



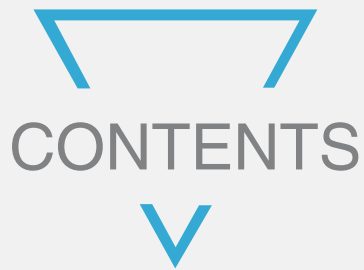
BEIJING NORTH STAR COMPANY LIMITED
北京北辰实业股份有限公司

STOCK CODE : HK.0588

2017

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT





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01

ABOUT THIS REPORT



Beijing North Star Company Limited (the “**Company**” or “**North Star**”) is delighted to publish the tenth edition of its Corporate Social Responsibility report as well as the second edition of its Environmental, Social and Governance report (this “**Report**”).

REPORTING PERIOD

This Report covers the period from January 1, 2017 to December 31, 2017 (the “**Reporting Period**”), unless otherwise mentioned. The information presented in this Report provides specific policies and performances in relation to the Company’s environmental, social and sustainability aspects. Taking into account the continuity and comparability of the information disclosed, some of the information is extended as appropriate.

REPORTING ORGANIZATIONAL BOUNDARY

The Reporting Organizational Boundary of this Report is based on the principle of materiality. Unless otherwise mentioned, the material content of the Report covers Beijing North Star Company Limited, its subsidiaries and branch companies.

REPORTING GUIDELINES

This Report is prepared in accordance with the *Environmental, Social and Governance Reporting Guide* under Appendix 27 of the Main Board Listing Rules (“**Listing Rules**”) of The Stock Exchange of Hong Kong Limited (“**HKEX**”) and the “*Notice of Improving Listed Companies’ Assumption of Social Responsibilities and the SSE Guideline on Environmental Information Disclosure by Listed Companies*” published by the Shanghai Stock Exchange (the “**SSE**”).



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THE PREFACE

In 2017, guided by the 13th Five-Year plan, North Star unwaveringly promoted its three major developmental strategies - “brand expansion, low-cost expansion and capital expansion”. In the course of its transformation and upgrade, it has created an unprecedented record of operating performance, including the realization of the Company’s operating income - RMB15.46 billion, year-on-year growth of 58.7%; profit before tax - RMB2.98 billion, year-on-year growth of 105.8%.

In 2017, North Star displayed its exquisite “North Star Standard” and “Beijing Service” to the world. The subsidiary of the Company, North Star Convention and Exhibition, has satisfactorily completed many important national diplomatic activities like the 1st session of “The Belt and Road” International Cooperation Summit Forum, Meeting of Leaders of Brazil, Russia, India, China and South Africa (“**BRICS**”) in Xiamen, International Criminal Police Organization (“**ICPO**”) Conference; as well as Beijing Chinese People’s Political Consultative Conference (“**Beijing CPPCC**”) and other high-standard reception services and supporting tasks.

In 2017, North Star experienced a profound transformation of its real estate business’ organizational structure and management style. North Star Real Estate Group was established, which marked the embarkment of the Company’s real estate business development into a new historical journey.

In 2017, North Star continued to be aware of sustainable development and through the active promotion of energy-saving and environmental protection work, the Company vigorously developed green ecological buildings. Through these works, the Company has strengthened the awareness of energy-saving and environmental protection concepts, which has led to the Company’s achievement of outstanding results in both aspects. This year, the Company achieved a surplus carbon emissions quota of approximately 4,346 tonnes of carbon dioxide. The Company also completed writing its 2016 energy-saving goal responsibility assessment and self-exam-

ination report, for which it received praise from the National Development and Reform Commission of Chao Yang District, Beijing.

In 2017, North Star also valued the practice of enterprises’ social responsibility. The Company has donated to “Beijing Chunmiao Children’s Aid Foundation” for 6 consecutive years with an accumulative donation of RMB5.70 million, benefitting a total of 225 children suffering from congenital diseases.

Along the way, North Star has always adopted a tireless attitude in pursuing quality and effective growth. Prospectively in 2018, North Star will firmly adhere to its mission of “to create property value, and build a business foundation to last a century” and its corporate goal of repaying shareholders, being dedicated to society and cherishing its staff. The Company also pays attention to the harmoniousness between environment and society, and the resulting growth that the Company shares with its stakeholders. Concurrently, the Company adheres to its direction of operating with minimal assets, undergoing low-cost expansion, having new economic support and developing a high-end service industry. The Company will continually implement its three main strategies including “low-cost expansion, brand expansion and capital expansion” to build a national first-class composite real estate-branded enterprise and the most influential exhibition-branded enterprise in China!

Hereon, North Star is grateful to its investors, partners and owners, and it would not be what it is today as we know it without your support.

To this end, the people of North Star will ride the winds, break the waves and forge ahead!

03

COMPANY OVERVIEW

ABOUT THE COMPANY

Beijing North Star Company Limited was established by its sole promoter, Beijing North Star Industrial Group Limited Liabilities Company on April 2, 1997. The shares of the Company were listed on the Hong Kong Stock Exchange (SEHK Stock Code: 0588) in May of the same year. In October 2006, the Company's A shares were issued and listed on the Shanghai Stock Exchange (SSE Stock Code: 601588).

The Company's total registered capital is 3,367,020,000 shares, of which 2,660,000,000 shares (representing 79.002% of the total share capital) are A shares and 707,020,000 shares (representing 20.998% of the total share capital) are H shares.

The Company is principally engaged in development properties, investment properties (including hotels) and commercial properties.

The development properties business mainly set foot in Beijing with the aim of expanding beyond the capital. In recent years, as the Company continues to deepen the regional exploration and development in new cities, a multi-level nationwide development layout covering a number of regions is gradually taking shape. The development properties consist of the development and sales of residential units, apartments, villas, offices and commercial buildings of different classes and features. The development projects are spread in the key cities in 14 hotspot regions including Northern China, Central China, Eastern China and Southwest China, and there are 38 projects proposed to be built or under construction. Both the development scale and market share of the Company have been continuously enhanced.

Properties held and operated by the Company involve convention and exhibition centres, hotels, offices and apartments with a total gross floor area exceeding 1,270,000 m², out of



which 1,200,000 m² is in the Asian-Olympic core district in Beijing. Its operating items mainly include the National Convention Centre, Beijing International Convention Centre, InterContinental Beijing Beichen, North Star V-Continent Beijing Parkview Wuzhou Hotel, Beijing Continental Grand Hotel, National Convention Centre Hotel, Hui Bin Offices, Hui Xin Offices, North Star Times Tower, North Star Century Center, Hui Yuan Apartment, North Star Shopping Centre (Asian Games Village Branch (亞運村店)), B5 Commercial Area of North Star Green Garden, etc. Projects outside Beijing include Intercontinental Changsha (長沙北辰洲際酒店).

While optimising and consolidating traditional properties held, the Company strengthened resources integration and exerted continued efforts on the expansion of new businesses and new technologies of exhibition industry relying on North Star Exhibition Group (北辰會展集團). Currently, the brand operation and provision of management services for exhibitions and hotels made significant achievements in recent years, resulting in the gradual formation of a diversified service profit model centering on entrusted management. Presently, North Star Exhibition Group provides entrusted management services for 17 exhibition and hotel projects, spanning a total floor area of 2,120,000 m². The provision of these services has resulted in it becoming China's largest exhibition-branded enterprise and has continuously enhanced the influence of the "North Star Exhibition" brand.

Adhering to the principle of maximizing shareholders' profit and a historic mission "to create property value, and build a business foundation to last a century", the Company continues its great effort to develop into a nationally leading integrated real estate enterprise and China's most influential exhibition-brand enterprise.



CORE IDEOLOGY

ENTERPRISE MISSION

Repay our shareholders,
dedicate ourselves to society,
and cherish our staff

ENTERPRISE TARGET

To establish a national
largescale and first-class
real estate enterprise with
comprehensive operations



ENTERPRISE TENET

To create property value, and
build a business foundation to
last a century

ENTERPRISE STRATEGIES

Brand expansion,
low-cost expansion and
capital expansion

THE COMPANY AWARDS ▼

Branding and honour are regarded as the driving force for the Company's sustainable development. For a long time, the Company has maintained its mission "to create property value, and build a business foundation to last a century" and in order to continuously refine the brand's image, it has adhered to its target of building the nation's first-class enterprise of comprehensive real estate and the most influential branded enterprise of conventions and exhibitions in China. Through its unremitting efforts, the Company received various impressive honours in 2017.



During the Reporting Period, the Company, its subsidiaries and its branch companies/ projects received a total of 35 professional awards awarded by related authorised agencies.

THE AWARDS AND HONORS OF BEIJING NORTH STAR COMPANY LIMITED AND ITS SUBSIDIARIES/ PROJECTS IN 2017

No.	Award Name	Date	Company/Project Being Awarded	Granting Authority
1	2017 China Real Estate Top 100 Enterprises: total ranking 46 th	2017.03	Beijing North Star	China's TOP 10 Real Estate Research Group
2	The Star of China Real Estate Top 100 Enterprises	2017.03	Beijing North Star	China's TOP 10 Real Estate Research Group
3	2017 Investment Value Top 10 Shanghai and Shenzhen listed real estate companies	2017.05	Beijing North Star	China's TOP 10 Real Estate Research Group
4	2017 Wealth Creation Ability Top 10 Shanghai and Shenzhen listed real estate companies	2017.05	Beijing North Star	China's TOP 10 Real Estate Research Group
5	2017 Beijing Top 20 Funds and Credits for Real Estate	2017.08	Beijing North Star	Major Beijing Bank Authority, <i>Reference News · Beijing Reference</i>
6	2017 Professional Leading Brand of China Complex Estate	2017.09	Beijing North Star	China's TOP 10 Real Estate Research Group (10 Consecutive Years)
7	2017 China Commercial Real Estate Top 100 Enterprises: ranking 25 th	2017.11	Beijing North Star	Institute of Guandian Index Research
8	Sustainable Development Performance Award	2017.12	Beijing North Star	<i>China Finance</i>
9	2016 Top 10 Leadership Real Estate Influence Brand	2017.12	Beijing North Star	Beijing Evening News

No.	Award Name	Date	Company/Project Being Awarded	Granting Authority
10	2017 The Leading Enterprise of Changsha Real Estate Market	2017.12	Beijing North Star	China's TOP 10 Real Estate Research Group
11	The Secondary Enterprise of Beijing Safety Production Standardization (Tourism Enterprises)	2017.05	China National Convention Centre	Beijing Cooperation of Safety Science and Technology
12	Nomination Award of the Second Beijing Municipal Government Quality Management Award	2017.12	China National Convention Centre	Beijing Municipal Government
13	2017 China Best Service Conference Centre	2017.12	China National Convention Centre	China Meetings Industry Convention
14	The Secondary Enterprise of Beijing Safety Production Standardization (Tourism Enterprises)	2017.05	China National Convention Centre Grand Hotel	Beijing Cooperation of Safety Science and Technology
15	Advanced Unit of 2016 statistical work of Olympic Village Subdistrict	2017.05	China National Convention Centre Grand Hotel	Beijing Chaoyang District, Olympic Village Subdistrict Office
16	2017 Top 10 Conference Reception Hotel	2017.05	V-Continent Beijing Parkview Wuzhou Hotel	China Hospitality Association
17	China Hotel Best Project Management Demonstration Unit	2017.05	V-Continent Beijing Parkview Wuzhou Hotel	China Hotel Engineering Alliance, China Hotel Engineering Network, China Hotel Engineering Management Award Evaluation Committee
18	Love Award for Enterprise	2017.01	North Star Office Management Company	The Olympic Village Subdistrict Committee, the Olympic Village Corporation Alliance of Public Welfare
19	Annual Office Promotion Award Best Office Operator	2017.04	North Star Office Management Company	Website of Office of China
20	2017 Best Brand Value Office Award	2017.12	North Star Times Tower	China Real Estate Chamber of Commerce Office Research Council
21	2017 Best Operation Office Award	2017.12	North Star Century Centre	China Real Estate Chamber of Commerce Office Research Council
22	Best Exhibition Hotel	2017.04	InterContinental Beijing Beichen Hotel	<i>Sky & Jet Master</i> Luxury Magazine
23	China Best Conference and Exhibition Reception Hotel	2017.05	InterContinental Beijing Beichen Hotel	China Travel and Hotel Rankings
24	Annual Best City Hotel	2017.06	InterContinental Beijing Beichen Hotel	<i>Golf Vacations</i> and <i>Travellog</i> Magazine
25	Annual Best MICE Hotel	2017.08	InterContinental Beijing Beichen Hotel	Meetings and Conventions China
26	The Most Beautiful Wedding Venue	2017.10	InterContinental Beijing Beichen Hotel	<i>Hotel Wedding</i> Magazine
27	Annual Best Business Hotel	2017.12	InterContinental Beijing Beichen Hotel	<i>New Travel</i> Magazine
28	2017 Industry Influence Brand	2017.03	Beijing Tianchengtain Real Estate Development Co., Ltd.	Sohu Focus
29	2017 China Real Estate Quality Project Brand Top 10	2017.09	North Star Delta Project	China's TOP 10 Real Estate Research Group
30	2017 "Toutiao" Real Estate with Highest Attention	2017.09	North Star Blue City	Toutiao Hubei Branch
31	2017 The World Chinese Real Estate Summit the Most Popular Real Estate for Internet Users	2017.09	North Star Blue City	IFENG Network
32	2017 Regional Value Leading Real Estate	2017.12	North Star Red Oak Villa	Beijing Evening News
33	2017 Quality Real Estate	2017.12	Ningbo Beichenfu	58 City, Anjuke and Ganji network
34	Donation Unit for the Activity of "Bring Safety Knowledge into the Campus and Donate a Book to the Students"	2017.05	Changsha Beichen Real Estate Development Co., Ltd.	Red Cross Society of Changsha
35	Construction Site for Standardized Safety Production	2017.12	Changsha Beichen Real Estate Development Co., Ltd.	China Construction Industry Association

04

OUR STAKEHOLDERS

As a state-owned A + H listed real estate company, North Star focuses on providing returns for its shareholders and it attentively listens to the demands and suggestions of its investors, creditors, suppliers, employees, communities and other stakeholders to promote market recognition of the Company's value.

INVESTORS ▼

SHANGHAI
STOCK
EXCHANGE E-
INTERACTION



Annual Shareholders' Meeting



Through communication mechanisms such as on-site road shows, receptions for domestic and foreign investors, teleconferences, special columns for investor relations and hotlines, the Company is able to develop interactive communication with its investors in a well-rounded manner. This also enhances investors' understanding and recognition of the Company's current situation and its development strategy for the future.

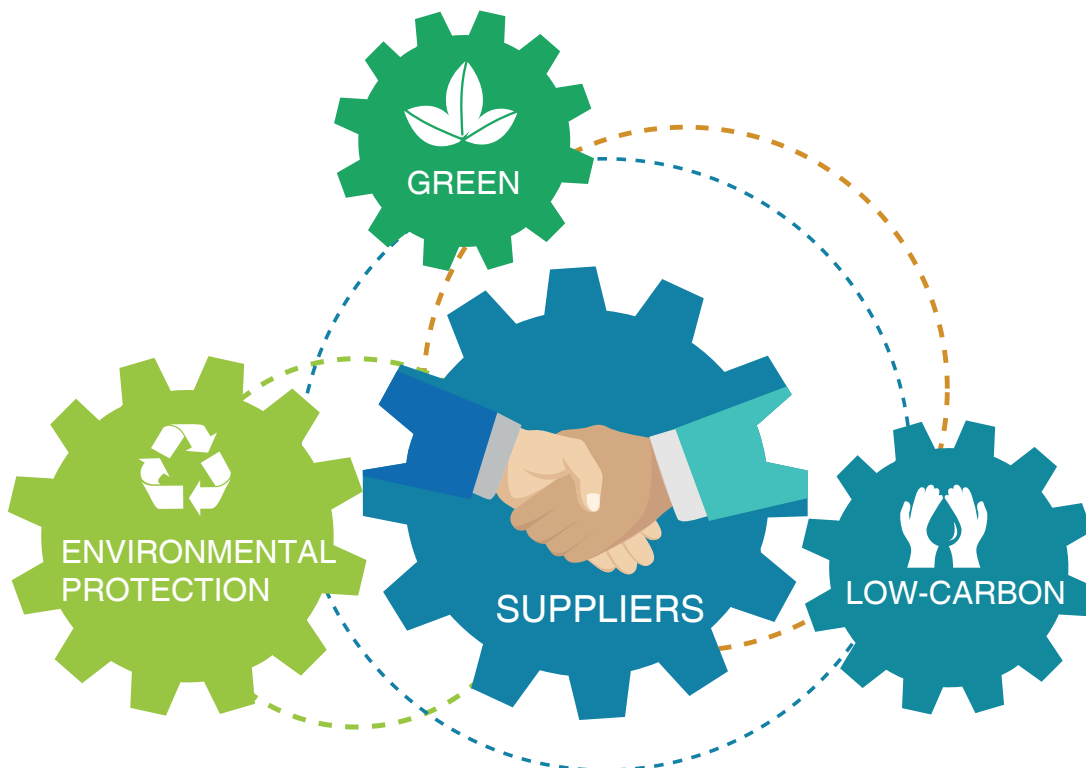
Furthermore, in order to provide efficient and attentive services to its investors, the Company utilizes its "Shanghai Stock Exchange E-Interaction" platform to provide great support to investors' research and decision making.

CREDITORS ▼

During the Reporting Period, the Company paid interest income/investment income of RMB1,820.82 million. Within this sum, the bond interest of "14 North Star 01", "14 North Star 02" and "16 North Star 01" was RMB199.49 million; the investment income of the insurance claims plan was RMB306.52 million; and the bank and other trust interest was RMB1,314.81 million. By the end of December 31, 2017, the above interests were paid on time.

SUPPLIERS ▼

When selecting suppliers, North Star unwaveringly implements concepts of green, environmental protection and low-carbon development. With regard to environmental protection, the Company integrates resources in the supply chain and gives priority to design institutes and contractors that have green building qualifications in property development and manufacturing; thus, achieving dual optimization of economic and environmental benefits. For its property holdings, the Company has increased the supply of green products and services. Taking the China National Convention Centre (the "CNCC") as an example, the CNCC applies the concept of low-carbon and sustainable development into selecting ingredients for meals, cooking and providing services; it also conducts spontaneous site visits to its suppliers. CNCC also uses various indicators of green operation as criteria to continually improve its supplier access system and to ensure that the procurement process is standardized.



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OUR CLIENTS

North Star regards clients' needs as their responsibility, and sets itself a target of "growing together with our clients". The Company pays particular attention to the health and safety of their clients, the protection of their privacy, improving the comprehensiveness of client services and client care. Through these efforts, North Star maximizes the client experience and achieves a long-term harmonious and positive relationship with their clients.

HEALTH AND SAFETY OF CLIENTS

In the aspect of safety production and client health, North Star has always adhered to the core concept of being "people-oriented" to establish a refined safety management system and to implement security accountability system. This allows the Company to provide services which are incorporated with safety management.

In 2017, the Company signed over 3,000 safety responsibility agreements related to stability, safety, security, fire control and transportation with all of its employees and departments. With regard to major events, the Company signed more than 5,000 safety management responsibility agreements with its employees, tenants and external assistance corporations, and attained a 100% signing rate. Through these actions, the safety management network in safety management has improved, and the Company has attained "full coverage" of safety management in a responsible manner.

The Company organized "Ankang Cup" and "Safety Production Month" to encourage employees to take part in a series of activities such as the identification of hidden dangers in the pictures, taking photos of identified hidden dangers, offering rational suggestions and knowledge contest...etc; this improved the establishment of a safety-oriented culture. This year, the Company organized more than 150 safety trainings, and trained more than 10,000 people. Through the investigation, cleaning, and remediation of safety risks, the Company has conducted over 140 safety inspections that has involved more than 400 clients, and discovered and rectified more than 100 hidden risks. Moreover, to improve the working level of safety management, the Company carried out a fire control skills competition. In the competition, the security teams of the Public Facilities Management Branch and the CNCC demonstrated their anti-terrorism and explosion-proof skills. Through the fire control skills competition and daily security position training, the interaction among enterprises has been enhanced, and the professional skills and the ability to deal with unexpected events of front-line security personnel are continuously being improved.

During the Reporting Period, the Company complied with the *Work Safety Law of the People's Republic of China*, *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and other laws and regulations concerning the provision of a safe working environment and the protection of employees from occupational hazards. No Company non-compliance incidents to laws and regulations concerning products, services, health and safety that have had significant impacts on the Company occurred during the Reporting Period.





Fire control skills competition



To observe daily management processes, the CNCC conducts a rigorous inspection of each exhibition site, location, equipment and facilities of exhibition events. The Engineering Department, Security Department and Construction Department conducted a total of 232 special joint inspections and more than 1,700 department daily inspections that efficiently led to the prevent of various safety hazard impacts on exhibition activities. In the area of food safety, the CNCC stringently implements the *Food Safety Law of the People's Republic of China* and strictly adheres to related standards such as the Hazard Analysis Critical Control Point ("HACCP") and Food Safety Management System ("ISO22000") to ensure that no food safety accidents occur.

The Company's InterContinental Beijing Beichen Hotel "**InterContinental Hotel**" fully implements safety responsibility through all aspects of its business operations. InterContinental Hotel strengthened the maintenance of facilities for drainage systems, air conditioning systems, ventilation systems, electrical equipment and building control systems which comprehensively enhanced overall safety production.



THE ENGINEERING DEPARTMENT
SECURITY DEPARTMENT
CONSTRUCTION DEPARTMENT
CONDUCTED A TOTAL OF

232 SPECIAL JOINT
INSPECTIONS

MORE THAN

1,700

DEPARTMENT DAILY INSPECTIONS

CLIENTS' PRIVACY AND PRODUCT LIABILITY ▼

The Company adopts a customer-first approach and is respectful of customer privacy. All customer information collected in the real estate marketing process are authorized by the owners, and only relevant information is used for customer relationship management. Projects related to properties held by the Company are treated in accordance with processes that strictly protect customers' safety and privacy. For example, the hotels will regularly conduct specific trainings related to customer safety and privacy for front-line staff. During the Reporting Period, the Company did not receive any complaints regarding the violation of customer privacy.

The Company also attaches importance to brand building. It aims to provide high quality customer service and strictly complies with national and local laws and regulations on service and product liability, such as the *Advertising Law of the People's Republic of China* and the *Trademark Law of the People's Republic of China*. During the Reporting Period, no Company non-compliance incidents to laws and regulations concerning the products and services which had significant impacts on the Company (including but not limited to the products, services, labels, market promotion (including advertisements, sales and sponsorship) and property (including intellectual property rights) occurred.



The North Star Exhibition originated from the Asian Games. After years of brand management, the North Star Exhibition has developed into the leading and most competitive business of the Company. In 2017, with its consistent professional operation, the North Star Exhibition successively conducted the Fifth Session of the 12th Beijing CPPCC Committee, the "Belt and Road" Forum for International Cooperation, Xiamen BRICS meeting and many other high-standard conferences and diplomatic events. They perfectly encapsulated the "Beijing Service" and won the praise of leaders and guests at all levels. With the "North Star Standard", the North Star Exhibition once again showcased its "Chinese Service" style to the world.

As the country moves forward with the "Belt and Road" and with the strong influence of Beijing's "Four Districts" strategic positioning, the Beijing-Tianjin-Hebei Cooperative Development and other national strategies, Beijing is the first pilot and comprehensive city to expand and open up its service industry. The exhibition industry in Beijing will also have a broader space for development, and the North Star Exhibition will have a higher starting point to start a new journey.

SUCCESSFULLY COMPLETED THE SERVICE TO BEIJING CPPCC COMMITTEE

In January 2017, all the staff worked together, upholding the Company's consistent service standards and work style, and with a high degree of political responsibility and a strong sense of mission, successfully completed its reception tasks to the Fifth Session of the 12th Beijing CPPCC Committee; this won the praise of the participating members and staff. The Company received nearly 500 thank you messages and letters from the General Assembly Secretariat, Beijing CPPCC Vice president and members...etc. Vice president Zhao Wenzhi and other leaders left messages in the guest book including praises that the room was clean, the service was warm, the food was delicious, and the venue was rapidly assembled/disassembled.



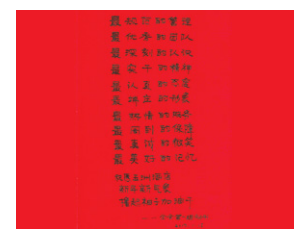
Meticulously arranging the venue



Smiling service



Smiling service



Reception service received praise

THE "BELT AND ROAD" FORUM FOR INTERNATIONAL COOPERATION

In May 2017, with the successful ending of the "Belt and Road" Forum for International Cooperation (the "Forum"), North Star displayed a high-level, high-standard and high-quality conference reception and security services that demonstrated China's diplomatic style to participants worldwide.

Since receiving the Forum's security mission, the Company began to work intensively to carry out comprehensive and meticulous preparations. The Public Facilities Management Branch coordinated with the CNCC, Beijing International Convention Centre, the InterContinental Hotel, V-Continent Beijing Parkview Wuzhou Hotel ("V-Continent Wuzhou Hotel"), Apartment Management Branch and other reception corporations. Following the standard of "safe operation is foolproof, reception service is watertight", the Company served nearly 2,000 conference staff and media staff from over 10 countries.

During the Forum, the CNCC fully upgraded the "North Star Standard" and provided VIP service to each customer. In order to better incorporate the theme of the Forum, the CNCC applied the Silk Road culture elements to the receptionists' clothing which became a beautiful scene during the meeting. With regard to dishes, the cookery team read the information in detail, and studied the dietary preferences and taboos of national representatives. Through careful design and repeated tests, the cookery team eventually produced exquisite tea breaks and dishes which achieved unanimous praise from national representatives.

These countless details validated the excellent quality of "Beijing Service", and the North Star Exhibition also satisfied the expectations of the state and the capital.



Perfectly presented every detail of service



Applied culture elements to the theme



Attentive elevator Service



The Forum ended with success



Implement each service detail

XIAMEN BRICS MEETING

In September 2017, the North Star Exhibition took a strong responsibility again. Adhering to the working style of meticulousness and professionalism, the North Star Exhibition successfully completed its reception services including the opening ceremony for business forums, business forums, welcome ceremonies and other hundreds of meetings and various service support tasks for the Xiamen BRICS meeting. It once again proved the strength of the North Star Exhibition and was highly praised by leaders at all levels from the Ministry of Foreign Affairs of the People's Republic of China, Fujian Province and Xiamen City; it also won industry-wide acclaim for its services.



Beautiful style of the North Star team



Neat venue layout



Continuously refined and wonderful presentation

PROPERTY OWNER ACTIVITIES

The real estate development projects under the Company conducted various activities and established a harmonious family with property owners.

G20 THE STATE GUESTS TOUR

In October 2017, the project of Ningbo Beichenfu organised a “G20 state guests tour” for owners. During the tour, the property owners visited the reception hall, the main venue, the luncheon hall, and the hanging garden of the G20 summit hosted in the Hangzhou Convention and Exhibition Centre; they also experienced services above and beyond those usually provided to ordinary guests.



The owners of Ningbo Beichenfu visited Hangzhou Convention and Exhibition Centre



The owners of Ningbo Beichenfu took a group photo

“EARNESTLY AND SINCERELY HAVE YOU ALL THE WAY” GOLF TRIP

With the concept of “earnestly and sincerely have you all the way”, the owners of Ningbo Beichenfu took a golf trip. Under the guidance of the coach, the owners showed great enthusiasm for golf and it was hard to conceal their joy.



The owners took a group photo for golf trip.



Group photo for the owners of Ningbo Beichenfu

FUN SACHET DIY ACTIVITY

In order to return their gratitude to the property owners, “North Star Red Oak Villa” organised a “Returning Home • Happiness” fun sachet DIY activity. During this activity, invited teachers guided the property owners in sachet production processes on site. Through the nice experience of handmade sachet production, the owners experienced the heritage and charm of Chinese traditional culture.



The owners participated in the fun sachet DIY activity

06

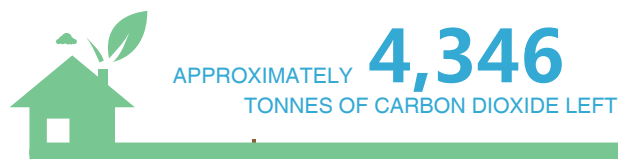
OUR ENVIRONMENT

North Star has always been managed in a sustainable vision and implemented its environmental policy across all its subsidiaries and branch companies. In 2017, the Company continues to value energy-saving-, environmental protection- and low carbon-oriented work. This allows it to achieve the “integrated reform plan for promoting ecological progress to build a beautiful country” goal as stated in the “19th National Congress of the Communist Party of China” report.

The Company complies with- and implements laws and regulations such as the *Environmental Protection Law of the People’s Republic of China*, the *Energy Conservation Law of the People’s Republic of China*, *Clean Production Promotion Law of the People’s Republic of China*, *Circular Economy Promotion Law of the People’s Republic of China*, *The Measures of Beijing Municipality on Water Conservation*, etc. During the Reporting Period, there were no occurrences of Company non-compliance incidents in relation to relevant environmental laws and regulations. In addition, the Company has implemented the environmental conservation requirements set by the municipal government and actively met these requirements. By the end of 2017, the Company, its subsidiaries and branch companies received a sewage permit by passing the re-inspection and enforced discharge standard.

The Company actively responds to the national requirements for energy saving and emission reduction. Over 7 consecutive years spanning 2011 to 2017, the Company met target indicators in various aspects including facility management, energy saving and emission reduction.

In 2017, the Company completed a self-assessment report drafting works of its achieved 2016 energy-saving objectives, receiving praise and excellent ratings from Beijing Chaoyang District Development and the Reform Commission. After the Company’s carbon-emission verification work was completed, the Company had approximately 4,346 tonnes



of carbon dioxide left in its carbon emission allowances.

The Company continuously strengthens its environmental management work. During the Reporting Period, the National Convention Centre, Office Building Operation and Management Branch of Beijing North Star Company (“**Office Building Company**”) and Intercontinental Beijing Beichen passed a clean production audit. Intercontinental Beijing Beichen also achieved a level 2 certification of the IHG Green Engage™ system.

ENVIRONMENTAL PROTECTION CENTRE – ENERGY-SAVING OFFICE

IN 1991
THE COMPANY ESTABLISHED THE ENERGY-SAVING OFFICE

The Company established the Energy-Saving Office in 1991, and it is specifically responsible for energy-saving management. The Energy-Saving Office takes continuous measures to improve environmental performance and monitors the effectiveness of these measures across its property holding projects in Beijing, which cover 1.1 million square metres.

During the “13th Five-Year Plan”, the Energy-Saving Office adopts modern measures in device and energy management, to conduct in-depth research on energy-saving and consumption-reducing implementation measures. By exploring the application of innovative technology, new energy sources and modern devices, energy usage can be optimised. In this way, North Star gradually improves its way of consuming energy and achieves its energy saving target.



DAILY ENERGY-SAVING MANAGEMENT ▼

In order to strengthen its daily energy-saving management works, The Company collects statistics of energy consumption from each department on a monthly basis. Through drawing comparison curves, the Company can immediately identify issues and problems related to energy utilization and can respond to this by developing practical solutions. During the Reporting Period, the Energy-Saving Office assisted the Company's east and west Heat Supply Station to construction a measurement monitoring platform, further enhancing the delicate management of energy-saving.

The Company's subsidiaries and branch companies put forward a daily energy-saving plan, such as turning off the lights while leaving, reusing wastepaper, utilizing energy-saving faucets and sprinklers, and trying to avoid energy consumption during peak hours. The Company expects that through the daily behavior and concept of environmentally friendly guidance, the concept of energy-saving and low-carbon can be rooted in every employees' heart.

CASE STUDY

THE NATIONAL CONVENTION CENTRE

The National Convention Centre strengthened the concept of energy conservation and environmental protection in corporate culture and took practical actions to positively promote sustainable development. The specific measures of the National Convention Centre-advocated green office includes: reducing paper usage; applying low-power modes for non-office equipment; conducting partition management of electricity, lighting, temperature and other of the exhibition venue.

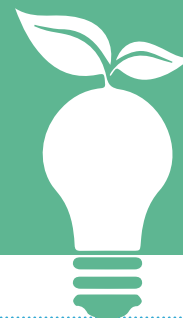
In line with the Company's aim to build green venues, the National Convention Centre also introduces energy-saving indicators to its suppliers, convention organizers, customers and other parties. In order to conserve resources and to use energy more efficiently, the National Convention Centre prioritizes energy-saving management policy construction work, and continuously enhances the efficiency of project management supervision. In addition, a systematic management method is constantly applied to promote energy saving and consumption reduction, which further strengthens cost control.

Natural ventilation is provided at inner streets and exhibition halls of the National Convention Centre. At the upper part of the west façade, electrically-opened windows are installed; and at the east façade, a sunken garden is used to decrease the surface temperature. Through natural ventilation, cool air from the sunken garden can form convection currents with the ground. Based on the 50-day transitional seasons of the year, a total of 380,000 kwh electricity is potentially saved.



Electrically-opened windows in National Convention Centre

POTENTIALLY SAVED
380,000
KWH ELECTRICITY



TECHNICAL RENOVATION AND EFFECT ▼

The Company has broadly researched new energy-saving technology and device renovation methods, and uses this to its advantage according to the actual situation. During the “12th Five-Year Plan” and the “13th Five-Year Plan”, the Company continuously promoted energy-saving-, environmental protection- and low carbon-oriented work. The Public Facilities Management Branch and Hui Xin Offices have implemented upgrades of the usage of lithium bromide in refrigeration to electrical refrigeration. In the National Convention Centre, upgrade works have been conducted on variable frequency drives, LED lights to replace traditional fluorescent lights, energy-saving transformers, non-negative pressure water supply, buildings windows to improve air tightness and phased-construction of the energy control centre. More than RMB31 million has been invested in these projects to achieve RMB9.6 million of annual economic benefits. These initiatives can potentially save 2,787 tonnes of coal equivalent (“TCE”) and reduce emission of carbon dioxide, sulphur dioxide, nitrogen oxide by 7,247 tonnes, 45 tonnes, 42 tonnes respectively every year, to achieve a dual-harvest of economic and social benefits.

MORE THAN **RMB 31** MILLION HAS BEEN INVESTED

ACHIEVE **RMB 9.6** MILLION OF ANNUAL ECONOMIC BENEFITS

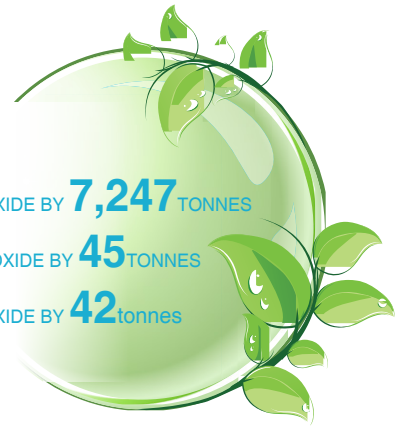


SAVED **2,787** TCE

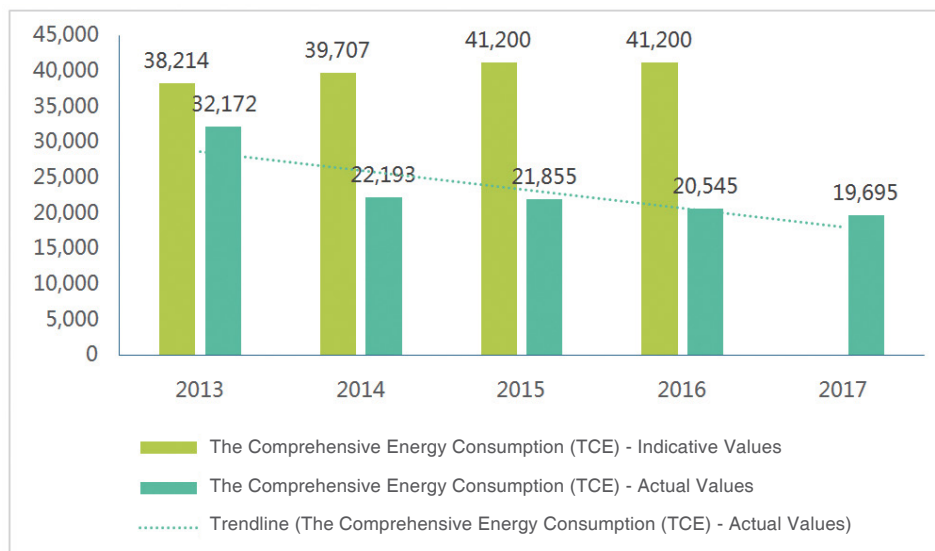
REDUCE EMISSIONS OF CARBON DIOXIDE BY **7,247** TONNES

REDUCE EMISSIONS OF SULPHUR DIOXIDE BY **45** TONNES

REDUCE EMISSIONS OF NITROGEN OXIDE BY **42** tonnes



2013-2017 Comprehensive energy consumption comparisons of indicative values and actual values are presented in following table¹



¹As the indicative value in 2017 is not released, the data is not shown.

CASE STUDY

GREY WATER SYSTEM UPGRADE

North Star V-Continent Beijing Parkview Wuzhou Hotel has upgraded its grey water system. The original system which was designed to process 320 cubic meters daily was upgraded to a high-efficiency system with a daily processing capacity of 180 cubic meters of grey water. At the same time, the new addition of a cooling tower enabled the hotel to generate cooling sources itself, which reduces the energy consumption of the air-conditioning system.



Overview of cooling water recycle equipment



Cooling water recycle equipment

WASTE RECYCLE AND DISPOSAL ▼

The production of municipal wastes accelerates alongside the rapid growth of urbanization. On the contrary, waste disposal areas are gradually shrinking. In order to mitigate the burden of landfill sites, the Company is committed to minimizing the waste production and proactively engaged in waste categorization and recycling activities.

In view of hazardous wastes, the Company strictly executes *Prevention and Control of Environmental Pollution by Solid Waste* and related laws and regulations, and sorts hazardous wastes in accordance with the *National Catalogue of Hazardous Wastes*. Licensed and qualified suppliers are responsible for the aggregation and handling of hazardous wastes, and their subsequent operation, transportation and disposal.

During the Reporting Period, the types and quantities of hazardous wastes of four hotels in Beijing were as follows:

TYPES OF HAZARDOUS WASTE	AMOUNT
Waste lamp containing mercury (units)	6,130
Electronic waste (kg)	1,715
Waste battery (pieces)	12,022
Used cartridge (cans)	632
Waste oil for cleaning air-conditioning systems (L)	40

The daily equipment operation and maintenance of the Company's hotel businesses account for the majority of the Company's waste production, and so the Company further strengthened non-hazardous waste management across its 4 hotels in Beijing.

The Company's hotels implement wet and dry separation of general wastes, and set up special containers for storing kitchen waste separately. The quantity of kitchen waste is also regarded as an important reference to measure forthcoming purchases, so as to reduce the production of kitchen waste from the source. The general wastes following wet and dry separation are respectively collected, transported and disposed of by qualified suppliers.

The Company's hotels classify recyclable wastes into guestroom-type recyclable wastes and traditional recyclable wastes, and then reuse them in different ways. For example, discarded towels from guest rooms are used as dust-proof cloths after dyeing; used soap from guest rooms are reused in laundry operations; traditional recyclable wastes such as glass and plastic products are collected and reused by specified recycling companies.

North Star is committed to reducing waste production from the source. Biodegradable environmentally friendly packaging materials are selected for toiletries that are used in guest rooms of hotels, and guest rooms do not use any plastic bags and other packaging products to reduce the production of non-degradable wastes. As packaging material is not produced by the Company, the total packaging material used during the Reporting Period was not applicable to the Company and is not disclosed in this Report.

During the Reporting Period, the types and quantities of recycling and reusable wastes from the four hotels in Beijing were as follows:

TYPES OF WASTE RECOVERED AND REUSED	AMOUNT
Glass Products (kg)	8,220
Plastic Products (kg)	7,320
Discarded towel (pieces)	44,277
Used soap (kg)	4,380
Used toothbrush (pieces)	264,000



Used soap from guest rooms reused in laundry operations



Discarded cotton used as dust-proof cloth

CASE STUDY

THE SET UP OF SMART DRINK BOTTLES RECYCLING MACHINE

At the end of 2014, the National Convention Centre cooperated with the Green Love for Children Project and set up 6 smart drink bottle recycling machines in the stadium. These smart drink bottle recycling machines were incorporated into Internet-of-Things (IoT) technology, which allows consumers to operate a self-service of beverage bottle recycling. Delivery persons are entitled to rebates through mobile phone recharge, transportation card recharge, as direct returns to "bottle-disposal people" and also through the Green Love for Children Charity projects to receive donations. As of now, a total of approximately 120,000 bottles have been disposed in these machines, equivalent to carbon emissions reduction of approximately 6.9 tonnes.

DISPOSED A TOTAL OF APPROXIMATELY

120,000 BOTTLES

EQUIVALENT TO CARBON EMISSIONS REDUCTION OF APPROXIMATELY

6.9 TONNES



Smart drink bottles recycling machine



GREEN BUILDING DEVELOPMENT ▼

North Star brings forth its green building concept to newly developed properties. Green building standards are referred to during both design and construction process. All new projects in Beijing are constructed with reference to *Beijing Residential Building Energy Conservation Design Standard (DB/J11-602-2006)* and the *Green Building Evaluation Standard (GB/T50378-2014)*.

SET UP ENERGY-SAVING AWARENESS ▼

Under the energy-saving publicity week held every June in Beijing, the Company actively promotes energy conservation laws, politics and related knowledge to the public.

During the Reporting Period, the Company completed the promotional film shooting and brochures printing and publishing work as a demonstrative base for educating people in energy conservation, environmental protection and low carbon practices; the Company also made preparations for public visits.

CASE STUDY

BEIJING DEVELOPMENT AND REFORM COMMISSION LED THE RESEARCH WORK ON ENERGY CONSERVATION AND EMISSION REDUCTION

Fang Mingcheng, the Director of the Department of Resource Conservation and Environment Protection of Beijing Development and Reform Commission carried out research work on energy conservation and emission reduction with 7 others, and he highly praised the Company's environmental related works over the years.

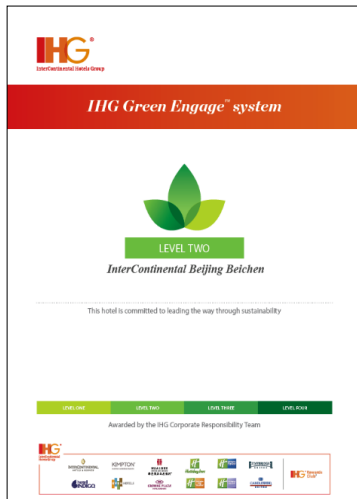


Debrief for Beijing Development and Reform Commission

CASE STUDY

INTERCONTINENTAL BEIJING BEICHEN – GREEN OPERATION

In order to apply the concepts of green development and ecological construction, Beijing Beichen set up an Energy and Environmental Protection Committee. The Committee has developed and implemented an action plan for energy and environmental protection to promote the participation of all staff in energy and environmental protection activities. Furthermore, the Committee is also responsible for the daily inspection of energy control, consumption and environmental protection.



IHG Green Engage™ system Level 2 Certification



IHG Green Engage™ system Environmental Policy

IN 2017
INTERCONTINENTAL BEIJING BEICHEN JOINED THE
“IHG GREEN ENGAGE™
SYSTEM” AND WAS CERTIFIED AS
LEVEL 2

implying that the hotel has begun to experience the benefits of sustainability on the property, and has taken steps to go above and beyond the basics. The hotel has implemented solutions such as sustainable purchasing and embedding sustainability into the hotel operations.

Intercontinental Beijing Beichen complies with the Environmental Policy set by “IHG Green Engage™ system” and adopts 55 “Green Solutions” from over 200 recommendations to decrease the usage of energy and water, and to reduce waste production and mitigate environmental impacts from the hotel’s daily operation.



Overview of Intercontinental Beijing Beichen

INDEPENDENT STORAGE AND MANAGEMENT OF HAZARDOUS WASTE

Intercontinental Beijing Beichen adopts its IHG hazardous material management policy. It isolates the storage area and carefully manages hazardous material in the hotel, including cleaning fluids, paints, lacquers and thinners to avoid potential health and environmental risks and to improve the safety of the site. The hotel also provides specific training for risk control and correct procedures of hazardous material disposal for responsible employees; for each type of hazardous material, the hotel selects qualified suppliers to ensure proper transportation and handling.



Independent storage area of hazardous waste

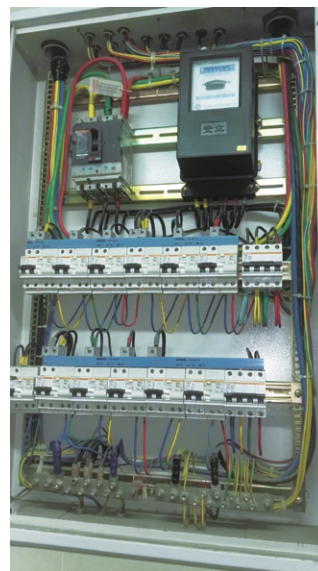


BUILD ENVIRONMENTAL PROTECTION SENSE FOR GUEST

As the Company's star hotel, Intercontinental Beijing Beichen actively seeks innovation and breakthroughs in its sustainable development. The hotel posts tips on Green hotel features and energy saving instructions to encourage guests to pay attention to, and to participate in the hotel's environmental protection measures. For example, the restaurant menu provides choices of locally produced food and drink, bathroom signs are provided in each guest room with effective water guidelines, etc.



Environmental protection plan provided to guests



Meters for measuring energy consumption of buildings

METERS TO RECORD THE ENERGY CONSUMPTION OF BUILDINGS

Intercontinental Beijing Beichen has installed meters in the mechanical room and basement to measure the energy usage of its buildings, and engineers regularly check the operation of used instruments. Through the quantitative analysis of system performance and energy consumption by a specific measurement position, the system is adjusted to achieve continuous improvement in building performance. These measurements help to estimate the energy consumption of new hotels in the future.

USE OF ENERGY-SAVING APPLIANCES

During the Reporting Period, Intercontinental Beijing Beichen replaced a total of 1,100 energy-saving lamps in its public lighting areas, achieving its goal of replacing fluorescent lamps in Intercontinental Beijing Beichen that year. Through the replacement of lamps, approximately 1,500,000 KWH of electricity is potentially saved annually, and the environmental impact of the fluorescent tubes and other harmful substances can also be reduced.



1,100

ENERGY-SAVING LAMPS
POTENTIALLY SAVING

1,500,000 KWH
ANNUALLY



Replacement of energy-saving lamps in public lighting areas

ENVIRONMENTAL PERFORMANCE SUMMARY OF 2017 ▼

Environmental Performance	Unit	Quantity
Resources consumption²		
Electricity consumption	kWh	70,892,827.70
Total electricity consumption per floor area ³	kWh/ m ²	86.27
Water consumption ⁴	m ³	1,084,109.94
Total water consumption per floor area	m ³ / m ²	1.32
Natural gas consumption	m ³	654,277.00
Total natural gas consumption per floor area	m ³ / m ²	0.80
Petrol consumption	Litres	101,406.04
Total petrol consumption per floor area	Litres/ m ²	0.12
Diesel consumption	Litres	83,516.00
Total diesel consumption per floor area	Litres/ m ²	0.10
Purchased heat	GJ	290,654.00
Total purchased heat per floor area	GJ/ m ²	0.35
Paper consumption ⁵		
Total paper consumption	Pieces	376,500
FSC or PEFC certified paper consumption	Pieces	170,000
Paper consumption per employee	Pieces/employee	70.92

Emissions⁶		
Nitrogen Oxides (NO _x)	tonnes	6.68
Sulfur Dioxide (SO ₂)	tonnes	0.07

GHG emissions⁷		
Scope 1—Direct GHG emissions	tonnes CO ₂ ^e	1,640.56
Scope 2—Indirect GHG emissions	tonnes CO ₂ ^e	42,819.27
Total GHG emissions (Scope 1 & Scope 2) per floor area	tonnes CO ₂ ^e / m ²	0.054

Environmental Performance	Unit	Quantity
Non-hazardous waste⁸		
Kitchen waste	kg	2,196,039
General waste	kg	2,116,350
Non-hazardous waste per floor area	kg/ m ²	5.25

Hazardous waste⁹		
Used cartridge	cans	632
Used cartridge per employee	cans/employee	0.12
Electronic waste	kg	1,715
Electronic waste per employee	kg/employee	0.32
Waste Battery	pieces	12,022
Waste Battery per employee	pieces/employee	2.26
Waste lamp containing mercury	units	6,130
Waste lamp containing mercury per employee	branches/employee	1.15

Recycling and reusing wastes¹⁰		
Glass Products	kg	8,219.7
Plastic Products	kg	7,320
Discarded towel	pieces	44,277
Used toothbrush	pieces	264,000
Used soap	kg	4,380

²This scope of calculation includes the total resources consumption of the Company's property holding projects in Beijing as of 2017.

³Floor area includes the construction area of the Company's property holding projects in Beijing as of 2017.

⁴The Company's water is sourced from municipal pipeline, and there is no issue in sourcing water that is fit for purpose.

⁵The calculation of this scope includes paper usage of the Company's head office.

⁶The calculation of this scope includes the emissions from gas stoves and boilers of the Company's property holding projects in Beijing as of 2017. The calculation method of air pollutant emissions was referred from 《第一次全国污染源普查城镇生活源产排污系数手册》 published by Ministry of Environmental protection of the People's Republic of China.

⁷The calculation method of GHG emissions was referred from 《北京市企业(单位)二氧化碳排放核算和报告指南(2016版)》. The scope of Direct GHG emissions includes usage of gas stoves and boilers, and the scope of indirect GHG emissions includes electricity consumption.

⁸The calculation of this scope includes kitchen and other general wastes of 2017 from the Company's 4 hotels in Beijing.

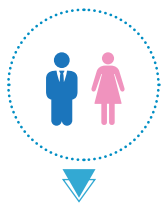
⁹The calculation of this scope includes total hazardous wastes of 2017 from the Company's 4 hotels in Beijing.

¹⁰This scope of calculation includes recycling and reusing wastes of 2017 from the Company's 4 hotels in Beijing.

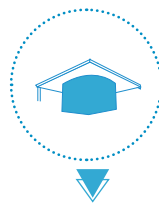
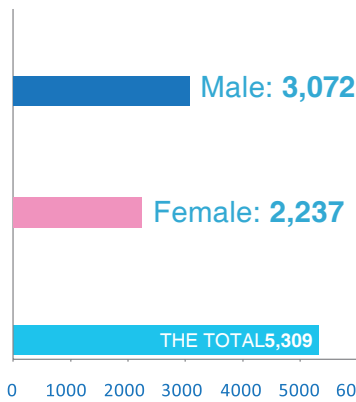
07 CARING FOR THE GROWTH OF EMPLOYEES

North Star is committed to safeguarding employee rights, and respecting the diversity of employees, providing each employee with a safe and harmonious working environment. Through the implementation of the Company's human resources policy, employee welfare, vocational training and related activities are used to encourage employee cohesion and to enhance employees' sense of belonging.

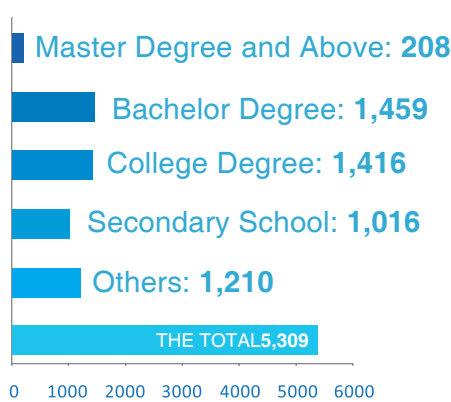
By the end of 31, December 2017, the number of employees in the Company and its subsidiaries and branch companies was **5,309**



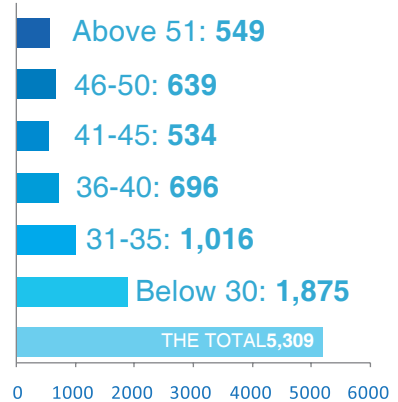
GENDER
NO. (PERSONS)



EDUCATION
LEVEL
NO. (PERSONS)



AGE
STRUCTURE
NO. (PERSONS)



The Company pursues the concept of “people-oriented” management, and attaches great importance to the physical and mental health of its employees. Employees receive a physical examination on a regular basis and the refinement of employees' welfare ensures that every employee can be engaged in their work with strong spirits and a healthy body. In addition, the Company not only pays compulsory insurance on time with the full amount for each employee, but also provides annual bonuses, supplementary medical care, Employee Mutual Assistance Insurance and many other supplementary benefits for its employees. These initiatives increase employees' living security in an all-rounded manner and enhances the security and satisfaction of all.

The Company upholds the principle of salary management based on employees' performances and has constructed its salary system, so remuneration is awarded to their performance accordingly. At the same time, the Company also ensures that the working hours of employees meet the requirements of the national and local laws and regulations. The Company conducts annual performance assessments and evaluations for its employees and arranges salary adjustments and promotions for the employees according to their working ability, performance and other factors. For employees whose performance is continuously evaluated as poor, the Company will offer a demotion or replacement of positions. Should those employees' assessments fall short of the expected standard, the Company will negotiate with the concerned employees to terminate their labour contract and compensate them in accordance with the provisions of the law.

EQUAL AND STANDARDIZED RECRUITMENT MANAGEMENT ▼

The Company values a diversified background of its employees and respects and fairly treats employees of different genders, ages, religious beliefs and cultural backgrounds. The Company strictly abides by the *Labour Law of the People's Republic of China*, the *Labour Contract Law of People's Republic of China* and other relevant laws and regulations, valuing each employee's talent. At the same time, the Company has consolidated its operating situation to implement the regulation of "strictly entering, strictly serving" and other provisions and external personnel recruitments. This has led to further implementations of the "transparency of employment standards, and standardization of recruitment process" procedure to strictly standardize recruitment and employment procedures; which has played an active role in improving the quality of personnel, optimizing the employees structure and promoting the overall construction of employees within the Company.



To release the pressure of employment of graduates and establish a student intern platform, the Company makes efforts to enhance both the number of graduate employees and student training. During the Reporting Period, the Company participated in over 40 graduate-specific recruitment events and employed 123 college graduates in total. The Company also provided internship positions for over 700 undergraduates, offering opportunities to them to foster a better understanding and adaptation to society.

At the same time, the Company organised specialised recruitments for college village officers, the disabled, veteran soldier college students, self-employment special recruitments, soldiers' relatives, university graduates, postgraduate special recruitment and so on. During the Reporting Period, the Company has employed 17 handicapped persons and successively accepted and resettled retired army cadres, retired college students, army relatives... etc., playing an active role in undertaking social responsibility.

In addition, the Company strictly examines applicants' identification information to prevent the recruitment of child labourers. At the same time, the Company is committed to the prevention of forced labour by firmly complying with the relevant laws and regulations. During the Reporting Period, the Company did not received any complaint of employment-related discrimination and infringement of employees' rights and interests.

THE COMPANY PARTICIPATED IN OVER 40 GRADUATE-SPECIFIC RECRUITMENT EVENTS AND EMPLOYED 123 COLLEGE GRADUATES IN TOTAL

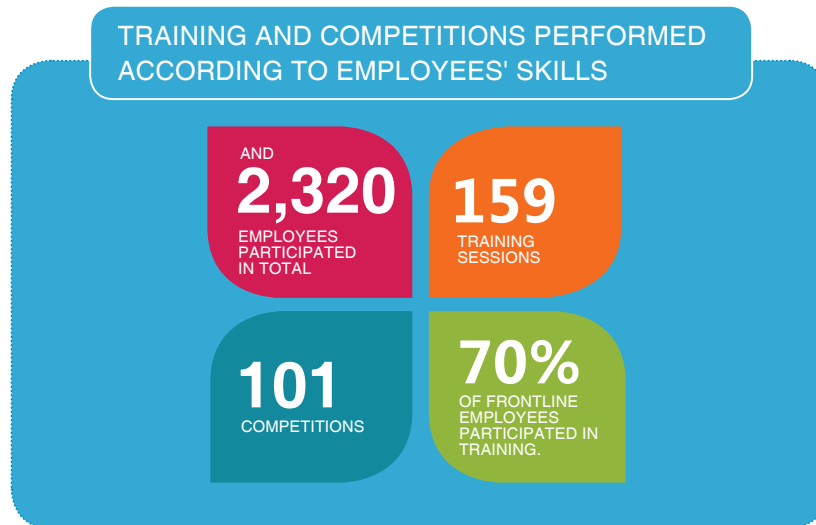


THE COMPANY HAS EMPLOYED 17 HANDICAPPED PERSONS

COMPREHENSIVE AND PROFESSIONAL TRAINING MECHANISM ▼

To realize the personal value of its employees and promote the cultivation of talents, as well as lending a helping hand to enterprises' business development, the Company combines theory with practice to continuously promote a variety of training and development activities and to build a stage of self-expression for its employees.

In 2017, revolving around highly-skilled talents, the Company has successively organised specialised training, inter-enterprise learning exchanges; and participated in skill competitions at city and industrial levels. These activities have allowed the Company to promote the cultivation of skilled talent, advance technological inheritance and innovation, and vigorously cultivate talent that are expected to grasp key technologies and solve technological operation difficulties. From April to November 2017, influenced by the corporate culture of "learning skills, valuing skills, practising skills, using skills and competing with skills", 15 holding company subsidiaries under the Company performed training and competitions related to employee skill, and approximately 2,320 employees participated in a total of 101 competitions and 159 training sessions. Within this number, 70% of frontline employees participated in training.



With regard to professional talents, the Company continues to strengthen management training and to enhance the professional ability of its employees. It continues to increase its training efforts in upper management as well as professional and technical talent: firstly, training is organised and conducted in coordination with the Company's development strategy of "the 13th Five-Year Plan", the "Excellent Finance Plan" to train the Company's financial senior management and talent; secondly, a total of 990 employees from the Company and its holding subsidiaries are invited to participate in the continuing education of *Learning and Implementing the Spirit of the 19th National Party Congress and Public Knowledge Training of Beijing Urban Master Planning*. During the Reporting Period, the Company employees' training coverage rate reached up to 90%.

In August 2017, the Company's Human Resources Department and Youth League Committee jointly held a 2017 induction training for newly recruited fresh graduates to help them better understand North Star and to faster integrate in the Company. After the training session, arrangements were made for new employees to make a field visit to- and participate in training activities at the National Convention Centre project. The new recruits were offered the chance to personally experience the Company's rapid development while enhancing their team awareness and cohesion.

CASE STUDY

EXCELLENT FINANCE PLAN

To enhance the comprehensive quality and management coordination ability of the Company's financial employees, and to establish a team of complex financial management employees with a strong professional quality, management ability and industry experience, the Company conformed to the needs of strategic development and carried out its "Excellent Finance Plan" and financial senior management training course.



The training course is planned by the Company and initiated by the Finance department, and prepared by the Party Committee Organization department and Human Resources department, lasting a three month period. It is based on the Company's existing business and development plan, and includes financing, tax, finance, asset management and other aspects. On the business level, it ranges from real estate project time management to the improvement of organization efficiency; from the establishment of a real estate operation management system to the key points of operational control in various stages of project development; from the operation style of exhibition venues to the operation characteristic of various stages, etc...

"Excellent Finance Plan" and financial senior managing personnel training course



INTERESTING AND COLOURFUL ACTIVITIES FOR EMPLOYEES ▼

Activity 1 ▶

To enrich the festive atmosphere for the vast majority of the Company's employees and to bring new ideas to the Reunion Dinner that is served to Company employees every year, the Company uses its "North Star WeChat-platform" to organize and launch an information promotion and micro-video recording series activities themed with "A Bite of Reunion Dinner". The activities were launched from the internal platform of the Company, where employees could express themselves, share, exchange and learn as well as being more widely involved into the construction of the corporate culture



Series of activity themed at "A Bite of Reunion Dinner"

Activity 2 ▶

On April 13, 2017, "North Star Cup" employees participated in a table tennis team competition that came to a happy end in the Olympic Forest Park gym. This competition attracted more than 100 employees from 11 enterprises affiliated to the group. Through an intense competition consisting of 150 games and spanning 2 stages, the Land Branch Companies of North Star was ultimately more skillful than the other teams and won the championship.



The "North Star Cup" employees table tennis team competition

Activity 3

On August 26, 2017, the North Star Labour Union League Committee and Marriage and Family Construction Association of Beijing Federation of Trade Unions jointly hosted a special Magpie bridge social gathering for unmarried employees, with a "Tie the Nuptial Knot on Qixi Festival, Join Hands at NorthStar" theme at the Five-Continent Crown Hotel Garden. The gathering was not only a demonstration of the Company's concern and care for the love and marriage of unmarried employees, but a chance to advertise the brand of North Star and Group hotel and theatre.



A special Magpie bridge social gathering for the unmarried employees themed at "Tie the Nuptial Knot on Qixi Festival, Join Hands at NorthStar"



Activity 4

On September 19, 2017, the 11th "North Star Cup" team competition was successfully completed. The inter-employee competition lasted 3 months and 144 players from 12 units of the Company played 150 games through 30 rounds in 2 stages. Ultimately, the Office Building Company was more skillful than the other teams and won the championship.



"North Star Cup" employee badminton team competition

08

OUR COMMUNITIES



To inherit and promote Chinese tradition, the Company, its subsidiaries and branch companies insisted on the development of public welfare undertakings. Through charity donation, volunteer activities, helping the poor and disabled and other activities, the Company improved social welfare, promoted enterprises' social morality and developed a healthy and harmonious society.

SUPPORTING "CHUNMIAO"



Guo Chuan, the deputy general manager of the Company transferred North Star's sixth phase of donations to "Beijing Chunmiao Children's Aid Foundation"; amounting to 950,000 yuan. He also expressed the expectation to move forward in parallel with "Chunmiao" to benefit more families and children. By December 2017, North Star helped a total of 225 children with congenital diseases and donated a total of 5.7 million yuan, which included 199 children of the "Little Seeding" medical project and 26 orphans of the "Little Tree" growth project. These numbers give witness to the efforts that North Star has done in fulfilling the social responsibility of state-owned enterprises and helping the poor and disabled.



"Caring for Children, Grateful to You" donation activity



DEDICATED TO PUBLIC WELFARE



The Company attaches great importance to the work of pair helping, which involves selecting the relevant person in the Company to take charge of conducting field researches and special studies in Luguzhuang Village, Henanzhai Town, Miyun District to learn more about the difficulties faced by rural development. In the process of pair helping, the "First Secretary" played a full role in carrying out the targeted work and supported a fund with 320,000 yuan to build street lights and a public activity centre for the village.

09 PROMOTING INTEGRITY

North Star has resolutely implemented its Anti-corruption Policy, sets up its specialized Disciplinary Inspection and Supervision Department, and formulates rules and regulations for building a clean government to restrict employee behaviour. Moreover, the Company has established a specialized system for receiving petition letters to ensure the independence and privacy of petition procedures to protect employees' appeal channel. During the Reporting Period, the Company complied with the *Criminal Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and other relevant laws and regulations related to bribery, extortion, fraud and money laundering. The Company did not receive any notification of non-compliance incidents involving corruption.



The Company's organized inspections of subsidiary companies to inspect their performance in promoting integrity



CASE STUDY

THE COMPANY'S DISCIPLINARY INSPECTION AND SUPERVISION DEPARTMENT STRENGTHEN THE CONSTRUCTION OF CLEAN CULTURE

In order to study and implement the spirit of the 19th National Congress of the Communist Party of China; and the requirements of the Beijing Disciplinary Inspection Committee and Beijing State-owned Assets Supervision and Administration Commission, the Party Committee of the Company has set up a discipline inspection and supervision column on the Company's internal WeChat platform. Though this column, the Party regularly posts disciplinary working dynamics and warning cases. In addition, during festive periods, the Party issues reports to arrange the construction of a clean government and to promote an important "Clean Festival" reminder which requires all staff to strictly abide by the spirit of the Central Government's "Eight Provisions" and to not cross the "Red Line". The Party also conducts inspections of the Company's subsidiaries and branches at important time periods. With regard to strengthening the construction of a clean culture, the Company carries out annual Education Month activities to promote the construction of a clean government, and it has also launched a clean chant – "Party members around me" and "my family rules, concept and culture" and other education activities to promote anti-corruption, and to create a clean cultural atmosphere within the Company.



Selected outstanding calligraphy and painting works of the "Clean Chant" themed activities

10 ESG REPORTING GUIDE CONTENT INDEX OF HKEX

Subject Areas, Aspects and General Disclosures	Description	Relevant Chapter(s)	Relevant Page(s)
Environmental			
Aspect A1: Emissions			
General	Information relating to air and greenhouse gas emissions, discharged into water and land, and generation of hazardous and non-hazardous waste on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	Our Environment	P18
KPI A1.1	The types of emissions and respective emissions data.	Environmental Performance Summary of 2017	P28-29
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		
KPIA1.5	Description of measures to mitigate emissions and results achieved	Technical Renovation and Effect	P20-21
KPIA1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Waste Recycle and Disposal	P22-23 P26
Aspect A2: Use of Resources			
General	Policies on the efficient use of resources, including energy, water and other raw materials.	Daily Energy-saving Management	P19
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Performance Summary of 2017	P28-29
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).		
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Daily Energy-saving Management & Technical Renovation and Effect	P19 P21 P27
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.		
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not Applicable	Not Applicable
Aspect A3: The Environment and Natural Resources			
General	Policies on minimising the issuer's significant impact on the environment and natural resources.	Green Building Development	P24
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Case Study: Intercontinental Beijing Beichen – Green Operation	P25-27

Subject Areas, Aspects and General Disclosures	Description	Pages	Remark
Employment and Labour Practices			
Social			
Aspect B1: Employment			
General	Information relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	Caring for the Growth of Employees & Equal and Standardized Recruitment Management	P30-31
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Caring for the Growth of Employees	P30
Aspect B2: Health and Safety			
General	Information relating to providing a safe working environment and protecting employees from occupational hazards on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	Caring for the Growth of Employees	P30
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.		
Aspect B3: Development and Training			
General	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities Note: Training refers to vocational training. It may include internal and external courses paid by the employer	Comprehensive and Professional Training Mechanism	P32-33
Aspect B4: Labour Standards			
General	Information relating to preventing child and forced labour on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	Equal and Standardized Recruitment Management	P31
Operating Practices			
Aspect B5: Supply Chain Management			
General	Policies on managing environmental and social risks of the supply chain.	Suppliers	P11
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.		



Subject Areas, Aspects and General Disclosures	Description	Pages	Remark
Aspect B6: Product Responsibility			
General	Information relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	Clients Privacy and Product Liability	P12-14
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored		P14
Aspect B7: Anti-corruption			
General	Information relating to bribery, extortion, fraud and money laundering on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	Promotion Integrity	P37-38
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.		
Aspect B8: Community Investment			
General	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	Our Communities	P36
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).		





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