

# CAPITAL GRAND

BEIJING CAPITAL GRAND LIMITED

首創鉅大有限公司

Incorporated in the Cayman Islands with limited liability  
STOCK CODE : 1329



ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT 2019

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## 1. ABOUT THE REPORT

### INTRODUCTION TO THE REPORT

This report illustrates the Environmental, Social and Governance (“ESG”) management concepts of Beijing Capital Grand Limited (“Capital Grand”, the “Company” or “us”, together with its subsidiaries, the “Group”) and its ESG performance for the year ended 31 December 2019. Unless indicated otherwise, the scope of coverage of this report is consistent with that of the annual report. This report should be read in conjunction with the “Corporate Governance Report” in the Annual Report 2019 of Beijing Capital Grand Limited.

### COVERAGE PERIOD

Unless indicated otherwise, this report covers the period from 1 January 2019 to 31 December 2019.

### SCOPE

The Company prepared the ESG Report of Beijing Capital Grand Limited (the “Report”) to comply with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) in relation to information disclosure. The Report has taken into account the key concerns of the stakeholders of Capital Grand and the business characteristics of our Company, as well as its ESG management concepts and related performance in 2019. Unless indicated otherwise, the methodology used to prepare this report is consistent with last year. The scope of data and calculation methods employed in the Report have been indicated herein.

### REFERENCE TO THE GUIDE

In respect of content, the Report complies with the ESG Reporting Guide set out in Appendix 27 to the Listing Rules published by the Hong Kong Stock Exchange, with an index of content set forth in the appendix of the Report.

### CONFIRMATION AND APPROVAL

The Report was approved by the board of directors of the Company (the “Board”) on 6 March 2020.



## 2. ENVIRONMENTAL, SOCIAL AND GOVERNANCE FRAMEWORK POLICIES AND STRATEGIES

Sustainable development is an important issue in the development of human society. The Group regards sustainable development as a key element of its business strategy and endeavors to integrate social and environmental responsibilities into its corporate management and development, such as daily management and the development of business, products and services, so as to achieve corporate sustainability. To this end, the Company is also active in implementing the ESG-related policy requirements formulated by Beijing Capital Land Ltd. ("BCL"), our parent company, including:

- (1) Complying with the requirements of corporate ESG-related laws and regulations;
- (2) Promoting the establishment and improvement of corporate ESG-related management systems and regimes on an ongoing basis;
- (3) Actively integrating green building concepts into the Group's product design and services, and ensuring that its material selection and construction process comply with or even surpass the applicable environmental regulations and standards;
- (4) Encouraging employees to cherish resources, save energy, support and promote measures on energy saving and emissions reduction such as "paperless office";
- (5) Striving to obtain green certification for the Group's projects, such as China Green Building Label (GBL) and Leadership in Energy and Environmental Design (LEED) in the United States;
- (6) Enhancing the standard of safety management and safety precautions of commercial area, office area and projects under construction on an ongoing basis;
- (7) Promoting the improvement and implementation of anti-corruption and anti-bribery systems.

The Company will review the above policies and strategies from time to time and make continuous improvements to ensure that they are applicable to the business of the Group and in line with the development objectives of the Company.

### GOVERNANCE STRUCTURE

The Board is responsible for providing guidance and supervision for the Company's ESG work. The Company has set up an ESG special team to further improve the environmental, social and governance structure. The team is composed of the management and the main contact persons from various departments. It is responsible for promoting the specific development and information disclosure of the Company's ESG, and reporting to the Board or its committees.

### STAKEHOLDERS ENGAGEMENT AND IDENTIFICATION OF MAJOR ISSUES

Stakeholders' feedback is of great importance to the Group's decision and business consolidation. Through continuous communication with stakeholders and conducting materiality assessments, the Company identifies ESG-related issues that are important or relevant to the Company and its stakeholders.

These related or important issues often change with changes in the business environment and stakeholder expectations, hence we regularly understand demands from various stakeholders through a variety of channels such as special questionnaires, shareholder meetings, official communications between regulators, investor and industry forums, and internal employee meetings to identify ESG issues that are relatively important to the Company in the current business environment. At the same time, based on the results of materiality analysis, we determine the content of this report to help stakeholders better understand the Company's ESG performance.

Our detailed procedures for determining major issues and report content are as follows:

#### Step 1: Identification

To review ESG issues, and list a range of potential ESG-related issues based on the materiality of each issue to the industry and the opinions of each department of the Company.

#### Step 2: Evaluation

To collect the opinions of internal and external stakeholders on the materiality of each issue, and understand the impact of each issue on the stakeholders themselves, and the materiality of each issue to the sustainable development of Capital Grand.

To assess the relevance and materiality of each issue with reference to the industry's identification of important issues and the status of the Company's management.

#### Step 3: Confirmation

To comprehensively consider the results of stakeholder surveys and industry analysis to identify important ESG issues, and confirm with the Group's senior management to ensure that the evaluation results are in line with the characteristics of and potential impacts on the business of Capital Grand.

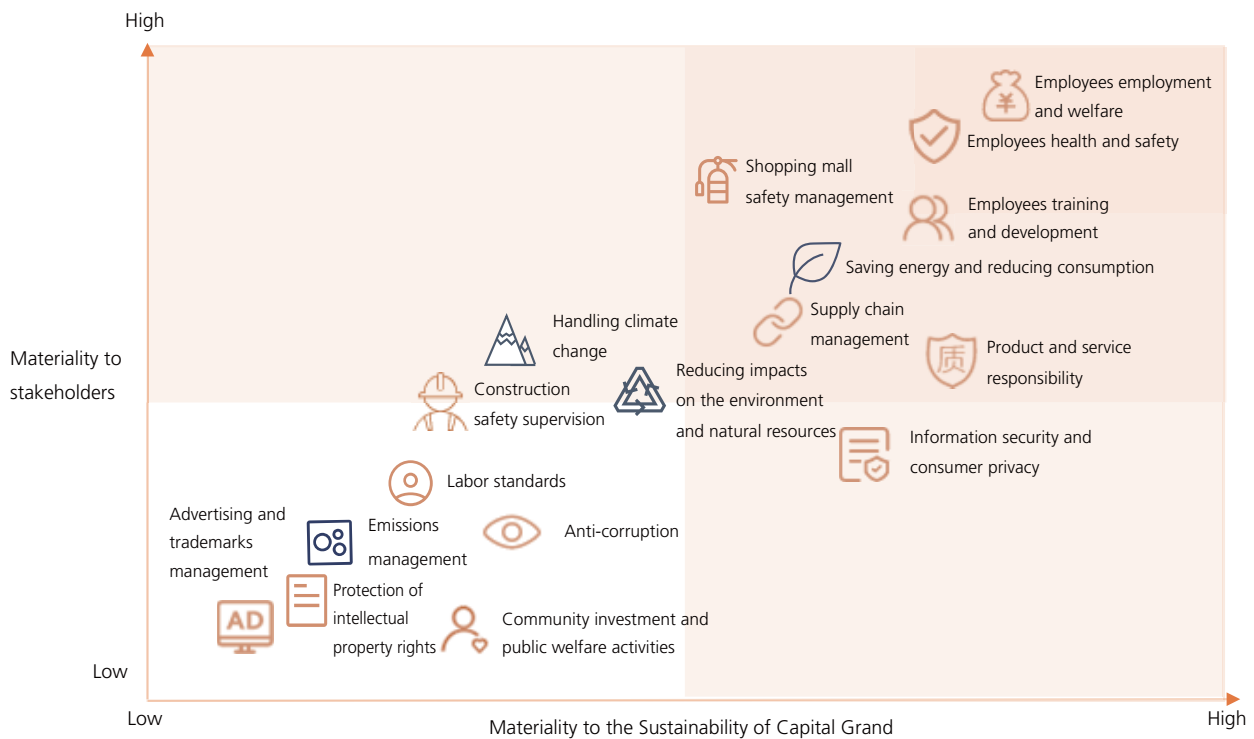
**Communication with stakeholders**

Based on the business scope of the Group, the main stakeholders identified by the Company include investors/shareholders, the government and regulatory authorities, employees, suppliers, partner tenants, consumers and residents in community. According to the communication with stakeholders in the current year, the Company summarized the ESG issues that are of major concern to each stakeholder:

Stakeholders' Group	Major Concerns/Expectation	Channels for Communication and Capital Grand to Response
Investors/shareholders	Internal corporate governance; compliance with laws and regulations;	Shareholders meetings; annual and interim reports; results announcements; corporate announcements;
The government and regulatory authorities	Compliance with laws and regulations; anti-corruption; environmental protection; protection of consumer rights and interests; protection of the basic interests of employees and staff welfare packages;	Visits; correspondences; field trips; relevant meetings; information disclosures;
Employees	Equal opportunities and diversity policies in relation to remuneration, employment, recruitment and promotion; protection of the basic interests of employees and staff welfare packages; employees development and training; health and safety of employees;	Employee surveys; employee internal communication meetings; corporate internal announcements; employee feedback mechanism; questionnaires;
Suppliers	Management systems in such aspects as supplier admission and evaluation and the implementation thereof; a fair and transparent mechanism for supplier management;	Supplier management system; relevant meetings; negotiations on strategic cooperation;
Partner tenants	Tenant selection and qualification management; a fair and transparent mechanism for tenant management;	Tenant management system; cooperative negotiation; tenant support services;
Consumers	Protection of the basic interests of employees and staff welfare packages; quality of products and services; the complaints and handling mechanism; protection of consumer rights and interests and privacy;	Consumer satisfaction surveys; activities for giving back to consumers; daily operations/communication; the service complaint and response mechanism;
Residents in community	Resources contributed to community investment and the results thereof; environmental protection and use of resources;	Community activities; public welfare activities; social services support projects; daily operations;

### Material ESG Issues

Based on the sustainable development risk assessment (including methods such as interviews and questionnaires) in the current year and the comprehensive consideration of the impact of each issue on the sustainable development of the Company's business and stakeholders, the Company screened and ranked the key issues of sustainable development, and set specific objectives and work directions for related issues. The key issues we identified include: employees employment and welfare, employees health and safety, employees training and development, saving energy and reducing consumption, product and service responsibility, supply chain management, information security and consumer privacy, anti-corruption, shopping mall safety management, handling climate change, reducing impacts on the environment and natural resources, and construction safety supervision; related issues include: labor standards, emissions management, protection of intellectual property rights, advertising and trademarks management, and community investment and public welfare activities.



Material Issues	Major Stakeholders Involved	Objectives and Work Directions
Employee health and safety, training and development, and employment and welfare	Investors/shareholders, employees, the government and regulatory authorities	To continuously promote employee development and growth; to continuously provide a fair, competitive and highly transparent mechanism for reward and punishment; to pay continuous attention to the respect of human rights, diversified and equal opportunity; to pay attention to employees' health and provide them with a safe working environment.
Product and service responsibility, and shopping mall safety management	Investors/shareholders, consumers, the government and regulatory authorities, employees, suppliers and partner tenants	To create a health and safety working and consumption environment for employees and consumers; to review the qualifications of tenants from time to time, and improve consumer experience; to pay continuous attention to consumer shopping experience, and protect consumer rights and interests.
Anti-corruption	Investors/shareholders, employees, suppliers, the government and regulatory authorities	To continuously strengthen anti-corruption monitoring; to conduct regular anti-corruption training for employees and management.
Information security and consumer privacy	Investors/shareholders, consumers, the government and regulatory authorities	To pay continuous attention to consumer privacy issues and protect consumer rights and interests.
Energy saving and consumption reducing, handling climate change, and reducing the impact on the environment and natural resources	Investors/shareholders, the government and regulatory authorities, community residents, suppliers and consumers	To continuously promote environmental concepts internally; to create a green office environment; To adopt shopping mall resources consumption accounting; to proactively reduce the environmental impact of commercial activities; to actively increase the adaptability and resilience of the project to the effects of climate change.
Supply chain management	Investors/shareholders, employees and suppliers	To continuously establish a fair, transparent and orderly system for supplier access, screening and management; to promote the awareness of environmental and social risks among suppliers, and encourage suppliers to manage environmental and social risks.
Construction safety supervision and management	Investors/shareholders, the government and regulatory authorities, employees and suppliers	To strengthen environmental and safety management supervision of projects under construction; to conduct inspections of projects under construction from time to time.



### 3. CARING FOR EMPLOYEES

We care about the development and well-being of our employees, and strive to create a good working environment with equal opportunities, diversity and professional ethics.

#### PROTECTION OF EMPLOYEES' RIGHTS AND INTERESTS

The Company strictly complies with laws and regulations such as the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Regulation on Paid Annual Leave for Employees (《職工帶薪年休假條例》), the Regulation on Public Holidays for National Annual Festivals and Memorial Days (《全國年節及紀念日放假辦法》) and the Implementation Measures for Paid Annual Leave for Employees of Enterprises (《企業職工帶薪年休假實施辦法》), to standardize its systems relating to compensation and employment, recruitment and promotion, working hours, leave entitlement, equal opportunity, diversity and anti-discrimination. The Company also keeps abreast of the updates on laws and regulations to protect the legitimate interests of its employees.

In 2019, our employer brand 「Capital Grand」 has won the 「China Employer」 for six consecutive years, which is well received in the industry and among our employees.

#### *Employment*

The Company strictly complies with relevant laws and regulations such as the Contract Law of the People's Republic of China (《中華人民共和國合同法》) and the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), entering into standardized labor contract with all formal employees. Such contracts specify welfare and security, condition for dismissal, working hours to protect the legitimate interests of its employees. The Company's recruitment channels mainly include internal recommendation and social recruitment, and all qualified candidates enjoy fair and equitable working opportunities.

The Company has formulated a scientific performance management system in accordance with the principle of open standard for performance appraisal, impartial assessment and fair assessment result so as to provide its employees with equal opportunities in salary rise and promotion. In 2019, Capital Grand updated its selection policy for middle-level management and broaden the impartial promotion channel for frontline staff to fully mobilize and motivate its employees.

Indicators <sup>1</sup>		2019
<b>Total number of employees (headcount)</b>		1,297
<b>Number of employees by gender (headcount)</b>	Number of male employees	704
	Number of female employees	593
<b>Number of employees by age (headcount)</b>	Number of employees under the age of 30	409
	Number of employees aged between 30 and 40 (exclusive)	762
	Number of employees aged between 40 and 50 (exclusive)	108
	Number of employees aged 50 and above	18
<b>Total number of employees by employment type (headcount)</b>	Number of employees under labor contracts	1,297
	Number of employees under labor dispatch	0
<b>Total number of employees by region (headcount)</b>	Number of employees in Eastern China	514
	Number of employees in Southern China	32
	Number of employees in Central China	169
	Number of employees in Northern China	336
	Number of employees in Northwestern China	115
	Number of employees in Southwestern China	131
	Number of employees in Northeastern China	0
<b>Total number of employees by academic qualification (headcount)</b>	Number of employees below undergraduate level	527
	Number of employees at undergraduate level	697
	Number of employees at master and above level	73
<b>Total number of employees by ranking (headcount)</b>	Number of senior management members <sup>2</sup>	37
	Number of middle management members <sup>3</sup>	103
	Number of employees at junior level	1,157

1. The employee-related information covers the headquarters of Capital Grand in Beijing and all its outlets projects and business management companies;

2. Senior management includes general managers, deputy general managers, assistant general managers and directors;

3. Middle management includes center (deputy) general managers and departmental (deputy) general managers.

#### ***Employees' Rights and Interests and Benefits***

The Company's employee handbook explicitly sets out the provisions on working hours, leave entitlements, labor protection and minimum wage and opens the relevant feedback channel for its employees. Pursuant to relevant regulations such as the Social Insurance Law of the People's Republic of China 《中華人民共和國社會保險法》 and the Provisions on the Administration of Declaration and Payment of Social Insurance Premiums 《社會保險費申報繳納管理規定》, the Company makes contributions to basic social insurance fund and housing provident fund on behalf of our employees, and also provides them with benefits such as supplemental medical insurance and regular physical checks. In the meantime, the human resources compliance within the Group is subject to special audit on a rolling basis to ensure that the employee management system of the Group stays in line with the national laws and regulations concerned.

In addition, we also actively organize activities for our employees to encourage them to reach the work-life balance. During the year, the staff activities we carried out included:

- Throughout 2019, welfare activities took place in which employees would receive a “gift” on their birthdays;
- Throughout 2019, to address the problem that employees who came early, left late and worked overtime had no meals or ate cold meals, the Company took the initiative to introduce an “Everyday Fresh” mobile vending machine that supplied a variety of quality fresh food, catering to the needs for timely and hearty meals among employees;
- In March 2019, the trade union sent festive greetings and gifts to all female employees on behalf of the Company leaders, which was well received among female staff;
- In May 2019, employees received gifts from the trade union for the Dragon Boat Festival;
- During the “May Day” festival in 2019, the trade union greeted colleagues who engaged in the marketing event “Collective Celebration in Ten Cities” on behalf of the Company, expressing care for its employees;
- In October 2019, the trade union brought festive blessings and gifts to the employees on the occasions of Mid-Autumn Festival and the National Day. Staff members who worked far away from home were also visited, with care and greetings of the Company leadership delivered to their families as well.

#### ***Protection of Human Rights***

The Company places great emphasis on human rights. During the recruitment process, we verify and confirm the identity of our staff to ensure that no child labor is employed. We also encourage our employees to maintain a work-life balance and ensure that there is no forced labor within the Company. During the year, the Company was not aware of any child labor, forced labor or other situations which violated against the human rights of its employees.

#### ***Staff Communication***

The Company attaches great importance to its employees’ internal communication and team construction, and strives to create a harmonious teamwork atmosphere and corporate culture. We continuously optimize the communication mechanism between the Company and its employees, and explore a special form of director communication meeting. Employees are allowed to have a direct conversation with director through regularly organizing communication meeting in which they can offer suggestions or comments for the Company’s development.

## PROTECTION OF EMPLOYEES' HEALTHY MINDS AND BODIES

The Company strictly complies with the laws and regulations relating to employees' health and safety such as 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 Production Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), the Emergency Response Law of the People's Republic of China (《中華人民共和國突發事件應對法》), the Regulations on Work-Related Injury Insurance of the People's Republic of China (《中華人民共和國工傷保險條例》) and the Regulations on the Reporting, Investigation and Disposition of Work Safety Accidents (《生產安全事故報告和調查處理條例》). We have also established a health and safety management system involving office area, construction sites and outlets shopping malls in operation, to minimize the health and safety risks among employees.

### *Healthcare*

The Company organizes annual physical checkups for employees, determines the most prevalent sub-health diseases based on its overall medical results, and arranges health talks accordingly. We actively host various physical activities through the trade union, such as ball games, health walk and outdoor activities, to promote healthy living concepts. The Company also places great emphasis on the drinking water quality in the office area and the outlets shopping malls area under the Company, strictly inspecting the qualification of its potable water providers. In recent years, the executive department of the Company has taken charge of the safety and responsibility mechanism, caring the safety of its employees and their family during rest periods. In each important festivals, each department leader signs a liability statement for traffic safety with the Company, in which they undertakes to promptly remind their employees of travel safety and electrical safety and gas safety when they are at home.

### *Medical Protection and Handling Work-Related Injuries*

On top of such basic protection as basic medical, pension, work-related injury and unemployment insurance required by the PRC, the Company also maintains supplemental commercial insurance for its employees, which covers serious illnesses, outpatient service and inpatient service to relieve the employees' economic pressure from medical treatment. The Company has also established a mechanism to ensure the injured employees can receive timely medical treatment and economic compensation. In the event of a work-related accident, we proactively form a team from our employees to identify the level of injury, cooperate with the Labor Administration on the verification of the employee's injury or disability, provide the employee with corresponding benefits according to relevant regulations, and assist the employee to claim compensation from the work-injury insurance. If no work-related injuries can be identified, the Company will also actively provide the employee with physical and spiritual compensation to ensure that the employee can take time to restore health.

### *Occupational Health and Safety Management*

The Company has established a comprehensive construction and production safety system covering office areas, outlets malls and construction sites by formulating the Management Measures for Construction and Production Safety over the Development Period of Capital Grand (《首創鉅大開發期施工安全生產管理辦法》) and the Manual on Safety Management of Capital Grand (《首創鉅大安全管理手冊》). In addition to paying work-related injury insurance premiums for employees, providing them with safety training and actively participating in emergency drills in accordance with laws and regulations, the Company regularly inspects the hazard sources' management of office areas, outlets malls and construction sites. If safety hazards are found, the Company will arrange the management personnel on site to handle such hazards in time to ensure the safety of all personnel on site. The Company equips its special operators with labor protection gears in line with national standards. For high-risk work positions, we provide such operators with a series of protection measures which are more rigorous than industry requirements to protect their personal safety, while the employees have the right to decide whether to operate or engage in relevant work. During the hot summer day, the project companies prepare ice-cream and cold drinks for front-line employees. The Company provides employees with heating pieces and hot coffee during the "Open for 24 Hours" event at the end of the year to provide employees with occupational health and safety. At the same time, the Group carries out the "Fire Safety Month" every year, and each project company conducts fire safety inspection and publicity activities in combination with the actual fire safety management.

Indicators	2019
Number of work-related fatal accidents (case)	0
Number of deaths of employees caused by work (headcount)	0
Rate of work-related fatalities (%)	0
Number of persons injured at work (headcount) <sup>1</sup>	1
Number of working hours lost due to work injuries (hours)	528 <sup>2</sup>

1. Work-related injuries represent the injuries suffered by an existing employee of the Company during the course of his/her occupational activities or related activities, which can be identified as work-related injuries.
2. One work-related injury that occurred in 2019 was caused by an employee of Capital Grand who was injured in a collision on the way to work. After being identified by the local labor department as ten grade of work-related injury, he therefore enjoyed three months of work-related injury leave.

### ATTACH GREAT IMPORTANCE TO EMPLOYEES' DEVELOPMENT

The quality of the workforce is a reflection of the Company's soft power, and employee training and promotion flows are the continuous driving force for the Company's development. The Company supports the personal growth and career development of its employees through an integrated training system and a fair system for performance management and promotion. Facing the downward pressure of the economic environment in 2019, Capital Grand has made great efforts not to actively dismiss employees, but to give employees more opportunities for growth through training and other methods.

#### *Integrated Training System*

In 2019, based on the principles of "educating talents, strengthening areas of weakness and improving efficiency", the Company integrated the human resources according to the Company's strategic implementation needs, performance improvement needs and talent planning needs to launch the "talent training + knowledge management" innovation project.

We adhere to the curriculum design ideas of both staff quality requirements and job skills requirements, retain classic staff training courses, and launch updated training programs in accordance with the Company's development and the development needs of various business lines in time; we also continue to promote various ways of learning both online and offline, helping our employees to better use their time and make every effort to build an experience sharing platform for different business lines. Internal training of Capital Grand is divided into four program types: the "Juren (鉅人)" program for new joiners, the "Juneng (鉅能)" program for training on professional capabilities, the "Jucai (鉅才)" program for training back-up management talents for the Company, and the "Juqing (鉅擎)" program for senior management. During the year, we continued to optimize and improve the training programs.

We have enriched the training forms for the business backbone of the "Jucai (鉅才)" program, and encouraged all line backbones to summarize, sort out and share work experience so as to help each line of business better solve the difficult problems at work; and the action learning method is adopted in this program. By the "discussion-practice-reexamination-output" initiative, on one hand, it solves the difficulties in the Company's operation and management; on the other hand, it delivers the professional knowledge fruits of Capital Grand.

We have added a new "Juneng · Great Lecture (鉅能 · 大講堂)" section under the "Juneng (鉅能)" program. This training section focuses on the improvement of weaknesses of professional capabilities and the accumulation of professional experience of the Company's various professional lines. Through this training, the Company realized the R&D and output of independent courses, and realized knowledge internalization of Capital Grand. In the year of 2019, the "Juneng · Great Lecture (鉅能 · 大講堂)" completed the independent R&D of a total of 19 internal professional courses and self-cultivation of 28 internal lecturers, covering all professional lines to improve the professional shortcomings, sum up professional experience, and strengthen cross-professional cooperation thinking and exchanges, therefore it provides motivation for improvement of the Company's management efficiency, and accumulates knowledge for the Company's long-term development.



### *Training of Front-line Employees*

The front-line employees are our windows for consumers, and the Company therefore attaches great importance to the training of front-line employees such as shop assistants and management in the outlets malls. Since 2018, we have launched a brand new training course for shop assistants in business districts. The course covers business management capabilities, corporate culture awareness and other contents which help employees to enhance their personal professional capabilities, and also help to enhance the consumer shopping experience.

Indicators		2019
<b>Number of various types of training programs</b>		435
<b>Total training expenditure (RMB0'000)</b>		117.38
<b>Total number of employees receiving training by gender (headcount)</b>	Total number of trainees (headcount)	1,323
	Number of male employees receiving training	723
	Number of female employees receiving training	600
<b>Percentage of employees receiving training by gender (%)</b>	Percentage of male employees receiving training	96%
	Percentage of female employees receiving training	92%
<b>Total number of employees by staff level (headcount)</b>	Number of senior management employees receiving training	37
	Number of middle management employees receiving training	101
	Number of junior employees receiving training	1,185
		33.58
<b>Average training hours per employee (hours)</b>		
<b>Total hours of employees receiving training by gender (hours)</b>	Total training hours for male employees	26,429
	Total training hours for female employees	18,001
	Number of training hours per male employee	36.55
	Number of training hours per female employee	30.00
<b>Number of training hours per employee by gender (hours)</b>	Total number of training hours for senior management	1,923
	Total number of training hours for middle management	6,493
	Total number of training hours for junior employees	36,015
<b>Total number of training hours per employee by ranking (hours)</b>	Average training hours for senior management	51.98
	Average training hours for middle management	64.29
	Average training hours for junior employees	30.39
<b>Average training hours per employee by ranking (hours)</b>		

#### 4. PRODUCTS AND SERVICES RESPONSIBILITY

Committed to its mission of “Attracting Investment through Strategic Alliance, Precise Expansion of Customer Base and Lean Operation”, the Company works to provide consumers with a safe and comfortable shopping environment as well as quality and safe shopping experience. The Company strictly complies with relevant laws and regulations in respect of the products and services, advertisements, labeling and privacy involved in the operations of the Group, such as the Product Quality Law of the People’s Republic of China 《中華人民共和國產品質量法》 and the Law on the Protection of Consumer Interests of the People’s Republic of China 《中華人民共和國消費者權益保護法》, and keeps track of and identifies the updates on relevant laws and regulations.

During 2019, the Company was not aware of any incidents of non-compliance with regulations on product responsibilities such as on products and services quality, advertisements, labeling, protection of customer privacy and protection of consumer interests that would have a material adverse impact on itself.

##### DEDICATED SERVICE PROVISION

The Company is committed to providing consumers with high-quality services. We strictly implemented outlets projects’ measures, including qualification management of cooperative tenants and product special inspections to ensure the quality of the products sold by outlets projects under the Company; we increase the influence of the brand of Capital Grand by actively adopting and continuously improving various consumer services; we protect consumer rights by the establishment of a comprehensive customer complaint response system.

##### *Controlling Product Quality*

To ensure that the consumers can purchase quality products in the outlets stores of Capital Grand, the Company maintains strict screening over its cooperative tenants based on fair recruitment. The Company values the potential risks in cooperation with the outlets commercial brand, continuously improves qualifications of tenants and control capabilities of product quality to safeguard the legitimate interests of our customers and the Company. We expressly require cooperative tenants to enter into a contract with the Company before stationing in the outlets and to provide relevant qualification documents, such as authorization document of brand agency, commodity inspection certificates and import qualification certificates, as attachment to contract. In order to ensure the shopping experience and products quality during holidays such as May Day and the National Day, the Company also requires relevant departments of the outlets projects to conduct special inspections on the quality of the tenants’ warehoused goods on the eve of the holiday.

The Company attaches great importance to the safety and quality assurance of catering service. All cooperative caterers shall provide copies of their catering service licenses and the health certificates of practitioners when signing the contract, and meet the environmental and hygiene standards stated in Operations Management Manual of the Company during their operation. Outlets project site management staff will also pay attention to the food safety and hygiene measures management of cooperative caterers during daily inspection. Once a shop is found with any breach of the relevant agreement in its contract or project management requirement, necessary measures will be taken to rectify the situation.

##### *Improve Service Quality*

The Company attaches great importance to the consumer service quality of its outlets project. We formulated the customer service standard for outlets projects, the reception service standard for shop assistants and a Q&A database for project customer service centers, and continued to provide relevant training for customer service staff and shop assistants.

At the same time, the Company strictly implemented a product return and replacement system pursuant to our agreement with the cooperative tenants and relevant laws and regulations to safeguard the legitimate interests of our customers.

### *Handle Complaints*

The Company has established its sound system for handling customers' complaints. We have explicit requirements on the practice and work procedures for handling complaints set out in our Operations Management Manual (《運營管理工作手冊》), Manual for Tenants (《商戶手冊》) and Manual for Salespersons (《營業員手冊》), among which handling of return visits and the success rates of addressing complaints serves as the indications of performance appraisal of staff responsible for relevant complaints to supervise the implementation of customer complaint response measures. Meanwhile, the Company has made public announcement of the channels for receiving and handling customer complaints and accepted supervision and suggestions from consumers and tenants and all sectors of society; and with the third-party public opinion monitoring, timely responded to the quality and service problems of Capital Outlets proposed through open channels by consumers

In order to ensure that all complaints are received and handled properly, each outlets project customer service center has established a written record of customer complaints to access or track relevant complaints. The operations management center at the Company's headquarters also inspects the actual condition of customer complaint settlement at its projects from time to time.

### *Protection of Consumer Information*

The Company attached great importance to protection of consumer information, actively strengthened Capital Grand's capacity of protecting consumer information. We have entered into confidentiality agreements with system developers and operations maintenance software developers, which stipulate their obligations to keep customer information confidential. Confidentiality provisions are set out in the Staff Manual of Capital Grand (《首創鉅大員工手冊》) which require all employees to maintain the confidentiality of information, including customer information. We also standardized the access rights to data of employee system account so that the key information including information of members and their consumption behavior data are safeguarded sufficiently. During the year, the Company was not aware of any leakage of customer privacy.

### *Support for Operations of Tenants*

Tenants stationed at the outlets are important partners of the Company, hence we also strove to support them to maintain sound operation. In 2019, the Company developed a merchant service template and handed out to its outlets projects. This template unified specific requirements for providing efficient services to tenants during the period of project preparation and operation.

## **GUARANTEE OF PROJECT QUALITY**

The Company dedicated to providing a healthy, safe and quality shopping environment by "controlling strictly and demanding exactly" the project design, construction and quality of delivery, fulfilling our promises to tenants and every consumer. The Company took regulatory measures on various aspects of choosing construction materials, project design and engineering management to ensure the construction quality and safety of all its outlets projects.

### *Safety Design*

The Company has integrated the project requirement and risk management of safety into design and process management in early stage to optimize the safety performance of projects upon ensuring that the building design is conform to relevant national design standards. The Company uses construction materials with both characteristics and structure design strength higher than the national standards in earthquake-prone coastal areas. All design of the Company's projects is complied and satisfied with the relevant requirements on fire safety and the inspection standards on fire safety works, with adequate fire safety equipment in place. For example, Beijing Fangshan Capital Outlets, has established its own miniature fire station equipped with such fire safety equipment as fire patrol vehicles, miniature water wagons and positive pressure respirators.

As for purchasing and installing of operational facilities on the later stage of construction, the Company developed unified procurement standards for operational facilities in the outlets malls, which particularly specified the material quality and safety of the facilities to further guarantee the overall safety performance of projects.

### *High Quality Material*

The Company required that all materials used in the outlets projects must meet national laws and regulations and relevant standards lest using materials harmful to human. The Company's buildings are furnished by low-volatility materials that generate less odorous and hazardous indoor air pollutions with potential irritants, to ensure the health and comfort for our installation staff and users.

For the purpose of controlling the quality of construction materials, the Company implemented unified contract terms of supplier procurement on projects in headquarters and other regions and passed the "Key Points on Controlling the Inspection of Construction Materials of Beijing Capital Grand" (《首創鉅大工程材料檢查驗收控制要點》) to standardize the inspection of construction materials. In 2019, the Company required the project company to enter into a testing contract with the third party on ongoing construction projects to further intensify the control on the quality of construction materials. Sampling test for the materials will be conducted from the first batch of construction materials entering into the construction site to the completion of construction. During the year of 2019, the Company has conducted sampling tests for a total 11 major types of products, with a pass rate of 100%.

### *Construction Management*

The construction quality of contractors also directly influenced the quality of construction facilities of the outlets projects. We urged all construction projects to improve their abilities on prevention and control and prevent any risk of construction quality timely by conducting relevant inspection on the management of ongoing construction projects from time to time. In 2019, the Company further intensified the management and inspection of ongoing construction projects by formulating the "Item Schedule of Inspection on Quality of Construction Entities of Projects" (《項目工程實體質量檢查分項表》), which standardized the inspection and appraisal on every construction site. The inspection scope on quality of ongoing construction projects consisted of leakage prevention, exterior wall system, elevator and doors and windows installation and other potential risks, as well as rectification on the quality problems from the inspection by the third party.

## **CAREFREE SHOPPING ENVIRONMENT**

The Company continued to improve the system of safety management in shopping areas and reinforce the daily supervision.

### *Security Management in Shopping Areas*

To improve the security works in shopping areas, the Company compiled the Manual on Safety Management of Capital Grand (《首創鉅大安全管理手冊》), Measures on Handling Emergencies (《突發事件處理措施》) and other system of safety management, and kept promoting the standardization of property safety management system and emergency response procedures as well as ensuring the safety management in shopping areas of outlets projects during each operational periods. All outlets projects are required to equip with security personnel from qualified companies during all operational periods. Emergency response training for property management staff will be conducted on a regular basis. Customer service center will keep a first aid kit with simple medical equipment and medicine in stock for consumers, tenants and staff.

In 2019, the Company formulated and issued the “Regulations on Inspection of Property Safety Management on Commercial Projects of Capital Grand” (《首創鉅大商業項目物業安全管理檢查規定》) to enhance the mechanism of safety management of outlets projects in operation periods for ensuring safe operation. In the meantime, the Company further improved the control requirements on emergency management plans of project companies, requiring every one of them setting out emergency plans according to the actual situation of the respective project, and the viability of the emergency plans will be reviewed by the headquarters of Capital Grand for approval. The security team of every project has also conducted emergency drills for multiple emergency situations and cooperated with relevant authorities, which yielded a good effect.



Emergency drills at the outlets projects

#### ***Fire Safety Management and Control***

In strict compliance with the Fire Protection Law of the People’s Republic of China (《中華人民共和國消防法》), the Company are equipped with relevant fire safety facilities and equipment, including the sprinkler system, the automatic fire-alarm/synergetic control system, the gas-alarm system, the emergency lighting and evacuation instruction system, fire extinguishers, fire hydrants and the gas extinguishing system pursuant to laws and local regulations. The Company also provides regular inspection, repair and maintenance on our fire safety facilities and equipment, to ensure normal operation of our fire safety system.

The Company has set out clear provisions on fire safety work practice and fire safety emergency plans in our internal regulations, such as the Manual on Safety Management of Capital Grand (《首創鉅大安全管理手冊》), which stated that the security personnel walk around the major areas of the outlets projects for inspection every two hours; the relevant departments carry out cooperative inspection on precaution measures taken by tenants, namely switching off the utilities and closing the shop door. In addition, the project companies also conduct the special fire safety inspection on certain projects including add-on decoration site, gas-alarm system of cooperative catering tenants and early fire safeguard on festivals. In 2019, in order to follow the reform of national fire safety system, Capital Grand has further intensified the management and control on inspection system of fire safety by requiring all projects to submit their monthly record of inspection on fire safety.



Fire safety drills at Capital Grand’s outlets projects



### ***“Safe Production Month”***

During the “Safe Production Month” in this year, the Group continued to uphold the principle of “safety first and focus on prevention” to conduct knowledge propaganda, training and drills of fire safety and security, which improved the integrated capabilities of its outlets projects, including emergency response at miniature fire station and anti-terrorism and anti-riot skills. We spread the general knowledge of fire safety concepts to our staff, tenants and public with the LED screen and advertising space in the outlets malls; organized staff to visit local demonstration center of fire safety to raise their awareness of fire safety; and selected projects in operation every year for carrying out full fire emergency drills covering all tenants. We make the best effort to ensure the safety operation of every project.

### **MANAGEMENT OF ADVERTISING LOGO**

The Company strictly complies with laws and regulations, judicial interpretation and discipline made by national, local and industrial association, including the Law on the Protection of Consumer Interests of the People’s Republic of China 《中華人民共和國消費者權益保護法》, Advertising Law of the People’s Republic of China 《中華人民共和國廣告法》, the Detailed Implementing Rules Governing the Regulations for the Control of Advertising 《廣告管理條例施行細則》 and the Trademark Law of the People’s Republic of China 《中華人民共和國商標法》, and timely follow the change of requirements of relevant regulation to make internal improvements. The Company has also formulated relevant systems such as the Administrative Measures for the Brand Dissemination of Commercial Projects of Beijing Capital Grand Limited 《首創鉅大有限公司商業項目品牌傳播管理辦法》 and the Management and Control Explanations on Image Promotion for Commercial Projects of Beijing Capital Grand Limited 《首創鉅大有限公司商業項目推廣形象管控說明》 to advertise our products, provide customer services and use the logo in accordance with the laws and regulations, regulating advertisement promotion, promote honest marketing, avoid misrepresentation and prevent fraudulent use of our trademarks.

In the meantime, the Company recognized the potential risks due to the implementation of brand cooperation agreement in relation to commercial business and kept enhancing capabilities on management and control of tenants and goods in order to maintain the legitimate rights and interests of the Company. In May 2019, the project companies of Capital Grand conducted inspection on licensing qualification of tenant’s brand whereby checking potential risks systematically in the implementation of contracts to ensure the validity, integrity and legality of brand licensing qualifications and effectively prevent the operational risks of cooperative brands.

During the year, the Company was not aware of any incident relating to its breach of the laws and regulations on advertising and trademarks which had a significant impact on the Company.

### **PROTECTION OF INTELLECTUAL PROPERTY RIGHTS**

The Company pay high attention to the management of intellectual property rights and conducted related works by hiring intellectual property law firms and proactively protected its legitimate rights and trademark value, which not only maintained its competitive advantages in the market, but also effectively prevented infringement of its own intellectual property rights. We attach great importance to preventing the risks relating to infringement on intellectual property rights during our daily operations. As such, we avoid using unauthorized materials in our promotional materials. Prior to introducing a cooperative tenant, the Group’s outlets projects would review its trademark registration certificates or licensing proofs to ensure that its operation complies with relevant laws and regulations such as the Trademark Law of the People’s Republic of China 《中華人民共和國商標法》, the Administrative Measures for the Certification of Intellectual Property Rights 《知識產權認證管理辦法》 and the Management Standard for Corporate Intellectual Property Rights 《企業知識產權管理規範》. During the year of 2019, the Company was not aware of any incident relating to material infringement on intellectual property rights which had a significant impact on the Company.

In respect of protecting intellectual property rights, the Company has fully tapped into the role of intellectual property rights in stimulating, guiding, protecting and evaluating corporate innovation. Currently, we have applied to the Trademark Office of National Intellectual Property Administration for registering our trademarks of such product brands as “CAPITAL GRAND”, “CAPITAL OUTLETS” and “CO”. As of the end of 2019, Capital Grand has acquired certificates of trademark registration for 115 trademark rights in total.

## 5. ENVIRONMENTAL PROTECTION

The Company strictly abides by the laws and regulations on environmental protection, including the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) and the Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》), never ceases to fulfill its corporate social responsibility on environmental protection. Given that our projects are scattered over China, we regularly follow up and differentiate the updating of relevant environmental protection laws and regulations in the nation and regions where each project located, ensuring that the Company meets the compliance requirements with its relevant policies, systems and measures. On top of that, the Company has proactively taken multiple measures for building the corporate culture that focuses on sustainable development and carrying forward multi-level environmental protection initiatives which cover daily office activities, project management and project operation. During the year of 2019, the Company was not subject to any fines or relevant litigations due to environmental pollution.

Due to the characteristics of the Company's business, our major impact on the environment includes the greenhouse gas emissions and resource consumption in our office area, as well as the environmental affect and resource consumption generated by our outlets projects within the period of construction and operation. The Company has adopted the implementation of green office and multi-dimension practices in the process of design, construction and operation of our outlets projects for protecting environment, which helps to minimize our impact on the environment and natural resources.

### GREEN OFFICE

Since 2013, Capital Grand has comprehensively promoted the environment management concept of "5S (Seiri, Seiton, Seiso, Seiketsu, Shitsuke)" in all office area of the Group. We have disseminated the provisions of the relevant laws and regulations, such as the Environmental Protection Law and the Energy Conservation Law, to our staff in an accessible way for strengthening their awareness of environmental protection and resource saving and the engagement of all staff in the green office initiatives. Over the past years, each project company of Capital Grand has gradually developed a 5S management plan applicable to the reality of the office. With this, we have strictly taken actions on the enhancement of resource saving and resource consumption management, while guiding our staff to develop occupational habits that save energy and reduce consumption and creating a green and low-carbon office environment.

In terms of emissions management, the mileage of the official vehicles of several project companies in operation period saw an evident decline comparing with 2018, and the average gasoline consumption of official vehicles for all projects in operation period decreased by 11% at the end of the year. In terms of conserving resources, we also attained good results of water saving in the public area of shopping malls, as water consumption in the public area of each outlets project of the Group decreased. Our office area recorded stable electricity and water consumption which still presented room for improving utilization efficiency in the future.

### Green Travel

The Group's direct exhaust gas emission mainly comes from the greenhouse gas and nitrogen oxides discharged by its official vehicles in consuming gasoline or diesel. As such, we enhance our management of official vehicles to reduce direct emission of air pollutants. Such measures of root-controlling, resource-saving and substitution-seeking adopted by the Group includes:

- Reducing the proportion of official vehicles and strictly executing the procedure for the approval of official vehicle application, conducting appropriate arrangement to allocate official vehicle resources reasonably;
- Managing and controlling the use frequency of the official vehicles with our existing resources based on our expense budget of vehicles' gasoline consumption;
- Encouraging our staff to use the substitution, such as the remote video and phone conference system equipped by the Company, reducing the use of official vehicles, maximizing the use of public transport during their business trips, and arranging shuttle bus for their commute between the Company and the downtown area.

### *Resources Conservation*

The Group has improved the power supply and distribution system and reduced the average daily power consumption and losses in the office area through optimizing the power consumption control in the offices. Our power management measures include:

- Regulating the temperature range in operating the air conditioners of the offices in winter and summer and strengthening the temperature control management of air conditioners in equipment rooms for minimizing the energy consumption of air conditioners;
- Advocating for reducing the standby time of our office electronic equipment and electrical appliances, and turning off equipment that is not to be used for a long time.
- Turning off lights as appropriate in case of no person in the office, as well as in non-working hours, and making full use of natural light to reduce energy consumption of our lighting equipment.
- Purchasing certified energy-saving products and gradually replacing the low efficiency equipment and products applied by some project companies with new energy products and energy-saving products.

The Group has also attached importance to the promotion of water conservation concepts in the offices. We have encouraged employees to bring their own bottles in the meeting to consume less bottled water. In public areas, we have put up signs of water conservation for strengthening publicity and supervision to enhance the employees' awareness of saving water. Meanwhile, we have organized the relevant activities for World Environment Day, Earth Day and World Water Day in each year and advocated for minimizing the waste of resources and excessive consumption.

### *Waste Management*

The waste produced during the Group's office hours is mainly from the abandoned office consumables and the food wastes from its canteen.

Regarding the management of office consumables, the Group has formulated relevant regulations such as Office Supplies Management System (《辦公用品管理制度》), Office Environmental Management Regulations (《辦公環境管理規定》) and Information System and Software Asset Management Regulations (《信息系統及軟件資產管理規定》) in consideration of the environmental protection requirements of the nation and regions where each project located. In responding to the relevant policy of waste classification, we have also taken actions in collection and disposal of office consumables on a unified basis. Among them, recyclable waste such as waste paper was returned to local recyclers, and a small amount of hazardous waste like damaged fluorescent and engine oil waste were temporarily stored in special trash bins and regularly recycled by the suppliers. Regarding the food waste, the Group requires its project companies that operate canteens to formulate and optimize their Canteen Management Regulations (《食堂管理規定》) for specifying the relevant requirements on management. Members of the staff are required to cultivate their awareness of being frugal and refuse waste in the campaign of "Clear Your Plate" campaign (光盤行動).

### ***Consumables Reduction***

The Group advocates paperless office and reuse of paper and office supplies. We encourage employees to choose double-sided printing or secondary paper printing of the files for internal communication, except for official documents. We try to further use multimedia presentation in meetings to lower their paper consumption, apply the scanned electrical files for filing, and communicate through e-mail for less consumption of fax paper.

With regard to the recycling of office supplies, the office supplies department of each project company actively recycles idle dovetail-shaped clips, paper clips, etc., and distributes them to other departments in need. At the same time, the Group requires that its subsidiaries step forward the management and control of office expenses and sound budget planning, put an end to waste of resources, and continuously strengthen the 5S management in offices.

In addition, we use FSC (Forest Stewardship Council) certified environmental-friendly paper to print our interim reports and annual reports to mitigate the environmental impact from our paper consumption.

### **GREEN DESIGN**

The Company actively incorporates the concepts of environmental protection and sustainability into the design of its outlets projects, and vigorously develops green and low-carbon buildings at its outlets projects in accordance with the Green Building Action Plan 《綠色建築行動方案》 of the National Development and Reform Commission and the Ministry of Housing and Urban-Rural Development. The Company strives to enable the buildings of its outlets projects to maximize resource conservation, environmental protection and pollution reduction throughout their lifecycle and create a healthy, suitable and efficient user space for our consumers, staff and tenants.

The Company adheres to the design philosophy of Adapt the Construction to Local Conditions for its outlets projects. While building the project, it makes full use of the construction condition in different regions and primarily adopts the project design that with low energy consumption, environment protection and high efficiency for aligning the architecture with natural environment. With the aim of developing green benchmark projects and delivering all-level green construction, we actively promote green building ratings and full application of technology such as renewable energy, smart devices and LED lighting system for outlets projects.

### ***Energy-saving Design***

The Company constantly explores the potential on energy saving of its construction projects by promoting energy utilization efficiency of projects with various measures, including properly setting interior parameters designs and lighting power density, optimizing energy load calculation to lower the cooling and heating load requirements of our buildings. We also optimize the design of exterior protective structures, such as the heat transfer coefficient of glass curtain walls, shading coefficient and air tightness, in order to reduce the loss during thermal transmission and the heat from solar radiation. Further to that, we select new energy-saving materials with better insulation function, such as low-emissivity glass and solar-reflective heat-insulation coating. Furthermore, we properly design a heat recovery system to lower the energy consumption for processing fresh air. Clean energy such as solar power has been adopted to reduce the operating energy consumption of our cooling and heating sources and relevant systems, as well as carbon emissions. The newly constructed Outlets projects apply the Variable Refrigerant Volume air-conditioners, as the level of its Integrated Part Load Value (IPLV) is 16% higher than the national standard. The terminal of the heating air-conditioning system is independent and adjustable, which effectively reduce electricity consumption.

Since 2017, new Outlets projects of Capital Grand have been equipped with smart lighting system. Through appropriate control of different scenes, lighting in public areas can be adjusted based on various operation scenes and operation time requirements, thus reducing electricity consumption.

### *Emissions Reduction*

According to the Company's construction design requirements, we use adhesives and sealants which contain fewer volatile organic compounds (VOC) than the latest national standard limit. Meanwhile, we refrain from the use of refrigerants containing Freon (CFC) in the ventilation, heating, air-conditioning and cooling equipment of our buildings, and our water chillers operate with refrigerants that meet national environmental requirements.

### *Green Building Certification*

The Company's Outlets projects are designed in compliance with the gold-grade standard of LEED-CS and two-star standard of the Assessment Standard for Green Building (《綠色建築評價標準》) of the People's Republic of China. The Green Building Certification obtained by the Outlets projects of the Company as of 31 December 2019 are as follows:

Serial Number	Project Name	Green Building Rating
1	Nanchang Capital Outlets Project	One Star in design
2	Jinan Capital Outlets Project	One Star in design
3	Phase II of Beijing Fangshan Capital Outlets Project	One Star in design
4	Zhengzhou Capital Outlets Project	One Star in design
5	Xiamen Capital Outlets Project (under construction)	One Star in design
6	Xi'an Capital Outlets Project	Two Stars in design
7	Hefei Capital Outlets Project	Two Stars in design
8	Nanning Capital Outlets Project (under construction)	Two Stars in design

### *In Response to Climate Change*

The global warming effect has increased the frequency of regional extreme weather such as rainstorm and hail, etc., resulting in potential impact on our open Outlets projects. In Southern China, our Outlets projects have adopted a more efficient drainage system to deal with the risk of flooding arising from heavy precipitation weather. We have also designed light domes for our commercial blocks in the new Outlets projects in Hangzhou and Kunming, so as to reduce energy consumption in public areas and the impact of extreme weather. In addition, to cope with the possible effects caused by extreme weather and sea level rise in coastal regions, we have followed relevant national design standard to use higher grade concrete in our projects in coastal cities such as Xiamen and Wanning to resist seawater corrosion and other risks.

### **GREEN CONSTRUCTION**

Through contractual constraints and site inspection on construction contractors, the environmental impact has been minimized during the construction of our Outlets projects. The Company has clarified our requirements in our contract terms to ensure environmental safety and avoid social risks. Suppliers should adopt appropriate measures as agreed in the contract to protect the environment inside and outside the site, limit the damage and impact resulted from various environmental pollutions, noise and other consequences on the public and properties of different parties, make sure the air emissions, land drainage and other discharges caused by its activities not to exceed those required under relevant national and regional laws, regulations and standards.



### ***Emissions Reduction***

Noise Reduction: The Company remains committed to reducing construction noise and strictly requires our contractors to control their construction time to ensure that the generation of construction noise complies with relevant national standards.

Dust Control: The Company requires contractors to achieve 100% road hardening at their construction sites and 100% coverage of on-site earthworks, together with designated personnel to sprinkle water on construction sites on a daily basis to reduce their dust emissions. Some projects, such as Phase II of Beijing Fangshan Capital Outlets, have been furnished with fog guns machine and sprinkler pipes along its fences to provide water spray and dust reduction.

Sewage Management: The Company requires its contractors to build car wash basins and sedimentation tanks at their construction sites, and set up grease traps in kitchens. Upon sedimentation or grease separation, sewage can be discharged into the municipal sewage pipeline network.

Waste Discharge Management: The Company has a system in place to manage the wastes generated during construction. Recyclable wastes arising from construction, dismantlement and site cleaning, such as paper, cardboard, glass, plastic and metal, are all disposed on a unified basis: store in appropriate storage locations of the construction sites at first and then hand over the wastes to third party companies with relevant qualification for unified disposal.

### ***Use of Resources***

Energy Consumption: The Company requires contractors to use water-saving taps and energy-saving lamps such as LED light bulbs, post water-saving and electricity-saving labels and arrange special personnel for inspection to prevent excessive lighting hours and water flow.

Material Consumption: The Company advocates the use of recyclable materials or materials that contain recyclable elements to reduce the material consumption of its projects. Main recycled materials include wastes recycled from construction, dismantlement and site cleaning, such as concretes, steel bars, bricks, window frames, doors and glass.

### ***Prevention of Water and Soil Erosion***

The Company requires contractors to prepare and execute plans to prevent water and soil erosion and control pollution during the construction period. It is required to protect the existing vegetation within such venues, conduct earth solidification works and build sedimentation tanks to minimize the impacts of soil erosion and deposition caused by our construction behaviors.

**GREEN OPERATION**

During project operation, we encourage all project companies to establish goals on energy consumption, water resources consumption and emissions management, and take multiple measures to carry out energy, water and emissions management in accordance with local conditions. Currently, some Outlets projects have carried out systematic monitoring work on energy consumption.

***Emissions Reduction***

In 2019, in response to the new rules for garbage classification in many places in China, headquarters and project companies of Capital Grand further optimized garbage collection and disposal in office area and business area. We classify and collect wastes according to the requirements of various regions, work with qualified garbage disposal companies to dispose of the garbage generated during our operation in a more environmentally friendly way. All restaurants in our Outlets projects have installed fume purification systems to ensure compliance with emissions standards. In addition, this year, the dust reduction measures were tried out in Kunshan Outlets project by installing micro sprinkling facility, which could make summer less hot and reduce dust at the same time.



Micro sprinkling facility in Capital Grand's Outlets shopping mall

### *Use of Resources*

In 2019, the Company reduced the design lighting brightness in logistics channels in its Outlets projects to save electricity by adopting an interval setting, i.e. one lamp is turned on in every two intervals. On this basis, some Outlets projects also use voice-activated lamps to achieve the goal of energy saving and consumption reduction. In terms of water saving, micro sprinkling and drip irrigation technologies are adopted in various projects for greening maintenance so as to reduce irrigation water.



Micro sprinkling and drip irrigation facilities in Capital Grand's Outlets shopping mall

### **ENVIRONMENTAL PERFORMANCE**

Unless stated otherwise, the relevant data and performance set out in this section as of 31 December 2019, covering the Group's headquarters in Beijing (namely the Company) and its twelve projects in operation, namely Beijing Company (formerly known as Fangshan Company), Huzhou Company, Kunshan Company, Hangzhou Company, Hefei Company, Wuhan Company, Nanchang Company, Zhengzhou Company, Jinan Company, Xi'an Company and Chongqing Company. The last four mentioned above are newly added projects compared with 2018. The projects still in construction are not included in the scope of disclosure at the moment. Based on the characteristics of the Group's business, we have calculated the statistics of relevant office areas and the public areas of shopping malls separately.

Below sets out the environmental performance of office areas in Capital Grand's headquarters as well as its companies in Beijing, Huzhou, Kunshan, Hangzhou, Hefei, Wuhan, Nanchang, Zhengzhou, Jinan, Xi'an and Chongqing:

## Emissions

Indicators	2019
Total greenhouse gas emissions (Scope I and II) (ton) <sup>1,2</sup>	1,297.36
Direct emissions (Scope I) (ton)	68.56
Fuel consumption by official vehicles	68.56
Indirect emissions (Scope II) (ton)	1,228.80
Purchased electricity	1,228.80
Annual greenhouse gas emissions per square meter of gross floor area (ton/square meter)	0.093
Non-hazardous waste (ton) <sup>3</sup>	215.61
General waste	191.76
Kitchen waste	23.85
Annual non-hazardous waste per square meter of gross floor area (ton/square meter)	0.015
Non-hazardous waste generated per employee (ton/person)	0.20
Hazardous waste (ton) <sup>4</sup>	0.76
Toner cartridges	0.56
Ink cartridges	0.18
Fluorescent tubes	0.026
Annual hazardous waste per square meter of gross floor area (ton/square meter)	0.000055 <sup>5</sup>
Hazardous waste generated per employee (ton/person)	0.00070 <sup>5</sup>
<p>1. Given operational characteristics, greenhouse gases constitute the main gas emissions of the Group. According to our calculation, the sulfur dioxide and nitrogen oxide emissions from our official vehicle exhaust are minimal compared with greenhouse gas emissions, and therefore are not disclosed.</p> <p>2. Our greenhouse gas emissions include carbon dioxide, methane and nitrous oxide, which are mainly from purchased electricity and fuels. The amount of greenhouse gases is presented in carbon dioxide equivalent and is calculated based on the 2017 Baseline Emission Factors for Regional Power Grids in China for Reduction Projects (《2017年度減排項目中國區域電網基準線排放因子》) published by the Ministry of Ecology and Environment of the People's Republic of China and the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories published by the Intergovernmental Panel on Climate Change (IPCC).</p> <p>3. Non-hazardous wastes are sent to recyclers for disposal, which mainly include domestic wastes produced in the office area and food wastes produced by its own canteen.</p> <p>4. Hazardous wastes are disposed of by third parties or suppliers, including waste toner cartridges, ink cartridges and fluorescent tubes.</p> <p>5. Due to the preparation of the first year celebrations in Xi'an Branch in 2019, more toner and ink cartridges were used, which resulted in the increase in the amount of hazardous waste per employee and per unit area for the year.</p>	

*Energy and Resource Consumption*

Indicators <sup>1</sup>	2019
Total energy consumption (MWh) <sup>2</sup>	<b>2,185.47</b>
Direct energy consumption (MWh)	<b>280.08</b>
Gasoline (MWh)	<b>280.08</b>
Indirect energy consumption (MWh)	<b>1,905.39</b>
Electricity (MWh)	<b>1,905.39</b>
Annual energy consumption per square meter of gross floor area (MWh/sqm)	<b>0.16</b>
Tap water (ton)	<b>14,443.00</b>
Annual tap water consumption per square meter of gross floor area (ton/sqm)	<b>1.04<sup>3</sup></b>
Consumption of printing paper (ton)	<b>15.57</b>

1. Package data is not applicable to the Group.

2. Total energy consumption is calculated based on electricity and fuel consumption as well as the conversion factors in the General Principles for Calculation of Total Production Energy Consumption (GB/T 2589-2008) (《綜合能耗計算通則(GB/T 2589-2008)》) issued by the Standardization Administration of the People's Republic of China.

3. Energy consumption per square meter of gross floor area refers to the amount of energy consumed in every square meter of gross floor area. As Huzhou Outlets and Hefei Outlets have adjusted the statistical scope since 2019 to include employees' toilets in the office area, the amount of tap water consumption per square meter of gross floor area in 2019 increased slightly compared to that of 2018.



Below sets out the environmental performance of the public areas of shopping malls of Capital Grand Outlets projects in Beijing, Huzhou, Kunshan, Hangzhou, Wuhan, Hefei, Nanchang, Zhengzhou, Jinan, Xi'an and Chongqing companies:

### Energy and Resource Consumption

Indicators <sup>1</sup>	2019
Total greenhouse gas emissions (Scope I and II) (ton) <sup>2</sup>	<b>14,744.26</b>
Direct emissions (Scope I) (ton)	<b>371.41</b>
Natural gas	<b>371.41</b>
Indirect emissions (Scope II) (ton)	<b>14,372.85</b>
Purchased electricity	<b>14,372.85</b>
Annual greenhouse gas emissions per square meter of gross floor area (ton/sqm)	<b>0.021<sup>3</sup></b>
Hazardous waste (ton) <sup>4</sup>	<b>0.60</b>
Total energy consumption (MWh)	<b>23,567.76</b>
Direct energy consumption (MWh)	<b>1,884.55</b>
Natural gas (MWh)	<b>1,884.55</b>
Indirect energy consumption (MWh)	<b>21,683.21</b>
Electricity (MWh)	<b>21,683.21</b>
Annual energy consumption per square meter of gross floor area (MWh/sqm)	<b>0.038<sup>3</sup></b>
Tap water (ton)	<b>390,466.60</b>
Annual tap water consumption per square meter of gross floor area (ton/sqm)	<b>0.54<sup>3</sup></b>

1. The data stated in this part only covers the public areas of shopping malls, excluding the energy consumption and emissions generated by tenants.
2. Our greenhouse gas emissions include carbon dioxide, methane and nitrous oxide, which are mainly from purchased electricity and natural gas consumption. The amount of greenhouse gases is presented in carbon dioxide equivalent and is calculated based on the 2017 Emission Reduction Projects – Baseline Emission Factors for Regional Power Grids in China (《2017年度减排项目中国区域电网基准线排放因子》) published by the Ministry of Ecology and Environment of the People's Republic of China and the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (《IPCC 2006年国家温室气体清单指南 2019修订版》) published by the Intergovernmental Panel on Climate Change (IPCC).
3. As Xi'an Outlets officially commenced operation on 13 September 2019 and Chongqing Outlets officially commenced operation on 28 September 2019, only the data for the fourth quarter of 2019 are included in the data of total greenhouse gas emissions and total energy consumption and total tap water consumption by the shopping malls of Xi'an Company and Chongqing Company as stated in the report. The 2019 data of annual greenhouse gas emissions and energy and tap water consumption per square meter by the public area of the shopping malls are adjusted figures based on the annual consumption estimated on the basis of the fourth-quarter data.
4. Hazardous wastes are disposed of by third parties or suppliers, which mainly are used fluorescent tubes.

## 6. SUPPLY CHAIN MANAGEMENT

In addition to strict internal management, the Company also actively promotes mutual development and progress between suppliers with us. We procure suppliers through agreement of contract, regular assessment and other forms to comply with the relevant laws and regulations and operate in the manner of being socially and environmentally responsible while ensuring their high-quality product and service. We also encourage the preferred local procurement by the relevant department to reduce carbon emissions caused by the delivery of materials and product, which creates economic value for the local community.

### *Supply Chain Full Life-cycle Management*

The Company has formulated a set of supplier management systems, including supplier admission management, supplier base management and supplier performance evaluation, forming a full life-cycle management process for suppliers from admission, performance evaluation and risk management to elimination and exit. Based on the current business development of the Group, the Company's suppliers include suppliers in relation to, among others, constructional engineering, property management, office supplies and services, in which the major suppliers are constructional engineering suppliers and property management suppliers. In 2019, the Company further improved its supply chain management system. For the management of property supplier, the Company has formulated "Provisions on Election of Outsourced Property Supplier by Capital Grand" (《首創鉅大物業外委供應商選擇規定》), which explicitly stipulates the admission qualification, evaluation criteria, storage process for the property companies. On the basis of that, the brand base of outsourced property supplier for strategic procurement has been established, which is available for reference and implementation by each project company.

### *Environmental and Social Risk Management*

The Company requires all supplier partners to comply with the relevant requirements of national and local laws and regulation in terms of environment protection, safety, staff and employee management. The Company's environmental and social requirements on suppliers are also incorporated into the supplier management processes such as its supplier admission and performance evaluation.

A priority is given by the Company to the leading institutions in the industry for invitation of bids or strategic procurement. In screening and reviewing suppliers, the Company will include into its review criteria the past performance, relevant qualification and certification of suppliers in respect of environmental and social responsibility, including their environmental and safety incident records in the past, ISO9001 quality management system certification, ISO14001 environmental management system certification, ISO45001 occupational health and safety management system certification. The Company also carries out site inspection on the suppliers to be reviewed, and reviews the authenticity of the information of such qualifications submitted, and assesses the conditions on site and site safety management capability of the suppliers. Taking construction-related contractor for example, the Company will go up to its project under construction, and examine the construction quality, the safety measures on construction site, safety supervision and staffing. A supplier will be assessed as disqualified due to fraudulent information, major potential safety hazards on site and failure to adopt measures which meet the national standards for handling serious environmental pollution caused by its production equipment.

The Company also will take its environmental and social risks into consideration and take specific measures on environmental and social risk management according to the various characteristics of suppliers. Taking construction-related contractor for example, the Company sets out provisions in relation to the commitment of contractor to protect environment and prevent social risks in the contract, which stipulate that suppliers shall take appropriate measures to protect the environment both inside and outside construction sites, limit the harms to and effects on the public and properties arising from the pollution and other consequences caused by the construction work, and ensure that the gas emissions and surface drainage from its activities do not exceed the limits stipulated in the national and regional laws, regulations and standards concerned; establish a site safety management system with safety inspection personnel in place to ensure construction safety of the site; employ those who satisfy the requirements of the Labor Law and provide employees with various social security and benefits in accordance with the law; the materials used shall meet both national and local standards as well as the relevant technical requirements of the contract, the strictest of which shall be implemented. Furthermore, in the construction process of projects, the Company also engages third-party agencies for supervision and inspection to confirm whether the qualification certificates are complete, whether the materials used are consistent with those stipulated in the contract and whether the constructions are of high quality, so as to ensure the construction quality, the environment of construction site, and healthy and safe performance.

In 2019, the Company further standardized its inspection on the safety management of the projects under construction by formulating the Checklist of Safe and Civilized Management for Project Works (《項目工程安全文明管理檢查表》) and reporting template to irregularly inspect the preventive measures for occupational health and safety of the projects under construction and various management at the construction site and staff dormitory such as fire safety management, sanitation management and electrical safety management. In addition, in preparation for important national celebrations, Capital Grand strengthened its safety control for projects under construction, including the “Spring Thunder” (春雷) campaign for workplace labor safety of the construction party, which focused on the inspection of preventive measures on sources of danger such as scaffolds and elevators; and the “Golden Autumn” (金秋) campaign for the safety management and hidden danger discovery at the construction site, so as to implement Capital Grand’s vital task as a state-owned enterprise.

The Company has established a supplier rating management system to conduct regular and post-performance assessment on suppliers, the assessment system of which also includes the assessment criteria on environmental and social risks. According to the assessment results of the supplier, the Company determines or adjusts the grade of such supplier in the rating system. Suppliers are required to provide solutions to the problems arising from their performance process and follow up and make improvements in time to ensure that the suppliers can perform their contracts properly.

## 7. ANTI-CORRUPTION

With reference to the requirements of relevant laws and regulations such as 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》), the “Anti-Money Laundering Law of the People’s Republic of China” (《中華人民共和國反洗錢法》) and the “Opinions of the General Office of the State Council on Improving the Regulatory System and Mechanism Against Money Laundering, Terrorism Financing and Tax Evasion” (《國務院辦公廳關於完善反洗錢、反恐怖融資、反逃稅監管體制機制的意見》), the Company has established explicit corporate governance rules and issued corporate management systems such as the “Provisions on Explicit Prohibitions for Capital Grand” (《首創鉅大明令禁止條例》) and Employee Manual (《員工手冊》), which clarify in detail the code of conduct and professional ethics that employees of each level must abide by in performing their obligations, and which require all staff to insist on the bottom line on integrity. The Company adheres to zero tolerance for corruption and bribery and has established a whistleblowing policy open for each interested party to avoid the occurrence of corruption and bribery. During the year, the Company identified no significant risks relating to corruption, any events in connection with the recognized corruption of the Group, nor any public legal proceedings on corruption against the Group or its employees.

In 2019, the Company organized the amendment of the “Provisions on Explicit Prohibitions for Capital Grand” in compliance with the existing relevant laws, regulations, articles of association and company systems. This amendment newly added provisions on violation prohibition of 10 types including decision-making, plan management, file and seal management, business innovation, self-run commodities and services and auditing and supervisory; and improved 111 single prohibitive provisions covering types such as personnel and administration management, financial management, bidding and purchasing and cost management, project management and marketing management.

In addition, the Company strengthened its management on anti-corruption and anti-bribery through the perfection of its regulatory system. In September 2019, the Company established the disciplinary inspection and supervision office for Capital Grand and successively formulated four disciplinary inspection and supervision systems, including the Rules of Procedure for the Disciplinary Inspection Committee of Beijing Capital Grand Limited of CPC (Trial) 《中共首創鉅大有限公司紀律檢查委員會議事規則(試行)》, the Working System of Beijing Capital Grand Limited of CPC for Petition and Whistle-blowing and Disciplinary Inspection and Supervision (Trial) 《中共首創鉅大有限公司信訪舉報與紀檢監察工作制度(試行)》, the Code of Conduct of Beijing Capital Grand Limited of CPC for Disciplinary Inspection and Supervision (Trial) 《中共首創鉅大有限公司紀檢監察行為規範(試行)》, and the Questions and Answers of Beijing Capital Grand Limited of CPC for Disciplinary Inspection and Supervision 《中共首創鉅大有限公司紀檢監察百問百答》, which made specific provisions on the anti-corruption requirements for the Company's meeting decision-making, work procedure, code of conduct and publicity and implementation.

#### *Sunshine Procurement*

In respect of the procurement, the Company always adheres to the partnership idea of sunshine procurement. To avoid commercial bribes, the Company requires its subsidiaries to sign the Anti-Commercial Bribery Agreement with all the suppliers.

#### *Publicity of Report Channels*

The Company has published the channels for petition and visit and whistle-blowing at places such as the official website, office areas and the public areas of outlets shopping mall. Supervision and suggestions from all walks of life will be appreciated.

Indicator	2019
<b>Number of convicted corruption complaints (case)<sup>1</sup></b>	
Number of convicted corruption complaints related to the Company	0
Number of convicted corruption complaints related to the employees	0

1. The number of convicted corruption complaints related to the Company or its employees during the reporting period.

## 8. COMMUNITY INVESTMENT

Active in shouldering its social responsibilities, the Company endeavors to know the needs of the community public and carries out relevant community investment activities.

In 2019, driven initially by the idea of promoting fashion and healthy life concept and building a bridge for young adults to realize their dreams to be super models, Capital Outlets took the general naming right of the New Silk Road World Model Look 2019 and hosted this world model contest together with New Silk Road Group at the scene of a business shopping mall, which created a stage for young adults to show their dreams. After the activity, we also actively promoted the combination of public welfare and fashion, encouraging young people to participate in social good deeds and organizing the finalists to participate in Capital Outlets' charity projects. Together with the staff of Capital Grand, the Contestants visited the children in Beijing Disabled Persons Rehabilitation Service and Guidance Center (北京市殘疾人康復服務指導中心), brought them dedicatedly selected toys and snacks with multiple love and thick warmth. At the global finals of New Silk Road World Model Look 2019, the charitable donation session, jointly initiated by Capital Group, BCL and Capital Grand, gathered forces from all walks of life, including over 300 cooperative brands of Capital Outlets, and raised funds for 25 poor families under the Emergency Relief Program for Women and Children in Need organized by the Women's Federation of Fangshan district, donated funds and 300 Love Reading books to Capital Primary School in Chengdu, and provided school supplies and nearly one thousand Love Reading books to Beijing Rehabilitation Center for Hearing-impaired Children (北京聾兒康復中心). This activity also gave opportunity to 12 children from Beijing Rehabilitation Center for Hearing-impaired Children (北京聾兒康復中心) to walk on the dream runway, encouraging hearing-impaired children to enjoy this wonderful world together.



Models of the New Silk Road were visiting the children at Beijing Rehabilitation Center for Hearing-impaired Children



The charitable donation ceremony at the global finals of New Silk Road World Model Look 2019 of Capital Outlets

In addition, Capital Grand and each of its project companies also actively mobilized their employees to participate in charity donation, afforestation and other activities, including:

On the Tree-Planting Day in 2019, Huzhou Company organized the tree-planting activity for employees together with its friend units by conducting greening projects in the parking lot block, so as to create a good atmosphere that everyone participates in greening and the whole society values the ecological environment.

In March 2019, Hangzhou Company and its friend units jointly sponsored the activity named "1,000 Ladies from Outlets for Charity (奥莱丽人千人公益)" in Fuyang District of Hangzhou City, at which books were donated on the site of Outlets project to customize the "Book Corner of Hope" for 8 classes of Red Cross Caring for Workers' Children School of Dongzhou Sub-district (東洲街道紅十字博愛職工子弟學校) which had not have any book corner yet, and to build a public reading room of the campus.

On the Children's Day in 2019, employees of Zhengzhou Company spontaneously raised charity fund for the local children's welfare home, and invited the children of the welfare home to visit the outlets projects.

In December 2019, Qingdao Company of Capital Grand launched the activity themed "Capital Grand's Growth for Charity (鉅成長·公益行)", donating a batch of love materials such as love funds, autumn and winter clothing, books and stationery for students of Sandu special school (三都特校), paying attention to the mental health of special children, and helping them grow up.



## 9. SPECIAL TOPIC: COORDINATED EFFORTS IN EPIDEMIC PREVENTION

In 2020, the outbreak of the new coronavirus pneumonia had a huge impact on China's economy and people's lives. In this exceptional period, Capital Grand is also proactively taking measures to assume corporate social responsibility.

### Protecting consumer demand of the people

In the face of the epidemic, we have overcome many difficulties and stood on the front line of protecting people's needs. During the epidemic, businesses of our Outlets projects such as supermarkets and pharmacies in Beijing, Kunshan and Xi'an have continued to remain in operation to ensure the rigid demands of local residents. In addition, we launched online shopping in time to provide customers with an online consumption channel.

### Full support for epidemic prevention

We treat the health of every employee and customer as our first priority. During the epidemic, we temporarily closed certain projects in accordance with the requirements of relevant regions, and fully cooperated with the epidemic prevention. In terms of our operating projects, we have set up special epidemic prevention working groups and formulated a comprehensive disinfection and preventive measure, which includes: daily disinfection of all areas, in particular, places with relatively high people flow such as office areas, elevators and toilets and increasing the frequency of disinfection; setting up mask disposal points; conducting epidemic prevention training; providing disinfection supplies such as hand sanitizer; and posting reminders for scientific epidemic prevention. In terms of our temporary closed projects, we also insist on daily disinfection of public areas. We continue to pay attention to and inquire about the health of all employees of Capital Grand, and commence a flexible office system as well as provide support to employees in need of epidemic prevention supplies. In addition, we actively respond to the State-owned Assets Supervision and Administration Commission of Beijing Municipality, Capital Group and BCL in relation to supporting epidemic prevention such as emergency blood donation and community service support.

### Working with tenants to overcome difficulties

We have always regarded brands and tenants as important partners for mutual growth. Affected by the novel coronavirus, Capital Outlets and tenants operating in Capital Outlets have encountered major difficulties. The Company chose to work with majority of the tenants to get through this difficult period. Capital Grand implemented concessionary policies such as rent-free, deductible rate, free property fee and free promotion fee from 23 January to 29 February, a total of 38 days for tenants of the 12 Capital Outlets in operation under Capital Grand located in Beijing, Huzhou, Wanning, Kunshan, Hangzhou, Nanchang, Wuhan, Hefei, Zhengzhou, Jinan, Xi'an, and Chongqing, to support each tenant to ride through this difficult time. This policy will benefit more than 3,000 tenants of Capital Grand across the country.

### Actively respond to resumption of work and production

While actively carrying out epidemic prevention and control work, we also focused on resuming work and production and making every effort to prevent risks, protect our safety and ensure stability. We fully implemented the "four responsibilities" of territories, departments, units and individuals. Through measures such as strengthening the 24-hour emergency duty and communication mechanism, ensuring comprehensive self-protection and self-inspection, cooperating with local government to conduct in-depth inspections and strengthening internal epidemic prevention and control management, the Group has shown concern and care for all employees. We will continue to work tirelessly in the epidemic prevention and control measures to steadily bring about the resumption of work in a scientific and orderly manner and act positively towards a stable operation.

## 10. APPENDIX – CONTENT INDEX UNDER THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Area	Issue	Performance Indicator	Corresponding Chapter in the Report
Environmental	A1 Emissions	General Disclosure:	5. Environmental Protection
		Information on:	
		(1) the policies; and	
		(2) compliance with relevant laws and regulations that have a significant impact on the listing company	
		relating to waste gas and greenhouse gas emissions, discharges into water and land, and generation of hazardous and nonhazardous waste, etc.	
	A1.1	The types of emissions and respective emissions data	5. Environmental Protection – Environmental Performance
	A1.2	Greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	5. Environmental Protection – Environmental Performance
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	5. Environmental Protection – Environmental Performance
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	5. Environmental Protection – Environmental Performance
	A1.5	Description of measures to mitigate emissions and results achieved	5. Environmental Protection
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	5. Environmental Protection

Area	Issue	Performance Indicator	Corresponding Chapter in the Report
	A2 Use of Resources	General Disclosure:	5. Environmental Protection
		Policies on the efficient use of resources, including energy, water and other raw materials.	
	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)	5. Environmental Protection – Environmental Performance
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	5. Environmental Protection – Environmental Performance
	A2.3	Description of energy use efficiency initiatives and results achieved	5. Environmental Protection
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	5. Environmental Protection
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Not applicable to the business nature of the Group
	A3 The Environment and Natural Resources	General Disclosure:	5. Environmental Protection
		Policies on minimising the listing company's significant impact on the environment and natural resources.	
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	5. Environmental Protection

Area	Issue	Performance Indicator	Corresponding Chapter in the Report
Social	B1 Employment	General Disclosure:	3. Caring for Employees – Protection of Employees' Rights and Interests
		Information on:	
		(1) the policies; and	
		(2) compliance with relevant laws and regulations that have a significant impact on the listing company	
		relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	
	B1.1	Total workforce by gender, employment type, age group and geographical region	3. Caring for Employees – Protection of Employees' Rights and Interests
	B1.2	Employee turnover rate by gender, age group and geographical region	Not yet disclosed
	B2 Health and Safety	General Disclosure:	3. Caring for Employees – Protection of Employees' Healthy Minds and Bodies
		Information on:	
		(1) the policies; and	
		(2) compliance with relevant laws and regulations that have a significant impact on the listing company	
		relating to providing a safe working environment and protecting employees from occupational hazards.	
		B2.1 Number and rate of death	3. Caring for Employees – Protection of Employees' Healthy Minds and Bodies
		B2.2 Lost days due to work injury	3. Caring for Employees – Protection of Employees' Healthy Minds and Bodies
		B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored	3. Caring for Employees – Protection of Employees' Healthy Minds and Bodies

Area	Issue	Performance Indicator	Corresponding Chapter in the Report
	B3 Development and Training	General Disclosure:  Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	3. Caring for Employees – Attach Great Importance to Employees' Development
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	3. Caring for Employees – Attach Great Importance to Employees' Development
		B3.2 The average training hours completed per employee by employee category and gender	3. Caring for Employees – Attach Great Importance to Employees' Development
	B4 Labor Standards	General Disclosure:  Information on:  (1) the policies; and  (2) compliance with relevant laws and regulations that have a significant impact on the listing company  relating to preventing child or forced labour.	3. Caring for Employees – Protection of Employees' Rights and Interests
		B4.1 Description of measures to review employment practices to avoid child and forced labour	3. Caring for Employees – Protection of Employees' Rights and Interests
		B4.2 Description of steps taken to eliminate such practices when discovered	Not applicable, as such phenomena did not occur
	B5 Supply Chain Management	General Disclosure:  Policies on managing environmental and social risks of the supply chain.	6. Supply Chain Management
		B5.1 Number of suppliers by geographical region	Not yet disclosed
		B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	6. Supply Chain Management

Area	Issue	Performance Indicator	Corresponding Chapter in the Report
	B6 Product Responsibility	<p>General Disclosure:</p> <p>Information on:</p> <p>(1) the policies; and</p> <p>(2) compliance with relevant laws and regulations that have a significant impact on the listing company</p> <p>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	4. Products and Services Responsibility
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable to the business nature of the Group
		B6.2 Number of products and service related complaints received and how they are dealt with	4. Products and Services Responsibility – Dedicated Service Provision
		B6.3 Description of practices relating to observing and protecting intellectual property rights	4. Products and Services Responsibility – Protection of Intellectual Property Rights
		B6.4 Description of quality assurance process and recall procedures	Not applicable to the business nature of the Group
		B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored	4. Products and Services Responsibility – Dedicated Service Provision



Area	Issue	Performance Indicator	Corresponding Chapter in the Report
	B7 Anti-corruption	General Disclosure:  Information on:  (1) the policies; and  (2) compliance with relevant laws and regulations that have a significant impact on the listing company  relating to preventing from bribery, extortion, fraud and money laundering.	7. Anti-corruption
		B7.1 Number of concluded legal cases regarding corrupt practices brought against the listing company or its employees during the reporting period and the outcomes of the cases	7. Anti-corruption
		B7.2 Description of preventive measures and whistleblowing procedures, how they are implemented and monitored	7. Anti-corruption
	B8 Community Investment	General Disclosure:  Policies on community engagement to understand the needs of the communities where the listing company operates and to ensure its activities take into consideration the communities' interests.	8. Community Investment
		B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	8. Community Investment
		B8.2 Resources contributed (e.g. money or time) to the focus area	Not yet disclosed



BEIJING CAPITAL GRAND LIMITED  
首創鉅大有限公司