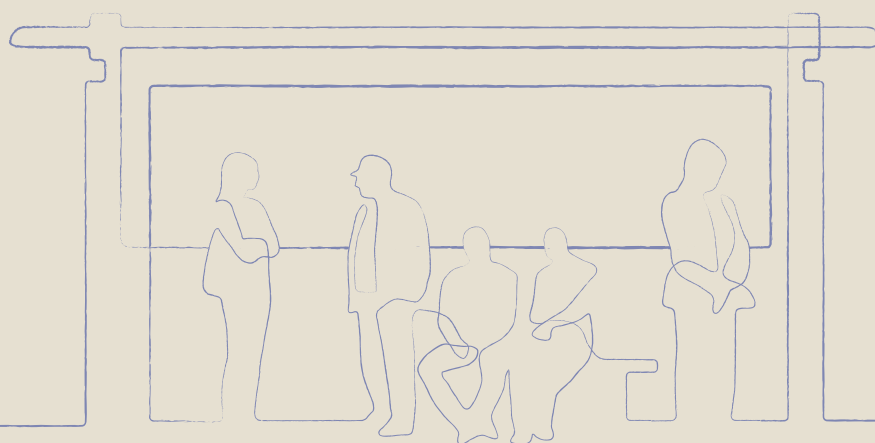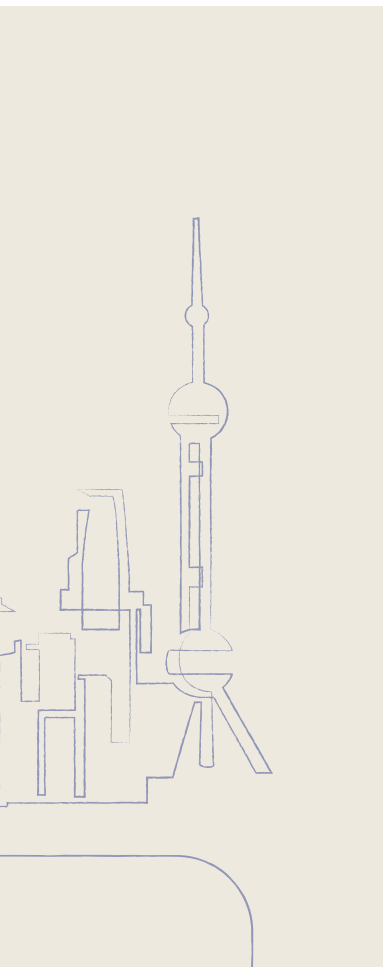# CLEAR MEDIA LIMITED

白馬戶外媒體 有限公司

Stock code: 100

Corporate Sustainability Report 2020

CLEAR MEDIA

is the largest operator of bus shelter advertising panels in China, with a leading market share of more than 70% in top-tier cities, and a broad presence in fast-growing cities across the country. We provide one-stop solutions for nationwide advertising campaigns to our customers. Shares of Clear Media have been listed on the Main Board of The Stock Exchange of Hong Kong since 2001 under the stock code 100.

Content

About This Report

1 ABOUT THIS REPORT

This is the fifth Corporate Sustainability Report for Clear Media Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"). This report aims to highlight our environmental and social performance in 2020 and is prepared in accordance with the latest Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") outlined in Appendix 27 to the Rules Governing the Listing of Securities published by the Stock Exchange of Hong Kong Limited (the "HKEx").

1.1 Reporting Principles

The Group is committed to enhance the transparency and accountability of our report in adherence to the core reporting principles suggested in the ESG Reporting Guide as follows:

Materiality	Quantitative
We place great importance on the establishment of long-term relationships and engagement with our stakeholders. We seek to better understand their concerns and expectations on our environmental and social sustainability performance via regular communication channels. To effectively identify and disclose the ESG issues material to our business operations and development, we have appointed an independent consultant to conduct a wide array of stakeholder engagement exercises to gather stakeholders' valuable feedback.	We continuously monitor and disclose the quantitative key performance indicators (KPIs) relevant to environmental and social sustainabliity. We also draw comparisons annually for evaluation purpose of environmental indicators in this report.

Balance	Consistency
This report presents our performance in the aspects of environmental, social and governance whereas non-disclosure content is justified on a sound ground when appropriate.	We remain consistent in the management approach and methodology in this report with previous ones to allow easy and meaningful comparison.

1.2 Reporting Scope and Period

This report covers the Group's environmental and social sustainability performance of its bus shelter advertising business operations in China from 1 January 2020 to 31 December 2020.

1.3 Feedback Mechanism

To drive further enhancement in our report, we look forward to receiving your comments and suggestions on how we could improve our corporate responsibility and sustainability performance. Please contact us:

Ms. Annabel Ma
Executive Assistant
Email: annabel.ma@clear-media.net
Address: Room 1202, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong
Telephone: +852 2235 3955

Chairman's Statement

2   CHAIRMAN'S STATEMENT

I am honored to present the fifth Corporate Sustainability Report of Clear Media. This Report highlights our efforts and achievements in promoting sustainable development in our bus shelter advertising business in 2020.

2020 was the most challenging year in recent history. The Group's revenue began to decline substantially in February 2020 amid the outbreak of Covid-19 which further slowed China's economic growth, negatively impacted customers advertising spend and reduced demand for advertising space.

During this difficult period, the Group reorganized its sales teams and maintenance organisation; and implemented flexible pricing policies and various cost saving initiatives. The management team was at that time preparing marketing and sales plans for the eventual recovery of the outdoor market. We have also reduced capital expenditure to maintain capital liquidity.

As the Covid-19 pandemic became under better control and given the efforts from the management team, the Group's total monthly revenue bottomed in March 2020 and it had been recovering in the second quarter of 2020. The recovery in total monthly revenue continued in 3Q2020 and 4Q2020. Total revenue in 4Q2020 slightly exceeded the level in 4Q2019.

Despite the challenging economic environment, the Group continues to step up its efforts to create long-term share value for our stakeholders. Our Board, with the Working Group and operational business units, oversees and formulates sustainability strategies that guide our sustainability work in all aspects of our business operations.

As employees are our most important assets, we prioritise their health and safety at work. Since the outbreak of COVID-19, we have been strictly following government directives, adopting special work arrangements and hygiene measures to mitigate the risk of COVID-19 posed on our employees' health and safety. We will continue to follow and adopt such directive and measures for the protection of the health and safety of our employees. Our deepest appreciation to all our colleagues for their resilience, creativity and professionalism during these challenging times.

Quality products and services are also key to our success. We step up our efforts to monitor product quality, protect customer privacy and establish sound complaint mechanisms. Embracing digitalization and innovation, we operate 276 digital advertising panels spanning across different cities to provide exceptional customer experiences.

In addition, as China pledged to achieve carbon neutrality by 2060, we grapple with a heightened sense of climate emergency from world leaders. To this end, the Group has upgraded 9,477 bus shelters with an intelligent distant control system installed that prevents electricity leakage when extreme weather events take place. We have also replaced the traditional light tubes with LED at our advertising boards across 10 cities, and thus significantly reduced our electricity consumption.

Further, we express our care about the community by displaying charitable advertisements whenever possible. Amid the disruption inflicted by the COVID-19 pandemic, we leverage our advertising panels to spread anti-epidemic educational messages. We also utilize our promotion capability to raise public awareness on health and safety, as well as to cultivate a learning culture within the community.

Last but not least, I would like to show my deepest gratitude towards our stakeholders for their continuous support, in particular during these unprecedented times. I have faith that our on-going sustainability commitment, together with stakeholders, would build a more sustainable community in the post-pandemic future.

Joseph Tcheng
Chairman
14 July 2021

Clear Media at a Glance

3 CLEAR MEDIA AT A GLANCE

3.1 Our Business

As the largest operator of bus shelter advertising panels in China, the Company has an extensive market coverage in 24 major cities in China, including first-tier cities such as Beijing, Shanghai and Guangzhou, and mid-tier cities such as Shenzhen, Hangzhou, Nanjing, and Xi'an. Continuing to expand our business scale, the number of standardized bus shelter advertising panels increased to over 59,000 panels in the reporting year of 2020 from 57,000 in 2019.

3.2 Corporate Culture

At the leading position in the outdoor advertising industry, the Group strives to ensure operations of high quality and compliance with both local and international standards. As such, we constantly engage our stakeholders and adopt a business model that is mutually beneficial to our stakeholders and the Company with five key strategies to achieve sustainable growth, which include:

- Enlarge our bus shelter network for more extensive advertising operations — maintaining continued business growth in key growing cities

- Seize opportunities in industry consolidation — expanding business through acquisitions

- Cultivate business contacts — increasing the clientele locally and internationally

- Tap the Potential of Existing Business Network — maximizing yield and return on investment

- Product Quality and Innovation — maintaining the high quality of the bus shelters for advertising with format as standardized nationwide as practicable

3.3 Highlights of Business Development in 2020

In 2020, Clear Media continued to be the largest operator of bus shelter advertising panels in China, with a leading market share of more than 70% in top-tier cities, and a broad presence in fast-growing cities across the country. We provide one-stop solutions for nationwide advertising campaigns to our customers.

The Group's revenue began to decline substantially in February 2020 amid the outbreak of COVID-19 which further slowed China's economic growth, negatively impacted customers' advertising spend and reduced demand for advertising space. We have therefore witnessed a decline in the Company's revenue, especially in the beginning of the year, and a recovery in later months. For more details of our financial performance in 2020, please refer to the Company's 2020 Annual Report.

Overview of Sustainability Management

4 OVERVIEW OF SUSTAINABILITY MANAGEMENT

4.1 Sustainability Management

We hold the longstanding commitment to achieving high standards of corporate governance, management and business ethics that lay a solid foundation for sustainable development. For more details, please refer to the Corporate Governance Report of the 2020 Annual Report.

Going beyond, we continue strengthening the role of our Board of Directors ("the Board") on our sustainability management. The Board, with its Audit Committee, oversees the corporate governance of the Company. Led by the Chief Financial Officer ("CFO"), our Working Group is comprised of relevant business units, aiming to set out sustainability strategies and implement decisions. The key responsibilities of responsible parties are detailed as follows:

Responsible Party	Main Responsibilities
Board of Directors	• Provide strategic guidance on the Group's sustainability approach and reporting. • Approve the Corporate Sustainability Report.
Chief Financial Officer	• Advocate sustainability at the Group level and review environmental and social sustainability-related policies, stakeholder feedback, and the Corporate Sustainability Report.
Corporate Communication	• Communicate information about environmental and social sustainability internally and externally, and for the production of the Group's Corporate Sustainability Report.
Operational Business Functions	• Monitor environmental and social sustainability performance in daily operations and report to the CFO. • Provide environmental and social sustainability-related information for the production of the Group's Corporate Sustainability Report.

4.2 Ethical Business Operation

Clear Media places great importance on practising ethical and responsible business. We strictly adhere to applicable laws and regulations at where we operate, including the Prevention of Bribery Ordinance (Cap. 201) and the Criminal Law of PRC for local business, to act against corruption.

In addition, as stipulated by the Business Conduct and Ethics and Anti-Corruption Compliance Policies, Directors and employees shall uphold business ethics at all times. Our Conflict of Interest Policy requires employees to sign a declaration of interest to monitor such conflict, if any. Any breaches of the obligations may be subjected to internal control review and penalties of greater severity, such as termination of employment.

Overview of Sustainability Management

To foster an ethical business environment, our whistleblowing procedures provide reporting channels for our people to raise suspected malpractices or non-compliance to the Audit Committee and the Compliance Officer. Whistleblowers are protected from retaliation of any kind against relevant personnel and departments. Employees are also encouraged to refer any unlawful or improper behaviors to their department heads for advice.

Reinforcing our people's understanding on business ethics, employees are required to receive anti-corruption training biannually on the Code of Business Conduct and Ethics and the Anti-Corruption Compliance Policy and Procedures. In 2020, we provide offline and online training on topics namely anti-bribery, supplier compliance, internal procedures of obtaining approval for gift delivery and the Whistleblowing Policy. A total of 474 personnel, including Directors and employees, have received the training and the total training hours have reached 505 hours.

During the reporting period, the Group had not involved in any legal cases of corruption.

4.3 Stakeholder Engagement and Materiality Assessment

Stakeholders' comments and feedback serve as important drivers in enhancing the Group's sustainability performance. We have commissioned an independent consultant to assist in our engagement with internal and external stakeholders to gather their valuable opinions. Based on their inputs, the materiality matrix is refined to identify and prioritise material issues that guide the formulation and implementation of our sustainability strategies.

4.3.1 Materiality Assessment

The results of stakeholder engagement form the basis of materiality assessment to reflect stakeholders' expectations. Material issues are reviewed and prioritized regularly in accordance with the principles set out in the HKEx ESG Reporting Guide. The process of materiality assessment is illustrated as follows:

Identification of potential material issues	Priortisation of material issues	Validation by management
Identify a list of material issues through internal document reviews, media and peer review.	Engage stakeholders to rank the material issues via online questionnaires and interviews.	Discuss and endorse the materiality matrix with senior management.

The following shows the materiality matrix and material issues identified in prior with peer review as an additional parameter. In view of the absence of any significant changes in the operating environment, we continue to employ the materiality matrix and the list of issues.

Overview of Sustainability Management

Importance to stakeholders (y-axis)

Importance to operations (x-axis)

12,13 11 8 9 10 20 High materiality 14 18 19 17 15 16 21 4 22 7 2 1,5 6 3 Medium materiality Low materiality
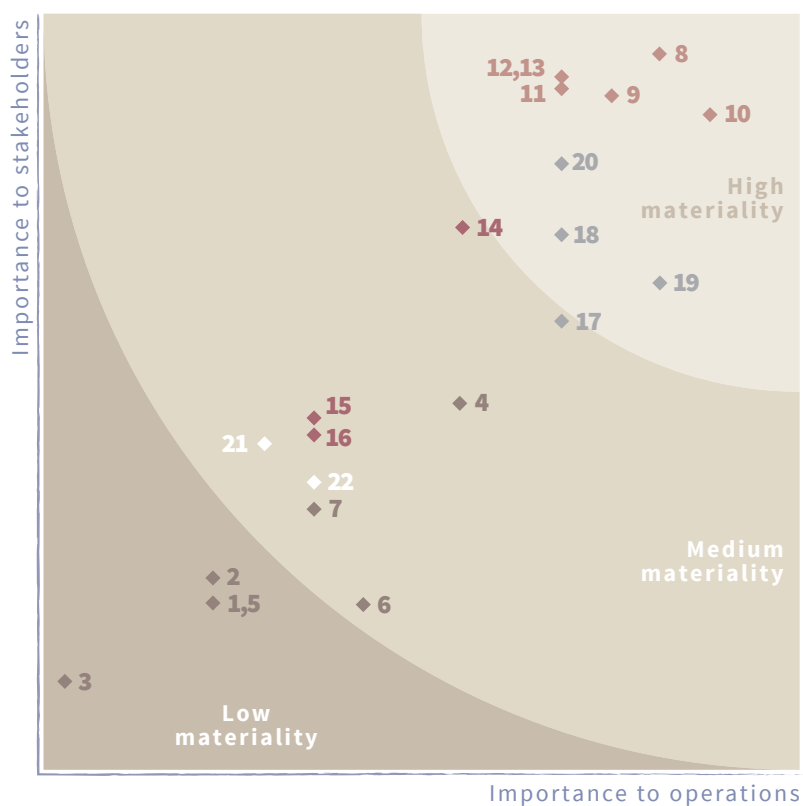
High materiality	Medium materiality	Low materiality
Employees	**Environment**	**Environment**
◆ **8** Employment relations	◆ **4** Complaince with environmental law	◆ **1** Use of resources
◆ **9** Employees' work-life balance	◆ **6** Air emissions	◆ **2** Energy efficiency
◆ **10** Employee care	◆ **7** Waste management	◆ **3** Water consumption and efficiency
◆ **11** Occupational health and safety	**Corporate Governance**	◆ **5** Suppliers' environmental performance
◆ **12** Staff training and development	◆ **14** Anti-corruption	
◆ **13** Compliance with labor law	◆ **15** Suppliers' social responsibility performance	
Product and Service Responsibility	◆ **16** Feedback mechanism for stakeholders	
◆ **18** Compliance with product and service responsibility law	**Product and Service Responsibility**	
◆ **19** Advertisement design and safety	◆ **17** Intellectual property	
◆ **20** Customer privacy	**Community**	
	◆ **21** Leveraging advertising panels for promoting philanthropic causes	
	◆ **22** Philanthropic donations	

Overview of Sustainability Management

4.3.2 Communication with Stakeholders

In addition to the stakeholder engagement exercises, we have always been taking a proactive role to gauge feedback and expectations from stakeholders. We review regularly on our sustainability performance, and to address on our stakeholders' concerns through an array of communication channels. The engagement methods in 2020 are summarised in the table below.

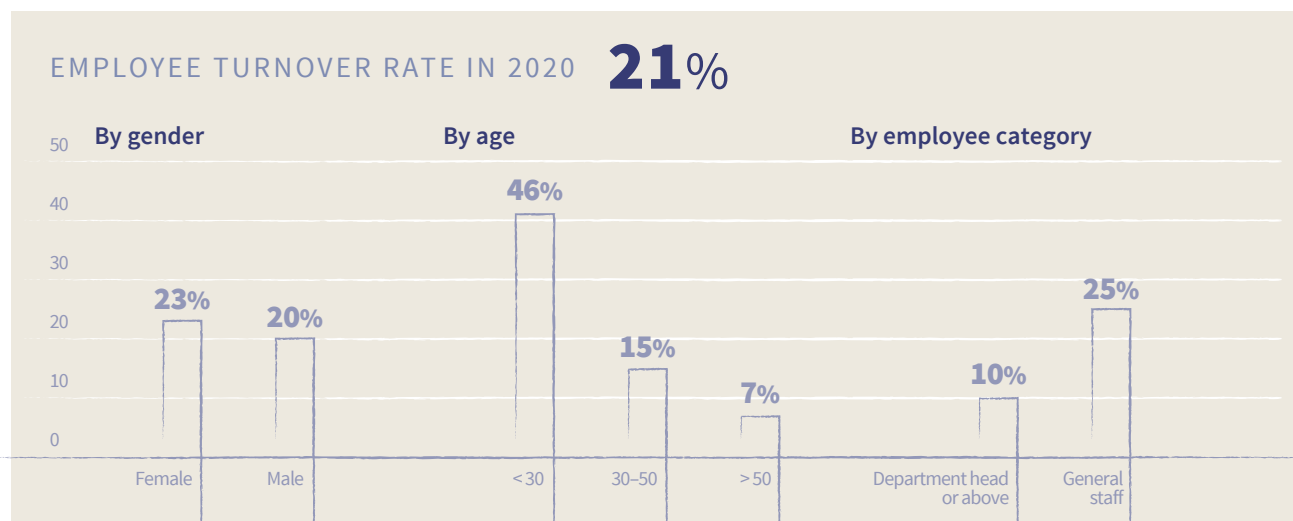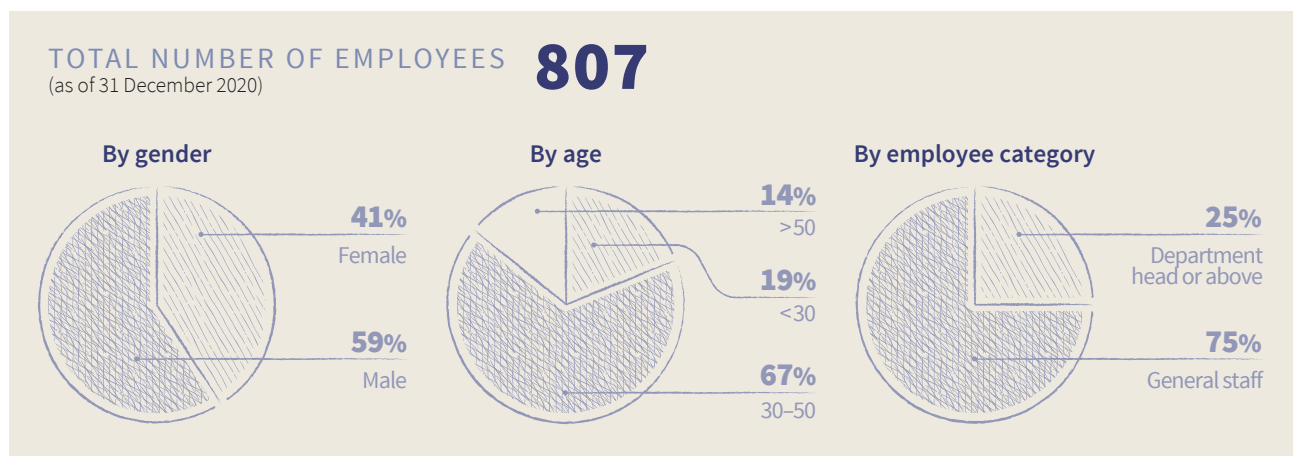| Stakeholder Types	Stakeholder Groups	Engagement Methods
Internal	Employees	Employees' meetings Employees' performance reviews Internal publications
External	Shareholders/investors	Shareholders' meetings Investors' meetings Annual General Meeting (AGM) Press releases and announcements Meetings Phone interviews
	Customers	Meetings
	Suppliers	Meetings Phone interviews
	Community partners	Meetings
	Industry partners	Meetings

Our People

5   OUR PEOPLE

At Clear Media, people is our greatest asset in building our business. Beyond compliance, our goal is to foster a healthy, safe and rewarding workplace where people can stay and thrive. We offer competitive remuneration packages and benefits, ensure employees' safety, and provide ample opportunities for career advancement.

5.1   People-Centered Principle

Our human resources policies outline our people-centred approach. We strictly adhere to the labour laws of the countries where we operate, including but not limited to those related to compensation, benefits and welfare, recruitment, dismissal, promotion, working hours, leave arrangements and prevention of child and forced labour. We are committed to treating people with dignity and respect, whereas any workplace discrimination is prohibited. We promote our people on the basis of work attitude and competent performance, regardless of gender, age, nationality, ethnicity, religion, marital status or disability.

Owing to our people-centered principle, we promote a diverse workplace as demonstrated in our employee demographics:

TOTAL NUMBER OF EMPLOYEES **807**
(as of 31 December 2020)

By gender

41% Female

59% Male

By age

14% >50

19% <30

67% 30–50

By employee category

25% Department head or above

75% General staff

EMPLOYEE TURNOVER RATE IN 2020 **21**%

By gender

Female 23%

Male 20%

By age

<30 46%

30–50 15%

>50 7%

By employee category

Department head or above 10%

General staff 25%

Our People

5.2 Remuneration and Benefits

We reaffirm our expectation on our employees' rights and responsibilities as stipulated in our Staff Handbook and the Code of Business Conduct. All employees are hired on Employee Contracts drawn up in line with the Labor Contract Law of the People's Republic of China and other relevant laws and regulations.

Following the principle of "fairness within the Company and competitiveness among peers", we provide a fair and competitive remuneration package for our people. As a matter of policy, employees are remunerated based on their performance, experience and the prevailing industry practices. Compensation policies and packages are reviewed on a regular basis. Bonuses are linked to the performance of both the Group and the individual as recognition of value creation. Other incentive rewards, including prizes, are given to appreciate employees' outstanding performance.

We ensure statutory labour rights and benefits, such as statutory holidays including at least 12 days of Chinese New Year holidays, annual leave of at least 7 days, maternity leave and paternity leave. Our social insurance for employees covers the pension, housing provident funds, medical treatment, work injury, unemployment and maternity care. Other benefits, including a free annual physical examination and meal subsidies per working day, are offered to employees as well.

We know that engaging and uniting employees into a dynamic and cohesive team help creating value and driving business performance. To this end, we have our employees connected through team-based activities during the reporting year, namely sales conference, birthday parties, corporate outings, incentive travels, team-building lunches and dinners.

At year end, we held a sales conference to boost employee morale and celebrate our excellent performance.

Our People

5.3 Health and Safety in Workplace

Guided by the "Safety first, focus on prevention" principle, we have been upholding the loftiest health and safety standard in workplace. We instilled an awareness of health and safety issues in all employees by offering awareness-raising training. In addition, we scrupulously observe the Production Safety Law of the People's Republic of China to ensure employees' health and safety at work.

To minimise safety risks in offices and warehouses, we conduct regular safety checks to ensure the fire safety equipment in place are properly functioning. Further, our outdoor employees and contractors, who are responsible for maintaining the outdoor advertising panels, are exposed to higher occupational health and safety risks when compared with employees in offices and warehouses. As such, our Operational Management Policy outlines the standardized operating procedures, including placing of warning signs near the bus shelters to prevent accidents from taking place during the outdoor operation.

Our employees are our most important assets and their well-being is our top priority. Since the outbreak of COVID-19, we have been strictly following government directives and actively implementing measures to protect the health and safety of our employees. They are required to report their travel history and screening test result in the surveillance list to the Human Resources Department. Upon resuming work, employees are required to put on masks, practice personal hygiene and social distancing, and maintain tidiness and cleanliness in offices and warehouses. Both staff and visitors are required to measure their body temperature prior to entering the office. We circulate notices to spread up-to-date regulation and internal arrangement based on the latest development of pandemic. We continue to follow such directives and communicate closely with the Government to ensure swift actions are to be taken to support employees during the challenging times.

During the reporting year, no occupational injuries nor confirmed cases of COVID-19 were received in our business operation. No work-related fatalities were observed over the past three years.

Our People

5.4 Career Development and Training

In order to attract and retain competitively superior talent, we invest in the capabilities of our workforce. Based on individual and business needs, we offer an ample range of development opportunities to broaden their skillsets and liberate potentials for career advancement.
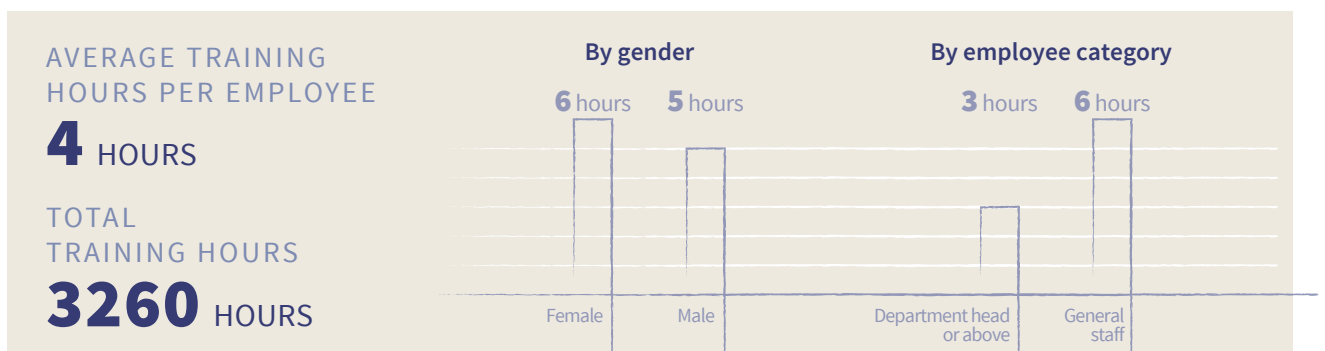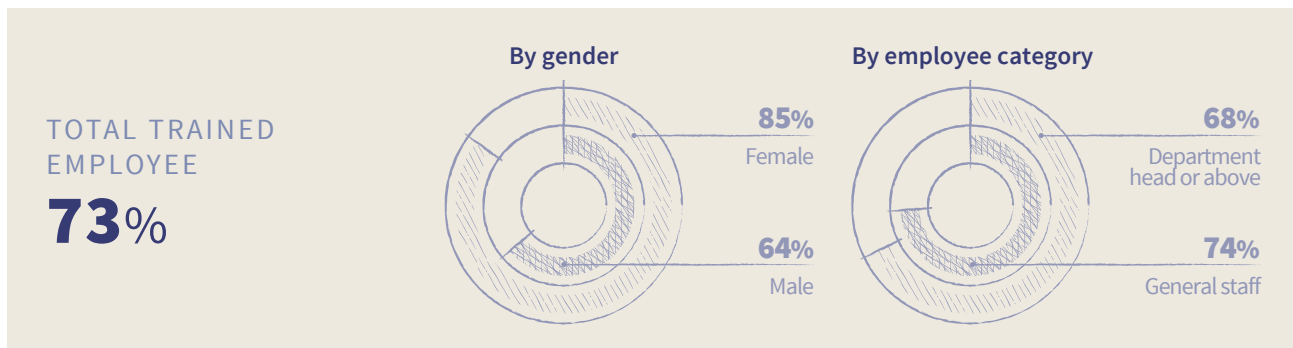
We provide internal job rotation and transfer mechanisms across different business functions for employees to take on diverse roles in the Company, thus expanding their horizons. Applications for internal rotation and transfer are carefully assessed and approved on the basis of business needs and the applicant's performance appraisal.

In addition, we have an eight-level promotion ladder in place to illustrate a clear career pathway. Employees' performance is being appraised on a quarterly basis to determine opportunities for promotion.

Employees have access to our comprehensive internal training programs that are designed based on business needs, to further acquire work skills and to allow better transition into leading roles. Such program refers to the orientation program for new hires, on-job training, legal training, anti-corruption training for the Board and employees, and the code of business training, skills training and management training. Coupled with our subsidy for external training, our people are encouraged to attend external classes to supplement the internal training programs.

HIGHLIGHTS OF TRAINING FIGURES IN 2020 (as of 31 December 2020)

TOTAL TRAINED EMPLOYEE
73%

By gender
- 85% Female
- 64% Male

By employee category
- 68% Department head or above
- 74% General staff

AVERAGE TRAINING HOURS PER EMPLOYEE
4 HOURS

TOTAL TRAINING HOURS
3260 HOURS

By gender
- 6 hours Female
- 5 hours Male

By employee category
- 3 hours Department head or above
- 6 hours General staff

Our Service

6 OUR SERVICE

6.1 Steadfast Commitment to Service Quality

As the largest operator of bus shelter advertising panels in China, we are the leader with a market share of over 70% in top-tier cities. Our leading position in the industry depends on our delivery of quality services. As such, the Group carries out responsible supply chain management and thoroughly understands clients' needs. Considering integrity as a cornerstone of business success, the Group strictly complies with regulations, namely the Advertising Law of the People's Republic of China and the Regulations on Control of Advertisement.

The Group is aware of the foremost importance placed on intellectual property in the advertising industry. We are committed to protect the originality and creativity of advertising producers, as well as to prevent copyright infringement. As mentioned in our Staff Handbook, we uphold confidentiality and do not disclose any client information.

Being a responsible public media outlet, the Group also emphasises on the regulatory compliance and social implications of advertising content. Our Advertisement Review and Approval Guidelines clearly require clients' compliance to the relevant laws and regulations and their submission of business licences. Our internal content reviewer reviews the comprehensiveness and authenticity of product claims and market statistics to be publicly displayed in advertisement according to the laws and regulations. We also prohibit the publication of advertisement that consists of inappropriate content, such as pornographic, gambling, superstition, violence and discrimination.

Besides, as outlined in the Guidelines, the Operations Department deploys an internal monitoring system to monitor the operation of advertising panels and conduct on-site inspections, proper placement and cleaning. In strict compliance with relevant laws and regulations, unpublished advertisements are handled by designated departments and are only accessible by authorised personnel to protect the sensitive information of our clients.

Our Service

6.2 Supply Chain Management and Responsible Sourcing

The Group believes outstanding supply chain management to be a requisite for service quality. To this end, we select, supervise, monitor and engage third parties for advertising display installation and cleaning in accordance with established rules and requirements.

As outlined in our Policy on the Management of Cleaning and Maintenance Vendors, our selection mechanism delineates a set of all-encompassing evaluation criteria to assess supplier performance. At the early selection stage, the blacklist system is in place to filter suppliers with unsatisfactory performance. We require the candidate suppliers to present their operating licences, and conduct research and evaluation on their credibility through a third-party due diligence platform.

We monitor and evaluate the work of our suppliers and contractors constantly to maintain our service standards. Workers are required to clean the outer casing and the entire panel on a regular basis, and ensure that the panels are intact. The Operations Department leads the annual internal evaluation to measure the performance of suppliers.

Through green procurement practices, we are dedicated to promote environmental stewardship. We prioritise printing houses utilising eco-friendly or third-party verified materials, such as ink and spray paint, with international standards EU REACH Regulation (EC 1907/2006) and Restricted substances (Annex II), EU RoHS 2 (Directive 2011/65/EU) respectively. We require suppliers to submit their quality warranties yearly to prove that their raw materials are purchased from qualified suppliers.

In 2020, we engaged a total of 44 suppliers, all of which are based in mainland China.

Our Service

6.3 Customer Relationship Management

The Group builds and maintains strong client relationship that facilitates the delivery of excellent services. Per client request, we schedule acceptance testing on completed advertisement installation to meet their expectations and address their concerns.

We welcome feedback from our clients. Following the Policy on the Management of Cleaning and Maintenance Vendors, our customer service team is responsible for recording complaints and referring them to the Group's Operations Department, Sales Department and Information Centre within 24 hours. The responsible department will subsequently investigate the case and draft a response letter for the customer service team to reply and thus settle complaints within 3 working days.

In 2020, there were no complaints on our service quality.

6.4 Technological Innovation

In light of the technological advancement, we embrace innovation and digitalization that keep up with the ever-changing market demand. With the implementation of refurbishment plans, we launched our first digital advertising panel in 2014.

As of 31 December 2020, we operated 276 digital advertising panels spanning across different cities. Our Technical Engineering Department incorporates a variety of technology-enabled features into the bus shelters, which include:

- Information including bus route, schedule and real-time arrival time forecast, are now shown on the LCD displays of our panels.

- Cameras are also installed to prevent the occurrence of any safety incidents and ensure public security.

- During severe weather conditions such as storms, strong winds and torrential rain, the power system of these panels will be switched off remotely to ensure pedestrians and passengers' safety.

Progressing towards a smart city, we are planning to phase in our intelligent bus shelters that utilize the exemplary combination of Internet of Things, cloud computing and big data to bring convenient and exceptional experience. Not only does it yield economic benefits and investment returns, but also serves as a smart solution that conveys daily information to passengers during their waiting time. Key features of the intelligent bus shelters will include:

- Artificial intelligence-based information management systems are applied to present transportation information such as interchange.

- Malfunction and damages of bus shelters are systematically reported to enhance maintenance efficiency.

Our Service

Smart bus shelters with LCD displays and positioning system.

Our Environment

7   OUR ENVIRONMENT

In our business operations, we notice that the major environmental footprint is associated with our outdoor advertising panel operation. By embedding environmental considerations into the way our business operates, we are committed to considering environmental protection and minimizing our environmental footprint. We put great importance on:

*   Compliance with environmental laws and regulations;

*   Resources efficiency, including energy, water and other raw materials in our operations;

*   Emission reduction, including greenhouse gas, sewage discharge, land pollution and generation of hazardous and/or non-hazardous wastes; and

*   Lessening the impact of our operations on the environment and natural resources.

During the reporting period, we adhered to environmental laws and regulations namely the Environmental Protection Law of the People's Republic of China to reduce air pollution, greenhouse gas emissions and discharge of waste, with no non-compliance observed.

Highlights of Environmental Achievements in 2020:

*   Electricity consumption decreased by 11.43%

*   Total Greenhouse gas emissions intensity per panel decreased by 17%

7.1   Energy Saving

We have been focusing on the optimization of our advertising panels at bus shelters to increase their energy efficiency as well as to minimise our environmental footprint. As part of our environmental protection efforts, we have been implementing a phase-out program of light fixtures to replace the fluorescent tubes with more energy-efficient light-emitting diodes ("LED") since 2014. Such light fixtures save more than 50% of energy use compared to the use of fluorescent tube. Since then, about 74% (2019: 73%) of our total bus shelter panels are with LED lighting. During the reporting period, we have installed a total of 1,395 LED light tubes at our advertising boards across 10 cities, and thus reduced our electricity consumption by 1,775,957 kWh (equivalent to around 4.67% of annual electricity consumption by our advertising panels at the bus shelters). We will conduct research and deploy the latest technology to increase energy efficiency of bus shelter advertising operation in the future.

Besides, we have been adjusting and aligning the lighting hours of our advertising panels with the street light system by installing timers on its power supply systems. At the request of the local governments, we have yet switched on the bus shelter lighting in cities, including Zhengzhou and Harbin.

In furtherance of reducing energy consumption, we carried out energy-efficient retrofits of existing equipment at our sales centers and offices. Upon replacing traditional light fixtures with LED lights, less thermal radiation is required, and thus reduced the cooling load on Heating, Ventilation and Air-Conditioning (HVAC) systems. In addition, the HVAC systems are set at 25°C during summer and switched to ventilation mode in winter.

Moreover, as outlined in the Staff Handbook, we encourage our staff to switch off unnecessary electrical appliances before leaving the office. Employees are expected to be eco-conscious and practice recycling at all times.

Our Environment

7.2 Managing Waste and Utilizing Resources

To manage the disposal of advertising sheets, we follow our Disposal Policy to retain advertising sheets for clients for three months as of the end of a rental period. Employees and contract cleaning companies shall follow the disposal procedures as outlined in the Policy to handle and dispose advertising sheets properly. We keep the evidence of disposal work, including the approved disposal request document, receipt from the cleaning operation and photos of the handling process, to record and track its disposal.

Four major steps to dispose advertising sheet:

| Approval from the Operations Department | Weighting of material to be disposed of | Certification from a third-party qualified handling agency | Verification of disposal with photos and receipts |

In addition, we have implemented measures to manage and utilize resources within the Company. A designated area has been set up at our offices to collect and recycle paper and unwanted or depreciated electronic appliances, including but not limited to monitors, computers, printers and mobile phones. We have been keeping in record of electronic appliances recycling to monitor our waste management performance. Meanwhile, we have deployed water-saving faucets in our offices to achieve better water conservation.

7.3 Mitigating Climate Risks

Climate change is already wreaking havoc in our society today. As a responsible company, we are committed to identifying and managing climate risks in areas where we operate. We have formulated an Operational Management Policy to ensure climate risks are well-controlled throughout our business actions.

In response to the impacts of extreme weather events such as typhoons, we installed an intelligent distant control system which breaks the circuit automatically and suspends the bus shelters' operation to prevent electricity leakage whenever strong wind and thunderstorm warnings are issued. We regularly inspect and test these installations; any repairs and maintenance are to be performed whenever necessary. As of 31 December 2020, 9,477 bus shelters have already been upgraded, and a total of 16,251 bus shelters are expected to upgrade in 2021.

Our Environment

7.4 Environmental Performance

During the reporting year, we kept track of our environmental performance with the indicators listed below:

	Unit	2019 Performance	2020 Performance
Greenhouse Gas (GHG) Emissions			
Direct GHG emissions (Scope 1)[1]	tonnes of CO_2 equivalent (tonnes CO_2e)	1,756	1,531
Indirect GHG emissions (Scope 2)[2]	tonnes CO_2e	39,609	34,052
Total GHG emissions	**tonnes CO_2e**	**41,365**	**35,583**
GHG emission intensity	**tonnes CO_2e/panel**	**0.64**	**0.53**
Electricity Consumption			
Offices	kWh	625,860	596,270
Bus shelters[3]	kWh	42,315,723	37,439,166
Total electricity consumption	**kWh**	**42,941,583**	**38,035,436**
Electricity intensity	**kWh/panel**	**666**	**569**
Water Consumption			
Offices[4]	cubic metre (m³)	8,626[5]	9,221
Bus shelter cleaning[3]	m³	14,941	13,504
Total water consumption	**m³**	**23,567[5]**	**22,725**
Water intensity	**m³/panel**	**0.42**	**0.34**
Petrol Consumption			
Offices	Litre (L)	76,464	91,557
Bus shelter maintenance	L	718,960	614,683
Total petrol consumption	**L**	**795,425**	**706,240**
Waste Disposal			
General office waste[3]	kg	24,913	22,566
Bus shelter advertising sheets	kg	182,100	292,900
Electronic waste[6]	pieces	442	287
Light tubes from bus shelters and offices[7]	pieces	51,375	48,438

[1]   Direct GHG emissions are from sources that are owned or controlled by the Group.

[2]   Indirect GHG emissions are from the generation of purchased or acquired electricity consumed by the Group. According to HKEx's latest ESG Reporting Guide Appendix 2: Reporting Guidance on Environmental KPIs, we used the emission factors for Mainland China based operations to calculate the 2020 data, and thus we also restated the 2019 data to ensure its comparability and consistency. The emission factor used is the average of all regional factors in Mainland China due to the wide geographical coverage of the Group's business operations.

[3]   Data was estimated based on operational practices.

[4]   Due to limited data access, water consumption data only includes consumption at the offices in Beijing, Urumqi, Shenzhen, Changsha, Guangzhou, Wuxi and Haikou.

[5]   Subject to the expansion of data scope, data was amended to include waste consumption for air conditioning in 2019.

[6]   Electronic waste includes discarded desktop and laptop computers, mobile phones, monitors, scanners, projectors, photocopiers and tape drives at our sales centers and offices.

[7]   We have collected light tube disposal data since 2018 to more accurately reflect our environmental footprint in business operation.

Our Community

8   OUR COMMUNITY

As a socially-conscious advertising operator, we recognise the advantage brought by our positioning to make use of the power of words and creativity for advocacy and philanthropy purposes. Fulfilling our corporate citizenship, the Group makes charitable efforts in community investment proactively. Leveraging our widespread network of media channels and the influence of media resources, the Group maintains our communication with local governments to raise public awareness on charitable and social causes. During the reporting year, our community investment focuses on fighting against COVID-19, health and safety, as well as cultivating a learning culture.
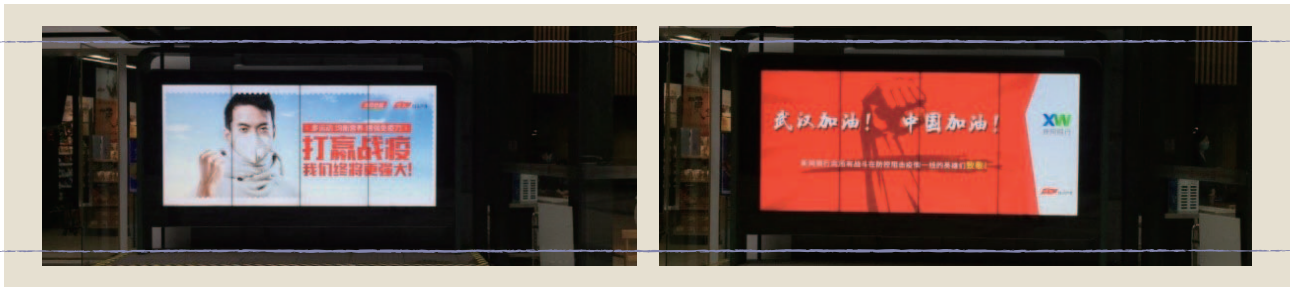
As COVID-19 has been prevalent during the year, advertisements are displayed to deliver positivity and to maintain people's vigilance in the long pandemic journey that would lead to a victory lap over the disease.
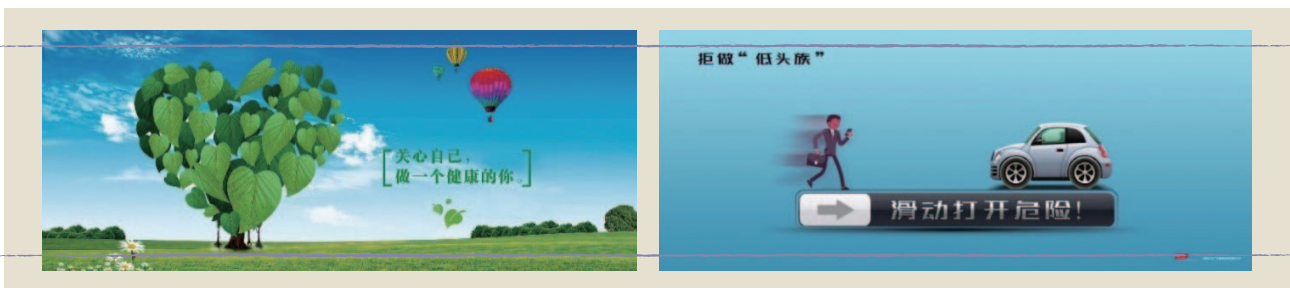
We have displayed advertisements that encourage people to pay attention to their health and lead a healthy life. With the aim of safeguarding their personal safety, our advertisements also remind them of the danger of using their phones while crossing the road and should stay alert to the traffic condition.

In parallel with the cultural development, we put up advertisements acknowledging the significant influences, such as injecting positivity and changing one's fate, that learning could have, aiming to nurture people with reading habits and in keen search for knowledge.

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9.1   A: Environmental Performance

Aspects	Descriptions	Sessions in the report	Remarks
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.	Our Environment, Energy Saving, Managing Waste and Utilizing Resources	
	KPI A1.1 The types of emissions and respective emissions data.		It is less material to the core business of Clear Media.
	KPI A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance	
	KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance	
	KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance	
	KPI A1.5 Description of emissions target(s) set and steps taken to achieve them.		It is less material to the core business of Clear Media.

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Aspects	Descriptions	Sessions in the report	Remarks
	KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Managing Waste and Utilizing Resources	
A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Our Environment, Energy Saving	
	KPI A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Performance	
	KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Performance	
	KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.		It is less material to the core business of Clear Media.
	KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.		It is less material to the core business of Clear Media.
	KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.		Not applicable to the core business of Clear Media.

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Aspects	Descriptions	Sessions in the report	Remarks
A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	Our Environment	
	KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Energy Saving, Managing Waste and Utilizing Resources	
A4: Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Mitigating Climate Risks	
	KPI A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Mitigating Climate Risks	

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9.2 B: Social Performance

Aspects	Descriptions	Sessions in the report	Remarks
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.	People-Centered Principle, Remuneration and Benefits	
	KPI B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	People-Centered Principle	
	KPI B1.2 Employee turnover rate by gender, age group and geographical region.	People-Centered Principle	
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.	Health and Safety in Workplace	
	KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety in Workplace	

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Aspects	Descriptions	Sessions in the report	Remarks
	KPI B2.2 Lost days due to work injury.	Health and Safety in Workplace	
	KPI B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety in Workplace	
B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Career Development and Training	
	KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Career Development and Training	
	KPI B3.2 The average training hours completed per employee by gender and employee category.	Career Development and Training	
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.	People-Centered Principle	
	KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	People-Centered Principle	

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Aspects	Descriptions	Sessions in the report	Remarks
	KPI B4.2 Description of steps taken to eliminate such practices when discovered.	People-Centered Principle	
Operating Practices			
B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Supply Chain Management and Responsible Sourcing	
	KPI B5.1 Number of suppliers by geographical region.	Supply Chain Management and Responsible Sourcing	
	KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management and Responsible Sourcing	
	KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management and Responsible Sourcing	
	KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management and Responsible Sourcing	

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Aspects	Descriptions	Sessions in the report	Remarks
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.	Steadfast Commitment to Service Quality, Customer Relationship Management	
	KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.		Not applicable to the core business of Clear Media.
	KPI B6.2 Number of products and service related complaints received and how they are dealt with.	Customer Relationship Management	
	KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	Steadfast Commitment to Service Quality, Customer Relationship Management	
	KPI B6.4 Description of quality assurance process and recall procedures.	Steadfast Commitment to Service Quality	
	KPI B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Steadfast Commitment to Service Quality	

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Aspects	Descriptions	Sessions in the report	Remarks
B7: Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Ethical Business Operation	
	KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Ethical Business Operation	
	KPI B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Ethical Business Operation	
	KPI B7.3 Description of anti-corruption training provided to directors and staffs.	Ethical Business Operation	
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.	Our Community	
	KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Our Community	
	KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	Our Community	