



寶龍商業管理控股有限公司
POWERLONG COMMERCIAL MANAGEMENT HOLDINGS LIMITED

incorporated in the Cayman Islands with Limited Liability

Stock code :9909.HK

2020

Powerlong CM

Environmental, Social,
and Governance Report



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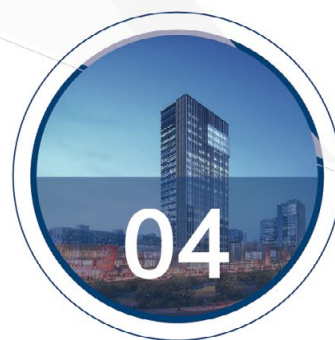


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About this Report

Powerlong Commercial Management Holdings Limited (stock code: 9909) (the “**Company**” or “**Powerlong CM**”) and its subsidiaries (together, the “**Group**”) is delighted to publish its second *Environmental, Social and Governance Report* (the “**Report**”).

This Report details the Group’s performance in terms of environmental, social and governance (“**ESG**”) and its future planning and goals. The Group has disclosed most of the key performance indicators with descriptions to establish baselines for assessment to facilitate comparisons. For details of Powerlong CM’s businesses, please refer to the *Annual Report 2020* of Powerlong CM.

Reporting Period and Scope

Unless otherwise specified, the Report covers the period between 1 January 2020 and 31 December 2020 (the “**Reporting Period**”), with part of the content suitably extended. The content of the Report is determined based on operational control, which covers all business sectors under the Group, including business operation service and property management service.

Reporting Guideline

The Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (2016 version) (“**ESG Reporting Guide**”) contained in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“**Listing Rules**”) issued by The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), and is based on the reporting principles of materiality, quantitative, balance, and consistency.

During the preparation of the Report, the Group applied the following reporting principles according to the ESG Reporting Guide:

Materiality: The Group’s material topics for the Reporting Period were determined with reference to the 2020 materiality assessment results¹ from Powerlong Real Estate Management Holdings Limited (“**Powerlong Holdings**”), thereby prepared the Report by focusing on the confirmed material topics;

Quantitative: The calculation standards and methods on the data in the Report derived through calculation, as well as the applicable assumptions are disclosed; and

Consistency: The preparation method of the Report is fundamentally consistent with the previous year, and the changes in the disclosure on the data reporting scope and calculation method are specifically explained.

¹ Powerlong CM is a subsidiary of Powerlong Holdings. As the business nature and the reporting scope of the two companies are similar, the material topics for the Report were referenced from the 2020 materiality assessment results of Powerlong Holdings.

Reporting Declaration

The Report highlights the management process and emphasises on its materiality, balance, and consistency to provide a comprehensive overview of the Group's philosophies and policies. The Group guarantees the reliability, authenticity, objectivity, and timeliness of the Report, and is intended to strengthen communications with stakeholders through issuing the Report, so as to further promote sustainable development of the environment, society and economy. The disclosed content of the Report is determined by the results of stakeholder engagement processes. Please refer to the chapter "Responsible Management" in the Report for details of the process.

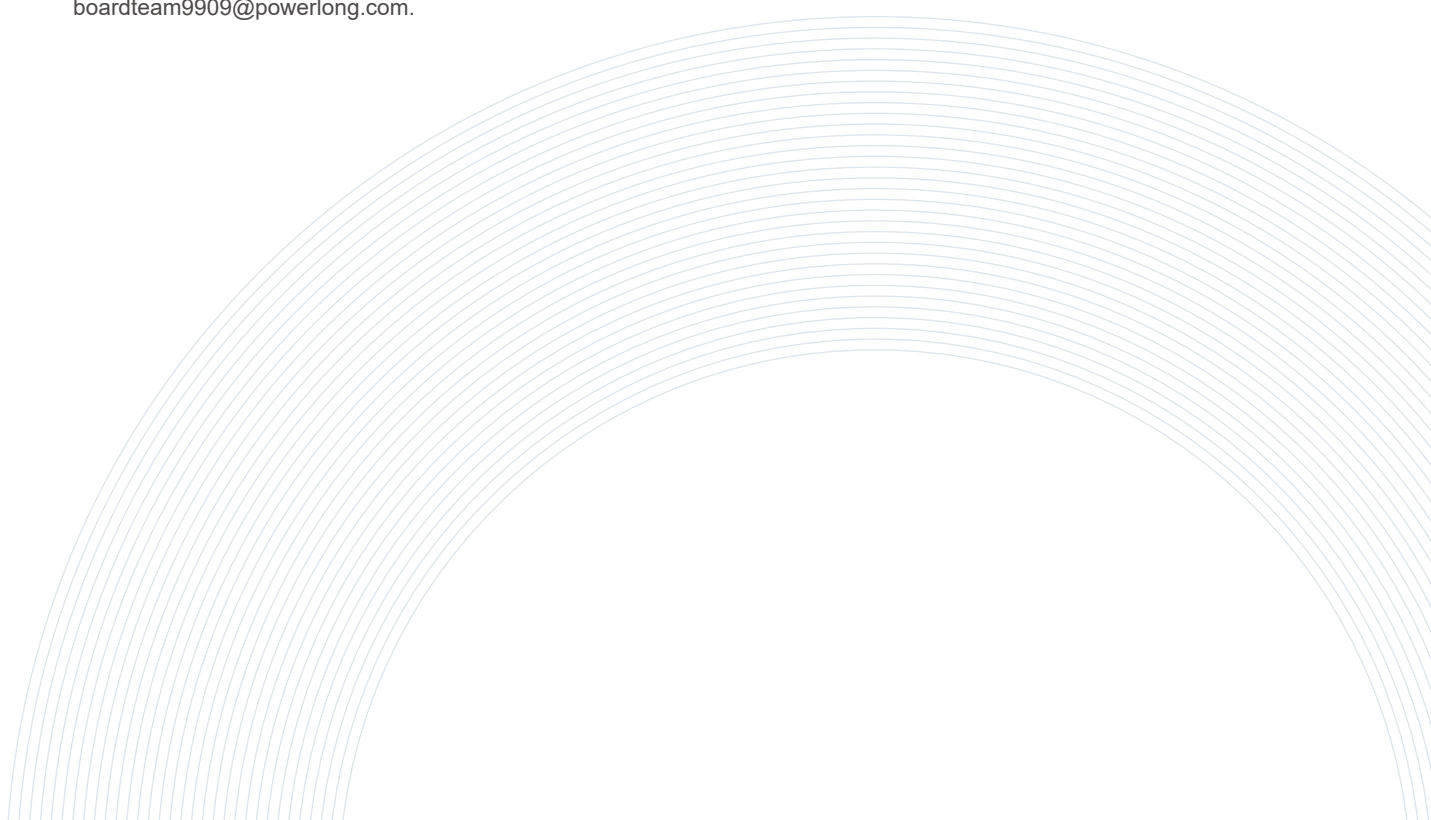
Confirmation and Approval

The disclosure in this Report complies with the ESG disclosure requirements of "comply or explain" in the *ESG Reporting Guide* contained in Appendix 27 of the *Main Board Listing Rules* issued by the Stock Exchange. The Report has been reviewed, confirmed, and approved by the Company's Board of Directors on 2 March 2021. The Board is responsible for the Group's ESG strategy and report, and is responsible for assessing and determining the Group's ESG-related risks to ensure the Group's ESG risks and internal management and control system are implemented appropriately and effectively.

Report Availability and Feedback

The Report can be accessed and downloaded from the company website at www.powerlongcm.com or the HKEXnews website of the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk.

The Group welcomes any comments and suggestions regarding the Report or ESG-related matters through email at boardteam9909@powerlong.com.



Group Overview

As a subsidiary of Powerlong Holdings and a leading commercial operational service provider in the People's Republic of China ("PRC"), the Group is dedicated to improving the living standards of citizens and driving the urbanisation progress in China throughout the years. The Group has been offering commercial operation services to developers, tenants, and owners of retail commercial properties since 2007, while providing property management services to residential properties, office buildings and service apartments, and was successfully listed on the Main Board of the Stock Exchange on 30th December 2019.

The Group will continue to deliver the mission of "space full of love", to allow the connection of all good things through love, to allow more love among people, and within cities, and to create the best space and service experience for our tenants, property owners, and consumers.



Our Businesses

Commercial Operational Services

The Group provides high-quality commercial operational services under its four brands, namely "Powerlong One Mall" (寶龍一城), "Powerlong City" (寶龍城), "Powerlong Plaza" (寶龍廣場) and "Powerlong Land" (寶龍天地). As of 31 December 2020, the Group's operation team had over 5,000 members, and had 68 retail commercial properties in operation across the country, with an aggregate gross floor area ("GFA")² in operation of approximately over 8.6 million square meters ("sq.m"). As of the same date, the Group was contracted to provide commercial operational services for a total of 105 retail commercial properties with an aggregate contracted GFA of approximately 11.3 million sq.m.

 **5,000**

As of 31 December 2020, the Group's operation team had over 5,000 members

 **8.6** million square meters

GFA in operation of approximately over 8.6 million sq.m

 **105**

contracted to provide commercial operational services for a total of 105 retail commercial properties

 **11.3** million sq.m

aggregate contracted GFA of approximately 11.3 million sq.m

² Unless otherwise specified, all "GFA" of commercial properties in the Report refers to areas including car parks.



The Group's commercial operational services include full-chain services covering positioning, tenant sourcing, opening, operation and management of shopping malls and shopping streets, which primarily included:

Market research and positioning, tenant sourcing and opening preparation services to property developers or property owners during the preparation stage before the opening of retail commercial property;

Commercial operation and management services to property owners or tenants during the operation stage of a retail commercial property; and

Property leasing services with respect to units located within the shopping streets and shopping malls.

The Group enjoys considerable brand recognition in the markets where it operates, and has been awarded various types of honors in 2020, such as 2020 China Top 10 Commercial Real Estate (2020 中國商業地產十強) awarded by China Index Academy (中國指數研究院), 2020 China Top 10 Commercial Real Estate Brand (2020 年中國商業地產品牌十強) awarded by Leju Financial Research Institute (樂居財經研究院), Listed Companies with the Most Growth Potential in 2020 (2020 年度最具潛力上市公司) awarded by Sina Finance (新浪財經) and other awards.



Residential and Property Management Services

The Group provides residential and property management services for residential properties, office buildings and service apartments which cover various aspects as below:



Pre-sale management services to property developers during their pre-sale services, such as cleaning, security and maintenance of pre-sale display units and sales offices;

Property management services to property owners or property owners' associations at the post-delivery stages, such as security, cleaning, gardening, and repair and maintenance services; and



Other value-added services to property owners, tenants or residents of properties under management, such as pre-delivery preparation and trash management services, common area, advertising space and car park management services.

 **61**

As of 31 December 2020, the Group had 61 projects delivered of its residential property management services

 **14.4** million sq.m

an aggregate GFA delivered of 14.4 million sq.m

 **101**

contracted to manage 101 projects

 **23.2** million sq.m

an aggregate contracted GFA of 23.2 million sq.m



Honours and Recognitions

Through the Group's outstanding service and quality, the Group has won a variety of awards during the Reporting Period as an acknowledgement of the Group's efforts and achievement.

Awards acquired in 2020 (partial)



2020 China Top 10 Commercial Real Estate Brand

Leju Financial Research Institute



Listed Companies with the Most Growth Potential in 2020

Sina Finance



Most Outstanding Enterprise of the Year 2020

Ruihe Think Tank and Van Sound Club



Outstanding Enterprise Award in Commercial Property

Winshang.com



2020 Excellence Management Company

mallchina.org



Forerunner Representative of a Company with Light and Heavy Assets Dual Listing Status

Shopping Centre Development Association of Mall China



2020 China Top 10 Commercial Real Estate

China Index Academy



The Most Popular New Stock Company Among Investors in 2020

Zhitong Finance and Royal Flush Finance



2020 Top 10 of China Commercial Real Estate Developers with Comprehensive Strengths

China Real Estate Association, Shanghai E-House Real Estate Research Institute and China Real Estate Evaluation Center









Responsibility Management

Stakeholder Communication

The Group deeply believes that effective communication with stakeholders can drive the sustainable development of the Group. Therefore, we have been proactively listening and responding to the stakeholders' demands and expectations through various communication channels, as well as improving our internal management according to each party's opinions.

The Group determines whether the relevant person or group is a key stakeholder through the following three key points:

- Whether the person or group has invested or will invest in the Group
- Whether the person or group has an influence on the Group's business operation
- Whether the person or group has gained interests or been impacted by the Group's businesses, products, services, and its relationship with the Group

Key Stakeholders	Expectations	Responses
 Government and regulators	<ul style="list-style-type: none"> • Policy implementation • Tax contribution • Environmental protection • Information disclosure 	<ul style="list-style-type: none"> • Accept government supervision and inspection • Voluntary tax payment • Green operation • Disclose information on a regular basis
 Investors (shareholders)	<ul style="list-style-type: none"> • Return on investments • Risk control • Operational regulation • Sustainable development 	<ul style="list-style-type: none"> • Annual General Meeting • Annual report and periodic report • Company website • Company circulars • Inspection team • One-to-one meeting • Investment bank forum • International roadshow
 Employees	<ul style="list-style-type: none"> • Remuneration and benefits • Occupational health • Career development • Equal opportunities 	<ul style="list-style-type: none"> • Annual meeting • Employees' training • Employees' body check • Employees' activities
 Customers	<ul style="list-style-type: none"> • Product and service quality • Information security • Safety and environmental protection 	<ul style="list-style-type: none"> • Customer satisfaction survey • Customer privacy protection policies • Interactive activities with customers • Emergency drill • Waste sorting and recycling
 Suppliers/Partners	<ul style="list-style-type: none"> • Business integrity • Win-win cooperation • Open and fairness 	<ul style="list-style-type: none"> • Bidding policies • Supplier selection system • Taking environmental and social factors into consideration during supplier review
 Community and the public	<ul style="list-style-type: none"> • Community environment • Maintaining stability • Harmonious development • Poverty alleviation 	<ul style="list-style-type: none"> • Donations • Community building • Community activities • Targeted poverty alleviation
 Media	<ul style="list-style-type: none"> • Timely communication 	<ul style="list-style-type: none"> • Regularly organise media activities
 Commercial tenants	<ul style="list-style-type: none"> • Win-win cooperation • Open and fairness • Timely communication 	<ul style="list-style-type: none"> • Examining and verifying of commercial tenants before settlement • Screening of merchants • Commercial tenant activities

Materiality Assessment

In the means to reflect the ESG aspects to the greatest extent in the Report, and to take into consideration of our main stakeholders' expectations in the aspects mentioned above, the Group confirmed the material topics to be focused on for disclosure in the 2020 ESG Report, through taking reference from the 2020 materiality assessment results of the parent company, Powerlong Holdings.

When identifying the ESG topics most relevant to the Group, the Group took reference from sustainability-related standards and guidelines based on the Group's strategies and business characteristics, and considered the current development background and trend in the industry.



The Group conducted the assessment by integrating Powerlong Holdings' material topics and its own circumstances to obtain the above results of material topics and identify the 13 material topics³ which stakeholders participating in the survey were most concerned about. In response to the relevant stakeholders' information requests on the Group's environmental and social aspects, the Report is in compliance with the ESG information disclosure requirement of "comply or explain" of the *ESG Reporting Guide* under Appendix 27 of the *Listing Rules* issued by the Stock Exchange, mainly focuses on these material topics and disclosed the relevant management measures and performance accordingly.

³ Presented in bold.

01

Operational Service Management

The Group strives to provide customers with products and services with the highest quality, and continuously upholds the philosophy of “customers always come first”, to constantly drive its sustainable development. Powerlong Holdings has established a brand management mechanism based on the *Powerlong Real Estate Holdings Brand Management Mechanism Compilation*, to ensure the Group constantly promotes a definite, clear, and consistent brand image. During the process of business operation, the Group does its best to follow Powerlong Holdings' brand management mechanism, and strictly complies with the *Trademark Law of the PRC*, the *Law of the PRC on the Protection of Consumer Rights and Interests*, the *Advertising Law of the PRC*, the *Patent Law of the PRC*, and the *Interim Measures for Management of Store Advertisements*, and other relevant laws and regulations. Furthermore, the Group respects and protects the patents of its suppliers and partners, and the information obtained during its business activities is kept confidential to protect the intellectual property of the associated parties.

During the Reporting Period, the Group had no violation against the laws and regulations related to advertising, labelling and customer privacy and relevant events with significant impact on the Group.





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Quality Customer Services

Quality services are the key to the Group's sustainable development. Therefore, to meet the customers' needs, the Group proactively observes and improves each detail throughout operation to provide high quality and attentive services. In addition, to conduct detailed analysis on customers' expectations and needs across its business sectors as well as to improve the quality of its products and services, the Group conducted a series of customer satisfaction surveys during the Reporting Period including but not limited to the following methods:

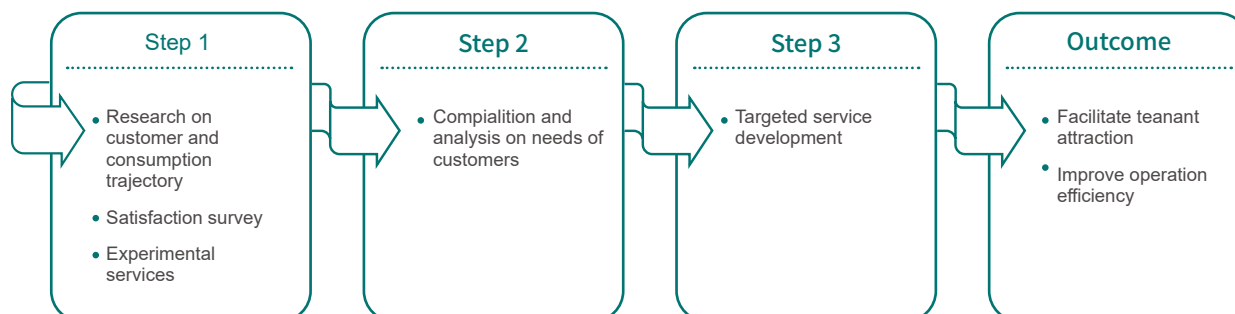


All customer service personnel in commercial operational and property management businesses are required to record in detail the complaints, suggestions and comments related to services from customers. The documented cases are forwarded to appropriate departments for timely follow-up and handling following the *Customer Complaint Handling Process* to satisfy reasonable demands of customers.

Commercial Operation

As a leading commercial operational service supplier in China, meeting customer needs and providing customers with high-quality and caring services are the Group's primary considerations. Throughout the course of commercial properties' operations, the Group has always put customers' satisfaction on the services at the foremost concern. The Group has implemented the "Customer-oriented Programme" for listening and responding to customers' demands on an on-going basis, so as to maintain close relationships with customers. The Group's commercial operational centre also engages with third-party institutions to carry out customer investigations for every commercial project, and takes corrective and preventive measures to enhance and adjust the service quality in accordance with the management and services-related comments and suggestions raised by customers.

The Group's procedures to improve the operational efficiency of commercial properties are:





5G+MEC Smart Commercial Complex

During the Reporting Period, the Group's Xiamen Powerlong One Mall and the Xiamen Branch of China Telecommunications Corporation successfully launched the joint construction of the 5G+MEC (Multi-access Edge Computing) smart commercial complex in Xiamen Powerlong One Mall. The establishment of the 5G+MEC smart commercial complex was constructed upon a 5G terminal industrial ecology. It aims to enhance experience in customer shopping and innovative service, and to promote economic development in the consumer industry through the integration of online and offline experiences.

Details of the construction include:

- 5G ultra-high-definition live broadcast, forging a live interactive scenario, and expanding the extent of participation in activities such as celebrity meeting events, and game competitions through low-latency and multi-location live broadcast events;
- Placing VR maps to realise panoramic virtual tours for shop location of each floor and to provide convenience to customers when visiting stores;
- Setting up VR stores and building a panoramic virtual shopping guide platform, completely recreating the store layout and product displays online, and promoting a new type of consumption through combining online and offline approaches; and
- Constructing a digital twin platform for Xiamen Powerlong One Mall, establishing a precise 3D model of the mall to improve the mall's management efficiency and to reduce the mall's operation cost through conducting various analysis and simulation on the data of customer flow.

With the continuous upgrading and optimisation of technology, the integration of 5G and new technologies, new applications and new scenarios for smart living will provide customers with high-quality, efficient and personalised service experiences. Powerlong CM will uphold the corporate value of "symbiosis and win-win", continuously seek for external resources, and jointly drive for futuristic smart creations, to create more smart living new ecology with commercial complex.





Jointly create Smart Business District 3.0 with WeChat Pay and Shanghai Baoshen Digital Technology Co., Ltd (“Baoshen Digital”)

In January 2020, Powerlong CM collaborated with WeChat Pay and Baoshen Digital, as well as more than 30 shopping malls of the Group, to officially launched the latest function “Payment is point” of the Smart Business District 3.0, constantly optimising the operation of smart business district membership points, and at the same time assisting the business district to enhance the feature in resource organisation through products such as the ability of getting points during payment of WeChat pay, facial recognition payments, and intangible parking service.

“Payment is point” is a new feature on the Powerlong online membership system “Powerlong Yoyo”. It opens new directions for digitalised experience and service from the users’ perspective: Yoyo members can use the “Payment is point” feature through WeChat Pay after authorising for the point collection feature when using the “Powerlong Yoyo” app in Powerlong CM’s malls. With the “pay and immediately collect points” feature, users and shops can achieve a digitalisation enhancement with greater efficiency within the business district, whilst strengthening the connection between the members and the business district.

WeChat Pay will apply the open smart operating solutions to provide Powerlong CM’s “New Commerce Plan” with platform support and product ability, jointly improving the operation efficiency for the malls, collaboratively creating a “Smart Business District 3.0” solution collaboratively and promoting the digitalisation of business districts.



Property Management

In relation to residential property management, the Group regularly collects comment and suggestions from property owners, and proactively improves the quality of property management. Some of the property management teams also provide the latest updates on community information to owners through WeChat official accounts and other platforms such as weather forecast, travel guide, and maintenance status of water supply and power supply facilities. With the property owners’ health and comfort in mind, the Group is committed to optimising the basic facilities and environment in the community.

Besides, fire drills are regularly arranged in communities to strengthen property owners’ preparedness and to prevent hazards. The Group also organises diversified activities which provide comfortable communication platforms for property owners, and create harmonious atmosphere.

Conducting Fire Drills for Employees Regularly

The Group provides fire safety education to its employees on a regular basis to raise employees’ alertness and awareness on fire safety, and to ensure the safety of the communities where the Group’s projects are located. Furthermore, the Group routinely organises fire drills to ensure the safety of its employees and property owners.



Consumer Rights and Intellectual Property Protection

The Group respects the privacy of customers and their intellectual property rights. Customer data and information obtained during the course of business operation will only be used in providing services for customers, and it will not be disclosed to third-party organisations or be used for other purposes other than providing customer services without customers' consent. The Group strictly complies with relevant laws and regulations including but not limited to the *Law of the PRC on the Protection of Consumer Rights and Interests* and the *Criminal Law of the PRC*, and has stipulated the process and precautions of handling important documents for employees in internal guidelines such as the *File Management Policy*, the *File Borrowing Policy* and the *Customer Information Security Management*, in which employees are required to treat customer data in strict confidence. The Group's customer information is attended by specified personnel and can only be accessed by authorised personnel. Classified paper documents are properly placed in the storage room to avoid data breaches. Additionally, the Group provides regular training for employees to enhance their awareness in personal data security, and to prevent employees from using, leaking, and selling customers' personal information illegally.

Furthermore, the Group spares no effort in safeguarding the patents of its suppliers and partners. It has developed and implemented the intellectual property rights management system, and have entrusted the Group's legal affairs department to be responsible for managing intellectual property rights-related issues. The information obtained during business activities will be kept confidential to protect the intellectual property rights of the related parties. At the same time, the Group provides training regarding intellectual property rights in the induction training for new employees to introduce the Group's implementation of intellectual property rights and management methods, so as to enhance their awareness in protecting intellectual property rights.

Supply Chain Management

In regard to the Group's business nature, suppliers play a vital role in the Group's commercial operational and property management businesses. As such, the Group strives to achieve comprehensive and effective supply chain management in the process of selecting suppliers.

The Group adopts stringent criteria to select supplies with high qualities, and initiate collaborations with qualified suppliers. The Group has formulated internal procurement guidelines such as the *Cost Guidebook*, the *Regulations on Internal Supervision and Audit System* and the *Suppliers Approval Standards* and provide clear stipulation of the criteria for shortlisting suppliers. To ensure the Group's service quality, suppliers are subject to rigorous scrutiny before being included in the supplier list. Only suppliers that have obtained marks higher than 70 are eligible to be shortlisted. To further manage the social and environmental risks along the supply chain, priority will be given to those suppliers with outstanding environmental and social practices and measures that align with the Group's standard.

The Group conducts regular suppliers' evaluation to ensure the service and product quality provided by suppliers meets the Group's standards. If the product or service quality of suppliers are found to be below the Group's acceptable standards, suppliers are required to make immediate improvements. At the same time, the Group has established diversified and reliable communication channels to maintain close liaison with suppliers. It allows the Group to strengthen collaborations and ensure effective communication of any possible significant delay or conflict, so as to minimise the chances of affecting the Group's service quality due to undesirable services from the supply chain.

The Group provides a fair, just and open platform for suppliers where all procurement is conducted in accordance with the Group's tendering policy. Strictly abiding by the *Bidding Law of the PRC*, the *Corruption-free Management Agreement* has been included in the contracts to set out duties and penalties of integrity management for both the Group and suppliers. Furthermore, the hotline for inspection and complaints has also been listed in the tender documents to encourage suppliers and other relevant parties to report any behavior in corruption.

02

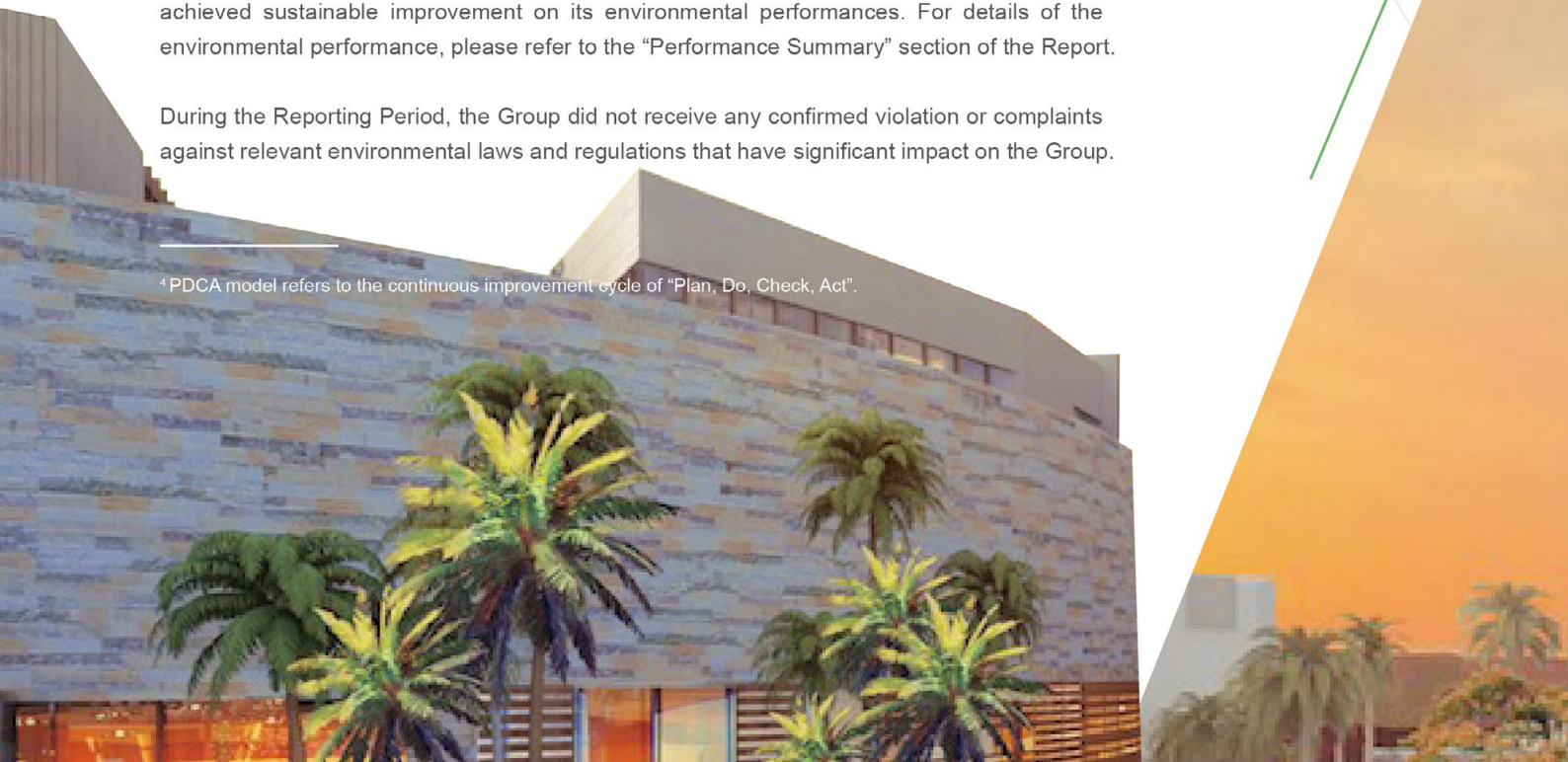
Environmental Protection

As a responsible enterprise, the Group spares no effort in supporting sustainable development and reducing its environmental footprint by introducing green elements into the commercial operation and property management businesses. Apart from strictly abiding by the laws and regulations related to environmental protection such as the *Environmental Protection Law of the PRC*, the *Law of the PRC on Environmental Impact Assessment*, the *Law of the PRC on Prevention and Control of Pollution from Environmental Noise*, the *Law of the PRC on the Prevention and Control of Environmental Pollution Caused by Solid Wastes* and the *Regulation on Urban Drainage and Sewage Treatment*, the Group has developed a series of policies and measures to reduce emissions of air pollutants and greenhouse gases ("GHG"), discharges into water and land, as well as generation of hazardous and non-hazardous wastes that are generated during the Group's business operation.

In terms of environmental management, the Group makes reference to standards of China and the location of its business operations combines the concept of ISO14001 Environmental Management System and considers the actual operation to formulate environmental policies. The Group continuously evaluates the progress of the implemented policies and related achievement for further improvement. Through adopting the PDCA⁴ model, the Group has achieved sustainable improvement on its environmental performances. For details of the environmental performance, please refer to the "Performance Summary" section of the Report.

During the Reporting Period, the Group did not receive any confirmed violation or complaints against relevant environmental laws and regulations that have significant impact on the Group.

⁴ PDCA model refers to the continuous improvement cycle of "Plan, Do, Check, Act".





Reducing Emissions during Operation 17

Sustainable Office 18

Reducing Emissions during Operation

In response to the potential impact of climate change on the Group's business, the Group actively introduces sustainable operation models, implements various internal policies on energy saving and reducing emissions, and strives to save energy, reduce resource consumption and reduce GHG emissions, to jointly respond to climate change. Through developing internal management policies such as the *Energy Management Guide*, the Group can conduct comprehensive management in aspects such as lighting, heating, refrigeration, domestic water, and power distribution. The Group's operation projects practice delicacy management in their daily operations, and commission the engineering director to take responsibility in the integrated energy management, ensuring energy saving and emission reduction targets are achieved.

Energy Saving

Intending to reduce energy consumption throughout each project, the Group begins to take action on lighting and invests in energy-saving lighting systems in its projects, such as replacing traditional fluorescent lights with LED lights in commercial and property management projects, installing sound sensor, infrared and light sensors, as well as time controllers, and automatically adjusting lighting systems to improve energy efficiency. Escalators in some projects are also equipped with automatic sensors, which allow the escalators to enter idle mode when not in use. In addition, the Group reduces the use of resources during operation through installing a series of smart systems, including installing building automation systems at commercial projects to fully monitor the temperature and brightness of the projects at all times, and to remotely controlling the lighting and air-conditioning systems according to the actual situation. The Group also actively enhances the management and maintenance and cleaning of equipment, so as to keep the equipment at its highest operating efficiency and to reduce equipment energy consumption to achieve the target of energy saving. In order to effectively and comprehensively monitor the environmental performances of the Group's projects, the Group requires all projects to record its daily energy usage in air-conditioning, and to conduct analysis based on the data to modify the operation mode of air-conditioning systems and to achieve the effect of energy-saving.

Water Saving








In terms of water usage, the Group does not involve any large-scale water usage during its operation due to its business nature. Also, municipal water is used in all the operating Group-owned properties, and thus the Group does not encounter any issues in sourcing water. Nonetheless, the Group is dedicated to reducing water consumption in the course of operation through a vast range of measures. In terms of commercial operation, the Group has installed self-closing faucets and automatic faucets in public washrooms and has equipped toilets with automated flushing systems. In terms of property management, the Group offers property owners with upgraded fire sprinkler systems which adopted more water-saving designs. The Group also conducts regular inspection and maintenance for fire and water pipelines to avoid waste of water resource, and arranges for repairs as soon as "running, leaking, dripping, or leaking" is found. In the future, the Group will continue to seek opportunities to improve water efficiency in the course of operations and make every effort to fulfil corporate sustainable responsibility.

Waste Recycling

In terms of waste management, the Group has established long-term partnerships with qualified waste recycling and handling operators to undergo systematic recycling and management of general wastes and hazardous wastes generated from commercial operational and property management businesses. Recycling bins of different waste types are placed at project sites, while waste segregation services are offered to each unit of apartments of the property management business. At the same time, the Group implements environmental education programmes in the community from time to time, as well as organises recycling activities for materials such as unwanted clothing to improve environmental protection awareness of the community and promote sustainable development.

Sustainable Office

In order to implement the Group’s emphasis on resources and energy saving in the office premises, the Group has advocated the concept of “green office” in offices across the country. The Group encourages employees to implement the policy of reduce, reuse, and recycle for paper, ink cartridges and other office wastes, so as to minimise wastage of resources. To enhance the awareness of employees in environmental protection, the Group has developed and regularly reviews relevant guidelines and measures.

-  Lighting systems are turned off during lunch hours and outside office hours to reduce energy consumption;
-  Documents are uploaded on clouds to minimise the use of paper as much as possible;
-  Paper documents are replaced with digital documents for presentation to advocate the concept of paperless offices;
-  Paper recycling baskets are set up for employees to store used paper and advocate using paper at both sides;
-  Posters are placed on printers to remind employees to conserve paper;
-  Video conference or teleconference are carried out to minimise GHG emissions arising from business transportation and improve the efficiency of employees;
-  Employees are requested to take public transport as their priority during business trips to avoid unnecessary carbon emissions.

During the Reporting Period, the following materials had been recycled from offices of the Group’s property management business:

Through the effective implementation of operation and office policy relating to energy saving and emission reduction, the Group wishes to raise employees’ awareness on the environmental and climate change issues, and proactively extend the concept of sustainability into their daily lives.



14,503^{kg}

Plastics 14,503 kg



47,920^{kg}

Paper 47,920 kg

03

Valuing Human Resources

The Group views employees as one of the vital driving forces of its business development. Therefore, the Group continuously improves its human resources management system through formulating a series of people-oriented human resources management system and regulations, and provides employees with appropriate training and resources while introducing diversified talents. The Group offers a platform for every employee to demonstrate their personal qualities, so that each employee can play to their own strengths. At the same time, the Group constantly cares for its employees and cultivate the sense of belonging on the corporate ethos of “Shared Devotion, Pathway, and Passion” to create a harmonious and pleasant working environment.

On top of strictly complying with relevant laws and regulations including the *Company Law of the PRC*, the *Labour Law of the PRC*, the *Labor Contract Law of the PRC*, the *Law of the PRC on the Protection of Rights and Interests of Women* and the *Law of the PRC on the Protection of Minors*, the Group also strictly enforces the detailed regulations related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, anti-discrimination, development and training, and other benefits outlined in the *Powerlong CM Human Resources Management System Compilation* formulated by Powerlong CM. In addition, the Group advocates an equal and diversified human resource management policy, and will not discriminate against employees based on race, nationality, ethnicity, gender and other factors. During the Reporting Period, the Group did not receive any cases in relation to violations against employee rights.





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Optimising Employment Management

Emphasis on Talent Requisition

To provide equal opportunities for every job applicant, the Group upholds the principles of “Open Recruitment, Position Competition, Selected Hiring, Optimised Allocation” for the recruitment of talents. To ensure the abilities of job applicants are fully considered during the recruitment process, the Group has established an evaluation system considering its circumstances to objectively assess and appoint the candidates who meet the Group’s requirements.

The Group places great significance in promoting its corporate culture. The Group believes that employees and the company can achieve development altogether only if the employees understand, recognise, and integrate themselves into corporate culture. Therefore, the Group considers the compatibility between the job applicants and the Group’s corporate culture during the recruitment process, and appoints suitable talents.

With the view to protect labour rights and avoid the occurrence of child labour, the Group strictly reviews the age of all job applicants and forbids the recruitment of child labour. Furthermore, hired employees are required to submit a written report at least three days in advance before they propose a termination of the employment contract during the probation period. If the employee is found to not meet the employment conditions, violate laws and regulations, or violate the Group’s rules and regulations and labour discipline during the probation period, the Group can also unilaterally terminate the labour contract.

During the Reporting Period, the Group was not aware of any cases concerning the recruitment of child labour and forced labour.



Competitive Remuneration and Benefits

The Group is committed to providing a fair and pleasant workplace for all employees. The Group respects the ideas of employees and has made every effort to understand and satisfy employees' needs by communicating with them through various channels. Regular meetings with employees are held for employees to voice out their opinions and for the Group to provide feasible solutions for employees' problems encountered at work. In addition, the Group offers various benefits for employees, including catering at employee canteen; traffic accident insurance for employees with special job nature; and exclusive benefits such as birthday gifts, wedding gifts, gifts for newborn, condolences subsidies, flight tickets and accommodation subsidies for visiting relatives. Furthermore, to ensure the work-life balance of employees, the Group regularly reviews the working hours of employees and implements strict management of overtime. Overtime work must be approved by respective department heads. All employees who worked overtime could apply for subsequent holiday shift to ensure employees receive adequate rest, and to maintain a fine vitality and healthy appearance.

Upholding the principle of "Rewards are consistent with one's contribution", the Group has established and implemented the *Guidelines for Salary Management* to offer salaries to employees based on their abilities and responsibilities. Apart from general salary adjustments, the Group regularly reviews employees' salaries and determines the range of salary adjustment according to employees' abilities, performances, incentives, and other factors.

Additionally, the Group conducts performance appraisal and assessment of all employees every year, and arranges salary adjustments and promotions based on factors including the ability and performance of each employee. The Group would demote the rank or arrange position transfer for those employees who performed poorly in the assessment consecutively. If those employees were unable to meet the standards in further evaluation, the Group would terminate the labour contract and provide them with reasonable dismissal compensation in accordance with relevant laws and regulations.

The Group is committed to creating a warm and loving working environment for employees and encourages a harmonious and caring relationship between employees. The Group also encourages employees to participate in various family activities. To further enhance the work-life balance of employees, the Group actively organises a wide range of recreational activities to provide a platform for mutual communication between employees, and to create a blissful festive atmosphere to ease the pressure of employees.

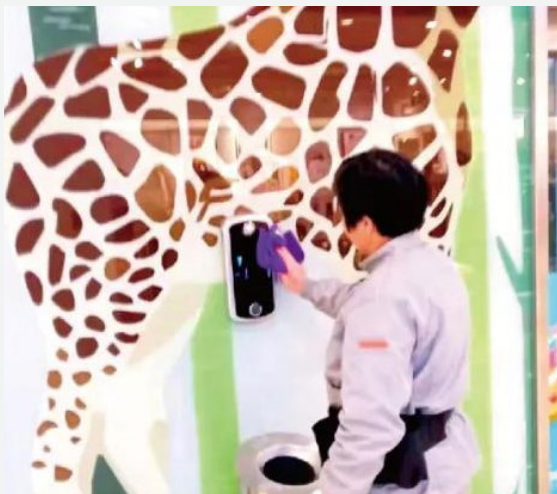




Safeguarding Employees' Health During the Pandemic

During the 2020 COVID-19 pandemic, the Group increased the hygiene sterilisation frequency in each operating project to actively cooperate with the pandemic prevention work, safeguard employees' and customers' health and safety, and to maintain public hygiene. The pandemic prevention measures carried out by the Group during the Reporting Period include the following:

- Equipping pandemic prevention supplies such as gloves, face masks, disinfectants, and thermometers in shopping mall helpdesks;
- All employees (including employees from retail shops) are required to measure their body temperature and wear face masks during work; all office workers (including clerks and outsourced personnel) have to register and measure their body temperature every morning, and report abnormal problems;
- Conducting training on the prevention and control of contagious disease to all employees (including employees from retail shops) to fully promote hygiene and protection;
- Promoting COVID-19 prevention measures through mall announcements and large screens in malls;
- Conducting inspection on retail shops every day, including the inspection of sanitising records and fresh produce from tenants of the food and beverage industry, and the inspection of employees' health record; distributing medical-grade alcohol cotton pads or disinfectants to all shops for disinfection every 2 hours, and fully carrying out prevention promotion work in shops;
- Disinfecting public areas in malls on both morning and afternoon, conducting disinfection at all angles with disinfectants, and increasing the number of disinfection at frequently contacted areas during peak hours;
- Turning on the new air system throughout the day during business hours, operating air-conditionings at the largest fresh air volume, to reinforce air circulation in venues; monitoring the air quality of the malls to ensure healthy and safe shopping spaces; opening the air quality system an hour before opening the mall in the morning.



Health and Safety

Employees’ health and safety is the foundation of the Group’s development. The Group is dedicated to providing comprehensive protection for employees, and has established a series of regulations on the basis of the *Law of the PRC on the Prevention and Control of Occupational Diseases* and the *Regulation on Work Safety Permits*. The Group has set out various requirements in terms of safety precautions and management to ensure the health and safety of employees. During the Reporting Period, there were no significant safety incidents happened within the Group.

Safe Working Environment

The Group constantly cares about employees’ health whilst developing its business and adheres to the principle of “Precaution First and Combined with Treatment”, and has implemented classified management and comprehensive treatment for the prevention of occupational diseases. As such, the Group provides annual body checks for employees.

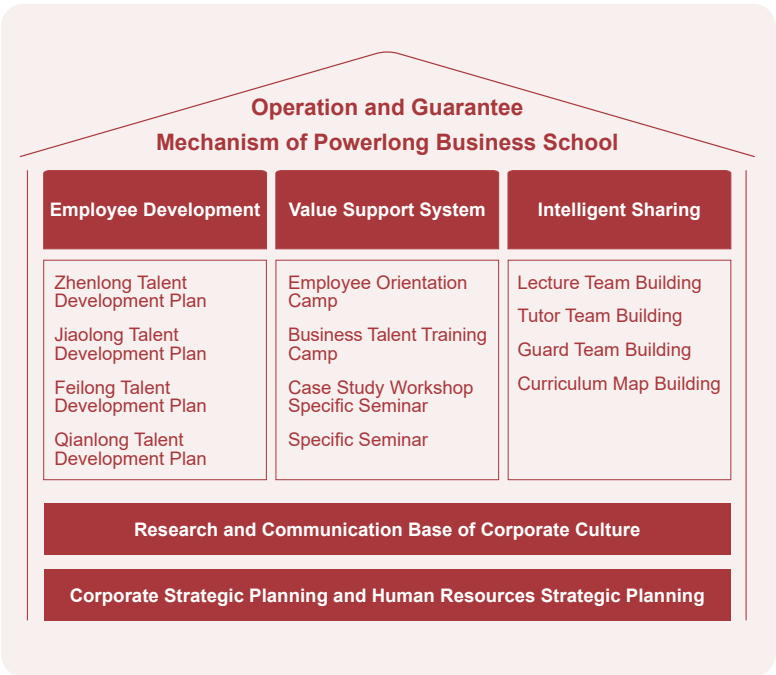
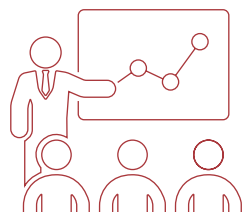
Policies for Employee Health Management

The Group safeguards occupational health and safety of employees in all aspects. Health checks are offered to new joiners; job duties are appropriately allocated for employees with occupational contraindications and allergies; regular body checks are arranged for employees who are exposed to toxic and hazardous materials; and active treatment for patients diagnosed with occupational diseases is provided.

The Group persistently maintains alertness on safety during daily operations, including regular inspections on fire-fighting equipment and safety signs to ensure the effective operation of safety facilities. The Group also arranges fire drills and fire safety educations for employees to participate in, with the aim to strengthen their emergency preparedness. Furthermore, to safeguard employees’ health and safety in office premises, the Group also provides supplies such face masks, sanitiser and first-aid kits for employees, and disinfects the offices every morning and evening to minimise the risk of illness.

Occupational Training

Development of employees is at the forefront of the Group’s planning. The Group has established a special training system to provide diversified themed training for employees of different professions and at different positions from top-down. The training system is mainly comprised of Qianlong Training, Feilong Training Camp, Zhenlong Training Camp, Jiaolong Professional Training Meeting, General Management Training, and other programmes.



The Group's training system is operated in accordance with the international standardised project management process outlined in the ISO 10015 Quality Management, achieving a closed-loop operation.



Identify training needs:

Research and analysis are carried out by Powerlong Business School and units responsible for training at the end of each year. The survey is carried out through face-to-face interview, telephone interview, questionnaires, analysis of critical incidents and other approaches to formulate the *Training Demand Analysis Report* as the reference for medium- to long-term planning.

Develop training plans:

Based on the medium- and long-term planning of Powerlong Business School, Powerlong Business School and units responsible for training combined the *Training Demand Analysis Report* to formulate the annual training and budget plan and submit them to Powerlong Business School for approval.

Commence training programme:

Units responsible for training implement the training programme or topics in accordance with the annual training plan.

Apart from general employees' training, the Group also provides specialised training for employees from different business sectors to enhance employees' professional knowledge. With to the purpose of improving the property management service quality, the Group has established a three-tier training system for the property management business based on the concept of "Centre, City, Project". The three-tier management system requires service teams across the country to formulate topics for daily "30-minute training" according to daily operations and work planning while combining the *Ten Standards for Powerlong Properties* and the *Residential Property Management System*. Classes and fieldworks are arranged for every unit based on the formulated topics to ensure daily operation and service quality of the Group. The Group has also set up an online training platform and has organised video training programme regularly for different business sectors to improve the training efficiency.



Feilong Training Camp

The Group launched the Feilong Training Camp of the year in April 2020. The training will be a one-year intensive training. Professional employees with management potential, high performance and high recognition are selected and fostered. Transitions “from professional to management” and “from self-management to accomplishment in others” will be achieved through training and nurturing talents for leaders of departments.

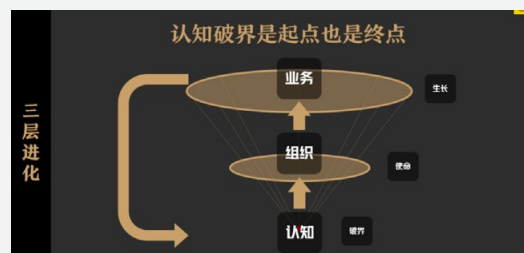
Trained employees are required to pass the basic condition screening, third-party evaluation, BEI (behavioural event interview) and other methods for the selection of employees with management potential. The Group will analyse and determine the training needs, formulate and carry out the training plan according to the project objective and actual conditions of the talents. Details of the training content include: studying the Group's strategy, corporate culture, general skills, and team management; achieving target adjustments under the tutorship of the business seniors; studying literature recommended by the business school, thus enhancing abilities through participating in internal and external benchmarking. Employees can enrich their knowledge in management through this training and become one of the driving forces to the Group's development.



Zhenlong Training Camp

Zhenlong Training Plan is a development plan specifically for senior management. The objective of the plan is to systematically enhance abilities required for the Group's development, such as strategic thinking, decision making, operating capabilities, and the ability of promoting organisational reform. The three courses of *Cognition Breakthrough*, *Powerlong Work Methods*, and *Systematic Thinking*, will help trainees from general manager level or above to open their minds, establish a consensus, form a unified working method, and promote organisational evolution.

The training school formulated and initiated a training programme that suits the Group's development needs through focusing on the Group's strategy and annual business focus and comprehensively considering the current situation of the school. The training and academic discussions shall be conducted after going through the planning and organisation of the business school. During the Reporting Period, the Group held a total of 4 training camps and encouraged the pace of growth for the Group's senior-level employees.



Building the Team and Corporate Culture

The Group's business school organically combined overall corporate culture development with individual employee training and development, guiding the training and development of employees with the Group's corporate culture. The Group hopes the growth of employees can bring new ideas for corporate culture development and gradually achieve the virtuous cycle of joint development and growth between the Group and employees. In 2020, the Group further strengthened the development and promotion of corporate culture by organising various corporate culture promotion and training events as a means to fostering employees' recognition in corporate identity.



New Employees' Integration Camp

The New Employees' Integration Training helps new employees to integrate through combining online and offline training. New employees are required to participate in New Employees' Integration Camp organised by the human resources department from each unit within two months of employment. Details of training include corporate core philosophy and culture, systems and procedures, face-to-face with senior management and so on. Employees will receive a "graduation certificate" as one of the proofs of becoming a permanent payroll after passing the assessment. During the Reporting Period, the Group offered monthly new employees' training for its new employees from February to December, which allowed new employees to quickly familiarise with the Group's operating mode.



Qianlong Management Trainee Training

Qianlong Management Trainee Training is an empowerment training specifically for fresh graduate management trainees. The training helps potential talents to integrate into the Group through the two-year training, accelerates the growth of trainees and allows them to become a stand-alone backbone of the business.

The business school analysed and determined the needs based on the positioning of the Qianlong project and the actual situation of talents, and formulated and implemented the training plan. The content of the training includes concentrated training on professional abilities, corporate culture, industry knowledge and general abilities, on-duty training through establishing a clear objective, on-duty learning, and duty shifts, and studying of literature recommended by the business school and tutors, enhancing abilities through internal and external learning and other approaches. Trainees in the Reporting Period included management trainees which were employed in 2018 and 2019. Management trainees will be able to quickly comprehend and engage in the Group's various projects after the training, allowing enhancement in the experiences and skills of fresh graduates.



Probity and Integrity

Upholding the highest standards of professional ethics and business integrity, the Group requires all employees to be honest and self-disciplined in their daily work. The Group complies with the *Criminal Law of the PRC*, the *Anti-Money Laundering Law of the PRC* and other laws and regulations, and has formulated the *Employee Integrity Self-discipline Rules* which clearly stipulates that all employees are subject to the aforesaid rules to resolutely resist any forms of bribery, extortion, taxation fraud, money laundering and other behaviours.

In an effort to create and maintain an incorruptible environment within the Group, a supervisory department has been established to monitor and audit the Group's operational risks. All new joiners must attend a training programme related to integrity and self-discipline to strengthen their anti-corruption awareness. Furthermore, to ensure all tendering and procurement are carried out in compliance with laws and regulations, employees of managers and above in all departments, as well as all employees from the procurement department and tendering department must sign the *Employee Integrity and Discipline Agreement*, while all relevant suppliers and contractors must also sign the *Letter of Assurance on Integrity and Compliance* before bidding and undertaking businesses.

The Group has established a variety of clear internal complaint and whistleblowing channels, including internal whistleblowing hotline, mailbox, and a specific complaint system. The "400 Sunshine Hotline" has been opened to handle complaints and reports. With the aim to strengthen internal supervision within the Group, employees are encouraged to raise any complaints or comments concerning the Group's internal management. The Group has developed a protection policy in accordance with relevant laws and regulations, so as to ensure the independence and confidentiality of all whistleblowing and complaint processes, and that the informants will not be subjected to illegal retaliation or discrimination due to their participation in legal reports or investigations. Employees may file complaints through the aforementioned whistleblowing channels in the event of unlawful retaliation or discrimination. During the Reporting Period, the Group did not receive any cases of violations or corruption lawsuits related to the Group and its employees.



04

Giving Back to the Society

The Group strives to contribute to the communities related to its business operations to fulfil its corporate social responsibility. A broad spectrum of operation-related internal management policies on community communications has been formulated and strictly implemented. In addition to the corporate public welfare and charity work, the Group also practises the commitment of “Growing with the City” and strengthens its connections with the community through the operation of various projects to promote sustainable development of the community.

The Group’s community investment activities cover aspects such as poverty alleviation, social care, cultural education, medical and health care, environmental protection, and artistic development. The Group hopes to contribute to the development of local area and to promote sustainable development in the community through its operations and charitable donation in the regions of various projects. During the Reporting Period, the Group contributed charitable donations through Powerlong Group Development Co., Ltd. And its subsidiaries (“**Powerlong Group**”), of approximately RMB 69 million throughout the year, with a total of 45 contributed projects locating at regions such as Shanghai, Fujian, Jiangsu, Zhejiang, Guangdong, Hong Kong, and Macau. Within the donation, approximately RMB 26 million was contributed to combating the COVID-19 pandemic, over RMB 20 million was contributed towards education and assisting impoverished studies, other donations of over RMB 20 million were contributed to projects supporting culture and art, poverty alleviation, helping the elderly, and improving conditions for struggling families.







Care Together



Constantly Engaging in Charity, Contributing to Community

The Group actively fulfils its corporate social responsibility, turns the achievements of corporate development into public welfare and charity, and integrate “responsibility” and “duty” into the genes of the Group’s development. Under the shock of COVID-19 on the society in 2020, Powerlong Group allocated all resources and donated nearly RMB 70 million throughout the year for various oriented charitable donation projects, and participated in community-wide efforts to fight the pandemic, disaster relief, and assistance in impoverished students and other public welfare undertakings with selfless love.

Amongst the donations, the key donations projects on education by Powerlong Group during the Reporting Period include: donating RMB 5.55 million towards the project for assisting impoverished students of the Education Development Promotion Society in Jinjiang Chidian Town in March; donating RMB 7.5 million to targeted education fund for Zhejiang Changxing County Charity Federation in July; and donating RMB 5 million towards Zhejiang Changxing County Education Development Supporting Fund in July, fully supporting the education development in the community.



Combating the Pandemic Together, and Supporting the Epidemic Prevention Work

Powerlong Group actively responded to the decision and deployment of the Central Committee of the Communist Party of China and the State Council on resolutely winning the war against the pandemic caused by COVID-19. To support the great efforts made by the Minhang District Government and Qibao Town Government of Shanghai City in combating the pandemic, and to uphold the social responsibility of sharing responsibilities and duties of social responsibility, Powerlong Group donated RMB 2 million towards the Minhang District Government and the Qibao Town Government in February 2020 to support the pandemic prevention and control work of the government where the company is located.



Performance Summary

The statistics and calculation methodology adopted in this Report have been appropriately noted. The environmental data in this section covers properties held and operated by the Group. Unless otherwise specified, the data provided in this section refers to the annual consolidated data of the corresponding year.

Quality Customer Services

Customer Satisfaction

Indicators	2020	2019	Unit
Average customer satisfaction of the Business Sector	95.21	94.38	%
Average customer satisfaction of the Property Management Centre	85.95	79.78	%

Operation performance

Indicators	2020	2019	Unit
Lawsuits involving operation health and safety	0	0	Number of cases
Number of cases involving violation of intellectual property rights during operation	0	0	Number of cases
Number of complaints due to leakage of customers' information	0	0	Number of cases

⁵ The air emission data was calculated in accordance with the emission sources, fuel consumption, the *Technical Guidelines for the Preparation of Air Pollution Emission Inventory from Road Motor Vehicles (Trial)* and the *Technical Guidelines for the Preparation of Emissions Inventory from Non-road Mobile Source (Trial)* in Mainland China, as well as relevant conversion factors from the Environmental Protection Agency of the United States. The data of air emissions from non-mobile source during the Reporting Period only include air emissions caused by the direct use of boilers from projects, and do not include other appliances such as cooking appliance.

⁶ The Company has adopted the method of "rights of operation and control" to define the organisational boundary in terms of the statistics and reporting of GHG. Scope 1 and Scope 2 emissions were calculated in accordance with the emission sources and fuel consumption, as well as the relevant conversion factors from the *Guideline on Accounting Methods and Reporting of GHG Emissions of Land Transport Enterprises*, and the *Guidelines on Accounting Methods and Reporting of GHG Emissions of Enterprises in Other Industrial Sectors*.

Green Development

Emissions

Atmospheric pollutants emissions⁵:

Indicators	2020	2019	Unit
Nitrogen oxides (NO _x)	8.55	694.53	Tonne
Sulfur oxides (SO _x)	1.07	4.27	Tonne
Carbon monoxide (CO)	7.19	582.71	Tonne
TPM	1.79	52.66	Tonne
PM _{2.5}	0.016	0.014	Tonne
PM ₁₀	0.017	0.013	Tonne

GHG emissions

Indicators	2020	2019	Unit
Total GHG emissions ⁶	386,897.46	366,339.56	Tonne CO ₂ eq
Direct emissions (Scope 1) ⁷	11,887.01	21,282.37	Tonne CO ₂ eq
Indirect emissions (Scope 2) ⁸	375,196.11	345,277.88	Tonne CO ₂ eq
GHG emission reduction from owned trees ⁹	185.66	220.69	Tonne CO ₂ eq
Total GHG emissions per thousand RMB income from property rental and management services ¹⁰ (Scope 1 and Scope 2)	0.20	0.23	Tonne CO ₂ eq

⁷ The data of direct GHG emissions were calculated in accordance with non-mobile source, road mobile source, non-road mobile source, and *Guidelines on the GHG Emission Accounting and Reporting for Public Building Operation Units (Enterprises) (Trial)* and *Guidelines on the GHG Emission Accounting and Reporting for Land Transport Enterprises (Trial)* from mainland China.

⁸ The data of indirect GHG emissions were calculated in accordance with the conversion factors from the *2011–2012 Regional Power Grid Average CO₂ Emission Factors in China* published by the National Development and Reform Commission of the PRC.

⁹ This refers to the total amount of GHG reduction by trees owned by the Company with the height of 5 metres or above. The GHG emission reduction was calculated in accordance with the relevant conversion factor in the *Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings in Hong Kong*.

¹⁰ The type of income comes from rental of investment properties and property management services.

Non-hazardous waste generation:

Indicators	2020	2019	Unit
Total non-hazardous waste generation	52,772,915.68	21,105,752.18	kg
General waste	50,522,469.50	18,025,366	kg
Food waste	2,250,446.18	3,080,386.18	kg
Non-hazardous waste generation per thousand RMB income from property rental and management services	27.47	13.03	kg

Hazardous waste generation¹¹

Indicators	2020	2019	Unit
Total hazardous waste generation	23,320.15	41,567.53	kg
Electronic waste	10,083.50	25,705.36	kg
Battery	1,395.25	6,703.05	kg
Mercury-containing lamp	10,000.65	7,413.57	kg
Printer cartridge	672.75	623.25	kg
Chemical container	1,170.00	1,122.30	kg
Hazardous waste generation per thousand RMB income from property rental and management services	0.012	0.026	kg

Water Discharge:

Indicators	2020	2019	Unit
Total amount of wastewater discharge	7,047.29	5,118.36	Tonne

Compliance on emissions and discharges:

Indicators	2020	2019	Unit
Cases involving illegal discharge of pollutants into the environment	0	0	Number of cases

¹¹ Hazardous wastes were categorised in accordance with Appendix 2 *Reporting Guidance on Environmental KPIs of the How to prepare an ESG Report?* of SEHK. To better clarify the wastes produced during the Group's operation process, the Group has reorganised the data collection and calculation method of non-hazardous wastes in 2019. From 2019 onwards, the reporting and calculating scope of general waste did not include wastes produced by retail shops in shopping malls, tenants from commercial buildings, and residents from communities; the reporting and calculating scope of food waste did not include wastes produced from restaurants in malls, tenants from commercial buildings, and residents from communities.

Uses of Resources

Energy consumption¹²:

Indicators	2020	2019	Unit
Total energy consumption	585,300.14	472,234.27	MWh
Natural gas	49,654.01	36,213.11	MWh
Petrol	461.20	171.54	MWh
Diesel	103.46	119.42	MWh
Purchased electricity	535,078.13	435,730.21	MWh
Liquefied petroleum gas	3.34	-	MWh
Energy consumption per thousand RMB income from property rental and management services	0.30	0.29	MWh

Water consumption:

Indicators	2020	2019	Unit
Total water usage ¹³	9,817,377.19	7,600,029.85	m ³
Consumption of municipal water (tap water)	9,509,076.00	7,348,304.40	m ³
Consumption of circulating water (reclaimed water and cooling water)	308,301.19	251,725.45	m ³
Amount of water discharged into the natural environment after pre-treatment by the Group	1,037,512.94	1,912,965.48	m ³
Total water consumption ¹⁴	8,700,358.25	5,687,064.37	m ³
Water consumption per thousand RMB income from property rental and management services	5.11	3.51	m ³

¹² The energy consumption data was calculated in accordance with the amount of purchased electricity and fuel consumption, as well as relevant conversion factors provided by the International Energy Agency.

¹³ Total water usage includes the consumption of municipal water (tap water) and circulating water (reclaimed water and cooling water).

¹⁴ Total water consumption refers to the total water usage excluding the amount of water discharged into the natural environment after pre-treatment by the Group.

Mitigating the Impacts on Natural Environment

Amount of recycled wastes during operation:

Indicators	2020	2019	Unit
Recycled paper	47,920.01	439,196.02	kg
Recycled plastic bottle	14,502.80	33,131.03	kg
Recycled metal	20,286.50	27,598.85	kg
Recycled glass bottle	47,505.20	98,716.54	kg

Environment greening:

Indicators	2020	2019	Unit
Owned trees with the height of 5 meters or above	8,062	20,636	Number of trees

Environmental compliance:

Indicators	2020	2019	Unit
Cases involving damage to the natural environment	0	0	Number of cases

Caring for Employees

Employment

Costs of employee benefits and welfare¹⁵:

Indicators	2020	2019	Unit
Wage and salaries	497,213	449,070	RMB'000
Expenses on social insurances ¹⁶	34,445	76,239	RMB'000
Housing allowances	27,888	20,690	RMB'000
Other employee welfare	16,738	12,259	RMB'000

¹⁵ For more information, please refer to the Company's *Annual Report 2020* issued on the HKEXnews website of Hong Kong Exchanges and Clearing Limited.

Employee composition:

Indicators	2020	2019	Unit
Total number of employees	5,390	5,019	Number of people
By gender			
Male employees	3,313	3,209	Number of people
Female employees	2,077	1,810	Number of people
By age group			
Above 50	272	197	Number of people
41-50 years old	1,104	990	Number of people
31-40 years old	2,453	2,232	Number of people
21-30 years old	1,547	1,579	Number of people
20 or below	14	21	Number of people
By educational background			
Master's degree or above	83	68	Number of people
Bachelor's degree	1,394	1,237	Number of people
College degree	1,684	1,575	Number of people
Secondary schools	807	807	Number of people
Others	1,422	1,332	Number of people
By employment type			
Full-time	5,390	-	Number of people
Part-time	0	-	Number of people
By geographical region			
Mainland China	5,390	5,019	Number of people
Hong Kong	0	0	Number of people

¹⁶ Employees of the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentage of the average employee salary as agreed by local municipal government to the scheme to fund the retirement benefits of the employees. The Group received a partial exemption of social insurance expenses according to social insurance relief policy of the local municipal governments during the COVID-19 outbreak for the year ended 31 December 2020.

Employee turnover:

Indicators	2020	2019	Unit
Total employee loss rate	34.15	-	%
By gender			
Male employees	34.49	-	%
Female employees	33.60	-	%
By age group			
Above 50	21.61	-	%
41-50 years old	26.40	-	%
31-40 years old	31.54	-	%
21-30 years old	42.49	-	%
20 or below	78.46	-	%
By geographical region			
Mainland China	34.15	-	%
Hong Kong	0	-	%

Development and Training

Employee training:

Indicators	2020	2019	Unit
Person-times of employees attended career development-related training			
Male employees	3,774	4,271	Person-times
Female employees	2,418	2,645	Person-times
Senior level	354	448	Person-times
Middle level	1,093	1,001	Person-times
General employees	4,745	5,405	Person-times

Indicators	2020	2019	Unit
Average number of hours per employee attended career development-related training			
Male employees	34.08	19.47	Hours
Female employees	33.13	22.19	Hours
Senior level	90.81	23.07	Hours
Middle level	66.85	29.42	Hours
General employees	29.67	19.53	Hours

Employee Safety

Indicators	2020	2019	Unit
Number of work-related fatalities	0	-	Number of people
Number of work-related injuries that led to employees not being able to attend work	0	-	Number of people
Lost days due to work injury	0	-	Number of people

Professional Ethics and Business Integrity

Indicators	2020	2019	Unit
Cases involving bribery, extortion, fraud and money laundering	0	0	Number of cases

Content Index of the ESG Reporting Guide of Stock Exchange

Subject Areas, Aspects, General Disclosures and KPIs			Location of Disclosure or Remarks
Environmental			
A1 Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Protection Environmental Protection – Reducing Emissions During Operation Environmental Protection – Sustainable Office
	A1.1	The types of emissions and respective emissions data.	Performance Summary
	A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
	A1.5	Description of measures to mitigate emissions and results achieved.	Environmental Protection – Reducing Emissions During Operation Environmental Protection – Sustainable Office
A2 Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Protection – Reducing Emissions During Operation Environmental Protection – Sustainable Office
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Performance Summary
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	
	A2.3	Description of energy use efficiency initiatives and results achieved	Environmental Protection – Reducing Emissions During Operation
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Environmental Protection – Sustainable Office
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Matters related to packaging materials are not applicable to the Group due to the Group's business nature.
A3 The Environmental and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Environmental Protection – Reducing Emissions During Operation
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Protection – Sustainable Office

Subject Areas, Aspects, General Disclosures and KPIs			Location of Disclosure or Remakrs
Social			
Employment and Labour Practices			
B1 Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Valuing Human Resources Valuing Human Resources – Optimising Employment Management
	B1.1	Total workforce by gender, employment type, age group and geographical region.	Performance Summary
	B1.2	Employee turnover rate by gender, age group and geographical region.	
B2 Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Valuing Human Resources – Health and Safety
	B2.1	Number and rate of work-related fatalities.	Performance Summary
	B2.2	Lost days due to work injury	
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Valuing Human Resources – Health and Safety
B3 Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Valuing Human Resources – Occupational Training
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Summary The Group currently only counts the person-time of employees receiving training, thus only the person-time of employees receiving training during the Reporting Period will be disclosed. The Group will consider disclosing relevant data in the future
	B3.2	The average training hours completed per employee by gender and employee category	Performance Summary
B4 Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Valuing Human Resources – Optimising Employment Management
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	
	B4.2	Description of steps taken to eliminate such practices when discovered.	
Operating Practices			
B5 Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain	Operational Service Management – Supply Chain Management
	B5.1	Number of suppliers by geographical region.	The Group plans to disclose this indicator in the future.
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Operational Service Management – Supply Chain Management The group will consider disclosing relevant data in the future.

Subject Areas, Aspects, General Disclosures and KPIs			Location of Disclosure or Remarks
Social			
Employment and Labour Practices			
B6 Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Operational Service Management – Quality Customer Services Operational Service Management – Commercial Operation Operational Service Management – Property Management Operational Service Management – Consumer Rights and Intellectual Property Protection
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	This indicator is not applicable to the Group due to the Group's business nature.
	B6.2	Number of products and service related complaints received and how they are dealt with.	The Group plans to disclose this indicator in the future.
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Operational Service Management – Consumer Rights and Intellectual Property Protection
	B6.4	Description of quality assurance process and recall procedures.	This indicator is not applicable to the Group due to the Group's business nature.
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Operational Service Management – Consumer Rights and Intellectual Property Protection
B7 Anticorruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Valuing Human Resources – Probity and Integrity
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Performance Summary
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Valuing Human Resources – Probity and Integrity
Community			
B8 Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Giving Back to the Society
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Giving Back to the Society



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