

CAPITAL GRAND

BEIJING CAPITAL GRAND LIMITED

首創鉅大有限公司

Incorporated in the Cayman Islands with limited liability

STOCK CODE : 1329

2020 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



CONTENTS

I.	About the Report	2
II.	Environmental, Social and Governance Framework	3
	(I) ESG Strategies	3
	(II) ESG Governance Structure	4
III.	Stakeholders Engagement and Identification of Major Issues	5
	(I) Main Stakeholders	5
	(II) Identification of Material Issues	6
IV.	We Actively Takes Action to Deal with the Epidemic	10
	(I) Attach Importance to Epidemic Prevention and Control, and Take Multiple Measures to Prevent Spread	10
	(II) Guarantee the Basic Needs of People's Livelihood and Actively Assume Social Responsibilities	13
	(III) Working Together to Respond, Member Companies Actively Support the Anti-epidemic	13
	(IV) Fully Invest in the Resumption of Operation and Production to Help the Smooth Operation of the Local Economy	16
	(V) Anti-epidemic Honors	19
V.	Services: Customer-centric Sunny Warm Services	20
	(I) Pursue the Best and Improve Shopping Experience Wholeheartedly	20
	(II) Customer First, Listen Carefully to Customers' Voice	24
	(III) Embrace Innovation and Build Better Digital Outlets	31
VI.	Employees: Our Operations Carries Employees' Dream-building Journey	33
	(I) Comprehensive HR System to Protect Employees' Rights and Interests	33
	(II) Systematic Training System to Pave the Way for Employees' Growth	38
	(III) Diversified Management Measures to Protect Employees' Physical and Mental Health	42
VII.	Partners: Work Together for a Win-win Situation, and Go Along with Us	44
	(I) Cooperation with Tenants: Proactive Empowerment and Mutual Benefits	44
	(II) Cooperation with Suppliers: Standardize Management and Make Progress Together	45
VIII.	Community: Prosper together and Create a Better Future for Community	48
	(I) Caring for Residents and Supporting the Needs of Community	48
	(II) Going deep into Community and Supporting Local Employment	51
	(III) Showing Folk Customs and Promote Traditional Culture	51
	(IV) Giving Back to Society and Insist on Public Welfare of Brand	52
IX.	Environment: Start with Me and Protect Green Waters and Mountains Together	54
	(I) Adjust Measures to Local Conditions to Build Green Outlets	54
	(II) Adhere to the 5S Concept and Develop Green Office	61
	(III) Identify Risks and Respond to Climate Change	67
	(IV) Environmental Performance Data	67
X.	Compliance: Responsible Operation and Actively Build Social Integrity	72
	(I) Integrity and Justice, and Building a Sunshine Enterprise	72
	(II) Compliance Operation and Protection of Intellectual Property Rights	74
	(III) Standardize Marketing and Manage Advertising Signs	74
XI.	Conclusions	75
	Appendix — Content Index under the Environmental, Social and Governance Reporting Guide	76

I. ABOUT THE REPORT

INTRODUCTION TO THE REPORT

This report aims to provide the management philosophy of Beijing Capital Grand Limited (“Beijing Capital Grand”, the “Company” or “us”, together with its subsidiaries, the “Group”) in environmental, social and governance (“ESG”) and its ESG performance for the year ended 31 December 2020. Unless indicated otherwise, the coverage of this report is consistent with that of the annual report. This report should be read in conjunction with the section “Corporate Governance Report” in the Annual Report 2020 of Beijing Capital Grand Limited.

COVERAGE PERIOD

Unless indicated otherwise, this report covers the period from 1 January 2020 to 31 December 2020.

SCOPE

The Company prepared the ESG Report of Beijing Capital Grand Limited (the “Report”) to comply with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) in relation to information disclosure. The Report has taken into account the key concerns of the stakeholders of Beijing Capital Grand and the business characteristics of our Company, as well as its ESG management concepts and related performance in 2020.

REFERENCE TO THE GUIDE

In respect of content, the Report complies with the ESG Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, with a content index set forth in the appendix of the Report.

REPORTING PRINCIPLES

Materiality: We have carried out stakeholders engagement and identification of major issues, and conducted the definition of report content and scope with reference to the identification results. For details, please refer to “Stakeholders Engagement and Identification of Major Issues”.

Quantitative: The scope of data and calculation methods employed in the Report have been indicated herein.

Consistency: Unless indicated otherwise, the methodology used to prepare the Report is consistent with last year.

CONFIRMATION AND APPROVAL

The Report was approved by the board of directors on 24 March 2021.

II. ENVIRONMENTAL, SOCIAL AND GOVERNANCE FRAMEWORK

(I) ESG STRATEGIES

Sustainable development is an important issue in the development of human society. The Group regards sustainable development as a key element of its business strategy and endeavors to integrate social and environmental responsibilities into its daily management, development of business, products and services and other practices by combining ESG work with the Group's strategies. To this end, Beijing Capital Grand is committed to operating in an environmentally, socially and economically responsible manner, and also committed to:

Innovative services to improve quality

- Continuing to improve service standards, to provide consumers with professional, high-quality and responsible products and services;
- Continuing to promote and encourage service innovation, and fully expanding the depth and breadth of consumer operations through digital transformation, the all-time-space connection reconstruction between physical retail and consumers;
- Providing consumers with multiple channels to express feedback about products and services, and make quick and fair responses.

People-oriented and value sharing

- Paying attention to employees' growth and continuously improving the training system;
- Creating a fair, diverse, inclusive, healthy and safe working environment;
- Understanding employees' demands and protecting their legal rights and interests.

Hand in hand to build brand

- Developing together with partners, supporting each other, sharing same fate and future;
- Continuously optimizing the content, form and environment of services, to provide efficient and convenient services for tenants;
- Paying attention to the skill training of sales personnel of tenants, to improve the overall service level;
- Paying attention to suppliers' own environmental and social performance, and encouraging suppliers to improve their environmental and social risk management standards.

Energy saving and consumption reduction, and environment sharing

- Continuing to promote the environmental performance of the Group, to comply with or exceed applicable environmental laws, regulations and standards;
- Identifying and responding to the impact of climate change;
- Integrating green concepts into product design and services;
- Encouraging energy conservation and emission reduction, to improve energy efficiency.

Empower community with the responsibilities of state-owned enterprise

- Consciously assuming the responsibilities of state-owned enterprises and helping local economic and social development;
- Empowering local communities and creating sustainable value for local economy;
- Persisting in public welfare activities of brand and giving back to the society with practical actions.

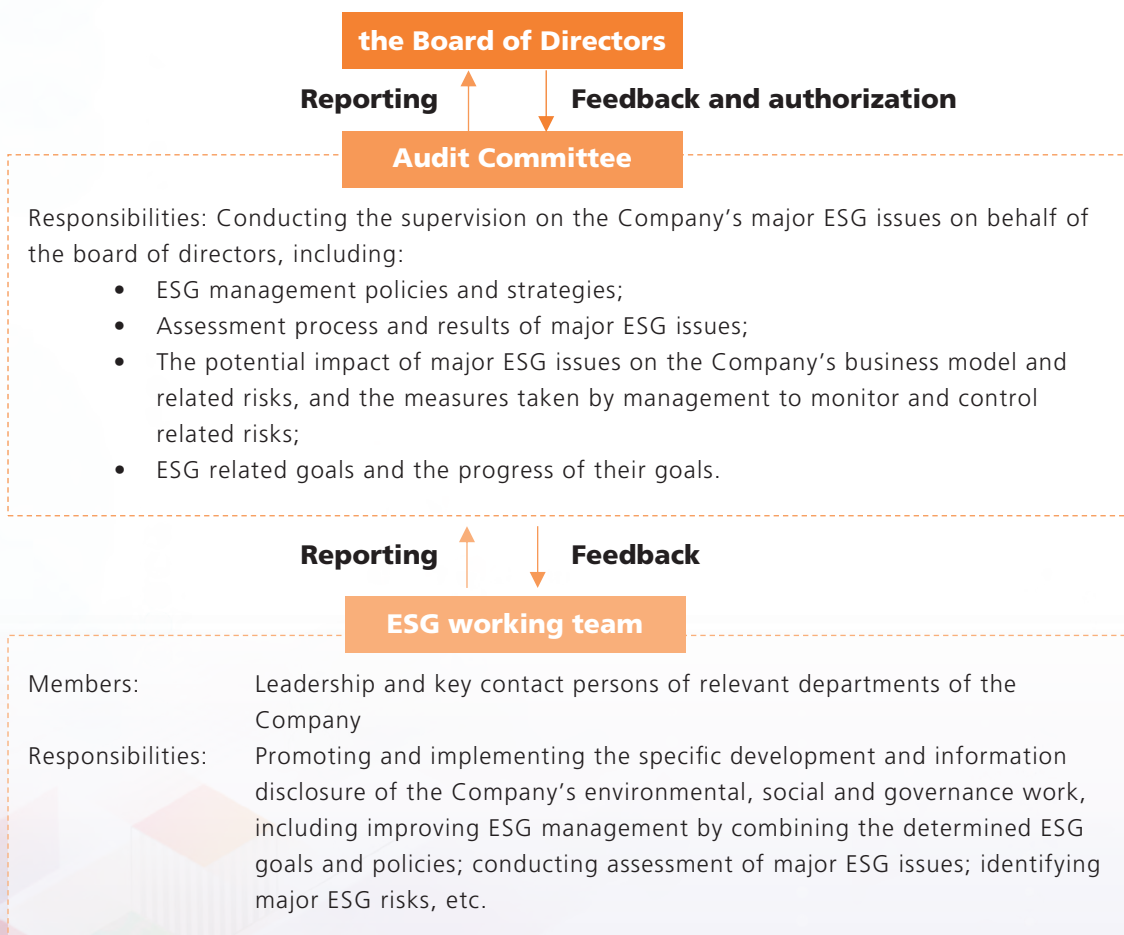
Lean operation and healthy development

- Creating an honest and healthy corporate culture with anti-corruption, anti-fraud and anti-unfair competition;
- Protecting data security and maintaining consumer privacy;
- Continuing to promote the protection of intellectual property rights and the management of advertising and publicity, to comply with the requirements of environmental, social and governance laws and regulations to corporates, and operate in a responsible manner.

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

(II) ESG GOVERNANCE STRUCTURE

In order to better carry out ESG management, we have established an ESG governance structure covering governance, management, and executive levels. The board of directors is responsible for providing guidance and supervision for the Company's ESG work, and an ESG working team composed of the Company's management and the contact persons of ESG-related departments is responsible for the promotion and implementation of ESG matters.



III. STAKEHOLDERS ENGAGEMENT AND IDENTIFICATION OF MAJOR ISSUES

(I) MAIN STAKEHOLDERS

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

Stakeholders	Major Concerns/Expectations	Channels for Communication and Capital Grand to Response
Investors/shareholders	Internal corporate governance; compliance with laws and regulations; epidemic prevention and control; innovative development; digital transformation.	Shareholders meetings; annual and interim reports; results announcements; corporate announcements.
Government and regulatory authorities	Compliance with laws and regulations; epidemic prevention and control; innovative development; environmental protection and resource use, low-carbon development; service quality; safety of shopping malls; community contribution.	Visits; correspondences; field trips; relevant meetings; information disclosures.
Employees	Epidemic prevention and control; innovative development; service quality control; protection of employees' basic rights and interests; safety of shopping malls.	Employee surveys; employee internal communication meetings; corporate internal announcements; employee feedback mechanism; questionnaires.
Suppliers	Epidemic prevention and control; innovative development; suppliers' environmental and social risk management; service quality; safety of shopping malls.	Supplier assessment system; supplier meetings; negotiations on strategic cooperation.
Cooperative tenants	Epidemic prevention and control; innovative development; service and product quality control; digital transformation.	Tenant management system; cooperative negotiation; tenant support services.

Stakeholders	Major Concerns/Expectations	Channels for Communication and Capital Grand to Response
Consumers	Epidemic prevention and control; product and service quality; innovative development; safety of shopping malls; environmental protection and resource use.	Consumer satisfaction surveys; activities for giving back to consumers; daily operations/ communication; service complaint and response mechanism.
Residents in community	Epidemic prevention and control; community contribution; environmental protection and use of resources.	Community activities; public welfare activities; social services support projects; daily operations /communications.

(II) IDENTIFICATION OF MATERIAL ISSUES

Through continuous communication with stakeholders and conducting assessments of material issues, we identify ESG issues that are important or relevant to the Company and its stakeholders. These important or related issues often change with changes in the business environment and stakeholder expectations, hence we regularly understand demands from various stakeholders through a variety of channels such as special questionnaires to identify ESG issues that are important to both the Company and stakeholders in the current business environment. At the same time, based on the identification of material issues and analysis results, we determine the content of the Report to help stakeholders better understand the Company's ESG performance.

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

Step 1: Identification

To review ESG issues, and list a range of potential ESG-related issues based on the social and economic environment, the importance of each issue to the industry in which the Company operates and the opinions of various departments within the Company.

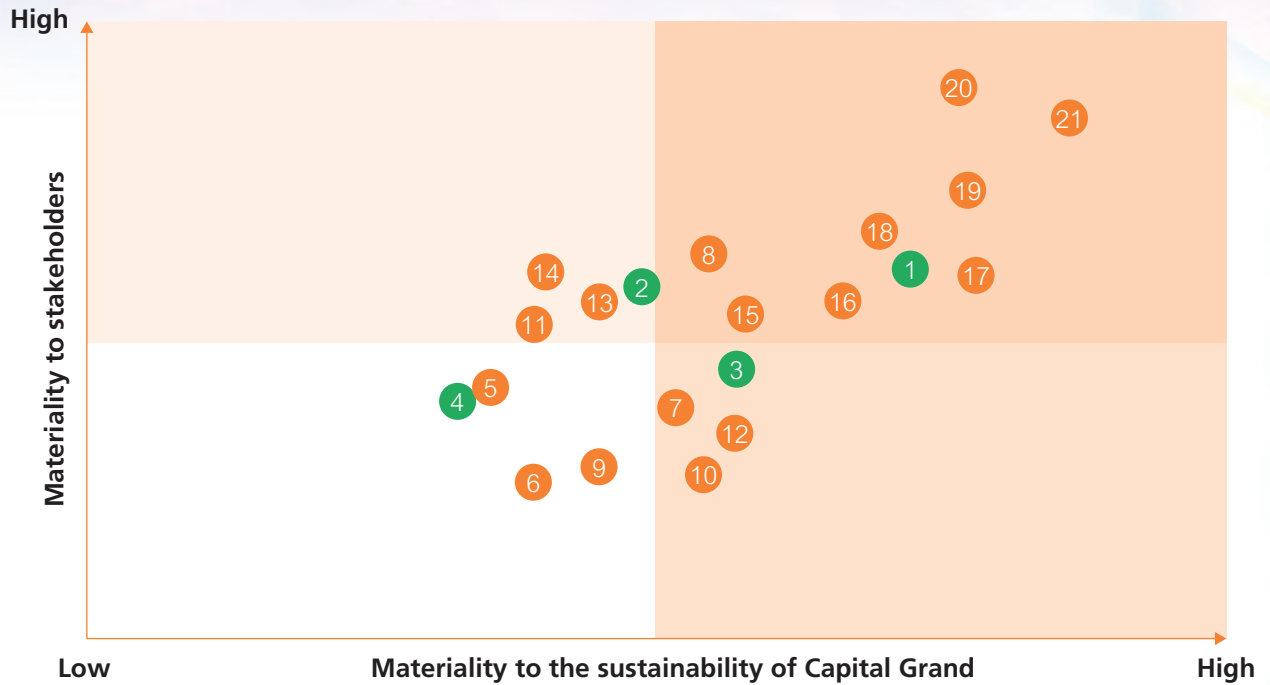
Step 2: Assessment

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

To assess the relevance and materiality of each issue with reference to the identification of material issues by peer companies and the current status of the Company's management.

Step 3: Confirmation

To comprehensively consider the stakeholders' survey results and peer companies' analysis to identify material ESG issues, and confirm with the Group's senior management to ensure that the assessment results are in line with the characteristics of and development status on the business of Capital Grand.



Legend for importance matrix

1 Resource conservation	8 Data security	15 Community contribution
2 Protection of ecology and natural resources	9 Production safety of construction projects	16 Product quality
3 Reduction of pollutant emissions	10 Supply chain environmental and social risk management	17 Digital transformation
4 Climate change	11 Labor standards	18 Safety of shopping malls
5 Integrity building	12 Protection of employees' rights and interests	19 Service quality
6 Advertising compliance	13 Employee safety and occupational health	20 Epidemic prevention and control
7 Protection of intellectual property rights	14 Employee development and training	21 Innovative development

● Environmental indicators ● Social indicators

2020 was a special year. The Covid-19 epidemic has had a material impact on the global society and economy. The epidemic prevention and control has become the focus of attention of the whole society, while the online economy and digital transformation have received more attention. The impact of changes in the external environment is also reflected in the identification results of the Company's ESG material issues. In this year, we reviewed potential ESG issues based on the latest changes in society and economy, and re-confirmed the matrix of ESG material issues based on communication with stakeholders. The major issues we identified include: innovative development, epidemic prevention and control, service quality, safety of shopping malls, digital transformation, product quality, and resource conservation. The secondary major issues we identified include: community contribution, data security, protection of employees' rights and interests, protection of ecology and natural resources, reduction of pollutant emissions, employees' safety and occupational health, employees' training and development, labor standards, suppliers' environmental and social risk management, protection of intellectual property rights. Other relevant issues include: production safety of construction projects, integrity building, advertising compliance, and measures to deal with climate change. Based on the identification and analysis results to ESG material issues this year, combined with the ESG strategies of Beijing Capital Grand, we have set up the work direction for this year.

Major Issues	Major Stakeholders Involved	Work Direction in This Year
Innovative development	Investors/shareholders, government and regulatory authorities, employees, suppliers, cooperative tenants, consumers, residents in community	Actively carry out innovative activities in the field of operation and management to improve internal management efficiency, and to better meet market needs.
Epidemic prevention and control	Investors/shareholders, government and regulatory authorities, employees, suppliers, cooperative tenants, consumers, residents in community	Attach importance to epidemic prevention and control, and actively deploy and carry out epidemic prevention measures in office spaces, commercial areas and leased stores; Provide employees with necessary anti-epidemic materials; Help suppliers, tenants and other business partners to overcome the difficulties of epidemic together.
Service quality, product quality, safety of shopping malls	Government and regulatory authorities, employees, suppliers, cooperative tenants, consumers	Actively review the status of tenant qualification control and optimize the product quality control system; Continue to pay attention to consumers' shopping experience and protect consumers' rights from infringement; Pay attention to the safety management of shopping malls and provide consumers with a safe shopping environment.

Major Issues	Major Stakeholders Involved	Work Direction in This Year
Digital transformation, intellectual property protection	Investors/shareholders, suppliers, cooperative tenants, employees	Deeply develop digital Outlets, carry out digital transformation, and comply with the industry development trend of "Internet + retail"; Pay attention to the protection of intellectual property rights.
Resource conservation, protection of ecology and natural resources, reduction of pollutant emissions	Government and regulatory authorities, consumers, residents in community	Continue to promote the implementation of internal environmental protection concepts; Create green office environment; Take measures to improve the use efficiency of shopping mall resources; Actively reduce the environmental impact from business activities.
Employees' rights protection, employees' safety and occupational health, employees' training and development, labor standards	Investors/shareholders, employees, government and regulatory authorities	Continue to promote the development and growth of employees; Continue to provide a fair, competitive and highly transparent reward and punishment mechanism; Continue to pay attention to and respect human rights, diversity and equal opportunities; Pay attention to employees' health and provide employees with a safe working environment.
Suppliers' environmental and social risk management	Government and regulatory authorities, suppliers, cooperative tenants	Continue to build a fair, transparent and orderly supplier access, selection and management system; Promote suppliers to increase their attention to environmental and social risks, and encourage suppliers to conduct environmental and social risk management.
Community contribution	Government and regulatory authorities, residents in community	Actively carry out social welfare activities; Invest in educational, cultural and other activities in surrounding communities of our operations.

IV. WE ACTIVELY TAKES ACTION TO DEAL WITH THE EPIDEMIC

2020 was an extraordinary year. The outbreak of the Covid-19 epidemic has had a material impact on global economic development and people's daily lives. Under the normalized situation of epidemic prevention and control, Beijing Capital Grand is inevitably affected in many aspects. The Company has actively responded to changes and actively sought changes, and adhered to the epidemic prevention and control work and actively assumed corporate's social responsibilities while seeking more benefits for shareholders.

(I) ATTACH IMPORTANCE TO EPIDEMIC PREVENTION AND CONTROL, AND TAKE MULTIPLE MEASURES TO PREVENT SPREAD

The health of customers and employees is undoubtedly our top priority. After the outbreak of the epidemic, we quickly established a leading team for epidemic prevention and control, and took multiple measures to carry out epidemic response work. Up to now, none of our employees, counter shopping guiders of our outlets ("Outlets") and their family members were infected.

Facing the sudden epidemic, the Company released the "Notice of Beijing Capital Grand on the Emergency Response Plan for the Prevention and Control of Major Infectious Diseases" as soon as possible to implement the work deployment of government authorities on epidemic prevention and control, and fully implement our responsibilities for epidemic prevention and control. During the critical period of epidemic prevention and control, the Company issued the "Guidelines of Beijing Capital Grand for the Implementation of Emergency Legal Practices of Various Contracts during the Epidemic Period" in accordance with the current national laws and regulations and in conjunction with relevant judicial practices, to guide the performance and implementation of various signed contracts during the epidemic prevention and control period.



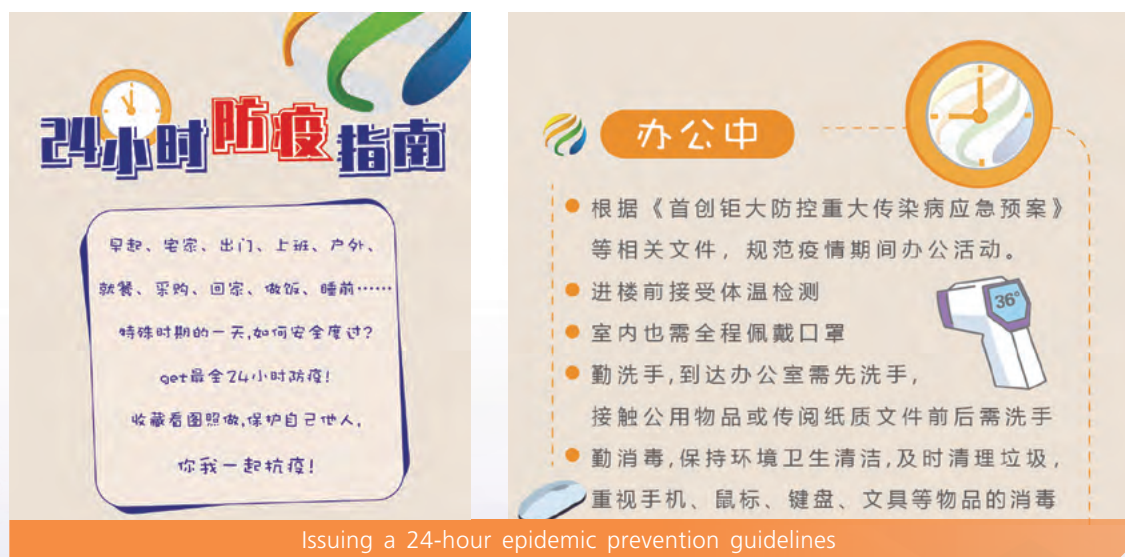
Measuring body temperature



Distributing epidemic prevention leaflets

Capital Outlets are important commercial shopping places for local community residents. On the one hand, we urgently launched an emergency work plan; on the other hand, we also know that we need to assume social responsibilities and consider the needs of local residents. Therefore, the project companies of Capital Outlets communicated with relevant regional government agencies immediately after the outbreak, fully cooperated with local epidemic prevention work, and temporarily closed or continued to operate some projects in accordance with policy requirements to protect people's livelihood needs. For continuous operating projects, we have respectively established special epidemic prevention working teams in project companies and formulated complete disinfection and epidemic prevention measures, including: daily disinfection to all areas, especially increase the frequency of disinfection in the office area, elevators, toilets and other densely crowded spaces; set up disposal points for discarded masks, and carry out clear marking and guidance; carry out epidemic prevention training to ensure that every on-site employee is familiar with self-protection methods and epidemic prevention work procedures; and provide hand sanitizer and other disinfectants in shopping area, and post warm notices of scientific epidemic prevention, etc. For temporarily closed projects, we also insist on disinfecting public areas on a daily basis.

We are always concerned about the health and safety of all employees of Beijing Capital Grand. Even during the CNY holiday, we insisted on sending and disseminating the epidemic-related information to employees through various channels such as Wechat official accounts and work groups, and to understand employees' health conditions and their material needs on a daily basis. During the epidemic period, Beijing Capital Grand gradually improved and fully implemented the employee health tracking system. We conducted comprehensive monitoring on each project company, transmitted and popularized epidemic information to employees from multiple angles, and collected employee status and information through multiple channels, on the basis of 2 to 3 times of reporting a day and layer by layer communication, and none of our more than 1,200 employees have missed to communicate. Through these small mobile screens, we conveyed caring of each other, expressed concern with lines of greetings, and practiced our determination to fight the "epidemic" together with repeated safe reports.



Issuing a 24-hour epidemic prevention guidelines

On the front line of the anti-epidemic, Wuhan Capital Outlets established a proprietary control policy

At the front line of the epidemic, Wuhan Capital Outlets quickly implemented its emergency response strategies after the outbreak of the epidemic. The general manager of Wuhan company and some colleagues stayed in Wuhan during the epidemic and deployed various epidemic prevention measures. On the basis of the epidemic prevention system of the Company, by combining with the requirements of the local government, Wuhan Capital Outlets has formed a proprietary control policy in line with its actual situation that includes project brand owners and shopping guiders. A total of 20 employees gave up returning to their hometowns, and 22 employees stayed at the front line. Even those who isolated at home cheered each other up in the work group, highlighting the dedication and unity spirit of Beijing Capital Grand. According to the proprietary control policy, Wuhan company has cleaned and disinfected operating properties and office areas no less than 4 times a day, and inspected equipment no less than 3 times per shift. In order to understand the health status of employees in a timely manner, Wuhan company has conducted daily inspections on employees' returning home, to grasp their activity trajectory and epidemic prevention dynamic information, and strictly implement the prevention and control requirements of "early detection, early isolation and timely reporting".



The challenges faced by Wuhan Capital Outlets also affect the hearts of all member of Beijing Capital Grand. The head office of the Company promptly organized available resources to find epidemic prevention materials through multiple channels, and firstly issued special funds and materials to Wuhan company and provided necessary support. Up to now, none of the employees, tenants, shopping guiders of Wuhan company and their family members have been diagnosed.

(II) GUARANTEE THE BASIC NEEDS OF PEOPLE'S LIVELIHOOD AND ACTIVELY ASSUME SOCIAL RESPONSIBILITIES

In the face of the epidemic, we actively responded to the government's call and insisted on being on the front line of ensuring people's livelihood needs. In order to meet the purchasing needs of local residents, the Capital Outlets projects in Beijing, Kunshan, Xi'an and other cities insisted on operating supermarkets, pharmacies and other livelihood businesses to protect the needs of local residents. We not only ensure that our supermarkets have a rich variety of commodities, but also strictly control prices to meet the needs of citizens; our pharmacies continue to operate to ensure the health of citizens; and our department stores have sufficient goods to meet the daily consumption needs of citizens. In addition, we launched online shopping in time to provide consumers with multiple channels of consumption options.

Beijing Capital Outlets stuck to the front line with brave responsibility

In order to achieve normal operation during the epidemic, the management of Beijing Capital Outlets held meetings on the first and second day of the Chinese Lunar New Year to arrange works and solve problems. Not only that, from the project management to the middle level and to the grassroots level, all employees gave up their holidays, guided the business operations of tenants, solved the difficulties of tenants, relieved the psychology of tenants, and carried out disinfection and epidemic prevention work on the shopping malls during such special period, to protect the health of every consumer. The management staff of Beijing Capital Outlets provided meticulous supervision and assistance to the tenants. From how to use masks, how to disinfect stores, to the food, clothing, and daily life of tenant staff, and to the supply of people's livelihood products, the management staff provided assistance and management for them one by one.

In the face of a fierce new round of the epidemic, Beijing Company responded calmly with keenness and urgency. Before the emergency response level was announced to be adjusted by Beijing Municipal Government to Level 2, the Company required further strengthening of epidemic prevention and control: closing open catering stalls, conducting traceability investigations on all food and beverage ingredients, conducting comprehensive disinfection every 2 hours in the shopping mall, increasing the frequency of air-conditioning disinfection, closing some entrances/exits of the shopping mall, strengthening security staff to strictly measure body temperature, and requiring all personnel must wear a mask and show a health QR code before entering the shopping mall and other measures.

(III) WORKING TOGETHER TO RESPOND, MEMBER COMPANIES ACTIVELY SUPPORT THE ANTI-EPIDEMIC

During and after the spread of the Covid-19 epidemic, numerous stories of actively supporting the fight against the epidemic emerged within the Group.

At the most urgent moment when the epidemic spreading across the country, we actively entered the community to fight the epidemic

In February 2020, at the most urgent moment when the epidemic spreading across the country, Beijing Capital Grand dispatched eight employees to support the epidemic prevention in four communities in Changyang Town, Fangshan District, Beijing. Our epidemic prevention work in these communities lasted 94 days, and the work came to a successful conclusion on 1 June. During several months of front-line anti-epidemic works in communities, our colleagues have come forward as "pioneers", standing guard, measuring body temperature, sorting out accounts, making files, entering homes, disinfecting and sterilizing, removing garbage and delivering express items. In these three months, they have been on 24-hour duty regardless of rain or shine and holidays, and have done well on security and defense for more than 10,000 residents in four communities, helped the communities solve their difficulties, and contributed to the battle against the epidemic in Beijing.



The first batch of eight employees entered the community to fight the epidemic

During the second round of the epidemic in Beijing, Beijing Capital Grand dispatched once again six employees to the communities of Changyang Town, Fangshan District, Beijing, to help the communities prevent the epidemic by entering the communities as a support force and actively participating in the forefront of the epidemic prevention and control battle. These six colleagues have done their best to carry out various work of epidemic prevention and control, including standing guard, measuring body temperature, promoting publicity, checking passes, registering personnel, and guiding the residents in community. Even in the hot summer, no one proposed to take a break. They actively cooperated with the organization and arrangements, and did their best to assist the communities in epidemic prevention. Their activities moved the residents of the community very much and received wide acclaim from the masses.



The second batch of six employees entered the community to fight the epidemic



“Donating blood to fight the epidemic, and making concerted efforts to donate love” — Hefei Company organized a voluntary blood donation activity

Affected by the Covid-19 epidemic, the blood bank in Wuhan is in a hurry, and the clinical use of blood has become increasingly tight. In order to alleviate the current shortage of clinical blood in neighboring provinces, the Party branch of Hefei Company issued a voluntary blood donation initiative of “Donating blood to fight the epidemic, making concerted efforts to donate love, and donating blood for charity” to employees in late March 2020. After issuance of the initiative, many employees responded positively, and signed up for participation in the first time. Due to the special period of the epidemic, in order to avoid crowds gathering, Hefei Company arranged the blood donation event to be held at the south entrance of the shopping mall with an open space and good ventilation. In accordance with the requirements of blood collection work, the donation was carried out in batches while doing personal protection and collective protection well. This event was to fulfill the corporate responsibility for epidemic prevention while practicing public welfare.



Hefei Company organized a voluntary blood donation

In addition, we did our best to pay tribute to medical workers on the front line of the epidemic. After the resumption of operation and production, a number of Capital Outlets projects launched special preferential activities for medical workers to thank for their dedication in the fight against the epidemic.

"National Health, Because of Your Participation" — Kunshan Capital Outlets provided special discounts for medical workers

Combining the thanksgiving theme of Mother's Day and Nurse's Day, Kunshan Capital Outlets held a grateful event from 1 to 17 May 2020, in which the front-line medical workers can receive a consolation money of RMB200 (available for use after spending over RMB1,000) by presenting their work permits and valid IDs in site and registering member/GrandMAX member.

From 8 to 10 May, female medical workers can receive an additional consolation money of RMB100 (available for use after spending over RMB800) by presenting their work permits and valid IDs, and enjoy 10% and 20% off for two and three items of women's clothing and underwear in the shopping mall.

"Saluting to White-robed Angels" — Hefei Capital Outlets provided a grateful discount for medical workers

On 12 May, the "Nurse's Day", Hefei Capital Outlets held a "Saluting to White-robed Angels" event, in which medical workers can enjoy a special grateful discount with certificates, and a gift will be given for a cumulative consumption of RMB512.

(IV) FULLY INVEST IN THE RESUMPTION OF OPERATION AND PRODUCTION TO HELP THE SMOOTH OPERATION OF THE LOCAL ECONOMY

Support tenants to overcome difficulties

We have always regarded tenants as important partners for growth together, and adhered to the determination and confidence of "sharing same fate and future with tenants, and jointly fighting the epidemic, prospering the market, and serving the people's livelihood". Affected by the Covid-19 epidemic, Capital Outlets and the tenants operating in Capital Outlets have suddenly encountered major difficulties. The Company has chosen to work with its tenants to help each other and overcome the difficulties together. Beijing Capital Grand provided rental-free, free deduction rate, free property fee, free promotion fee and other preferential policies for more than 3,000 cooperating brand tenants in 12 Outlets projects across the country, with a time span of 38 days from 23 January to 29 February.

Under the premise of strengthening daily epidemic prevention and control, ensuring people's livelihood and consumer safety, Capital Outlets also strengthened the refined operation of shopping malls and the marketing and promotion efforts. In addition, it carried out live streaming on major online platforms, to provide the strongest support for tenants to quickly resume sales during the epidemic.

Orderly resumption of operation and production

In order to support the stable operation of local economy in the post-epidemic era, while actively carrying out epidemic prevention and control work, we have also resumed operation and production, and spared no efforts to prevent risks, protect safety, and maintain stability. We earnestly implemented the "four-party responsibilities" of regions, departments, units and individuals. By strengthening the 24-hour emergency duty and communication mechanism, we have comprehensively conducted self-protection and self-inspection, and created a sense of security for our employees by practical actions. We have also coordinated in-depth inspections with local governments, strengthened internal epidemic prevention and control management and other measures, and steadily achieved scientific and orderly resumption of operation.

With firm convictions and missions on shoulders, together with unity and concerted efforts of our employees, in the face of the examination of epidemic prevention and control as well as resumption of operation and production, we will definitely win this war without gunpowder.



Issuing precautions for epidemic prevention and control

Promote the scientific and orderly resumption of Wuhan Outlets project through multiple measures

On 2 April 2020, Wuhan Capital Outlets finally ushered in its re-opening. During more than 70 days of operation suspension, all employees of Wuhan Company have been promoting the project to resume operations in an orderly manner while fighting the battle against the epidemic. During the epidemic period, Wuhan Company compiled the "Essential Knowledge and Learning Materials for Covid-19 Prevention of Wuhan Company" and distributed to all employees for study and cloud examination, with a passing rate of 100%. Wuhan Capital Outlets has set up a mobile contact group for employees to return to Wuhan to resume work and assisted employees outside Wuhan to go through the procedures for returning to Wuhan; and also issued resumption certificates for employees to ensure that they return to work smoothly.

Wuhan Capital Outlets is one of the first commercial projects in Wuhan to re-open for business. After the resumption of operation, in addition to the routine standardized prevention and control measures, the epidemic prevention management work of Wuhan Capital Outlets focuses on:

- Managing entrances: The two entrances/exits of the shopping mall have been equipped with 6 employees to check health QR codes of customers, measure temperature one by one, and register in the information sheet;
- Controlling blind spots: The shopping mall has insisted on a full range of disinfection every 3 hours, and set up 30 waste mask recycling bins and 2 temporary isolation points;
- Heart-warming measures: The shopping mall has provided entering customers with free disposable medical masks, as well as hand sanitizers in key public areas and special disinfection tissues in elevators.

After the resumption of operation, Wuhan Capital Outlets has adopted a variety of measures to supervise and urge epidemic prevention, aiming to bring customers a practical and safe shopping experience.



(V) ANTI-EPIDEMIC HONORS

From 3 to 4 September 2020, the “Boosting Consumption, Co-creation and Win-Win-2020 China Shopping Mall and Chain Brand Development Summit” (提振消費、同創共贏 — 2020中國購物中心與連鎖品牌發展峰會) hosted by China Chain Store & Franchise Association (“CCFA”) was grandly held in Shanghai. As an annual major event in the domestic commercial property field, this event brought together more than 2,000 authoritative scholars, domestic top shopping malls and chain brand celebrities to talk about the future of the industry. During the event, “CCFA Golden Lily Award” awarding ceremony, the most important and influential in China’s retail industry, was held at the same time. Beijing Capital Outlets and Wuhan Capital Outlets won the CCFA Golden Lily Best Practice Five-star Case Award for Shopping Malls in Fighting the Epidemic (CCFA金百合購物中心抗擊疫情最佳實踐五星案例大獎) and the Best Marketing Practice Five-star Case Award (營銷最佳實踐五星案例大獎), respectively.



V. SERVICES: CUSTOMER-CENTRIC SUNNY WARM SERVICES

Beijing Capital Grand cherishes every consumer who visits its shopping malls, and is committed to creating a safe and comfortable shopping environment for them and providing them with a quality and assured shopping experience. The Company strictly abides by the Product Quality Law of the People's Republic of China (《中華人民共和國產品品質法》) and the Consumer Rights Protection Law of the People's Republic of China (《中華人民共和國消費者權益保護法》) and other laws and regulations related to the products and services and privacy matters of the Group's business, and continue to identify and follow up the update status of relevant laws and regulations. During 2020, the Company was not aware of any incident that violated product and service quality, customer privacy protection, consumer rights protection and other product liability laws and regulations and have a significant negative impact on the Company.

(I) PURSUE THE BEST AND IMPROVE SHOPPING EXPERIENCE WHOLEHEARTEDLY

Strict product management, so that consumers can buy with confidence

"Bring the world to you" is the ultimate promise of Capital Outlets brand. We integrate project surveys, market research, positioning planning and other professional methods to finely plan and accurately expand domestic and foreign retail and catering brands. In order to ensure that consumers can purchase high-quality, healthy and safe products in the malls of Capital Outlets, the Company insists on strict screening of cooperative tenants on the basis of fair investment attracting, so that consumers can buy with confidence.

Our management measures:

- Priority is given to branded direct-sale stores, to create the overall advantages of authentic goods, reasonable prices, thoughtful services and stable supply;
- Priority is given to tenants with the required qualifications and the highest channel level based on the order of general agent, regional agent, and franchisee if it is temporarily unable to introduce brand direct-sale stores;
- Cooperative tenants for catering business are required to provide catering service licenses, health certificates of practitioners, etc. when signing contracts, and strictly abide by the environmental and sanitation standards set out in the Operation Management Work Manual (《運營管理工作手冊》) of the Company during operations, and accept irregular inspections and corrective measures;
- The self-operated stores of Beijing Capital Grand insist on purchasing from the official channels of brands, guaranteeing the authenticity from the source of goods, and formulating the product defect inspection system stricter than common market standards, and urging third-party tally companies to strictly abide by it.

In 2020, the Company's self-operated products have not been recalled due to health or safety reasons. In the event of a recall of a cooperative brand, we will also fully cooperate with the brand in its work.

Establishing a database of brand licensing chain to lead the development of the industry

The Company attaches great importance to the potential risks in the cooperation of outlets commercial brands, and continuously improves the qualifications of tenants and product quality control capabilities to protect the legitimate rights and interests of consumers and the Company. In the localization process of outlets operations, due to the complicated licensing hierarchies of famous foreign brands, it is difficult to control the risk of counterfeit goods, which has become a major pain point in the domestic outlets industry.

In order to effectively control risks, further improve the Company's management level of the brand licensing chain, explore brand value, lock brand resources, prevent trademark infringement risks, and realize the digitalized and dynamic management of the Company's commercial brand resources, in 2020, the Company established a database of brand licensing chain using big data technology, and issued the "Application Guidelines for Database of Brand Licensing Chain" (《品牌授權鏈數據庫應用指引》) to guide practical applications, so as to ensure the validity, completeness and legitimacy of brand licensing qualifications and protect the reputation of state-owned enterprises.

Through establishing a database of brand licensing chain, the Company has integrated the tenants attracting system of Capital Outlets into a whole, improved the efficiency of contract review, and completed the Company's brand business development efficiently and quickly. At the same time, benefiting from the establishment of the database, the Company can compare and identify the licensing status of the same brand to ensure the authenticity and validity of the brand licensing, so that relevant personnel can find problems in time and trace the source of risk. This measure has established relevant standards in the industry and has inspired the overall development of the industry.

During the operation of the database of brand licensing chain, the Company conducts joint brand licensing inspections from time to time, mainly for the validity, completeness, authenticity of the brand licensing qualification materials and the daily management and control of the brand licensing qualification materials of the first-line companies. The joint inspection provides a basis for the Company to continuously improve the relevant system, aiming to provide our consumers with genuine products at fair prices.

Optimizing shopping experience, and providing spring-like services

We focus on guaranteeing and continuously improving the service quality of Capital Outlets, and giving consumers a spring-like shopping experience. In 2020, we formulated rules, regulations and management measures such as the Management Measures for Stores and Goods of Beijing Capital Grand Commercial Projects (Trial) (《首創鉅大商業項目店鋪貨品管理辦法（試行）》), the Guidelines for the Preparatory and Operational Standards of Beijing Capital Grand Commercial Projects (《首創鉅大商業項目籌備運營規範動作指引》), the Management Measures and Scoring Standards for Operation Inspection of Beijing Capital Grand Commercial Projects (Trial) (《首創鉅大商業項目運營巡查管理辦法及評分標準（試行）》), to promote the refined management of goods and store services, and urge outlets in various regions to implement service inspection systems, so that consumers can enjoy shopping more comfortably.

In addition, combining with the actual operation of outlets in various regions, we continue to improve the content of the Operation Management Manual (《運營管理手冊》) and implement customer service standards and shopping guider reception service standards. By carrying out relevant training and competitions for customer service staff and shopping guiders, we have strengthened the service awareness and professional quality of customer service staff and shopping guiders.

In terms of property design and management, Beijing Capital Grand continues to add humane elements to make our consumers feel the spring-like warmth. Under the situation of epidemic prevention and control, in order to reduce the contact between people in public places, the public toilets in future new projects of Beijing Capital Grand will use sensor faucets. This requirement has also been written into the internal control design standards, and is being promoted to other existing projects.

Our measures:

- The outdoor block of Kunshan Capital Outlets is designed with a fog forest system to reduce the perceived temperature of the open block in summer;
- The public toilet area is designed with maternity and infant rooms, barrier-free toilets, parent-child toilets and special sanitary ware for children;
- The number of toilets and sanitary ware are equipped beyond the national standards, and each toilet is installed with squatting pans and toilet bowls to meet the different needs of consumers.

We not only pursue to provide consumers with the best shopping experience, but also actively innovate business formats and explore the provision of one-stop leisure services in combination with the experiential and diversified trends of the consumer market. Capital Outlets projects in Beijing and Nanning, by combining traditional shopping malls and outlets, introduced various types of tenants such as supermarkets, cinemas and sports brand flagship stores to better meet the needs of different groups of consumers. Kunming Capital Outlets project, which opened for business at the end of 2020, introduced imported lifestyle supermarkets, children's experience centers and other cooperative tenants. It is an innovative attempt to expand the business format and provide local residents with new lifestyle and daily social choices.

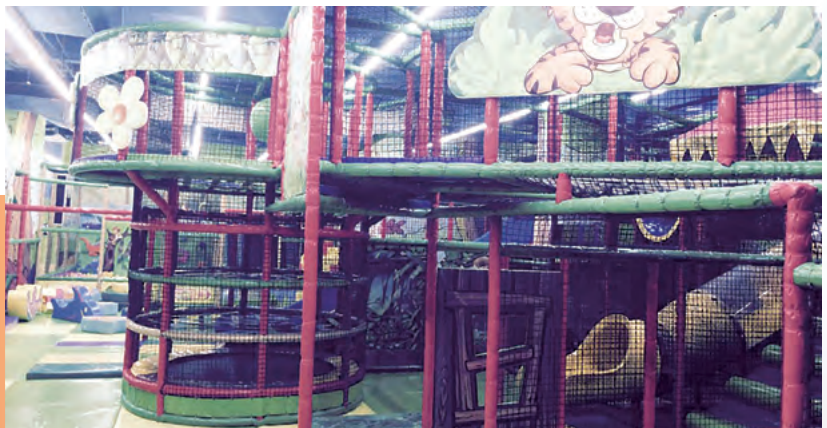


Jinan Capital Outlets laid 3,000 square meters of artificial turf, providing a better open space for leisure and entertainment of consumers and surrounding residents after the epidemic.



Nanchang Capital Outlets added two fountains in the mall to enhance consumer experience and beautify the interior environment.

Kunming Capital Outlets introduced a children's experience center to enrich the types of stores and improve the quality of services for different groups.





Kunshan Capital Outlets installed a set of new LED modeling lights in the mall, which is unique and attracts customers to come and enjoy.

(II) CUSTOMER FIRST, LISTEN CAREFULLY TO CUSTOMERS' VOICE

Heart-warming service, listening to customers' voice

We believe that only the recognition and good feedback from customers is the truly considerate service. Brand reputation not only requires a good publicity mechanism, but also comes from the heartfelt praise and recommendation of customers.

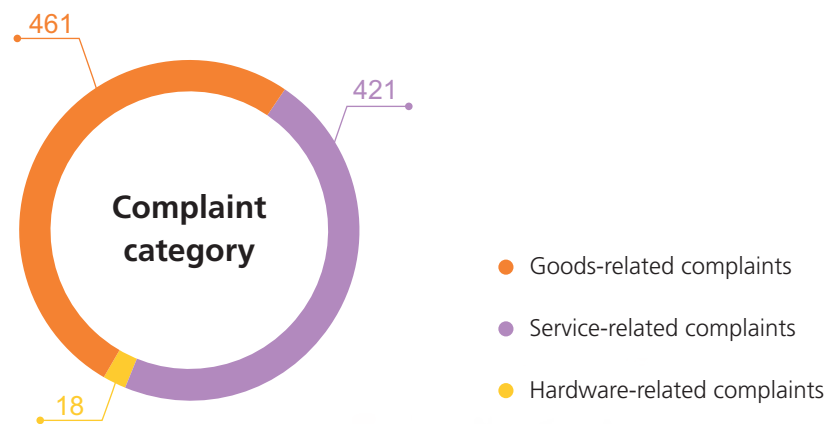
In order to ensure that customers' requests are properly received and handled, we have set up a customer service center in each Capital Outlets project and equipped with a complete customer service system. Consumers, tenants and people from all walks of life can enter the customer complaint page through channels such as the Capital Outlets Mini Program, APP or public website to provide supervisory opinions or suggestions. We also use the search and monitoring of public information to promptly follow up on the product quality or service issues of Capital Outlets raised by consumers through public channels.



Wuhan Capital Outlets added the interior and exterior decorations to bring customers a different experience.

In 2020, the Company issued the Guidelines for Immediate Complaint Acceptance Work of Beijing Capital Grand Limited (Trial) (《首創鉅大有限公司接訴即辦工作指引規範(試行)》), established a database of 100 questions and answers for project customer service centers, and formulated clear regulations for the complaint handling specifications and work procedures of customer service centers, tenants and shopping guiders of various projects. We incorporate customer complaint resolution rates into the performance appraisal indicators of customer service staff, so as to better implement customer complaint response measures and enhance customer feedback and complaint experience. We attach equal importance to the requests for return and exchange of goods from all customers. We have established a fair and compliant handling process, by which our customer service management personnel strictly implement the product return and exchange system of the Company and take reasonable measures to fairly resolve the defects or quality problems complained by customers based on agreements with cooperative tenants, consumer protection related regulations and product quality judgment standards.

We also attach importance to the protection of online users' rights. In order to improve the online user experience, the Company urges relevant departments to do a careful inspection before delivery to avoid sending defective goods. The return and exchange application submitted by customers due to quality and other reasons shall be immediately accepted. In addition, in response to customers' suggestions and comments, Capital Outlets Online Mall has formulated a detailed version of policy for the immediate complaint acceptance (《接訴即辦》), set up a public complaint mailbox, and conducted daily inspections. According to the Company's complaint management system, customer complaints sent to the public mailbox will be resolved within 24 hours of working days.



1. In 2020, there were no complaints that had a significant impact on the Group;
2. The statistical scope covers twelve operating projects, namely Beijing Company (formerly known as Fangshan Company), Huzhou Company, Kunshan Company, Hangzhou Company, Hefei Company, Wuhan Company, Nanchang Company, Zhengzhou Company, Jinan Company, Xi'an Company, Chongqing Company and Kunming Company.

Through the Company's unremitting efforts and effective communication with consumers and cooperative tenants, the above complaints have basically been resolved effectively. We will conduct a response investigation to the results of the complaints, and important complaints will be fed back to the Company's management. The management will intervene and be responsible for tracking until it is completely resolved. In order to further understand the consumers' satisfaction degree with all aspects of services of the various projects, we hire professional third-party companies to conduct consumer satisfaction surveys every year. Through the analysis of the survey results, the service improvement points were discovered, and optimization measures were taken to continuously improve the consumers' shopping experience. During 2020, the consumer satisfaction of Capital Outlets has been at a good level in China, according to a survey by a third-party professional organization.

The story of returning lost items in Hefei: When a customer, Mr. Wang, accompanied his girlfriend to shop in Hefei Capital Outlets, he accidentally left a light luxury brand ladies wallet on the sink. When Meng Ting, a shopping guider, saw the lost item, she immediately sent it to the customer service center. The customer service staff checked the business card in the wallet on the spot and contacted the customer through the information on the business card. The customer was very grateful to Meng Ting, and drew out a few hundred yuan bills to express his gratitude, but Meng Ting declined, saying that this is what she should do.

The story of good people and deeds in Kunshan: Since the opening of Kunshan Capital Outlets, it has dealt with many incidents of urgently searching for lost children. The customer service center gradually established a tracing process based on accumulated experience: including asking about the child's appearance, characteristics, age, dressing and nickname, broadcasting the call at a higher volume, informing the waiting location, contacting security personnel, and paying attention to entrance/exit to find and other series of key steps. In 2020, the customer service center of Kunshan project assisted customers in finding more than 10 lost children and recovering more than 50 lost items, including 5 mobile phones, 7 wallets, 6 handbags, 1 watch, and 1 car key.

The story of serving customers in emergency in Hangzhou: A customer, Mr. X, lost his wallet while shopping in Hangzhou Capital Outlets. The cleaning staff immediately sent the lost item to the customer service center after finding. Since the customer has a business trip next day and urgently needs the certificates and other items in the wallet, the customer service center sent the wallet to the customer by express mail.

There are many similar cases occurred in Capital Outlets projects in Beijing, Huzhou, Xi'an and other cities. We sincerely treat the needs of every customer by upholding the concept of customer first.

Grateful Giving back and Appreciating to VIP members

For our VIP members, we regularly hold gratitude and appreciation activities to give back to members and build good membership relationships.

Organize tour to Hainan for members



From 20 to 23 August 2020, more than 600 Capital Outlets members from Beijing, Huzhou, Kunshan, Hangzhou, Nanchang, Wuhan, Hefei, Zhengzhou, Jinan, Xi'an, Chongqing and other cities accepted the kind invitation from Beijing Capital Grand, and participated in a 4-day national membership feedback tour to Hainan.

Free Mid-Autumn Festival "Family Banquet"

During the Mid-Autumn Festival in 2020, Capital Outlets projects in many cities invited exclusive members to return to outlets malls to enjoy wonderful performances and have delicious dinners together. More than 3,600 members participated in the free "Family Banquet" in 2020.



Practice skills diligently to ensure the safety of shopping malls

The safety of the shopping environment is one of the focuses of consumers and tenants. The Company has formulated safety management systems such as the Quality Inspection Sub-item Table for Project Construction Entities (《項目工程實體質量檢查分項表》), the Safety Management Manual of Beijing Capital Grand (《首創鉅大安全管理手冊》), and the Handling Measures for Emergency Incidents (《突發事件處理措施》) to promote the standardized management of project construction quality, commercial area safety management and emergency response procedures, and urge Capital Outlets projects in different operation periods to do the safety work of commercial areas well.

Safety management measures of shopping malls:

- The scope of quality inspection for all projects under construction includes safety hazards such as leakage prevention, external wall system, elevators, doors and windows installation, etc.;
- All projects in operation are equipped with qualified security companies;
- All property management personnel shall receive regular safety and emergency training;
- The customer service centers shall always keep simple medical devices and medicines available for customers, shopping guiders and employees;
- Security personnel shall inspect the key areas of the outlet projects every two hours;
- After the conclusion of daily operation, the relevant management departments shall inspect all tenants for the preventive measures of "three and one closure" (closing water, electricity and gas facilities, and closing store doors);
- Special fire safety inspections shall be carried out for specific projects such as second decoration sites, gas alarm devices of catering cooperative tenants and fire protection in the early days of holidays.

In 2020, the Management Information System for Production Safety Hazard Investigation of Beijing Capital Grand was officially launched, making it easier for the daily safety management of the commercial areas. All shopping guiders of Capital Outlets projects and all employees of Beijing Capital Grand can understand the key requirements of safety management in the office and commercial areas through this system. Property management personnel can inquire about the daily management status of each safety hazard checkpoint and the feedback information of relevant responsible personnel through this system, making the management and control of safety hazard investigation, major risk sources, emergency management and accident management more efficient and orderly.

In accordance with the requirements of the Group, emergency plans adapted to the operation and management status for fire safety, anti-terrorism and anti-riot, and emergency rescue during flood seasons have been formulated by all Capital Outlets project companies, and have been assessed and approved by the headquarters of Beijing Capital Grand. According to the emergency plans, the security personnel of each project regularly carry out drills for different types of emergencies. During the drills, they work closely with relevant departments to accumulate experience in response to actual situations and achieve good drilling effects.



Anti-terrorism and anti-riot drilling



Fire drilling

Flood prevention work of Hangzhou Capital Outlets project in the summer of 2020

On 8 July 2020, due to the heavy rainfall in Hangzhou and the large amount of water intake from the upstream of Fuchun River, the water intake of Xin'anjiang Reservoir was greater than the water output, and the water level of the reservoir continued to rise rapidly. In order to ensure the personal and property safety of customers and stores of Hangzhou Capital Outlets (which is located by the Fuchun River in Fuyang District) and to ensure the complete operation of the equipment and facilities in the project, all members of the property security department of the project took active actions, and participated in the work related to typhoon and flood prevention.

Inspection and preparation work before the flood season:

Place flood control sandbags in advance in equipment rooms, elevator entrances and passages;

Prepare flood control materials, sandbags, raincoats, etc.;

Reinforce the items and clean the drainage ditches on roof, to protect the flood prevention equipment and personal safety.

Emergency rescue work during the flood season:

Immediately organize manpower to stop flooding in passages and stores and start drainage, to ensure the safe operation of equipment in various areas.

Site resumption work after the flood season:

Organize manpower to repair leaking facilities and repair damaged items in public areas;

Reset flood control materials and supporting facilities in public areas;

Resume normal operation of the project.



On 10 July 2020, a grand customer attracting event was prepared in rain, and the rain stopped in the evening. The event interrupted the tranquility in the mountains: the customer traffic increased by more than 200% over the weekend, and the sales increased significantly. For a time, this outlets project gained a heavy customer traffic, gathered the popularity and prosperity of half of the city. The responsibility and perseverance of members of Beijing Capital Grand finally awakened the prosperity after the rainstorm.



(III) EMBRACE INNOVATION AND BUILD BETTER DIGITAL OUTLETS

Beijing Capital Grand attaches great importance to its informatization development. The Company has established its own database, financial sharing center system, fund management system, online contract system, etc., which greatly improved the online and offline approval efficiency and tenant operation efficiency. 2020 was the year of science and technology innovation of Beijing Capital Group. During the year, Beijing Capital Grand actively responded to the call of Beijing Capital Group to develop in-depth digital outlets, and launched digital transformation projects, to embrace the development trend of the "Internet + retail" industry.

Large membership system

In order to enhance the member experience and provide better protection of rights and interests for all members, in 2020, we connected the membership and rights of physical stores, online malls, and CO self-operated stores of Capital Outlets, and initially established a large member ecosystem.

Convenient login	Members can log in to the membership system from multiple channels such as public accounts, mini programs, online malls, etc., to inquire about detailed member registration, membership, rights and interests and related rules, and exercise member rights, which greatly improved the online shopping experience and convenience of exercising rights as the members of Capital Outlets.
Flexible rights and interests	On the basis of providing random rights and interests only to members in the past, we have added basic rights and interests in the membership system. At the beginning of membership, consumers can have direct insight into the rights and benefits that membership can bring. Since then, members can also obtain different random discounts and rights as various activities are held. The promulgation of membership and rights rules for large membership makes the rights of members more visible and increases the intuitive experience of users.
Lean operation	We use data analysis to gain insight into members' consumption preferences, so as to guide daily member maintenance and marketing activities, and to provide members with targeted solutions. Big data of members helps us to further explore potential customers, refine target customer groups, and expand membership scale and brand influence.

Explore digital new retail

In order to optimize operation of shopping malls and identify customers' consumption needs, we have carried out long-term cooperation with third-party technology service companies to develop and continuously upgrade digital customer traffic monitoring systems. The system uses binocular customer traffic cameras to obtain depth images, which can ensure accurate customer traffic analysis results. Currently, our store-level customer traffic statistics capability has taken the lead in the industry.

In 2020, the building and upgrading of the digital new retail system is the deep expansion by Beijing Capital Grand to the Company's business. Based on offline operations, we integrated online and offline customer traffic, fully excavated on-site and off-site data, and promoted the re-construction of the comprehensive scene of "people", "goods" and "malls" to achieve a comprehensive upgrade of traditional retail business. At the end of 2020, the project has basically completed the preliminary structure construction, the business middle platform and data middle platform have been put into trial operation, and the e-commerce system, omni-channel system, smart shopping guide and cloud shelf have also been introduced. After the completion of the construction, the project will become a one-stop quality consumption chain platform with Capital Outlets products as the main entrance, further providing convenience for shopping of consumers.

Data security and consumer privacy protection

In the process of digitalization, the Company always puts the importance of data security and consumer information protection in the first place. In 2020, we have carried out a unified plan for member privacy authorization documents of various channels, and published the plan simultaneously on all interfaces of the Company. At the same time, we have adopted various management measures to strengthen data security and consumer information protection:

- Sign a confidentiality agreement with the software development company responsible for system development and operation maintenance, agreeing on the responsibilities of both parties for keeping consumer information confidential;
- Sign a data confidentiality agreement with all current employees of Beijing Capital Grand, and promise to keep operating information (including consumer information) confidential;
- Standardize the authorization and approval system for data acquisition of employee system account, including user access permissions, BI data access permissions, etc.;
- We have established safety policies and management responsibilities related manuals, and employees who have direct contact with data will sign the information confidentiality rules and "Safe Operation Commitment (《安全操作承諾書》)".

During 2020, the Company was not aware of any customer privacy breaches within the Group.

VI. EMPLOYEES: OUR OPERATIONS CARRIES EMPLOYEES' DREAM-BUILDING JOURNEY

Talents are the impetus of the enterprise development. We are deeply aware that safeguarding the rights and interests of employees and paying attention to their health are the progressive foundation and unshirkable responsibility of the Company. The Company strive to create a good working environment with equal opportunities, diversified working platform for our employees, increasing the sense of acquisition and belonging of our employees, and realizing the common development of our employees and the Company.

(I) COMPREHENSIVE HR SYSTEM TO PROTECT EMPLOYEES' RIGHTS AND INTERESTS

The Company strictly complies with laws and regulations such as the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Regulation on Paid Annual Leave for Employees (《職工帶薪年休假條例》), the Regulation on Public Holidays for National Annual Festivals and Memorial Days (《全國年節及紀念日放假辦法》) and the Implementation Measures for Paid Annual Leave for Employees of Enterprises (《企業職工帶薪年休假實施辦法》), to standardize its systems relating to compensation and employment, recruitment and promotion, working hours, leave entitlement, equal opportunity, diversity and anti-discrimination. The Company also keeps abreast of the updates on laws and regulations to protect the legitimate interests of its employees. In 2020, Capital Grand has won the "China Employer" for seven consecutive years, and also won the "Human Resource Management Excellence Award" from China's leading human resources service company "51job.com". The above awards are the recognition on the contribution of Capital Grand's human resource management to corporate strategy, the value of products and services, the core role of corporate culture and the support of corporate long-term goals from all walks of life.






Fair Recruitment and Protect Employee Rights Effectively

Talents is the cornerstone of the Company's development, and the Company's development requires talent strategy. The Company introduces talents extensively through platform collaboration, internal recommendation and public recruitment. In terms of talents recruitment and employment, we adhere to the principles of fairness, justice, and openness, and eliminate all kinds of discrimination in terms of race, gender, national origin, age, pregnancy and disability. Each project company strictly checks and confirms the age information of employees during the recruitment process to ensure that no child labor is employed.

The Company strictly complies with relevant laws and regulations such as the Contract Law of the People's Republic of China (《中華人民共和國合同法》) and the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), entering into standardized labor contract with all formal employees. Pursuant to relevant regulations such as the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) and the Provisions on the Administration of Declaration and Payment of Social Insurance Premiums (《社會保險費申報繳納管理規定》), the Company makes contributions to basic social insurance fund and housing provident fund on behalf of our employees,

The employee handbook of Capital Grand explicitly sets out the provisions on working hours, leave entitlements, labor protection and minimum wage and opens the relevant feedback channel for its employees, so that our employees have a clear understanding of the Company's management requirements for employees, and the feedback channel to the Company. The Company also provides benefits such as supplemental medical insurance and regular physical checks for all regular employees. If violations of laws and regulations such as child labor and forced labor are found, the Company will take countermeasures and compensation measures in accordance with relevant laws and regulations, and will seriously hold accountability of relevant personnel.

During 2020, the Company was not aware of any child labor, forced labor or other situations which violated against the human rights of its employees.

Indicators ¹ (2020)		
Total number of employees (headcount)		1,234
Number of employees by gender (headcount)	 Number of male employees	654
	 Number of female employees	580
Number of employees by age (headcount)	Number of employees under the age of 30	324
	Number of employees aged between 30 and 40 (exclusive)	749
	Number of employees aged between 40 and 50 (exclusive)	141
	Number of employees aged 50 and above	20
Total number of employees by employment type (headcount)	Number of full-time employees	1,234
	Number of part-time employees	0

Indicators¹ (2020)

Total number of employees
by geographical region (headcount)²

Number of employees in Eastern China	467
Number of employees in Southern China	33
Number of employees in Central China	148
Number of employees in Northern China	329
Number of employees in Northwestern China	111
Number of employees in Southwestern China	146
Number of employees in Northeastern China	0
Number of employees in Hong Kong, Macau and Taiwan	0
Number of employees Overseas	0



Total number of employees by academic
qualification (headcount)

Number of employees below undergraduate level	504
Number of employees at undergraduate level	666
Number of employees at master and above level	64



Total number of employees by
job level (headcount)

Number of senior management members ³	17
Number of middle management members ³	126
Number of employees at junior level	1,091

1. The employee-related information covers the headquarters of Capital Grand and all its outlets projects and business management companies;
2. Disclosure caliber is the area where employees perform their duties;
3. The data disclosure caliber for 2020 is consistent with that of the annual report.

Indicators¹ (2020)Employee turnover rate
by gender (%)

Female employee turnover rate

12.63%

Male employee turnover rate

13.48%

Employee turnover rate
by age group (%)

Employee turnover rate under the age of 30

18.15%

Employee turnover rate aged between 30 and 40 (exclusive)

12.45%

Employee turnover rate aged between 40 and 50 (exclusive)

5.88%

Employee turnover rate aged 50 and above

0

Employee turnover rate
by geographical region (%)²

Employee turnover rate in Mainland China

13.03%

Employee turnover rate in Hong Kong, Macau and Taiwan

0

Employee turnover rate Overseas

0

1. The employee turnover-related information covers the headquarters of Capital Grand and all its outlets projects and business management companies;
2. Disclosure caliber is the area where employees perform their duties.

The Group attaches great importance to personnel training, and the personnel turnover rate is at a normal level. While continuing to grow and develop, the Group uses standardized talent management models to plan the construction of talent echelons rationally to employment vitality and post competitiveness.

Strengthen Communication and Create a Harmonious Company Culture

The Company attaches great importance to its employees' internal communication and team construction, and strives to create a harmonious teamwork atmosphere and corporate culture. In order to let employees feel the care of the Company and stimulate their enthusiasm for work, we encourage our employees to maintain a work-life balance, and provide employee feedback channels such as email and face-to-face communication. The communication content and other information are strictly protected by the Company.



In 2020, Capital Grand further improved the employee trade union system, enriched employee activities and increased the Company's channels for understanding employee opinions and needs. In addition, in the face of the downward pressure on business performance caused by impact of the epidemic, the Company adhered to the concept of cherishing talents and issued a document on "Building Harmonious Labor Relations", clarifying the promise of no salary cuts and no layoffs in principle and overcoming difficulties with employees.

"Wuhan, I Want to Tell You"

Closing a city, but not the closing the love of family. It is a virus that is isolated, but it cannot isolate you and my heart.

In March 2020, the Company launched a series of activities of "Leader-Wuhan, I Want to Tell You", calling on all Ju adults to write down their love and blessings to the Wuhan Company and colleagues.



"Wuhan, I want to tell you", sending a voice of support for Wuhan

We show care to our employees on festivals:

- In the Spring Festival of 2020, the trade union purchases poverty alleviation products condolences to all employees;
- In March 2020, on behalf of the Company's leaders, the trade union sent holiday greetings and caring condolences to all working female employees, which was well received by the majority of working female employees;
- In June 2020, during the statutory holiday of the Dragon Boat Festival, the trade union organizes condolences activities for on-duty employees;
- In October 2020, on the occasion of Mid-Autumn Festival and National Day, the trade union sent holiday blessings and condolences to employees.



Flowers for female employees on Women's Day



Condolences to front-line staff

(II) SYSTEMATIC TRAINING SYSTEM TO PAVE THE WAY FOR EMPLOYEES' GROWTH

The quality of the workforce is a reflection of the Company's soft power, and employee training and promotion flows are the continuous driving force for the Company's development. We have established a comprehensive talents training plan, through a series of training to broaden the horizons of employees and cultivate their ability of employees to work in many aspects; making full use of the Company's large platform advantages and constantly excavating excellent internal management and professional talents.

Comprehensive Training to Help Employees Grow rapidly

We adhere to the principle of "fitting with the strategy and ensuring the effective implementation of the strategy", insisting on the simultaneous development of employee training and Company business operations, achieving training projects and business integration, and promoting business development; striving to achieve the common growth of employees and the Company and enhance employees' sense of belonging and market value.

Under the guidance of this principle, we have set up a comprehensive training system for employees to help employees overcome difficulties and improve their abilities at all stages. Our training is divided into four types of projects: the "Juren (鉅人)" project for new joiners, the "Juneng (鉅能)" project for professional capabilities training, the "Jucui (鉅才)" project for back-up cadre training for the Company, and the "Juqing (鉅擎)" project for senior management.

Juren (鉅人): new joiners' training



Juneng (鉅能): professional capabilities training



Jucui (鉅才): back-up cadre training,



Juqing (鉅擎): senior management training



During 2020, we continued to optimize and improve the four major training projects.

With the strong support of the Company's management and the high participation and cooperation of all employees, we have enriched the training forms for the business backbone of the "Jucui (鉅才)" program, and encouraged all line backbones to summarize, sort out and share work experience so as to help each line of business better solve the difficult problems at work; on one hand, it solves the difficulties in the Company's operation and management and; on the other hand, it delivers the professional knowledge fruits of Capital Grand cultivates backbones to grow and become talents. Since 2018, we have trained more than 200 backbones, over 100 practical projects have been completed and a large number of knowledge achievements have been output.

We started the O2O mode "Juneng • Great Lecture (鉅能 • 大講堂)" section under the "Juneng (鉅能)" program, combining online and offline. This training section focuses on the improvement of weaknesses of professional capabilities and the accumulation of professional experience of the Company's various professional lines and precipitates the Company's internal knowledge and cases. Through this training, the Company realized the R&D and output of independent courses, and realized knowledge internalization of Capital Grand. In the year of 2020, the "Juneng • Great Lecture (鉅能 • 大講堂)" completed the independent R&D of a total of 33 internal professional courses, covering all professional lines to improve the professional shortcomings, sum up professional experience, and strengthen cross-professional cooperation thinking and exchanges, therefore it provides support for improvement of the Company's management efficiency, and accumulates motivation for the Company's long-term development.

In addition, in order to cope with the rapid development of the Company's business, the increase of various assessment indicators and the increase in employee business volume, we have added a new small and miniature course R&D project to encourage employees to use fragmented time to learn. All departments and front-line companies of the Company produce independent research and development courses every quarter, and publish them on the internal learning platform for all employees to choose and learn according to their needs. Miniature courses are small and precise, which improves learning efficiency, while increasing absorption and convenience, and one development can be used for a long time, and it is constantly updated iteration. As far as the industry development situation is concerned, other companies in the industry are also shifting to non-centralized training strategies, and miniature courses are a manifestation of actively adapting to industry changes. This kind of training uses the existing accumulation of employees to make the promotion and duplication of professional knowledge points higher. In 2020, the first large-scale university will output nearly 100 miniature courses teaching videos.

In order to continuously optimize the training system, we have also established a course evaluation and feedback system to keep abreast of students' satisfaction with course content, teaching methods and teachers. After the training courses are over, the person in charge of the course will communicate with the trainees to understand the improvement points of the course, including the course content, the lecturer's suggestions and personal gains.

"Jucai (鉅才)", discover talents

Zhao Yonghong, deputy general manager of Xiamen Project Company, is a trainee of the Jucai (鉅才) training program. During the project training period, he was exposed to diversified management and professional courses, and took actual business work as a practical subject to make breakthroughs in important and difficult points. From 2018 to 2019, as the leader of the "Jucai (鉅才) Project Team", he led relevant professionals to complete the project practice of "Improving Quality and Efficiency and Promoting the Opening of Business", promoting the smooth opening of Hefei, Jinan, and Zhengzhou projects, and practiced and concluded the pre-opening period of the project, sorted out the professional experience of property and engineering and formed the "Questions and Answers Manual" to realize the sharing of resources and experience within the Company. It has made outstanding contributions to the Company's business improvement and knowledge accumulation. Zhao Yonghong has realized the dual improvement of professional ability and management ability through the training of the talented project, broadened his vision and pattern, and actively promoted his team. Comrade Zhao Yonghong was successfully promoted to the deputy general manager of Xiamen Project Company after the Company's repeated assessments and competitions.

"I am the first batch of talented trainees in the Company. Through years of training in the Company, I have gained a lot. Not only did I learn new knowledge and management skills, but also improved my pattern and vision. Through the "Jucai (鉅才) Project Training", I confronted the problems with various professional colleagues, worked together, and tried every means to achieve breakthrough, and finally I extracted my own practical experience and exported the unique management wisdom to help the Company's projects to quickly copy and move forward together, so the Company develops well in a game of chess. For each of our students, the "Jucai (鉅才)" training program is not only an opportunity for self-improvement, but also a platform for condensing the core competitiveness of the Company."

— Zhao Yonghong

In addition, each project company also integrates training into daily operations according to actual conditions: Zhengzhou Company organized more than 150 trainings in 2020, and established the Company's own staff special training, shopping guide and store manager orientation training, and the monthly training mechanism of the foreign commission unit.

Smoothing promotion, promising future

Capital Grand implements pay equal attention to cultivating and attracting talents, care and strict management, focusing on strengthening the selection and evaluation of cadres, in order to build a talent team that matches the new mission and new development of the Company. We have a complete performance management system to evaluate all aspects of employees, select employees with development potential, mobilize their enthusiasm, and encourage employees to develop their individual potential. In this process, the Company guarantees that the performance standards are open, the evaluation process is fair, and the evaluation results are fair to ensure that employees have fair opportunities in salary promotion and other aspects.

We implemented the “Juguangdeng (鉅光燈)” plan in September 2020, and fully deploy and integrate human resources based on the Company’s business development. We constantly excavate the Company’s internal excellent management personnel and professionals, provide smooth promotion channels for excellent employees, and achieve a good flow of talent echelon; on the other hand, through targeted training, provide help for internal low-performance and low-potential personnel to effectively improve employees’ abilities.

“Juguangdeng (鉅光燈)” Plan

Motivate employees and create career development space

We fully motivate the person about “Juda (鉅大)”, scientifically and rationally carry out job competition, selection, rotation, assignment, etc., give full play to and improve the application of professional knowledge, skills, and experience, and further broaden the career development space, realize the rational and effective use of human resources, and meet the needs of their posts and person suitably.

Compound training to improve organizational flexibility

Broaden the horizons of employees, cultivate their versatility, accumulate diverse experience, make full use of the Company’s large platform advantages, and constantly excavate excellent internal management and professional talents, lay a foundation for the enterprise train compound talents, improve organizational flexibility, and promote the virtuous circle of the talents within the organization.

















Reduce costs and increase efficiency, and continue to promote resource optimization

Control human costs, pay attention to per capita efficiency, continue to improve the Company’s “per capita profitability” level, realize the increase in the value of human resources, and through the reasonable allocation of resources, continue to promote resource optimization and improve the core competitiveness of the organization.

Value guidance, practice culture of Capital Grand

Adhere to the value orientation, maintain the professional ethics of observing discipline, and integrity to prevent management risks and moral and legal risks of person about “Juda (鉅大)”. Adhering to the cultural genes of Capital Grand, improving cultural identity, closely integrate corporate culture with operation management and strategic landing, achieving new breakthroughs and transcendence, and practicing the huge corporate culture of Capital Grand with practical actions.

Indicators ¹ (2020)			
Number of various types of training programs	355	Total training expenditure (RMB0'000)	111.05
Total number of trainees (headcount)		1,234	
Total number of employees receiving training by gender (headcount)	 Number of male employees receiving training	654	
	 Number of female employees receiving training	580	
Percentage of employees receiving training by gender (%)	 Percentage of male employees receiving training	100%	
	 Percentage of female employees receiving training	100%	
Total number of employees by job level (headcount)	 Number of senior management employees receiving training	17	
	 Number of middle management employees receiving training	126	
	 Number of junior employees receiving training	1,091	
Percentage of trained employees by job level (%)	 Percentage of senior management employees receiving training	100%	
	 Percentage of middle management employees receiving training	100%	
	 Percentage of junior employees receiving training	100%	
Average training hours per employee (hours)		24.91	
Total hours of employees receiving training by gender (hours)	 Total training hours for male employees	15,985.5	
	 Total training hours for female employees	14,748.5	
Number of training hours per employee by gender (hours)	 Number of training hours per male employee	24.44	
	 Number of training hours per female employee	25.43	
Total number of training hours per employee by job level (hours) ²	 Total number of training hours for senior management	331	
	 Total number of training hours for middle management	3,146.5	
	 Total number of training hours for junior employees	27,256.5	
Average number of training hours per employee by job level (hours)	 Number of training hours for senior management	19.47	
	 Number of training hours for middle management	24.97	
	 Number of training hours for junior employees	24.98	

1. Employee training related information covers human system organization training of the headquarters of Capital Grand and all its outlets projects and business management companies;
2. The data disclosure caliber for 2020 is consistent with that of the annual report.

(III) DIVERSIFIED MANAGEMENT MEASURES TO PROTECT EMPLOYEES' PHYSICAL AND MENTAL HEALTH

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

Care for Employees and Ensure Healthy Life

To help employees understand their health status in time, the Company organizes annual physical checkups for employees. According to the overall medical results of the Company from the physical examination institutions which hide the key information of employees, we analyze and determine the most prevalent sub-health diseases and arrange health talks accordingly. We actively host various physical activities through the trade union, such as ball games, health walk and outdoor activities, to promote healthy living concepts.

Comprehensive Guarantee to Solve Future Worries

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

People Oriented and Ensure Safe Production

The Company has established a comprehensive construction and production safety system covering office areas, outlets malls and construction sites by formulating the Management Measures for Construction and Production Safety over the Development Period of Capital Grand (《首創鉅大開發期施工安全生產管理辦法》) and the Manual on Safety Management of Capital Grand (《首創鉅大安全管理手冊》).

In addition to paying work-related injury insurance premiums for employees, providing them with safety training and emergency drills in accordance with laws and regulations, the Company regularly inspects the hazard sources' management of office areas, outlets malls and construction sites. If safety hazards are found, the Company will arrange the management personnel on site to handle such hazards in time to ensure the safety of all personnel on site.

During the hot summer day, the project companies prepare ice-cream and cold drinks for front-line employees. The Company provides employees with heating pieces and hot coffee during the "Open for 24 Hours" event at the end of the year to provide employees with occupational health and safety.

Indicators ¹ (2020)	
Number of work-related fatal accidents (case) ¹	0
Number of deaths of employees caused by work (headcount)	0
Rate of work-related fatalities (%)	0
Number of persons injured at work (headcount) ²	0
Number of working hours lost due to work injuries (hours)	0

1. The Company has not experienced any work-related fatal accident during the past three years (including this year);
2. Work-related injuries represent the injuries suffered by an existing employee of the Company during the course of his/her occupational activities or related activities, which can be identified as work-related injuries.

VII. PARTNERS: WORK TOGETHER FOR A WIN-WIN SITUATION, AND GO ALONG WITH US

Beijing Capital Grand actively promotes the development and progress of partners with the Company. We establish the concept of mutually beneficial cooperation and active empowerment to increase the profits of Capital Outlets' tenants; through contract agreement, regular evaluation and other forms, we promote supplier compliance performance, high-quality delivery, and operate in a social and environmentally responsible manner.

(I) COOPERATION WITH TENANTS: PROACTIVE EMPOWERMENT AND MUTUAL BENEFITS

Tenants stationed at the outlets are important partners of the Company, hence we also strove to support them to maintain sound operation. Beijing Capital Grand's headquarters developed a tenant service template and handed out to Capital Outlets projects, which template unified specific requirements for providing efficient services to tenants during the period of project preparation and operation of Capital Outlets. We continue to optimize service procedures and service equipment to improve user convenience. Tenants stationed can go through the entry procedures in one-stop and can quickly purchase electricity directly on the mobile terminal. In order to effectively assist tenants in resuming work and production, some project companies have produced complete training videos of cash register system, which have been played more than 70,000 times. Shopping guides have participated in studying and completing online and offline cash register system examinations, improving the practical operating ability of cashiers effectively.

"Combined everyone for the public, and the public like one" Zhengzhou Capital Outlets Launches Shopping Guide Interactive Development Training

In July 2020, Zhengzhou Capital Outlets' Human Administration Department and the Tenants Operation Department launched an interactive development training for shopping guides with the theme of "Combined everyone for the public, and the public like one, Zhengzhou Juren work together and move forward". Shopping guides participate with high enthusiasm, and through interactive expansion, the sense of belonging of the shopping guide is enhanced, and the positivity of the shopping guide is greatly improved.



"Learning skills, strengthening business, improving quality, and developing together", Capital Outlets in all regions held shopping guide skills contests actively

In 2020, in order to promote a good atmosphere for store employees to learn skills, strengthen business, improve quality, and develop together, Capital Outlets in Beijing, Huzhou, Hefei and other cities have held shopping guide skills contests successively. In various forms of contestants such as window display, knowledge contests, skill contests, etc., contestants actively demonstrated their skills in showcase layout, sales communication, cash register, etc., as well as knowledge reserve in fire safety, product familiarity, and service specification procedures. The contests have strengthened the learning and communication between various brand stores, providing a platform for shopping guides to display skills, exchange skills, and improve service levels. At the same time, it promotes the motivation of each store to improve sales performance and service capabilities to achieve expected sales goals.



A Glimpse of the 2020 Shopping Guide Skills Contests

(II) COOPERATION WITH SUPPLIERS: STANDARDIZE MANAGEMENT AND MAKE PROGRESS TOGETHER

In addition to strict internal management, the Company also actively promotes mutual development and progress between suppliers with us. While we promote procure suppliers to ensure their high-quality product and service, we encourage the preferred local procurement by the relevant department to reduce carbon emissions caused by the delivery of materials and product, which creates economic value for the local community.



Wuhan Capital Outlets regularly organizes tenants "The Most Beautiful Display" contests to encourage tenants to beautify and adjust the display of goods in the shop windows and stores.

Supply Chain Full Life-cycle Management

Based on the current business development of the Group, the Company's suppliers include suppliers in relation to, among others, constructional engineering, property management, office supplies and services, in which the major suppliers are constructional engineering suppliers and property management suppliers, as of the end of 2020, the Company has a total of 249 suppliers, of which 3 are overseas¹. The Company has formulated a set of supplier management systems, including supplier admission management, supplier base management and supplier performance evaluation, forming a full life-cycle management process for suppliers from admission, performance evaluation and risk management to elimination and exit.

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



Jinan Capital Outlets conducts shopping guide training for consumption law, price, quality and other related laws, combined with service etiquette and service attitude.



Wuhan Capital Outlets organizes the "Excellent Skills" Sales and Service Skills Contests to encourage all shopping guides to continuously improve their sales skills and service awareness.

¹ Cooperative brands are not within the scope of this statistics.

For suppliers over the development period, before project development, the Company determines the project procurement framework from the perspective of cost control, and formulates an annual bidding plan every year. After the start of bidding, suppliers will be determined through prequalification, bid evaluation, and tender selection, and the supplier will be evaluated quarterly. For suppliers during the operation period, the Company carries out an annual project budget for the operation period every year, and each project is established according to needs, and the bidding process is carried out in accordance with the requirements of the bidding system.

In 2020, we issued the Strategic Purchase Agreement for the Supply, Arrangement and Installation of Public Area Equipment (Trash Cans and Seats) in 2020 of the Beijing Capital Grand to further refine the management of equipment procurement during the operation period.

Supplier Environment and Social Risk Management

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

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

The Company will also take specific measures on environmental and social risk management according to the various characteristics of suppliers. Taking construction related contractor for example, the Company sets out provisions in relation to the commitment of contractor to protect environment and prevent social risks in the contract, which stipulate that suppliers shall take appropriate measures to protect the environment both inside and outside construction sites, limit the harms to and effects on the public and properties arising from the pollution and other consequences caused by the construction work, and ensure that the gas emissions and surface drainage from its activities do not exceed the limits stipulated in the national and regional laws, regulations and standards concerned. For store decoration projects, environmentally friendly products with formaldehyde emissions below the relevant limit of the national standards are required. In the construction process of projects, the Company also engages third-party agencies for supervision and inspection to confirm whether the qualification certificates are complete, whether the materials used are consistent with those stipulated in the contract and whether the constructions are of high quality, so as to ensure the construction quality, the environment of construction site, and healthy and safe performance meets the requirements.

In 2020, in response to the government's policy document on the payment of migrant workers' wages, Beijing Capital Grand's parent company, Beijing Capital Land, issued a notice on Measures to Strengthen the Guarantee of Migrant Workers' Wages. The first-line companies of Beijing Capital Grand sorted out construction contracts, carried out investigations into general contractors and labor-intensive construction contracts that were prone to wage arrears, and strictly reviewed the wage payment of migrant workers from suppliers. In the newly signed contract, the Annex-Letter of Undertaking on the Actual Payment of Migrant Workers' Wages and related provisions have been added to restrict the contractor's wage payment behavior. At the same time, the communication channels of migrant workers will be publicized on the project sites to effectively protect the rights of migrant workers.

VIII. COMMUNITY: PROSPER TOGETHER AND CREATE A BETTER FUTURE FOR COMMUNITY

We believe that a responsible company endeavors to know the needs of the community public and respond to them actively. For a long time, based on Capital Outlets, we have rooted in the local community, established close ties with the community, and carried out many community investment activities.

(I) CARING FOR RESIDENTS AND SUPPORTING THE NEEDS OF COMMUNITY

We insist on rooting in the community, caring for the residents, and always in close contact with the local community of Capital Outlets. According to the needs of the local community, we carry out linkage activities actively, support and assist when the local community encounters difficulties or needs, and give back to the community with our sincere actions.

Supporting the victims of Hangzhou

On 5 July 2020, due to heavy rainfall, the Hangzhou area ushered in a once-in-a-century catastrophic flood. Hangzhou Capital Outlets participated in the flood control and rescue team actively, and donated amount of RMB19,000 flood control materials and food to local islanders on 10 July for the living needs of the islanders during the temporary transfer.



"For Love, Feelings in Lujiang" Targeted Poverty Alleviation and Home-stricken Condolences Activities

In the summer of 2020, affected by the flood season, many villages and towns in Lujiang County, Hefei City, Anhui Province were affected, and local people were forced to move to various resettlement sites. In order to minimize the loss of the masses, Lujiang County Culture and Tourism Bureau and Anhui Life Network organized caring units and people from all walks of life to participate in the "Love and Help Farmers" melon and fruit fair, "Love and Help Farmers Picking Tour" and "Consolation to the Victims" and other activities, which have received positive responses from 13 caring agricultural companies including Beijing Capital Grand of Hefei Company. After learning of the disaster in Lujiang fruit farmers, the Hefei Company contacted relevant departments as soon as possible, actively participated in the activities of purchasing fruits from Lujiang farmers and condoning the masses after the disaster, fulfilling corporate social responsibility and offered corporate love.

Affected by the heavy rainfall, the Hefei Company has always been concerned about the safety of the victims. In order to further promote the implementation of poverty alleviation work, help to the depths and heart, and fight for targeted poverty alleviation, the Hefei Company organized employees to go to Weigang Village, Yefushan Town, Lujiang County to carry out targeted poverty alleviation on 15 September, sending them daily necessities, with practical actions to send care and warmth.



In 2020, we participate in Tencent's "99 Public Welfare" public welfare event and encourage the customers of Capital Outlets to "do good things together" with us. During the event, if users donate online, they can get coupons from Capital Outlets Online Mall.

In order to pass on social responsibility and help children with special needs grow up healthily, Qingdao Capital Outlets called on all employees to raise a love fund to donate 100 quilts to special education schools in Sandu County, Guizhou Province, and send warmth to special children in mountainous areas. For a long time, Qingdao Company has carried out many activities such as picture letter exchange, Didi GO donation and so on with Sandu County Special Education School in Guizhou Province for many times, which not only brings material help to children, but also gives them more spiritual care and love. Spiritual encouragement. This winter, because of love, is even warmer!



Business and Enterprise Association

Based on the needs of local single youths, Kunshan Capital Outlets and the local community jointly organized the third Penglang Regional Youth Association. As a local community cultural activity, the association has received active participation and praise from community youth.



Zhengzhou Capital Outlets regularly and targeted to carry out public welfare activities to condolences to lonely elderly and poor children

Since its establishment in 2016, Zhengzhou Capital Outlets has regularly and targeted public welfare activities to condolences to lonely elderly and poor children every year, which has been highly affirmed by the leaders of Xingyang City and Jiayu Town Government. In order to demonstrate the responsibility and elegance of state-owned enterprises, on 20 January 2020, Zhengzhou Company organized personnel to the Civil Affairs Office of Jiayu Town, Xingyang City, to carry out condolence activities before the Spring Festival, fulfill corporate social responsibility, and let more people experience care and warmth.



(II) GOING DEEP INTO COMMUNITY AND SUPPORTING LOCAL EMPLOYMENT

We have always been adhering to the concept of driving the local economy, giving priority to hiring talents in the project area to support local employment. The opening of each of our outlets malls will bring nearly a thousand jobs to the local area. Taking Xi'an Capital Outlets as an example, when it opened, we jointly launched a village recruitment fair with local streets, opening up positions of store managers, shopping guides, and property management personnel, so that the general public could find jobs at their doorsteps and enjoy local economic development dividends.

(III) SHOWING FOLK CUSTOMS AND PROMOTE TRADITIONAL CULTURE

With the help of the Outlets mall space, we carry out relevant cultural activities during Chinese traditional festivals to help promote Chinese traditional culture, including hold "Chang-er Flew to the Moon" and mask changing in Sichuan Opera performances in Capital Outlets in all regions during the Mid-Autumn Festival, and the dragon Dance, Lion dance and God of Wealth welcome guests and other folk performances on the first day of the first month. Beijing Capital Outlets introduces old Beijing folklore activities in the venue from the first day to the third day of the first lunar month every year. Coming to Capital Outlets to celebrate the Spring Festival has become a holiday travel choice for surrounding residents.



Chang-er Flew to the Moon Performance



Mask changing in Sichuan Opera Performance

(IV) GIVING BACK TO SOCIETY AND INSIST ON PUBLIC WELFARE OF BRAND

With the concept of giving back to the society, Beijing Capital Grand constantly practice and code public welfare undertakings through various activities and IP platforms, with brand projects such as the "Love Reading Plan" as the main line, we continue to practice and increase public welfare undertakings.

New Silk Road World Model Contest

In 2020, driven initially by the idea of promoting fashion and healthy life concept and building a bridge for young adults to realize their dreams to be super models, we continued to title and support the "2020 New Silk Road World Model Contest" to create a stage for young dreams. Through this project, we actively promote the combination of public welfare and fashion, encourage young people to participate in social charity, and organize contestants to participate in the Capital Outlets public welfare project.

On 28 November, the "2020 New Silk Road World Model Contest Global Finals and the Capital Outlets Charitable Donation Ceremony" closed successfully in Wuhan Capital Outlets, with hundreds of important guests and tens of thousands of on-site customers witnessed the public welfare act of Capital Outlets, and the birth of a new champion. Over several months, the competition was held in Beijing Capital Outlets, Kunshan, Hangzhou, Nanchang, Hefei, Zhengzhou, Jinan, Xi'an, Chongqing and other cities, the event not only attracted the attention of millions of people, but also brought the most cutting-edge fashion trends and the most vivid positive energy of public welfare to the venue of the event. Finally, 50 contestants came to the stage of Wuhan Capital Outlets Global Finals. After fierce competition on the spot, the men and women team champions were released one after another.

At the same time, Wuhan Capital Outlets, a subsidiary of Beijing Capital Grand, continued its tradition, using one-thousandth of the turnover from 22 to 28 November and donations from more than 100 brand tenants in shopping malls as a donation to help the poor families of women and children and Dawuchen School in Wuhan East Lake New Technology Development Zone.

This year's New Silk Road Contest is the second consecutive year that Capital Outlets has been named, which reflects Beijing Capital Grand's persistence and enthusiasm for giving back to the society. With the joint efforts of both parties, this event not only deepens the trend of shopping malls, but also continues to promote the development of public welfare with fashion, encourage ordinary people to chase their dreams, and fulfill the solemn promises of large state-owned enterprises.



Global Finals of New Silk Road World Model Contest and the Charitable Donation Ceremony

Love Reading Plan

A good book can affect a person's life. Reading from an early age will benefit a person throughout the life. The "Love Reading Plan" that supports students with difficulties in reading and learning is one of the core public welfare projects that we have long adhered to. For a long time, we have encouraged all project companies to use various platforms to carry out "Love Reading Plan" activities and contribute to supporting students in need to purchase books and school supplies.

In October 2020, Beijing Capital Grand "Love Reading Plan" and the Capital Library "Mutual Reading of Books" cultural volunteer service project called on the Company's employees to donate a total of more than 500 copies of unused books, and the books were finally transferred from the first image to designated poor areas. Books of love and cards of sentiment let the warm current of love pass and let the book build a dream.



Capital Grand "Love Reading Plan" and the Capital Library
"Mutual Reading of Books" cultural volunteer service project

In addition, many of our project companies also actively carried out related donation activities.

- On 1 May, at the opening ceremony of the second phase of Beijing Capital Outlets, the Beijing Company donated RMB100,000 to buy learning tools and books for needy students in the surrounding communities.
- On 22 May, Kunshan Company launched the "Charity Sale of 1 June" donation proposal, calling on employees, tenants and customers to donate money and materials. From 29 to 30 May, the "Charity Sale of 1 June" was carried out. A total of 608 people participated and raised RMB10,961. Subsequently, Kunshan Company used the donation to purchase books and school supplies for the needy students in Shiyu Primary School.
- On 17 June, the Xiamen Company launched the "Love Reading Plan" charity donation activity, donating more than 30 sets of schoolbags and pen bags and more than 10 sets of extracurricular books to the Xiaguang private school in Jinshan Street, Huli District, Xiamen.
- On 22 November, the Wuhan Company entered the Jiufeng Street community in the territory to carry out the public welfare activities of "Practicing the Love Reading Plan, Fulfilling Micro Wish of Dreams", which illuminated the micro wish of 10 groups of impoverished families with left-behind children.

IX. ENVIRONMENT: START WITH ME AND PROTECT GREEN WATERS AND MOUNTAINS TOGETHER

The Company strictly abides by the laws and regulations on environmental protection, including the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》) and the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》), and other local management regulations such as the Regulations on the Management of Domestic Waste in Beijing (《北京市生活垃圾管理條例》), never ceases to fulfil its corporate social responsibility on environmental protection. Given that our projects are scattered over China, we regularly follow up and differentiate the updating of relevant environmental protection laws and regulations in the nation and regions where each project located, ensuring that the Company meets the compliance requirements with its relevant policies, systems and measures. On top of that, the Company has proactively taken multiple measures for building the corporate culture that focuses on sustainable development and carrying forward multi-level environmental protection initiatives which cover daily office activities, project management and project operation. During 2020, the Company was not subject to any fines or relevant litigations due to environmental pollution.

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

(I) ADJUST MEASURES TO LOCAL CONDITIONS TO BUILD GREEN OUTLETS

We are committed to the green management of the whole process of design, construction and operation of outlets. Some of our projects have been awarded the title of "national AAA scenic spot".

Adjust Measures to Local Conditions

The Company actively incorporates the concepts of environmental protection and sustainability into the design of its outlets projects, and adheres to the design philosophy of Adapt the Construction to Local Conditions. While building the project, it makes full use of the construction condition in different regions and primarily adopts the project design that with low energy consumption, environment protection and high efficiency for aligning the architecture with natural environment.

The Company required that all materials used in projects must meet national laws and regulations and relevant standards lest using materials harmful to human. The Company's buildings are furnished by low-volatility materials that generate less odorous and hazardous indoor air pollutions with potential irritants, to ensure the health and comfort for our installation staff and users. For the purpose of controlling the quality of construction materials, the Company implemented unified contract terms of supplier procurement on projects in headquarters and other regions and passed the Key Points on Controlling the Inspection of Construction Materials of Beijing Capital Grand (《首創鉅大工程材料檢查驗收控制要點》) to standardize the inspection of construction materials.

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

In addition to reducing emissions through material selection and other channels, the Company also constantly explores the potential on energy saving of its construction projects. Our building energy efficiency design is implemented according to the Design Standard for Energy Efficiency of Public Building (GB 50189-2015) of the nation. In addition, we promote energy utilization efficiency of projects with various measures, including:

- Properly setting interior parameters designs and lighting power density, optimizing energy load calculation to lower the cooling and heating load requirements of our buildings;
- Optimizing the design of exterior protective structures, such as the heat transfer coefficient of glass curtain walls, shading coefficient and air tightness, in order to reduce the loss during thermal transmission and the heat from solar radiation;
- Selecting new energy-saving materials with better insulation function, such as low-emissivity glass and solar-reflective heat-insulation coating;
- Properly designing a heat recovery system to lower the energy consumption for processing fresh air;
- Clean energy such as solar power has been adopted to reduce the operating energy consumption of our cooling and heating sources and relevant systems, as well as carbon emissions;
- Controlling the cooling load index of the air-conditioners, adopt the Variable Refrigerant Volume multi-unit air-conditioners whose Integrated Part Load Value level is 10% — 20% higher than the national standard, and the terminal of the heating air-conditioning system can be adjusted independently on site, so as to save electric energy;
- Some projects are equipped with energy management system to measure power consumption by items to improve management precision;
- Optimizing the power supply system, through the selection of low loss and low noise energy-saving dry-type transformer, optimize the location of substation and distribution station, improve the energy-saving efficiency of power supply system;
- In terms of lighting system, we use LED light source for lighting, and set intelligent lighting control system for general lighting, advertising lighting, outdoor landscape lighting and building floodlighting in public areas and logistics areas of shopping malls, so as to improve the automation control level of lighting system of the project.

We also adopt innovative measures and designs according to the local conditions of the project companies:

- Nanning project adopts perforated brick and other new external wall thermal insulation materials to improve the thermal insulation performance. To reduce the energy consumption of air-conditioner, the building is square and natural ventilation is considered. Using photovoltaic power generation technology, solar panels are laid on the roof, and the power generation can supply the lighting power demand of underground parking lot. Paving permeable bricks on the street can better cope with extreme weather such as rainstorm.
- Kunming project adds domes in outdoor blocks and squares to provide consumers with all-weather shopping environment, and adopts natural ventilation to reduce energy consumption.
- The underground parking lot of Jinan project uses inductive LED lamps to adjust the light intensity, which will increase the brightness when sensing someone, and reduce the brightness when nobody, so as to save power.

The Company actively promotes green building ratings and creates green benchmarking projects, follows the national green building requirements, adapts measures to local conditions for all projects, attaches importance to the consideration of sustainable development factors from the beginning of project design, improves energy efficiency and reduces pollution emissions.

Serial Number	Project Name	Green Building Rating
1	Nanchang Capital Outlets Project	★
2	Jinan Capital Outlets Project	★
3	Beijing Capital Outlets Project	★
4	Chongqing Capital Outlets Project	★
5	Xiamen Capital Outlets Project	★
6	Xi'an Capital Outlets Project	★★
7	Hefei Capital Outlets Project	★★
8	Nanning Capital Outlets Project	★★

1. We state here by green building design grade;
2. According to the Assessment Standards for Green Buildings (《綠色建築評價標準》) issued by the Ministry of Housing and Urban-Rural Development of the People's Republic of China, green buildings are divided into three levels from low to high: one star, two stars and three stars.

Currently, most of the Outlets projects of the Company have been rated as green buildings. We are committed to making more projects rated as green buildings and achieving higher ratings.

Beijing Capital Outlets



Xi'an Capital Outlets



Hefei Capital Outlets



Environment Friendly and Green Construction

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

- Waste gas management: Vehicles and mechanical equipment meeting the emission standards shall be used in the construction site; special personnel are responsible for maintenance, repair and regular inspection, and the waste gas emission meets the relevant standards; the use of electric construction machinery is encouraged.
- Dust control: Set up vehicle cleaning device at the entrance and exit, introduce fog gun, construction sprinkler, road sprinkler and other facilities, and actively implement emergency measures to prevent haze weather; install PM2.5 index monitoring equipment and sprinkler dust suppression equipment; prepare Air Pollution Emergency Plan, start the emergency plan and take necessary measures to minimize air pollution during heavy air pollution.
- Noise reduction: Installation of noise index monitoring equipment, real-time monitoring of construction noise; reasonable arrangement of construction procedures to reduce the impact of noise on surrounding residents.
- Waste residue management: The concrete, block and other waste residue generated at the construction site shall be collected and stacked by classification, and treated uniformly according to the relevant requirements. It is forbidden to landfill in the construction site to avoid polluting the soil and groundwater.
- Sewage management: The preliminary treatment shall be carried out according to the regulations before the sewage is discharged; the drainage ditch shall be planned for the traffic road and material stacking site in the construction site, the sewage flow direction shall be controlled, and the construction sewage shall be strictly prevented from being directly discharged into the municipal sewage pipeline or flowing out of the construction area to pollute the environment.
- Energy and water consumption: The Company requires contractors to use water-saving taps and energy-saving lamps such as LED light bulbs, post water-saving and electricity-saving labels and arrange special personnel for inspection to prevent excessive lighting hours and water flow.
- Material consumption: The Company advocates the use of recyclable materials or materials that contain recyclable elements to reduce the material consumption of its projects. Main recycled materials include wastes recycled from construction, dismantlement and site cleaning, such as concretes, steel bars, bricks, window frames, doors and glass.
- Prevention of water and soil erosion: The Company requires contractors to prepare and execute plans to prevent water and soil erosion and control pollution during the construction period. It is required to protect the existing vegetation within such venues, conduct earth solidification works and build sedimentation tanks to minimize the impacts of soil erosion and deposition caused by our construction behaviours.

Energy Saving and Lean Operation

During project operation, we encourage all project companies to establish goals on energy consumption, water resources consumption and emissions management, and take multiple measures to carry out energy, water and emissions management in accordance with local conditions.

All restaurants in Capital Outlets projects have installed fume purification systems to ensure compliance with emissions standards. The cooking fume from each kitchen is discharged after being treated by the cooking fume purifier on the roof, and the minimum removal efficiency of the purification equipment is not less than 85%. In addition, during 2020, the dust reduction measures were tried out in Kunshan Outlets project by setting artificial fog system and installing micro sprinkling facility, which could make summer less hot and reduce dust at the same time.



The artificial fog system of Kunshan project

We are gradually carrying out systematic energy consumption monitoring in all Capital Outlets projects. By using AI, big data and other advanced technologies, the refined management and intelligent level of energy operation of the project will be comprehensively improved, and the energy system of the project can be monitored, evaluated and adjusted.

Photovoltaic Power Generation System of Hefei Project

Solar energy is a renewable energy with the characteristics of no fuel consumption, flexible scale, no pollution, safe and reliable, simple maintenance and long life. We actively promote photovoltaic power generation projects in various projects. Hefei project cooperates with a third party to establish a photovoltaic power generation system. By installing 396kw distributed photovoltaic power generation modules on the roof, priority is given to the use of the generated power, so as to achieve the effect of green, energy saving and cost reduction.

Photovoltaic Power Generation System of Hangzhou Project

Hangzhou project uses the roof area of 7,000 square meters of parking building to introduce photovoltaic power generation system. The project adopts the mode of self-generation and self-consumption, and the remaining power is used to connect to the grid. The installed capacity is 0.61776MWp, and the theoretical annual energy output is 617,760 kwh; the actual capacity is 559,500 kwh in 2018, 685,000 kwh in 2019 and 639,500 kwh in 2020, with a total capacity of 1.884 million kwh.



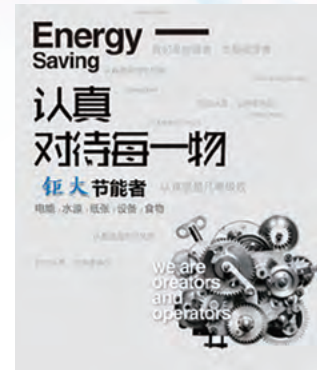
New Paper Saving Machine adopted by Zhengzhou Project



Zhengzhou project began to use 11 groups of toilet paper saving machines since 2020 to avoid waste of toilet paper. According to the statistics of paper saving machine data, the total online usage in 2020 was about 353,000 times, consuming 1,765 volumes of large size paper, saving 70% of the average paper consumption compared with 2019.

(II) ADHERE TO THE 5S CONCEPT AND DEVELOP GREEN OFFICE

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



Resources Conservation

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

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



Beijing Capital Grand's headquarters as well as all its project companies have attached importance to the promotion of water conservation concepts in the offices. We have encouraged employees to bring their own bottles in the meeting to consume less bottled water. In public areas, we have put up signs of water conservation for strengthening publicity and supervision to enhance the employees' awareness of saving water. Meanwhile, we have organized the relevant activities for World Environment Day, Earth Day and World Water Day in each year and advocated for minimizing the waste of resources and excessive consumption.

Cherish Food

According to statistics, China wastes about 35 million tons of grain every year, which is close to 6% of China's total grain output. Cherishing things is the embodiment of a person's accomplishment and even a company's sense of responsibility. We require the project companies that have set up canteens to formulate and optimize the Canteen Management Regulations (《食堂管理规定》) for specifying the relevant requirements on management. Members of the staff are required to cultivate their awareness of being frugal and refuse waste in the campaign of "Clear Your Plate" campaign(光盘行动). In 2020, we launched a campaign to "consciously practice the new "food" fashion, and resolutely say no to catering waste", which has produced wide repercussions in various project companies.

"When you have every bowl of rice and porridge, think about how much effort is paid; every piece of clothes, think about how hard it is earned."

Huzhou Company advocates the idea of thrift, scientific diet and reasonable consumption. When dining in the canteen, the employees take the initiative to practice the "Clear Your Plate" campaign, so as to order a proper amount of food, adhere to rational consumption, and abandon the bad habits of "face saving" and "ostentation"; the remaining food should be packed away, and resolutely put an end to "Waste on the Tip of the Tongue" (舌尖上的浪费).

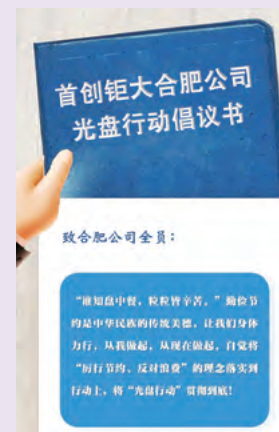


Propaganda of cherishing grain on electronic screen in shopping mall



The proposal of "cherish food and eliminate waste" in dining area

Every Little Bit of Frugality Adds to the Splendour of "Clear Your Plate" Campaign



Hefei Capital Outlets launched publicity and promotion of "Clear Your Plate" campaign through public official account

Garbage Classification

In response to the relevant national policies on garbage classification, we issued the Notice on Carrying out the Practical Activities of "Garbage classification by State-owned Enterprises in Action" (《關於開展“垃圾分類國企在行動”實踐活動的通知》), required employees to sign the Letter of Commitment on Domestic Garbage classification (《生活垃圾分類承諾書》), and actively advocated that employees should not only implement garbage classification in the office, but also bring classification habits into the family, drive relatives and friends, support the community to carry out the activities of "on duty in front of the bucket" and other domestic garbage classification work in their spare time, as well as release the treasure book and tips of garbage classification.

Each Outlets Project carries out garbage classification according to the requirements of local government, and is equipped with corresponding garbage classification facilities. In order to enhance employees' understanding of garbage classification knowledge, let more employees participate in garbage classification activities, and advocate the civilized fashion of caring for nature, saving resources and caring for the environment, all Outlets Projects of the Company actively organize various garbage classification theme activities.



The headquarters launched the garbage classification activity



Letter of Commitment on Domestic Garbage classification signed by employees



Group photo of employees holding Guide Map for Garbage Classification (《垃圾分类指南图》)



Explanation of garbage classification knowledge and simulation of waste disposal

“Jointly Create Civilization and Health”



Huzhou Capital Outlets uses billboards and vertical advertising machines to publicize garbage classification in the corridor of shopping malls, and places several classification bins in shopping malls



Beijing Capital Outlets launched publicity of garbage classification through public official account

Reduce Consumables

We carry out garbage classification according to the local requirements in each Outlets project site. we have taken actions in collection and disposal of office consumables on a unified basis. Recyclable waste such as wastepaper was returned to local recyclers, and a small amount of hazardous waste like damaged fluorescent and engine oil waste were temporarily stored in special trash bins and regularly recycled by the suppliers.

The Company has formulated relevant regulations such as Office Supplies Management System (《办公用品管理制度》), Office Environmental Management Regulations (《辦公環境管理規定》) and Information System and Software Asset Management Regulations (《信息系統及軟件資產管理規定》) in consideration of the environmental protection requirements of the nation and regions where each project located, and takes the following measures to reduce consumables:

- Paperless office, encourage departments to display meeting materials in the form of multimedia, apply the scanned electrical files for filing, and communicate through e-mail for less consumption of paper;
- Reuse of paper, encourage employees to choose double-sided printing or secondary paper printing of the files for internal communication, except for official documents;
- Recycling of office supplies, the office supplies department of each project company actively recycles idle dovetail-shaped clips, paper clips, etc., and distributes them to other departments in need;
- Step forward the management and control of office expenses, project companies have been required to make a good budget plan and put an end to the waste of resources, and continuously strengthen the 5S management in offices.

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

Green Travel

Our direct exhaust gas emission mainly comes from the greenhouse gas and nitrogen oxides discharged by official vehicles in consuming gasoline. So, we enhance our management of official vehicles to reduce direct emission of air pollutants. Such measures of root-controlling, resource-saving and substitution-seeking adopted by us includes:

- New official vehicles shall be provided in strict accordance with the equipment standards, and new energy vehicles shall be preferred;
- The output volume of newly purchased and leased cars as general official vehicles must be 1.8 litres or less;
- Reducing the proportion of official vehicles and strictly executing the procedure for the approval of official vehicle application, conducting appropriate arrangement to allocate official vehicle resources reasonably;
- Managing the use frequency of existing official vehicles and controlling the budget of vehicles' gasoline consumption;
- Using the remote video and phone conference system to reduce unnecessary travel;
- Encouraging employees to maximize the use of public transport during business trips, and arranging shuttle bus for their commute between the Company and the downtown area.



二次打印

节约耗材

CAPITAL GRAND 首创大 管理

(III) IDENTIFY RISKS AND RESPOND TO CLIMATE CHANGE

We are deeply aware of the urgency of climate change, actively respond to the call of the national and the international community, deeply understand and practice the concept of green operation and green office, and actively respond to climate change. We take climate change risk into consideration in risk assessment and management, identify the possible impact of climate change on the Company's business activities, and make response and emergency plan in advance. For example, for extreme weather, we issue weather warning and prevention requirements in advance to avoid the impact of extreme weather on the Company's operating assets, equipment and employees.

Risks	Responses
The global warming effect has increased the frequency of regional extreme weather such as rainstorm and hail, etc., resulting in potential impact on our open Outlets projects. Which includes: extreme climate causes damage to fixed assets; high temperature and heat wave increase the power consumption of air-conditioner; extreme climate affects consumers' shopping experience or reduces customer traffic, etc.	In the design and operation of Outlets project, the consideration of extreme weather should be added. For example, the seismic strength of projects located in the earthquake zone should be higher than the national and regional building standards; the design of drainage system should be paid more attention to in the southern area of Outlets project to cope with the heavy precipitation weather; the light domes should be added in the blocks of new projects to control the block temperature; the concrete grade of coastal projects is required to be increased, etc.
In the process of low-carbon transition of the national economy as a whole, new low-carbon policies may be added, which will increase the operating costs.	The project companies are encouraged to carry out more refined energy management, set energy use goals and improve energy use efficiency.

(IV) ENVIRONMENTAL PERFORMANCE DATA

The main business of the Group is Outlets commercial real estate. Our main emissions are greenhouse gas emissions caused by energy use in office and operation, and the main wastes are office waste in office process and harmless wastes generated by outlets shopping mall operation. Due to the small amount of self-owned packaging used in operation, it is not included in the scope of disclosure.

Unless stated otherwise, the relevant data and performance set out in this section as of 31 December 2020, covering the Group's headquarters (namely the Company) and its twelve projects in operation, namely Beijing Company (formerly known as Fangshan Company), Huzhou Company, Kunshan Company, Hangzhou Company, Hefei Company, Wuhan Company, Nanchang Company, Zhengzhou Company, Jinan Company, Xi'an Company, Chongqing Company and Kunming Company. The projects still in construction are not included in the scope of disclosure at the moment. Based on the characteristics of the Group's business, we have calculated the statistics of the office areas and the public areas of shopping malls separately. In a responsible manner, in addition to continuing to disclose the relevant data in the public areas of shopping malls, we have increased the collection and disclosure of environmental data of the tenants in this year compared with the previous years.

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

Office Area

Indicators ¹ (2020)					
Total greenhouse gas emissions (Scope I and II) (ton) ²				1,090.76	
Direct emissions (Scope I) (ton)		Fuel consumption by official vehicles		43.58	
Indirect emissions (Scope II) (ton)		Purchased electricity		1,047.18	
Annual greenhouse gas emissions per square meter of gross floor area (ton/square meter)				0.068	
Non-hazardous waste (ton) ³				185.36	
Kitchen waste	23.12	Other Waste	158.04	Recyclable	4.20
Annual non-hazardous waste per square meter of gross floor area (ton/square meter)				0.012	
Non-hazardous waste generated per employee (ton/person)				0.16	
Hazardous waste (ton) ⁴				0.31	
Annual hazardous waste per square meter of gross floor area (ton/square meter)				0.000020	
Hazardous waste generated per employee (ton/person)				0.00028	
Total energy consumption (MWh) ⁵				1,871.73	
Direct energy consumption (MWh)		Gasoline (MWh)		178.04	
Indirect energy consumption (MWh)		Electricity (MWh)		1,693.69	
Annual energy consumption per square meter of gross floor area (MWh/sqm)				0.12	
Tap water (ton)				13,238.30	
Annual tap water consumption per square meter of gross floor area (ton/sqm)				0.79	

- Given operational characteristics, greenhouse gases constitute the main gas emissions of the Group. According to our calculation, the sulfur dioxide and nitrogen oxide emissions from our official vehicle exhaust are minimal compared with greenhouse gas emissions, and therefore are not disclosed;
- Our greenhouse gas emissions include carbon dioxide, methane and nitrous oxide, which are mainly from purchased electricity and fuels. The amount of greenhouse gases is presented in carbon dioxide equivalent and is calculated based on the 2019 Emission Reduction Projects — Baseline Emission Factors for Regional Power Grids in China (《2019年度減排項目中國區域電網基準線排放因子》) published by the Ministry of Ecology and Environment of the People's Republic of China and the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories 《IPCC 2006年國家溫室氣體清單指南 2019修訂版》 published by the Intergovernmental Panel on Climate Change (IPCC);
- Non-hazardous wastes are sent to recyclers for disposal;
- Hazardous wastes are disposed of by third parties or suppliers, including waste toner cartridges and ink cartridges;
- Total energy consumption is calculated based on electricity and fuel consumption as well as the conversion factors in the General Principles for Calculation of Total Production Energy Consumption (GB/T 2589-2008) (《綜合能耗計算通則 (GB/T 2589-2008)》) issued by the Standardization Administration of the People's Republic of China.

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

Shopping Mall Public Area and Tenant Data

Indicators ¹ (2020)					
Total greenhouse gas emissions (Scope I and II) (ton) ¹				75,306.82	
Annual greenhouse gas emissions per square meter of gross floor area (ton/sqm)				0.043	
Total greenhouse gas emissions in public areas (Scope I and II) (ton)				16,266.80	
Direct emissions (Scope I) (ton)		Natural gas		25.60	
Indirect emissions (Scope II) (ton)		Purchased electricity		16,241.20	
Annual greenhouse gas emissions per square meter of gross floor area in public areas (ton/sqm)				0.014	
Total greenhouse gas emissions by tenants (Scope I and II) (ton)				59,040.02	
Direct emissions (Scope I) (ton)		Natural gas		2,571.29	
Indirect emissions (Scope II) (ton)		Purchased electricity		56,468.73	
Annual greenhouse gas emissions per square meter of gross floor area by tenants (ton/sqm)				0.098	
Non-hazardous waste (ton) ²				12,218.28	
Kitchen waste	2,737.47	Other Waste	9,476.47	Recyclable	4.34
Annual non-hazardous waste per square meter of gross floor area (ton/square meter)				0.0071	
Hazardous waste (ton) ³				0.33	
Annual hazardous waste per square meter of gross floor area (ton/square meter)				0.00000018	
Total energy consumption (MWh) ⁴				128,341.10	
Annual energy consumption per square meter of gross floor area (MWh/sqm)				0.074	
Total energy consumption in public areas (MWh)				25,327.64	
Direct energy consumption (MWh)		Natural gas (MWh)		129.89	
Indirect energy consumption (MWh)		Electricity (MWh)		25,197.75	

Indicators ¹ (2020)		
Annual energy consumption per square meter of gross floor area in public areas (MWh/sqm)		0.022
Total energy consumption by tenants (MWh)		103,013.46
Direct energy consumption (MWh)	Natural gas (MWh)	13,046.69
Indirect energy consumption (MWh)	Electricity (MWh)	89,966.77
Annual energy consumption per square meter of gross floor area by tenants (MWh/sqm)		0.17
Total tap water consumption (ton)		601,276.83
Annual tap water consumption per square meter of gross floor area (ton/sqm)		0.35
Total tap water consumption in public areas (ton)		424,228.67
Annual tap water consumption per square meter of gross floor area in public areas (ton/sqm)		0.38
Total tap water consumption by tenants (ton)		177,048.16
Annual tap water consumption per square meter of gross floor area by tenants (ton/sqm)		0.29

1. Our greenhouse gas emissions include carbon dioxide, methane and nitrous oxide, which are mainly from purchased electricity and fuels. The amount of greenhouse gases is presented in carbon dioxide equivalent and is calculated based on the 2019 Emission Reduction Projects — Baseline Emission Factors for Regional Power Grids in China (《2019年度減排項目中國區域電網基準線排放因子》) published by the Ministry of Ecology and Environment of the People's Republic of China and the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories 《(IPCC 2006年國家溫室氣體清單指南 2019修訂版)》 published by the Intergovernmental Panel on Climate Change (IPCC);
2. Non-hazardous wastes are sent to recyclers for disposal;
3. Hazardous wastes are disposed of by third parties or suppliers, which mainly are used fluorescent tubes;
4. Total energy consumption is calculated based on electricity and natural gas consumption as well as the conversion factors in the General Principles for Calculation of Total Production Energy Consumption (GB/T 2589-2008) (《綜合能耗計算通則 (GB/T 2589-2008)》) issued by the Standardization Administration of the People's Republic of China.

Due to the further improvement of our management level and the impact of epidemic factors, our office area has a better environmental performance than the previous year in terms of resource consumption and emissions. Among which, annual greenhouse gas emissions per square meter of gross floor area was reduced by 27%, non-hazardous waste generated per employee was reduced by 20%, annual energy consumption per square meter of gross floor area was reduced by 25%, and annual tap water consumption per square meter of gross floor area was reduced by 24%.

In terms of outlets malls, we adjusted the statistical scope of mall data this year, and included the tenant data in the statistical scope beside the existing statistics of public areas. On the basis of improving our own environmental performance, we will also focus on the environmental performance of tenants in the future to further enhance environmental friendliness. In terms of data, since both Xi'an Capital Outlets and Chongqing Capital Outlets opened in September 2019, the total greenhouse gas emissions, total energy consumption and total tap water consumption in shopping malls of Xi'an Company and Chongqing Company calculated in the previous year's statistics report only included the data for the fourth quarter of 2019; while in this year, due to the added data of Kunming Capital Outlets project, which newly opened in December 2020, the total greenhouse gas emissions, total energy consumption and total tap water consumption in public areas of the shopping mall this year increased compared with the previous year. However, due to the Company's refined management and control and the impact of epidemic factors this year, the related density data of public areas decreased compared with the previous year, among which, annual greenhouse gas emissions per square meter of gross floor area decreased by 33%, annual energy consumption per square meter of gross floor area decreased by 42%, and annual tap water consumption per square meter of gross floor area decreased by 30%.

X. COMPLIANCE: RESPONSIBLE OPERATION AND ACTIVELY BUILD SOCIAL INTEGRITY

(I) INTEGRITY AND JUSTICE, AND BUILDING A SUNSHINE ENTERPRISE

The Company has always adhered to zero tolerance for corruption and bribery. We strictly abide by the "Criminal Law of the People's Republic of China" (《中華人民共和國刑法》), the "Anti-Unfair Competition Law of the People's Republic of China" (《中華人民共和國反不正當競爭法》), the "Anti-Money Laundering Law of the People's Republic of China" (《中華人民共和國反洗錢法》) and the "Opinions of the General Office of the State Council on Improving the Regulatory System and Mechanism Against Money Laundering, Terrorism Financing and Tax Evasion" (《國務院辦公廳關於完善反洗錢、反恐怖融資、反逃稅監管體制機制的意見》), and other anti-corruption laws and regulations. The Company has established explicit corporate governance rules and issued corporate management systems such as the "Provisions on Explicit Prohibitions for Capital Grand" (《首創鉅大明令禁止條例》) and Employee Manual (《員工手冊》), which clarify in detail the code of conduct and professional ethics that employees of each level must abide by in performing their obligations, and which require all staff to insist on the bottom line on integrity. During 2020, the Company identified no significant risks relating to corruption, any events in connection with the recognized corruption of the Group, nor any public legal proceedings on corruption against the Group or its employees.

In 2020, we will continue to strengthen the anti-corruption work and further create a clean and just enterprise atmosphere. Our risk control center is independent of all departments and supervises the whole process. In 2020, we have further standardized the compliance, fairness and transparency of the anti-fraud workflow. We have formulated such management measures as the Initial Audit Management Standard for Capital Grand (《首創鉅大初核管理規範》), the Work Standard of Honest and Clean Government Talk for Capital Grand (《首創鉅大廉政談話工作規範》), and the Work Standard of Talk and Inquiry for Capital Grand (《首創鉅大談話函詢工作規範》), and standardized the work scope, process, key links, etc. of anti-fraud.

Internal Inspection and Audit

We organise inspection at the beginning of every year, mainly focusing on internal control and special projects. We review audit and inspection work every six months, and report to the audit committee at the end of the year. The scope of risk control review includes departure audit, comprehensive risk carding and post management and control evaluation. The review points include process, system, operation management, bidding and purchasing, expense reimbursement and project quality, including all stages of work process.

Publicity and Implementation of Education and Training

We continue to strengthen anti-corruption training and warning work, regularly collate graphic and video materials according to relevant cases, carry out anti-corruption publicity and warning in combination with offline centralized training, Wechat work group and e-mail, and strive to improve the anti-corruption awareness of employees at all levels. We should intensify the deterrence of not daring to corrupt, strengthen the cage of not allowing to corrupt, and enhance the consciousness of not wanting to corrupt.



Anti-corruption Training Site

Open and Transparent Reporting Channels

The Company has published a unified channel for petition and visit and whistle-blowing at places such as the official website, office areas and the public areas of outlets shopping mall, and arranged special personnel to accept the information of petition and visit and whistle-blowing. We welcome people from all walks of life to supervise the behaviour of the Company's personnel at all levels and put forward valuable suggestions.

Sunshine Procurement

In respect of the procurement, the Company always adheres to the partnership idea of sunshine procurement. The Company requires its subsidiaries to sign the Anti-Commercial Bribery Agreement with all the suppliers to jointly resist commercial bribery, safeguard the common legitimate rights and interests of both parties, and ensure the long-term and healthy development of bilateral cooperative relationship.

Implement Daily Supervision

We have a perfect daily supervision system for employees at all levels of the Company. We have honest talks on newly promoted leading posts and re-elected or newly elected branch (deputy) secretaries of the Company, with 10 people talking throughout the year. We also have honest inspection on leading posts at all levels before taking office. Every major holiday, we will issue notices, hold meetings and other forms to release the requirements related to clean holidays, timely call out reminders, pay attention to discipline and establish rules, and continue to promote the construction of the Company's probity culture and anti-corruption work.

(II) COMPLIANCE OPERATION AND PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

We strictly abide by the relevant laws and regulations such as the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), the Administrative Measures for the Certification of Intellectual Property Rights (《知識產權認證管理辦法》) and the Management Standard for Corporate Intellectual Property Rights (《企業知識產權管理規範》). The brand authorization chain management of Capital Outlets shopping malls has always been the focus and difficulty in the industry. All along, we focus on providing customers with high-quality authentic goods, and actively explore a better brand authorization chain management mode.

In 2020, in order to give full play to the leading advantages of the industry, accurately identify the brand information, protect the brand intellectual property rights, prevent the risk of trademark infringement, build the Company's intellectual property protection barrier, lock the brand resources, expand the Company's commercial core value resources, protect the legitimate rights and interests of consumers, enhance the Company's goodwill and reputation, and further enhance the management level of the brand authorization chain of the Company's "Capital Outlets" commercial projects, We have established the brand authorization chain database of Capital Grand and formulated the Application Guidelines for Brand Authorization Chain Database for Capital Grand (《首創鉅大品牌授權鏈數據庫應用指引》).

In respect of protecting intellectual property rights, we have applied to the Trademark Office of National Intellectual Property Administration for registering our trademarks of such product brands as "CAPITAL GRAND", "CAPITAL OUTLETS" and "CO". At the same time, we have hired intellectual property law firms and proactively protected our legitimate rights and trademark value, which not only maintained our competitive advantages in the market, but also effectively prevented infringement of our own intellectual property rights. During 2020, the Company was not aware of any incident relating to material infringement on intellectual property rights which had a significant impact on the Company.

(III) STANDARDIZE MARKETING AND MANAGE ADVERTISING SIGNS

The Company strictly complies with laws and regulations made by national and local, including the Law on the Protection of Consumer Interests of the People's Republic of China (《中華人民共和國消費者權益保護法》), Advertising Law of the People's Republic of China (《中華人民共和國廣告法》), the Detailed Implementing Rules Governing the Regulations for the Control of Advertising (《廣告管理條例施行細則》) and the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), and timely follow the change of requirements of relevant regulation. We have also formulated relevant systems such as the Administrative Measures for the Brand Dissemination of Commercial Projects of Beijing Capital Grand Limited (《首創鉅大有限公司商業項目品牌傳播管理辦法》) and the Management and Control Explanations on Image Promotion for Commercial Projects of Beijing Capital Grand Limited (《首創鉅大有限公司商業項目推廣形象管控說明》) to advertise our products and use the logo in accordance with the laws and regulations, established a multi-level audit mechanism to standardize advertisement promotion. Before large-scale activities, we will organize relevant persons in charge to participate in the centralized publicity and implementation meeting, provide the template of compliance publicity copy of large-scale marketing activities, promote honest marketing, and avoid misrepresentation. During 2020, the Company was not aware of any incident relating to its breach of the laws and regulations on advertising and trademarks which had a significant impact on the Company.

XI. CONCLUSIONS

2020 was destined to be an extraordinary year. In the face of the Covid-19 epidemic, a black swan incident that affects the normal operation of the global economy, the Group has made a concerted effort to calmly deal with the epidemic, scientifically plan to gather consensus, stand firmly to overcome numerous difficulties, and actively resume work and production to minimize losses. As a leading company in the industry, we have played a leading role and have been recognized by all sectors of society.

As a link-up year of the Five-Year Plan, the ESG work of this year has been incorporated by the Group into the “14th Five-Year” strategic plan. In the future, the Group will, as always, attach importance to major issues of concern to all stakeholders, continue to improve ESG-related work, encourage innovation, and continue to promote the upgrade of environmental performance and service quality. Through continuous “good development”, the Group will strive to provide consumers with “good services” and become a “good employer” for employees, a “good partner” for partners, a “good helper” for community, and a “good citizen” for government.

While continuing to grow and develop, the Group will continue to fulfil its responsibilities as a state-owned enterprise, fulfill its social responsibilities, and contribute to the sustainable development of the entire society and even the entire mankind.

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

Category	Issue	Performance Indicator	Corresponding Chapter in the Report
Environmental	A1 Emissions	<p>General Disclosure: Information on:</p> <ul style="list-style-type: none"> (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the listing company <p>relating to waste gas and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, etc.</p> <p>A1.1 The types of emissions and respective emissions data</p> <p>A1.2 Greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)</p> <p>A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)</p> <p>A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)</p> <p>A1.5 Description of measures to mitigate emissions and results achieved</p> <p>A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved</p>	IX. Environment: Start with me and protect green waters and mountains together

Category	Issue	Performance Indicator	Corresponding Chapter in the Report
	A2 Use of Resources	<p>General Disclosure:</p> <p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p>A2.1 Direct and/or indirect energy consumption by type (e.g., electricity, gas or gasoline) in total (kWh in '000s) and intensity (e.g., per unit of production volume, per facility)</p> <p>A2.2 Water consumption in total and intensity (e.g., per unit of production volume, per facility)</p> <p>A2.3 Description of energy use efficiency initiatives and results achieved</p> <p>A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved</p> <p>A2.5 Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced</p>	<p>IX. Environment: Start with me and protect green waters and mountains together</p> <p>The principal business of the Group is Outlets commercial properties, and the number of packaging materials used is extremely small, so it is temporarily not included in the scope of disclosure</p>
	A3 Environment and Natural Resources	<p>General Disclosure: Policies on minimising the listing company's significant impact on the environment and natural resources.</p> <p>A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them</p>	<p>IX. Environment: Start with me and protect green waters and mountains together</p>

Category	Issue	Performance Indicator	Corresponding Chapter in the Report
Social	B1 Employment	<p>General Disclosure:</p> <p>Information on:</p> <p>(1) the policies; and</p> <p>(2) compliance with relevant laws and regulations that have a significant impact on the listing company</p> <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p> <p>B1.1 Total workforce by gender, employment type, age group and geographical region</p> <p>B1.2 Employee turnover rate by gender, age group and geographical region</p>	VI. Employees: Our operations carries employees' dream-building journey
	B2 Health and Safety	<p>General Disclosure:</p> <p>Information on:</p> <p>(1) the policies; and</p> <p>(2) compliance with relevant laws and regulations that have a significant impact on the listing company</p> <p>relating to providing a safe working environment and protecting employees from occupational hazards.</p> <p>B2.1 Number and rate of death</p> <p>B2.2 Lost days due to work injury</p> <p>B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored</p>	<p>IV. We Actively Takes Action to Deal with the Epidemic</p> <p>VI. Employees: Our operations carries employees' dream-building journey</p>

Category	Issue	Performance Indicator	Corresponding Chapter in the Report
	B3 Development and Training	<p>General Disclosure:</p> <p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p> <p>B3.1 The percentage of employees trained by gender and category (e.g. senior management, middle management)</p> <p>B3.2 The average training hours completed per employee by category and gender</p>	VI. Employees: Our operations carries employees' dream-building journey
	B4 Labor Standards	<p>General Disclosure:</p> <p>Information on:</p> <p>(1) the policies; and</p> <p>(2) compliance with relevant laws and regulations that have a significant impact on the listing company</p> <p>relating to preventing child or forced labour.</p> <p>B4.1 Description of measures to review employment practices to avoid child and forced labour</p> <p>B4.2 Description of steps taken to eliminate such practices when discovered</p>	VI. Employees: Our operations carries employees' dream-building journey

Category	Issue	Performance Indicator	Corresponding Chapter in the Report
	B5 Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	VII. Partners: Work together for a win-win situation, and go along with us
		B5.1 Number of suppliers by geographical region	Mainland China: 249 Overseas and Hong Kong, Macao and Taiwan regions: 3
		B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	VII. Partners: Work together for a win-win situation, and go along with us
	B6 Product Responsibility	General Disclosure: Information on:	IV. We Actively Takes Action to Deal with the Epidemic
		(1) the policies; and	V. Services: Customer-centric sunny warm services
		(2) compliance with relevant laws and regulations that have a significant impact on the listing company	X. Compliance: Responsible operation and actively build social integrity
		relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	

Category	Issue	Performance Indicator	Corresponding Chapter in the Report
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	The Company has not had any sold or shipped self-operated products that need to be recalled due to safety or health reasons in 2020
		B6.2 Number of products and service-related complaints received and how they are dealt with	V. Services: Customer-centric sunny warm services
		B6.3 Description of practices relating to observing and protecting intellectual property rights	X. Compliance: Responsible operation and actively build social integrity
		B6.4 Description of quality assurance process and recall procedures	V. Services: Customer-centric sunny warm services VII. Partners: Work together for a win-win situation, and go along with us
		B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored	V. Services: Customer-centric sunny warm services

Category	Issue	Performance Indicator	Corresponding Chapter in the Report
	B7 Anti-corruption	<p>General Disclosure:</p> <p>Information on:</p> <p>(1) the policies; and</p> <p>(2) compliance with relevant laws and regulations that have a significant impact on the listing company</p> <p>relating to preventing from bribery, extortion, fraud and money laundering.</p> <p>B7.1 Number of concluded legal cases regarding corrupt practices brought against the listing company or its employees during the reporting period and the outcomes of the cases</p> <p>B7.2 Description of preventive measures and whistleblowing procedures, how they are implemented and monitored</p>	X. Compliance: Responsible operation and actively build social integrity
	B8 Community Investment	<p>General Disclosure:</p> <p>Policies on community engagement to understand the needs of the communities where the listing company operates and to ensure its activities take into consideration the communities' interests.</p> <p>B8.1 Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport)</p> <p>B8.2 Resources used (e.g., money or time) in the focus area</p>	<p>IV. We Actively Takes Action to Deal with the Epidemic</p> <p>VIII. Community: Prosper together and create a better future for community</p>