



紅星美凱龍家居集團股份有限公司 Red Star Macalline Group Corporation Ltd.

(A SINO-FOREIGN JOINT STOCK COMPANY INCORPORATED IN THE PEOPLE'S REPUBLIC OF CHINA WITH LIMITED LIABILITY)

H SHARE STOCK CODE : 01528 A SHARE STOCK CODE : 601828



2019

Environmental, Social and
Governance Report

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ABOUT THIS REPORT

This report contains details about the performance of Red Star Macalline Group Corporation Ltd. in respect of social responsibilities for the period from 1 January 2019 to 31 December 2019 ("2019"). To facilitate presentation and reading, "Red Star Macalline Group Corporation Ltd." is referred to as "Red Star Macalline", "the Company" or "we" in this report.

This report is prepared in accordance with Environmental, Social and Governance Reporting Guide issued by The Stock Exchange of Hong Kong Limited in December 2015 and Guidelines on Environmental Information Disclosure by Companies Listed on the Shanghai Stock Exchange issued by Shanghai Stock Exchange in May 2008 for strengthening listed companies' undertaking of social responsibilities. The Company has complied with the provisions of "Comply or Explain" set out in the Environmental, Social and Governance Reporting Guide.

Information contained in this report is from formal documents and statistic reports of Red Star Macalline Group Corporation Ltd., and summary and statistics provided by subsidiaries. As there is no assurance to the accuracy of information regarding environment provided by Managed Shopping Malls, key environmental performance indicators disclosed in this report do not cover Managed Shopping Malls.

This report is available on the websites of Shanghai Stock Exchange (www.sse.com.cn), The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and Red Star Macalline Group Corporation Ltd. (www.chinaredstar.com).



CHAIRMAN'S STATEMENT

Dear stakeholders,

For the home improvement and furnishings industry of China, the past two years marked an era of reform and innovation when market players were vying for the throne, trying every means to secure bigger market share. Despite the fierce competition, Red Star Macalline recorded steady development and ranked among the top in terms of revenue. Directed by the vision of “creating a global brand of Chinese nation” and the mission of improving Chinese people’s home life, Red Star Macalline, as the most well-known brand in home improvement industry in China, tried hard to become a leader and pioneer in the home improvement and furnishings industry in China. With the enterprising spirit, Red Star Macalline consolidates all resources and power available to explore China’s home improvement market, making contributions to the ambition of building China into a strong country with global home improvement brand.



While focusing on its growth, Red Star Macalline cares about shareholders, staff, customers, suppliers, communities and other stakeholders. We hope to bring the best return to shareholders through pursuing excellence. We improve our training mechanism and promotion channel for staff, helping them realize self-improvement and career development. We strictly control product quality, optimize service modes to provide customers with new consumption experience; upgrade our supplier management system to share benefits with suppliers; actively participate in charitable activities to support entrepreneurship, child care, livelihood, culture and education and always fulfil our corporate social responsibilities, so as to repay the society.

In 2019, Red Star Macalline put forward a new market strategy of “Positioned at the high-end of market and market multiplication”, and constantly adapted to the transformation trend of new retail for the home furnishing industry by leveraging on the effect of technology, design and green home furnishings. Through the strategic cooperation with Alibaba, we introduced advanced business philosophy and technical support in the new retail sector to the integrated online and offline platform, to further promote the Company’s pan-home improvement and furnishing consumption industry chain services. By building a highly efficient talent team and setting up a human resources system in line with the Company’s business characteristics, we have successfully created an image of an employer widely recognized by the industry. We proactively participated in social public welfare undertakings and expanded corporate social responsibilities to industry chain social responsibilities. We paid attention to low-carbon emission and environmental protection, fully considered and mitigated the adverse impact on the environment in the process of construction and daily operation of the shopping malls.

CHAIRMAN'S STATEMENT

Looking ahead, Red Star Macalline will bring more values to its stakeholders, and forge ahead on the path toward becoming “a global brand of Chinese nation”. Together, we will witness the glory and the ambition of China's home improvement and furnishings industry!

CHE Jianxing

Chairman

Shanghai, 18 April 2020





ABOUT RED STAR MACALLINE

Corporate Profile

Founded in 2007, Red Star Macalline Group Corporation Ltd. is headquartered in Shanghai, the PRC. It was listed on the main board of The Stock Exchange of Hong Kong Limited on 26 June 2015 (stock code: 01528.HK) and was later listed on the main board of the Shanghai Stock Exchange on 17 January 2018 (stock code: 601828.SH). It is the first company that has been listed on the A stock market and H stock market in China's home improvement and furnishings industry.

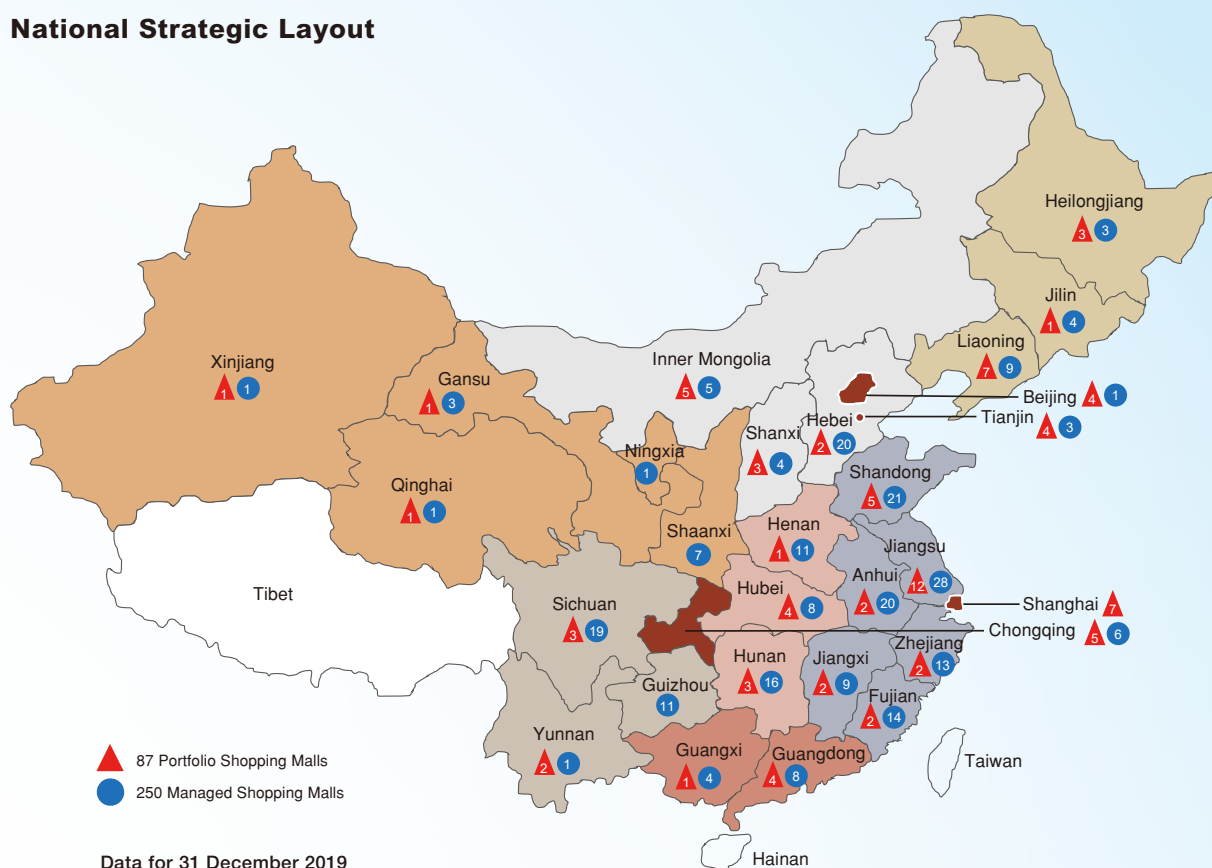
As a leading home improvement and furnishings shopping mall operator in China, Red Star Macalline mainly engages in the business of offering comprehensive services to the merchants, consumers and partners of the home improvement and furnishings shopping malls under "Red Star Macalline" through the operation and management of both Portfolio Shopping Malls and Managed Shopping Malls. We are also involved in pan-home furnishings consumption services, including Internet home decoration, Internet retail, as well as logistics and delivery services.

Directed by the vision of "creating a global brand of Chinese nation", we always shoulder the responsibility of "building a cozy and harmonious home, and improving the taste in shopping and home life", followed the operational management mode of "market-oriented operation and shopping-mall-based management" and implemented multiple-brand strategies, including "Red Star Macalline", high-end fashion brand "Red Star • Ogloria", light-fashion living centre "Xingyijia" and home decoration brand "Betterhome", to meet diversified and upgrading consumption demands.

Statistics show that as of 31 December 2019, the Company operated 87 Portfolio Shopping Malls and 250 Managed Shopping Malls, and operated 12 home furnishing shopping malls through strategic cooperation. Besides, the Company had authorized the opening of 44 franchised home building material projects by franchise, bringing the total number of home improvement material stores/industrial streets to 428. Our Portfolio Shopping Malls and Managed Shopping Malls covered 212 cities in 29 provinces, municipalities and autonomous regions in China, with a total operating area of 20,986,950 sq.m. The malls offer more than 27,000 brands in total.

ABOUT RED STAR MACALLINE

National Strategic Layout



Major Economic Contributions in 2019 (The following amounts are presented in RMB)

Asset size	Operating revenue	Operating cost	Net profit
122,294 million	16,469 million	5,736 million	4,686 million
Amounts paid to staff	Total tax paid	Community investments	Social contributions per share
3,735 million	2,141 million	576 ten thousand	3.60

ABOUT RED STAR MACALLINE

Development History

Since 2000, we have achieved many major milestones including, opening our first shopping mall, expanding our scale and businesses and becoming a dual-listed Company

2000

Red Star Macalline opened Shanghai Zhenbei Mall in Shanghai, which was the first shopping mall under the “Red Star Macalline” brand

2002

Red Star Macalline expanded its business to North China by opening its first Portfolio Shopping Mall in Beijing

2006

Red Star Macalline expanded its business to West China by opening its first Portfolio Shopping Mall in Chongqing

2007

Shanghai Red Star Macalline Home Living and Decorating Company Limited* (上海紅星美凱龍家居家飾品有限公司), predecessor of the Company, was established; the Company entered into the first shopping mall management agreement with its partners and opened the first Managed Shopping Mall

2008

Red Star Macalline expanded its business to South China by opening its first Portfolio Shopping Mall in Shenzhen

2010

As the sole representative of the home furnishing circulation industry, the Company attended the “Home Loving Day” initiated by Shanghai World Expo, becoming a model in transmitting home culture

2012

The Company opened its 100th home improvement and furnishings shopping mall, following which the Company became the first company operating 100 home improvement and furnishings shopping malls in the industry; the Company made its first presence at the Milan International Furniture Fair

2013

Shanghai Pudong Jinqiao Mall, the first ninth-generation shopping mall of the Company which offers modern shopping environment and high-end products, and contains more artistic elements in its decoration, commenced operation. The Company also started to expand into new businesses, including offering home design and prepaid cards

ABOUT RED STAR MACALLINE

2014



The Company expanded its operations across 100 cities in China, opened its 150th home improvement and furnishings shopping mall, and further expanded into new businesses of consumer financing, and delivery and logistics

2015



The Company was listed on the Main Board of The Hong Kong Stock Exchange, and the Company launched the nationwide Red Star Macalline membership program and O2O business; established HomeFax to further expand its internet finance business

2016



Its 200th home improvement and furnishings shopping mall commenced operation

2018



Following its listing on the Shanghai Stock Exchange, the Company became China's first home improvement and furnishings service provider being listed in both Shanghai and Hong Kong

2019



Alibaba (China) Technology Co., Ltd. (hereinafter referred to as "Alibaba") fully subscribed for the 2019 non-public issuance of exchangeable corporate bonds (first tranche) issued by the Company's Controlling Shareholders; signed a strategic cooperation agreement and will carry out cooperation in seven fields, including new retail store construction, e-commerce platform building





MANAGEMENT APPROACHES

Corporate Social Responsibilities

Standing in the position of customers, Red Star Macalline offers reliable and high quality home product circulation platform to the market, sets an example for the industry, realizes mutual development between income, the environment and the society, and earnestly fulfils corporate social responsibilities, strives to become:

- A company that serves customers with heartiness. Red Star Macalline takes the experience and demands of customers seriously, actively responds to customers' feedback, makes continuous adjustments according to five dimensions of the "Word of Mouth Advertising" project, and improves the service system.
- A company that contributes to the development of the home improvement and furnishings industry. Red Star Macalline makes continuous innovations in management system and consumption services, sets the benchmark for the home improvement and furnishings industry, promotes continuous consolidation and optimization of upstream and downstream resources, and improves overall strength of the industry.
- A green and environment-friendly company. Red Star Macalline earnestly fulfils the environmental responsibilities, puts great efforts to save energy and reduce emission, and actively contributes to improvement and protection of ecological environment. Meanwhile, it urges suppliers to fulfil their environmental and social responsibilities.
- A company with sustainable development. Red Star Macalline improves the value creation ability to bring continuous and steady returns to shareholders; cares about the interests of staff, responds to their demands, cares for their health, and offers them a working environment as warm as home; pays attention to social demands, participate in poverty alleviation, education support and other charitable activities, and contributes to promotion of harmonious development of the society.

Social Responsibility Governance

The Board of Directors is responsible for our social responsibility report, including evaluating and determining risks associated with social responsibilities, and ensuring an appropriate and effective system for social responsibility risk management and internal monitoring has been established. We have appointed our business departments to identify relevant social responsibility issues and evaluate the importance of relevant issues to our businesses and stakeholders by reviewing the Company's operations and holding internal discussions. The management has confirmed to the Board of Directors in respect of the effectiveness of the social responsibility risk management and internal monitoring system. According to general disclosure requirements of the Environmental, Social and Governance Reporting Guide, relevant identified major environmental, social and governance issues have been set out in this Report, with an aim to disclose the social responsibility performance of Red Star Macalline in its operations based on the principle of balance.

Communication with Stakeholders

Red Star Macalline has extensive stakeholders including investors, government/regulators, staff, customers, suppliers, non-governmental organizations and communities. We give full consideration to the demands of all stakeholders and maintain formal and informal contact with them.

Stakeholders	Areas of concern	Way of communication
Investors	Ensuring Shareholders' rights and interests; maintenance and appreciation of assets value; improvement in corporate governance; true, accurate, prompt and complete information disclosure; lawful and compliant operations	general meeting of Shareholders; press release and announcements; external reports; publication of information on the website of the Company; investors' meeting
Government/regulators	Legal compliance; equal employment opportunities; health and safety; environmental protection; industry development; repaying the society	Compliance reports; site inspections; participation in meetings/seminars; special inquiry/inspection; license application
Staff	Equal employment opportunities; remuneration and welfare; training and career development; humanistic care; staff health and safety management	Labour contract; labour union/ congress of workers and staff; leisure-time activities; voluntary activities; communication channels between enterprise and staff; collective bargaining agreements; safety and compliance meetings
Customers	Customers' satisfaction management; customers' complaints management; product responsibility; customer services; quality assurance	Daily operation/interaction; key customer forum; customers' satisfaction survey; regular visits; Customers' Service Center/hotline
Suppliers	Industry development; supplier access management; suppliers' evaluation; protection of suppliers' rights and interests; cooperation with suppliers	Management-level meetings; bidding and seminars; marketing summits; supplier access and evaluation; site visits; daily communication

MANAGEMENT APPROACHES

Stakeholders	Areas of concern	Way of communication
Non-governmental organizations	Local development investment; participation in local community projects; undertaking of environmental responsibilities; equal sharing of benefits	Annual corporate environmental and social responsibility reports; direct communication; company visit
Communities	Promotion of home life culture; dedication to public welfare; enthusiasm in community services; undertaking of environmental responsibilities; promotion of job opportunities	Public benefit activities; community services; environmental protection activities; recruitment notices

We attach importance to the protection of all stakeholders, treat all stakeholders fairly, take the initiative to listen to the opinions and suggestions of all stakeholders, realize two-way communication and form constructive interactions. The communication approaches adopted by the Company mainly include regular announcement and interim report, general meeting of Shareholders, company websites, telephone counseling, press conference, etc., and timely held analyst's explanation session, performance explanation session and roadshow activities, received consultation from analysts, investors and media, etc., to enhance communication with investors and other stakeholders.

In 2019, we planned and implemented the two Shareholders activities of "Shareholders Coming" and "A Visiting of Investors to Macalline", inviting institutional investors to visit the representative shopping malls and communicate with senior management, so that investors have a deeper understanding of the digital upgrading, smart retail system and social responsibility of Red Star Macalline.

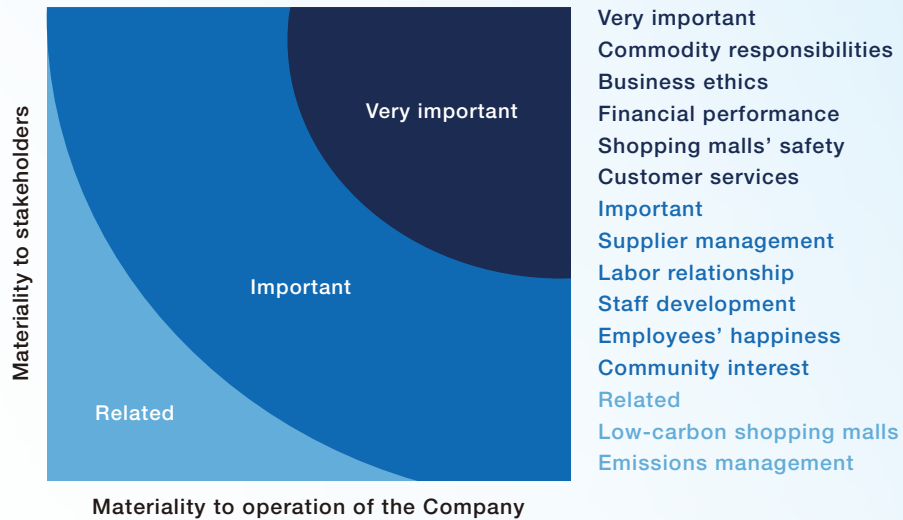


▲ In Shanghai Zhenbei Shopping Mall, investors visited the international home furnishing center, 2050 A.D Exploration Hall and other places to understand the business development plan of Red Star Macalline.

Selection of Material Issues

We communicated with our internal and external stakeholders, conducted surveys with them, and received plenty of suggestions. Judging by the impact on the operation of the Company and the impact on stakeholders, we selected key issues, and our senior management scored and sorted these key issues to reflect the material impact we have had on the environment and the society, and to better respond to expectations and demands of stakeholders. Material issues we have selected are as follows:

Materiality evaluation matrix





MARKET

Dedicated to innovation and development of the home improvement and furnishings industry, Red Star Macalline makes efforts to optimize the new retail system for the home furnishing industry focusing on “smart retail, design aesthetics and green environmental protection”. Adhering to the “service-oriented” operating philosophy, we strive for improving customers’ satisfaction and enhancing customers’ engagement. By reinforcing cooperation with suppliers, we improve supplier management and urge suppliers to perform their social responsibilities, thereby building a safe and reliable supply chain and a synergetic development mechanism featuring common growth and mutual trust and benefit, which fosters a strong competitiveness in the industry.



During the operation processes, we also strictly comply with the Trademark Law of the PRC, Anti-Unfair Competition Law of the PRC and the Advertisement Law of the PRC, properly use all registered trademarks, achieve fair competition and objectively state the quality of products and services to maintain social and market order.

We always persist with the spirit of innovation and craftsmanship, strictly comply with the Standards for the Management of Corporate Intellectual Property Rights of the PRC, and we protect our intellectual property rights from infringement by signing confidential agreements with our employees and conducting relevant training and others. In 2019, Red Star Macalline was also invited to attend the “Brands Summit for the 70th Founding Anniversary of China” co-sponsored by CCTV-1 and China Advertising Association and was awarded the honorary title of “the Top 70 Brands for the 70th Founding Anniversary of China”.

New Retail for the Home Furnishing Industry

To better adapt to the development of the new retail for the home furnishing industry, we have launched a series of projects in smart retail, design aesthetics and green home furnishing. We leverage the power of technologies, design aesthetics experience and green environmental protection concepts, continue to improve user experience and operations effectiveness.

Smart Retail

We apply Internet, big data, AI and other technologies in the development of retail for the home furnishing industry. Through strategic cooperation with Alibaba, we brought a new model of smart retail of online introduction + offline experience and deal in home furnishing industry, and we leverage designing cloud software to promote the upgrade of “digital intellectualization” in new retail for the home furnishing industry.



▲ Red Star Macalline provided training to some merchants on the operation and use of the system and the DingTalk workbench.

In 2019, we implemented in-depth strategic cooperation with Alibaba in home furnishing materials and home furnishing shopping malls, shopping center and other business scope, to achieve the same frequency of digitalization of Red Star Macalline and Alibaba, and successfully completed the switching of businesses modules of DingTalk, membership, merchandise, order and payment, completed the system docking as well as the preparation of massive data synchronization of 11,300 shops, 7,600 dealers, 3,786 brands and over 2.41 million products, and successfully completed the digitalization switching of 24 malls and stores in 6 cities.

MARKET

In addition, in terms of new retail store construction in 2019, we have established Tmall “Home Decoration Tongcheng Station (家装同城站)”, which uses the concept of new retail citywide operation to share the products of the Company’s offline retail stores with their stores on Tmall. Consumers can place orders online directly or be directed to offline experience before making decisions. Leveraging on massive data resources of Alibaba, the total sales amount of “Home Decoration Tongcheng Station” reached RMB2.537 billion during the Double 11 promotion, with a target achievement rate of 126.8%, representing an increase of 37% year on year, and the number of visitors to Tmall Tongcheng Station alone reached 813,000 during the promotion period.



▲ Initiation of “2019 Tmall Double 11” and launch of “Home Decoration Tongcheng Station” by Red Star Macalline and Alibaba.

In addition to strategic cooperation with Alibaba, we also independently researched and developed an online design software to contribute to offline display of home design concepts. In 2019, we upgraded the independently developed Red Star Macalline design cloud software, released 47 version updates in the whole year, optimized each module for 2,017 times, and improved 5 customized functions. Currently, it has covered nearly 80% of the community types in China. Leveraging on this software, home designers can easily grasp customers’ favorite design style, and design schemes will be vividly displayed in front of customers.

Design aesthetics

Customers’ requirement of home life is no longer simply a bed, a door, but is more about the pursuit of aesthetic quality. We promote the aesthetic concept of home furnishing to customers and improve the quality of Chinese home life by launching the M+ design series activities, supporting home furnishing transformation projects and participating in organizing various design exhibitions.

In 2019, we continued to hold the M+ China Top Interior Design Competition, known as the “Oscar of the design industry”, and continued the theme of “Design for Chinese Life” in order to explore and cultivate new design forces. A total of 12,587 designers from 193 cities in 28 provinces actively participated in the competition. At the same time, we launched M+ Talk top dialogue activities in more than ten provinces and cities across the country to help the new generation of designers in China to grow through sharing and dialogue.

In addition to focusing on domestic designers and the public, we also set our sights on the international design stage. In 2019, Red Star Macalline, as the exclusive name brand of China day of New York Fashion Week, launched the cross-industry joint product with a haute couture designer, interpreted international fashion trends from the aesthetic perspective of home fashion, and promoted the brand concept of “Design for Chinese Life” to the international market.



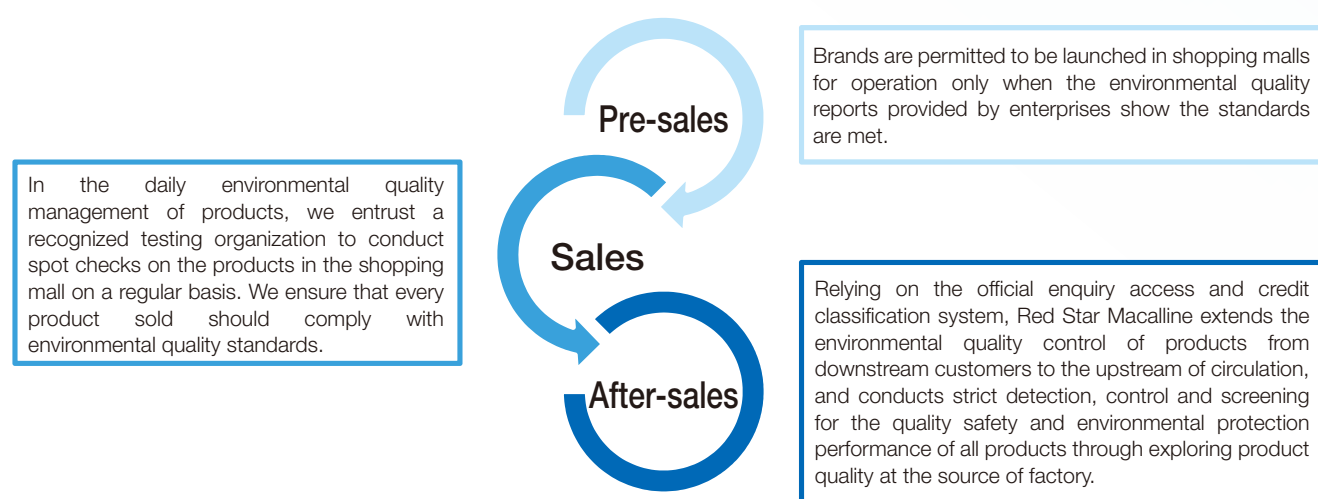
▲ “Red Star Macalline China day” made a stunning debut in New York, on which the cross-industry collaboration, Red Star Macalline x XU ZHI, between us and the famous haute couture designer CHEN Xuzhi was launched.

Green Home Furnishing

We established a fully closed-loop environmental protection management system for home furnishing to strictly monitor the environmental-friendliness of our products. We also insist on holding a series of environmental protection week activities, and promote the trend of environmental protection in the home improvement and furnishing industry by evaluating and selecting “Green Leading Brand”, holding “Brand Environmental Protection Acts”, “Laboratory Quest”, “Home Decoration Class” and “Green Exhibition” activities. With our long-term practice and outstanding contribution in the green home furnishing field, we were awarded the 14th People’s CSR Award — Green Development Award granted by People.cn.

Fully closed-loop environmental protection management system for home furnishing

In order to ensure the environmental quality of products, we established a fully closed-loop environmental protection management system for home furnishing featuring pre-sales brand access control, in-sales product sample check, and after-sales official enquiry, and developed “Environmental Quality Assessment Standards for Red Star Macalline Products” and “Regulations on Environmental Quality Management of Products”, which clearly set out environmental quality management plans, including environmental requirements on shopping mall operation and inspection procedures.



Green Week Series Activities

Red Star Macalline has cooperated with the China Quality Certification Centre in the “Leading Green Home Brand” appraisal campaign for seven consecutive years. This programme is the most influential certification programme of green environmental protection in the home furnishings industry in the PRC, and it has the most advanced and stringent standards of furnishings test. In the past seven years, Red Star Macalline’s test charges specific to environmental protection reached RMB50.00 million each year, where more than 100 experts from the 14 top laboratories in 11 certification sub-centres strictly supervised and controlled the products checks. Sampling tests have been conducted on at least 24% of the new brands in the shopping malls every year and all shopping malls in the country have been covered.

As of 2019, the categories of Green Leader have increased to 40 categories from the original 13 categories, and 700 excellent brands were elected for customers through rounds of screening and selection to guarantee they are eco-friendly and of high quality.



▲ The assessment committee of green home leader brand was strictly screening and grading the applied brands.

MARKET

Apart from the Green Brand Appraisal Campaign, in 2019, we upgraded the offline theme activity “Green Week” for customers and carried out “Green Running Fair” for tenants to lead green home consumption in new era.

For customers, we organised Green Running activities in more than 300 shopping malls across the PRC, visited nearly 40 factories of Green Leader’s Brand and more than 30 national professional environmental testing organisations and presented a number of lectures on home decoration to improve customer’s understanding of green home decoration.



- ▲ For customers, Red Star Macalline held green home campaigns in many nationwide shopping malls to publicize the philosophy of green environmental protection.

For tenants, we organized Green Healthy Running activity and that embarked the beginning of CBD-IBCTF (Shanghai/Guangzhou), China International Furniture Fair (Shanghai/Guangzhou) and CBD-IBCT (Shenzhen) in 2019. We made firm endorsement for brands through installing the theme hall of “Green Leader” in the fairs and displaying “Green Leader” certificates in the relevant booths through cooperating with more than 100 “Green Leader” brands, and thus provided distributors with visualized guidance for electing eco-friendly brands to advance the development of Green Brands.



▲ The assessment committee of green home leader brand was strictly screening and grading the applied brands.



▲ The assessment committee of green home leader brand was strictly screening and grading the applied brands.

Customer Services

Adhering to the belief that customers are the foundation of an enterprise, in addition to building strict products quality management system, we also endeavoured to provide customers with efficient and quality services and actively protect their interests through perfecting after-sales service system, improving the mechanism for handling customer complaints and optimizing the tenant management system to constantly improve customer's satisfaction. In respect of the privacy of customers, we strictly followed The Law on Protection of Consumer Rights and Interest, and we set the authorization of access to the files of customers based on duties of sales personnel during the operation to protect customers' privacy to the greatest extent. In addition, we have been awarded the honorary title of The Ninth Session of Top 10 Units in China for After-sales Service (第九屆全國售後服務行業十佳單位) jointly granted by China General Chamber of Commerce (中國商業聯合會) and China Foundation of Consumer Protection (中國保護消費者基金會).

After-sales service system

The after-sales service system of Red Star Macalline comprises three service commitments and 6 “heart services”. In 2019, Red Star Macalline has fully implemented three “star commitments” namely “environmental protection”, “compensation in advance” and “refund three times the price difference in the same city”, and launched 6 “heart services” including “unconditional return in 30 days”, “full responsibility for merchandise quality”, “installment payment”, “delivery and installation on time”, “free design consultation” and “home furnishing shopping guide consultant” in shopping malls across China.

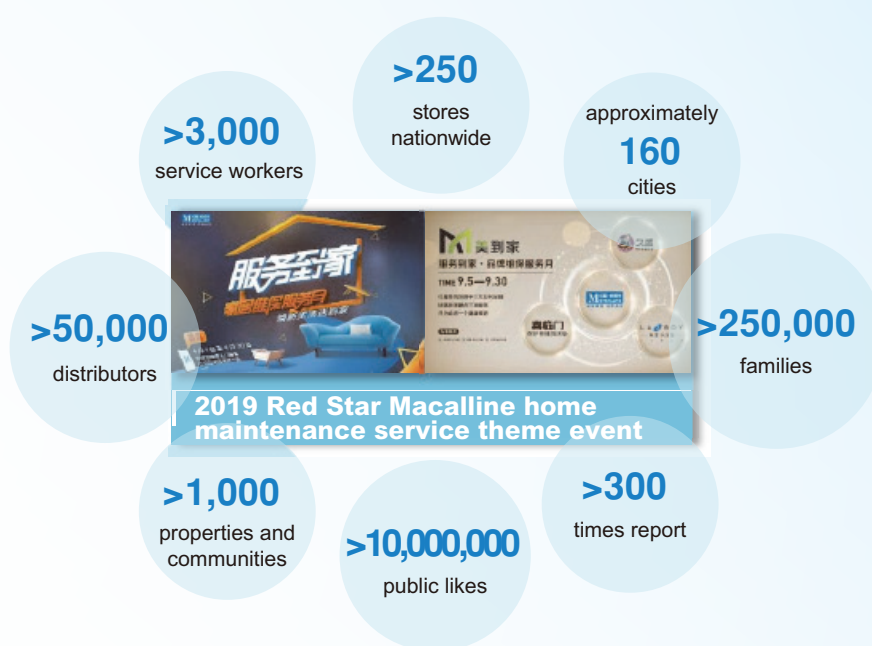


- ▲ Red Star Macalline is committed to “fully guarantee 90 days from commencement to completion, ‘one refund and three compensations’ if the environmental protection of goods fails to meet the standard, return without reason within 30 days, refund three times the price difference in the same city, and take full responsibility for the quality of goods”



- ▲ Red Star Macalline have strengthened their cooperation with the community and property, forming a “Red Star Macalline home maintenance community service station”, which provides professional in-depth maintenance services loved by residents such as “air conditioning cleaning”, “formaldehyde testing” and “pre-move-in cleaning”

In addition, as the landing project of the after-sales service system, we strived to build a professional home maintenance service, in order to build a service brand for Red Star Macalline — “M-beauty home”. In 2019, we launched three large-scale theme activities, “service month, brand month and thankful season” in more than 250 shopping malls in approximately 160 cities across the country. We cooperated with three brand factories, leading more than 50,000 distributors, settling in more than 1,000 properties and communities, providing more than 250,000 families professional home maintenance services in combination with the home visit of managers by more than 3,000 service workers, which has been reported by more than 300 mainstream media in the country, and won more than 10 million “Likes” by the public.



Mechanism for Managing Customer Complaints

We have formulated a series of customer complaint treatment standards including the Detailed Implementation Rules for Treatment and Management of Customer Complaints and Standards and Basic Process of Customer Complaint Treatment Services to clearly explain the process and skills of managing complaints and the duties and responsibilities of all departments. Meanwhile, we have in-depth cooperation with government platforms. As of 2019, Red Star Macalline has established 224 shopping malls across the country and established consumer rights contact points with local market supervision bureaus.

In addition, we created more than 500 senior customer complaints consultant positions in the Company's headquarters, regions and shopping malls, and regularly trained them to ensure the professionalism of customer complaints handling personnel. We performed hierarchical management according to the complexity of the customer complaints, requiring on-site solution and settlement within 24 hours, also requiring cases to be closed within 7 days with extremely complicated customer complaints, and included the timeliness and degree of satisfaction of solution in the mall and related positions performance indicators.

Mechanism for Managing Tenant

In order to change tenants from being passively managed by the mall to active self-restraint and better serve customers, Red Star Macalline has conducted research and practice in the past 10 years and a large number of customer surveys, focusing on the six dimensions that customers concerned the most, which are quality, price, delivery, services, contract execution and customer preference, to carry out the assessment of the credit of tenants, and grade the tenants from one star to five stars. According to the basic principle of "benefit from keeping promises and restrict by breaking promises", the tenants are classified and managed by credit to form the mechanism for management to solve customer's consumption pain points.

In 2019, Red Star Macalline also served as the market credit sub-platform of the Shanghai Business Integrity Public Service Platform and actively participated in the government-led credit integration construction in the Yangtze River Delta and fully upgraded and promoted tenants credit management system in home shopping malls in the Yangtze River Delta region based on the Shanghai Credit Construction Pilot. The Company was also invited to share the experience of "Tenant credit construction and credit integration of the Yangtze River Delta" at the 2019 Business Integrity Promotion Conference hosted by the Shanghai Commerce Commission, and was invited by the Ministry of Commerce to participate in "The Second Session of Commercial Credit Subcommittee of National Technical Committee on Social Credit of Standardization Administration of China (全國社會信用標準化技術委員會第二屆商業信用分技術委員會)", and was elected as a member.



▲ Red Star Macalline hosted the 2019 Shanghai annual "Integrity Business Promotion Month" mobilization meeting and promotion of the Yangtze River Delta tenant credit management meeting, and shared thematic experience.

Supplier Management

Our suppliers include brand partners and materials and service suppliers. Brand partners are responsible for providing home furnishing products sold in Red Star Macalline shopping malls, and materials and service suppliers are responsible for providing products other than home furnishing products (such as office supplies).

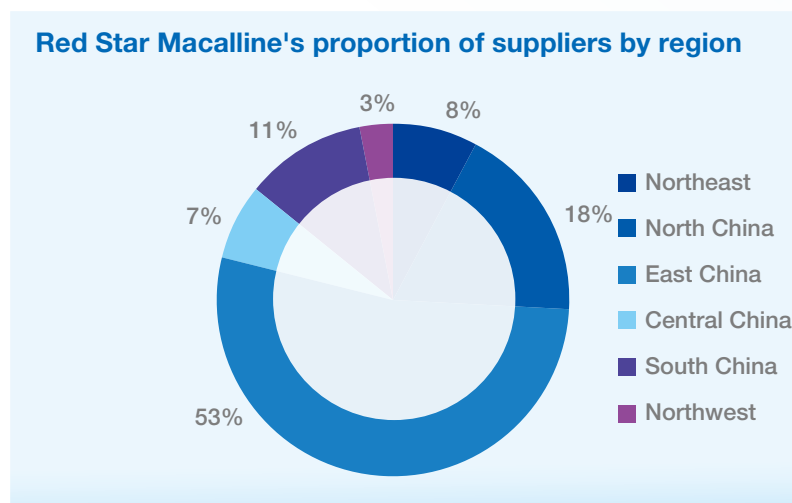
For tenants, we have formulated the “Product Qualification Management Regulations”, which clearly regulates the charging standards and compliance verification for brand tenants’ access qualifications. We evaluate brand partners through field visit, review of source of products, spot check of service timeliness and contents, and phase out unqualified brand partners according to the results of annual comprehensive evaluation. We implement the “Standards for Evaluation for Factory Quality Guarantee Capacity”, which sets out requirements for our brand partners in terms of company qualification, quality guaranteed resources, quality safety/design and development of environmental protection products, procurement and receiving inspection, production process control and process inspection, factory inspection and confirmation of inspection, inspection of instruments and equipment, control of unqualified products, package transportation and storage, important environmental factors in the life cycle of products, etc.

In respect of materials and services procurement, Red Star Macalline has published a “Purchase Management Policy” and continuously specified to standardize on supplier access standards, supplier verification requirements, supplier KPI assessment system and supplier elimination mechanism, to implement unified, standardized and centralized management for materials and services procurement to take advantage of centralized integration, improve purchase quality and reduce purchase costs. We have set up the materials procurement method in combination with centralized purchase at the Company’s headquarters and regional independent purchase to form a materials purchase network with different levels and categories. We continuously enlarge the scope of centralized purchase, integrate purchase resources and proactively seek excellent materials and service suppliers for strategic purchase to substantially reduce purchase costs and reduce transportation energy consumption and effects on the environment.

In 2019, Red Star Macalline also built a supplier master data management platform (MDM). Supplier-related applications, approvals, and supporting documents are reported through the system to ensure the accuracy, consistency, and traceability of master data. We have also added a supplier master data classification management rule to accurately define suppliers based on the regions served by the suppliers, the content of services provided, or specific materials. In addition, we regularly screened and analyzed the supplier master data in the MDM system, and effectively used the system to manage suppliers.

MARKET

As of 2019, according to the selection criteria of purchase amount which needs to be accounted for 80% of the total amount, arranging the amount of purchase orders for the whole year of 2019 from the largest to the smallest, the number of suppliers of Red Star Macalline's effective supplier master data is 387, and the main distribution is as follows:



Business Ethics

To create a “clean, fair and transparent” operation environment, the Company has worked out the “Supervision Management Rules” of the Red Star Macalline Group (紅星美凱龍家居集團督察管理制度), built a sound integrity supervision mechanism and established a special supervisory department to severely punish various violations of rules and regulations, such as embezzlement of the Company's assets, receiving or asking for commercial bribery and seeking illegitimate benefits by taking advantage of own position, and to supervise and inspect the procurement, storage and usage of materials of the Company. In 2019, Red Star Macalline was elected as the executive director unit of the Corporate Anti-Fraud Alliance and was selected as the “2015–2018 Advanced Corporate Anti-Fraud Unit”.

In 2019, we set up a multi-level integrity supervision network. Currently, the 351 shopping malls which are operating in China, various function centres and regions at provincial level have been provided with grass-roots supervisors, supervision managers and part-time supervision department heads, respectively, thereby forming a vertical to horizontal supervision system. Meanwhile, we continued to improve the mechanism for handling the information reported to ensure unimpeded access to information of various shopping malls and centers and handle various types of letters, visits, reports and complaints through standardized procedures. In order to ensure the effective implementation of the system, we have also signed the “Corruption and Self-discipline Responsibility Statement” with the heads of the centers, departments, and provincial regions of the Company headquarters, and the heads of shopping malls, pursuant to which, employees at all levels are actively committed to lead by example, integrity and self-discipline, and safeguard the Company's interests with their own actual actions.

In addition, the supervision department set up 6 patrol teams, including 37 team members in total, and comprehensively inspected 25 shopping malls and 7 projects, and severely investigated and dealt with violations of discipline and regulations. We dismissed 15 employees, demoted or issued warning letters to 5 employees, and transferred one employee to the judicial authority, because of serious violations in relation to project construction and procurement, to reflect the Company's zero-tolerance attitude to ensure the rigidity of the integrity supervision system.

During the inspections, we also held tenant representative forums and grass-roots employee forums and publicity and education sessions relating to integrity and self-discipline for leaders and cadres above middle level and studied relevant systems and processes of the Company, so as to enable managers at various levels in shopping malls to better understand the importance of compliant operation and management and business ethics and thereby remove the potential hazard for the Company's healthy and sustainable development.

In 2019, save for the above violations, we have not identified any significant corruption issues and money laundering behaviors in the Company, and have not been involved in any lawsuits related to the aforementioned behaviors.



STAFF

We have been regarding staff as our most valuable assets. While proactively protecting the basic interests of staff, we offer them competitive remuneration and keep improving the promotion system in accordance with relevant employment laws and regulations. Meanwhile, we create a harmonious and open working environment, respect staff, and improve staff's capability through the multi-dimensional and systematic training of the management school, so as to realize the promising vision of happy growth and mutual development of the Company and staff. In 2019, we have been awarded eight authoritative awards for employer brand, including “CCFA Staff's Favorite Chain Enterprise (中國連鎖業員工最喜愛僱主)”, “Asia Best Workplace (Mainland China) (亞洲最佳職場(中國大陸區))”, “Employer Excellence of China — Excellence in Organizational Innovation (中國典範僱主 — 組織創新典範)”, “Work Different (多元非凡僱主)”, “Best HR Teams in Greater China (大中華區最佳人力資源團隊)”, “China Human Resources Pioneer Employer (中國人力資源先鋒僱主)”, “2019 China Bole — Value Employer (中國好伯樂年度價值僱主)” and “China Bole Outstanding Human Resource Management Team (中國好伯樂傑出人力資源管理團隊)”.



Labor Relationship

We have formed an equal and harmonious labor relationship with our staff by ways of actively protecting their rights and interests, creating a diverse and inclusive working environment, carrying out democratic communication and other ways, through which we have achieved a joint development with our staff.

Labors' Rights and Interests

We strictly comply with the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China. We adhere to equal employment to ensure there is no discrimination against job applicants for their races and genders, etc., and enter into labor contracts with all our employees. In addition, we comply with the provisions of the Social Insurance Law of the People's Republic of China, Regulations on Management of Housing Provident Fund and other laws and regulations and pay old-age insurance, medical insurance, maternity insurance, work injury insurance, unemployment insurance and other social insurance for our staff.

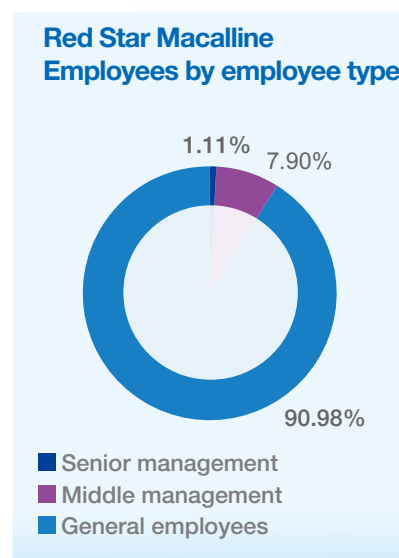
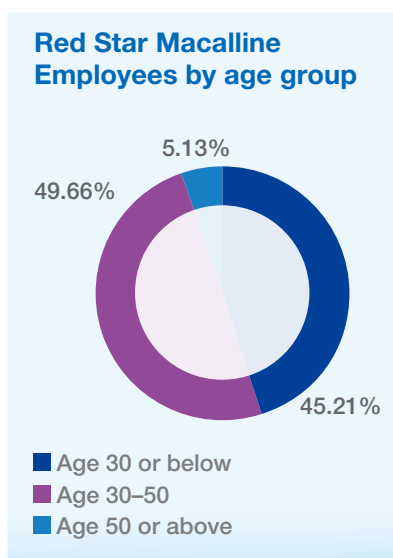
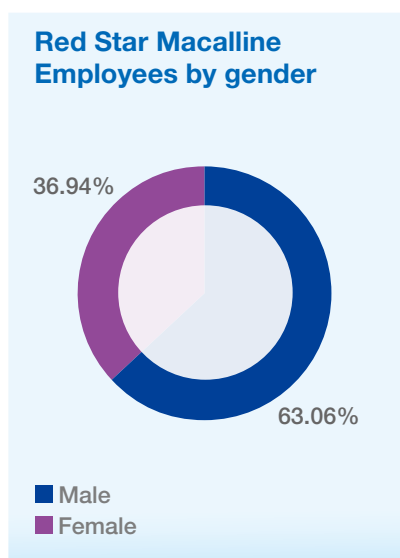
We strictly prohibit the use of child labor and forced labor. The "Employee Management" section in the Employee Manual of Red Star Macalline stipulates that the Company shall strictly implement the Provisions on Special Protection for Juvenile Workers (《未成年工特殊保護規定》), the Provisions on the Prohibition of Using Child Labor and other laws and regulations, protect the legitimate rights and interests of juvenile workers, and strictly prohibit the use of child labor. Our human resources information system can automatically identify juvenile workers and child labor. We require employees to close stores and get off work on time. If overtime work is desired, an overtime application must be submitted in advance. In order to effectively protect the legitimate rights and interests of employees who work overtime, in addition to continuing our leave rearrangement policy, we also introduced the mechanism of leave-into-salary in 2019. We did not identify any violation of laws and regulations relating to the employment of child labor or forced labor in 2019.

We have also established a comprehensive compensation management system to organically link our employees' rights and interests with the Company's performance, which not only increases our competitive edge, but also improves our employees' satisfaction, and thus effectively protects our employees' rights and interests. As for all our employees, we take into account the operating position, the changes in the consumption index and the salary situation in the market of the place where they work as well as their work performance and results, and the changes in position and work nature, when determining the range of salary adjustment. In addition, for the talents who held key positions, we effectively used a number of incentive measures to enhance their work enthusiasm. We have implemented two phases of employee stock ownership plan in 2019, which a total of nearly 3,000 core employees have subscribed for and paid in, and the subscription rate of both phases exceeded 95%, so that employees can become shareholders of the Company, share the achievements of the development of the Company, and effectively stimulate and retain talents for key positions of the Company.

Diversity and Inclusion

We attach great importance to the diversification of employee structure and recruit more employees with different backgrounds, and encourage them to bring diversified idea and value to the Company, thereby creating an inclusive corporate culture and enhancing the vitality of the Company and employees.

We focus on recruiting more female employees, especially increasing the proportion of female employees in management. In 2019, our female employees accounted for 36.94%. Apart from Chinese nationality, our employees also include foreign individuals from Italy, Australia, the United States and other countries. In addition, around 4.25% of our employees are ethnic minorities, including the Manchus, the Huis, the Bais, the Zhuangs, Mongolians, the Bouyeis, the Dongs, the Miaos, the Tujias and the Yis. In 2019, we had 27,113 employees.



Democratic Communication

We are committed to create a democratic and open communication environment and strengthen the interaction and connection between the Company and its employees. We have various communication channels. Employees may report problems and suggestions to the Company in respect of personal labor relations, work life, employee rights and interests and the Company's operation and development by means of employee representative meetings, ordinary business meetings, union chairman's suggestion box, WeChat official account, Dragon's Eyes App (龍眼 APP). For the feedback from employees, the Company has designated specific personnel to collect, investigate, follow-up on, coordinate and handle them, and inform the employees of the solutions and results in a timely manner.



▲ In 2019, the Company held two employee representative meetings, at which the employee manual, employee stock ownership plan and other contents were considered and reviewed.

Staff Development

Red Star Macalline concerns about staff career development and growth, and plans a clear career path for employees in different positions, and makes customized training programs and learning plans for staffs to improve their capabilities to become backbones of Red Star Macalline and even the society.

Career Development

We actively listen to the development needs of employees, maintain communication with employees, and design reasonable career development channels according to the actual situation of employees and the characteristics of each post.

STAFF

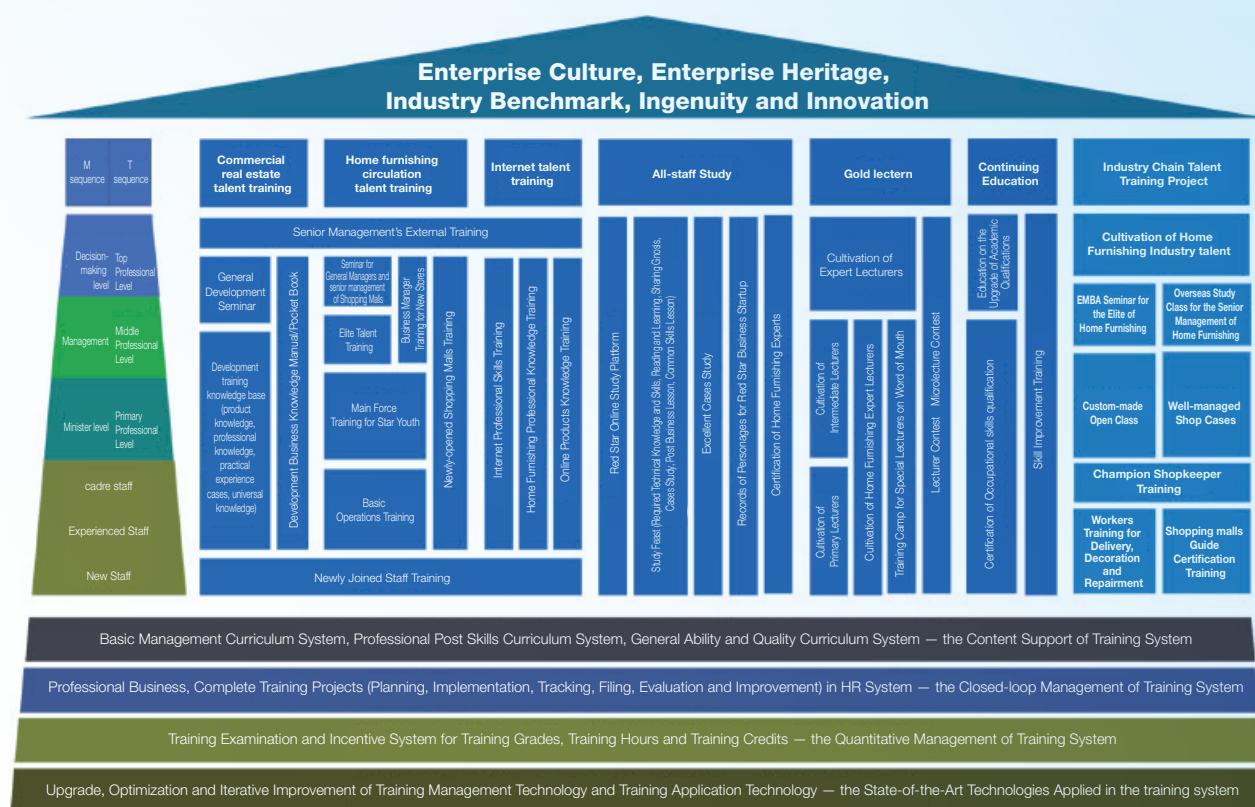
We have established a comprehensive evaluation management system for all staff. We make a comprehensive evaluation for staff through performance and capability evaluation with performance, attitude and capability as assessment dimensions, thereby stimulating their potential and realizing their personal development. Staff can recognize their performance indicators through the performance evaluation results and recognize their own shortage of capacity through capacity evaluation, so as to carry out independent learning and achieve comprehensive development.

In addition, we also design a talent development plan for some key positions according to the Company's business and job characteristics. For example, we are committed to building an agile talent supply chain system for the echelon of key positions from manager level to general managers of the malls. We determine the training objectives and career development plans of talents through talent review and talent evaluation, and accelerate the key talent growth and development through training measures such as job rotation, project mechanism and mentoring mechanism. A total of 1,194 people have been trained and promoted to key positions from manager level to general managers of the malls in 2019. For marketing employees, we have established a piecework assessment mechanism for external extension marketing, defined the guidance of rapid promotion and elimination of external extension personnel, developed and formulated the SOP operating process manual for external extension marketing personnel, summarized 114 performance cases, and helped external extension marketing personnel to understand the development of different external extension channels and business models.

Employee Training

We founded the Red Star Macalline School of Management in 2008, the school carries the important task of training talents for Red Star Macalline, and established a perfect staff training system, with the aid of information technology, according to the rank of different employees and job characteristics, form the training content of basic management, professional post skills, general abilities, and the whole closed-loop quantitative management. The Red Star Macalline School of Management adopts a project-based management model and conducts researches before all training programs are officially approved to respond to employees' training needs. In 2019, the average number of training hours of employees reached 240 hours, and the proportion of employees receiving training reached 100%.

Room Diagram of Red Star Macalline Training System



In 2019, Red Star Macalline management school continued to deepen the Online-Merge-Offline trainings, launched an online application called the “Star Creation Academy” and offline core talents training programs, and thus empowered staff’s personal development in two ways.

“Star Creation Academy”

Red Star Macalline management school has independently developed and launched an application called the “Star Creation Academy” to encourage and facilitate our staff’s independent study during their fragmented time. This application has multiple functions including quality knowledge examination system, research system, special topic studies, hotspot information, industry knowledge, group management, tracking of forwarding record, all-round statements, and is connected with data on the ELN learning platform. In 2019, the online courses included in this application have reached more than 5,000 sections, and the total learning number of which have reached 84,292 persons.



▲ The interface of the application called the “Star Creation Academy” is clear and concise, which allows our staff to choose applicable learning content easily.

Core talents training program

According to the competency model and business needs of different positions, we set up courses to meet their requirements. In 2019, the Red Star Macalline management school continued to develop core talents training projects specifically for college graduates, primary and middle-level staff of shopping mall, and general managers of shopping mall and senior management of the Company.

For college graduates, we have launched the “Star Power Plan” for 12 consecutive years, and a total of 419 Star Power employees participated in the plan in 2019. They have grown rapidly through the training system of intensified training, job rotation, work trial, communication meeting, special training and semi-annual assessment and the counselor system.



▲ Star Power students conducted a site investigation, discussed the problems found, and proposed corresponding improvements to 6 merchants in shopping malls they visited in Shanghai.



▲ 240 colleagues from Red Star Macalline investment promotion management center and 29 provincial marketing and development centers participated in the 2019 Business Skill of Investment Promotion Line & Information-based System Training.



▲ Red Star Macalline management school launched the project of Class of General Manager in the Shopping Malls in October 2019, involving over 30 participants for a period of 6 months.

For primary and middle-level staff of the shopping malls, Red Star Macalline management school continued to promote “Main Force Training Camp”, to enhance the comprehensive management capabilities of middle-level staff of the first-tier shopping malls from four dimensions including industry and enterprise series, shopping mall operation and management series, shopping mall general management system and leadership series. In 2019, we organized 87 training sessions with nearly 4,350 participants, covering the middle-level managers of the marketing and development centers and shopping malls in various provinces.

For general managers of the shopping malls and senior management of the Company, we continuously hold “Training Workshop for General Managers of Newly Opened Shopping Malls”, “Class of General Manager in the Shopping Malls” and “Seminar of General Manager Development” to enhance the managers’ management ability, professional qualities and comprehensive ability in project preparation, operation, expansion and other fields to build a high-quality and high-level development talent team.

Employees' Happiness

We care about the difficulties of employees at work and in life. We are willing to listen to the voices of employees and strengthen the sense of belonging and happiness of employees so that every employee can always feel the warmth from the Company.

Improve Employees' Living

We treat our employees as our own family, pay attention to their material and emotional lives and provide help and care by carrying out one-day donation activities of the Red Star Love Fund, providing public rental housing for employees and organizing social activities.

Red Star Love Fund

In order to establish a comprehensive employee assistance system and a long-term mechanism for caring and helping our employees, we set up the Red Star Love Fund in 2015 to provide employees and their families with Medical Green Channel, help with serious diseases, education for children of staff with financial difficulties and provide help for family emergencies with accidental assistance and other matters requiring assistance.

In order to inject more energy into the fund, we launched public fund-raising events in our shopping malls nationwide in 2019 for the first time. More than 5,000 employees across the country actively participated in donations, and a total fund of RMB240,000 was raised. At the same time, in order to ensure that every penny of the Red Star Love Fund can be effectively used and the relevant information is truthfully and effectively disclosed. We set up an independent account and announce the income and expenditure of donations to fund council and employees every year.

As of 2019, the size of Red Star Love Fund has reached RMB3.83 million and we helped 48 employees with serious illness and financial difficulties and arranged hospital beds and 59 chief experts through Medical Green Channel, covering corporate headquarters and 21 provincial marketing and development centers, and paid RMB1.2538 million from Love fund.



▲ Four representatives of senior management of the Company and over 60 representatives from various departments of love delivery messengers attended the launching ceremony of “one-day donation” of Red Star Love Fund.



▲ Employee representative who benefited from Red Star Love Fund made a speech and told her story with Red Star Love Fund.

Improve employee housing conditions

Red Star Macalline responds to staff housing demand and promotes the implementation of the Shanghai Municipal Government's Public Rental Housing Benefit Policy. It has carried out employees public rental housing projects for seven consecutive years and received attention and reports from many authoritative media such as “Labor Daily” and “Labor Watch”.

In 2019, we expanded six new public rental housing based on employee needs in terms of rent, life quality and living environment. As of 2019, we had more than 650 public rental housing nationwide, solving housing problems for more than 1,200 employees. In addition, in order to make traveling easier for employees, we also set up three shuttle bus routes to connect public rental housing and the Company to save transportation costs for employees.



▲ Red Star Macalline provides employees with public rental housing and youth apartments to meet the housing needs of different employees.

Care for Emotional Lives of Staff

In today's society, singleness and marriage are no longer personal problems. According to various data, Chinese society is facing social problems such as low marriage rate, low birth rate and high divorce rate. In order to solve the marriage and relationship problems of young single employees, Red Star Macalline acts as the parent of our staff and jointly organized single youth friendship activities with government units in 2019. A total of 450 employees from various large enterprises participated in the event, and the event was also covered by more than 10 mainstream media.

In addition, for Red Star employees who have built their own family, we have carried out parent-child activities for 10 consecutive years to enhance parent-child emotional communication. In 2019, a total of 105 families participated. The activities included making flower cakes, parent-child outdoor activities, to help employees create a family environment full of affection and care.

Care for Female Staff

We pay attention to the work and life of female employees, improve the satisfaction of female employees, help female employees solve the problem of being unable to achieve balance between work and family, and become a successful career woman in the new era.

In 2019, we continued to implement the "Love Mommy Room" project and 104 new "Mommy Rooms" were built nationwide and equipped with "Love Mommy Package" to provide warm and private space for mothers, which is convenient for female employees who are in their breastfeeding period to take a break. In addition, we set up a Red Star after-school class with 3 teachers to take care of children throughout the day to solve the problem of child care for internal employees. We have also set up 4 courses, such as adult yoga, Sanda fighting, dancing and body shape, and Western etiquette, to help Red Star female employees to maintain their body posture and enhance their personal temperament and taste.

Work-life Balance

In order to ease the work pressure of employees and help them maintain a good attitude, we occasionally carry out cultural and sports activities such as reading, basketball, table tennis competitions and employee travel to enhance the cohesion and centripetal force of the employee team. In 2019, we held more than 2,200 cultural and sports events in total.

In addition to these regular activities, in 2019, we also formed the “Star Arts” choir, recruiting a total of about 70 members, inviting teachers to provide training and guidance, and participating in singing competitions held in the community, and finally stood out from the 14 participating teams and won the highest award “The Sound of Heaven” in the “Craftsmanship” chapter.



▲ After more than 3 months of training, the Red Star Macalline “Star Arts” choir performed “Remain True to the Original Aspiration” brilliantly and won praise.

Care for Staff's Health

Red Star Macalline cares for the staff's health. By organizing employee medical examinations, creating a green channel for Red Star Medical, upgrading union membership cards, etc., we help employees do well in health management and enhance vitality and motivation for the Company's development. In 2019, we continued to improve the medical examination standards of employees, acted as the Green Medical Channel, and applied for union membership cards for our staff to cover serious illness medical insurance, further improved the health protection of employees. In addition, shopping malls around the country organized a series of health activities. For example, Quanzhou Huaxiang Shopping Mall carried out a 2-day free dental CT examination. More than 100 employees enjoyed the service and received gifts such as professional health toothbrushes and cylinders.

Shopping Malls' Safety

The shopping malls safety management relates to the safety issues of staff, customers and surrounding communities, so we pay special attention to it. Our safety hazards are mainly the construction safety during the construction of shopping mall, and the fire hazards in the daily operation of the shopping malls, falling objects at height, and personal injury cases caused by non-standardized operations. In 2019, there were no deaths due to work.

- During the construction of the shopping malls, we followed the “Administrative Regulations on the Work Safety of Construction Projects” issued by the State Council of China and the “Standards of construction safety inspection” issued by the Ministry of Housing and Urban-Rural Development of China to manage construction sites and establish an on-site safety management system.
- After the completion of the new shopping mall constructions, we strictly followed the Chinese GB/T28001-2001 “Occupational Health and Safety Management System Code”, formulated the “Detailed Rules for the Opening of New Shopping Mall Property Management”, “Management Code for Charging and Exchanging Power Station”, “Property Decoration Management Detailed Rules” and other system specifications, and clarified the safety management requirements for new store projects.
- In daily operation of the shopping malls, we have also prepared the “Detailed Rules on Daily Management of Facilities and Equipment in Properties” and “Technical Management Manual of the Properties of Shopping Malls”, which set out the rules on safe operation and emergency plan of relevant facilities and equipment in properties, as a preventive measure.

We conduct regular safety inspections and establish safety risk files in accordance with the “Safety Risk Rating Standards”. In 2019, the stores identified a total of 33 risk hazards, and the main hidden dangers were equipment failures and catering management non-compliance issues. In response to these security risks, we issued 11 targeted guidance documents, requiring shopping malls to formulate rectification plans and implement rectification gradually. As a result, the completion rate for rectification reached 96%. Major potential hazards of the shopping malls lie in flammable electric circuits, construction sites, catering areas. We adopted a series of precautions against fire, thus no fire has occurred since the operation of the shopping malls of the Company. In 2019, we continued the use of interactive mechanism and organization of fire drills, as well as updated fire alarm system, to ensure the safety of employees, customers and surrounding communities.

Interactive mechanism

We established mutual-examination system with our neighbors, improved the investigation mechanism against potential safety hazards of adjacent properties, and organized fire drills jointly to reduce safety incidents in neighborhood communities.

Fire drills

In 2019, we organized 1,280 fire drills with a total of 38,400 participants, mainly for emergency evacuation of all staff, comprehensive fire drills for the initial fire handling process, and the full-time fire brigade handling process in shopping malls, which increased employees' fire safety awareness and emergency response capabilities in the face of emergencies.



▲ We conducted fire drill training in various malls across the country, and employees were learning to use fire extinguishers to extinguish the initial fire.

Unmanned fire alarm system

In 2019, we launched the unmanned fire alarm system in 81 Portfolio Shopping Malls. The system could timely reflect the status of the staff in fire control room, catering staff and staff responsible for construction welding. Throughout the year, the rate of presence of the control room staff, catering staff and construction welding staff reached 100%.

Apart from fires, falling objects and non-standardized operation may threaten the safety of employees and customers as well. To eliminate the unnecessary personal injury and property loss caused by falling objects, we conduct periodic stability check on pendants at height, sign boards within the shopping malls. To prevent personal injuries, we made regulations of safety practice for employees with focuses including electric technical operations, operation at height, operations with fire-hazard and maintenance operation. No personal injury of employees caused by falling object or non-standardized operation happened in 2019.

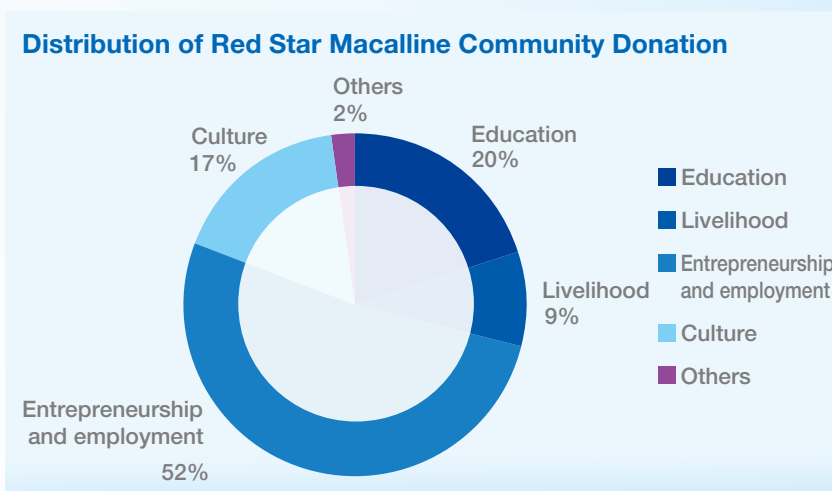


COMMUNITY

We proactively participate in public welfare undertakings and insist on sharing our development achievements with society while pursuing our self-growth, and treat corporate social responsibility as one of the core strategies for the sustainable development of the Company. By virtue of long-term practice and outstanding contribution in social responsibility, Red Star Macalline was awarded the 2019 China Social Responsibility Contribution Enterprise Award (2019年度中國社會責任貢獻企業獎) granted by the International Financial News under People's Daily (人民日報社).



We pay attention to the public's demands and successively set up a variety of special funds to support local economic development. We adhere to sustainable development and strive to make contributions in terms of social, economic, environmental and other aspects. In 2019, we invested approximately RMB5.76 million in entrepreneurship and employment, education, culture, livelihood and others.



Encouraging Entrepreneurship to Create Jobs and Explore Opportunities

In order to help the contemporary Chinese aspirational young people to start their own business, we made a contribution of RMB20 million to the China Foundation for Youth Entrepreneurship and Employment, with a term of seven years starting from 2017. We donated another RMB3 million in 2019.



In 2019, in order to improve the university students' cognition and understanding on entrepreneurship and employment, we held "Career Planning Carnival" series activities, with more than 10 activities including career talks and internship double selection meetings, and providing direct employment guidance for university students. More than 3,000 students participated in this activity.

- ▲ We held "Career Planning Carnival" series activities in Nanjing University to provide career planning consultation and employment internship opportunities.

In addition to the employment guidance activities for students, we have also launched programmes such as “Employee School” (「職工學堂」) and “May Day Lecture Hall” (「五一講堂」) to provide special courses and series of lectures on home furnishing, aesthetics and design in order to improve the vocational skills of the public.



▲ We have held the May Day Labour Forum for blockchain, and invited lecturers to teach professional knowledge of blockchain.

Supporting Education to Promote Development

We are concerned about and actively promote the development of education. In 2019, we partnered with Shanghai Jiaotong University, Wuhan University and Nanjing University to establish “Red Star Macalline Scholarship/Bursary” and “Red Star Macalline Teaching Award”, involving total donation of approximately RMB1,150,000, to provide support for education and training. At the same time, our headquarters and regional shopping malls have also held many activities such as student assistance, participating in a volunteer teaching programme and charitable donations.



▲ Students from OFS are visiting the Company's shopping malls to learn 3D technology, black technology, artificial intelligence and other knowledge.

In 2019, at the Company's headquarters, we provided financial support RMB500,000 to the Third Complete Primary School in Litang County, Ganzi Tibetan Autonomous Prefecture, Sichuan Province, for a construction project of a teacher's revolving house of approximately 1,200 square meters. After the project is completed, it will effectively improve the problem of teachers' housing difficulties, increase the enthusiasm of teachers in the school, and promote the improvement of teaching quality. In addition, we have carried out educational assistance activities with OFS public welfare organizations for 5 consecutive years. In 2019, we helped organize more than 50 high school students to study in Shanghai to help students understand the development of modern retail, commercial stores, and modern technology, and experience the changes in life brought about by the Internet+ era.

In various shopping malls, we have organized a number of loving education and charity donation activities. For example, in 2019, the Red Star Macalline Huaihua Hexi Shopping Mall formed an education support team to go to Shuangcun Primary School, Shimen Township, Hecheng District, Huaihua City to provide audio, physical, and art courses for children, broaden their knowledge, and provide a practical platform for Huaihua College students.



▲ The teacher of Red Star Macalline Huaihua Hexi Shopping Mall Teaching Team is giving art lessons to children, teaching them to sing and draw.

Embracing Culture and Art to Develop Sense of Aesthetics

As an advocate of quality life, we actively promote the concept of aesthetics through the promotion of traditional Chinese art culture and various art activities, etc., to enhance the aesthetic appeal of the public, and thus improve the quality of public life. In 2019, we donated about RMB980,000 to the Shanghai First Financial Community Foundation to help the development of culture and art.

In 2019, we continued to cooperate with the Shanghai First Financial Community Foundation to launch the “New Adventure M+ Dunhuang Grottoes Bingling Secret New Construction Plan”, and selected 15 outstanding designers for public welfare transformation of the public space of the world cultural heritage Bingling Grotto.

In addition to spreading and promoting traditional Chinese culture, we also pay attention to the introduction and popularization of Western aesthetic art. In 2019, we jointly organized a chamber string concert with the Shanghai Federation of Trade Unions and invited the Jasmine Symphony Orchestra to perform more than ten famous Chinese and Western classics for the public, which showed the cultural and artistic charm of symphony and met the cultural and artistic life needs of citizens.



▲ The designer is studying the historical and cultural background of the Bingling Grottoes, fully combining artistic beauty and functional practicality to design an appropriate plan for remodeling space.

Fighting against Poverty to Deliver Benefit of Kind

We are concerned about impoverished groups and provide them with financial assistance. We also conduct a series of support programs to help people in poor areas improve their livelihood. In 2019, we donated RMB505,000 to Changzhou Charity Federation, Pudong New Area Glorious Business Promotion Association and other organizations for poverty alleviation to facilitate local infrastructure and community development.

We have launched various public welfare activities in various shopping malls to improve the living conditions of local residents. For example, Red Star Macalline Quanzhou Chabohui Shopping Mall held the Spring Festival Poverty Alleviation and Warm-up Campaign. Red Star Macalline, together with 25 caring merchants, donated rice, oil, salt and other daily necessities to 97 impoverished families. At the same time, there were also subsidies from caring people from all walks of life, in which we helped 400 impoverished families and effectively improved the living standards of the local people.

Caring for Children to Grow with Them

We always care for and protect vulnerable children. At headquarters and shopping malls of the Company, we help children grow up healthily and happily by improving children's living environment and providing health checks and other ways.

At the Company's headquarters, in 2019, we launched the "new paradise" project, painting the bedrooms of 85 children from low-income families and replacing them with brand-new household items. The value of furniture material is about RMB144,714, aiming at helping children from poor families to create a clean and tidy living space.

In addition, in various shopping malls, we have organized a number of public welfare donations to raise the public's attention to poor and vulnerable children. For example, in 2019, the Red Star Macalline Bayan Nur Linhe Mall provides visual inspection services for 162 left-behind children, helping children discover vision problems in time so that they can be corrected and treated as soon as possible.



▲ We replace furniture such as bookcases and bed frames for low-income families to improve the living environment.

Cooperating with Government to Create Better Future

Red Star Macalline actively responds to the government's call, closely follows the country's policy dynamics, and contributes to the country's progress and development as well as social harmony and stability while doing a good job in business operation.

In 2019, in order to effectively promote the service security work of the Second China International Import Expo, we selected more than 20 volunteer representatives and contracted all service tasks of the No. 7 service post during the Expo, a total of more than 100 service shifts. It was widely recognized by the leaders of the Shanghai Municipal CPPCC and the public, and won the title of "Service Guarantee Advanced Collective of the Second Import Expo in Hongqiao Business District".

In addition, we responded to government organizations such as the National Youth Federation, the Youth Work Department of the Hong Kong Liaison Office, and the Shanghai-Hong Kong Youth Association, and created a platform for university students in Hong Kong to come to Shanghai to exchange and actively maintain the harmonious development of the mainland and Hong Kong. As one of the few representatives of enterprises in Shanghai, we have successfully promoted 6 batches of 29 students from universities in Hong Kong to intern at Red Star Macalline for 4 consecutive years to help them experience the cultural and life differences between Hong Kong and Shanghai, and strengthen their sense of recognition of the economic development of the Mainland.



▲ Red Star Macalline volunteers are patiently explaining and providing consulting services for the participants of the Expo.



ENVIRONMENT



Red Star Macalline has raised the “green environmental protection” to strategic level of the Company since 2016. Besides “zero tolerance” for non-environmental friendly home furnishing products and brands, our environmental protection policy is always considered as priority in the level of decision-making process, management and corporate culture and is applicable to each stage and phase of business operation.



We integrate the concept of environmental protection into the planning and design of the construction projects of shopping mall, building construction, as well as property management and office building management after the completion of a project, covering green building certification, natural resource conservation, energy efficiency optimization and environmental protection procurement and so on. We strive to create a kind of corporate culture that cherishes resources, raise employees' awareness of environmental protection, and encourage employees to actively participate in and put environmental commitments into practice. In addition, we require that brand partners shall comply with the laws, regulations, and environmental requirements of the place where they are operating, adhere to the environmental protection concept in the process of decoration and construction and use green environmental protection materials, including the materials which comply with China Environmental Labelling certification and the wooden boards which comply with GB18580 standard E1. We encourage them to pass certification standards such as China's CQC environmental protection or water-saving product certification, China Environmental Labeling certification and ISO series system certification.

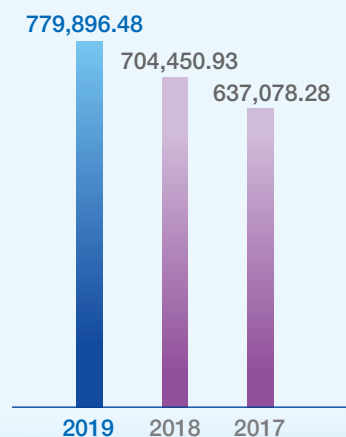
Red Star Macalline strictly complies with the Environmental Protection Law of the People's Republic of China, attaches great importance to environmental protection and increases investments in environmental protection, and management and control is in strict compliance with the "green and environmental protection management system" of the Company. In 2019, there were no business activities and events that had a material impact on the environment and natural resources.

Low-carbon Shopping Malls

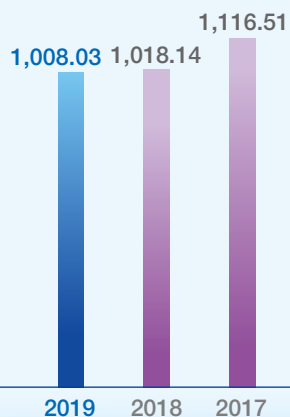
The major energy resources consumed by our shopping malls and offices are electricity and natural gas. We comply strictly with the Energy Conservation Law of the People's Republic of China in daily operation and have developed a series of energy saving strategies. In 2019, as a result of the extension of business hours and the increase of night activities, and the additional 1,000 charging piles for electric vehicles in the Portfolio Shopping Malls to provide charging services, our total energy consumption increased by approximately 11% compared with 2018 and amounted to 779,896.48 MWh, 70% of which was electricity, but the energy consumption density slightly decreased to 1,008.03 MWh/10,000 m² compared to 2018.

ENVIRONMENT

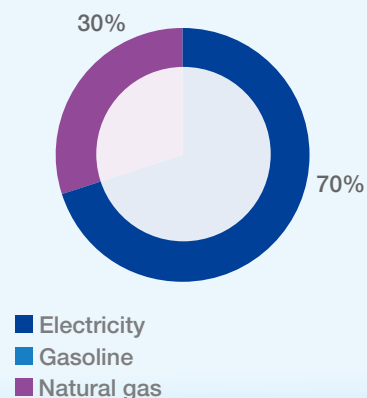
Total energy consumption (MWh)



Energy consumption intensity (MWh/10,000 m²)

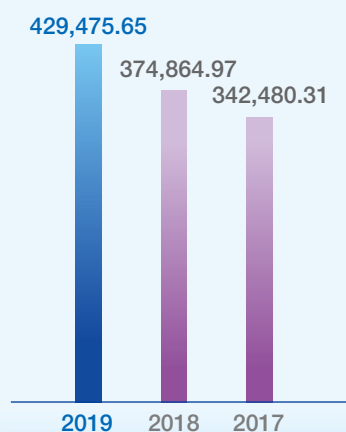


Energy consumption by category of Red Star Macalline

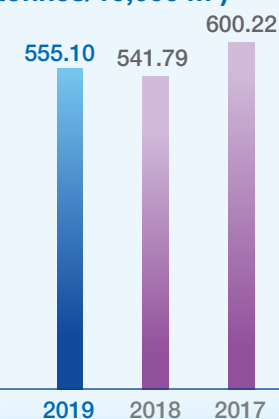


In 2019, due to the provision of parking lot charging services, greenhouse gas (scope 2) from indirect energy increased, which in turn caused our total emission volume of greenhouse gas increased by approximately 15% to 429,475.65 tonnes compared with 2018. The percentage of greenhouse gas (scope 2) was approximately 89%, with a corresponding increase in emission density to 555.10 tonnes/10,000 m².

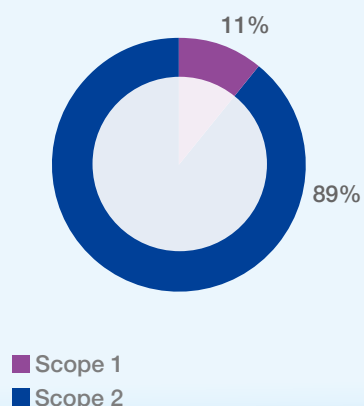
Total emission volume of greenhouse gas (tonnes)



Greenhouse gas emissions intensity (tonnes/10,000 m²)



Red Star Macalline greenhouse gas emissions



Energy Saving of Shopping Malls

In order to reduce energy consumption, we set the goal of improving energy efficiency in the stage of project planning and design. In 2019, when the Company was launching its construction projects of shopping malls, energy saving was considered as a principal element.

- Energy-saving transformers, energy-saving control equipment and electric equipment were used
- Reactive power compensation device with automatic adjustment function was used to reduce loss of transformers
- Efficient water supply equipment was used and sanitary ware adopted water-saving products
- Energy-saving and efficient lighting source and lamps were used to improve power factor and power consuming efficiency

A time-controlled system was used for the lighting for landscape, garages and common aisles and the acousto-optic controlled switch was applied for staircase lighting to reduce waste. In addition, in 2019, we continued to implement a parking lot charging piles project, and we have completed the construction of 1,008 charging piles. In order to spread the concept of green travel, reduce the gasoline consumption, and thus reduce the environmental pollution caused by vehicle exhaust emissions, we cooperated with NEXTEV, TGOOD, Potevio Energy and other companies to vigorously promote the construction of charging piles.



▲ New energy vehicles are charging with charging piles in Shanghai Zhenbei shopping mall.

Energy Saving of Office

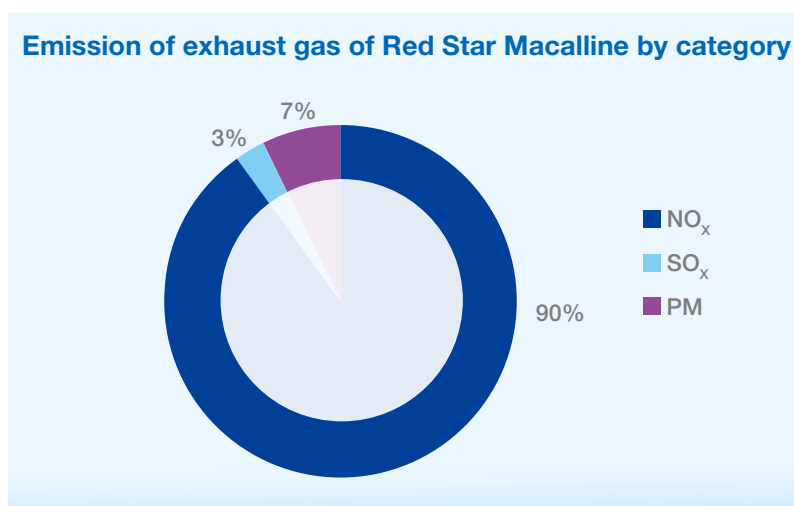
We continue to improve energy saving management system of office buildings with modern energy saving technologies. The Company optimizes daily management process, and conducts analysis on energy saving for existing key energy using equipment or systems and proposes plans for technical transformation of energy conservation. Relevant technical transformations projects of energy conservation can be applied to offices affordable for them in accordance with the actual conditions, e.g. LED lights, installation of frequency conversion escalator, air-conditioning transformation, photovoltaic power and so forth.

Emissions Management

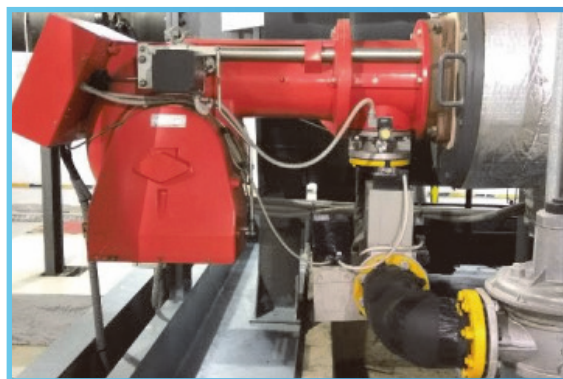
While advocating energy saving, Red Star Macalline is also trying its best to reduce the waste emission to reduce damages to and effects on the ecological environment, and the treatment and emission of waste gas, waste water, and waste are strictly managed to satisfy the regulatory standards of the places of operations.

Exhaust Gas Disposal

Red Star Macalline strictly abides by the Law of the People's Republic of China on the Prevention and Control of Air Pollution, as a home improvement and furnishing shopping mall operator, it does not involve the production process. Therefore, the exhaust gas generated is mainly a small amount of nitrogen oxides, sulfur oxides and PM particles produced by vehicle exhaust emissions. In 2019, we emitted a total of 89.80 kg of exhaust gas, a slight increase from 2018, of which about 90% is nitrogen oxides.



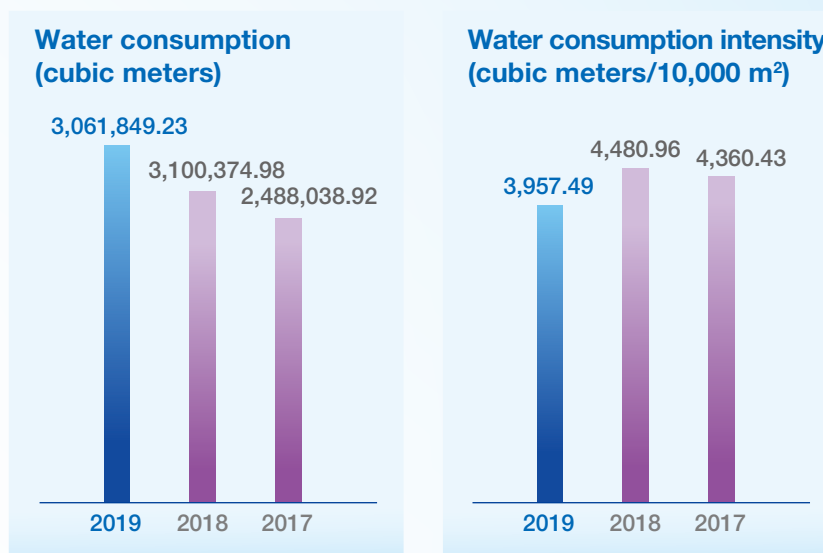
In order to actively respond to the national slogan of “Blue Sky Defence War”, in 2019, 5 shopping malls located at Shanghai Zhenbei, Shanghai Wenshui, Shanghai Wuzhong Road, Shanghai Pudong Hu’nan and Shanghai Jinshan carried out the low nitrogen transformation of burners for 17 sets of air conditioning equipment using natural gas, and the concentration of nitrogen oxides in exhaust emissions significantly reduced, which reduced from 150 mg/m³ to 30 mg/m³, and all other kinds of indicators have passed the third-party test.



▲ We are in the process of low nitrogen transformation of air conditioning in Shanghai Wuzhong Ogloria Shopping Mall to reduce the emission of nitrogen oxides.

Waste Water Management

In 2019, our total water consumption was 3,061,849.23 cubic meters and the intensity of water consumption was 3,957.49 cubic meters/10,000 m², representing a decrease of approximately 12% as compared with that in 2018.



The waste water produced by us is mainly domestic sewage. In accordance with the Prevention and Control of Water Pollution Law issued by the state and its supporting national standard Waste Water Quality Standards for Discharge to Municipal Sewers (GB/T 31962-2015), we require that all waste water must be neutralized and discharged after passing the test. The shopping malls of Red Star Macalline are set with septic tanks for pre-treatment (primary treatment) and sedimentation of impurities for domestic sewage to hydrolyze larger molecular organics into smaller molecular organics including acids, alcohols, etc., improving subsequent waste water treatment. The shopping malls with catering industry are equipped with oil separators for separation of oil, and only the waste water passing treatment acceptance can be discharged to reduce pollution of the environment.

In addition to strict management of domestic waste water produced by us, we also included relevant waste water treatment standards in the mall air-conditioning water treatment contract template, and required suppliers to sign a commitment to ensure compliance with the Waste Water Quality Standards for Discharge to Municipal Sewers.

Waste Disposal

Wastes mainly included construction wastes and household wastes in course of the development of shopping malls of Red Star Macalline. We strictly abide by the Prevention and Control of Environmental Pollution by Solid Waste Law of the People's Republic of China, continuously conduct proactive waste management and strengthen waste management on construction sites and waste recovery of shopping malls to reduce the generation of waste. The total amount of hazardous and non-hazardous waste we generated in 2019 was 11,020.97 tonnes, slightly increased from 2018 due to the increase in decoration and renovation projects and the increase in the amount of materials used. Among them, more than 99% of the waste is non-hazardous waste, but the waste discharge density is dropped by approximately 2% to 14.24 tonnes per 10,000 m².

Upon completion of shopping mall projects, we proactively collect waste cables, waste steel bars and other waste materials for recycling or secondary sales and substantially reduce the waste of resources.

In property management, we proactively reduce waste, comply with the principle of environmental protection of "waste renovation and used things recycling" and implement classified management for household waste and construction waste in shopping malls which are set with appropriate garbage chambers. Garbage is discharged on a daily basis. The household garbage is sealed and construction wastes are bagged before being cleared up by professional cleaning companies each day. Meanwhile, we actively respond to the government's advocacy on the classification of household waste, promote the classification of household waste in shopping malls in cities that already have the conditions for classification and transportation, and encourage customers and operators to classify waste by setting up sorting waste bins, publicizing waste classification knowledge, classified transportation, etc.

Noise Treatment

Noise generated from the operation of Red Star Macalline mainly comes from the power equipment including air conditioning units, air compressors, cooling towers and heat treatment equipment. We strictly comply with the Law of the People's Republic of China on the Prevention and Control of Pollution from Environmental Noise, and control the noise by using environmental friendly equipment, installing noise-abatement equipment surrounding equipment and other measures. The noise measurement results of Red Star Macalline can reach the limits of the places of operations. Our main noise reduction measures include:

- Outdoor units of air conditioning, ventilators, etc. apply efficient and low noise products
- The inlet and outlet ducts of ventilators and air conditioners are set with muffler, and the air intakes and air outlets are set with mufflers or silencing shutters
- The water inlet and outlet pipes of pumps and cabinet air conditioners are equipped with vibration damping connectors; refrigerators, fans, pumps, etc. are set with a vibration damping foundation
- The water pipe elbows in refrigeration machine rooms are installed with vibration damping hangers
- Vibration damping hanger or pad is applied in hoisting of cabinet air conditioners
- The air inlet and outlet ducts of cabinet air conditioners and all ventilators are set with flexible soft joints.

Responses to Climate Change

With the excessive use of energy, excessive emissions of greenhouse gases, and improper disposal of waste, it has led to extreme changes in the global climate. In order to effectively deal with catastrophic weather, further reduce and eliminate the losses of the Company caused by catastrophic climate, Red Star Macalline has established a sound emergency response mechanism.

First, we have established a preventive management system to formulate a monthly safety theme and preventive management and control work plan for shopping malls each month in response to possible climate disasters in different seasons, to eliminate the impact of disaster weather on shopping malls from the source; secondly, we have formulated five emergency plans that targeted at seasonal disastrous weather, and established the annual safety training program of the Company, and plans and requirements of the emergency plan drill have been standardized and drilled; thirdly, the emergency tools and equipment for disaster prevention such as flood control, typhoon prevention, rain and snow prevention, etc. are arranged in advance, which greatly improves the ability to deal with disastrous climate.

In 2019, we organized nationwide shopping malls to carry out the theme month of "Natural Disaster Prevention" with 295 shopping malls participating; organized 844 natural disaster prevention training sessions, with 19,791 participants in total; organized 584 pre-plan drills, involving a total of 4,064 participants. The ability for shopping malls to deal with disastrous climates has been improved from the drills and the 2019 disastrous climate did not seriously affect the shopping malls.

DATA OVERVIEW OF ESG

Data Overview of ESG

Annual data overview of ESG

	2019	2018	2017
Number of employees			
Total number of employees	27,113	24,339	22,621
By gender			
Female	10,016	8,956	8,425
Male	17,097	15,383	14,196
By age group			
Below 30	12,259	11,343	9,815
Between 30 to 50	13,463	11,801	11,830
Above 50	1,391	1,195	976
By type of employees			
Senior management	302	603	504
Middle management	2,143	4,534	4,095
General employees	24,668	19,202	18,022
Development			
Percentage of employees trained	100%	100%	100%
By gender			
Female	100%	100%	100%
Male	100%	100%	100%
By type of employees			
Senior management	100%	100%	100%
Middle management	100%	100%	100%
General employees	100%	100%	100%
Average hours of training completed per staff (hours/year)	240	224	219
By gender			
Female	240	226	219
Male	240	224	219
By type of employees			
Senior management	192	192	192
Middle management	264	264	264
General employees	235	216	216

DATA OVERVIEW OF ESG

	2019	2018	2017
Emissions			
Total emission of greenhouse gas (scope 1 & 2) (tonnes)	429,475.65	374,864.98	342,480.31
Total emission of direct greenhouse gas (scope 1)	47,854.83	48,141.03	43,648.67
Total emission of indirect greenhouse gas (scope 2)	381,620.82	326,723.95	298,831.64
Emission of greenhouse gas per 10,000 m ² operating area of Portfolio Shopping Malls (tonnes/10,000 m ²)	555.10	541.79	600.22
Total emission of waste gas (kg)	89.80	89.18	14.49
NO _x emission	81.17	80.70	13.10
SO _x emission	2.65	2.54	0.28
PM emission	5.98	5.94	1.11
Total emission of hazardous garbage (tonnes)	43.00 ^[1]	7.50	1.42
Oil paint	17.00 ^[1]	1.80	0.89
Glue	26.00 ^[1]	5.70	0.53
Total emission of non-hazardous garbage (tonnes)	10,977.97	10,035.70	257,516.77
Domestic garbage	330.60 ^[2]	1,752.00	50,858.70
Construction garbage	10,056.00	7,980.00	206,046.00
Scrap cable	19.37	17.30	23.71
Scrap steel	572.00	286.40	588.36
Emission of non-hazardous garbage per 10,000 m ² operating area of Portfolio Shopping Malls (tonnes/10,000 m ²)	14.19	14.50	451.31
Total emission of hazardous and non-hazardous garbage (tonnes)	11,020.97	10,043.20	257,518.19
Emission of hazardous and non-hazardous garbage per 10,000 m ² operating area of Portfolio Shopping Malls (tonnes/10,000 m ²)	14.24	14.52	451.31

DATA OVERVIEW OF ESG

	2019	2018	2017
Water resource consumption			
Total water consumption (m ³)	3,061,849.23	3,100,374.98	2,488,038.92
Fresh tap water	3,061,849.23	3,100,374.98	2,488,038.92
Water consumption per 10,000 m ² operating area of Portfolio Shopping Malls (m ³ /10,000 m ²)	3,957.49	4,480.96	4,360.43
Energy consumption			
Total energy consumption (MWh)	779,896.48	704,450.93	637,078.28
Electricity	546,209.89	469,349.34	423,595.30
Natural gas	232,004.67	233,487.38	213,323.94
Gasoline	1,681.92	1,614.21	159.04
Energy consumption per 10,000 m ² operating area of Portfolio Shopping Malls (MWh/10,000 m ²)	1,008.03	1,018.14	1,116.51
Social investment			
Social investment (RMB'0,000)	576	1,008	1,085

Notes:

- [1] Hazardous garbage increased significantly due to more consumption of relevant materials resulted from the significant increase in the decoration and renovation projects in 2019 as compared to 2018.
- [2] Domestic garbage decreased significantly due to the decrease of civil work staff resulted from the significant decrease in civil works in 2019 as compared to 2018.

APPENDIX I – CONTENT INDEX OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

APPENDIX I – Content Index of the Environmental, Social and Governance Reporting Guide

Aspect	Description	Place/notes
A. Environment		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to exhaust and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Environment
A1.1	The types of emissions and respective emissions data	Environment
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Environment
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Environment
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Environment
A1.5	Description of measures to mitigate emissions and results achieved	Environment
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Environment
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	Environment
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)	Environment
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Environment
A2.3	Description of energy use efficiency initiatives and results achieved	Environment
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Environment
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	N/A
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	Environment
A3.1	Description of the significant impacts of business activities on the environment and natural resources and the actions taken to manage them	Environment

APPENDIX I — CONTENT INDEX OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Aspect	Description	Place/notes
B. Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to remuneration and dismissal, recruitment and promotion, working hours, vacations, equal opportunities, diversity, anti-discrimination and other benefits and welfare	Staff
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	Staff
Aspect B3: Development and Training		
General Disclosure	Policies on the improvement of knowledge and skills for employees to perform their duties. Description about training activities	Staff
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	Staff
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	Market
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Market
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	Market
Aspect B8: Community		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its business activities will take into consideration the communities' interests	Community