

CAPITAL GRAND

BEIJING CAPITAL GRAND LIMITED 首創鉅大有限公司

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

2021

ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE
REPORT



CONTENTS

2	I. About the Report
3	II. Environmental, Social and Governance Framework
3	ESG Strategies
5	ESG Governance Structure
6	Statement of Board of Directors
7	III. Stakeholders Engagement and Identification of Major Issues
7	Main Stakeholders
8	Identification of Material Issues
11	IV. The Fight Against the Flood, Showing Tenacity in Disaster
11	(I) Deploy Flood Control Work in Advance, Reducing the Impact of Flood
12	(II) Ensure the Safety of Customers and Employees and Actively Assume Social Responsibilities
13	(III) Continue to Move Forward Despite Difficulties and Complete Post-Disaster Reconstruction Orderly
14	V. Attentive Services for Quality Future
14	(I) Pursue the Best and Improve Shopping Experience Wholeheartedly
19	(II) Customer First, Listen Carefully to Customers' Voice
26	(III) Embrace Innovation and Build Better Digital Outlets
28	VI. Good Employer for Achieving Future
28	(I) Comprehensive HR System to Protect Employees' Rights and Interests
33	(II) Systematic Training System to Pave the Way for Employees' Growth
38	(III) Diversified Management Measures to Protect Employees' Physical and Mental Health
43	VII. Close Partners for a Win-win Future
43	(I) Cooperation with Tenants: Proactive Empowerment and Mutual Benefits
44	(II) Cooperation with Suppliers: Standardize Management and Make Progress Together
47	VIII. Harmonious Communities for Sharing Future
47	(I) Actively Responding to the National Call to Devote to Rural Vitalization
50	(II) Caring for Residents and Supporting the Needs of Community
51	(III) Promoting Traditional Culture and Inheriting Patriotism
52	(IV) Giving Back to Society and Insisting on Public Welfare of Brand
55	IX. Beautiful Ecology for Green Future
55	(I) Adjust Measures to Local Conditions to Build Green Outlets
65	(II) Adhere to the 5s Concept and Develop Green Office
73	(III) Identify Risks and Respond to Climate Change
74	(IV) Environmental Performance Data
77	(V) Environmental Goals
78	X. Responsible Operation for Integrity Future
78	(I) Integrity and Justice, and Building a Sunshine Enterprise
80	(II) Compliance Operation and Protection of Intellectual Property Rights
81	(III) Standardize Marketing and Manage Advertising Signs
81	(IV) Public Opinion Control and Maintain Corporate Image
82	XI. Conclusions



I. ABOUT THE REPORT

INTRODUCTION TO THE REPORT

This report aims to provide the management philosophy of Beijing Capital Grand Limited (“Beijing Capital Grand”, the “Company” or “us”, together with its subsidiaries, the “Group”) in environmental, social and governance (“ESG”) and its ESG performance for the year ended 31 December 2021. Unless indicated otherwise, the coverage of this report is consistent with that of the annual report. This report should be read in conjunction with the section “Corporate Governance Report” in the Annual Report 2021 of Beijing Capital Grand Limited.

COVERAGE PERIOD

Unless indicated otherwise, this report covers the period from 1 January 2021 to 31 December 2021.

SCOPE

The Company prepared the ESG Report of Beijing Capital Grand Limited (the “Report”) to comply with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) in relation to information disclosure. The Report has taken into account the key concerns of the stakeholders of Beijing Capital Grand and the business characteristics of our Company, as well as its ESG management concepts and related performance in 2021.

REPORTING SCOPE

The Company develops its main business in China. Unless otherwise specified, the disclosure scope in this report covers Capital Grand’s headquarters (the Company) and 13 projects in the operation period, namely Beijing Company, Huzhou Company, Kunshan Company, Hangzhou Company, Hefei Company, Wuhan Company, Nanchang Company, Zhengzhou Company, Jinan Company, Xi’an Company, Chongqing Company, Kunming Company and Nanning Company. Compared with the disclosure scope of last year, a newly opened company Nanning Company has been added this year.

REFERENCE TO THE GUIDE

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

REPORTING PRINCIPLES

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

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

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

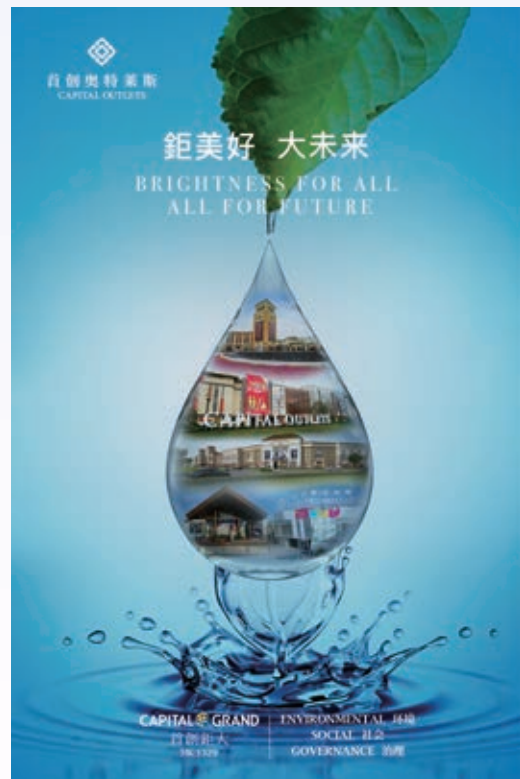
CONFIRMATION AND APPROVAL

The Report was approved by the board of directors on 8 March 2022.

II. ENVIRONMENTAL, SOCIAL AND GOVERNANCE FRAMEWORK

ESG STRATEGIES

The sustainable development is an important issue in the development of human society. The Group regards sustainable development as a key element of its business strategy and endeavors to integrate social and environmental responsibilities into its daily management, development of business, products and services and other practices by combining ESG work with the Group's strategies. Thus, the risk control department of the Group takes the lead in formulating Environmental, Social and Governance (ESG) Strategic Plan of Capital Grand (2021-2023) 《首創鉅大有限公司環境、社會及管治(ESG)戰略規劃(2021-2023)》. Taking major ESG elements as core, based on theme of "attentive services, good employer, close partners, harmonious communities and beautiful environment", in this strategic plan, the Company makes annual management objectives of each stage, clarifies the improvement direction of the Company's ESG management, establishes the basic principles of ESG strategic plan, sets the ESG strategic vision, makes sub-item implementation plan, draws up the medium and long-term strategic blueprint of ESG of Capital Grand outlets in the future, and strives to create an environmentally, socially and economically responsible operation mode.



ESG Strategic Poster of Capital Grand

II. ENVIRONMENTAL, SOCIAL AND GOVERNANCE FRAMEWORK



Attentive services for quality future

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



Good employer for achieving future

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



Close partners for winning future

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



Beautiful ecology for green future

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



Harmonious communities for sharing future

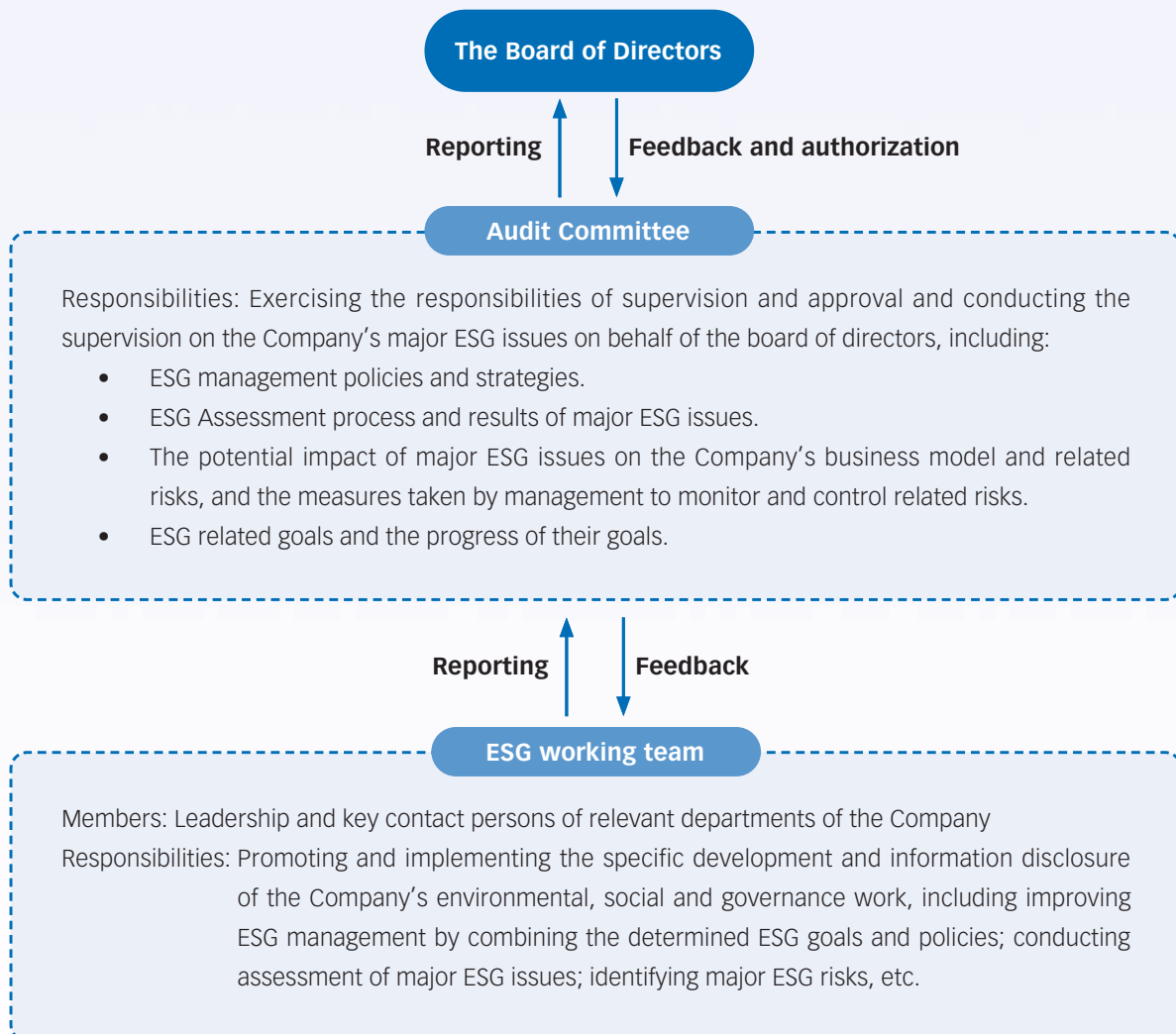
- Consciously assuming the responsibilities of state-owned enterprises and helping local economic and social development.
- Empowering local communities and creating sustainable value for local economy.
- Persisting in public welfare activities of brand and giving back to the society with practical actions.

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

II. ENVIRONMENTAL, SOCIAL AND GOVERNANCE FRAMEWORK

ESG GOVERNANCE STRUCTURE

In order to better carry out ESG management and implement the concept of sustainable development, we have established an ESG governance structure covering corporate governance, management, and executive levels. The board of directors is responsible for providing guidance and supervision for the Company's ESG work, and an ESG working team composed of the Company's management and the contact persons of ESG-related departments is responsible for the promotion and implementation of ESG matters. As the executive level, each functional department is responsible for carrying out specific implementation work to ensure the full implementation of ESG management in the Company.





II. ENVIRONMENTAL, SOCIAL AND GOVERNANCE FRAMEWORK

STATEMENT OF BOARD OF DIRECTORS

In this year, although continuously affected by the extreme weather and COVID-19, Capital Grand still actively responded to various challenges and is always committed to creating long-term value for shareholders, contributing service value to society and achieving a better life. The Company has an insight into changes in consumer demand and serves the society by accurately mastering unique cost-performance advantages of outlets. Pursuing lean operation, innovative development, quality & efficiency improvement, the Company makes efforts to become the leader and the most valuable operator in outlets business industry in China. Based on its strategic development, its board of directors attaches great importance to issues related to environmental, social and governance (ESG) and sustainable business development, and assumes the ultimate responsibility for ESG management. Furthermore, the board of directors authorizes the audit committee to supervise the Company's commitment, implementation and performance on major issues of ESG, and regularly report the ESG governance planning strategy and results to the board of directors.

The board of directors identifies important ESG-related factors related to the Company's business and selects ESG issues and risks that are important or relevant to the Company and stakeholders; then, it evaluates the issues substantively with the importance matrix to know the focus of work, and regularly listens to the reports of the management, the audit committee and the ESG working team.

The Company continues to communicate with customers, tenants, employees and other stakeholders through many channels, and integrates ESG management policies and strategies into practical work, such as the Company's daily management, business development and experience service; in ESG governance, the Company sets the medium and long-term objectives, breaks down the objectives year by year and reviews the objective achievement progress, and makes the continuous improvement plan. The board of directors of the Company has specially listened to and reviewed the 2021 Environmental, Social and Governance Report of the Company, and regularly reviewed the achievement of ESG objectives.

III. STAKEHOLDERS ENGAGEMENT AND IDENTIFICATION OF MAJOR ISSUES

MAIN STAKEHOLDERS

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

Stakeholders	Major Concerns/Expectations	Channels for Communication and Response
Investors/shareholders	internal corporate governance; compliance with laws and regulations; epidemic prevention and control; innovative development; digital transformation.	shareholders meetings; annual and interim reports; results announcements; corporate announcements.
Government and regulatory authorities	compliance with laws and regulations; epidemic prevention and control; innovative development; environmental protection and resource use, low-carbon development; service quality; safety of shopping malls; community contribution.	visits; correspondences; field trips; relevant meetings; information disclosures.
Employees	epidemic prevention and control; innovative development; service quality control; protection of employees' basic rights and interests; safety of shopping malls.	employee surveys; employee internal communication meetings; corporate internal announcements; employee feedback mechanism; questionnaires.
Suppliers	epidemic prevention and control; innovative development; suppliers' environmental and social risk management; service quality; safety of shopping malls.	supplier assessment system; supplier meetings; negotiations on strategic cooperation.
Cooperative tenants	epidemic prevention and control; innovative development; service and product quality control; digital transformation.	tenant management system; cooperative negotiation; tenant support services.
Consumers	epidemic prevention and control; product and service quality; innovative development; safety of shopping malls; environmental protection and resource use.	consumer satisfaction surveys; activities for giving back to consumers; daily operations/communication; service complaint and response mechanism.
Residents in community	epidemic prevention and control; community contribution; environmental protection and resource use.	community activities; public welfare activities; social services support projects; daily operations/communications.



III. STAKEHOLDERS ENGAGEMENT AND IDENTIFICATION OF MAJOR ISSUES

IDENTIFICATION OF MATERIAL ISSUES

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

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



Step 1: Identification

To collect ESG-related issues and select a range of ESG issues closely related to the business of the Company based on the importance of each issue to the industry in which the Company operates and the opinions of various departments within the Company.



Step 2: Assessment

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

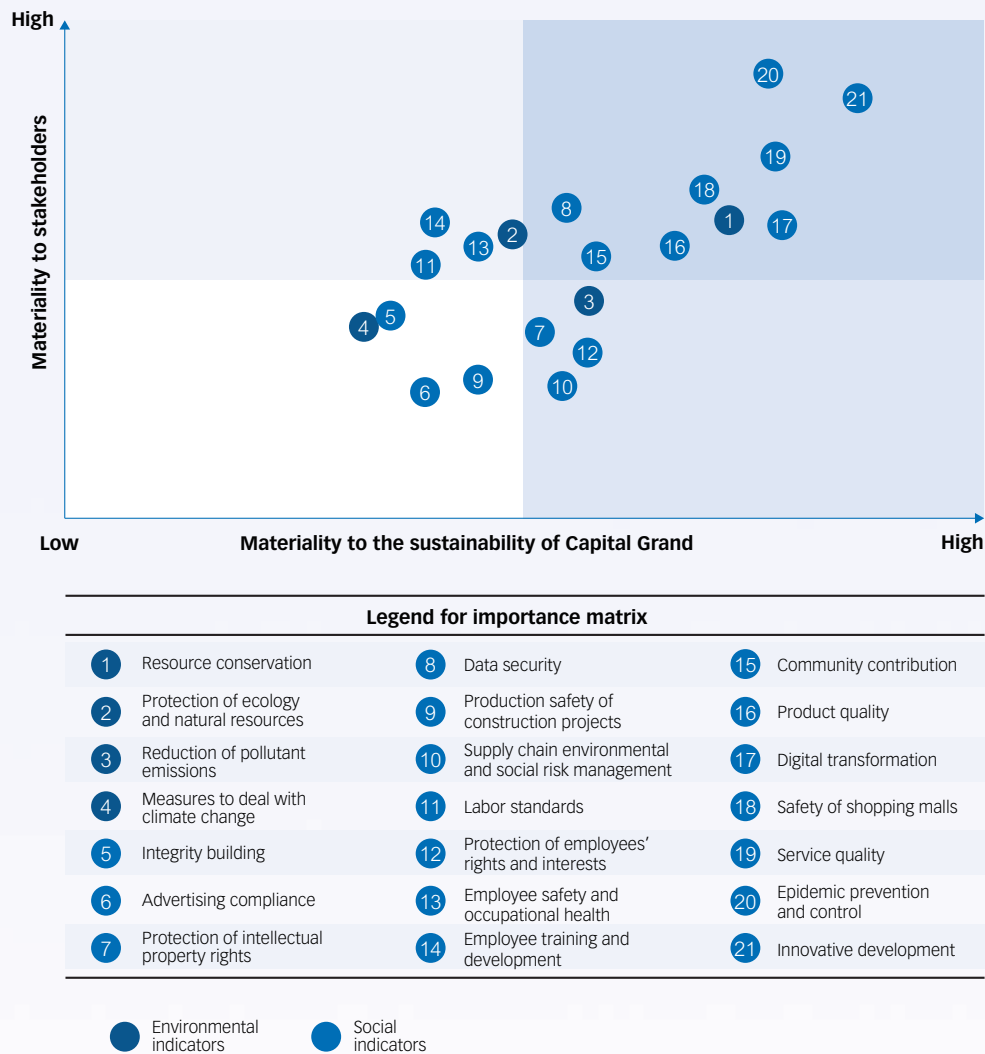
To assess the relevance and materiality of each issue with reference to the identification of material issues by peer companies and taking into consideration the current status of the Company's management.



Step 3: Confirmation

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

III. STAKEHOLDERS ENGAGEMENT AND IDENTIFICATION OF MAJOR ISSUES



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

III. STAKEHOLDERS ENGAGEMENT AND IDENTIFICATION OF MAJOR ISSUES

Major Issues	Major Stakeholders Involved	Work Direction in This Year
Innovative development	Investors/shareholders, government and regulatory authorities, employees, suppliers, cooperative tenants, consumers, residents in community	Actively carry out innovative activities in the field of operation and management to improve internal management efficiency, and to better meet market needs.
Epidemic prevention and control	Investors/shareholders, government and regulatory authorities, employees, suppliers, cooperative tenants, consumers, residents in community	Attach importance to the COVID-19 epidemic prevention and control, and actively deploy and carry out epidemic prevention measures in office spaces, commercial areas and leased stores; Provide employees with necessary anti-epidemic materials; Help suppliers, tenants and other business partners to overcome the difficulties of epidemic together.
Service quality, product quality, safety of shopping malls	Government and regulatory authorities, employees, suppliers, cooperative tenants, consumers	Actively review the status of tenant qualification control and optimize the product quality control system; Continue to pay attention to consumers' shopping experience and protect consumers' rights from infringement; Pay attention to the safety management of shopping malls and provide consumers with a safe shopping environment.
Digital transformation, intellectual property protection	Investors/shareholders, suppliers, cooperative tenants, employees	Deeply develop digital Outlets, carry out digital transformation, and comply with the industry development trend of "Internet +retail"; Pay attention to the protection of intellectual property rights.
Resource conservation, protection of ecology and natural resources, reduction of pollutant emissions	Government and regulatory authorities, consumers, residents in community	Continue to promote the implementation of internal environmental protection concepts; Create green office environment; Take measures to improve the use efficiency of shopping mall resources; Actively reduce the environmental impact from business activities.
Protection of employees' rights and interests, employees' safety and occupational health, employees' training and development, labor standards	Investors/shareholders, employees, government and regulatory authorities	Continue to promote the development and growth of employees; Continue to provide a fair, competitive and highly transparent reward and punishment mechanism; Continue to pay attention to and respect human rights, diversity and equal opportunities; Pay attention to employees' health and provide employees with a safe working environment.
Suppliers' environmental and social risk management	Government and regulatory authorities, suppliers, cooperative tenants	Continue to build a fair, transparent and orderly supplier access, selection and management system; Promote suppliers to increase their attention to environmental and social risks, and encourage suppliers to conduct environmental and social risk management.
Community contribution	Government and regulatory authorities, residents in community	Actively carry out social welfare activities; Invest in educational, cultural and other activities in surrounding communities of our operations.
Measures to deal with climate change	Investors/shareholders, government and regulatory authorities, suppliers, consumers	Actively make climate change risk management and response plan.

IV. THE FIGHT AGAINST THE FLOOD, SHOWING TENACITY IN DISASTER

On 20 July 2021, Henan Province was suddenly hit by extreme heavy rainfall. The daily precipitation in districts, Dengfeng, Xinmi, Xingyang and Gongyi in Zhengzhou City exceeded the extreme value in the meteorological records. In particular, the rainfall reached 201.9 mm in 16:00-17:00 on 20 July 2021, exceeding the extreme hourly land rainfall in China. Jiayu Town in Xingyang City where Zhengzhou Capital Outlets Project ("Zhengzhou Capital Outlets") of the Group is located suffered from natural disasters such as mountain torrents and debris flows caused by heavy rainfall because its geographical position is in hills. Consequently, the roads around the project collapsed greatly, and the road between the project and Zhengzhou urban area was almost blocked. The area became an isolated island. With the perfect emergency system, sufficient emergency materials and timely command and dispatching, Zhengzhou Capital Outlets Project successfully minimized the losses in the disaster, and overcame the difficulties together with customers, employees and brands. After rainstorm, despite the sudden occurrence of COVID-19, Zhengzhou Capital Outlets Project orderly resumed its work, showing an indomitable spirit in natural disasters as a state-owned enterprise.

(I) DEPLOY FLOOD CONTROL WORK IN ADVANCE, REDUCING THE IMPACT OF FLOOD

Based on the climate characteristics of Zhengzhou, Zhengzhou Capital Outlets prophetically made emergency plans for extreme weather such as Flood Control and Snow Control, and dispatched emergency materials and set warning signs according to the plan when the disaster happened.

Flood Control Emergency Plan of Zhengzhou Capital Outlets Project

- The leader of the emergency rescue team shall arrange the security guards to set warning signs in relevant areas, and assign personnel to carry sandbags from the sandbags storage point to block the water, prevent rainwater from entering the shops and avoid property losses. The safety alert group shall arrange staff to guide to ensure that the persons on site are not in the rainwater gathering area.
- After receiving a notice from emergency rescue team, the leader of equipment support team shall arrange technicians to check the electric lines in the affected areas. If it is necessary to cut off the power to prevent the electric shock accident in special circumstances, check the ponding areas to find out the causes of ponding, and cooperate with the emergency rescue team to connect the electricity from a safe place and pump out the water with a portable water pump.
- The emergency rescue team shall arrange cleaning personnel to remove the accumulated water from the corridor, the rainwater from malls and the rainwater from the ponding area.
- The information support team shall monitor the whole site in the monitoring center, report the situation to the project flood control commander at any time, and handle emergencies as a reserve team.
- The property security department led the establishment of a flood control emergency team which shall give early warning of weather conditions in the group every day and check the drainage system and water leakage points twice or three times a week.

IV. THE FIGHT AGAINST THE FLOOD, SHOWING TENACITY IN DISASTER

(II) ENSURE THE SAFETY OF CUSTOMERS AND EMPLOYEES AND ACTIVELY ASSUME SOCIAL RESPONSIBILITIES

On that day, the sudden disaster had a significant impact on customers, employees and brands. The safety of customers and employees has always been the top priority of the Capital Outlets' concern. In the flood period, Zhengzhou Capital Outlets took many measures to cope with the flood.

At night on 20 July 2021, the project suffered from water and power cuts. More than 60 employees, some shopping adviser and customers had to stay at the project site. Thus, Zhengzhou Capital Outlets provided free food for stranded customers and lodged stranded persons.



Held an emergency meeting to cope with the flood disaster (left)



Provided food for stranded persons (right)

Protect the physical and mental health of pregnant customers

During the rainstorm, a pregnant customer surnamed Li and her friend went shopping in the project, but they were stranded there by flood. After Zhengzhou project management team knew that, it immediately appointed the customer service personnel to guide them to the customer service center for rest, provided them with emergency food and drinks such as hot water, milk and bread, and assisted Ms. Li to contact her family members for delivering message of safety. That night, the staff vacated the negotiation room for Ms. Li for rest. The next morning, the staff assisted Ms. Li to contact her family members and ensured that Ms. Li went home safely. After that, Ms. Li and her family members expressed their heartfelt thanks to the project.

Protect the interests of tenants and reduce employee losses

In flood, reduce employee losses:

- Because the shopping guides and project staff rode electric vehicles, to avoid property losses and potential dangers, helped employees move electric vehicles to high places. After the rain stopped in the afternoon, evacuated the employees in time, and followed up one by one to confirm their safety.

In flood, protect tenant interests:

- The Operation Department organized the staff to place the goods in the store, put the goods high and block the door with sandbags to prevent the ponding into the shop. It took one hour to achieve basically zero loss of goods.
- In order to reduce the loss caused by food spoilage in the restaurant, it transferred the food materials after the power failure due to the rainstorm.

IV. THE FIGHT AGAINST THE FLOOD, SHOWING TENACITY IN DISASTER

In the morning of 21 July 2021, the rainstorm stopped temporarily and the flood gradually began to subside. However, because the road condition was not clear, to ensure the safety of employees, shopping guides and customers, it temporarily established a road exploration team which went out and found out the road conditions, so as to safely evacuate the stranded people home.

Set an example to explore the road for stranded persons

The road exploration team was led by management of the Company and consisted of key male employees of HR administration department, property security department and investment promotion operation department. Two main roads around the project were in poor condition, local bridge decks collapsed greatly, and the flood was too deep to judge the pavement condition and ensure safe traffic; in desperation, the team decided to drive to explore the road; although the road was muddy and bumpy, the car can basically pass smoothly. On the premise of ensuring safe passage, the project management deployed in an orderly manner and arranged the evacuation of stranded employees in different batches. It was divided into four groups for four directions. Each group was led by 2-3 male members and escorted the female members to leave first. The department head and the backbone of Party members held on to the last minute, and escorted the stranded personnel until safety verification in the afternoon.



(III) CONTINUE TO MOVE FORWARD DESPITE DIFFICULTIES AND COMPLETE POST-DISASTER RECONSTRUCTION ORDERLY

After rainstorm, roads around Zhengzhou Capital Outlets Project collapsed severely, giving rise to difficulties to employees. It arranged most of employees to work at home. The management, department leaders and department backbones in an office group made the statistics on site every day and repaired to resume work. Furthermore, the office group connected with the insurance company to reduce losses, and resumed work only after the investigation of potential safety hazards was completed.



Shortly after the flood, Zhengzhou was once again impacted by COVID-19. Zhengzhou project team strictly carried out epidemic prevention while carrying out post-disaster reconstruction. Employees worked at home, and the relevant responsible person followed up to determine the safety and health of employees and their family members. During the epidemic period, the security personnel on site checked the whole project site in an all-round way to ensure the complete blockade of the project. Then, Zhengzhou Capital Outlets started its business after overall disinfection of the project site together with the government. During suspension of business after the disaster, the Company comforted and counseled its employees to ensure their physical and mental health, reflecting the Company's care for employees.

V. ATTENTIVE SERVICES FOR QUALITY FUTURE

The Company strictly abides by the Product Quality Law of the People's Republic of China 《中華人民共和國產品品質法》 and the Consumer Rights Protection Law of the People's Republic of China 《中華人民共和國消費者權益保護法》 and other laws and regulations related to the products and services and privacy matters of the Group's business, and continues to identify and follow up the update status of relevant laws and regulations. Although repeated epidemics and sudden natural disasters have affected the operation of Capital Outlets in all aspects, Capital Grand still assumes its social responsibilities, not only providing consumers with a high-quality shopping environment, but also utilizing its advantages to benefit surrounding communities.

In this reporting period, the Company had no case that the sold or delivered proprietary product shall be recalled due to safety or health reasons and the Company was not aware of any incident that violated product and service quality, customer privacy protection, consumer rights protection and other product liability laws and regulations and had a significant negative impact on the Company.

(I) PURSUE THE BEST AND IMPROVE SHOPPING EXPERIENCE WHOLEHEARTEDLY

Strict Product Management, so that Consumers Can Buy with Confidence

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

Our management measures:

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

In 2021, the Company's self-operated products have not been recalled due to health or safety reasons. In the event of a recall of a cooperative brand, we will also fully cooperate with the brands in its work.

V. ATTENTIVE SERVICES FOR QUALITY FUTURE

Establishing a brand authorization chain database to lead the industrial development

The Company attaches great importance to the potential risks in the cooperation between outlets and commercial brands, continuously improves the tenant qualification and product quality control ability, and protects the legitimate rights and interests of consumers and the Company. The complex authorization levels of foreign brands and the high difficulty of risk control of counterfeit goods have long become the main problems in the process of operation localization of domestic outlets.

To solve the above problems, the Company has established a brand authorization chain database based on big data technology, issued the Application Guidelines for Brand Authorization Chain Database (《品牌授權鏈數據庫應用指引》) to guide the practical application, and made strict provisions on the data acquisition, data entry operation process, data update and maintenance requirements of brand authorization chain database, so as to further realize the digital and dynamic management of the commercial brand resources of the Company. While ensuring the accuracy, effectiveness, integrity, authenticity and legitimacy of brand authorization qualification, the Company also controls the potential risks, protects the interests of customers and the Company and upholds the reputation of a state-owned enterprise. The brand authorization chain database provides guarantee for the Company from the following five aspects:

- Comprehensively sort out the Company's brand resources to improve the efficiency of contract review.
- Accurately identify the brand information to create a barrier for the protection of the intellectual property rights of the Company.
- Determine the brand resources to expand the commercial and core value resources of the Company.
- Protect brand intellectual property rights to prevent trademark infringement risks.
- Protect the legitimate rights and interests of consumers to enhance the goodwill and reputation of the Company.

Based on the brand authorization chain database, the Company builds the Capital Outlets investment promotion system into a whole and raises the Company's brand authorization chain management system to a new level. This measure creates relevant standards in the industry and has an enlightening effect on the overall development of the industry.

During the operation of the brand authorization chain database, its data shall be backed up at least once a day, and the data backup log shall be created; the data confidentiality requirements shall be strictly implemented, the security password shall be set for the database, and the operation authority of the user shall be determined. In addition, the Company irregularly checks the effectiveness, integrity and authenticity of brand authorization qualification documents and the daily control of brand authorization qualification documents of front-line companies so as to provide basis for the Company's continuous improvement of relevant systems, and provide consumers with genuine goods. Besides, we also strictly abide by the data confidentiality requirements to protect our intellectual property rights and the interests of brands.

V. ATTENTIVE SERVICES FOR QUALITY FUTURE

Optimizing Shopping Experience, and Providing Spring-like Services

We focus on guaranteeing and continuously improving the service quality of Capital Outlets, and giving consumers a spring-like shopping experience. In 2021, we continuously promoted the refined management of goods and store services, and urged outlets in various regions to implement service inspection systems, so that consumers can enjoy shopping more comfortably according to rules, regulations and management measures such as the Management Measures for Stores and Goods of Beijing Capital Grand Commercial Projects (Trial) 《首創鉅大商業項目店鋪貨品管理辦法(試行)》, the Guidelines for Operation Management of Beijing Capital Grand Projects in Operation Period 《首創鉅大運營期項目運營管理工作指引》, the Management Measures and Scoring Standards for Operation Inspection of Beijing Capital Grand Commercial Projects (Trial) 《首創鉅大商業項目運營巡查管理辦法及評分標準(試行)》 and Operation Management Manual of Beijing Capital Grand 2021 《首創鉅大運營管理手冊 2021 版》.

In addition, combining with the actual operation of outlets in various regions, we have revised and improved the content of the Operation Management Manual 《運營管理工作手冊》 and implemented customer reception service standards. By carrying out relevant training and competitions for customer service staff and shopping guiders, we have strengthened their service awareness and professional quality.

In terms of property design and management, Beijing Capital Grand continues to add humane elements to continuously improve consumers' shopping experience.

Our measures:

- The outdoor blocks of Kunshan and Jinan Capital Outlets are designed with a fog forest system to reduce the perceived temperature in the open blocks in summer.
- The public toilet area is designed with maternity and infant rooms, barrier-free toilets, parent-child toilets and special sanitary ware for children.
- The number of toilets and sanitary ware is higher than the national standards, and each toilet is installed with squatting pans and toilet bowls to meet the different needs of consumers.
- The intelligent robots are used to guide customers so as to optimize the shopping experience.
- Wuhan Outlets is equipped with life safety emergency rescue equipment AED in public place to protect the life safety of customers.



V. ATTENTIVE SERVICES FOR QUALITY FUTURE

Introducing the intelligent robot to optimize customer experience

The Beijing Project, with a building area of 200,000m², consists of Phase I and Phase II. The straight-line distance between the east and the west of the project is nearly one kilometer. It has more than 300 shops and a large volume. Since its opening, we have continuously optimized its guidance system. However, in street patrol, the staff often encounters customers consulting about the location of brands, toilets and customer service centers. Thus, we have introduced intelligent robots from a software company and placed them at each intersection on site. The intelligent robots can easily help customers find the location of brands or supporting facilities, fully display the promotional activities, enlarge the radiation of brands and bring happy shopping experience to the majority of consumers.

We not only pursue to provide consumers with the best shopping experience, but also actively innovate the business formats and explore the one-stop leisure services in combination with the experiential and diversified trend of the consumer market. Beijing and Nanning Capital Outlets Projects combine traditional shopping centers and outlets, and introduce supermarkets, cinemas, sports brand flagship stores and other types of tenants, to better meet the consumption needs of different groups; introducing cooperative tenants such as imported product supermarket and child experience center, it provides local residents with a new choice of lifestyle and daily social interaction.



An intelligent shopping guide robot in the Beijing Project



The child entertainment area at the entrance of McDonald's provides convenience for local residents.

V. ATTENTIVE SERVICES FOR QUALITY FUTURE



Beijing Capital Outlets has an outdoor customer rest area where there are 6 sets of seats and sunshades, providing better facilities and places for consumers and surrounding residents for entertainment.



Wuhan Capital Outlets set up a rest area with cherry blossom trees, lighting large steps in central square, etc., which became photo spots for internet celebrities, giving customers a special experience.

Because the outlets project is remote and there is no very large supermarket around the project, to meet the basic living needs of nearby residents, Zhengzhou Outlets Project has a supermarket with complete range of imported commodities.

Because the outdoor area of outlets is cold in winter and hot in summer, Beijing Capital Outlets sets multi-point heating lights and cooling fans outdoor on every floor of Phase I Project to provide customers with a good shopping experience in different seasons.



V. ATTENTIVE SERVICES FOR QUALITY FUTURE

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

Heart-warming Service, Listening to Customers' Voice

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

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

In 2021, the Company continuously adhered to various systems, including the Guidelines for Immediate Complaint Acceptance Work of Beijing Capital Grand Limited (Trial) 《首創鉅大有限公司接訴即辦工作指引規範(試行)》, Customer Service Standards 《客戶服務標準》 and Standards for Reception Services of Shopping Guides 《導購員接待服務標準》, and formulated clear regulations for the complaint handling specifications and work procedures of customer service centers, tenants and shopping guides of various projects. We incorporate customer complaint resolution rates into the performance appraisal indicators of customer service staff, so as to better implement customer complaint response measures and enhance customer feedback and complaint experience. We attach equal importance to the requests for return and exchange of goods from all customers. We have established a fair and compliant handling process, by which our customer service management personnel strictly implement the product return and exchange system of the Company and take reasonable measures to fairly resolve the defects or quality problems complained by customers based on agreements with cooperative tenants and in compliance with consumer protection related regulations and product quality judgment standards.

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

Statistics of offline customer complaints for all projects in 2021

Complaint category	No. of Case
Goods-related complaints	446
Service-related complaints	182
Hardware-related complaints	40
Other complaints	115

V. ATTENTIVE SERVICES FOR QUALITY FUTURE

1. In 2021, there was no complaint that had a significant impact on the Group.
2. Other complaints: the number of other complaints received by the Company in the reporting period (including complaints due to personal reasons of consumers/clients but not attributed to Capital Grand).
3. The statistical scope covers the headquarters (the Company) and thirteen operating projects, namely Beijing Company, Huzhou Company, Kunshan Company, Hangzhou Company, Hefei Company, Wuhan Company, Nanchang Company, Zhengzhou Company, Jinan Company, Xi'an Company, Chongqing Company, Kunming Company and Nanning Company.

Through the Company's unremitting efforts and effective communication with consumers and cooperative tenants, the above complaints have basically been resolved effectively. We will conduct a response investigation to the results of the complaints, and the important complaints will be fed back to the Company's management. The management will intervene and be responsible for tracking until it is completely resolved. In order to further understand the consumers' satisfaction degree with all aspects of services, we hire professional third-party companies to conduct consumer satisfaction surveys every year. Through the analysis of the survey results, the service improvement points were discovered, and optimization measures were taken to continuously improve the consumers' shopping experience. In 2021, the consumer satisfaction of Capital Outlets has been at a good level in China, according to a survey by a third-party professional organization.



Good personalities and good deeds: In March 2021, in Zhengzhou Capital Outlets, when an employee was on duty at the east gate, the employee suddenly saw an aunt of about 60 years old fell to the sidewalk outside the east gate due to sudden illness. The employee on-duty immediately helped the elderly, asked about her basic health situation, contacted the family members and called 120 in time. After that, the elderly and her family members wrote a letter of thanks and expressed their gratitude at the project site.



Returning lost items: In May 2021, Li Xinmin, a security guard of property security department of Zhengzhou Capital Outlets, picked up a man's wallet while patrolling the east gate. There is RMB9,600, some bank cards and an ID card in the wallet. Li Xinmin immediately contacted the customer service center to broadcast to find out the owner, and returned all belongings to the owner after contacting the owner. The owner wanted to give cash to Li Xinmin to express his thanks, but Li Xinmin said that this was what he should do as a security guard and denied the cash offer from the customer. Then, the customer made a silk banner to express his thanks.



We, persisting in the concept of "considerate", sincerely treat the needs of every customer of Capital Outlets.

V. ATTENTIVE SERVICES FOR QUALITY FUTURE

Grateful Giving Back and Appreciating to VIP Members

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

Member appreciation party

On 5 June, 2021, we held a member appreciation party and totally invited almost 4,000 members.

Purposes:

- Strengthen the rights and interests of members, highlight the identity of members, and continue to build member feedback IP.
- Strengthen the communication and interaction among members and improve the stickiness and interests of members.
- Create memory scenes and enrich member experience.
- Improve the relationship with members and promote consumer loyalty and public praise communication.



Member appreciation party

V. ATTENTIVE SERVICES FOR QUALITY FUTURE

Practice Skills Diligently to Ensure the Safety of Shopping Malls

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

Safety management measures of shopping malls:

- All projects in operation are equipped with qualified security companies.
- All property management personnel shall receive regular safety and emergency training.
- Security personnel shall inspect the key areas of the outlet projects every two hours.
- The scope of project quality inspection includes leakage prevention, exterior wall system, elevator, door and window installation and other potential safety hazards.
- Special fire safety inspections shall be carried out for specific projects such as second decoration sites, gas alarm devices of catering cooperative tenants and fire protection in the early days of holidays.
- After the conclusion of daily operation, the relevant management departments shall inspect all tenants for the preventive measures of "three and one closure" (closing water, electricity and gas facilities, and closing store doors).

In 2021, Beijing Capital Grand continuously utilized the Management Information System for Production Safety Hazard Investigation to manage the safety work in commercial areas. All shopping guides of Capital Outlets projects and all employees of Beijing Capital Grand can understand the key requirements of safety management in the office and commercial areas through this system. Property management personnel can inquire about the daily management status of each safety hazard checkpoint and the feedback information of relevant responsible personnel through this system, making the management and control of safety hazard investigation, major risk sources, emergency management and accident management more efficient and orderly.

V. ATTENTIVE SERVICES FOR QUALITY FUTURE

In this year, Capital Grand established a safety committee and determined that the responsibilities of the safety committee cover the whole development period and operation period of the project. Besides, every project established a safety management office. Furthermore, the Company specially established a production safety leadership group and signed a production safety responsibility statement with the government based on its practical situation through comprehensively implementing the main body responsibility of production safety and determining the safety responsibilities of all departments, by persisting in the principles of “those who are in charge are responsible”, “equal emphasis on production and safety” and “unity of responsibilities and rights”, in accordance with laws and regulations, such as the Production Safety Law of the People’s Republic of China 《中華人民共和國安全生產法》 and the Fire Safety Law of the People’s Republic of China 《中華人民共和國消防法》.

Responsibilities of safety committee of Capital Grand:

To do a good job in production safety, the safety committee shall strictly implement the Company’s production safety management system to effectively prevent various safety accidents, promote the safety and stability of the Company, and successfully complete the annual production safety objectives of the Company. The responsibilities of the safety committee of Beijing Capital Grand are as follows:

- Seriously implement the national safety laws and regulations, timely revise and improve various production safety rules and regulations, improve the incentive and restraint mechanism for production safety, specify and refine the production safety responsibility objectives, and carefully assess and implement them.
- Continue to promote production safety standardization and safety culture construction. Promote the gradual transformation of safety management in shopping malls into standardization and normalization.
- Carry out investigation and rectification activities for potential safety hazards in depth. According to the arrangement, seasonal characteristics and practical production safety situation of the Company, conduct major investigation of potential safety hazards at least once a month, and immediately rectify the identified potential safety hazards, with a rectification rate up to 100%.
- Strengthen the publicity and education of production safety laws and regulations and safety knowledge, and actively organize the production safety publicity and education activities such as “Production Safety Month” and “119 Fire Drill” in this year. Actively organize various safety technical trainings organized by the superior level and the Company to ensure the rate of certified employment up to 100%.
- Organize and hold a regular production safety meeting every week, listen to the production safety work report of each team, study and solve various problems in production safety.
- Constantly revise and improve the emergency rescue plan, organize the emergency rescue team, reserve sufficient emergency rescue equipment and materials, and organize emergency drills at least twice a year to meet the needs of emergencies.
- Report all safety accidents in shopping malls level by level according to relevant procedures and within specified time. Adhere to the principle of “Four Never-let-go” in accident analysis, i.e. Not letting go if the accident reason is not found, Not letting go if the responsible person is not punished, Not letting go if the responsible person and masses are not educated, and Not letting go if the rectification measure is not implemented. Earnestly implement the accident accountability system with the accident handling and settlement rate up to 100%.

V. ATTENTIVE SERVICES FOR QUALITY FUTURE

Based on the requirements of the Group, every Capital Outlets project has made emergency plans for fire safety, anti-terrorism and riot prevention and flood rescue suitable for the current situation of operation and management. These plans shall be evaluated and approved by the headquarters of Capital Grand. Based on the emergency plan, the security teams of each project regularly carry out drills for different types of emergencies, cooperate closely with relevant departments in the drill, and accumulate experience to deal with the actual situation so as to achieve good drill results.

Production Safety Month Activity “implement the safety responsibilities, promote the safety development” in June

In June 2021, Capital Grand conducted the Production Safety Month Activity which further consolidated and expanded the achievements of hidden danger investigation and special treatment of shopping malls. Eliminate potential accidents and solve existing prominent problems through the overall investigation and treatment to eliminate the hidden safety hazards in shopping malls. Strengthen employees’ attention to production safety in answering questions.

119 Safety Drill Activity

Through this drill, all employees have a new understanding of ability of the emergency rescue team of Capital Outlets. The drill was carried out by persisting in the principle of emergency handling “unified leadership, comprehensive coordination and level-based responsibilities”. The drill subjects are many, participants are sufficient, content is rich and the scenario is vivid. In the whole process, participants responded positively and quickly. The response was timely and the emergency disposal was rational. Their drill actions were consistent and accurate, and their disposal measures were accurate for various situations. They considerably organized and coordinated. Through this drill, the production safety emergency rescue management level of Capital Outlets is effectively improved.



Well-organized fire drill

V. ATTENTIVE SERVICES FOR QUALITY FUTURE

Safety training case of Hangzhou Capital Outlets

Hangzhou Capital Outlets makes the annual safety training plan every year which is broken down into yearly, monthly and weekly plan and organizes the practical drill on time. Every year, it organizes 4 anti-terrorism emergency drills to improve its response capability of emergency which severely threatens to personal safety in shopping malls, such as armed murderer and psychopath. Besides, it organizes 2 drills of person trapped in elevator every year and organizes a fire evacuation drill every half a year to improve the emergency treatment capability of property team and shopping guides in fire.

Emergency treatment of Hefei Capital Outlets Project in severe cold weather

To protect the personal and property safety of customers and tenants of Hefei Capital Outlets Project and ensure the successful operation of equipment and facilities of the project, all of the property security department staffs stand by and actively take actions for snow and frost prevention.

- **Checking and preparation before heavy snow:** The cleaning team shall check whether the anti-slide pads at the overpass are paved, and whether the warning sign of "Caution ! Slippery ! " is placed at the main intersection.
- **Rescue during heavy snow:** In case of uncontrollable heavy snow, arrange the security team to sprinkle industrial salt on the peripheral roads to ensure the safety of vehicles.
- **Site recovery after heavy snow:** The commander/deputy commander shall assign groups to different areas to clean the snow orderly and safely according to the site requirements; ensure that the main roads, corridors, overpasses and steps are free of snow and ice, and ensure the safety of vehicles and person.



Plow the snow in and around Hefei Capital Outlets Project

V. ATTENTIVE SERVICES FOR QUALITY FUTURE

(III) EMBRACE INNOVATION AND BUILD BETTER DIGITAL OUTLETS

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

Explore Digital New Retail

In order to optimize operation of shopping malls and identify customers' consumption needs, we have carried out long-term cooperation with third-party technology service companies to develop and continuously upgrade digital customer traffic monitoring systems. The system uses binocular customer traffic cameras to obtain depth images, which can ensure accurate customer traffic analysis results. Currently, our store-level customer traffic statistics capability has taken the lead in the industry. In 2021, through the data modeling analysis, we improved the precision granularity of stranded passenger flow from a hour to 5 minutes to provide more accurate passenger flow analysis results.

In 2021, by utilizing the security monitoring system of all projects, the Company built a headquarters intelligent monitoring system which can remotely monitor the real-time situation of all projects in the headquarters, such as customer flow, safety, hygiene and marketing effect. It fully utilizes the current resources to improve the safety control, reduce the travel costs, save energy and reduce expenses. It is benefit for the epidemic prevention.

During the year, the upgrading of the digital new retail system is the deep expansion of corporate business by Beijing Capital Grand. Based on offline operation, we actively promotes the development of online outlets business; we carry out online live-streaming in video number of mini program; the whole process ranging from goods selection, live-streaming, ordering to after-sales services forms the close loop between live-streaming and shopping. We also pay attention to the integration of online and offline customer flow so as to promote the online and offline shopping interaction; when users spend a certain amount of money in online outlets, they can get offline shopping cards, which practically realizes the promotion of both online and offline shopping. We fully acquire the data inside and outside the shopping malls, promote the reconstruction of comprehensive scenarios of "people", "goods" and "shopping malls", and realize the comprehensive upgrading of traditional retail business. We establish a one-stop quality chain platform with goods in Capital Outlets as primary which further provides convenience for shopping.

The Beijing Capital digitization process not only provides convenience for consumers, but also simplifies the process of tenants' daily payment of small fees. In 2021, the Company has improved its tenant service platform, realizing the online payment management for small fees. At present, the platform has 58 management charging categories unified by the headquarters. A project company can add the sub-category items. This platform not only facilitates tenants, but also reduces counter collection, which avoids excessive personnel interaction, and effectively prevents the epidemic spread. Besides, the Company launches an intelligent business robot which promotes the digitization process ranging from business invitation contract (legal affair language) to settlement contract (settlement language). The robot realizes the automation, reduces the labor costs and completes the connection efficiently. Starting from the business invitation contract, such as advance payment and shop investment, the robot is used to realize the systematic online management (including automatic contract imputation, automatic ledger formation, and management of decoration of stores), providing convenience for tenants.



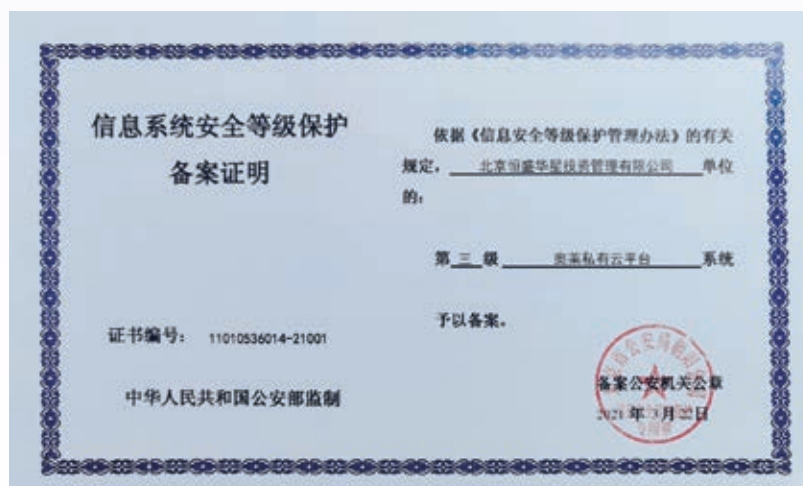
V. ATTENTIVE SERVICES FOR QUALITY FUTURE

Data Security and Consumer Privacy Protection

During the process of digitalization, the Company always puts the importance of data security and consumer information protection in the first place and strictly complies with the relevant requirements of the Cyber Security Law of the People's Republic of China 《中華人民共和國網絡安全法》. In 2021, we have carried out a unified plan for member privacy authorization documents of various channels, and published the plan simultaneously on all interfaces of the Company. At the same time, we have adopted various management measures to strengthen data security and consumer information protection:

- At the beginning of 2021, the "Private Outlets Cloud Platform" system of Capital Grand obtained the national security level protection (level III), and continued to strengthen and upgrade the Company's data security system.
- According to the Personal Information Protection Law of the People's Republic of China 《中華人民共和國個人信息保護法》 implemented since 1 November, 2021, improve the user information collection operations and user privacy terms of online mall mini program, APP and H5 Mall. After the user clearly knows the purpose of information collection and selects the option of agree, necessary equipment information will be read and the account will be logged in.
- We take information security as a routine training content and organized twice "Annual Information Manager Training 2021".
- Sign a data confidentiality agreement with all current employees of Beijing Capital Grand, and promise to keep operating information (including consumer information) confidential.
- We have established safety policies and management responsibilities related manuals, and employees who have direct contact with data will sign the information confidentiality rules and Safe Operation Commitment 《安全操作承諾書》.
- Standardize the authorization and approval system for data acquisition of employee system account, including user access permissions, BI data access permissions, etc.
- Sign confidentiality agreements with the system development and operation and maintenance software company to stipulate the responsibilities of both parties for the confidentiality of consumer data.

During 2021, the Company was not aware of any customer privacy breaches within the Group.



Information System Security Grade Protection Registration Certificate

VI. GOOD EMPLOYER FOR ACHIEVING FUTURE

An employee, as an important stakeholder in society (S) field in ESG system, is a creator and sharer of corporate culture, corporate value and corporate interests. Talents are the impetus of the enterprise development. We are deeply aware that safeguarding the rights and interests of employees and paying attention to their health are the progressive foundation and unshirkable responsibility of the Company. The Company strives to create a good working environment with equal opportunities, diversified working platform for each of our employees, increasing the sense of acquisition and belonging of our employees, and realizing the common development of our employees and the Company. In 2021, the Company won the Good Smart Employer Award, which fully shows the emphasis of a state-owned enterprise on talents as well as the determination to cultivate talents.

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

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



2021 Top Human Resources Management Awards

VI. GOOD EMPLOYER FOR ACHIEVING FUTURE

Fair Recruitment and Protect Employee Rights Effectively

Talent is the cornerstone of the Company's development, and the Company's development requires talent strategy. The Company introduces talents extensively through platform collaboration, internal recommendation and public recruitment. In terms of talent recruitment and employment, we adhere to the principles of fairness, justice, and openness, and eliminate all kinds of discrimination in terms of race, gender, national origin, age, pregnancy and disability. Each project company strictly checks and confirms the age information of employees during the recruitment process to ensure that no child labor is employed. In case of violation of laws and regulations, such as employment of child labor and forced labor, the Company will take response and compensation measures in accordance with relevant laws and regulations, and will seriously investigate the responsibilities of relevant personnel.

The Company strictly complies with relevant laws and regulations such as the Contract Law of the People's Republic of China 《中華人民共和國合同法》, the Labor Contract Law of the People's Republic of China 《中華人民共和國勞動合同法》, the Law on the Protection of Women's Rights and Interests of the People's Republic of China 《中華人民共和國婦女權益保障法》 and the Provisions on the Prohibition of using Child Labor 《禁止使用童工規定》. The Company has also entered into standardized labor contracts with all formal employees, which specifically determined the guaranteed welfare, dismissal conditions and working hours, etc.. A reasonable working hour is arranged to encourage the employees to maintain a healthy work-life balance and protect their legitimate rights and interests. In strict compliance with national laws and regulations, the Company stipulates the public holidays and national statutory holidays of employees. Pursuant to relevant regulations such as the Social Insurance Law of the People's Republic of China 《中華人民共和國社會保險法》 and the Provisions on the Administration of Declaration and Payment of Social Insurance Premiums 《社會保險費申報繳納管理規定》, the Company makes contributions to basic social insurance fund and housing provident fund on behalf of all our employees.

The employee handbook of Capital Grand explicitly sets out the provisions on working hours, leave entitlements, labor protection, minimum wage and relevant feedback channel for its employees, so that our employees have a clear understanding of the Company's management requirements for employees, and the feedback channel to the Company. Besides, the Company also provides benefits such as supplemental medical insurance and regular physical checks for all regular employees.

The Company confirmed that there were no employment of child labor or forced labor or other situations which violated against the human rights of its employees during 2021.

VI. GOOD EMPLOYER FOR ACHIEVING FUTURE

Indicator ¹		2021
Total number of employees (headcount)		1,181
Number of employees by gender (headcount)	Number of male employees	614
	Number of female employees	567
Number of employees by age (headcount)	Number of employees under the age of 30	266
	Number of employees aged between 30 and 40 (exclusive)	721
	Number of employees aged between 40 and 50 (exclusive)	172
	Number of employees aged 50 and above	22
Total number of employees by employment type (headcount)	Number of full-time employees	1,181
	Number of part-time employees	0
Total number of employees by geographical region (headcount)²	Number of employees in Eastern China	462
	Number of employees in Southern China	75
	Number of employees in Central China	127
	Number of employees in Northern China	295
	Number of employees in Northwestern China	100
	Number of employees in Southwestern China	122
	Number of employees in Northeastern China	0
	Number of employees in Hong Kong, Macau and Taiwan	0
Total number of employees by academic qualification (headcount)	Number of employees overseas	0
	Number of employees below college degree (inclusive)	501
	Number of employees at undergraduate degree	622
	Number of employees at master degree and above	58
Total number of employees by job level (headcount)	Number of senior management members ³	36
	Number of middle management members ³	152
	Number of junior employees	993

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

2. Disclosure caliber is the area where employees perform their duties.

3. The data disclosure caliber for 2021 is consistent with that of the annual report.

VI. GOOD EMPLOYER FOR ACHIEVING FUTURE

Indicators ¹			2021
Employee turnover rate by gender (%)	Male employee turnover rate	%	26.50%
	Female employee turnover rate	%	22.32%
	Employee turnover rate under the age of 30	%	28.81%
	Employee turnover rate aged between 30 and 40 (exclusive)	%	27.21%
	Employee turnover rate aged between 40 and 50 (exclusive)	%	5.75%
	Employee turnover rate aged 50 and above	%	9.50%
Employee turnover rate by age (%)	Employee turnover rate in Mainland China	%	24.51%
	Employee turnover rate in Hong Kong, Macau and Taiwan	%	0
	Employee turnover rate overseas	%	0
Employee turnover rate by geographical region (%)²			

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

The group attaches importance to personnel training. It uses standardized personnel management model to rationally plan personnel echelon construction and improve employee's vitality and post competitiveness. However, influenced by COVID-19 and change of employee's judgment on the future employment situation of the commercial industry, to seek better occupation development paths, some employees develop other businesses or start their own businesses. Therefore, the turnover rate increased slightly compared with last year.

Strengthen Communication and Create a Harmonious Company Culture

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

In 2021, Capital Grand further improved the employee trade union system, enriched employee activities and increased the Company's channels for understanding employee opinions and needs. In addition, in the face of the downward pressure on business performance caused by impact of the epidemic, the Company adhered to the concept of cherishing talents and issued a document on "Building Harmonious Labor Relations", clarifying the promise of no salary cuts and no layoffs in principle and overcoming difficulties with employees.

VI. GOOD EMPLOYER FOR ACHIEVING FUTURE

Caring for employees on festivals:

On 8 March, 2021, the Company held Women's Day activity "Become the Best in Capital" in Beijing Capital Outlets, and gave VIP card to female employees. During several days before, in and after the Women's Day, female employees and their family members can shop with this card for discounting. Besides, the Company provided the festival gifts to send holiday greetings to all female employees of Capital Grand.



Become the Best in Capital Grand



Gifts for female employees

Besides, in Mid Autumn Festival, the Company also provided gifts for employees to express its holiday wishes.



Giving gifts to employees in Mid Autumn Festival



Gifts in Mid Autumn Festival

VI. GOOD EMPLOYER FOR ACHIEVING FUTURE

Daily convenience for employees:

In 2021, Xi'an Capital Outlets has provided free shuttle service for employees. It rented new energy buses for the purpose of low carbon, environmental protection and green travel. The bus starts from two hubs in the city and travels about 40 km every day. It effectively reduces the employee time costs and lays a foundation for the project to introduce high-quality employees in the urban area. The bus can not only save a lot of expenses for employees, but also match with the Company's concept of green and sustainable development.



Bus of Xi'an Capital Outlets

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

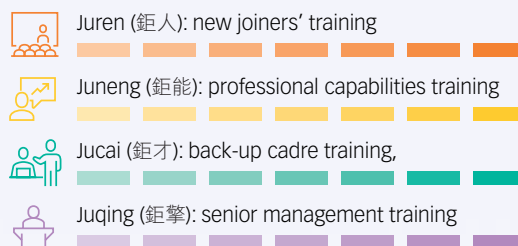
The quality of the workforce is a reflection of the Company's soft power, and employee training and promotion flows are the continuous driving force for the Company's development. We have established a comprehensive talents training plan, through a series of training to broaden the horizons of employees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

VI. GOOD EMPLOYER FOR ACHIEVING FUTURE

Comprehensive Training to Help Employees Grow rapidly

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

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



In 2021, we continued to optimize and improve our four training projects. “Efficient and quick contact of business” is the training tenet. Compared with training in 2020, training objectives in 2021 are more closer to the business, focus more on specific issues in practical work, and further refine the issue dimensions. The training courses include Guide to Key Issues in Engineering and Commercial Industry, Shopping Guide Recruitment and Team Building in the Preparatory Period, Standard Plan for Marketing before Opening, Low-cost Customer Attraction-Horizontal Alliances, etc.

With the strong support of the Company’s management and the high participation and cooperation of all employees, we have enriched the training forms for the business backbone of the “Jucai (鉅才)” program, and encouraged all line backbones to summarize, sort out and share work experience and refine the issue granularity so as to help each line of business better solve the difficult problems at work; on one hand, it solves the difficulties in the Company’s operation and management and; on the other hand, it delivers the professional knowledge achievements of Capital Grand and cultivates backbones to grow and become talents. Since 2018, we have trained more than 260 backbones, over 100 practical projects have been completed and a large number of knowledge achievements have been output.

We organically combined “Juneng • Great Lecture (鉅能 • 大講堂)” section under the “Juneng (鉅能)” program and “Judiantong” section and started the O2O mode by full utilization of resources, which combines online and offline training. This training section focuses on the improvement of weaknesses of professional capabilities and the accumulation of professional experience of the Company’s various professional lines and precipitates the Company’s internal knowledge and cases. Through this training, the Company realized the R&D and output of independent courses, and realized knowledge internalization of Capital Grand. In 2021, we completed the independent R&D of a total of 27 internal professional small-micro courses, covering all professional lines to improve the professional shortcomings, sum up professional experience, strengthen cross-professional cooperation thinking and exchanges, and published the video on the internal learning platform to all employees for learning based on the working demand. It provides support for improvement of the Company’s management efficiency, and accumulates motivation for the Company’s long-term development.

VI. GOOD EMPLOYER FOR ACHIEVING FUTURE

The small-micro course is characterized by small and targeted. In addition to improvement of learning efficiency, it can increase the absorption degree and convenience, be used for a long period since development and be updated continuously. In combination with the rapid development of the Company's business, the increase of various assessment indicators and the growth of employees' business volume, it organizes the development center to fully utilize Grand Wendao (鉅大問道) and Chuangyunshuyuan (創雲書園) platform and encourage employees to learn with the fragments of time.

Training platform expansion

- In 2021, we expanded Grand Wendao (鉅大問道) platform: set the internal trainer course on the platform; signed the contract with external institutions, and uploaded the courses on this platform for employees. Employees can attend the training as long as they turn on their mobile phones. Most of the courses are business-related, and a few involve anti-corruption. At present, 97 related courses have been offered, of which the total length of design courses is 1,145 minutes.
- Utilizing Chuangyunshuyuan (創雲書園), we design three sets of maps and recommend some courses for employees. At present, Chuangyunshuyuan (創雲書園) has 42 courses lasting for 592 minutes.

In order to continuously optimize the training system, we have also established a course evaluation and feedback system to keep abreast of students' satisfaction with course content, teaching methods and teachers. After the training courses are over, the person in charge of the course will communicate with the trainees to understand the improvement points of the course, including the course content, the lecturer's suggestions and personal gains. In 2021, our 16 internal trainers won the title of Gold Medal Trainer and will continue to provide suitable training for the Company.

Smoothing Promotion, Promising Future

Capital Grand implements the concept of "pay equal attention to cultivating and attracting talents, care and strict management", focusing on strengthening the selection and evaluation of cadres, in order to build a talent team that matches the new mission and new development of the Company. We have a complete performance management system to evaluate all aspects of employees, select employees with development potential, mobilize their enthusiasm, and encourage employees to develop their individual potential. In this process, the Company guarantees that the performance standards are open, the evaluation process is fair, and the evaluation results are fair to ensure that employees have fair opportunities in salary promotion and other aspects. Aiming at the development objective of Beijing Capital Land for 2021, to ensure the completion of core tasks and give full play to the initiative and enthusiasm of managers and professionals at all levels, the Company confirmed its main businesses and drafted the performance assessment plan Capital Grand in 2021. Based on the characteristics of main businesses of Capital Grand, we mainly take the method of "monthly assessment and show in next month" to ensure the achievement of operation achievement objectives.

VI. GOOD EMPLOYER FOR ACHIEVING FUTURE

“Juguangdeng (鉅光燈)” Plan

We continue to implement the “Juguangdeng (鉅光燈)” Plan guided by the Company’s business development, fully allocate and integrate human resources, constantly tap the company’s internal excellent managers and professionals, and provide smooth promotion channels for excellent employees to realize the favorable flow of talents; on the other hand, through targeted training, provide help for internal personnel with low performance and low potential to effectively improve their abilities.

To ensure the smooth development of “Juguangdeng (鉅光燈)” Plan, the Company determines the following working principles:



Motivate employees and create career development space

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

Compound training to improve organizational flexibility

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

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

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

Value guidance, practice culture of Capital Grand

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

VI. GOOD EMPLOYER FOR ACHIEVING FUTURE



“Juguangdeng (钜光灯)” Plan form

Indicators ¹		2021
Number of various types of training programs (pcs)		380
Total training expenditure (RMB0'000)		20.44
Total number of trainees (headcount)		1,101
Total number of employees attending training by gender (headcount)		
Number of male employees attending training		589
Number of female employees attending training		512
Percentage of employees attending training by gender (%)		
Percentage of male employees attending training		96%
Percentage of female employees attending training		90%
Total number of employees by job level (headcount)		
Number of senior management employees attending training		36
Number of middle management employees attending training		152
Number of junior employees attending training		913
Percentage of employees attending training by job level (%)		
Percentage of senior management employees attending training		100%
Percentage of middle management employees attending training		100%
Percentage of junior employees attending training		92%
Average training hours per employee (hours)		20.57
Total hours of employees receiving training by gender (hours)		
Total training hours for male employees		12,481.6
Total training hours for female employees		11,806.9
Number of training hours per employee by gender (hours)		
Training hours per male employee		20.33
Training hours per female employee		20.82
Total hours of employees receiving training by job level (hours) ²		
Total training hours for senior management		391.4
Total training hours for middle management		1,954.4
Total training hours for junior employees		21,942.7
Number of training hours per employee by job level (hours)		
Average training hours for senior management per person		10.87
Average training hours for middle management per person		12.86
Average training hours for junior employees per person		22.10

1. Employee training related information covers human system organization training of the headquarters of Capital Grand, all its outlets projects and business management companies.

2. The data disclosure caliber for 2021 is consistent with the annual report.

VI. GOOD EMPLOYER FOR ACHIEVING FUTURE

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

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

Care for Employees and Ensure Healthy Life

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

Comprehensive Guarantee to Solve Future Worries

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

People Oriented and Ensure Production Safety

During the year, the Company continued to follow the Manual on Safety Management of Capital Grand 《首創鉅大安全管理手冊》, updated the Management Measures for Safe Production and Operation of Capital Grand 2021 《首創鉅大安全生產運營管理辦法(2021 版)》 and established a safe production management system for office areas, outlets malls and construction sites.

By introducing the third party for inspection and evaluation, the Company regularly inspects and evaluates the quality and safety production of projects under construction, so as to identify and reduce relevant risks. Besides, Capital Grand headquarters conducts the management behavior inspection twice a year for each project management team, including project progress, construction quality, construction safety, etc.

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

VI. GOOD EMPLOYER FOR ACHIEVING FUTURE

During the hot summer day, the project companies prepare ice-cream and cold drinks for front-line employees. The Company provides employees with heating pieces and hot coffee during the “Open for 24 Hours” event at the end of the year to provide employees with occupational health and safety. During the COVID-19 epidemic period, the Company provides employees with epidemic prevention supplies, including masks, disinfectants, hand sanitizers, goggles, etc.



Distribution of antipyretic drugs in Chongqing Capital Outlets

Indicators	2021	2020	2019
Number of work-related fatal accidents (case)	0	0	0
Number of deaths of employees caused by work (headcount)	0	0	0
Rate of work-related fatalities (%)	0	0	0
Number of persons injured at work (headcount)¹	1	0	1
Number of working hours lost due to work injuries (hours)	544	0	528

1. Work-related injuries represent the injuries suffered by an existing employee of the Company during the course of his/her occupational activities or related activities, which can be identified as work-related injuries.

Emphasis on Epidemic Prevention and Many Measures to Eliminate Transmission

In 2021, in normalization of COVID-19 prevention and control, the operation of Capital Grand was inevitably affected. The Company actively sought change. While seeking more interests for shareholders, the Company adhered to epidemic prevention and control, and took the initiative to assume corporate social responsibilities.

During the epidemic, we were well aware of our social responsibilities. After the outbreak of the epidemic, we immediately communicated with local government, fully cooperated with local epidemic prevention, and temporarily closed or continued to operate some projects according to policy requirements. For continuously operating projects, we established special epidemic prevention work team, formulated perfect disinfection and epidemic prevention measures, as follows: daily disinfection of all areas and increase of disinfection frequency for spaces with high person density, such as offices, elevators, and toilets; arrangement of discarded mask collection point with clear mark and guide; development of training on epidemic prevention matters to ensure that every employee on site is familiar with self-protection methods and epidemic prevention procedures; distribution of disinfection supplies (liquid soap) in shopping malls, and pasting of warn tips for scientific epidemic prevention. For temporarily closed projects, we still disinfected the public areas every day.

VI. GOOD EMPLOYER FOR ACHIEVING FUTURE

The health of customers is undoubtedly our top priority.

Emphasis on publicity and education to lay a solid foundation for scientific epidemic prevention: as for Kunshan Project, the outdoor light boxes are placed with positive promotional poster and COVID-19 prevention knowledge poster; roadside flags show epidemic prevention publicity content; elevators and other places where people flow are pasted with information of fever outpatient medical institutions and prevention guides.



Epidemic prevention posters and guides

During the epidemic period, Nanchang Project provided free masks and wash-free disinfectant sanitizers to customers at the entrance and in the customer service center.



Epidemic prevention necessities for customers

In January and February 2021, the epidemics in Chongqing rebounded. Chongqing Capital Outlets responded quickly and deployed to strengthen the epidemic prevention in the whole business district. Voluntary members from the Party Branch of Capital Grand Chongqing Company dressed in red waistcoats, took the initiative to go to the major entrances and exits of shopping malls, assisted the security guards to take the temperature and check QR code of customers, and reminded customers to wear masks.



Capital Grand staff volunteers take the temperature of customers

Since 30 November, 2021, according to requirements of local government, it conducted nucleic acid testing for Huzhou Capital Outlets staff on Tuesday every week and upgraded the epidemic prevention measures to ensure area safety.

VI. GOOD EMPLOYER FOR ACHIEVING FUTURE

We are always concerned about the health and safety of all Capital Grand employees. Even in the Spring Festival holiday, we insisted on circulating and spreading epidemic information and knowing the health and material demands of employees through official account, work group, and so on. During the epidemic period, Capital Grand gradually improved and fully implemented the employee health tracking system. We comprehensively monitored the project companies, circulated and spread epidemic information from many perspectives and knew the health of employees from many channels. Every day, we reported two to three times and circulated level by level to ensure full coverage of more than 1,100 employees. We convey our care on a small screen, we express our concern by greetings and we show the commitment of "Juda (鉅大)" people on fighting against COVID-19 by safety reporting.

On the premise of strengthening daily epidemic prevention and control and ensuring people's livelihood and consumer safety, Capital Outlets enhanced the refined operation of shopping malls, strengthened the marketing intensity and developed live-streaming on network platforms for selling, which provides the strongest support for the majority of tenants to quickly restore sales in the epidemic period.

Epidemic prevention and safety training

- In 2021, Capital Grand organized epidemic prevention and production safety training online and offline for all employees.



Training on epidemic prevention and control and production safety

VI. GOOD EMPLOYER FOR ACHIEVING FUTURE

Issue Capital Outlets Special Contribution Award for Fighting against COVID-19 2020

In March 2021, at the Capital Outlets Brand Commendation Meeting 2020-2021, Capital Grand issued a Capital Outlets Special Contribution Award for Fighting against COVID-19 2020 to commend the projects that protected the health and safety of customers in obscurity and provided the most basic livelihood guarantee for local residents during the epidemic period. They became “the most beautiful heroes in hard-time” at the most critical moment in the epidemic period. They practiced and embodied the responsibilities and actions of a state-owned enterprise. They are the most respected people.



Capital Outlets Special Contribution Award for Fighting against COVID-19 2020

VII. CLOSE PARTNERS FOR A WIN-WIN FUTURE

To realize the objectives of the 14th Five-year Plan for national economic and social development, Capital Grand upgrades the brand relationship management mechanism based on ESG elements. Beijing Capital Grand actively promotes the development and progress of partners with the Company. We establish the concept of mutually beneficial cooperation and active empowerment to increase the profits of Capital Outlets' tenants; through contract agreement, regular evaluation and other forms, we promote supplier compliance performance, high-quality delivery, and operate in a social and environmentally responsible manner.

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

Tenants stationed at the outlets are important partners of the Company, hence we also strove to support them to maintain sound operation. Beijing Capital Grand's headquarters developed a tenant service template and handed out to Capital Outlets projects, which template unified specific requirements for providing efficient services to tenants during the period of project preparation and operation of Capital Outlets. In this year, we continued to optimize service procedures and service equipment to improve user convenience. We improved the tenant service platform, realizing online payment management of small-amount fee bill. Tenants stationed at the outlets can handle the procedure in a "one-stop" way and can rapidly pay at the mobile end.

In order to assist tenants in increasing the cashiering efficiency, some project companies have produced complete training videos of cashier system. Shopping guides have participated in



Interactive development training

studying and completing online and offline cashier system examinations, improving the practical operating ability of cashier staff effectively. Besides, we launched a guide interactive development training with the theme of "Combined everyone for the public and the public as one". Through interactive expansion, the sense of belonging of the shopping guide is enhanced, and the positivity of the shopping guide is greatly improved. In order to promote a good atmosphere for store employees to learn skills, strengthen business, improve quality, and develop together, outlets in many cities have held shopping guide skills contests successively. In various forms of contestants such as window display, knowledge contests, skill contests, etc., contestants actively demonstrated their skills in showcase layout, sales communication, cash register, etc., as well as knowledge reserve in fire safety, product familiarity, and service specification procedures. The contests have strengthened the learning and communication between various brand stores, providing a platform for shopping guides to display skills, exchange skills, and improve service levels. At the same time, it promotes the motivation of each store to improve sales performance and service capabilities to achieve expected sales goals.

VII. CLOSE PARTNERS FOR A WIN-WIN FUTURE

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

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

Supply Chain Full Life-cycle Management

Based on the current business development of the Group, the Company's suppliers include suppliers in relation to, among others, constructional engineering, property management, office supplies and services, in which the major suppliers are constructional engineering suppliers and property management suppliers. The Company has formulated a set of supplier management systems, including supplier admission management, supplier base management and supplier performance evaluation, forming a full life-cycle management process for suppliers from admission, performance evaluation to elimination and exit. In this year, we completed the review of admission of all new suppliers.

Indicator	As of 31 December 2021	
Number of suppliers by region (quantity)	Mainland China	273
	Hong Kong, Macau and Taiwan	2
	Regions outside China	5

Note: partner brands are not included in this statistics.

The Company has established a supplier rating management system to conduct regular performance assessment on suppliers. According to the assessment results of the supplier, the Company determines or adjusts the grade of such supplier in the rating system, and suppliers are required to provide solutions to the problems arising from their performance process and timely follow up and make improvements to ensure that the suppliers can perform their contracts properly. In the same conditions, we will give priority to the suppliers that meet the national environmental protection regulations and use the environmental friendly products. The Company completed the review of admission of all new suppliers this year.

For suppliers over the development period, before project development, the Company determines the project procurement framework from the perspective of cost control, and formulates an annual bidding plan every year. After the start of bidding, suppliers will be determined through prequalification, bid evaluation, and tender selection, and the supplier will be evaluated quarterly. For suppliers during the operation period, the Company carries out an annual project budget for the operation period every year, and each project is established according to needs, and the bidding process is carried out in accordance with the requirements of the bidding system. During bidding, we will directly determine that the evaluation results of a candidate are unqualified in case of document fraud, major potential safety hazards on site, and major environmental pollution caused by production equipment without treatment measures that meet national standards.

VII. CLOSE PARTNERS FOR A WIN-WIN FUTURE

In 2021, based on survey data of price of main labor and materials in the national market, we published Capital Grand Standard Bidding Documents and Price Limit Library for Shopping Mall Reconstruction with General Contracting 2021 《2021 年度首創鉅大商改總包改造標準招標文件及限價庫》 and improved and revised the terms of bidding documents and price limit library.

Capital Outlets Brand Commendation Conference

Taking the honor as a new starting point and the achievements as a foundation, Capital Grand is moving towards a higher sales target together with its partners. In March 2021, Capital Outlets Brand Commendation Conference 2020-2021 was held in Beijing. At the conference, more than 600 major Capital Outlets partners got together to jointly listen to the brand story that how Capital Outlets in 13 cities became the bellwethers in national outlets market through unremitting efforts in the adverse circumstances and jointly listen to the pledge that Capital Outlets remained true to their original aspiration and made striving concerted efforts and progress together with its partners in 2021.



Capital Outlets Brand Commendation Conference 2020-2021

VII. CLOSE PARTNERS FOR A WIN-WIN FUTURE

Supplier Environment and Social Risk Management

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

In screening and reviewing suppliers, the Company will include into its review criteria the past performance, whether they have obtained relevant qualification and certification of suppliers in respect of environmental and social responsibility, including their environmental and safety incident records in the past, ISO9001 quality management system certification, ISO14001 environmental management system certification, and ISO45001 occupational health and safety management system certification. The Company also carries out site inspection on the suppliers according to the situation to be reviewed and reviews the authenticity of the information of such qualifications submitted and assesses the conditions on site and site safety management capability of the suppliers.

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

VIII. HARMONIOUS COMMUNITIES FOR SHARING FUTURE

We believe that a responsible company endeavors to know the needs of the community public and respond to them actively. Capital Grand gives full play to its own advantages, strengthens communication and connection, establishes a long-term cooperation mechanism, and further expands multi-level and multi-field exchange and cooperation with the stakeholders so as to maximize the effectiveness of communication and cooperation and jointly create a new situation of win-win cooperation through up-level and down-level linkage, cohesion and collaborative promotion. Especially in the circumstance of recurring epidemics and more unpredictable natural disasters, Capital Grand provides more convenient livelihood protection for community residents. For a long time, based on Capital Outlets, we have rooted in the local community, established close ties with the community, and carried out many community investment activities.

(I) ACTIVELY RESPONDING TO THE NATIONAL CALL TO DEVOTE TO RURAL VITALIZATION

In 2021, rural vitalization has become the key construction element after poverty alleviation in an all-round way. Under the leadership of the Party Central Committee with Xi Jinping as the core, rural vitalization has been promoted comprehensively. As a state-owned enterprise, Capital Grand has been actively responding to the call of the state, using its own resources and showing the responsibility of a state-owned enterprise by actively promoting “localized employment” and promoting the sales of local agricultural and sideline products.

Supporting the Localized Employment to Share the Benefits for Economic Development

We have always been adhering to the concept of driving the local economy, giving priority to hiring talents in the project area to support local employment. Due to the characteristics of outlets malls, we select most project sites in urban-rural conjunction areas. The opening of each of our outlets malls will bring nearly a thousand job opportunities to the local area. When it opened, we jointly launched a village recruitment fair with local street authorities, opening up positions of store managers, shopping guides, and property management personnel, so that the general public could find jobs at their doorsteps and enjoy local economic development dividends.

- Zhengzhou Capital Outlets supports the localized employment and mainly recruits local persons. At present, the shopping mall totally has 856 employees, including 62 employees (including persons of CO stores), 700 managers and shopping guides and 94 outsourced property personnel. The rate of local employees is up to about 90%.
- Huzhou Capital Outlets has 430 shop assistants (398 from rural area, accounting for 93%), 63 outsourced cleaning persons (2 from rural area, accounting for 3%) and 56 company employees (15 from rural areas, accounting for 26%). The rate of total rural employees accounts for 75.59%.
- Hangzhou Outlets Project has 1,159 local employees (816 from rural area, accounting for 70.4%).
- Jinan Capital Outlets has 790 employees from rural area, accounting for 68%.
- Beijing Capital Outlets has 2,476 local employees (1,337 from rural area, accounting for 54%).

Note: This statistics includes store managers, shopping guides, outsourced property personnel, etc.

VIII. HARMONIOUS COMMUNITIES FOR SHARING FUTURE

Developing Agricultural Assistance Activities to Help Promotion of Localized Agricultural and Sideline Products

In addition to supporting the localized employment, we also cooperate with local governments and brands. We strive to build a platform for mutual benefits and common development, drive the surrounding economy and jointly promote the economic development of "Agricultural Assistance".

Hangzhou Capital Outlets organizes Dongzhou Grape Tourism Culture Festival and Grape Appreciation Month to help the rural vitalization and promote the localized agricultural and sideline products

To better promote through media and realize online-offline interaction, it recommends Dongzhou grape to consumers across the country. The brand is known as "Turpan in Hangzhou". It further promotes tourism and economic development of Dongzhou. Hangzhou Project cooperates with various functional authorities of local government, such as CPC Hangzhou Fuyang District Committee, CPC Hangzhou Fuyang District People's Government, and District Agricultural and Rural Bureau. They have held Dongzhou Grape Tourism Culture Festival for 4 consecutive years (2018-2021).

- Gave 10,000 catties of grapes for free. The person who forwarded or consumed more than RMB300 can obtain 1 box of grapes for free. Totally more than 8,000 boxes of grapes were given. The atmosphere was warm. The customers were attracted to the project.
- Carried out many shows to enhance the festival atmosphere and gather the customers, such as opening ceremony of grape culture tourism festival, different industry cooperation art show, fashion show and food festival. Under the premise of meeting local requirements of epidemic prevention and control, increase the customer flow and promote sales.
- Held the grape fair activity to enhance atmosphere on site. Fruit farmers sold on site, promoting a certain publicity and sales effect.
- Grapes grown in Dongzhou, shopping in Outlets: Any member who purchased goods of apparel and accessories can obtain one Dongzhou grape picking voucher as a gift. 659 vouchers are totally distributed to help fruit farmers to sell grapes and increase income.

In August 2021, Hangzhou Project held a Grape Appreciation Month Activity to help Fuyang fruit farmers to sell the unsalable grapes caused by epidemic situation. In that month, any member who purchased any product can obtain fresh and delicious grapes at Hangzhou Capital Outlets.

Hangzhou Capital Outlets actively responds to the call to support the rural vitalization, successfully promotes the healthy development of Dongzhou grape industry, improves the brand value of Dongzhou grape, provides relief to the local fruit farmers, and drives the integration of featured modern agriculture, tourism and shopping in surrounding area so as to jointly promote the economic development of agricultural assistance.



Hangzhou Capital Outlets Grape Appreciation Month Activity

VIII. HARMONIOUS COMMUNITIES FOR SHARING FUTURE

“I Speak for My Hometown” Nanning Capital Outlets Rural Vitalization E-commerce Fair Activity

On 19 November 2021, “I Speak for My Hometown” Rural Vitalization Nanning Xingning E-commerce Fair was held in Capital Outlets Tonggu square.

- In this activity, Xingning rural vitalization “password” was obtained from short videos in aspects of party building innovation, history and culture, business district development, characteristic food and vigorous agriculture.
- Seven local spokesmen spoke for Xingning District in turn, showing the highlights in the development of characteristic industries such as business district, tourism and agriculture in Xingning District.
- In the exhibition booths, there were many special products of Xingning District, such as Fufeng chicken, flavored duck, buffalo milk, bullfrog, Wutang balsam pear, balsam pear sauerkraut, and easy-made Laoyou rice noodles; besides, there were five webcast rooms to recommend the characteristic products and tourist attractions of Xingning District through live-streaming, and distribute value-added coupons and flash purchase privileges to promote the sales of local agricultural and sideline products.

This activity promotes the online and offline sales of characteristic products and shows the achievements of local industrial development in Nanning on multiple platforms in an all-round way. Besides, it can also show the social responsibilities of Capital Grand as a state-owned enterprise to promote “Rural Vitalization”.



Anchor recommendation of products in
“I Speak for My Hometown” E-commerce Fair

VIII. HARMONIOUS COMMUNITIES FOR SHARING FUTURE

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

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

Caring for the Distressed Children and Supporting the Rural Education

On 20 January 2021 (Laba Festival), we went to Shuanglougou Primary School in Jiayu Town together with Party Branch of Shouxin Division Zhengzhou Company and Party Branch of Zhufu Community of Jiayu Town and held a public welfare activity with the theme of "Caring for the Distressed Children and Supporting the Rural Education". We donated thick down jackets to the children in distress in the whole town, and donated computers, books and measuring instruments to teachers and students. We conveyed our love in the warm traditional festival.



Caring for children campaign of Zhengzhou Capital Outlets

VIII. HARMONIOUS COMMUNITIES FOR SHARING FUTURE

(III) PROMOTING TRADITIONAL CULTURE AND INHERITING PATRIOTISM

During the year, in the outlets shopping mall, we carried out cultural activities in important festivals to promote traditional Chinese culture and patriotism. We took festivals at the beginning and end of a year as opportunities, combined the national policy of staying at working city for festivals, grasped the chance, met the epidemic prevention requirements, and further promoted the concept of "Come Together to Capital Outlets and Celebrate each Festival (來首創奧萊過節)". We held folk performance activities from the first day of the lunar new year to the third day of the lunar new year, including "The Goddess Chang'e flies to the moon" and Sichuan opera face. In addition to promoting the traditional culture, these activities also bring "home" sensation to customers who cannot go back to their hometown for Spring Festival due to the impact of epidemics. Celebration of Spring Festival in Capital Outlets has become a choice for surrounding residents.

On the National day of 2021, aiming to promoting patriotism, we held a music stage drama activity with the theme of "Group Dancing for National Day Celebration" in 13 cities; we responded to national hot events and created strong atmosphere for launching the manned spacecraft Shenzhou XIII; we held series aerospace-themed activities; besides, we organized nationwide and young-based electric sound festival activity; various projects held different stage activities to provide wonderful performances for local residents continuously.



"Come Together to Capital Outlets and Celebrate each Festival (來首創奧萊過節)"



Wonderful dragon and lion dance performance

VIII. HARMONIOUS COMMUNITIES FOR SHARING FUTURE

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

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

Read Plan

A book realizes a dream. Reading from an early age will benefit a person all his life. “Love Reading Plan” to support poor students is one of our core public welfare projects for a long time. We have encouraged all project companies to hold “Read Plan” on various platforms and to contribute to financing for the books and school supplies.

On 26 October, 2021, Capital Grand “Love Reading Plan” and Shoudu Library “Book Exchange” volunteer program mobilized the employees in headquarters to donate more than 300 books, which brings hope and happiness to impoverished children in remote regions. These books were delivered by Shoudu Library to the specified remote regions. These books and greeting cards spread warmth and build a beautiful dream.



Annual Capital Grand “Love Reading Plan” Activity

VIII. HARMONIOUS COMMUNITIES FOR SHARING FUTURE

- On 6 September, Nanning Capital Outlets held “Love Reading Plan” public welfare activity and donated school supplies and stationery for students in special education classes in Nanning Xingning Fuxing Primary School and Renmin East Road Primary School to meet their education demand. It planted “trees of hope” together with the teachers and students in Fuxing Primary School. Small saplings will thrive with everyone’s good wishes. Besides, employees of Nanning Capital Outlets followed the rehabilitation assistants to interact with students and help them in rehabilitation practice, which improves their mental and physical coordination.



Close interaction between employees and students (left)



Employees, teachers and students are planting “tree of hope” together (right)

Besides, many project companies also actively conducted the relevant donation activities.

- Huzhou Company has organized donation of clothes and materials to remote areas in western Qinghai for seven consecutive years. In February 2021, the donation activity includes donation of clothes and books. The donation activity has been concerned and recognized by employees at all levels of the company. Everyone actively participated, spread love, conveyed warmth in practical actions for caring impoverished children there. In this activity, more than 400 pieces of clothes and materials and 120 books were donated totally.
- In June 2021, Kunshan Company held the 4th “Children’s Day Charity Sale” activity. The Company totally collected 948 pieces of materials and donation of RMB9,700 from tenants, 23 pieces of materials and donation of RMB200 from employees, and 190 pieces of materials and donation of RMB5,500 from Penglang Trade Union and enterprises, and totally raised the charity money of RMB31,922.38. All the sum raised this time was donated to Kunshan Qionghua Poverty Relief Service Center through Kunshan Charity Association to assist children in distress in the development zone.



Kunshan Company’s relief to children in distress in development zone



VIII. HARMONIOUS COMMUNITIES FOR SHARING FUTURE

- In December 2021, Beijing Capital Outlets has visited Beijing Rehabilitation Service Center for the Disabled for six consecutive years. In this visit, Beijing Capital Outlets donated school supplies and toys to the children to bring happiness to them; it assumed social responsibilities and demonstrated the performance of a state-owned enterprise.



Visit of Beijing Capital Outlets in Beijing Rehabilitation
Service Center for the Disabled

“Express Our Gratitude”: Giving Back to Soldiers and Medical Staff

To appreciate the soldiers and medical staff for their great contributions to the fight against floods and epidemics, Zhengzhou Capital Outlets held a special activity with the theme of “Express Our Gratitude” on 4 September and 5 September, 2021. During the event, active servicemen and medical staff can enjoy a 20% discount on all goods by showing their valid certificates, and can obtain a Capital Grand cash voucher of RMB100.

IX. BEAUTIFUL ECOLOGY FOR GREEN FUTURE

Environment is an important dimension in the ESG system, and the scientific use of energy is an important part within the scope of the ESG environment. Strengthening the Company's energy management in the ESG environment and scientifically carrying out energy efficiency management can greatly improve energy efficiency, reduce energy consumption expenditures and help achieve the 3060 dual carbon goals as well as the environmentally-friendly and high-quality development. The Company is committed to creating green and energy-saving Outlets from the design stage, and is committed to reducing energy consumption in all aspects. Through continuous innovation, the Intelligent Lighting Control System of the Company has applied for the 2021 (Seventh) National State-owned Enterprise Management Innovation Achievement award, and has been shortlisted for the final achievement cases. The Company strictly abides by the laws and regulations on environmental protection, including the Environmental Protection Law of the People's Republic of China 《中華人民共和國環境保護法》, the Energy Conservation Law of the People's Republic of China 《中華人民共和國節約能源法》 and the Law of the PRC on the Prevention and Control of Pollution by Solid Waste 《中華人民共和國固體廢棄物污染防治法》, and other local management regulations such as the Regulations on the Management of Domestic Waste in Beijing 《北京市生活垃圾管理條例》, never ceases to fulfill its corporate social responsibility on environmental protection. Given that our projects are scattered over China, we regularly follow up and differentiate the updating of relevant environmental protection laws and regulations in the nation and regions where each project located, ensuring that the Company meets the compliance requirements with its relevant policies, systems and measures. During 2021, the Company was not subject to any fines or relevant litigations due to environmental pollution.

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

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

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

Adjust Measures to Local Conditions

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

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

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



IX. BEAUTIFUL ECOLOGY FOR GREEN FUTURE

In addition to reducing emissions through material selection and other channels, the Company also constantly explores the potential on energy saving of its construction projects. In 2021, our building energy efficiency design was implemented according to the Design Standard for Energy Efficiency of Public Building (GB 50189-2015) of the nation, and we compiled the Key Points on Controlling the Design of Capital Outlets. In addition, we promote energy utilization efficiency of projects with various measures, including:

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

IX. BEAUTIFUL ECOLOGY FOR GREEN FUTURE

- Setting a rainwater recovery system at the projects with an average annual rainfall greater than 400mm to recover rainwater for garden and road watering.
- Setting energy management system for indoor shopping mall projects (such as the second phase of Beijing Capital Outlets and Nanning Capital Outlets Mall), including the measurement of air-conditioning, lighting sockets, general power and special power by categories and items. Outlets with central air conditioners are equipped with building intelligent control system (the second phase of Beijing Capital Outlets, Xi'an Capital Outlets and Nanning Capital Outlets Mall) to automatically control air-conditioning equipment, water pumps and fans.
- In 2021, all the new projects of Capital Outlets were equipped with intelligent lighting control system, and the projects with the green building design rating of 2 stars were also equipped with energy management system.

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

- Nanning project adopts perforated brick and other new external wall thermal insulation materials to improve the thermal insulation performance. To reduce the energy consumption of air-conditioner, the building is square and natural ventilation is considered. Using photovoltaic power generation technology, solar panels are laid on the roof, and the power generation can supply the lighting power demand of underground parking lot. Paving permeable bricks on the street can better cope with extreme weather such as rainstorm.
- Kunming project adds domes in outdoor blocks and squares to provide consumers with all-weather shopping environment, and adopts natural ventilation to reduce energy consumption.
- The underground parking lot of Jinan project uses inductive LED lamps to adjust the light intensity, which will increase the brightness when sensing someone, and reduce the brightness when nobody, so as to save power.
- Seismic intensity is considered in the design of Capital Outlets projects. The design seismic strength of the projects located in the earthquake zone is higher than the building standards, which can better cope with natural disasters such as earthquakes.
- According to the climatic characteristics of the southern area, the drainage system with better performance is designed to cope with the heavy precipitation weather.
- According to the climatic characteristics of coastal area, we improve the requirements for concrete quality to cope with humid climate.

IX. BEAUTIFUL ECOLOGY FOR GREEN FUTURE

Block commercial lighting management system:

- In 2021, Beijing Capital Grand published the article Research on the Control Scheme of Block Commercial Lighting in the fourth issue of 2021 of China Illuminating Engineering Journal, the top academic journal of lighting in China and the core journal of China technology.
- The Company wrote an innovation achievement report with the title Construction of the Management System of Block Commercial Lighting, and applied for the 2021 (Seventh) National State-owned Enterprise Management Innovation Achievement award jointly organized by the Chinese Institute of Business Administration, the Professional Committee of State-owned Assets Governance Research of the Society of Public Finance of China and the journal China State-owned Enterprise Management, and it was shortlisted for the final achievement cases.
- According to the field research results and construction management experience on more than ten block commercial projects of Capital Outlets, the innovation achievement report has summarized nine types of typical problems affecting lighting quality, and put forward eight targeted management schemes from the perspective of technical management and engineering management, including "carry out lighting simulation", "develop lighting combination drawing" and "summarize closed-loop management", and has established the Management System of Block Commercial Lighting.



Capital Grand published the article Research on the Control Scheme of Block Commercial Lighting in an authoritative journal

Xi'an Capital Outlets project won the GBE Commercial Complex Award: 2021 Best Architectural Design Complex Award.



Xi'an Capital Outlets won the GBE Commercial Complex Award

IX. BEAUTIFUL ECOLOGY FOR GREEN FUTURE

Cases with highlights in terms of humanistic design:

- The architectural forms of the Capital Outlets projects are mostly open blocks, which have better air circulation than traditional indoor shopping malls. Therefore, block squares in the projects have become the main places for customers to shop and relax.



Open blocks of Capital Outlets

- The Company incorporated local cultural elements into the projects. For example, the floor pattern in the central square of Nanning project has incorporated the bronze drum culture of Guangxi Zhuang Autonomous Region.



Decoration with local cultural elements

IX. BEAUTIFUL ECOLOGY FOR GREEN FUTURE

- Kunming project has erected two elephant sculptures in the west gate, which representing auspiciousness in the Dai culture.



Elephant sculptures representing auspiciousness

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

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

- According to the Assessment Standards for Green Buildings 《綠色建築評價標準》 issued by the Ministry of Housing and Urban-Rural Development, green buildings are divided into three levels: one star, two stars and three stars, with three stars being the highest level.

IX. BEAUTIFUL ECOLOGY FOR GREEN FUTURE

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

Beijing Capital Outlets



Xi'an Capital Outlets



Hefei Capital Outlets



IX. BEAUTIFUL ECOLOGY FOR GREEN FUTURE

Environment Friendly and Green Construction

In 2021, the Company updated and revised the quality inspection documents and systems of projects, including Beijing Capital Land Anti-leakage System Technical Manual Version 2.0, Beijing Capital Grand Outlets Project Engineering Standardization Practices and Actual Measurement Systems During Construction Period, which further clarified and strengthened the quality inspection process during the project construction process.

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



- Waste gas management: Vehicles and mechanical equipment meeting the emission standards shall be used in the construction site; special personnel are responsible for maintenance, repair and regular inspection, and the waste gas emission meets the relevant standards; the use of electric construction machinery is encouraged.



- Dust control: Set up vehicle cleaning device at the entrance and exit, introduce fog gun, construction sprinkler, road sprinkler and other facilities, and actively implement emergency measures to prevent haze weather; install PM2.5 index monitoring equipment and sprinkler dust suppression equipment; prepare Air Pollution Emergency Plan, start the emergency plan and take necessary measures to minimize air pollution during heavy air pollution.



- Noise reduction: Installation of noise index monitoring equipment, real-time monitoring of construction noise; reasonable arrangement of construction procedures to reduce the impact of noise on surrounding residents.



- Waste residue management: The concrete, block and other waste residue generated at the construction site shall be collected and stacked by classification, and treated uniformly according to the relevant requirements. It is forbidden to landfill in the construction site to avoid polluting the soil and groundwater.



- Sewage management: The preliminary treatment shall be carried out according to the regulations before the sewage is discharged; the drainage ditch shall be planned for the traffic road and material stacking site in the construction site, the sewage flow direction shall be controlled, and the construction sewage shall be strictly prevented from being directly discharged into the municipal sewage pipeline or flowing out of the construction area to pollute the environment.



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



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



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

IX. BEAUTIFUL ECOLOGY FOR GREEN FUTURE

Energy Saving and Lean Operation

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

All restaurants in Capital Outlets projects have installed fume purification systems to ensure compliance with emissions standards. The cooking fume from each kitchen is discharged after being treated by the cooking fume purifier on the roof, and the minimum removal efficiency of the purification equipment is not less than 85%. In addition, during 2021, the artificial fog system containing a pressurized spray system was added to Jinan Capital Outlets project, which could ensure the effect of cooling in summer and will not cause waste of water resources at the same time.

In terms of water saving, when irrigating the greenery, the project companies change from sprinkling irrigation to drip irrigation, and use reclaimed water to irrigate the greenery for secondary utilization of water resources. At the same time, the inductive taps are used in the projects, and the frequency-conversion constant-pressure water supply controller is used to adjust the pressure of the secondary pressurization to control the water output of the taps and avoid the waste of water resources.

Water Saving Case of Nanning Capital Outlets

Under the condition of ensuring the normal operation of the site, the water pressure of the secondary pressurized water supply in the area B of Nanning Capital Outlets was changed from the original 0.5MPa to 0.35MPa, and in the area C, it was changed from 0.38MPa to 0.35MPa, and the water flow was reduced by reducing the pressure, so as to solve the waste of water resources from the fundamental source.

Water Saving Renovation Case of Hangzhou Capital Outlets

Water saving renovation of dry fountain

The use of waste water was not considered in the preliminary design of the dry fountain of the South Square. After started, the water flow will be lost along the drainage ditch. After the renovation, the circulation setting was added. The water was returned to the pool for reuse. On average, after replenishing water once a week, it can save about 10 tons of water each week, and about 40 tons of water per month.

Water saving renovation of toilets

- Before the renovation: The monthly water consumption of the toilets in the public area cannot be calculated for energy consumption abnormality analysis.
- After the renovation: add water meter to each toilet, record the actual consumption every month for comparison and analysis of energy consumption, make correct judgments on abnormal fluctuations, and adjust all taps and urinal valves to reduce water output while ensuring normal use. Each toilet saves about 20 tons of water per month, and saves about 300 tons of water per month in total.

We are gradually carrying out systematic energy consumption monitoring in all Capital Outlets projects. By using AI, big data and other advanced technologies, the level of refined management and intelligence of energy operation of the projects will be improved comprehensively, hence realizing the goal of establishing energy systems that can be monitored, evaluated and adjusted for the projects.

IX. BEAUTIFUL ECOLOGY FOR GREEN FUTURE

Power Saving Renovation Case of Hangzhou Capital Outlets

Air conditioning energy consumption management

- Turn on air conditioners when the outdoor temperature is higher than 30℃ in summer, and set the indoor temperature not lower than 26℃.
- After starting, use the air conditioner control box to lock and close to prevent other personnel from misoperation.
- Because the main high-power equipment in the block is central air conditioner, and the load in summer and winter is relatively large, all the transformers are put into operation; in the remaining months, due to the small load, half of the transformers are shut down and the contact cabinet is turned on to supply power to reduce the overall loss of the transformers.

Photovoltaic Power Generation System of Hefei Project

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



Photovoltaic Power Generation System of Jinan Project

Jinan project has introduced a photovoltaic power generation system using the roof area of the project. The total installed capacity of this project is 990kW, and the estimated annual power generation is about 1.5 million kWh; the project adopts the mode of self-generation and self-consumption, and the remaining power is used to connect to the grid, and it was put into use on October 14, 2021. According to the 15% discount of the tax-included unit price of the power rate invoice issued by the State Grid, the investment company will save the electricity fee of about RMB160,000 per year. The total power generation in 2021 was about 207,600 kWh, accounting for about 1.2% of the annual total electricity.



Photovoltaic Power Generation System of Hangzhou Project

Hangzhou project uses the roof area of 7,000 square meters of parking building to introduce photovoltaic power generation system. The project adopts the mode of self-generation and self-consumption, and the remaining power is used to connect to the grid. The installed capacity is 617.76kW, and the theoretical annual energy output is about 6.1 million kWh; photovoltaic power generation projects give full play to the geographical advantages of each Capital Outlets, make efficient use of existing resources, and help the Company gradually achieve energy conservation and consumption reduction.



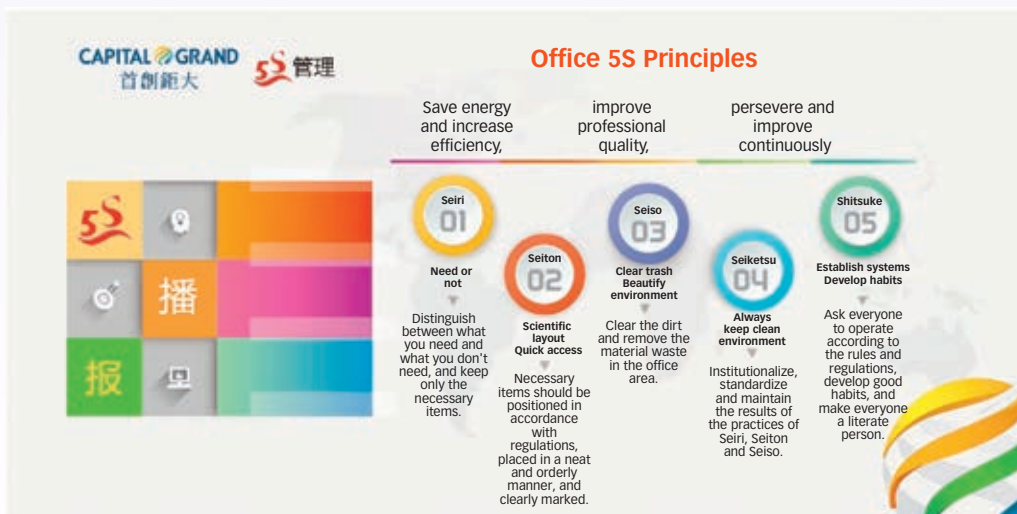
IX. BEAUTIFUL ECOLOGY FOR GREEN FUTURE

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

Since 2013, Capital Grand has comprehensively promoted the environment management concept of “5S (Seiri, Seiton, Seiso, Seiketsu, Shitsuke)” in all office area of the Group. We have disseminated the provisions of the relevant laws and regulations, such as the Environmental Protection Law of the People’s Republic of China 《中華人民共和國環境保護法》 and the Energy Conservation Law of the People’s Republic of China 《中華人民共和國節約能源法》, to our staff in an accessible way for strengthening their awareness of environmental protection and resource saving and the engagement of all staff in the green office initiatives. At the same time, in response to the national call for energy conservation and emission reduction, after the promulgation of the Environmental, Social and Governance (ESG) Strategic Plan of Beijing Capital Grand Limited (2021-2023), the Company adopted a low-carbon approach to design and compile in December the ESG Proposal in electronic version, and issued an ESG proposal to all colleagues, calling on all employees to participate in it, make commitments and implement. To date, we have received nearly a thousand signed commitments.



In recent years, each project company of Capital Grand has gradually developed a 5S management plan applicable to the reality of the office. With this, we have strictly taken actions on the enhancement of resource saving and resource consumption management, while guiding our staff to develop occupational habits that save energy and reduce consumption and creating a green and low-carbon office environment.



Office 5S Principles of Capital Grand

IX. BEAUTIFUL ECOLOGY FOR GREEN FUTURE

Resources Conservation

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



- Minimizing the energy consumption of air conditioners, regulating the temperature range in operating the air conditioners of the offices, and strengthening the temperature control management of air conditioners in equipment rooms.
- Reducing the standby time of our office electronic equipment and electrical appliances, and turning off equipment that is not to be used for a long time.
- Turning off lights as appropriate in case of no person in the office, as well as in non-working hours, and making full use of natural light to reduce energy consumption of our lighting equipment.
- In the shopping mall, only night inspection lights are turned on at night; only a small part of the lighting that can meet the lighting needs is turned on in the underground garage.
- Purchasing certified energy-saving products and gradually replacing the low efficiency equipment and products applied by some project companies with new energy products and energy-saving products.
- The LED screens in the project will be used in different time periods. The working hours are 11:00-12:00 and 16:00-17:00 on non-weekends, and 19:00-20:00 is added during weekends and holidays.
- The toilets in the project are regularly exhausted to save energy. The working hours are 10:00-21:30 on weekdays, 10:00-22:00 on weekends and holidays, and the energy-saving mode is turned on during operation.
- The escalators in the project are in the energy-saving mode during operation.
- Advocate “turn off the lights for one hour during lunch break”, put up signs at the lighting switches in the office area, do not turn on unnecessary lights, turn off the lights in time after getting off work, and take practical actions to save energy.

IX. BEAUTIFUL ECOLOGY FOR GREEN FUTURE



Posters of Save Electricity (left) and Save Water (right) in public areas

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

Cherish Food

According to statistics, China wastes about 35 million tons of grain every year, which is close to 6% of China's total grain output. Cherishing things is the embodiment of a person's accomplishment and even a company's sense of responsibility. We require the project companies that have set up canteens to formulate and optimize the Canteen Management Regulations 《食堂管理规定》 for specifying the relevant requirements on management. Members of the staff are required to cultivate their awareness of being frugal and refuse waste in the campaign of "Clear Your Plate" (光盘行动). In 2021, we continued to carry out the campaign to "consciously practice the new "food" fashion, and resolutely say no to catering waste", which has produced wide repercussions in various project companies.

IX. BEAUTIFUL ECOLOGY FOR GREEN FUTURE

"Clear Your Plate, Start with Me"



Wuhan Capital Outlets used the giant screen in the shopping mall to play the propaganda film of "Clear Your Plate"

Chongqing Capital Outlets carried out the campaign of "Clear Your Plate" internally for the company's employees and in the catering establishments of malls, produced and put up posters, carried out the incentive activities of "Clear Your Plate and Take Photos for Award" among employees, actively promoted the campaign of "Clear Your Plate" in the catering establishments of malls, and advocated reasonable consumption and elimination of waste.



Chongqing Capital Outlets put up the poster of "Clear Your Plate"

IX. BEAUTIFUL ECOLOGY FOR GREEN FUTURE

Garbage Classification

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

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



The headquarters launched the garbage classification activity



Letter of Commitment on Domestic Garbage Classification signed by employees



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



Explanation of garbage classification knowledge and simulation of waste disposal

IX. BEAUTIFUL ECOLOGY FOR GREEN FUTURE

Garbage Classification Case of Wuhan Capital Outlets

According to Wuhan Garbage Classification Management Measures, Wuhan Capital Outlets project classifies garbage into four colors according to “recyclable”, “hazardous waste”, “kitchen waste” and “other waste”, and the site is equipped with four-color trash bin classification facilities. Distribute garbage classification brochures to enhance employees’ understanding of garbage classification knowledge, let more employees participate in garbage classification activities, and advocate the civilized fashion of caring for nature, saving resources and caring for the environment.

“Jointly Create Civilization and Health”



Garbage classification posters (left) and classification bins (right)

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

Reduce Consumables

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

IX. BEAUTIFUL ECOLOGY FOR GREEN FUTURE

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

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



Put up signs in photocopying room

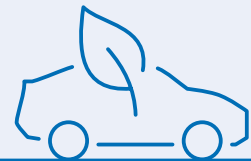
In addition, we use FSC (Forest Stewardship Council) certified environmental-friendly paper to print our interim reports and annual reports to mitigate the environmental impact from our paper consumption.

IX. BEAUTIFUL ECOLOGY FOR GREEN FUTURE

Green Travel

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

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



IX. BEAUTIFUL ECOLOGY FOR GREEN FUTURE

(III) IDENTIFY RISKS AND RESPOND TO CLIMATE CHANGE

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

Risk type	Identification and assessment of potential risks	Responses
Physical risk	The global warming effect has increased the frequency of regional extreme weather such as typhoon, rainstorm and hail, etc., resulting in potential impact on our open Outlets projects, which includes: extreme climate causes damage to fixed assets; high temperature and heat wave increase the power consumption of air-conditioner; extreme climate affects consumers' shopping experience or reduces customer traffic; cause risks to employees during their commute, etc.	Increase the consideration of extreme weather in the design and operation of Outlets projects. For example, the Outlets projects in the southern area pay more attention to the design of drainage system to cope with the heavy precipitation weather; improve the design standard for the vertical elevation of the sites of new projects (that is, the positive and negative zero elevation of the building) to reduce the risk of rainwater backflow caused by heavy rainfall in extreme weather; the light domes should be added in the blocks of new projects to control the block temperature; increase the concrete grade of projects in coastal areas; improve the greening rate of shopping malls, grow local plants; add cooling facilities (artificial fog system); build solar panels on the roof to convert energy; enhance employees' vigilance, and take comprehensive preventive measures, respond to the government's advice on staff office at extreme weather, implement staggered peak hours or work at home; increase online sales marketing efforts, etc.; provide appropriate insurance for company assets and operations; continuously improve the risk management mechanism, and respond quickly and effectively to major risks and accidents according to the crisis management process, communication and reporting process.
Transformation risk	In the process of low-carbon transition of the national economy as a whole, new low-carbon policies may be added, which will increase the operating costs.	Actively follow up compliance requirements and implement various management measures; encourage the project companies to carry out more refined energy management, set energy use goals and improve energy use efficiency; in some projects (if possible), gradually use solar energy and other new energy sources.



IX. BEAUTIFUL ECOLOGY FOR GREEN FUTURE

(IV) ENVIRONMENTAL PERFORMANCE DATA

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

Unless stated otherwise, the relevant data and performance set out in this section as of 31 December 2021, covering the Group's headquarters (namely the Company) and its thirteen projects in operation, namely Beijing Company (formerly known as Fangshan Company), Huzhou Company, Kunshan Company, Hangzhou Company, Hefei Company, Wuhan Company, Nanchang Company, Zhengzhou Company, Jinan Company, Xi'an Company, Chongqing Company, Kunming Company and Nanning Company. The projects still in construction are not included in the scope of disclosure at the moment. Based on the characteristics of the Group's business, we have calculated the statistics of the office areas and the public areas of shopping malls separately. In a responsible manner, in addition to continuing to disclose the relevant data in the public areas of shopping malls, we have increased the collection and disclosure of environmental data of the tenants in this year compared with the previous years.

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

IX. BEAUTIFUL ECOLOGY FOR GREEN FUTURE

Office Area

Indicators ¹	2021
Total greenhouse gas emissions (Scope I and II) (ton)²	1,668.26
Direct emissions (Scope I) (ton)	31.06
Fuel consumption by official vehicles	31.06
Indirect emissions (Scope II) (ton)	1,637.20
Purchased electricity	1,637.20
Annual greenhouse gas emissions per square meter of gross floor area (ton/square meter)	0.100
Non-hazardous waste (ton)³	247.75
Kitchen waste	39.59
Other waste	178.75
Recyclable	29.41
Annual non-hazardous waste per square meter of gross floor area (ton/square meter)	0.015
Non-hazardous waste generated per employee (ton/person)	0.23
Hazardous waste (ton)⁴	0.18
Annual hazardous waste per square meter of gross floor area (ton/square meter)	0.000011
Hazardous waste generated per employee (ton/person)	0.00017
Total energy consumption (MWh)⁵	2,887.69
Direct energy consumption (MWh)	126.89
Gasoline (MWh)	126.89
Indirect energy consumption (MWh)	2,760.80
Electricity (MWh)	2,760.80
Annual energy consumption per square meter of gross floor area (MWh/sqm)	0.17
Tap water (ton)	12,464.60
Annual tap water consumption per square meter of gross floor area (ton/sqm)	0.74

- Given operational characteristics, greenhouse gases constitute the main gas emissions of the Group. According to our calculation, the sulfur dioxide and nitrogen oxide emissions from our official vehicle exhaust are minimal compared with greenhouse gas emissions, and therefore are not disclosed.
- Our greenhouse gas emissions include carbon dioxide, methane and nitrous oxide, which are mainly from purchased electricity and fuels. The amount of greenhouse gases is presented in carbon dioxide equivalent and is calculated based on the 2019 Emission Reduction Projects — Baseline Emission Factors for Regional Power Grids in China 《2019 年度減排項目中國區域電網基準線排放因子》 published by the Ministry of Ecology and Environment of the People's Republic of China and the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories 《IPCC 2006 年國家溫室氣體清單指南 2019 修訂版》 published by the Intergovernmental Panel on Climate Change (IPCC).
- Non-hazardous wastes are sent to recyclers for disposal.
- Hazardous wastes are disposed of by third parties or suppliers, including waste toner cartridges and ink cartridges.
- Total energy consumption is calculated based on electricity and fuel consumption as well as the conversion factors in the General Principles for Calculation of Total Production Energy Consumption (GB/T 2589-2020) 《綜合能耗計算通則(GB/T 2589-2020)》 issued by the Standardization Administration of the People's Republic of China.

IX. BEAUTIFUL ECOLOGY FOR GREEN FUTURE

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

Shopping Mall Public Area and Tenant Data

Indicators ¹	2021
Total greenhouse gas emissions (Scope I and II) (ton) ²	91,223.72
Annual greenhouse gas emissions per square meter of gross floor area (ton/sqm) ²	0.043
Total greenhouse gas emissions in public areas (Scope I and II) (ton) ²	17,649.32
Direct emissions (Scope I) (ton)	8.47
Natural gas	8.47
Indirect emissions (Scope II) (ton)	17,640.85
Purchased electricity	17,640.85
Annual greenhouse gas emissions per square meter of gross floor area in public areas (ton/sqm) ³	0.013
Total greenhouse gas emissions by tenants (Scope I and II) (ton) ²	73,574.40
Direct emissions (Scope I) (ton)	944.31
Natural gas	944.31
Indirect emissions (Scope II) (ton)	62,190.59
Purchased electricity	62,190.59
Annual greenhouse gas emissions per square meter of gross floor area by tenants (ton/sqm) ³	0.102
Non-hazardous waste (ton) ⁴	12,028.46
Kitchen waste	1,821.29
Other waste	9,632.81
Recyclable	574.36
Annual non-hazardous waste per square meter of gross floor area (ton/square meter) ²	0.0057
Hazardous waste (ton) ⁵	0.35
Annual hazardous waste per square meter of gross floor area (ton/square meter) ²	0.00000017
Total energy consumption (MWh) ^{2,6}	150,627.56
Annual energy consumption per square meter of gross floor area (MWh/sqm) ²	0.071
Total energy consumption in public areas (MWh)	28,587.07
Direct energy consumption (MWh)	43.03
Natural gas (MWh)	43.03
Indirect energy consumption (MWh)	28,544.04
Electricity (MWh)	28,544.04
Annual energy consumption per square meter of gross floor area in public areas (MWh/sqm) ³	0.021
Total energy consumption by tenants (MWh)	122,040.49
Direct energy consumption (MWh)	4,797.32
Natural gas (MWh)	4,797.32
Indirect energy consumption (MWh)	117,243.17
Electricity (MWh)	117,243.17
Annual energy consumption per square meter of gross floor area by tenants (MWh/sqm) ³	0.17
Total tap water consumption (ton) ^{2,4}	919,303.37
Annual tap water consumption per square meter of gross floor area (ton/sqm) ²	0.43
Tap water consumption in public areas (ton)	667,887.29
Annual tap water consumption per square meter of gross floor area in public areas (ton/sqm) ³	0.48
Tap water consumption by tenants (ton)	251,416.08
Annual tap water consumption per square meter of gross floor area by tenants (ton/sqm) ³	0.35

IX. BEAUTIFUL ECOLOGY FOR GREEN FUTURE

1. Our greenhouse gas emissions include carbon dioxide, methane and nitrous oxide, which are mainly from purchased electricity and fuels. The amount of greenhouse gases is presented in carbon dioxide equivalent and is calculated based on the 2019 Emission Reduction Projects — Baseline Emission Factors for Regional Power Grids in China 《2019 年度減排項目中國區域電網基準線排放因子》published by the Ministry of Ecology and Environment of the People's Republic of China and the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories 《IPCC 2006 年國家溫室氣體清單指南 2019 修訂版》published by the Intergovernmental Panel on Climate Change (IPCC).
2. Non-hazardous wastes are sent to recyclers for disposal.
3. Hazardous wastes are disposed of by third parties or suppliers, which mainly are used fluorescent tubes.
4. Total energy consumption is calculated based on electricity and natural gas consumption as well as the conversion factors in the General Principles for Calculation of Total Production Energy Consumption (GB/T 2589-2020) 《綜合能耗計算通則(GB/T 2589-2020)》issued by the Standardization Administration of the People's Republic of China.

(V) ENVIRONMENTAL GOALS

Based on the actual situation of our own production and operation, combined with the analysis of past environmental data and the planning of future enterprise development, we have established the environmental goals with a view to facilitating the achievement of the national “carbon neutrality” and “carbon peak” goals, including:

- Take the period from June 1, 2020 to May 31, 2021 as the base year¹, the electricity consumption within 3 years shall be reduced by no less than 10% compared with that in the base year.
- Take the period from June 1, 2020 to May 31, 2021 as the base year, the greenhouse gas emissions within three years shall be reduced by no less than 10% compared with that in the base year.
- Take the period from June 1, 2020 to May 31, 2021 as the base year, the water consumption within 3 years shall be reduced by no less than 12% compared with that in the base year.
- For hazardous waste and non-hazardous waste, the Company will strictly classify and encourage customers and tenants to participate in it to improve the efficiency of garbage classification.

¹ During this period, the Company's operations were less affected by COVID-19 epidemic, and the data was more accurate.

X. RESPONSIBLE OPERATION FOR INTEGRITY FUTURE

Capital Grand has always been adhering to the concept of “integrity and justice, and building a sunshine enterprise”, and has always adhered to zero tolerance for corruption and bribery. Therefore, Capital Grand has carried out a series of anti-corruption publicity and education activities for the board of directors, management and employees to create a clean and just enterprise atmosphere.

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

The Company has always adhered to zero tolerance for corruption and bribery. We strictly abide by the Anti-Unfair Competition Law of the People’s Republic of China 《中華人民共和國反不正當競爭法》, the Anti-Money Laundering Law of the People’s Republic of China 《中華人民共和國反洗錢法》 and the Opinions of the General Office of the State Council on Improving the Regulatory System and Mechanism Against Money Laundering, Terrorism Financing and Tax Evasion 《國務院辦公廳關於完善反洗錢、反恐怖融資、反逃稅監管體制機制的意見》, and other anti-corruption laws and regulations. The Company has established explicit corporate governance rules and issued corporate management systems such as the Provisions on Explicit Prohibitions for Capital Grand 《首創鉅大明令禁止條例》, the Initial Audit Management Standard for Capital Grand 《首創鉅大初核管理規範》, the Work Standard of Honest and Clean Government Talk for Capital Grand 《首創鉅大廉政談話工作規範》, and the Rules of Talk and Inquiry for Capital Grand 《首創鉅大談話函詢工作規定》, which clarify in detail the code of conduct and professional ethics that employees of each level must abide by in performing their obligations, and which require all staff to insist on the bottom line on integrity. In this year, we continued to strengthen the anti-corruption work and further standardized the anti-fraud workflow, our risk control center independent of all departments supervised the whole process, and we were committed to creating a clean and just enterprise atmosphere.

During 2021, the Company identified no significant risks relating to corruption, any events in connection with the recognized corruption of the Group, nor any public legal proceedings on corruption against the Group or its employees.

Internal Inspection and Audit

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

Publicity and Implementation of Education and Training

We continue to strengthen anti-corruption training and warning work, regularly collate graphic and video materials according to relevant cases, carry out anti-corruption publicity and warning in combination with offline centralized training, Wechat work group and e-mail, and strive to improve the anti-corruption awareness of employees at all levels.

In 2021, the Company organized anti-corruption training for directors and employees. The main form was to watch anti-corruption propaganda films and learn anti-corruption related laws and regulations. In addition, the Company held honest talks on newly promoted leading posts and re-elected or newly elected branch (deputy) secretaries.

In June 2021, the Company launched the “Party Regulation and Discipline Education and Study Week”, and successfully conducted online exam in 21 centers and 16 first-line companies of Capital Grand’s headquarters, and 367 persons took the exam and passed it. Through the activity, the awareness of discipline and integrity of party members and cadres was further strengthened.

X. RESPONSIBLE OPERATION FOR INTEGRITY FUTURE



Photos of Integrity Warning Education Month Activities

In September 2021, the Company closely followed the theme of “Five Ones” and held the “Integrity Warning Education and Question Answering Activity”. The training activity included watching one integrity warning education film, interpreting one integrity and self-discipline guideline, creating one integrity ancient poem, drawing one integrity propaganda picture, and telling one short story of integrity. During this activity, a total of more than 200 persons participated in the film viewing, and 32 pieces of cartoons, 20 pieces of poems and calligraphy works, etc., were collected.

Open and Transparent Reporting Channels

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

In 2021, the disciplinary inspection and supervision organization of Capital Grand will continue to improve the internal control mechanism for petition and visit and whistle-blowing. In the acceptance link, designate special personnel to be responsible for the receipt and registration of petition and visit and whistle-blowing contents; in the circulation link, designate special personnel to be responsible for the handover and mailing of petition and visit and whistle-blowing contents. Strictly implement the work discipline of petition and visit and whistle-blowing, and implement “five strict prohibitions” on petition and visit and whistle-blowing contents: storing them privately is strictly prohibited, disposing of them without authorization is strictly prohibited, expanding the scope of disclosure is strictly prohibited, evasion is strictly prohibited, and abuse of information for personal gain is strictly prohibited.

Sunshine Procurement

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

X. RESPONSIBLE OPERATION FOR INTEGRITY FUTURE

Implement Daily Supervision

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

(II) COMPLIANCE OPERATION AND PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

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

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

In respect of protecting intellectual property rights, we have applied to the Trademark Office of National Intellectual Property Administration for registering our trademarks of such product brands as "CAPITAL GRAND", "CAPITAL OUTLETS" and "CO". At the same time, we have hired intellectual property law firms and proactively protected our legitimate rights and trademark value, which not only maintained our competitive advantages in the market, but also effectively prevented infringement of our own intellectual property rights. During 2021, the Company was not aware of any incident relating to material infringement on intellectual property rights which had a significant impact on the Company.

X. RESPONSIBLE OPERATION FOR INTEGRITY FUTURE

(III) STANDARDIZE MARKETING AND MANAGE ADVERTISING SIGNS

The Company strictly complies with laws and regulations made by national and local, including the Law on the Protection of Consumer Interests of the People's Republic of China 《中華人民共和國消費者權益保護法》, Advertising Law of the People's Republic of China 《中華人民共和國廣告法》, the Detailed Implementing Rules Governing the Regulations for the Control of Advertising 《廣告管理條例施行細則》 and the Trademark Law of the People's Republic of China 《中華人民共和國商標法》, and timely follow the change of requirements of relevant regulation. We have also formulated relevant systems such as the Administrative Measures for the Brand Dissemination of Commercial Projects of Beijing Capital Grand Limited 《首創鉅大有限公司商業項目品牌傳播管理辦法》 and the Management and Control Explanations on Image Promotion for Commercial Projects of Beijing Capital Grand Limited 《首創鉅大有限公司商業項目推廣形象管控說明》 to advertise our products and use the logo in accordance with the laws and regulations, established a multi-level audit mechanism to standardize advertisement promotion. Before large-scale activities, we will organize relevant persons in charge to participate in the centralized publicity and implementation meeting, provide the template of compliance publicity copy of large-scale marketing activities, promote honest marketing, and avoid misrepresentation. When the Company conducts brand publicity via new media, it will conduct "four-level ideological audits" through the OA system, including the audits by the department, supervisory leadership and party committee, etc. During 2021, the Company was not aware of any incident relating to its breach of the laws and regulations on advertising and trademarks which had a significant impact on the Company.

Four-level Audit Mechanism

In 2021, we continued to implement the "four-level audit mechanism" and incorporated this mechanism into the OA system. The Company cooperated with a third-party public opinion monitoring company to conduct 7*24 hours*365 days of comprehensive monitoring of the Company's entire public opinions. When any negative public opinion occurs, the public opinion monitoring company will summarize the negative public opinion to the Company's brand planning center (Level 1), our brand planning center will edit and forward the negative public opinion to each center or project (Level 2), each center or each project will handle or report the negative public opinion (Level 3) based on the situation. After the negative public opinion is properly handled, each project will feed back the detailed handling methods and results to the brand planning center (Level 4), and make a summary.

(IV) PUBLIC OPINION CONTROL AND MAINTAIN CORPORATE IMAGE

With the increasing number of the Company's projects, the exposure frequency is also increasing. Therefore, the probability of negative public opinions is also increasing. In order to maintain the Company's brand reputation, prevent the emergence of negative public opinions, and ensure the Company to have limited means to control negative public opinion after it occurs, and avoid more serious consequence that may affect the Company's operations and brand reputation, in 2021, the Company formulated the Capital Grand & Capital Outlets Public Opinion Handling Manual (2021 Edition) 《首創鉅大&首創奧萊輿情處理手冊(2021 版)》 to help relevant departments of the Company and project companies deal with new negative public opinions or sudden public opinion crisis situations.

As of the end of 2021, the Company has monitored more than 6,000 negative public opinion warnings in total, and the handling rate was 100%.

XI. CONCLUSIONS

2021 was destined to be a difficult year. In the face of the repeated Covid-19 epidemic and sudden extreme climate disasters, the Group has made a concerted effort to calmly deal with the epidemic and disasters, scientifically plan to gather consensus, stand firmly to overcome difficulties, and actively resume work and production to minimize losses. As a leading company in the industry, the Company has played a leading role and has been recognized by all sectors of society.

The Group has incorporated ESG work into the “14th Five-Year” strategic plan and formulated the Environmental, Social and Governance (ESG) Strategic Plan of Beijing Capital Grand Limited (2021-2023) (hereinafter referred to as the “ESG Strategic Plan”). In the future, the Group will adhere to the implementation of the ESG Strategic Plan and, as always, attach importance to major issues of concern to all stakeholders, continue to improve ESG-related work, encourage innovation, and continue to promote the upgrade of environmental performance and service quality. The Group will shape the “quality future” of Capital Grand by providing “good services” for consumers; become a “good employer” to achieve the future together with employees; work with the suppliers and tenants to achieve a win-win future; benefit local communities and share a better future with local residents; focus on the scientific use of energy and build a green future; adhere to “integrity and justice, and building a sunshine enterprise” to realize integrity future.

Through continuous “good development”, the Group will strive to provide consumers with “good services” and become a “good employer” for employees, a “good partner” for partners, a “good helper” for community, and a “good citizen” for government. The Group will also strive to become an ESG practitioner who empowers management and operations in 2022, an industry benchmark with ESG influence in 2023, a business model leading ESG development in 2026 and a creator of ESG long-term value in 2030.

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

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

Category	Issue	Performance Indicator	Corresponding Chapter in the Report
ESG Management	Governance Structure	<p>A statement issued by the board of directors containing the following:</p> <ol style="list-style-type: none"> (1) Disclose the supervision by the board of directors for ESG matters (2) ESG management policies and strategies of the board of directors, including the process of assessing, prioritizing and managing material ESG-related matters (including risks to the issuer's business); and (3) How the board of directors reviews progress against ESG-related goals and explains how they relate to the issuer's business. 	"STATEMENT OF BOARD OF DIRECTORS"
	Reporting Principles	Describe or explain how the reporting principles (materiality, quantitative, consistency) have been applied in preparing ESG reports	"REPORTING PRINCIPLES"
	Reporting Scope	Explain the reporting scope of the ESG report and describe the process for selecting which entities or businesses to include in the ESG report. If the reporting scope changes, the issuer should explain the difference and the reasons for the change.	I. ABOUT THE REPORT
Environmental	A1 Emissions	General Disclosure:	IX. BEAUTIFUL ECOLOGY FOR GREEN FUTURE
		Information on:	
		(1) the policies; and	
		(2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to waste gas and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, etc.	
		A1.1 The types of emissions and respective emissions data.	
		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).	
		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 emissions targets set and steps taken to achieve these targets.	
		A1.6 Description of how hazardous and non-hazardous wastes are handled, description of waste reduction targets set and the steps taken to achieve these targets.	

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

Category	Issue	Performance Indicator	Corresponding Chapter in the Report
	A2 Use of Resources	<p>General Disclosure:</p> <p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p>A2.1 Direct and/or indirect energy consumption by type (e.g., electricity, gas or gasoline) in total (kWh in '000s) and intensity (e.g., per unit of production volume, per facility)</p> <p>A2.2 Water consumption in total and intensity (e.g., per unit of production volume, per facility)</p> <p>A2.3 Description of energy use efficiency goals set and the steps taken to achieve these goals.</p> <p>A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency goals set and the steps taken to achieve these goals.</p> <p>A2.5 Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced</p>	<p>IX. BEAUTIFUL ECOLOGY FOR GREEN FUTURE</p> <p>The principal business of the Group is Outlets commercial properties, and the number of packaging materials used is extremely small, so it is temporarily not included in the scope of disclosure.</p>
	A3 Environment and Natural Resources	<p>General Disclosure:</p> <p>Policies on minimizing the issuer's significant impact on the environment and natural resources.</p> <p>A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.</p>	IX. BEAUTIFUL ECOLOGY FOR GREEN FUTURE
	A4 Climate Change	<p>General Disclosure:</p> <p>Policies for identifying and responding to material climate-related matters that have had and may have an impact on the issuer.</p> <p>A4.1 Description of material climate-related matters that have had and may have an impact on the issuer, and the coping actions</p>	IX. BEAUTIFUL ECOLOGY FOR GREEN FUTURE

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

Category	Issue	Performance Indicator	Corresponding Chapter in the Report
Social	B1 Employment	General Disclosure:	VI. GOOD EMPLOYER FOR ACHIEVING FUTURE
		Information on:	
		(1) the policies; and	
		(2) 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.	
		B1.1 Total workforce by gender, employment type, age group and geographical region	
		B1.2 Employee turnover rate by gender, age group and geographical region	
	B2 Health and Safety	General Disclosure:	VI. GOOD EMPLOYER FOR ACHIEVING FUTURE
		Information on:	
		(1) the policies; and	
		(2) 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.	
		B2.1 Number and rate of work-related fatalities in each of the past three years (including the reporting year).	
		B2.2 Number of lost days due to work injury.	
		B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	
	B3 Development and Training	General Disclosure:	VI. GOOD EMPLOYER FOR ACHIEVING FUTURE
		Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	
		B3.1 The percentage of employees trained by gender and category (e.g. senior management, middle management)	
		B3.2 The average training hours completed per employee by category and gender	

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

Category	Issue	Performance Indicator	Corresponding Chapter in the Report
B4 Labor Standards		General Disclosure:	VI. GOOD EMPLOYER FOR ACHIEVING FUTURE
		Information on:	
		(1) the policies; and	
		(2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labor.	
		B4.1 Description of measures to review employment practices to avoid child and forced labor	
B5 Supply Chain Management		B4.2 Description of steps taken to eliminate such practices when discovered	VII. CLOSE PARTNERS FOR A WIN-WIN FUTURE
		General Disclosure:	
		Policies on managing environmental and social risks of the supply chain.	
		B5.1 Number of suppliers by geographical region	
		B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	
		B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	
		B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	
B6 Product Responsibility		General Disclosure:	V. ATTENTIVE SERVICES FOR QUALITY FUTURE X. RESPONSIBLE OPERATION FOR INTEGRITY FUTURE
		Information on:	
		(1) the policies; and	
		(2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	
		B6.2 Number of products and service-related complaints received and how they are dealt with	

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

Category	Issue	Performance Indicator	Corresponding Chapter in the Report
		B6.3 Description of practices relating to observing and protecting intellectual property rights	X. RESPONSIBLE OPERATION FOR INTEGRITY FUTURE
		B6.4 Description of quality assurance process and recall procedures	V. ATTENTIVE SERVICES FOR QUALITY FUTURE VII. CLOSE PARTNERS FOR A WIN-WIN FUTURE
		B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored	V. ATTENTIVE SERVICES FOR QUALITY FUTURE
	B7 Anti-corruption	General Disclosure: Information on:	X. RESPONSIBLE OPERATION FOR INTEGRITY FUTURE
		(1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing from bribery, extortion, fraud and money laundering.	
		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	
		B7.2 Description of preventive measures and whistleblowing procedures, how they are implemented and monitored	
		B7.3 Description of anti-corruption training provided for directors and employees	
	B8 Community Investment	General Disclosure: Policies on community engagement to understand the needs of the communities where the listing company operates and to ensure its activities take into consideration the communities' interests.	VIII. HARMONIOUS COMMUNITIES FOR SHARING FUTURE
		B8.1 Focus areas of contribution (e.g., education, environmental concerns, labor needs, health, culture, sport) B8.2 Resources used (e.g., money or time) in the focus area	