



GLORY 国瑞

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

2023

環境、社會及管治報告

Environmental, Social
and Governance Report

(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 GOry 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 slands with limited liability)

香港聯合交易所股份代號 Stock Code : 2329



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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 2023 to 31 December 2023 (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 C2 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 2023 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 19 offices and 12 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 30 April 2024 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 market. Glory Health has completed several well-known projects, including the development of Glory City and Glory Jinta in Beijing. We are committed to exploring innovation in the human settlement industry, developing industries such as healthy living communities, healthy living online, and regenerative medical incubation. Our group will be committed to providing online services for healthy living, and comprehensively improve our comprehensive operation and service level by creating innovative businesses such as Glory Hospital and Medical Online, online health care services, and regenerative medicine.

3. Sustainable Development Strategy

3.1 BOARD STATEMENT

Our group regards ESG management as part of our responsibility and is committed to incorporating ESG issues into our decision-making process. We firmly believe that a robust and sustainable governance framework is crucial for the development of our enterprise. We have established a robust ESG governance framework, and the board of directors is responsible for overseeing the ESG strategy of the group and assuming ultimate responsibility. We review the ESG strategy, risk management, importance evaluation, priority ranking of ESG issues, and management of ESG matters. We also review the progress of environmental goals and determine the setting of environmental goals to ensure that management policies effectively reduce the impact of the group's operations on the environment. While meeting the internal needs of enterprise development, we actively assume social responsibility. In the future, we will continue to review ESG related goals to seek opportunities to improve ESG performance.

3.2 PARTICIPATION WITH STAKEHOLDERS

Our group believes that establishing sustained and long-term relationships with stakeholders is crucial in ESG strategies. We are committed to establishing and maintaining various communication channels to understand the expectations and concerns of internal and external stakeholders in our ESG current and operational aspects.

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
<u>Community/ non-governmental organizations</u>	<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

Taking into account the mutual importance and impact of various ESG issues on stakeholders, we believe that the strategic direction and business development of our group have not undergone significant changes this year, and we will continue to use the results of last year's important issues. Our group has referred to a wide range of standards and guidelines, including the Guidelines of the Hong Kong Stock Exchange, the Sustainability Accounting Standards Board (SASB) Important Issue Bank, and peer movements, to more accurately reflect the environmental and social issues that stakeholders are concerned about. This year, the Group has continued to use the 22 issues identified in 2020, which have been finally confirmed by the board of directors and management, and are highlighted in this report for disclosure.

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. Employee Responsibilities

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 548 employees. The breakdowns are as follows:

Indicator	Unit	2023
Total employees by gender		
Female employees	No. of people	248
Male employees	No. of people	300
Total employees by employment type		
Full time junior employees	No. of people	258
Full time intermediate management	No. of people	264
Full time senior management	No. of people	26
Total employees by age group		
Employees below 30	No. of people	28
Employees of 30-50	No. of people	457
Employees above 50	No. of people	63
Total employees by geographical region		
Employees in Northern China	No. of people	237
Employees in Northeastern China	No. of people	33
Employees in Eastern China	No. of people	18
Employees in Central China	No. of people	25
Employees in Northwestern China	No. of people	32
Employees in Southern China	No. of people	203
Other employees (including Hong Kong, Macao and Taiwan)	No. of people	0

4. Employee Responsibilities

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

Indicator	Unit	2023
Total turnover rate¹	%	36.16
Turnover rate by gender		
Female employees	%	16.61
Male employees	%	19.53
Turnover rate by age group		
Employees below 30	%	5.66
Employees of 30-50	%	27.74
Employees above 50	%	2.74
Turnover rate by geographical region		
Employees in Northern China	%	23.54
Employees in Northeastern China	%	1.09
Employees in Eastern China	%	1.46
Employees in Central China	%	2.01
Employees in Northwestern China	%	1.09
Employees in Southern China	%	6.93
Other employees (including Hong Kong, Macao and Taiwan)	%	0.00

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

Employees are our most valuable asset. We are committed to providing employees with a fair, fair, and open work environment, enabling them to fully utilize their personal talents. We strictly abide by the labor 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 and ensure that they can fully unleash their abilities and development potential.

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 create a good working atmosphere to assist employees in their personal growth and career development. Guorui Health regards its employees as a valuable asset of the group, and strives to build a harmonious and upward platform for employees to think of what they want. We actively organize various welfare activities during holidays every year, regularly hold social events such as employee gatherings, promote learning and communication among employees from different departments, and feel the warm humanistic care of the group while realizing our self-worth.

Recruitment and Resignation

Our group adheres to the principle of fair and just employment, and we have always adhered to the culture of employment equality and promoting diversity and integration. In order to ensure the fairness and transparency of recruitment work, we have established the “Human Resource Management System” (《人力資源管理制度》), and made clear provisions on the recruitment principles for applicants. We will consider factors such as the candidate's resume, qualifications, work experience, as well as their compatibility with the position, and conduct a selection based on merit. Discrimination based on age, gender, race, religious beliefs, physical condition, and other factors is strictly prohibited.

To prevent forced labor, we have issued the “Labor Contract” (《勞動合同書》) to all employees and signed labor contracts with each employee, clearly stating work hours, job responsibilities, vacation policies, salary and benefits, etc. in the contracts; When employees apply for resignation, they actively understand the reasons for their resignation, promote the completion of resignation procedures in accordance with laws and regulations, verify and correct the issues raised by departing employees, protect their legitimate rights and interests, and promote the sustainable development of the group's talent team.

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

4.2 EMPLOYMENT RIGHTS

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. Employee Responsibilities

Performance and Promotion

We are committed to establishing a fair and just promotion mechanism to motivate employees to continuously improve themselves and achieve personal career development goals. Our group attaches great importance to performance evaluation and promotion work, continuously improving the fairness, scientificity, and transparency of the performance evaluation system. Our group regularly sets work goals and encourages employees to implement plans and achieve work goals through self motivation, self-improvement, and self-evaluation. At the same time, based on business characteristics, employee strengths, and other indicators, the group helps employees carry out performance planning, performance coaching, performance evaluation, and application of performance results, allowing employees to develop their professional skills according to actual situations. We also provide incentives such as promotion to employees who have achieved excellent results.

4.3. TALENT TRAINING

We strive to cultivate talents by providing various types of vocational training activities to help employees sort out their career paths, anchor career development goals, and tailor training based on business needs and personal strengths.

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	3	100
	Male employees	3	100
By employee category	Full-time junior employees	4	100
	Full-time intermediate management	4	100
	Full-time senior management	2	100

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

4.4 EMPLOYEE HEALTH AND SAFETY

The occupational health and safety of employees are the lifeline and basic bottom line for the continuous development of the group. 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》). and will promote the construction of a healthy and safe working environment to be implemented.

Our group has established a safety management team to coordinate and manage the group's occupational health and safety affairs, including formulating preventive measures such as safety risk prevention regulations, and striving to solve risk hazards at the source. We require relevant departments and personnel to conduct regular inspections and follow-up checks on identified security risks within a limited time frame to ensure that hidden dangers are completely eliminated. In addition, we have formulated the “Occupational Safety and Health Management Plan”(《職業安全健康管理方案》) to help employees strengthen their awareness of safety production, master accident emergency response skills, and enhance their awareness of health and safety prevention through regular safety skill training, safety knowledge lectures, fire safety education, and other activities. We aim to avoid safety accidents caused by human factors and maintain vigilance in daily work and life.

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 Operations

We are committed to establishing a corporate culture of integrity and business ethics, cultivating a fair and just business environment, and ensuring compliant business operations.

5.1 IMPROVE SERVICE QUALITY

We hope our customers have a better service experience. We are committed to providing customers with high-quality property and service experience by establishing multiple management regulations, strictly implementing acceptance procedures to ensure project quality, and taking measures to ensure the quality of the products and services provided. This indicates that our group has always adhered to a high sense of responsibility and integrity principles in managing customer relationships. Guorui Health will continue to improve its management level and provide customers with better quality services.

Project Quality Control

To improve product quality, we strictly adhere to 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》) acceptance standards and procedures 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 standardize the inspection, storage, and use of engineering materials, ensuring material quality and engineering quality. We will also regularly arrange for the engineering department to conduct on-site inspections of ongoing projects, supervise the implementation of project progress plans, inspect the quality, safety, and implementation of civilized construction, and evaluate and warn. We have developed various inspection and testing plans for different stages of the project according to the “Guidelines for the Acceptance of Materials and Equipment” to comprehensively ensure the quality and safety of the products. The engineering department regularly conducts on-site inspections of ongoing projects, supervises the implementation of project schedules, inspects project quality, and conducts evaluations.

The Material Inspection Team of our group ensures that products meet quality and technical requirements. If any substandard materials are found, we will reject the defective goods and request the supplier to rectify or replace them within a specified period of time. Before the property is delivered for use, the regional company must conduct quality inspections of the property in accordance with the guidelines stipulated in the project engineering management regulations. The construction project can only be accepted after passing the acceptance inspection. In order to ensure quality, all construction projects comply with national standards, technical standards, and other relevant quality requirements. We strictly control the quality of the project and ensure the safety of the property.

After the completion of the project, if there is any dissatisfaction with the quality of the property, we will promptly dispatch personnel to the site for investigation. In addition, when handling complaints related to external factors such as public facilities outside our jurisdiction, we will conduct specialized investigations and make the results public. Subsequently, once the complaint is successfully resolved and confirmed to be satisfactory, our customer service team will immediately contact the customer to outline the complaint resolution process and results. We do not allow the issuance of quality certificates or acceptance of unqualified construction projects. For non-conforming products that do not comply with the contract, samples, current specifications, etc., our material inspection team will promptly provide handling suggestions and order the supplier to make corrections. The material and equipment inspection team will decide whether to impose additional penalties based on the degree of breach by the supplier and the cooperation in the rectification and replacement process.

Our group has no products or services that need to be recycled for safety and health reasons this year.

5.2 CUSTOMER SERVICE

To ensure timely and effective handling of customer complaints, we have developed the “Customer Complaints Handling Guidelines” (《顧客投訴處理作業指導書》), which categorizes and organizes common complaints and develops corresponding handling procedures, while conducting tracking and statistical analysis. We have recorded in detail, accurately, and objectively the complaints caused by poor property management on the “Customer Compliant Handling Record” (《顧客投訴處理記錄表》) and promptly forwarded them to the responsible department for processing. When a customer complains to us, we ensure that employees immediately record and analyze the complaint to understand its cause and nature. The employee or team responsible for handling the complaint must start investigating the cause of the complaint and track the progress of resolving the complaint. Record all details, and after resolving the complaint, the outcome must be tracked and documented.

We strictly comply with the Advertising Law of the People’s Republic of China (《中華人民共和國廣告法》). Our group is committed to ensuring the authenticity and accuracy of product descriptions and promotional data, and avoiding any misleading and deceptive behavior. To this end, we strengthen the training and awareness of employees on the authenticity of information, ensure that the sales team has a sufficient understanding of the project before promoting, and check whether the preparation and publication of sales promotion are compliant to avoid misleading customers. We uphold the concept of honest operation, comply with relevant regulations and industry guidelines, and provide customers with true, accurate, and objective information. This year, Guorui Health has not violated any relevant laws and regulations in the advertising and labeling of its products and services.

5.3 ENSURING INFORMATION PRIVACY

In order for customers to have confidence and peace of mind in using the service, data security has always been a focus of attention for Guorui Health. We follow 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」) and have developed a dedicated information management system to ensure company information security and customer privacy data.

Our group has formulated the “Information Management System” (《信息化管理制度》) to standardize the management process of group and customer data. We have a strict hierarchical control system for information permissions, with shared data managed by business departments. Any visitor must obtain authorization to access confidential and important data files. At the same time, we also specify the confidentiality responsibility for customer information in all contracts signed by suppliers and contractors, and provide detailed provisions for accountability measures. In our daily work, we regularly upgrade and maintain the computer virus database, requiring employees to strictly abide by security and confidentiality regulations when using computer systems to process customer information. It is strictly prohibited to disclose, steal, or modify important information related to work without authorization. When an employee resigns, the group's backend will cancel their office account within one day and destroy discarded electronic devices in accordance with national regulations, blocking every loophole that poses a risk of information leakage.

In terms of intellectual property rights, our group complies with laws and regulations related to intellectual property such as the Patent Law of the People’s Republic of China (《中華人民共和國專利法》), and maintains intellectual property rights from infringement through various means.

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

5. Compliant Operations

5.4 ANTI CORRUPTION

The Group continuously deepens its risk management construction, and excellent risk management enhances its risk prevention capabilities. The Group's risk management framework supervises compliance from top to bottom. The Group regularly reviews accounts and is committed to preventing fraudulent, irregular, or fraudulent behavior. We disclose our financial situation every year to ensure the safety of the company. We actively establish a robust risk management and internal monitoring system to ensure the effectiveness of the governance system.

Our group strictly adheres to 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》), and attaches great importance to compliance risk management. We are committed to maintaining a fair, just, and transparent business environment, implementing strict review processes, and ensuring the effective operation of compliance procedures, internal monitoring, and risk management systems. We have established a comprehensive risk management system, continuously optimizing the company's regulatory framework, conducting supervision work from top to bottom, regularly reviewing accounts and disclosing financial status, continuously monitoring suspected illegal risk behaviors such as fraud, violation, fraud, or money laundering, in order to take preventive measures in advance.

Our group recognizes the importance of anti-corruption training and will arrange training as soon as possible, as circumstances permit.

Our group is committed to establishing a corporate culture with integrity and business ethics. We provide clear and concise behavioral standards for employees and partners, explaining the norms and guidelines for handling gifts, hospitality, transactions, and financial management in different situations. We require all employees to disclose any such situation and comply with the company's instructions to firmly resist the occurrence of corruption, fraud, and other incidents. Our group has established the "Management Measures on the Group's Litigation and Arbitration Cases" (《集團訴訟、仲裁案件管理辦法》) to report any suspicious improper or illegal behavior, and we will actively investigate and handle it. Reporting is conducted in a confidential manner to ensure that the informant is not retaliated against or harassed. We take appropriate action based on the severity of the violation, including reporting to law enforcement agencies.

This year, the Group has not filed any lawsuits related to corruption, nor has it violated any relevant laws and regulations that have a significant impact on the operation of the Group.

5.5 SUPPLIER MANAGEMENT

We continuously improve our supplier management model and have developed the "Supplier Management and Operation Guidelines" (《供方管理操作指引》), which involves bidding and procurement in three steps, including reviewing compliance in governance, labor, and environment through "pre-qualification and inspection", "supplier storage" and "supplier performance evaluation". We work together with suppliers to ensure the quality of engineering and operations.

To avoid potential environmental and social risks affecting the supply chain, our group prioritizes selecting suppliers who have performed well in both environmental and social aspects as our partners. We value the integrity of our suppliers and have signed the "Integrity and Responsibility Letter" (《廉政責任書》) agreement with them, which clearly opposes any form of illegal behavior such as corruption and bribery. At the same time, if the supplier fails to meet the standards of the group or the subcontractor will need to make corrections. We will also update our supplier name database based on business needs and supplier performance to ensure that the selected suppliers can provide products and services that meet our environmental and social standards.

This year, our group has a total of 500 major suppliers in the field of engineering and construction, and we have followed the practices of our suppliers.

Regions	Beijing	Hainan	Suzhou	Shanghai	Shenyang	Xi'an Zhengzhou	Tongren	Yongqing	Shenzhen	Foshan
Major suppliers	100	75	57	47	46	39	38	35	23	20

6. Green Development

Our group is committed to protecting the environment and strictly complies with laws and regulations such as 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 that environmental protection during the construction process complies with national laws and regulations. We actively implement measures to reduce environmental pollution and incorporate resource conservation and waste management into our daily operations, such as optimizing real estate construction projects. At the same time, we strictly monitor air pollution emissions, waste emissions, sewage emissions, and noise levels during project construction to ensure that the operation process is environmentally responsible, prevent pollution, and reduce resource consumption.

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 GAS MANAGEMENT

Given the unprecedented challenges posed by climate change, we are committed to promoting sustainable development. We calculate greenhouse gas emissions based on the Greenhouse Gas Inventory Protocol developed by the World Resources Institute and the World Business Council for Sustainable Development, as well as the ISO 14064-1 standard established by the International Organization for Standardization. After investigation, it was found that the greenhouse gas emissions of our group mainly come from the use of fixed equipment fuel, the fuel consumption of our vehicles, and the electricity consumption involved in office, project construction, and operation in various regions. This year, the greenhouse gas emission density of our group was 3.26 metric tons of carbon dioxide equivalent per thousand square meters, an increase from last year. The progress of the target needs to be improved³, Among them, the sources of greenhouse gas emissions are as follows:

GHG emission performance	Unit	2023
GHG emissions		
Direct GHG emissions (Scope 1) ⁴	Tonnes of CO ₂ equivalent (CO ₂ e)	637.98
GHG offset (Scope 1) ⁵	Tonnes of CO ₂ e	66.06
Indirect GHG emissions (Scope 2)	Tonnes of CO ₂ e	6,026.22
Total GHG emissions (Scope 1 & 2)	Tonnes of CO ₂ e	6,598.15
Intensity of GHG emissions		
Per 1,000 square meters of area	Tonnes of CO ₂ e/1,000 m ²	3.25

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 This year, some of our project employees have increased, and the demand for vehicle use has increased, resulting in an increase in greenhouse gas emissions.

⁴ Fuel consumption by generators, lawn mowers, herbicides and sweepers that are used in garden areas is collected in project sites during operation.

⁵ GHG removals derived from emission reduction by trees planted in relevant buildings.

6. Green Development

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	2023 ⁶
Nitrogen oxides (NO _x)	kg	576.59
Sulphur oxides (SO _x)	kg	2.63
Particulate Matter (PM)	kg	54.51

Our group believes that greenhouse gases are one of the main causes of climate change, and we may face risks arising from different environmental and social impacts caused by events related to climate change. In this year, the Group has set greenhouse gas emission targets to reduce greenhouse gas emission density where feasible. In terms of employee transportation, the Group encourages employees to use public transportation to reduce emissions caused by transportation and strive to reduce direct greenhouse gases. In addition, the group maintains the company's fleet and requires drivers to plan their driving routes to avoid wasting fuel. Our group also strives to use environmentally friendly vehicles, such as electric or hybrid vehicles, and phase out vehicles with low performance and high fuel consumption to reduce greenhouse gas emissions.

6.2 ENERGY MANAGEMENT

We have established green development management, comprehensively managing energy, water resources, waste, and green buildings, and have implemented various environmental protection measures in office and construction projects to reduce the potential impact of our group on the environment.

Energy Saving

We take responsibility for energy conservation and strive to reduce energy consumption at our operating locations and improve energy efficiency. Our main energy consumption comes from the electricity usage of their office and construction projects. In this year, the total power consumption was 10,566.75 megawatt hours, with a total power consumption density of 5.22 megawatt hours per thousand square meters. The power consumption density has decreased compared to last year, and the target progress is good. The reason is that we have reduced the use of large equipment, so the electricity consumption has decreased.

Electricity remains our main source of greenhouse gas emissions. In view of this, the Group implements various strategies to effectively manage energy consumption. We monitor the electricity consumption of offices and construction sites and take targeted measures to reduce energy consumption, including encouraging employees to use natural light and turning off lights when not in use, independently turning on and off office lighting to implement high transparency, and ensuring normal operation of lighting equipment. In addition, we regularly clean and maintain the air conditioning system, adjust the pump and fan systems according to actual needs, and adjust the air volume and temperature as needed to improve energy efficiency.

⁶ 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 Resources Management

We mainly use water for office and construction sites, with the main water source being municipal water. Our water source has not encountered any problems. This year, the total water usage was 217,463 tons, with a water usage density of 107.34 tons per thousand square meters. The water usage density has increased compared to last year, and the progress of this year's water usage target needs to be improved.⁷

We advocate for water conservation, continuously monitoring water usage, regularly conducting hidden pipeline leakage tests, checking water tanks and meter readings, and promoting water-saving awareness to employees. For example, we have posted water-saving reminders in bathrooms and tea rooms to remind employees to turn off the faucet after use. If employees find that there are drips or leaks in household water facilities such as wash basins and toilet water tanks, they should be eliminated in a timely manner. We will immediately arrange maintenance to prevent water resource waste. We are committed to continuously improving the efficiency of our group's water resource utilization and reducing water resource consumption.

Paper Saving

As paper is the main resource consumption for office operations, in order to avoid the generation of waste paper, the Group encourages employees to minimize the use of paper and use online systems to process documents. We advocate for a green office and paperless work environment through methods such as reusable waste paper and double-sided printing. In addition, we encourage the use of thinner fonts and line spacing to reduce the amount of paper used during printing. This year, we used 18,133 kilograms of paper, with an average of 33.09 kilograms per employee. Our paper usage this year has increased compared to last year.

Waste Management

Our group has identified the main sources of waste generation and implemented corresponding management measures for these sources. This year, a total of 923.74 tons of harmless waste were generated, with an average of 1.69 tons per employee; Meanwhile, the total amount of hazardous waste is 13.00 kilograms, with an average output of 0.024 kilograms per employee. We have actively reduced the amount of waste used this year, and the waste target has made good progress.⁸

Our group implements strict measures in regulating waste, requiring all projects to comply with relevant regulations and standards, and hand over waste to qualified recycling companies for disposal, in order to reduce environmental pollution. For daily office waste, the method of "daily production and daily cleaning" is adopted for disposal. At the same time, our group has also set up a dedicated recycling route to thoroughly clean up hazardous waste and submit it to recycling companies for disposal. Our hazardous waste (such as toner cartridges/ink cartridges, batteries, computers, etc.) has been set up with dedicated recycling channels and handed over to qualified recycling companies for disposal.

⁷ The Jipu project has resumed work, and the construction water consumption has increased.

⁸ 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 Development

6.3 SUSTAINABLE BUILDINGS

We apply the characteristics of green buildings in construction, taking into account environmental factors in every aspect from project planning, construction to operation, and actively adopting green intelligent technology to achieve sustainable green spaces and harmonious coexistence between humans and nature.

During the project design phase, we strive to select locations with no significant environmental impact and ensure that the project's energy efficiency meets standards. We will also commission a third party to complete an environmental impact assessment to ensure that the project complies with relevant environmental regulations.

During the construction phase of the project, we have taken a series of measures to reduce potential environmental impacts. We regularly monitor environmental indicators and adjust construction plans to ensure that emissions comply with local government standards. We strictly manage the air quality, noise, and sewage on the construction site to ensure compliance with environmental standards.

After the completion of the project construction, we will establish 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 implement relevant mitigation and compensation measures to reduce the impact on the environment.

6.4 ENVIRONMENTAL TARGETS

Our group has set environmental goals and related environmental protection measures for greenhouse gas emissions, waste generation, energy utilization efficiency, and water resource utilization efficiency. During this reporting period, we actively implemented relevant action plans with the following objectives:

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 MITIGATING CLIMATE CHANGE

We strengthen climate risk response measures and integrate them into daily operations and future business development to enhance our adaptability to climate change. In the face of the risks and potential impacts posed by climate change, the Group regularly identifies, evaluates, manages, and monitors climate related risks. The Group closely monitors market trends in climate related risks to continuously grasp the latest developments in climate related issues, in order to identify and evaluate the Group's climate related risks. We have identified the physical risks brought about by climate change, strictly followed the relevant extreme weather guidelines issued by the government, and implemented flexible work arrangements in response to climate change.

We have identified physical risks associated with climate change, such as floods, typhoons, abnormal rainfall patterns, and extreme high temperatures, which may lead to temporary office closures, employee injuries, and unstable network services. At the same time, we have identified transformation risks related to climate change in our business and developed response measures based on climate change risk assessment results to mitigate the impact of climate risks on business operations. We timely understand the updates of policies and regulations, so that we can adjust our own strategies and business models in a timely manner to adapt to changes in policies and regulations. At the same time, we focus on standardizing buildings, seizing opportunities for green buildings, implementing the application of green buildings, and contributing to mitigating climate change.

7. Practice Public Welfare

Our group is well aware that the long-term development of our enterprise cannot be separated from the support and participation of all sectors of society. As participants and co builders of a harmonious society, we care about the well-being of society and the development of the community. We always hold a grateful heart, actively give back to society, and encourage our employees to participate in volunteer services and charitable activities. In the future, our group will continue to actively participate in social welfare activities to better serve the community and seek opportunities to participate in various community activities.

Appendix 1: Sustainability Data Statements

Environmental ⁹	Unit	2023
Emissions		
Nitrogen oxides (NO _x)	kg	576.59
Sulphur oxides (SO _x)	kg	2.63
Particulate Matter (PM)	kg	54.51
GHG emissions		
Direct GHG emissions (Scope 1)	Tonnes of CO ₂ e	637.98
GHG removal (Scope 1)	Tonnes of CO ₂ e	66.06
Indirect GHG emissions (Scope 2)	Tonnes of CO ₂ e	6,026.22
Total GHG emissions (Scope 1 and 2)	Tonnes of CO ₂ e	6,598.15
GHG Emissions Intensity (Scope 1 and 2)	Tonnes of CO ₂ e/1,000 m ²	3.26
Electricity consumption		
Total electricity consumption	MWh	10,566.75
Intensity of electricity consumption (per 1,000 square meters of area)	MWh/1,000 m ²	5.22
Natural gas consumption	m ³	6,892
Liquefied petroleum gas consumption	Liter	6,480
Gasoline consumption	Liter	178,880.4
Water consumption		
Total water consumption	Tonnes	217.463
Intensity of water consumption (per 1,000 square meters of area)	Tonnes/1,000 m ²	0.11
Hazardous waste produced		
Total hazardous waste produced	kg	13
Intensity of hazardous waste produced (per employee)	kg/employee	0.024
Non-hazardous waste produced		
Total non-hazardous waste produced	Tonnes	923.74
Intensity of non-hazardous waste produced (per employee)	Tonnes/employee	1.69
Paper consumption		
Total paper consumption	kg	18.133
Intensity of paper consumption (per employee)	kg/employee	33.09

⁹ The KPIs of the environmental aspect include: 20 offices and 16 construction projects

Appendix 1: Sustainability Data Statements

Social aspect ¹⁰	Unit	2023
Total employees	No. of people	548
Total employees by gender		
Female employees	No. of people	248
Male employees	No. of people	300
Total employees by employment type		
Full-time junior employees	No. of people	258
Full-time intermediate management	No. of people	264
Full-time senior management	No. of people	26
Total employees by age group		
Employees below 30	No. of people	28
Employees of 30-50	No. of people	457
Employees above 50	No. of people	63
Total workforce by geographical region		
Employees in Northern China	No. of people	237
Employees in Northeastern China	No. of people	33
Employees in Eastern China	No. of people	18
Employees in Central China	No. of people	25
Employees in Northwestern China	No. of people	32
Employees in the Southern China	No. of people	203
Other employees (including Hong Kong, Macao and Taiwan)	No. of people	0

¹⁰ The disclosure of social KPIs include the data of the Group

Appendix 1: Sustainability Data Statements

Social aspect ¹⁰	Unit	2023
Employee turnover rate⁴		
Turnover rate	%	36.13
Employee turnover rate by gender		
Female employees	%	16.61
Male employees	%	19.53
Employee turnover rate by age group		
Employees below 30	%	5.66
Employees of 30-50	%	27.74
Employees above 50	%	2.74
Employee turnover rate by geographical region		
Employees in Northern China	%	23.54
Employees in Northeastern China	%	1.09
Employees in Eastern China	%	1.46
Employees in Central China	%	2.01
Employees in Northwestern China	%	1.09
Employees in the Southern China	%	6.03
Other employees (including Hong Kong, Macao and Taiwan)	%	0.00
Percentage of employees trained⁵		
Percentage of employees trained by gender		
Female employees	%	100
Male employees	%	100

Appendix 1: Sustainability Data Statements

Social aspect ¹⁰	Unit	2023
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	3
Male employees	Hour	3
Average training hours completed per employee by employee category		
Full-time junior employees	Hour	4
Full-time intermediate management	Hour	4
Full-time senior management	Hour	2
Occupational health and safety		
No. of people 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 Development
	A1.1	The types of emissions and respective emissions data.	6.1 Greenhouse Gas Management 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 Gas Management 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 Development
	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 Development
	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 Environmental Targets
	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 Environmental Targets
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. Employee Responsibilities Appendix 1: Sustainability Data Statements
	B1.2	Employee turnover rate by gender, age group and geographical region.	4. Employee Responsibilities 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 Employee 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 Employee Health and Safety Appendix 1: Sustainability Data Statements
	B2.2	Lost days due to work injury.	4.4 Employee 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 Employee 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. Talent Training
	B3.1	The percentage of employees trained by gender and employee category (Such as senior management, middle management, etc.).	4.3. Talent Training Appendix 1: Sustainability Data Statements
	B3.2	The average training hours completed per employee, by gender and employee category.	4.3. Talent 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 Supplier Management
	B5.1	Number of suppliers by geographical region.	5.5 Supplier 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 Supplier 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 Supplier 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 Supplier 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 Improve Service Quality 5.2 Customer Service
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	5.1 Improve Service Quality Appendix 1: Sustainability Data Statements
	B6.2	Number of products and service related complaints received and how they are dealt with.	5.1 Improve Service Quality 5.2 Customer Service
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.3 Ensuring Information Privacy
	B6.4	Description of quality assurance process and recall procedures.	5.1 Improve Service Quality
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	5.3 Ensuring Information Privacy
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 Anti Corruption
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	5.4 Anti Corruption
	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. Practice Public Welfare
	B8.1	Focus areas of contribution (Such as education, environment issues, labor needs, health, culture, sports, etc.).	7. Practice Public Welfare
	B8.2	Resources contributed to the focus area.	7. Practice Public Welfare



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