tonnes of CO ₂ e	8,954.92
Intensity of GHG emissions		
Per 1,000 square meters of area	Tonnes of CO ₂ e/1,000 m ²	2.65

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

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

³ Fuel consumption by generators, lawn mowers, herbicides and sweepers that are used in garden areas is collected in project sites during operation.

⁴ GHG removals derived from emission reduction by trees planted in relevant buildings.

6. Green Operation

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

Emission type	Unit	2022 ⁵
Nitrogen oxides (NO _x)	kg	152.96
Sulphur oxides (SO _x)	kg	2.78
Particulate Matter (PM)	kg	12.62

The Group recognizes that reducing GHG emissions is of great significance to mitigating risks of climate change. To this end, the Group has adopted a series of low-carbon measures to minimise the carbon footprint generated during the course of our operations. In terms of transportation, employees are encouraged to choose public transportation. In addition, the Group conduct maintenance for the Company's motorcade and requires drivers to plan their driving routes to avoid waste of fuel. Meanwhile, the Group also adopts environment-friendly vehicles as much as practical, such as electric or hybrid vehicles, and phases out vehicles of low efficiency and high fuel consumption to reduce GHG emissions.

6.2 ENERGY MANAGEMENT

With an aim to mitigate the potential impact of the Group on the environment, we comprehensively manage various aspects, including energy, water resources, waste and green buildings, and implement various environmental protection measures in offices and construction projects.

Energy Saving

The Group's major sources of energy consumption are derived from the use of electricity in offices and construction projects. In the Year, the total consumption of electricity was 14,427.82 MWh, and the total energy consumption intensity was 4.25 MWh per 1,000 square meters of floor area. The electricity consumption increased as compared with last year, due to the launch of some construction projects, which caused the increased electricity consumption. To effectively manage energy consumption, we continue to monitor and conduct analysis of electricity consumption in offices and construction sites, and take targeted measures for any identified abnormality to improve energy efficiency. It includes ours efforts to encourage employees to use natural light and turn off idle lights, implement lighting systems with high light transmittance and independent switches, purchase and replace energy-saving lighting fixtures and equipment, and regularly clean and maintain lighting equipment to ensure normal operation. In addition, we conduct regular cleaning, maintenance and repairing for air-conditioning system, adjust the pump and fan system as needed, and allow control of wind flow and temperature when necessary, to ensure efficient operation.

⁵ The fuel consumption and vehicle mileage of some collection areas are only provided by estimation. Therefore, the calculated emission data does not fully represent the scope of the collection of environmental KPIs.

Water Saving

We take a proactive approach to managing water resources. To ensure responsible use of water resources, we continuously monitor water consumption by regular leakage tests on concealed water pipes and checks of water tanks and meters, and actively promote water conservation awareness among employees. We have posted reminders on water conservation in washrooms and pantries, to remind them of turning off faucets when not in use. We will arrange timely repair of dripping faucets, so as to avoid waste. We are aware of the importance of water resource management and will continue to take steps to reduce our water footprint while raising water conservation awareness of our employees.

Our water consumption is mainly derived from office operation and construction projects, with municipal water as the major water source. There is no issue in sourcing water. During the reporting Year, the total water consumption was 321,627.40 tonnes, with water consumption intensity of 94.79 tonnes per 1,000 square meters. The total water consumption decreased as compared with last year, which indicated that we were advancing towards water consumption target for the Year.

Paper Saving

We deeply understand that paper is the major resource consumption of office operations, and its impact on the environment is non-ignorable. Therefore, we are actively committed to reducing paper consumption with rational use, so as to minimise waste paper. To this end, we gradually promote electronic work and encourage employees to reduce the use of paper by communicating via electronic technologies. We remind employees to reduce printing by regularly monitoring paper consumption and printing amount, and promote double-sided printing. We have displayed conspicuous reminders near the printer to remind employees to use double-sided printing. In addition, we encourage the setting of smaller font size and line spacing to reduce the amount of paper used when printing. For the Year, we consumed a total of 15,084.50 kg of paper, with an average of 30.66 kg of paper consumption per employee, which showed less paper used for the Year than the previous year.

Waste Management

The Group has identified its major sources of waste generated, and has taken corresponding management measures for such sources. During the Year, a total of 945.47 tonnes of non-hazardous waste, with an intensity of 1.92 tonnes per employee; and the total amount of hazardous waste was 65.29 kg, with an average of 0.133 kg per employee. We generated less waste for the Year as compared with last year, which indicated that we made good progress on our waste reduction goals for the Year⁶.

The Group implements strict measures in the supervision of waste, and requires all projects to hand over waste to qualified recycling companies for disposal in accordance with relevant laws and standards, so as to reduce environmental pollution. Daily waste in offices is handled by the way of “disposing waste every day” (「日産日清」). Meanwhile, the Group has also specially set up designated recycling channels to thoroughly clean up hazardous waste and send it to recycling companies for disposal. Designated recycling channels have been set up for our hazardous waste such as cartridges/toner cartridges, batteries and computers, which will be delivered to licensed recycling companies for disposal.

⁶ The waste will be reduced in line with the decrease in the usable area and personnel of the marketing center upon the delivery of apartments and houses under projects.

6. Green Operation

6.3 SUSTAINABLE BUILDINGS

Glory Health actively practices green buildings. Environmental factors are considered in every link from project planning, construction to operation. Green smart technologies are actively adopted to achieve sustainable green space and harmony between human and nature.

During the design, construction and operation stages of the Group's projects, we have been committed to reducing the impact on the environment. During the design stage, we go all length to select locations that have no material impact on the environment, and ensure that the energy efficiency of projects is up to standard. We also entrust a third party to complete the environmental impact assessment to ensure that projects are in compliance with relevant laws and regulations in relation to environmental protection.

During the construction stage, we have taken a series of measures to reduce the potential environmental impact by periodically assessing environmental performance, and adjusting the construction plans as and when necessary to ensure that all emissions meet local government standards. We also require strict management of air quality, noise and sewage at the construction site to ensure that environment at the construction site meets the standard level.

Upon the completion of construction projects, we will require to obtain the "Environmental Acceptance and Monitoring Report on the Completion of Construction Project" (《建設項目竣工環保驗收監測報告表》) or the "Environmental Acceptance and Study Report on the Completion of Construction Project" (《建設項目竣工環保驗收調查報告表》), and strictly implement relevant mitigation and compensation measures. We are dedicated to mitigating our environmental impact, and make consistent efforts to innovate to improve our performance in environmental management.

6.4 ENVIRONMENTAL TARGETS

To effectively improve its environmental performance, during the Year, the Group has reviewed the preliminary directional targets set in the previous year to practice the environmental sustainability of its business. For the Year, we have made good progress towards our most of the environmental goals, of which only the intensity of electricity consumption increased due to the launch of some construction projects.

Environmental aspect	Target
GHG emissions	In line with the energy conservation initiatives of the Group, which is being actively pursued, the intensity of GHG emissions will be maintained or progressively reduced in the future at a similar level of operation.
Energy consumption efficiency	Pursuant to the energy conservation initiatives of the Group, which is being actively pursued, the intensity of electricity consumption will be maintained or progressively reduced in the future at a similar level of operation.
Water use efficiency	In accordance with the water conservation initiatives of the Group, which is being actively pursued, the intensity of water consumption will be maintained or progressively reduced in the future at a similar level of operation.
Waste reduction	According to the material conservation initiatives of the Group, which is being actively pursued, the intensity of waste generation will be maintained or progressively reduced in the future at a similar level of operation.

6.5 RESPONSE TO CLIMATE CHANGE

We actively tie in with the national carbon reduction target of hitting carbon peak before 2030 and achieving carbon neutrality by 2060. In efforts to mitigate and reduce climate risks brought by extreme weather events and protect the Group from potential economic losses, the Group reacts proactively to initiatives to reduce GHG emissions, and identifies and manages risks of climate change. We have identified the physical risks posed by climate change, and closely followed relevant extreme weather guidelines issued by the government, as well as implemented flexible working arrangements in response to climate change.

We strengthen climate risk response measures and integrate them into our daily operations and future business development to enhance our resilience to climate change. We have identified physical risks associated with climate change, such as floods, typhoons, unusual rainfall patterns and extreme heat, which may lead to temporary closure of offices, employee injuries, and unstable network services.

We have also identified transition risks, including policy and regulatory risks. The Group is committed to instilling resource conservation, low-carbon concepts and environmental awareness into work and daily life of each employee. We pay close attention to the amendments to policies and regulations in relation to green buildings and building standards, and strictly follow the building energy codes. We keep abreast of the updates of policies and regulations, so that we can adjust our strategies and business models in a timely manner to accommodate ourselves to changes in policies and regulations. Moreover, we shall also highlights efforts to standardize buildings, exploit possibilities of green buildings and strengthen the application of green buildings to address the legislative and regulatory risks of energy-efficient buildings, thus contributing to the mitigation of climate change.

7. Contribution to the Community

We understand the importance of making contribution to the community. Our goal is to create a positive impact in the community where we operate by partnering with different organizations to promote volunteer services and donations of employees. Therefore, we encourage our employees to participate in community service to build a more sustainable and harmonious society. We expect to pay more attention to the disadvantaged and the elderly. During the Reporting Period, for the sake of the COVID-19 pandemic and public health, the Group did not organize any community or public welfare activities. The Group will explore opportunities for volunteer services and arrange relevant activities in the future.

Appendix 1: Sustainability Data Statements

Environmental ⁷	Unit	2022
Emissions		
Nitrogen oxides (NO _x)	kg	152.96
Sulphur oxides (SO _x)	kg	2.78
Particulate Matter (PM)	kg	12.62
GHG emissions		
Direct GHG emissions (Scope 1)	Tonnes of CO ₂ e	621.03
GHG removal (Scope 1)	Tonnes of CO ₂ e	48.67
Indirect GHG emissions (Scope 2)	Tonnes of CO ₂ e	8,382.56
Total GHG emissions (Scope 1 and 2)	Tonnes of CO ₂ e	8,954.92
GHG Emissions Intensity (Scope 1 and 2)	Tonnes of CO ₂ e/1,000 m ²	2.65
Electricity consumption		
Total electricity consumption	MWh	14,427.82
Intensity of electricity consumption (per 1,000 square meters of area)	MWh/1,000 m ²	4.25
Natural gas consumption	m ³	12,676
Liquefied petroleum gas consumption	Liter	5,160
Gasoline consumption	Liter	189,150
Water consumption		
Total water consumption	Tonnes	321,627.40
Intensity of water consumption (per 1,000 square meters of area)	Tonnes/1,000 m ²	94.79
Hazardous waste produced		
Total hazardous waste produced	kg	65.29
Intensity of hazardous waste produced (per employee)	kg/employee	0.133
Non-hazardous waste produced		
Total non-hazardous waste produced	Tonnes	945.47
Intensity of non-hazardous waste produced (per employee)	Tonnes/employee	1.92
Paper consumption		
Total paper consumption	kg	15,084.50
Intensity of paper consumption (per employee)	kg/employee	30.66

⁷ The KPIs of the environmental aspect include: 20 offices and 16 construction projects

Appendix 1: Sustainability Data Statements

Social aspect ⁸	Unit	2022
Total employees	No. of people	492
Total employees by gender		
Female employees	No. of people	219
Male employees	No. of people	273
Total employees by employment type		
Full-time junior employees	No. of people	277
Full-time intermediate management	No. of people	200
Full-time senior management	No. of people	15
Total employees by age group		
Employees below 30	No. of people	44
Employees of 30-50	No. of people	396
Employees above 50	No. of people	52
Total workforce by geographical region		
Employees in Northern China	No. of people	160
Employees in Northeastern China	No. of people	35
Employees in Eastern China	No. of people	72
Employees in Central China	No. of people	27
Employees in Northwestern China	No. of people	36
Employees in the Southern China	No. of people	161
Other employees (including Hong Kong, Macao and Taiwan)	No. of people	1

⁸ The disclosure of social KPIs include the data of the Group

Appendix 1: Sustainability Data Statements

Social aspect ⁸	Unit	2022
Employee turnover rate⁴		
Turnover rate	%	35.4
Employee turnover rate by gender		
Female employees	%	36.9
Male employees	%	34.2
Employee turnover rate by age group		
Employees below 30	%	40.6
Employees of 30-50	%	35.6
Employees above 50	%	29.4
Employee turnover rate by geographical region		
Employees in Northern China	%	53.1
Employees in Northeastern China	%	4.90
Employees in Eastern China	%	21.3
Employees in Central China	%	40.9
Employees in Northwestern China	%	30.7
Employees in the Southern China	%	31.4
Other employees (including Hong Kong, Macao and Taiwan)	%	0.0
Percentage of employees trained⁵		
Percentage of employees trained by gender		
Female employees	%	100
Male employees	%	100

Appendix 1: Sustainability Data Statements

Social aspect ⁸	Unit	2022
Percentage of employees trained by employee category		
Full-time junior employees	%	100
Full-time intermediate management	%	100
Full-time senior management	%	100
Average training hours completed per employee by gender		
Female employees	Hour	4.5
Male employees	Hour	5
Average training hours completed per employee by employee category		
Full-time junior employees	Hour	7
Full-time intermediate management	Hour	6
Full-time senior management	Hour	3
Occupational health and safety		
Number of work-related fatalities occurred in each of the past three years including the reporting Year	No. of people	0
Rate of work-related fatalities occurred in each of the past three years including the reporting Year	%	0
Lost days due to work injury	Day	0
Labor Standards		
Number of child labors found	Case	0
Number of forced labors found	Case	0

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

Indicator		Related Section	
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.	6. Green Operations
	A1.1	The types of emissions and respective emissions data.	6.1 Greenhouse Gases Emissions Appendix 1: Sustainability Data Statements
	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).	6.1 Greenhouse Gases Emissions Appendix 1: Sustainability Data Statements
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.2 Energy Management Appendix 1: Sustainability Data Statements
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.2 Energy Management Appendix 1: Sustainability Data Statements
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	6. Green Operations
	A1.6	Description of how hazardous and nonhazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	6.2 Energy Management
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	6.2 Energy Management
	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).	6.2 Energy Management
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	6.2 Energy Management
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	6. Green Operations
	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.	6.2 Energy Management
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable, our Group's business does not involve packaging materials

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Indicator		Related Section	
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	6.2 Energy Management 6.3 Sustainable Buildings
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6.2 Energy Management 6.3 Sustainable Buildings
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.	6.4 Response to Climate Change
	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.	6.4 Response to Climate Change
B. Social 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.	4.1 Employee Rights
	B1.1	Total workforce by gender, employment type (for example, full – or part – time), age group and geographical region.	4. Excellent Talent Team Appendix 1: Sustainability Data Statements
	B1.2	Employee turnover rate by gender, age group and geographical region.	4. Excellent Talent Team Appendix 1: Sustainability Data Statements
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	4.4 Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	4.4 Health and Safety Appendix 1: Sustainability Data Statements
	B2.2	Lost days due to work injury.	4.4 Health and Safety Appendix 1: Sustainability Data Statements
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	4.4 Health and Safety

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Indicator			Related Section
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	4.3. Development and Training
	B3.1	The percentage of employees trained by gender and employee category (Such as senior management, middle management, etc.).	4.3. Development and Training Appendix 1: Sustainability Data Statements
	B3.2	The average training hours completed per employee, by gender and employee category.	4.3. Development and Training Appendix 1: Sustainability Data Statements
B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	4.1 Employee Rights
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	4.1 Employee Rights
	B4.2	Description of steps taken to eliminate such practices when discovered.	4.1 Employee Rights
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	5.5 Supply Chain Management
	B5.1	Number of suppliers by geographical region.	5.5 Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	5.5 Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	5.5 Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	5.5 Supply Chain Management

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Indicator		Related Section	
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	5.1 Quality Management 5.2 Customer-oriented
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	5.1 Quality Management Appendix 1: Sustainability Data Statements
	B6.2	Number of products and service related complaints received and how they are dealt with.	5.1 Quality Management 5.2 Customer-oriented
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.3 Information and Privacy Protection
	B6.4	Description of quality assurance process and recall procedures.	5.1 Quality Management
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	5.3 Information and Privacy Protection
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	5.4 Business Ethics
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	5.4 Business Ethics
	B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	5.4 Anti-corruption
	B7.3	Description of anti-corruption training provided to directors and staff.	5.4 Anti-corruption
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities interests.	7. Contribution to the Community
	B8.1	Focus areas of contribution (Such as education, environment issues, labor needs, health, culture, sports, etc.).	7. Contribution to the Community
	B8.2	Resources contributed to the focus area.	7. Contribution to the Community



GLORY 国瑞

GLORY HEALTH INDUSTRY LIMITED
國瑞健康產業有限公司