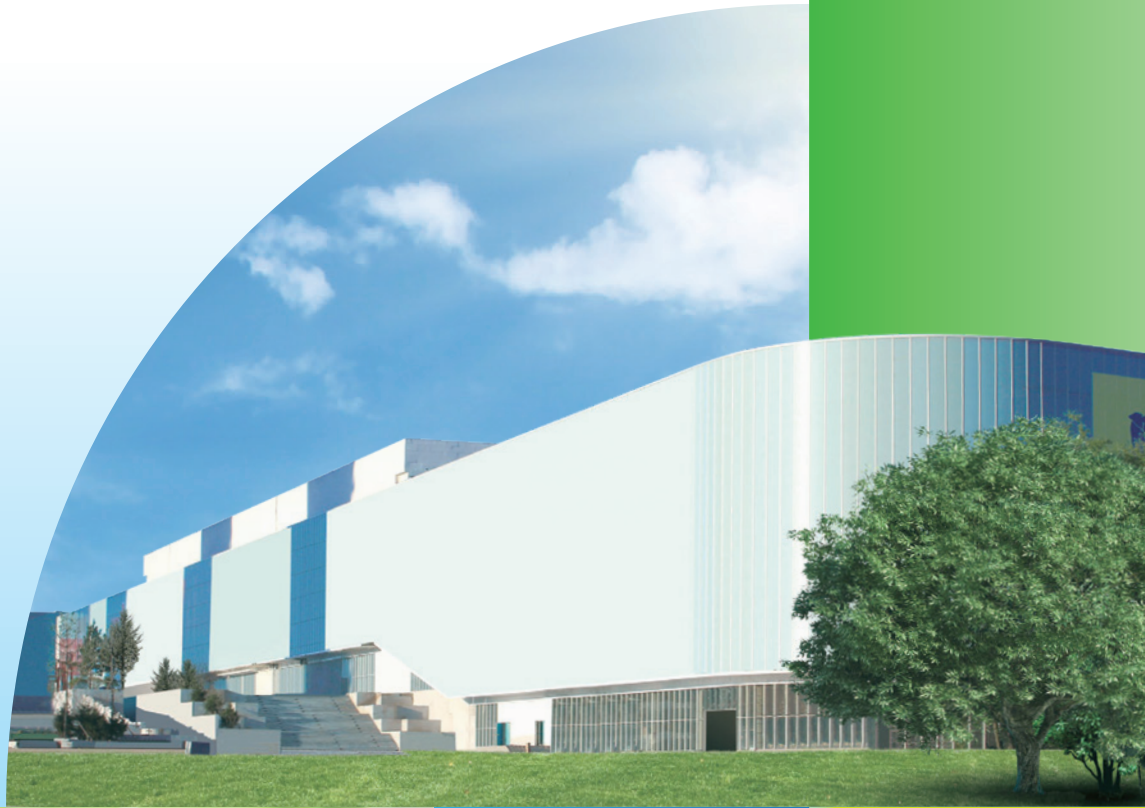




# 信基沙溪集团股份有限公司

## XINJI SHAXI GROUP CO., LTD

(Incorporated in the Cayman Islands with limited liability)  
Stock Code: 3603



ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT

# 2021



# CONTENTS

|           |   |
|-----------|---|
| <b>2</b>  | About this Report   |
| <b>2</b>  | Reporting Period  |
| <b>2</b>  | Reporting Scope and Boundary                              |
| <b>2</b>  | Reporting Basis and Principle                             |
| <b>3</b>  | Review and Approval                                       |
| <b>3</b>  | Information and Feedbacks                                 |
| <b>4</b>  | About the Group   |
| <b>5</b>  | Board Statement   |
| <b>6</b>  | ESG Governance Structure                                  |
| <b>7</b>  | Stakeholder Engagement                                    |
| <b>8</b>  | Materiality Assessment                                    |
| <b>10</b> | Social Aspects  |
| <b>10</b> | B1 Employment   |
| <b>14</b> | B2 Health and Safety                                      |
| <b>15</b> | B3 Development and Training                               |
| <b>17</b> | B4 Labour Standards                                       |
| <b>18</b> | Operating Practices                                       |
| <b>18</b> | B5 Supply Chain Management                                |
| <b>19</b> | B6 Product Responsibility                                 |
| <b>22</b> | B7 Anti-corruption  |
| <b>23</b> | B8 Community Investment                                   |
| <b>25</b> | Environmental Aspects                                     |
| <b>25</b> | Overview  |
| <b>25</b> | A1 Emission   |
| <b>29</b> | A2 Use of Resources                                       |
| <b>31</b> | A3 The Environment and Natural Resources                  |
| <b>31</b> | A4 Climate Change   |
| <b>34</b> | The Stock Exchange of Hong Kong “ESG Guide” Content Index |

# ABOUT THIS REPORT

Xinji Shaxi Group Co., Ltd (the “**Company**” together with its subsidiaries, hereinafter referred to as the “**Group**” or “**we**” or “**us**”) is pleased to present the environmental, Social and Governance Report (the “**Report**”) to summarise the Group’s policies, measures and performance on the key environmental, social and governance (“**ESG**”) issues for the year ended 31 December 2021.

## REPORTING PERIOD

The reporting period of this Report is from 1 January 2021 to 31 December 2021 (the “**reporting period**” or “**2021**”).

## REPORTING SCOPE AND BOUNDARY

Based on financial materiality and the relevance of ESG strategy, this Report covers our corporate office in Guangzhou, the People’s Republic of China (the “**PRC**”) and our hospitality supplies shopping malls and home furnishings shopping malls and home and Shenyang (collectively referred to as “**shopping mall(s)**”):

- Xinji Shaxi Hospitality Supplies Expo Centre;
- Xinji Hotelex Hospitality Supplies Centre;
- Xinji Dashi Home Furnishings Centre;
- Xinji Shaxi Hospitality Supplies Expo Centre (Shenyang); and
- Xinji Shaxi Home Furnishings Expo Centre (Shenyang).

The scope and boundaries of this report have not changed significantly from the previous year. If the area and scope of the specific content are different, they have been specifically noted in the relevant part of the Report. Although the Report does not cover all operations of the Group, we are committed to improving internal data collection procedures and gradually expanding the scope of the disclosure.

## REPORTING BASIS AND PRINCIPLE

The Report is prepared in accordance with the ESG Reporting Guide as set out in Appendix 27 “Environmental, Social and Governance Reporting Guide” (“**the Guide**”) of the “Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited” (the “**Main Board Listing Rules**”) issued by the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and complies with the “Comply or Explain” provisions under Listing Rules. The report has been prepared in accordance with the following reporting principles:

- **Materiality**  
The Group determines relevant ESG issues through stakeholder engagement and materiality assessment. For details, please refer to the sections headed “Stakeholder Engagement” and “Materiality Assessment” in this Report.
- **Quantitative**  
The Group’s disclosure of key performance indicators related to historical data can be measured and the Group is committed to disclosing information on standards, methods, assumptions or calculation tools used in quantitative data and the source of conversion factors used when feasible.
- **Balance**  
The Group avoids selections, omissions or presentation formats that may inappropriately influence the readers’ decisions or judgment.
- **Consistency**  
The Group is committed to using consistent methodologies for meaningful comparisons. The Group will disclose changes in methodologies or key performance indicators or any other relevant factors that affect meaningful comparisons when necessary.

## About this Report

The information contained herein is sourced from official documents and statistics of the Group, as well as the combined control, management and operations information provided by the subsidiaries in accordance with the Group's relevant policies. A complete content index is appended to the last chapter hereof for quick reference. The Report is prepared and published in both Chinese and English on the Stock Exchange website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.xjsx.net.cn](http://www.xjsx.net.cn)). In the event of contradiction or inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

### REVIEW AND APPROVAL

This Report was approved by the board of directors of the Group (the "**Board**") on 31 May 2022, after confirmation by the management of the Group.

### INFORMATION AND FEEDBACKS

Should you have any suggestions or inquiries about the Report, we sincerely welcome you to contact us.

Xinji Shaxi Group Co., Ltd  
Telephone: 86-020-39153461  
E-mail: [ir@xjdc.com](mailto:ir@xjdc.com)



## ABOUT THE GROUP

The Group is principally engaged as the operator of shopping malls for hospitality supplies and home furnishings which generated rental revenue in the PRC, and is one of the largest hospitality supplies mall operators in the PRC. We have three shopping malls for hospitality supplies and two shopping malls for home furnishing in Guangzhou and Shenyang, China, led by an experienced management team with a wealth of knowledge in the industry.

With the corporate mission of “Leading the hotel supplies industry, creating a better life together”, the Group is committed to promoting the development of the hospitality supplies industry, fostering the development of the hotel industry, catering industry and tourism industry, and providing customers with a more comfortable, green and experience with a quality of life supported by humane sentiments to create a better future together.

# BOARD STATEMENT

Dear Stakeholders,

The group is pleased to present the 2021 Environmental, Social and Governance Report. We endeavour to place the sustainable development at the forefront of our long-term development goals, integrating climate-related issues and ESG elements into the long-term planning of the Group's business strategy. As the most important leading role of the Group, the Board has the sole responsibility to oversee, manage and monitor for our ESG issues and progress.

We have set clear short-term and long-term sustainability visions to achieve carbon neutrality by the year 2050 and have established relevant emission reduction targets and corresponding strategies to incorporate sustainability considerations into our strategic planning, business model and other decision-making processes. The Board regularly monitors and reviews the effectiveness of management practices, including reviewing the Group's ESG performance and adjusting action plans accordingly. Effective environmental, social and governance policy implementation relies on the cooperation of different departments, we have established a cross-departmental Environmental, Social and Governance working group to coordinate and promote cooperation among different departments to achieve consistent and expected performance in reaching the emission reduction and energy saving targets.

The Group aims to ensure the establishment of applicable and effective risk management and internal control system to oversee the identification and assessment of environmental, social and governance and climate-related risks and opportunities, and to address the challenges and impacts of COVID-19. We also value the communication with the stakeholders. We regularly review our communication channels and platforms with our stakeholders to ensure that information flows to capture the concerns of key stakeholders on issues that have a significant impact on our business.

Looking ahead, the Board will continue to review and monitor the Group's environmental, social and governance performance and continue to provide stakeholders with reliable, consistent, and comparable key environmental, social and governance information to work together for a better environment.

# ESG GOVERNANCE STRUCTURE

The Board attaches importance and has the overall responsibility for the Group's ESG strategies and reporting. The Board assesses and evaluates the ESG risks of the Group's operations and ensures that the implementation of corresponding, appropriate and effective ESG risk management and internal control systems are in place. The Board delegates this responsibility to our senior management to further assist in assessing the Group's ESG risks and the effectiveness of such internal control systems.

The Group is committed to integrating environmental, social and governance factors into its operation, creating sustained value for its stakeholders and performing its duties as a corporate citizen. The Group has established an Environmental, Social and Governance Working Group (the "**Working Group**"). The Working Group is composed of senior management and core members from different departments of the Group and is delegated by the Board in accordance with its terms of reference. The Working Group is responsible for communicating with the external consultants and collecting information and data related to environmental, social and governance confirming environmental, social and governance objectives and policies, and cooperating in the preparation of this Report. The Working Group reports to the management on the implementation of ESG initiatives and the performance of the business units regularly.

The Board is responsible for assessing and determining the Group's ESG risks and ensuring that the Group has an appropriate and effective ESG risk management and internal control system in place. The management reviews the effectiveness of the risk and internal control system in respect thereof and makes confirmation to the Board.

# STAKEHOLDER ENGAGEMENT

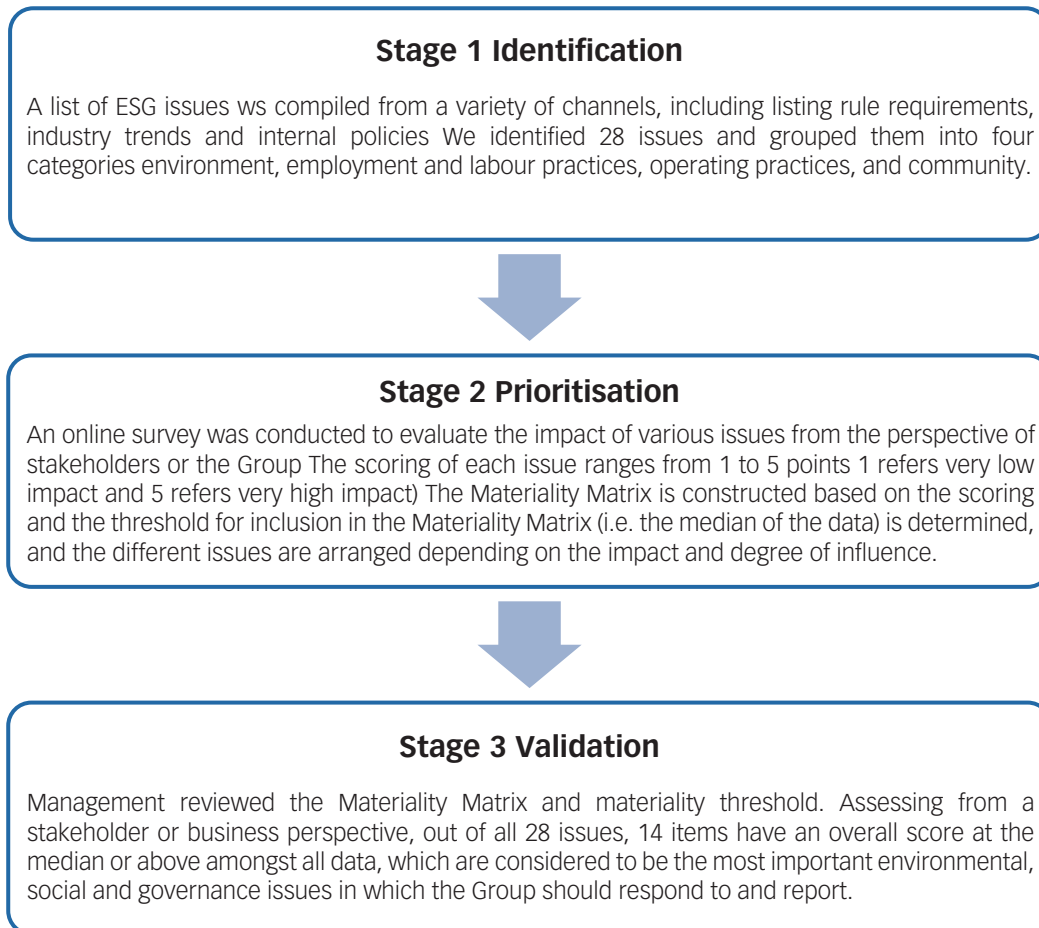
The Group values the engagement of our stakeholders. Whether they are our employees, customers, suppliers and other stakeholders, they have a significant impact on the success of our business or activities. The following are the relevant stakeholders of the Group. We actively communicate with stakeholders through different channels to monitor and manage our impact on the environment and society.

| Stakeholder                        | Expected concern   | Engagement Platform   |
|------------------------------------|--|---|
| Government and regulatory agencies | <ul style="list-style-type: none"> <li>Abide by laws and regulations</li> <li>Pay for appropriate taxes</li> <li>Promote regional economic development and employment</li> </ul>                               | <ul style="list-style-type: none"> <li>Annual reports, interim reports, ESG reports, announcements and circulars</li> <li>Websites of the Company and the Stock Exchange</li> </ul>   |
| Shareholders and investors         | <ul style="list-style-type: none"> <li>Risk management</li> <li>Return on investment</li> <li>Information disclosure on transparency</li> <li>Protection of shareholders' rights and fair treatment</li> </ul> | <ul style="list-style-type: none"> <li>Annual general meetings and other general meetings</li> <li>Websites of the Company and the Stock Exchange</li> <li>Press releases/announcements</li> <li>Annual reports, interim reports, ESG reports and other public information</li> </ul> |
| Employees                          | <ul style="list-style-type: none"> <li>Remuneration benefits</li> <li>Employees' rights</li> <li>Training and development</li> <li>Health and safety</li> </ul>  | <ul style="list-style-type: none"> <li>Email</li> <li>Phone</li> <li>Meetings</li> <li>Employees' activities</li> <li>Survey</li> </ul>   |
| Customer (Tenants)                 | <ul style="list-style-type: none"> <li>Shopping mall safety</li> <li>Quality service</li> <li>Information transparency</li> <li>Business ethics</li> </ul>   | <ul style="list-style-type: none"> <li>Email</li> <li>Customer service hotline</li> <li>Company visits</li> <li>Survey</li> </ul>   |
| Suppliers                          | <ul style="list-style-type: none"> <li>Fair Procurement</li> <li>Long-term cooperation</li> </ul>  | <ul style="list-style-type: none"> <li>Email</li> <li>Phone</li> <li>Meetings</li> <li>Site visits</li> <li>Survey</li> </ul>   |
| General public and community       | <ul style="list-style-type: none"> <li>Community involvement</li> <li>Social responsibility</li> </ul>   | <ul style="list-style-type: none"> <li>Voluntary services</li> <li>Charity donation</li> </ul>  |



# MATERIALITY ASSESSMENT

The Group identifies issues for disclosure in the Report through internal and external materiality assessment. By considering the dependence and influence to the Group of the stakeholders and the availability of the resources for the Group, the management has identified key stakeholders and conducted survey with them. They have expressed their opinions and recommendation on the sustainability issues related to the Group's operation via the surveys. The materiality assessment process is as follows:



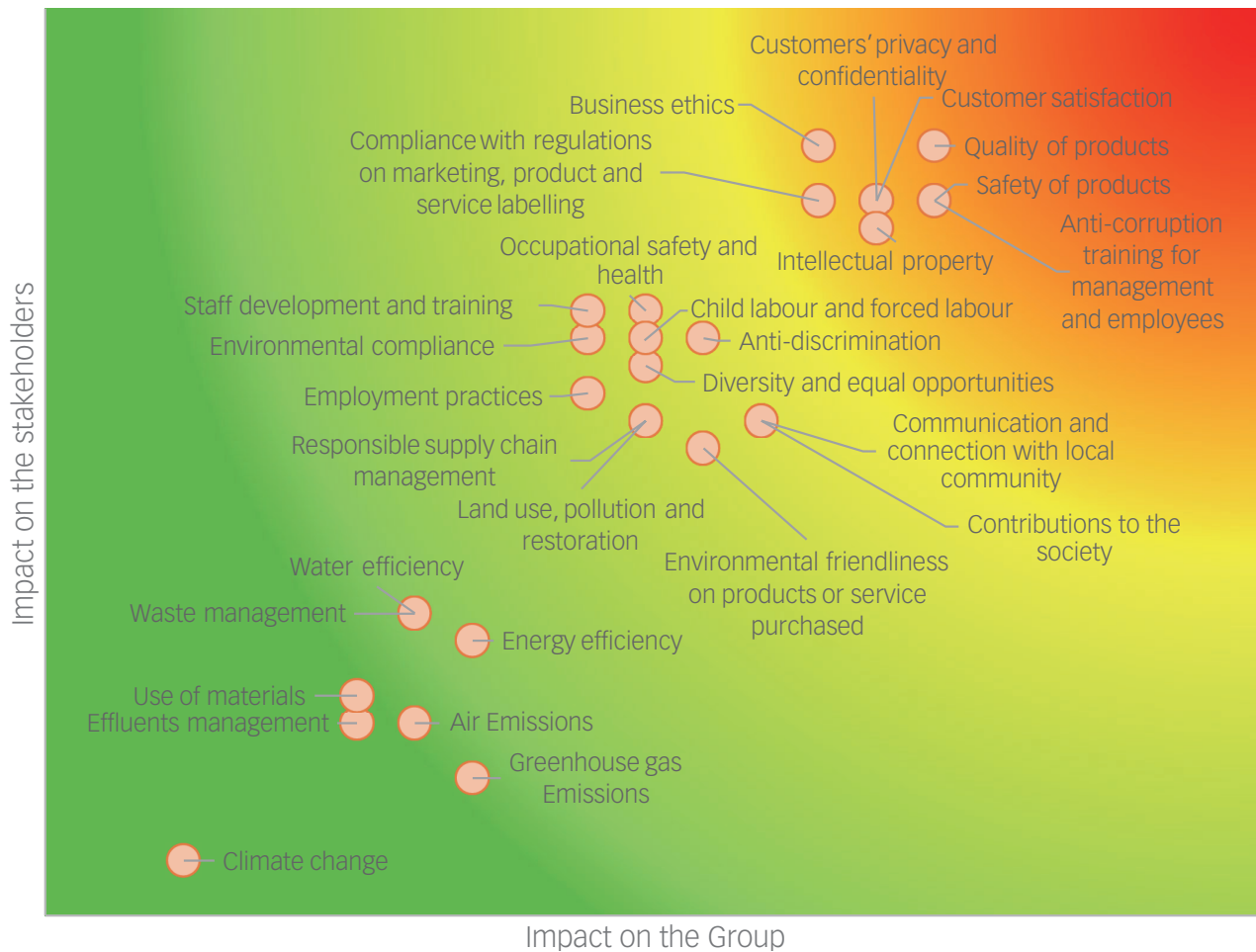
# Materiality Assessment

## RESULTS

After the consolidation of the internal assessment and survey results, the Group concluded the 14 most important issues of this year:



## Materiality Matrix



# SOCIAL ASPECTS

## B1 EMPLOYMENT

### General Disclosure

#### *Policies*

The Group's Human Resources department has established a comprehensive human resources policy, which has been stated clearly in the Group's *Employee Handbook* allowing employees to understand the rules easily. The *Employee Handbook* covers sections including employee benefits, professional ethics, overtime policies and promotion and demotion bases. Apart from compliance with the basic labour laws and regulations, the Group also implements other human resources policies as needed, including Reward and Punishment Management Policy, and Attendance Management Policy, Personnel Change Management Policy, Salary Management Policy, Recruitment Management Policy, etc. We are providing benefits higher than the legal requirements to recruit, retain and develop a first-class team of employees.

#### *Remuneration*

The Group regards employees as our important asset, so we established the Group's Remuneration Management Policy under the regulations of the Labour Contract Law of the PRC and used such to standardise the definition of remuneration and enable employees to fully understand such concept. We provide employees with competitive remuneration, including wages, subsidies, seniority wages, attendance awards, benefits, year-end awards, etc. The Group establishes employee remuneration policy based on the general market environment and practices, employee responsibilities, and the Group's financial capabilities. The Group's remuneration management policy is based on the internal comparison between the various grades based on the position-level salary system. Under the position-level salary system, the Group refers to the salary level of enterprises of the same size in the same industry, determines the salary of employees by the corresponding rank of the employed position in the salary system, and links the performance salary with the Group's benefits and performance results.

#### *Recruitment*

In terms of recruitment, the Group strictly abides by regulations of equal opportunity, multiculturalism, and anti-discrimination. We implement equal competition, merit-based recruitment, as well as seek for talented candidates with good moral character and avoiding relatives hiring which might affect the fairness of the employment. We adhere to the principle of fairness and openness, recruit excellent and applicable talents; candidates shall not be treated differently or being discriminated against due to race, gender, region, social class, religion, political party and other factors, equal opportunities shall be given to all potential candidates. The Group did not employ underaged employees, forced labour or did not pay below the minimum wage.

#### *Dismissal*

Employees of the Group are free to choose whether to maintain labour relations with the Group. The Group does not force any employee to make any decision on labour relations against their will.

#### *Promotion*

The Group attaches great importance to the work performance of employees and encourages employees to work proactively and has created a broad promotion space for employees. Promotion opportunities can be provided for employees with excellent performance and ability to engage in higher positions upon recommendations made by their department heads and being approved.

# Social Aspects

## **B1 EMPLOYMENT** *(cont'd)*

### **General Disclosure** *(cont'd)*

#### *Working hours and rest periods*

Staff working hours are strictly set following local laws and Group regulations. The Group headquarters arranges its employees to work 8 hours a day, 40 hours a week and 2 days off a week. On the other hand, the Group considers the needs of employees, in addition to statutory holidays prescribed by the national government, the Group also provides annual leave, sick leave, personal leave, work injury leave, marriage leave, maternity leave, family planning leave, paternity leave, breastfeeding leave, funeral leave and parental leave.

#### *Diversity, equal opportunities and anti-discrimination*

We have an equality policy and are committed to ensuring fair treatment in the recruitment, retention, training and development of our employees. Employees are required to declare any relatives when applying for a position. The Group has adopted a Board Diversity Policy guiding the Board to achieve a more diverse composition of Board members. All Board members are appointed on the principle of meritocracy. With the assistance of the Nomination Committee, the Board will assess various aspects when considering the nomination and appointment of Directors, including but not limited to skills, knowledge, qualifications and educational background, professional experience, cultural background, age and gender.

The Nomination Committee is responsible for reviewing the Board Diversity Policy and monitoring its implementation to ensure the effectiveness of the policy. Besides, the Nomination Committee will discuss any amendments that may be required to the policy and recommend any relevant amendments to the Board for consideration and approval. The value of diversity, equal opportunities and anti-discrimination apply to all aspects in human resource management, including but not limited to recruitment, promotion, transfer, job assignment, rewards and benefits, training and development etc.

#### *Benefits and welfare*

The Group continues to care for its employees and is committed to providing employees with competitive remuneration packages and benefits in order to attract and retain talents. If employees work overtime due to work needs, they can get overtime compensatory leave after making applications according to the attendance management procedure and obtaining the approval. Besides, the Group will issue year-end bonuses based on the operating conditions and financial performance of the year, the completion of annual goals and individual year-end performance assessments. On the other hand, the Group also purchases social insurance for employees under national regulations, including pension insurance, unemployment insurance, work injury insurance, maternity insurance, medical insurance and serious illness insurance.

In addition to the above benefits, the Group also provides other allowances according to the circumstances, including holiday allowance and visitation subsidies. In terms of employee caring, the Group also plays a proactive role, for example: organising employees to conduct physical check-up from time to time under the relevant national regulations; and depending on the workload and the operating conditions of the Group, the labour union of the Group arranges leisure trips and organises various recreational activities for employees.

#### *Compliance information for relevant laws and regulations*

A professional team is our most valuable resource in maintaining the Group's competitiveness in the industry, hence our business has a significant demand for talents. The Group complies with laws and regulations relating to labour and social security in the PRC, including but not limited to:

- *Labour Contract Law of the PRC* stipulates that the labour contract must be drawn up in writing. After consultation and consensus, employers and employees can enter into labour contracts with fixed or non-fixed terms, while in other cases that meet statutory conditions, employers can terminate labour contracts and dismiss their employees. Violations of relevant laws and regulations can result in warnings, fines, and revocation of business licenses. If the case is serious, it may also result in criminal liability.

## B1 EMPLOYMENT (cont'd)

### General Disclosure (cont'd)

#### Compliance information for relevant laws and regulations (cont'd)

- *Labour Law of the PRC* stipulates that the employing unit shall establish and improve their internal policies under the law to ensure that workers are entitled to their labour rights and perform their labour obligations. A labour contract should be set when establishing a labour relationship. Violations of relevant laws and regulations may result in warnings, fines, and revocation of business licenses. If the case is serious, it may also give rise to criminal liability.
- *Provisional Regulations on Collection and Payment of Social Insurance Premiums* stipulates that the enterprise shall provide its employees with welfare plans including basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and basic medical insurance. Violation of relevant regulations may result in fines.
- *Regulation on the Administration of Housing Accumulation Funds* stipulates that the enterprise shall contribute to the Housing Provident Fund for its employees. Violation of relevant regulations may result in fines.

The Group has established a series of human resources policies and actively enhanced relevant policies to ensure that the rights and interests of employees are being protected. During the reporting period, the Group was not aware of any significant violations of laws and regulations that have a significant impact on us.

### Total number of employees<sup>1</sup> by gender, employment type, age group and geographical locations

As at 31st December 2021, the distribution of the Group's employees are as follows:

|                        | 2021       |
|------------------------|------------|
| By gender              |            |
| – Male                 | 133        |
| – Female               | 71         |
| By age group           |            |
| – Below 30             | 29         |
| – 30-50                | 158        |
| – Above 50             | 17         |
| By employment type     |            |
| – Full time            | 204        |
| – Part-time            | 0          |
| By geographical region |            |
| – Hong Kong            | 1          |
| – The PRC              | 203        |
| <b>Total</b>           | <b>204</b> |

<sup>1</sup> Data covers material operations as stated in the section headed "About this Report".

## Social Aspects

### Employee turnover rate by gender, age group and region

The turnover rate of the Group are as follows:

|                        | 2021                       |                 |
|------------------------|----------------------------|-----------------|
|                        | Turnover rate <sup>2</sup> | No. of turnover |
| By gender              |                            |                 |
| – Male                 | 29%                        | 38              |
| – Female               | 14%                        | 10              |
| By age group           |                            |                 |
| – Below 30             | 55%                        | 16              |
| – 30-50                | 20%                        | 31              |
| – Above 50             | 6%                         | 1               |
| By geographical region |                            |                 |
| – Hong Kong            | 0%                         | 0               |
| – The PRC              | 24%                        | 48              |
| <b>Overall</b>         | <b>24%</b>                 | <b>48</b>       |

<sup>2</sup> Turnover rate = Total no. of employees in the employee category left during the reporting period is divided by total no. of employees in that employee category.

## B2 HEALTH AND SAFETY

### General Disclosure

#### Policy

The Group is actively improving its *Employee Safety Management Policy* and stipulates in the “Basic Requirements” chapter that new employees must undergo safety management training and pass the assessment before work commencement, thereby raising employees’ safety awareness. If the employees have job rotation due to the working requirement, they should receive the Company’s safety management training for the corresponding positions and must also pass the assessment before work commencement. Besides, in order to strengthen the safety management of the vehicles of the Group, raise the safety awareness of drivers, prevent and reduce the occurrence of traffic accidents, the Driver Safety Management Measures is established to regulate the safety precautions of drivers at work.

On the other hand, the Group also attaches great importance to the impact of the office environment on employees’ health. In order to improve the work efficiency of employees and establish a good image of the Group, we are actively formulating the *Environmental Protection Management Measures*, which provides specific requirements for creating and maintaining a clean, comfortable and graceful office environment. The Group also emphasised such issue in the *Employee Handbook* and informed all employees for compliance.

#### Compliance information on relevant laws and regulations

The Group shall comply with relevant labour laws and regulations, including but not limited to:

- Labour, Safety and Hygiene, Chapter 6 of the *Labour Law of the PRC*

This chapter stipulates that employers must establish comprehensive labour safety and health policies. They must strictly implement national labour safety and health regulations and standards, provide labour safety and health education to workers, prevent accidents at work, and reduce occupational hazards. The Group actively improved relevant measures.

- *Law of the PRC on the Prevention and Treatment of Occupational Diseases*

The law stipulates that employers should create a working environment and conditions for workers that meet national occupational health standards and hygiene requirements, and take measures to ensure that workers receive occupational health protection, strengthen the management of occupational disease prevention and control, improve the level of occupational disease prevention and control, and assume responsibility for the occupational disease hazards generated by the unit.

- *Fire Control Law of the PRC*

Employees should comply with *Fire Control Law of the PRC* and the company’s fire management requirements, actively perform fire prevention work; they should be familiar with the use of fire-fighting equipment and the location distribution of fire-fighting facilities and equipment in the work area.

During the reporting period, there were no significant violations of laws and regulations that had a significant impact on the Group.

### Number and rate of work-related fatalities

During the reporting period, the Group had no work-related fatalities, and its rate was 0%.

### Lost days due to work injury

During the reporting period, the number of lost days due to work injury of the Group was 0.

## B2 HEALTH AND SAFETY *(cont'd)*

### Occupational health and safety measures adopted, how they are implemented and monitored

In order to ensure that the Group can effectively implement the national labour safety and health regulations and standards in its main business, a safety production management leading group was established to provide individual employees with specific operational instructions for production safety and supervision. During the reporting period, the Group organised a total of 23 safety training, participants were employees from customer service, engineering and security, including around 280 participants.

While devoting itself to maintaining a high-quality office environment, the Group also pays great attention to the health care of employees. We have arranged a health check for employees who have been employed for half a year or more during the reporting period, benefiting numbers of employees. On the other hand, the Group also arranges regular ventilation of the office area to maintain good air quality. We also perform cleaning, disinfection and insecticide operations regularly to prevent the production of diseases. While maintaining a good working environment, it also allows employees to feel more at ease and enabling them to focus at work more easily.

The COVID-19 outbreak brought challenges to both our operations and our customers. We actively responded to the national and local authorities guidelines on epidemic prevention and control to protect the health and safety of our customers and employees. The Group provided personal protective equipment and disinfection products to our employees and took extra to maintain a safe and hygienic environment by disinfecting the relevant premises.

## B3 DEVELOPMENT AND TRAINING

### General Disclosure

#### *Policy*

The Group has established the Training Management Policy to standardise the Group's employee training and establish a sound and systematic employee training system. The Group encourages employees to strive for improvement and continuous learning and believes that the quality of employees plays an important role in the business. Considering the continuous and stable development of employees, the Group continuously improves the quality and work skills of employees through diversified training to achieve a win-win situation that can provide various management and professional staff for the Group and also benefits employees.

We arrange relevant training according to the needs of different employees, including:

- New employee induction training: New employee induction training is conducted through centralised internal teaching, visiting, and orientation. New employees can master the background information of the Group, be familiar with the working environment, understand the basic requirements of work, and adapt to the working environment smoothly;
- On-the-job training: Through the combination of internal teaching, case analysing and actual operation, employees can master the professional skills and techniques necessary for their positions, in doing so, work efficiency can be improved and work goals can be achieved easily; and
- Vocational training: Arrange internal lectures or external training based on employees' plasticity and ability and regard employees as value-added resources of the Group, arrange internal courses or expatriate training for them and formulate career development plans to adapt to the Group's development needs, while enhancing the employees' self-value.

During the reporting period, a total of 80 employees participated in different types of training, totaling to 1,382 training hours. Training hours mainly included course-based training without taking into account on-the-job training. The detailed employee training data in 2021 are as follows:



## B3 DEVELOPMENT AND TRAINING *(cont'd)*

### Percentage of trained employees by gender and employee category

During the reporting period, the total number of participants trained in the Group was 80, and the average percentage of employees trained throughout the year was 39%. The total number of participants and corresponding percentage by gender and employee category are as follows:

|  | 2021                        |                          |
|--|-----------------------------|--------------------------|
|  | Number of trained employees | Corresponding percentage |
| By gender                              |                             |                          |
| – Male                                 | 50                          | 38%                      |
| – Female                               | 30                          | 42%                      |
| By employee category                   |                             |                          |
| – President (including deputy)         | 0                           | 0%                       |
| – Project Manager                      | 0                           | 0%                       |
| – Head of Centre                       | 1                           | 17%                      |
| – Director (including deputy director) | 4                           | 29%                      |
| – Manager (including deputy manager)   | 16                          | 43%                      |
| – Supervisor                           | 24                          | 59%                      |
| – Commissioner/Assistant               | 27                          | 47%                      |
| – Security Guards                      | 8                           | 19%                      |
| <b>Total</b>                           | <b>80</b>                   | <b>39%</b>               |

# Social Aspects

## B3 DEVELOPMENT AND TRAINING (cont'd)

### The average training hours completed per employee by gender and employee category

During the reporting period, the Group provided a total of 1,382 training hours. The average number of training hours completed per employee by gender and employee category are as follows:

|  | 2021<br>Training hours | Average training<br>hours <sup>3</sup> |
|--|------------------------|--|
| By gender                              |                        |  |
| – Male                                 | 626                    | 4.71                                   |
| – Female                               | 756                    | 10.65                                  |
| By employee category                   |                        |  |
| – President (including deputy)         | 0                      | 0                                      |
| – Project Manager                      | 0                      | 0                                      |
| – Head of Centre                       | 12                     | 2.00                                   |
| – Director (including deputy director) | 190                    | 13.57                                  |
| – Manager (including deputy manager)   | 353                    | 9.54                                   |
| – Supervisor                           | 403                    | 9.83                                   |
| – Commissioner/Assistant               | 330                    | 5.79                                   |
| – Security Guards                      | 94                     | 2.19                                   |
| <b>Overall</b>                         | <b>1,382</b>           | <b>6.77</b>                            |

## B4 LABOUR STANDARDS

### General Disclosure

#### Policy

The Group will not tolerate the employment of minors, compulsory labour nor any forced labour or labour bound by illegal deeds. *The Recruitment Management Policy* stipulates that the Group prohibits the recruitment of minors under 16 years of age in the "Recruitment Principles", and the "Labour Contract Signing" section of the Group's *Employee Handbook* states that the Group and the qualified employees sign the *Labour Contract* on the basis of equality, voluntariness and consensus.

#### Compliance information on relevant laws and regulations

The Group has complied with relevant laws and regulations, including Article 15 which is the "Employment Promotion" section of the *Labour Law of the PRC* which prohibits employers from recruiting minors under 16 years of age; Article 3 of the "General Provisions" of the *Labour Contract Law of the PRC* stipulates that the conclusion of labour contracts should follow the principles of lawfulness, fairness, equality, voluntariness, consensus and honesty. During the reporting period, the Group did not have any related significant violations.

#### Description of measures to review recruitment practices to avoid child labour and forced labour

According to the "Joining Guidelines" in the Group's *Employee Handbook*, employees must provide personal information including Identity Cards during recruitment registration. The Group performs checking to ensure that the relevant persons are legally eligible to work. During the reporting period, the Group was not aware of any minor and forced labour violations.

3 The average training hours are calculated by dividing the training hours received by the employee group by the number of others in the employee group at the end of the reporting period.

## OPERATING PRACTICES

### B5 SUPPLY CHAIN MANAGEMENT

#### General Disclosure

The main suppliers of the Group are building contractors and advertising companies for the shopping mall in Guangzhou and Shenyang. In summary, purchasing decisions are based on the supplier's past service records, pricing, suitability and general reputation. In order to manage the environmental and social risks associated with suppliers, the Group has established a series of procedures for supplier selection and evaluation process.

#### Supplier selection criteria and procedures

In terms of supplier management, the Group has established the *Supply Conformity Assessment Guidelines* to regulate the requirements for new suppliers in becoming qualified suppliers. In addition to conditions such as complete certification, law-abiding operation, good reputation, advanced technology and sufficient capital, etc. We place great emphasis on the performance of suppliers in the past three years, for example, there must be no major quality, safety accidents, and no serious customer complaints during this period, etc. After completing the survey and evaluation of the basic information of the supplier, if it is assessed that the requirements of the Group are met, on-site inspection and evaluation will then be conducted. During the on-site inspection, the Group mainly checks the authenticity of the collected data, the scale of the enterprise, the status of the enterprise's quality management and operation, and then evaluates the supplier in various aspects. A potential candidate can only become a qualified supplier after carefully reviewing, appraising and approving the evaluation results by the Group.

The Group promotes fair and open competition. The decision to hire services and purchase materials is based on price, quality, past service records, needs, etc. When selecting a supplier, if the subcontracting (purchasing) business involved exceeds the amount as defined in related policies, the appropriate supplier must be selected through tendering. We have established *the Purchasing Policy and Procedures-Tendering (Procurement) Management Policy* to provide a clear definition of the situation in which supplier selection by tendering is required.

Besides, the *Sunshine Agreement* was established to ensure that the supplier and the Group can maintain an honest and self-disciplined work style in the process of performing contracts, prevent various improper acts, and protect the legitimate interests of both parties effectively, so that the two parties can establish long-term cooperative relations. The agreement provides a clear definition of the proper code of conduct.

#### Qualified supplier performance evaluation and management

In terms of supplier performance, the Group will perform supplier performance evaluations by the end of each year in accordance with the *Supplementary Performance Evaluation Guidelines* established. The Group will update the List of Qualified Suppliers based on the assessment results. If any supplier has its assessment results as "unqualified", it will be disqualified from the *List of Qualified Suppliers*. Besides, the Group has also established a "Blacklist" system. Any bidder that violates integrity requirements will be included in the Blacklist after approval by the Group President. The suppliers on this list will never be allowed to undertake any projects of the Group.

# Social Aspects

## B5 SUPPLY CHAIN MANAGEMENT (cont'd)

### Qualified supplier performance evaluation and management (cont'd)

During the reporting period, the number of suppliers of the Group was 75, all from the PRC. The following is a list of suppliers by geographical region:

| Geographical Region | Supplier         | Number    |
|---------------------|------------------|-----------|
| Guangdong Province  | Construction     | 15        |
|                     | Advertising      | 39        |
| Liaoning Province   | Construction     | 4         |
|                     | Advertising      | 11        |
|                     | Service Provider | 6         |
| <b>Total</b>        |                  | <b>75</b> |

## B6 PRODUCT RESPONSIBILITY

### General Disclosure

#### Overview

The Group is committed to operating malls with a responsible attitude to enhance the consumer experience for the public in a safe and comfortable mall environment. The Group mainly focuses on the management of three aspects which are shopping mall security, privacy protection, customer service and complaint handling.

#### Shopping Mall safety

The Group pays great attention to the safety of the shopping mall and establishes the *Management Manual of the Engineering Department*, which formulates the relevant management guidelines for the Group's Fire Monitoring Center to standardise and ensure that the center can fulfil its role. The Manual has stipulated that the fire protection system shall be staffed and monitored 24 hours a day; staffs responsible must strictly implement the handover system, and fill in the duty records properly. The actions of the control cabinets, display screens, signal lights and control circuits should always be in good condition, and the control levers, as well as operation buttons, should be in automatic positions.

In accordance with relevant laws and regulations, the Group organised a total of 26 fire drills during the reporting period. The participants included employees from customer service, engineering and security, the number of participants was around 130. The content of the drill includes: familiarising with the methodology on arriving at the meeting place in an orderly and fastest manner, learning to use fire equipment properly and proficiently, checking the condition of the fire equipment including their expiration date, and holding debriefing sessions to introspect the performance of the drill.

#### Privacy protection

The Group regards the protection of its own and customer information as a fundamentally important code. Any lapses in this link can cause damage directly to the Group's reputation and thus affect customers' confidence in the Group. In order to let every employee understand its importance, a chapter on confidentiality was specifically created in the Group's *Employee Handbook*. It clearly stated that the scope of confidentiality involved covers multiple areas, including but not limited to the following issues:

## B6 PRODUCT RESPONSIBILITY (cont'd)

### General Disclosure (cont'd)

#### Privacy protection (cont'd)

- Confidential matters in major group decisions;
- Contracts, agreements, letters of intent, important meeting records, meeting minutes, etc. within the Group;
- Business strategies, directions, plans, projects and decisions that the Group has not yet implemented;
- Relevant documents reflecting the financial status of the Group;
- Personnel file information of Group employees; and
- Group customer information.

In order to comply with relevant laws and regulations and Group's policy requirements, the key confidentiality measures regulated by the Group in the *Employee Handbook* include:

- All confidential documents and materials belonging to the Group should be affixed with secret seals by all departments, and be kept by a designated person in a unified manner;
- Documents may not be copied and extracted without the approval of the supervisor;
- Assign a designated person to be responsible for sending, receiving, transferring and delivering documents and materials;

- Register and sign as records when issuing and borrowing documents, returning them in time after use. Documents may not be borrowed, destroyed or sold without authorisation, and shall not be read by persons without reading authority;
- Encryption measures should be taken for the files saved on the computer;
- When there are needs to provide information in external exchanges and cooperation, employees must obtain the approval of the supervisor in charge before proceeding;
- Do not divulge Group secrets in private meetings, communications, and telephone calls; and
- Do not divulge departmental confidential matters in chats with colleagues from other departments.

### Customer service and complaint handling

The Group attaches great importance to feedback from customers and actively follows up on customer complaints. We strive to enhance customer satisfaction by boosting the quality of customer complaints handling and feedback, safeguarding the legitimate interests and rights of customers, merchants and the Group effectively, and improving the service quality of the merchants' business operating environment in the market as well as the service management of the Group. The Group's *Customer Complaint Management Policy* is established to standardise complaint handling methodologies and provide clear guidelines for employees.

# Social Aspects

## B6 PRODUCT RESPONSIBILITY (cont'd)

### General Disclosure (cont'd)

#### Customer service and complaint handling (cont'd)

Customer complaint management is basically coordinated by the Operation Manager and led by the Operation Management Department. The department is responsible for receiving complaints, recording and forwarding complaint information, communicating promptly with the responsible department for complaint matters handling, organising and archiving data of the followup actions required after the completion of the handling process. Employees should not shirk their responsibility when receiving complaints, all complaints should be politely received and handled with care. Responsible employees should listen to the content of the complaint patiently, appease the complainant promptly, analyse the complaint case calmly and provide immediate responses to complaints that can be resolved immediately and treat every customer's complaint equally. The content of the complaint needs to be understood in detail, factually recorded, and the relevant information should be distributed in time to the responsible department for follow-up actions. Persons in charge of various departments should be fair, honest and responsible when handling complaints.

If the content of the complaint is inconsistent with the facts or beyond the scope of the property management service after investigation, it should be reasonably explained to the customer with patience to eliminate the customer's doubts as much as possible. Responsible employees should notify the management for instructions of the follow-up actions. Complaint handling records should be summarised and analysed regularly in order to ensure lessons are learned, and to make suggestions for improvement. Customer complaints should be regarded as the best job monitoring opportunities. We make efforts to improve service quality, setting the work-center goal to fulfil customer needs, and to improve customer satisfaction effectively.

### Compliance information on relevant laws and regulations

As the operator of the shopping mall, the Group needs to comply with the laws and regulations in the following fields, including but not limited to:

#### Shopping Mall Safety

- According to *the Fire Control Law of the PRC*, agencies, organisations, enterprises, institutions and other units should fulfil fire safety responsibilities, including the organisation of fire drills. If not, such venues shall not be put in use or business. Otherwise, the construction unit or the user unit will be ordered to halt the construction, usage, production or operation, and impose a fine of RMB30,000 to RMB300,000;
- According to the *Law of the PRC on the Protection of Consumer Rights and Interests*, operators of hotels, shopping malls, restaurants, banks, airports, stations, ports, theatres, and other business premises should fulfil their safety obligations to consumers;
- According to the *Tort Law of the PRC*, owners of public places such as hotels, shopping malls, banks, stations, entertainment venues, or organisers of mass activities that fail to fulfil their security guarantee obligations and cause harm to others should bear the liability of torts; and
- According to the *Interpretation of the Supreme People's Court of some Issues concerning the Application of Law for the Trial of Cases on Compensation for Personal Injury*, where a natural person, legal person or any other organisation, who engages in the business of hotel, catering or entertainment, etc. or carries out other social activities, fails to perform the security guaranty obligation within a reasonable scope, and thus causes any other person to suffer from a personal injury, the obligor, therefore, bears the corresponding compensation liabilities.

The Group has established and actively improved relevant policies to ensure the safety of tenants and other personnel in the shopping mall. During the reporting period, the Group was not aware of any major violations of laws and regulations that have a significant impact on us.

## B7 ANTI-CORRUPTION

### General Disclosure

The Group always requires employees to abide by ethical standards, establish and maintain an overall ethical culture for the Group, and ensure that the Group operates the business with a high degree of integrity, which is an important responsibility of the Board.

### Policy

We strive to strengthen the internal management and supervision of the Group, safeguarding the legitimate rights and interests of the Group, ensuring the healthy development of business activities, complying the relevant national audit regulations and take into account the actual situation of the Group, an Audit Department and an *Audit Supervision Policy* has been established. The Group has set up an Audit Department to perform supervision on behalf of the Group. It is under the leadership of the Audit Committee of the listed Group and is required to report to it. During the auditing process, if the Audit Department finds serious violations of laws, regulations, rules of the Group and regulations, and causes serious losses or waste, the monitoring process will be initiated. According to the system, the Audit Department has the right to investigate the risks, problems, complaints, and reports of various departments and subsidiaries of the listed Group, and the relevant personnel must explain the issues being discovered.

On the other hand, to further standardise the management definition of corruption prevention and related crimes, the Group is establishing the Corruption Prevention and Punishment Management Policy, which provides clear definitions of corruption and related behaviour, including but not limited to: (1) Requesting bribes from merchants, distributors, suppliers and employees, or accepting bribes (kickbacks) from customers, distributors, suppliers and employees, introducing bribes to others or arranging any form of benefit delivery; (2) Accepting bribes in disguise, including but not limited to receiving any benefits and property of merchants, distributors, suppliers, and engineering contractors in occasions such as wedding or funeral, or taking gambling, borrowing, credit card repayment, and other nominal bribery, withholding, etc. (3) Misappropriation, illegal possession or disposal of the Company's property (including funds, intangible assets,

products, gifts, equipment and office supplies, etc.) and illegal possession includes but not limited to theft, etc., and illegal disposal includes but not limited to bartering away, gifting, mortgage and pledge, etc. intentional concealment, fictitious transactions, including but not limited to repurchase of sales, fictitious sales information and Company employees, etc. and (4) Abuse of power, use the position to provide or seek any form of improper benefits to/from the other party.

The Group will implement corresponding punishment measures according to the amount involved in the case. The punishment includes unconditional termination of the labour contract relationship and transfers to the judicial office.

### Compliance information on relevant laws and regulations

The Group strictly abides by the anti-corruption related laws and regulations in the PRC and Hong Kong, including but not limited to *the Criminal Law of the PRC and the Prevention of Bribery Ordinance of Hong Kong*.

- *The Criminal Law of the PRC* regulates the criminal conduct of bribery acceptance and bribery in commercial transactions. Violation of relevant regulations may result in fines, imprisonment, or criminal detention.
- *The Prevention of Bribery Ordinance of Hong Kong* prohibits all forms of corruption and bribery. Any director or employee is prohibited from extorting, accepting or offering any bribes while conducting company business or affairs in Hong Kong or elsewhere. Violation of relevant regulations may result in fines and imprisonment.

The Group has established and actively improved relevant policies and preventive measures. During the reporting period, the Group did not have any major non-compliance matters in this regard, and there were no corruption cases brought against and concluded by the Group or our employees.

## Social Aspects

### **B7 ANTI-CORRUPTION** (cont'd)

#### **Preventive measures and reporting procedures, as well as related implementation and monitoring methods**

We strive to maintain an honest and self-disciplined working culture, to prevent all kinds of improper behaviour, and protect the legitimate interests of both parties effectively so that the two parties can establish long-term cooperative relations. The Group specifically established the Group's *Sunshine Agreement*, which clearly stated that the Group's employees or partners who have signed agreements must not bribe or accept bribes in any form, such as: giving cash gifts, valuable securities, gift cards, stored-value cards and other valuables to the employees or relatives of the other party; reimbursing personal expenses for the employees or relatives of the other party; Inviting employees or relatives of the other party to travel and enter business entertainment venues; provide convenience for the employees or relatives of the external party in relation to house decoration, weddings and funerals, work arrangements of families and children, and assistance to travel abroad, etc. If the staff of the external party is found to have violated the agreement, they should be reported to its respective company. If the report is found to be true after verification, the person responsible for the violation will be subject to economic or administrative penalties; those who violate the law will be transferred to the judicial office.

Besides, in order to prevent employees from violating rules, regulations and laws, and to implement anti-corruption work effectively to prevent corruption, bribery, bribery acceptance, and other violations of the law, the Group is actively establishing the *Letter of Integrity and Self-discipline Commitment of the Group Staff* with Key Positions, which clearly defines employee ethics including one must be honest, positively reflecting, complaining and reporting all kinds of corruption as well as providing information to the Group on assisting related audit investigations. It also clearly stated that those responsible for corruption will be held accountable in strict according to the relevant mechanisms of the Group. The Group also organizes anti-corruption training on a regular basis to enhance the integrity and compliance management skills of its staff, and hopes to continuously raise their awareness of integrity and self-discipline.

We has a whistle-blowing system. If there is a corruption complaint, the whistleblower can report to the Group's Audit and Supervision Department, the Audit Committee or the Board by phone or email. A designated person is appointed by the Audit Committee or the Board to carry out a targeted investigation into the case. If other units within the Group receive complaints and report information, they should also forward them to the Audit and Supervision Department promptly and keep them strictly confidential. The Group has established a patrol audit team to conduct patrol audit and formulated supervision work mechanism which gives supervision on the business and management activities of our business units irregularly, and also responsible for accepting complaints, reports on the spot and carry out on-site investigations.

### **B8 COMMUNITY INVESTMENT**

#### **General Disclosure**

To further standardise the Group's community investment activities and strengthen the management of the Group's external contributions, better fulfil the Group's social responsibilities and obligations on the basis of fully safeguarding the interests of shareholders, creditors and employees, promote and enhance the Group's brand and image effectively, the *Group's Community Investment Management Measures* is therefore established. The Group contributes corporate efforts, assumes social responsibilities and obligations, as well as actively participates in social welfare activities, including but not limited to cultural heritage, poverty alleviation, and elderly caring. On the other hand, the Group provides contributions to the disaster-stricken areas and vulnerable groups, supports the resumption of production, life relief, and promotes humanitarianism to create a healthy and harmonious society. To this end, the Group supports the establishment of volunteer or volunteer organisations to help people in need through voluntary work or volunteer organisation activities, thereby improving people's living environment, and adhere to the purpose of helping each other to improve the society.



### **B8 COMMUNITY INVESTMENT** *(cont'd)*

#### **Focus on areas of contribution and resources used**

The focus of the Group's contribution is mainly on community public welfare, including supporting community epidemic prevention work and donations for poverty alleviation and poverty relief etc. The Group has been working together to distribute epidemic prevention supplies to the needy, and has also sent daily necessities to bring warmth and blessing to the public. The detailed resources used are as follows:

|                                 | <b>Unit</b> | <b>2021</b> |
|---------------------------------|-------------|-------------|
| Total donation amount (the PRC) | RMB         | 216,000     |

# ENVIRONMENTAL ASPECTS

## OVERVIEW

Despite the low impact of issues under the environmental subject area on the Group and relevant stakeholders, we are committed to mitigating the impact of our operations on the environment. The impact of operations of the shopping malls on the environment mainly comes from energy consumption, including energy-consuming equipment such as lighting and air conditioning. There are no significant emissions and waste emissions from the operation of the shopping mall. We have established the Group's *Environmental Protection Management Methods*, which aims to implement various environmental protection works in an orderly manner, including actively promoting energy conservation and environmental protection; implementing, supervising and managing environmental protection works such as resources protection and pollution prevention, and continuously improving and committing to waste reduction which mitigates the impact on the environment.

In line with the national policy on energy conservation and emission reduction, we have set clear emission reduction targets. The short-term goal is to reduce all emissions (including air pollutants, greenhouse gases, hazardous and non-hazardous waste, and sewage), energy use (including electricity and heat), and resource consumption (including water and paper) by 2% by 2030 compared to the previous year. The medium and long-term goals are to gradually adopt renewable energy and use energy efficiency products, to maintain steady progress and to promote green development.

## A1 EMISSION

### General Disclosure

#### *Policies and information on laws and regulations compliance*

The operation of our shopping malls need to comply with relevant laws and regulations on environmental protection in the PRC, including but not limited to *the Environmental Protection Law of the PRC, the Water Pollution Prevention and Control Law of the PRC, the Atmospheric Pollution Prevention and Control Law of the PRC and the Law of the PRC on Prevention and Control of Environmental Noise Pollution*. Violation of the relevant laws and regulations by an enterprise may result in fines, orders of business suspension, closure, and serious criminal liability.

Our shopping mall constructions and other projects have adhered to the *Environmental Impact Assessment (EIA) Law of the PRC* and the *Regulations on the Administration of Construction Project Environmental Protection* etc. Under such laws and regulations, the environmental impact assessment of a project should be carried out and an EIA Report should be prepared for projects with potential environmental impacts. After completion of a project, the relevant organisation should perform inspection and acceptance of the environmental protection facilities for a project according to the standards and procedures stipulated by the environmental protection administrative department of the Provincial Government, and prepare an acceptance report accordingly.

We have established the Group's *Environmental Protection Management Methods* to manage and monitor the environmental impact of our operations. During the reporting period, the Group was not aware of any significant violations of laws and regulations that have a significant impact on the Group.

# Environmental Aspects

## A1 EMISSION (cont'd)

### Emission types and respective emission data

During the reporting period, the main sources of emissions of the Group were waste gas and wastewater. Vehicle exhausts were from company vehicles and combustion of pipeline natural gas, including air pollutants such as nitrogen oxides, sulphur oxides and particulate matters. To control and reduce related emissions, we monitored the mileage and fuel consumption of vehicles to keep track of the actual usage and ensure efficient usage of vehicles. The Group's air pollutant emission amounts are as follows:

| Air pollutant <sup>4</sup>         | Unit   | 2021 | 2020  | 2019 |
|------------------------------------|--------|------|-------|------|
| Nitrogen Oxides (NO <sub>x</sub> ) | Tonnes | 6.65 | 6.12  | 6.23 |
| Sulphur oxides (SO <sub>x</sub> )  | Tonnes | 0.11 | 0.09  | 0.10 |
| Particulate matter                 | Tonnes | 0.01 | 0.004 | 0.02 |

As for wastewater discharge management, in order to ensure that the discharged wastewater can meet the relevant environmental regulations and standards in the PRC "GB/T 31962-2015 Wastewater Quality Standards For Discharge To Municipal Sewers", the Group conducts water quality sample testing regularly for wastewater. The testing components included pH value, suspended solids, chemical oxygen demand, ammonia nitrogen, total phosphorus, total nitrogen, anionic surfactants, animal and vegetable oils. During the reporting period, the wastewater generated by the Group was tested and the content of the above components was assessed and confirmed to have met the standards of discharge. The Group's wastewater discharge amount are as follow:

|                      | Unit   | 2021       | 2020       | 2019       |
|----------------------|--------|------------|------------|------------|
| Wastewater discharge | Tonnes | 100,360.00 | 187,713.60 | 234,642.00 |

The wastewater discharge in the reporting period decreased by 47% compared with last year. Looking forward, the Group will continue to monitor the quality and quantity of the Group's emissions, and improve the collection and monitoring of emissions data.

### Greenhouse gas ("GHG") emission and intensity

During the reporting period, the sources of the Group's GHG emissions mainly included electricity consumption incurred from office buildings, malls and facilities, as well as vehicle fuel consumption. We are committed to the spirit of "Green Operation and Friendly Environment", combining new energy technology and management technique, striving for excellence in energy planning and management, promoting energy-saving and carbon reduction in the daily operation process to achieve the goal of continuous improvement of energy performance.

4 The calculation of air pollutant emissions refers to the "Technical Guide for the Preparation of Air Pollutant Emission Listing for Road Vehicles (Trial)" (道路機動車大氣污染物排放清單編制技術指南(試行)) issued by the ministry of environmental Protection of the PRC and "The First National Pollution Source Census: A Handbook for Urban and Domestic Source Emission Factors" (第一次全國污染源普查城鎮生活源產排污系數手冊)

# Environmental Aspects

## A1 EMISSION (cont'd)

### Greenhouse gas ("GHG") emission and intensity (cont'd)

The Group's GHG<sup>5</sup> emissions by scopes are as follows:

|                         | Unit  | 2021             | 2020      | 2019 <sup>6</sup> |
|-------------------------|---|------------------|-----------|-------------------|
| Scope 1 <sup>7</sup>    | Tonnes of CO <sub>2</sub> equivalent  | <b>185.78</b>    | 1,498.34  | 1,521.10          |
| Scope 2 <sup>8</sup>    | Tonnes of CO <sub>2</sub> equivalent  | <b>21,114.01</b> | 16,827.87 | 17,036.37         |
| Total GHG emissions     | Tonnes of CO <sub>2</sub> equivalent  | <b>21,299.79</b> | 18,326.21 | 18,557.47         |
| GHG emissions intensity | Tonnes of CO <sub>2</sub> equivalent/<br>square metre (sq. m.) <sup>9</sup> | <b>0.0585</b>    | 0.0504    | 0.0510            |

Our GHG emissions are mainly related to electricity consumption (Scope 2), followed by petrol, diesel and natural gas consumption (Scope 1). Compared to previous year, the GHG emission intensity increased by 16% in the reporting period. In order to reduce emissions, we have established and implemented relevant electricity-saving measures, please refer to the section headed "A2 Uses of Resources" for details. Looking ahead, the Group will continue to monitor its GHG emissions and improve the collection and monitoring of GHG emissions data.

### Hazardous waste produced and intensity

Our operation of shopping malls does not produce or handle any hazardous waste.

### Non-hazardous waste produced and intensity

Wastes generated by the Group's shopping malls are mainly domestic waste generated during daily operations. The amounts of waste generated are as follows:

|                | Unit                        | 2021         | 2020   | 2019     |
|----------------|-----------------------------|--------------|--------|----------|
| Domestic waste | Tonnes                      | <b>800</b>   | 885.04 | 1,106.30 |
| Intensity      | Tonnes/sq. m. <sup>10</sup> | <b>0.002</b> | 0.002  | 0.003    |

During the reporting period, the Group's domestic waste generation decreased by approximately 10% as compared to last year. Looking ahead, the Group will continue to reduce waste generation.

5 The calculation of Greenhouse gas emissions is based on the "General Guideline of the Greenhouse Gas Emissions Accounting Method and Reporting of Other Industrial Enterprises (Trial)" (工業其他行業企業溫室氣體排放核算方法與報告指南(試行)) issued by the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會) and "Emission Reduction Project China Regional Power Grid Baseline Emission Factor" (減排專案中國區域電網基準線排放因子) issued by the Ministry of Ecology and Environment Department on Countering Climate Change of the PRC (中華人民共和國生態環境部應對氣候變化司).

6 Figures of 2019 were restated.

7 Scope 1: Emissions directly from business operations owned or controlled by the Group.

8 Scope 2: "Indirect energy" emissions caused by internal consumption (purchased or acquired) of electricity, heat, refrigeration and steam within the Group.

9 The total area of the Group's offices and shopping mall is 363,792.35 sq.m. in 2019, 2020 and 2021.

10 The total area of the Group's offices and shopping mall is 363,792.35 sq.m. in 2019, 2020 and 2021.

## A1 EMISSION (cont'd)

### Measures to mitigate emissions and results achieved

In order to continue to improve and strive to reduce waste emissions, the Group is actively improving the Group's *Environmental Protection Management Methods*, which includes the following measures:

- Burning of asphalt, linoleum, rubber, plastic, hay, fallen leaves, garbage and other substances that generate toxic and harmful gases or malodorous gases are prohibited in the areas of shopping malls;
- The discharge of toxic and harmful gas and dust into the atmosphere is strictly restricted; if there is a necessity for the discharge, the gas emission must undergo purification and do not exceed the regulated standards before discharging;
- Restaurants are encouraged to implement water-saving and pollution-reduction initiatives, reusing and recycling water to improve the overall water utilisation rate;
- Grease trap should be equipped to pre-treat restaurant effluents and to separate the oil from water. Oil mist from the kitchen must also be pre-treated. Both effluents and oil mist must meet their emission standards before discharging. Also, wastewater containing oil, acid, alkaline, and highly toxic liquid is strictly restricted to be discharged into natural water sources to prevent pollution;
- Vehicle restriction control is implemented in shopping mall areas, vehicles that do not meet environmental protection requirements are prohibited from entering; and
- When noise and vibration occur, measures such as noise reduction, sound insulation, and shock prevention should be taken.

The Group will continue to implement the above waste management measures and continuously improve the data collection and monitoring methodologies for wastes. Looking forward, the Group will continue to improve the data collection system, and conduct forecast based on the data collected in the next few years to formulate emission reduction strategies in a timely manner.

### Hazardous and non-hazardous waste handling, measures on waste reduction and results achieved

The Group's waste management strategy focuses on waste reduction, recycling and reuse, aiming to save operating costs while lowering the impact on the environment. Solid waste should be cleared, transported and disposed of in a timely manner. When collecting, storing, transporting, using, and disposing of solid waste, measures must be taken to prevent diffusion, loss, and permeation. No unauthorised dumping, piling, littering or scattering of solid waste. A large amount of paper is used in daily operation, which caused an impact on the environment. The waste generated by the operation of offices is mainly office paper. During the reporting period, the Group's total paper consumption was 1.2 tonnes. In order to protect the environment, we are establishing relevant policies to minimise wastage of paper and other resources.

The Group will continue to record and disclose the amount of wastes produced. Looking ahead, the Group will continue to improve the data collection system, and forecast based on the data collected in the next few years to formulate waste reduction strategies in a timely manner.

# Environmental Aspects

## A2 USE OF RESOURCES

### General Disclosure

#### Policies

The Group is actively establishing the Group's *Energy Saving Implementation Plan* for standardising specific energy-saving guidelines and regulations on public and office lighting, air conditioning use, power distribution management, electromechanical equipment management, and water supply, etc. For example, for public and office lighting, we have used energy-efficient lighting instead of compact fluorescent lamps and have adopted a lighting control system based on different time period to achieve the purpose of energy saving. For air conditioning use, we have established a clear benchmark for air conditioner usage instead of utilising air conditioning on a whole day basis, and we monitor room temperature and air conditioner parameters to ensure the air conditioners functioning properly.

#### Total of direct and/or indirect energy consumption by type and intensity

The Group's energy consumption includes petrol, diesel, natural gas and purchased electricity. During the reporting period, the Group's main source of energy consumption was electricity, which accounted for 71% of its total energy consumption. The total energy consumption in the reporting period was maintained at a consistent level compared with last year. The following table shows the total energy consumption by energy types:

|                                     | Unit                     | 2021      | 2020      | 2019      |
|-------------------------------------|--------------------------|-----------|-----------|-----------|
| <b>Direct energy consumption</b>    |                          |           |           |           |
| – Petrol                            | MWh                      | 443.12    | 582.70    | 568.26    |
| – Diesel                            | MWh                      | 357.59    | 240.70    | 504.52    |
| – Natural Gas                       | MWh                      | 7,124.09  | 6,466.81  | 6,330.43  |
| <b>Indirect energy consumption</b>  |                          |           |           |           |
| – Purchased electricity             | MWh                      | 19,514.74 | 19,609.04 | 19,362.57 |
| <b>Total energy consumption</b>     | MWh                      | 27,439.54 | 26,899.25 | 26,765.78 |
| <b>Energy consumption intensity</b> | MWh/sq. m. <sup>11</sup> | 0.075     | 0.074     | 0.074     |

#### Total water consumption and intensity

Water is an indispensable natural resource in the daily operations of the Group. During the reporting period, the Group's total water consumption was 300,766.00 cubic meters (m<sup>3</sup>). Due to epidemic prevention work, the Group consumed more water to enhanced the cleaning and disinfection work, the total water consumption increase by 35% compared to the previous year. The details of the Group's water consumption data are as follows:

|                             | Unit                                 | 2021       | 2020       | 2019       |
|-----------------------------|--------------------------------------|------------|------------|------------|
| Water consumption           | m <sup>3</sup>                       | 300,766.00 | 223,289.00 | 213,036.00 |
| Water consumption intensity | m <sup>3</sup> /sq. m. <sup>12</sup> | 0.83       | 0.61       | 0.59       |

11 The total area of the Group's offices and shopping mall is 363,792.35 sq.m. in 2019, 2020 and 2021.

12 The total area of the Group's offices and shopping mall is 363,792.35 sq.m. in 2019, 2020 and 2021.

## A2 USE OF RESOURCES *(cont'd)*

### Energy efficiency plans and results

The Group promotes environmental protection in its daily business operations. The Group implements various environmental protection measures at its operating premises. We mitigate the negative impact of the operating site on the environment through the proper use of energy. During the reporting period, the Group's total energy consumption was slightly risen by 2%, we will continue to effectively control the operating time of the equipment, reducing the impact of GHG emissions on nature. Besides, the Group also established specific energy-saving measures in the Energy-Saving Implementation Plan as follows:

#### Lighting Management

- Adopt lighting time management, arrange proper lighting according to the needs at different periods instead of having all the lightings on at all times, to balance out between the needs and energy saving;
- All fluorescent lights in the basement are replaced with more energy-saving LED lights, and corridor lights are gradually replaced with energy-saving lights. For electrical facilities with low usage requirements, automatic control devices such as infrared induction and time control are equipped; and
- The office area makes full use of natural lighting to reduce the need for lighting facilities

#### Air Conditioning Management

- Establish a comprehensive room temperature monitoring and air-conditioning energy-saving management system; monitor room temperature, air-conditioning system parameters and energy consumption daily;
- Set a reasonable air-conditioning temperature, except for the needs during summer and winter, air-conditioning usage in other seasons should be minimised. The air-conditioning temperature should be set at 26°C or above in summer and not higher than 20°C in winter; and

- When the air conditioner is operating, the office should remain enclosed to prevent the loss of cold air avoiding the air conditioner from a long period of operation.

Looking ahead, the Group will continue to monitor the energy use of the Group and continue to improve data collection and monitoring.

### Issue in sourcing water

The Group understands that water resources are among the most precious natural resources on the planet, so we attach great importance to the rational use of water resources and are committed to reducing unnecessary water consumption. In terms of water usage, water for operation is provided by the water supply company, so there is no issue in sourcing water that is fit for purpose. We will set a water consumption budget at the beginning of each year and install sensors at the points of use in the bathroom to control the water consumption.

Looking ahead, the Group will continue to monitor the use of water resources of the Group and continuously improve data collection and monitoring.

### Packaging materials for finished goods

The Group's business does not involve any product production, therefore no packaging material consumption is incurred, hence no relevant data is disclosed.

# Environmental Aspects

## A3 THE ENVIRONMENT AND NATURAL RESOURCES

### General Disclosure

The Group is establishing its *Environmental Protection Management Methods* to standardise and implement the environmental protection management tasks in an orderly manner. We actively promote energy conservation and environmental protection within the Group as well as implement supervision and management of environmental protection work such as resources conservation and pollution prevention. We will continue to improve and are committed to reducing waste emissions and the impact on the environment.

### Significant impacts of activities on the environment and natural resources and the actions taken to manage them

Although the environmental impact of the Group is minimal and natural resources are rarely used directly, we still strive to improve the waste management mechanism. As a responsible enterprise that values environmental protection, we prevent or minimise the possible damage to the environment, such as air pollution, noise pollution, garbage piling, etc. by managing the tenants of the shopping malls. We have established targeted environmental protection measures according to the different situations that may happen in the shopping malls, including:

- When decorating and refurbishing shops, the construction area must be effectively enclosed before the commencement of construction. Environmental pollution caused by operations should be prevented during the construction, the remaining construction materials and construction site should be cleaned up after construction;
- When transporting refurbishment materials and garbage, anti-leakage measures must be taken, and such materials cannot be stacked in the public areas of the market; refurbishment garbage should be transported out of the market in a timely manner;

- To minimise dust pollution in the passageway of the shopping malls, measures are implemented including water spraying or flushing for dust suppression. Dust and garbage that remain after such cleaning should be removed in a timely manner;
- Constructions that generate odour and noise should be avoided during the normal business hours of the shopping malls.
- Domestic sewage is only allowed to be discharged through designated pipelines, and mixed discharge of rainwater and sewage is strictly prohibited to prevent pollution of water sources; and
- For volatile and odour-causing items, measures must be taken to prevent such volatile gases from causing environmental pollution or producing odours, in order to prevent environmental pollution incidents from happening.

## A4 CLIMATE CHANGE

The Group deeply acknowledged that climate change is a common challenge for all of us, while PRC, as the biggest developing country in the world, attaches great importance to tackling climate change. The PRC government has decided to adopt more vigorous policies and measures and made two significant decisions in 2020: achieve carbon peaking by 2030 and carbon neutrality in 2060. The Group is planned to gradually respond to the decisions. The short-term goal is to reduce all the emissions by 2% compared to the previous year. With the expansion of the Group's sales and distribution regions and business scope, the practices of energy saving should be further enhanced to respond to the goal and achieve sustainable development. In addition to energy saving and emission reduction, the Group is committed to promoting the construction of environmental protection, green and standard systems in China's hospitality industry, and strives to promote green and environmental protection standards for China's hospitality products, food contact product safety, product quality and safety system certification, etc., in order to respond to the requirements and implement sustainable development.



## A4 CLIMATE CHANGE *(cont'd)*

The Group has identified a range of climate change-related risks and opportunities related to our assets and services to understand the scenarios in which such risks and opportunities may have a greater impact. The transition and physical risks are discussed in the following sections.

|  | <b>Risks</b>   | <b>Opportunities</b>  |
|--|--|---|
| <b>Short term (0-1 year)</b>               | <ul style="list-style-type: none"> <li>Physical risk arising from extreme weather incidents</li> <li>Acquiring the skills and capabilities needed for implementing climate strategies</li> </ul>   | <ul style="list-style-type: none"> <li>New products and services to help communities decarbonize</li> <li>New technologies to enhance operational and energy efficiency</li> </ul>  |
| <b>Medium term (5 year)</b>                | <ul style="list-style-type: none"> <li>Transition risk – implementing policies for low carbon operations</li> <li>Transition risk – supply and demand for certain commodities, products and services may change is climate – related risk and opportunities are increasingly taken into account.</li> </ul>  | <ul style="list-style-type: none"> <li>To meet carbon reduction goals set by the governments, opportunities for business to transition towards a low-carbon economy</li> <li>Opportunities arising from transformational factors</li> </ul>                                       |
| <b>Medium and long term (Over 5 years)</b> | <ul style="list-style-type: none"> <li>Transition risk – potential new regulations and policies</li> <li>Transition risk – the development and use of emerging technologies may increase operational costs and reduce the Group’s competitiveness</li> <li>Transition risk – the Group’s reputation may be affected by the changing perspective of customers or communities on the transition to a low carbon economy</li> </ul> | <ul style="list-style-type: none"> <li>Transition to a low carbon economy to meet governments decarbonization targets</li> <li>Opportunities arising from transformational factors</li> <li>To work as a pioneer in the industry and build up the relevant reputations</li> </ul> |

# Environmental Aspects

## A4 CLIMATE CHANGE *(cont'd)*

In response to the issues that may arise from climate change, we are prepared to integrate more sustainability issues into our business. These include extreme weather event, such as storm, flood, and other natural disasters, that pose unavoidable physical risks. Under the extreme weather conditions, logistics and supply chain are specifically prone to negative impacts. Heavy rains, rising tides and flood can cause severe damage to assets such as warehouse and stored goods, resulting in financial loss. As for the potential risk in supply chain, the Group's *Procedures-Tendering (Procurement) Management Policy* covers standby qualified supplier to cope with situations where supplier networks are disrupted due to extreme weather conditions and reduces the logistics disruption. The Group also has internal guideline detailing the emergency response mechanism to ensure the safety of staff.

Excess risk due to policy changes, technological developments, digitization, associated risks affecting supply and public perception of its reputation may increase operating costs and legal risk. The Group has identified the relevant risks and is continuously monitoring changes in the market and policies. The Group also plans to invest according to market demand and use this as an opportunity for long term development.

The Group highly values the customers. We will continue to improve the application and innovation ability, strive to increase the efficiency, and protect the Group's reputation. Over the years, the Group has been seizing different opportunities to expand the business, accelerate transformation and make the Group smarter and greener, safer for our employees and product users (e.g. automation, use of more online meeting e-platforms under COVID-19 pandemic to reduce carbon emissions from transportation). These measures increase the sustainability of our facilities and fulfill our commitment to resource management and environmental protection.

Looking ahead, the Group will continue to review the impact of climate change on business and incorporate climate-related risks and opportunities into operational considerations, such as changes in environmental-related regulations, in order to increase resilience.

# THE STOCK EXCHANGE OF HONG KONG “ESG GUIDE”

## CONTENT INDEX

---

|  |                          |
|--|--------------------------|
| <b>Subject Areas, Aspects,<br/>General Disclosures and Key Performance Indicators (KPIs)</b> | <b>Section/Statement</b> |
|--|--------------------------|

---

### **Subject Area A – Environment**

#### **Aspect A1: Emissions**

|                           |  |           |
|---------------------------|--|-----------|
| <b>General Disclosure</b> | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to air and greenhouse gas emission, discharges into water and land, and generation of hazardous and non-hazardous waste | Emissions |
| <b>KPI A1.1</b>           | The types of emissions and respective emissions data   | Emissions |
| <b>KPI A1.2</b>           | 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)   | Emissions |
| <b>KPI A1.3</b>           | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)  | Emissions |
| <b>KPI A1.4</b>           | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)  | Emissions |
| <b>KPI A1.5</b>           | Description of emissions target(s) set and steps taken to achieve them   | Emissions |
| <b>KPI A1.6</b>           | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them  | Emissions |

#### **Aspect A2: Use of Resources**

|                           |   |                  |
|---------------------------|---|------------------|
| <b>General Disclosure</b> | Policies on the efficient use of resources, including energy, water and other raw materials   | Use of Resources |
| <b>KPI A2.1</b>           | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility) | Use of Resources |
| <b>KPI A2.2</b>           | Water consumption in total and intensity (e.g. per unit of production volume, per facility)   | Use of Resources |
| <b>KPI A2.3</b>           | Description of energy use efficiency target(s) set and steps taken to achieve them  | Use of Resources |
| <b>KPI A2.4</b>           | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them                       | Use of Resources |
| <b>KPI A2.5</b>           | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced   | Use of Resources |

# The Stock Exchange of Hong Kong “ESG Guide” Content Index

| <b>Subject Areas, Aspects,<br/>General Disclosures and Key Performance Indicators (KPIs)</b> |  | <b>Section/Statement</b>              |
|--|--|---------------------------------------|
| <b>Subject Area A – Environment (cont’d)</b>   |  |                                       |
| <b>Aspect A3: The Environment and Natural Resources</b>                                      |  |                                       |
| <b>General Disclosure</b>  | Policies on minimising the issuer’s significant impacts on the environment and natural resources   | The Environment and Natural Resources |
| <b>KPI A3.1</b>  | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them   | The Environment and Natural Resources |
| <b>Aspect A4: Climate Change</b>   |  |                                       |
| <b>General Disclosure</b>  | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer  | Climate Change                        |
| <b>KPI A4.1</b>  | Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them  | Climate Change                        |
| <b>Subject Area B – Social</b>   |  |                                       |
| <b>Employment and Labour Practices</b>   |  |                                       |
| <b>Aspect B1: Employment</b>   |  |                                       |
| <b>General Disclosure</b>  | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to compensation and dismissal recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare | Employment                            |
| <b>KPI B1.1</b>  | Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region  | Employment                            |
| <b>KPI B1.2</b>  | Employee turnover rate by gender, age group and geographical region  | Employment                            |
| <b>Aspect B2: Health and Safety</b>  |  |                                       |
| <b>General Disclosure</b>  | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to providing a safe working environment and protecting employees from occupational hazards  | Health and Safety                     |
| <b>KPI B2.1</b>  | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year   | Health and Safety                     |
| <b>KPI B2.2</b>  | Lost days due to work injury   | Health and Safety                     |
| <b>KPI B2.3</b>  | Description of occupational health and safety measures adopted, and how they are implemented and monitored   | Health and Safety                     |

# The Stock Exchange of Hong Kong “ESG Guide” Content Index

---

**Subject Areas, Aspects,  
General Disclosures and Key Performance Indicators (KPIs)** **Section/Statement**

---

**Subject Area B – Social (cont’d)**

**Employment and Labour Practices (cont’d)**

**Aspect B3: Development and Training**

|                           |  |                          |
|---------------------------|--|--------------------------|
| <b>General Disclosure</b> | Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities | Development and Training |
| <b>KPI B3.1</b>           | The percentage of employees trained by gender and employee category (e.g. senior management, middle management)          | Development and Training |
| <b>KPI B3.2</b>           | The average training hours completed per employee by gender and employee category  | Development and Training |

**Aspect B4: Labour Standards**

|                           |   |                  |
|---------------------------|---|------------------|
| <b>General Disclosure</b> | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour | Labour Standards |
| <b>KPI B4.1</b>           | Description of measures to review employment practices to avoid child and forced labour   | Labour Standards |
| <b>KPI B4.2</b>           | Description of steps taken to eliminate such practices when discovered  | Labour Standards |

**Operation Practices**

**Aspect B5: Supply Chain Management**

|                           |  |                         |
|---------------------------|--|-------------------------|
| <b>General Disclosure</b> | Policies on managing environmental and social risks of the supply chain  | Supply Chain Management |
| <b>KPI B5.1</b>           | Number of suppliers by geographical region   | Supply Chain Management |
| <b>KPI B5.2</b>           | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored | Supply Chain Management |
| <b>KPI B5.3</b>           | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored                        | Supply Chain Management |
| <b>KPI B5.4</b>           | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored     | Supply Chain Management |

# The Stock Exchange of Hong Kong “ESG Guide” Content Index

| Subject Areas, Aspects,<br>General Disclosures and Key Performance Indicators (KPIs) |  | Section/Statement      |
|--|--|------------------------|
| <b>Subject Area B – Social (cont’d)</b>  |  |                        |
| <b>Operation Practices (cont’d)</b>  |  |                        |
| <b>Aspect B6: Product Responsibility</b>   |  |                        |
| <b>General Disclosure</b>  | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress | Product Responsibility |
| <b>KPI B6.1</b>  | Percentage of total products sold or shipped subject to recalls for safety and health reasons  | Product Responsibility |
| <b>KPI B6.2</b>  | Number of products and service related complaints received and how they are dealt with   | Product Responsibility |
| <b>KPI B6.3</b>  | Description of practices relating to observing and protecting intellectual property rights   | Product Responsibility |
| <b>KPI B6.4</b>  | Description of quality assurance process and recall procedures   | Product Responsibility |
| <b>KPI B6.5</b>  | Description of consumer data protection and privacy policies, and how they are implemented and monitored   | Product Responsibility |
| <b>Aspect B7: Anti-corruption</b>  |  |                        |
| <b>General Disclosure</b>  | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering  | Anti-corruption        |
| <b>KPI B7.1</b>  | 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  | Anti-corruption        |
| <b>KPI B7.2</b>  | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored  | Anti-corruption        |
| <b>KPI B7.3</b>  | Description of anti-corruption training provided to directors and staff  | Anti-corruption        |

# The Stock Exchange of Hong Kong “ESG Guide” Content Index

---

## Subject Areas, Aspects,

## General Disclosures and Key Performance Indicators (KPIs)

## Section/Statement

---

### Subject Area B – Social (cont'd)

#### Community

#### Aspect B8: Community Investment

|                           |  |                      |
|---------------------------|--|----------------------|
| <b>General Disclosure</b> | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. | Community Investment |
| <b>KPI B8.1</b>           | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).  | Community Investment |
| <b>KPI B8.2</b>           | Resources contributed (e.g. money or time) to the focus area.  | Community Investment |