

Poly Culture Group Corporation Limited

Environmental, Social and Governance (ESG) Report

2022

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About the Report

This is the first independent ESG report published by Poly Culture Group Corporation Limited (hereinafter referred to as "Poly Culture", "the Company", "the Group", "we", "us", or "our"). This report outlines the Group's efforts in relation to environmental stewardship, social responsibility and corporate governance in 2022 and responds to the concerns of stakeholders in the three areas.

	<p>Reporting Guidelines</p> <p>This report is prepared in accordance with the ESG Reporting Guide in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "HKEX ESG Reporting Guide").</p>
	<p>Reporting Period</p> <p>From 1 January 2022 to 31 December 2022</p>
	<p>Reporting Boundaries</p> <p>This report covers ESG performance of Poly Culture and its subsidiaries.</p>
	<p>Data Sources</p> <p>This report is a true reflection of Poly Culture's environmental, social and governance practices. Data used in this report were derived from official documents and statistical reports of the Company and its subsidiaries.</p>
	<p>Reporting Principles</p> <p>The following Reporting Principles underpin the preparation of this ESG report:</p> <ul style="list-style-type: none"> • Materiality: Material ESG issues covered by this report were determined after discussing with stakeholders; • Quantitative: The report presents an objective evaluation of the Company's ESG performance based on quantitative data; • Balance: The report presents an unbiased picture of the Group's ESG performance; and • Consistency: The reporting of the Company's ESG performance is founded on consistent measurement.

ESG Statement of the Board of Directors

The following is a statement made by the Board of Directors of the Company in accordance with the requirements of the HKEX ESG Reporting Guide. The Board of Directors of Poly Culture promises that they will continue to improve the Company's environmental, social and governance (hereinafter referred to as "ESG") system, strengthen the Board's oversight of ESG issues, and integrate ESG factors into the Company's development strategy, major decisions and operations in accordance with the requirements of the Code of Corporate Governance for Listed Companies published by the China Securities Regulatory Commission and HKEX ESG Reporting Guide.





About Us

:: About the Company

Poly Culture (03636.HK), a subsidiary of China Poly Group Corporation, went public on the HKEX's Main Board in 2014. Founded in 2000, Poly Culture is principally engaged in theater and stage management, art auction and management, and theater investment and maintains a leading position in the first two areas. We are also working to expand into new areas such as cultural finance, art education, cultural tourism, and cultural creativity.

Poly Culture has more than 140 subsidiaries (including wholly-owned subsidiaries) and owns many well-known brands such as Poly Theater, Poly Auction, Poly Film, Poly Art Education, and Poly WeDo. We have been ranked among the Top 30 Companies in China's Cultural Industry for 12 times. We are also one of the first batch of the Cultural Industry Demonstration Projects approved by the Ministry of Culture (today's Ministry of Culture and Tourism).

Milestones



Recognition

- In January 2022, the drama "The Road We Have Taken" (《人间正道是沧桑》) jointly produced by Poly Theatre won three nominations at the 5th Chinese Theatre Awards, including "Best Drama of the Year", "Best Director" and "Best Screenplay", and finally won two awards, namely, "Best Screenplay" and "Best Director". Such drama also won the Outstanding Works Award of the 12th Five-One Project of Spiritual Civilization Construction in Jiangsu Province, the Outstanding Drama Award and the Outstanding Performance Award of the 2022 Zijin Culture and Art Festival.
- In April 2022, the original drama *Taihang* (《太行》), jointly produced by Beijing Poly Theatre and created and performed by Shanxi Vocational College of Art, was successfully selected for the 18th China (Shenzhen) Cultural Fair Art Festival.
- In June 2022, the documentary *Stories of Porcelain* (《我是你的瓷儿》) produced by Poly Culture in conjunction with Bilibili and Tiangong Chuanqi was officially launched in Bilibili. This documentary was selected as the "2022 Network Audio-visual Boutique Program" by the National Radio and Television Administration, and was rated as an excellent domestic documentary in the third quarter of 2022 by the National Radio and Television Administration.
- In July 2022, Poly Theater bagged Best Collective and Best Individual awards at the Zijin Cup Culture and Tourism Awards.
- In November 2022, the TV series *A Lifelong Journey* (《人世间》) jointly produced by Poly Film won the Golden Eagle Award for outstanding TV Series, the Best Director of TV Series, the Best Actress Award and the Best Actor Award.
- In December 2022, as a typical case of rural revitalization empowered by culture and tourism, the project of "Cultural Poly Moisturizes the Countryside" was selected as the exhibition area of rural revitalization empowered by cultural industry in the 18th China (Shenzhen) International Cultural Industry Expo.
- In January 2023, At the Art World Summit 2022 & Awarding Ceremony of the 6th Artwork Market Value Chart co-hosted by Beijing Business Today Press and Beijing Association of Auctioneers, Beijing Poly Auction won the Outstanding Contributor Award.

Strategy and Management



ESG management

We attach great importance to the social responsibility of the Company. We have embedded sustainability into our development strategy and business targets and take steps to improve our sustainability management system. Our ESG issues are handled by the Board of Directors and their representatives. A three-tier management structure consisting of the Board of Directors, the ESG reporting team, and various functional departments and subsidiaries has been put in place to ensure the smooth implementation of our ESG strategy.



Material ESG issues

The ESG report was prepared in accordance with the principle of materiality set out in HKEX ESG Reporting Guide. Material ESG issues covered by this report are not only the focus of our development strategy but also concerns of our material stakeholders, including shareholders, customers, employees, suppliers, and partners.

The process we adopt to identify material ESG issues involves consideration of our operations, industry trends, and material issues of the previous year as well as materiality assessment with material stakeholders of the Group. ESG issues that are important to both internal and external stakeholders covered by this report include operational compliance, risk management, social responsibility, resource use, development and training.

Stakeholder engagement

Stakeholder engagement is key to the sustainable development of a business. We have established a multi-level, multi-channel communication system that is in line with the characteristics of the industry and our business operations for effective engagement with our stakeholders, including investors, customers, employees, suppliers, partners, governments, regulators, media outlets, and the general public. Stakeholders can provide opinions and suggestions on the Company's sustainability strategy through the following channels.

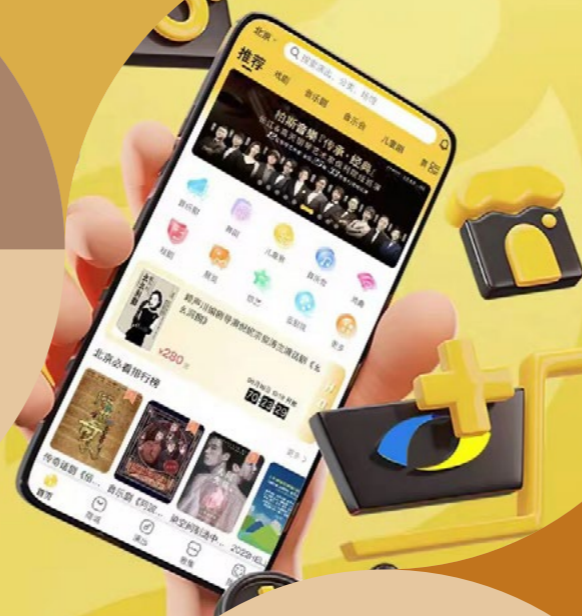


Contribution to Cultural Prosperity

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At its 20th National Congress, the Communist Party of China (CPC) put forward Chinese modernization as a means of advancing the great rejuvenation of the Chinese nation in an all-round way, and defined enriching the people's cultural lives as an essential requirement for Chinese modernization. As a company mainly operating in cultural and creative industries, we are committed to promoting advanced socialist culture and enhancing China's soft power in accordance with the 14th Five-Year Plan. Shouldering the mission of keeping a firm conviction, winning the people's support, cultivating new generations of people, advancing culture, and presenting China's positive image, we are devoted to bolstering cultural self-confidence and contributing to the development of socialist culture by providing high-quality cultural products and services for the public.



To international cultural exchange and cooperation	19
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Demonstration of mainstream values

Our theaters and film production platforms actively participate in the making of high-quality cultural and artistic works that are keyed into the zeitgeist of the era with a view to promoting patriotism and innovation, showcasing China's achievements in development, and revealing thoughts and feelings of the people.



In 2022, Poly Theater coordinated the production of the symphonic poem *A Thousand Miles of Rivers and Mountains* as a tribute to the 20th National Congress of the CPC, engaging symphony orchestras in more than 20 cities across the country. The national tour of this symphonic poem, jointly commissioned by 23 members of the Symphony Orchestra Alliance, which is an organization affiliated to the Chinese Musicians Association, kicked off at the end of July 2022. The tour included 20 performances at different locations across the country. China Philharmonic Orchestra, Shanghai Symphony Orchestra, Guangzhou Symphony Orchestra, Shenzhen Symphony Orchestra, and Hangzhou Philharmonic Orchestra participated in the tour.

Poly Theater also produced large-scale musical *Teacher Guimei* in collaboration with China Oriental Performing Arts Group and large-scale musical *Jiang Jie* in collaboration with Beijing Film Academy. The two musicals have a high artistic value and are emotionally powerful. They convey the ideals and cultural identity of the Chinese nation and promote justice, kindness, and appreciation of beauty.



◆◆ *Teacher Guimei: the power of role model*

case

The national tour of musical *Teacher Guimei*, co-produced by Poly Theater, kicked off in September 2022. This musical is based on the true story of Zhang Guimei, the winner of the July 1st Medal. It is a story about dedication and change. Zhang helped build China's first free high school for girls and helped about 2,000 girls realize their dreams of going to university, changing their destiny with knowledge. The production of the musical, engaging an excellent creative team, was authorized by Zhang Guimei and sponsored by the China National Arts Fund in 2022. Thanks to the national tour of the musical, many people have been inspired by the story of Zhang.



◆◆ *A Man of the People: a story of Deng Xiaoping*

case

A Man of the People, a biopic of Deng Xiaoping co-distributed by Poly Film, was released on April 2022. The film tells the story of Deng while he lived and worked in Jiangxi and brings many facts of that era of turbulence to the screen for the first time. The film recaptures scenes of the time in an authentic, detailed manner and focuses on the story of Deng Xiaoping as a common people. This would arouse sympathy among the audience and highlight the humanity of the great leader. As the past unfolds, viewers can go deep into his inner world.



◆◆ *The Tipping Point: a gripping crime-fighting story*

case

In 2022, the film *The Tipping Point* co-produced Poly Film (Chief Producer) and Poly Digi-Entertainment under the guidance of Poly Culture, was released nationwide. Based on a real case supervised by the Central Political and Legal Affairs Commission, the film tells the story of a group of police officers and CPC officials who work hard to combat organized crime. It won the Organizer's Choice Award at the 14th Macau International Film Festival & Golden Lotus Awards Ceremony.



To cultural life

As a centrally-managed enterprise operating in cultural industries for many years, we are shouldered with the responsibility of satisfying the spiritual and cultural needs of the general public. To this end, we have built an integrated content operation platform to deliver more cultural products of high quality and positive values.

:: Cultural platforms for cities

Theaters serve as an important platform for cultural exchange and a window into a city's cultural climate. We manage the world's largest theater chain and work actively to deepen strategic cooperation with local governments in construction of public cultural facilities, with a view to optimizing the allocation of urban and rural cultural resources and promoting the integration of public cultural service systems in urban and rural areas. In 2022, we signed strategic cooperation agreements with several provinces, including Henan, Zhejiang, Jiangsu,

and Shanxi, to help them bolster cultural industries. We also took over four projects, including the Wuhan Airport Grand Theater and Harbin Grand Theater. Poly Theater operates and manages more than 70 theaters in 68 cities across 23 provincial-level regions, with employees exceeding 6,000. It is the largest theater chain in the country. As of 2022, Poly Theater had presented more than 80,000 high-quality performances at home and abroad and welcomed more than 80 million admissions.



:: High-quality, efficient and healthy opening up

a performance art ecosystem with Chinese characteristics

Map of Poly Theater

● Capital

- ◆ 1 Beijing Poly Theatre
- 2 Xi'an Chanba Poly Grand Theatre
- 3 Chongqing Grand Theatre
- 4 Shanghai Yunjian Theater
- 5 Poly Shanghai City Theatre
- 6 Shanghai Poly Grand Theatre
- 7 1862 Fashion Art Center
- 8 Shanghai Oriental Art Center

- ◆ 1 Beijing Comedy Theatre
- 2 Forbidden City Concert Hall
- 3 Tangshan Grand Theatre
- 4 Tianjin Grand Theatre
- 5 Baoding Guanhanqing Grand Theatre
- 6 Hengshui Poly Grand Theatre
- 7 Weizhou Grand Theatre

- 1 Harbin Grand Theater
- 2 Shengjing Grand Theatre
- 3 Liaoning Grand Theatre
- 4 Fushan Theatre
- 5 Yantai Grand Theatre
- 6 Binzhou Grand Theatre
- 7 Zibo Grand Theatre
- 8 Liaocheng Shuicheng Mingzhu Grand Theater
- 9 Jining Grand Theatre
- 10 Heze Grand Theatre
- 11 Zoucheng Mencius Grand Theatre
- 12 Mount Taishan Grand Theater
- 13 Weifang Grand Theatre
- 14 Qingdao Grand Theatre

- 1 Lianyungang Grand Theatre
- 2 Suyu Grand Theatre
- 3 Huai'an Grand Theatre
- 4 Shangnan Poly Grand Theatre
- 5 Taizhou Grand Theatre
- 6 Changzhou Grand Theatre
- 7 Suzhou Poly Grand Theatre
- 8 Wuxi Grand Theatre
- 9 Yixing Poly Grand Theatre
- 10 Zhangjiagang Grand Theatre
- 11 Kunshan Cultural and Art Center Grand Theatre
- 12 Changshu Grand Theater
- 13 Qidong Poly Grand Theatre
- 14 Menhai Grand Theatre
- 15 Hangzhou Linping Grand Theatre
- 16 Zhuji Xishi Grand Theater
- 17 Ningbo Cultural Plaza Grand Theater
- 18 Cixi Grand Theatre
- 19 Quzhou Poly Grand Theatre
- 20 Lishui Grand Theatre
- 21 Wenzhou Grand Theatre

- 1 Ulanqat, Inner Mongolia
- 2 Ordos Grand Theatre
- 3 Shanxi Grand Theatre
- 4 Henan Art Center
- 5 Feidong Grand Theatre
- 6 Ma'anshan Grand Theatre
- 7 Wuhan Airport Grand Theatre
- 8 Xiaogan Grand Theatre
- 9 Qianjiang Caoyu Grand Theatre
- 10 Changsha Concert Hall
- 11 Meixi Lake International Culture Art Center Grand Theatre
- 12 Yunnan Provincial Grand Theatre
- 13 Zhuzhou Shennong Grand Theatre
- 14 Comprehensive Culture and Art Center Grand Theatre of Ganzhou City
- 15 Ji'an Poly Grand Theatre
- 16 Yichun Culture and Art Center Grand Theatre
- 17 Qintai Music Hall
- 18 Huanggang Huangmei Opera Grand Theatre
- 19 Qintai Grand Theatre

- ◆ 1 Fuzhou University City Cultural and Art Center
- 2 Fuzhou Strait Culture and Art Center
- 3 Xiamen Jiageng Theatre
- 4 Minnan Opera Art Center
- 5 Shenzhen Pingshan Grand Theatre
- 6 Huizhou Culture and Art Center
- 7 Dongguan Yulan Grand Theatre
- 8 Zhuhai Grand Theatre
- 9 Shenzhen Poly Theatre
- 10 Haikou Bay Performance Center
- 11 Guangxi Culture and Art Center



Excellent cultural products

We have developed a platform for integrated content operation and are working to improve the quality of our cultural products, expand efforts to promote top-notch cultural products, and streamline project approval and execution processes. We also make an effort to improve the production planning and control mechanism and increase support for creation based on real stories and historical events (including revolutions), rural-themed works, children's theater productions, as well as works that capture the zeitgeist of the era or promote the spirit of innovation.

Pick the Stars

- In 2022, Poly Performing Arts under Poly Theater worked with Honor of Kings to produce a Chinese-language musical *Picking the Stars*. This production was created by a world-class creative team. It tells an oriental fantasy featuring popular heroes from Honor of Kings. *Pick the Stars* is a breakthrough for China's musical theater industry in terms of music and choreography. Chinese traditional musical instruments are used to create an oriental atmosphere. The musical attempts to connect people across the world through the power of music and invites audiences to explore China's cultural heritage and the beauty of modern art.



A Lifelong Journey

- Poly Culture participated in the production of the TV show *A Lifelong Journey*, which tells a story of an ordinary Chinese family and reveals how the destiny of individuals is inextricably intertwined with that of their country. By inviting audiences to travel back in time and witness everyday life in history, it has a high cultural and artistic value. It is considered one of the best TV shows in the genre of social realism in recent years.
- A Lifelong Journey* is an extraordinary story of an ordinary Chinese family over the course of 50 years as they face the profound changes caused by China's economic reform, highlighting the tenacity and optimism of the Chinese people. Appealing to audiences of all ages, the TV show has become a household name in China.



Peacocks

- On September 18, 2022, the 2022 version of the dance drama *Peacocks* had its premiere at the Yunnan Provincial Grand Theater, kicking off its national tour (which has more than 50 performances). Poly Theater participated in the production of the dance drama. In addition to the famous dance artist, choreographer and director Yang Liping, the creative team of the dance drama includes Tim Yip, famous visual artist and winner of the Academy Award for Best Production Design. The dance drama contains beautifully choreographed scenes of peacocks dancing in the snow.



Stories of Porcelain

- Poly Culture participated in the production of the documentary *Stories of Porcelain*. Targeting younger generations, the documentary invites audiences to embark on an adventure in the fascinating world of porcelain. It has generated a lot of buzz, especially among young people.



Wing Chun

- In December 2022, the dance drama *Wing Chun* was premiered at Shenzhen Poly Theater. The dance drama invites audiences to discover the charm of China's intangible cultural heritage and folk culture in Lingnan with a special focus on *Xiangyunsha* (gambiered Guangdong silk) and Wing Chun. The two elements are seamlessly integrated into the plot and stage performance. The dance drama is a combination of an ingenious narrative, distinctive Chinese cultural symbols, and a modern expression of traditional Chinese culture. It is an exciting fusion of martial arts and dance. Poly Theater is the operator of the drama's national tour, which will visit more than 30 cities around the Greater Bay Area, with a total of more than 80 performances.

The Wandering Earth 2

- Poly Film is one of the producers of Chinese sci-fi blockbuster *The Wandering Earth 2*. The film tells a story of human beings going all out to save the earth from the impending apocalypse. It has garnered a lot of praise worldwide for its great special effects and intriguing plot.
- The well-produced film reflects the tenacity of the Chinese people. It has received a lot of critical acclaim from the media, including *Guangming Daily*, *cssn.cn*, and *CCTV-6*.





▲ Summer camp and performances organized by Open the Door to the World of Art

:: Accessibility of cultural services

Poly Culture takes corporate social responsibility seriously. We have made an effort to promote the accessibility of cultural services so that the general public can benefit from the development of cultural industries. Enriching cultural life of citizens is an effective way to improve citizens' life satisfaction.

We have launched a youth art education project—Open the Door to the World of Art. We offer discounted tickets (no more than RMB100) throughout our social welfare season every year to make theater accessible to more people. During the pandemic, activities of the project were moved online. From 2020 to 2022, the project presented 33 live performances, which received more than 50 million views. As of 2022, Open the Door to the World of Art had benefited millions of people in more than 20 provinces across the country.

◆◆ Social welfare activities of Xi'an Chanba Poly Grand Theater

case

Xi'an Chanba Poly Grand Theater under Poly Theater was put into operation in July 2022. By the end of 2022, the theater had held a total of 24 performances, including *A Thousand Miles of Rivers and Mountains* performed by China Philharmonic Orchestra, Poly's original musical *Pick the Stars*, *The White-Haired Girl* by Shanghai Ballet, and many other classics. The theater has also held five social welfare activities, including public open day, meetings with stars, and public interest events organized in collaboration with China Oriental Performing Arts Group. In September 2022, the theater launched a Mid-Autumn Festival special event on the second public open day and hosted two public interest events by presenting the show *Harmonious Co-existence*, which had more than 1,300 audience members, including teachers, medical workers, volunteers, and retirees.



To cultural industries

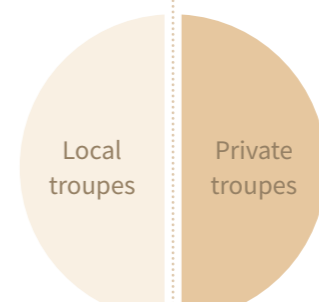
Bolstering cultural industries is part of our effort to improve social welfare. The increase in cultural consumption has led to the growth of cultural market players. As a socially conscious organization, we have actively cooperated with upstream and downstream partners to develop excellent cultural products and create new cultural business and consumption models. We seek to increase citizens' life satisfaction by offering high-quality cultural products and services.

:: Venues for performances

We work closely with a large number of troupes. Our theaters and other performance platforms offer venues for performance to local troupes, thereby supporting

the development of the entire industry, including production and performance companies. The collaboration is expected to lead to win-win outcomes.

- The folk opera *Under the Ginkgo Tree*, which was jointly produced by, among others, Poly Culture and Henan Performing Arts Group, was designated by the Ministry of Culture and Tourism as one of the 100 Key Cultural Projects to celebrate the 100th anniversary of the founding of the CPC.
- The dance drama *Canal*, a co-production by Poly Culture, Suzhou Singing & Dancing Theater and others, won the Jiangsu Excellent Literature and Art Award and was presented in many major cultural and art exhibitions.
- *Spirit of War*, a co-production by Poly Culture, Xi'an Performing Arts Group and others, was selected as one of the four outstanding shows for performance (online and offline) at the 5th China Circus Festival.



- In 2022, the drama *Parasite*, a co-production by Beijing Poly Ticket Development Co., Ltd. and Beijing Fanzhang Entertainment, Culture and Media Co., Ltd., was put on stage by Poly Theater. The play is based on the film of the same name, which took home four Oscars and more than 360 international film awards. It is a story about compassion, love, fairness, and faith, told in a humorous and grotesque way. To ensure this theatrical adaptation is as stunning as the film, Poly Theater has assembled a top-notch cast and crew, including Hao Lei and Ma Tianyu.



Standardization in cultural industries

By joining industry organizations and participating in the formulation of industry standards, we support standardization in fields such as public cultural services, theater operation, performance management, art auctioning, and ticketing.

- Poly Theater has led the formulation of the national standard *Theater Service Standard*; industry standards *Theater Management Standard*, *Theater Service Evaluation Guidelines*, and *Skill Requirements for Theater Workers*; and the Group standard *Theater Service Evaluation Guidelines*. The term "theater services" and its components are systematically defined in the above documents. It is provided that the various services within the theater constitute an essential part of the cultural function of theaters. They also provide guidelines for service quality assurance and brand building.



◆◆ Poly Theater led the formulation of the national standard *Theater Service Standard*

case

China calls for a sound system of modern cultural industries to achieve high-quality industrial development. As the country's public services and exchanges in the cultural sector are flourishing, urban public cultural service platforms are needed. In response, Poly Theater strives to improve cultural and arts exchanges and venue services accordingly by, among others, leading the formation of the national Theater Service Standard. The formation project was put forward by China's Ministry of Culture and Tourism and approved by China's Standardization Administration, with Beijing Poly Theater as the chief editor. The well-established Theater Service Standard identifies the scope of theater services, provides a whole set of service requirements, and builds up a quality management system. Through regulation, it guides the theater sector in transformation and upgrading. Under its guidance, theaters can improve service quality, management efficiency, build cultural service brands, allowing the public to enjoy a better cultural life.



To international cultural exchange and cooperation

We attach great importance to the construction of cultural exchange platforms which play an important role in telling well China's stories to global audiences as well as in supporting the imports of foreign cultural products and the exports of superb Chinese cultural products. We are committed to promoting exchanges and mutual learning between civilizations.

◆◆ Return of cultural heritage

Poly Art Museum officially opened in December 1999. The mission of the museum is to promote China's cultural heritage, facilitate repatriation of cultural property, and foster a positive corporate culture. In early 1990s, Poly Art Museum rescued the lidded bronze

vessels *Shenmian You* that had been held overseas for many years. In the spring of 2002, Poly Art Museum brought back the lesser-known bronze food container *Suigong Xu* from overseas. In 2004, it spent a huge amount of money to buy back the phoenix-form ritual

wine vessel *Fengniao Zun* from overseas. It has garnered a lot of praise for its dedication to bringing home China's priceless cultural artifacts from overseas and is widely considered as one of the best and most influential modern museums in the Chinese mainland.

◆◆ Poly Culture at China International Consumer Products Expo 2023

case

In January 2022, Hainan International Culture and Artworks Exchange under Poly Culture was launched in Sanya, Hainan Province. As a major project at Hainan Free Trade Port, the exchange center, distinct from other domestic trading centers of the kind, takes advantages of the port and serves as an open, professional, convenient, and efficient international exchange platform for excellent artworks and tradable cultural relics. In April 2023, Poly Cultural participated in the China International Consumer Products Expo 2023, during which it held the Second Hainan International Cultural Heritage and Art Exhibition (Repatriated Long-lost Chinese Cultural Relics Exhibition).



:: Facilitation of cross-border cultural exchanges

As a global company, we maintain long-term friendly and cooperative relations with dozens of international production and performance agencies. As the international exchange is recovering, we have actively participated in intercultural dialogue to promote China's cultural heritage and worked to build an international platform to promote exchanges and mutual learning between civilizations.

In 2022, we held European Classical Music Concerts and Chinese Folk Music Concerts as part of the Open the Door to the World of Art project in the Beijing-Tianjin-Hebei region, inviting audiences to the incredibility of Western classical music and Chinese folk music.

Participation in the first China (Macao) International Cultural and Creative Industry Exhibition

◆◆ Industry Exhibition

case

In October 2022, as a representative of cultural industries in the Chinese mainland, we were invited to participate in the first China (Macao) International Cultural and Creative Industry Exhibition. We delivered an immersive experience at the Exhibition by creating both physical and virtual presence of our cultural and art resources and demonstrated how technology can empower culture and how culture can empower cities. At the event, we used digital means to present artworks and artifacts collected by Poly Art Museum and bring cultural heritage to life on electronic screens. We introduced the musical and symphony based on the famous mobile MOBA *Honor of the King* and showcased the works by artists from Poly Stellation. We also held Poly Art Exhibition, featuring nearly 70 outstanding pieces of artwork.



▲ Chief Executive of Macao SAR visits our booth

◆◆ The acro dance drama *The Butterfly Lovers* kicked off a global tour

case

Liang Shanbo and Zhu Yingtai (Butterfly Lovers) is one of the four most widely known love stories in Chinese folklore. The story has been passed down orally from one generation to the next. It took the Guangzhou Acrobatic Arts Troupe years to complete the production of the large-scale contemporary acro dance drama *The Butterfly Lovers*. It is the first time that a Chinese folktale has been told using multiple forms of performing arts, including acrobatics, dance, and theater. It is a contemporary retelling of an old story. To invite global audiences to discover the beauty of the combination of Chinese acrobatics and elegant ballet, Poly Theater, Shanghai Foreign Cultural Exchange Co., Ltd. and Phoenix Music Brokerage Company signed a letter of intent for tripartite collaboration on a global tour (50 performances) of the dance drama in five European countries starting in 2023. The global tour will provide an opportunity for global audiences to explore China's cultural heritage and enjoy the beautiful performance put on by Chinese dancers.



▲ The large-scale contemporary acro dance drama *The Butterfly Lovers* kicks off a global tour

:: Promotion of local culture

We make full use of our platforms to connect with local troupes and work with them to produce original plays to meet the cultural needs of local residents. We are trying to transform our theaters into a window into local

culture and utilize our channels to facilitate cultural exchange between cities and provinces, thus bringing amazing local cultural resources to the whole country.

Nanjing

After four premieres in Nanjing in August 2022, the drama *Red Sorghum*, which is based on Mo Yan's novel of the same name, kicked off a national tour with Poly Culture. The stage play is a tribute to Mo Yan's literary classic. The theatrical adaptation is faithful to the novel, down to details such as the atmosphere and the personality of the characters. It is a moving story that tugs at the heartstrings of audience.



Shanxi

The drama *Taihang* co-produced by, among others, Poly Culture and Shaanxi Vocational College of Art, participated in the 18th China (Shenzhen) International Cultural Industries Fair for a run of 63 performances, attracting more than 24,000 audience members. This stage play captures the spirit of the time, highlights China's rich cultural legacy, breathtaking scenery, and developmental accomplishments, and illuminates the aspirations of the Chinese people.



Hong Kong SAR

Poly Auction Hong Kong teamed up with The Authority to present an exhibition entitled "Are you Bored or Not?" at Pacific Place, Admiralty, Hong Kong. The exhibition showcased a collection of NFT works by overseas and local artists and was part of Poly Culture's effort to promote local culture of Hong Kong.



To cultural revitalization of rural communities

The Chinese government issued Document No.1 in February 2022, outlining a roadmap for cultural revitalization of rural communities. In April 2022, six departments, including the Ministry of Culture and Tourism (initiator), the Ministry of Agriculture and Rural Affairs, and the National Rural Revitalization Administration, jointly issued the *Opinions on Promoting Cultural Revitalization of Rural Communities* (Document for Cultural and Tourism Industries [2022] No. 33).

In 2022, we made full use of our value chain advantages and launched the Cultural Revitalization of Rural Communities campaign to enrich cultural life of local residents in seven counties (which are Hequ and Wutai in Shanxi; Ludian, Qiaojia, and Ninglang in Yunnan; Xincheng in Guangxi; and Harqin Banner in Inner Mongolia) by bring movies, music, art education, and performances to local residents, organizing charity art auctions, and promoting local products.

Bring Movies to Remote Areas

- We have launched the Bring Movies to Remote Areas Project, under which we donated video and film projectors to rural communities, screened movies that pay tribute to role models of our time and videos of operas, and helped the aforementioned seven counties to promote local culture and agricultural products.
- In 2022, we teamed up with the Film and Digital Program Management Center of the Publicity Department of the CPC Central Committee to install China's first rural film projection system in Hewan Village, Hequ County, with technical support provided by HAN Networks. The system can transfer huge video files via 5G network. The trial screenings have received great response. We have donated 20 screening systems to the above seven counties and plan to donate another 20 systems in 2023.



Music for Kids

- This music education project involves training music teachers, teaching 200 nursery rhymes to primary school students in Xincheng County and Wutai County, and creating county-level children's choirs. In 2022, we completed a trial implementation of the project in Xincheng County in Guangxi and Wutai County in Shanxi, by training 25 rural teachers selected from 16 schools in Wutai County and 14 schools in Xincheng County, Guangxi. Besides, we created an official song for Poly Chunlan Primary School, and built a 50-strong children's choir. We also created 30 nursery rhymes, which were sung at the Spring Festival Charity Concert.



Charity Performances

- We utilized our theater chain to promote local culture, including local theatrical production, and brought high-quality variety shows and classical theatrical productions to left-behind seniors and children in rural areas. In 2022, the West China Folk Song Show Tour embarked on a six-city tour. The show was livestreamed to reach more audiences. On New Year's Eve in 2023, we brought Li Na's Classic Song Concert and children's play *Golden Conch* to the left-behind seniors and children in Hequ County and Wutai County in Shanxi Province.



Charity Art Auctions

- We join hands with charities to tap into the cultural heritage of the seven counties and use the internet to promote local cultural resources. We also actively expand fundraising channels and use our own platforms and other online auction platforms to expand the influence of our social welfare programs.



◆◆ Online charity auction of artworks by local artists in Hequ County, Shanxi Province

case

In November 2022, we held an online charity auction which featured 33 pieces of artworks (including calligraphy, paintings, and paper-cuts) by 22 local artists in Hequ County, Shanxi Province. The event showcased folk art and cultural heritage of Hequ County and the talent of the new generation of artists. It attracted a lot of bidders and nearly 5,000 online viewers. The fierce bidding war lasted three days and all lots were sold. The money raised at the event was directly donated to the People's Government of Hequ County to support rural revitalization.



◆◆ Bring Movies to Remote Areas: film screening technical training

case

Bring Movies to Remote Areas is a key project implemented by Poly Culture under the direct guidance of the Film and Digital Program Management Center. Its purpose is to make movies accessible for rural residents, which is a target set out in the 14th Five-Year Plan. We teamed up with the Film and Digital Program Management Center to offer free training on online film screening techniques to support the implementation of the project. The training focused on the construction of an urban-rural integrated film screening public service system, the progress and assessment of the Bring Movies to Remote Areas Project, installation of projection systems, purchase and screening of films, and related FAQs.



◆◆ Spring Festival Charity Concert

case

In January 2023, we held the Spring Festival Charity Concert at the Forbidden City Concert Hall in Beijing. The concert had received support from all walks of life. Many well-known artists participated as public welfare ambassadors and presented wonderful performances. The Shanxi Song-and-Dance Duet Troupe from Hequ County wrapped up the concert with a stunning performance.

We also hosted the launch ceremony of the Music for Kids Project at the Forbidden City Concert Hall. This project aims to provide music training, build children's choirs, train music teachers, and organize creative activities for children in the target counties. We plan to create 100 new nursery rhymes with local children. At the launch ceremony, students of Poly WeDo sang the official song of Poly Chunlan Primary School.



Artistic talent nurturing

Poly Culture works to optimize the youth art education to instill humanistic values in young people in accordance with the relevant plans of the Ministry of Education. Our auctions and art centers provide support for young artists with a view to creating a thriving arts community.

:: Youth art education

Poly Art Education joins hands with famous Chinese and foreign art education institutions to offer art training, art test courses, and university preparatory programs, in a bid to instill humanistic values in students and promote quality education. Changsha Concert Hall Campus and Hangzhou Linping Grand Theater Campus of Poly Art Education were put into use in 2022. Poly Art Education now has seven campuses and 1,308 students.

Poly WeDo is committed to cultivating the gift of music in children and improving their artistic skills by offering a variety of music education products for kids. By the end of 2022, Poly WeDo operated two campuses, one in Beijing and the other in Suzhou, offering beginner music classes, musical instrument training, ensemble classes, and one-on-one instrument and vocal training to young people. It also offers live performance opportunities to students.

In 2022



Changsha Concert Hall Campus and Hangzhou Linping Grand Theater Campus of Poly Art Education were put into use. Now has

7

campuses



students

1,308



:: Support for young artists

We leverage our resources to provide outstanding young artists with diverse opportunities to showcase their talent, help young artists stand out, and promote the effective transmission of cultural heritage. We have launched a long-term contemporary art education project Poly Stellation to help gifted young Chinese contemporary artists stand out and bring contemporary

art into the public eye. We work with art universities and colleges, art centers, galleries, art museums and other public spaces across the country to promote the project, so as to establish an interactive international exhibition platform. We encourage young artists to be independent and daring. The project focuses on creativity and personal growth of artists and seeks to bring art to the mass. We

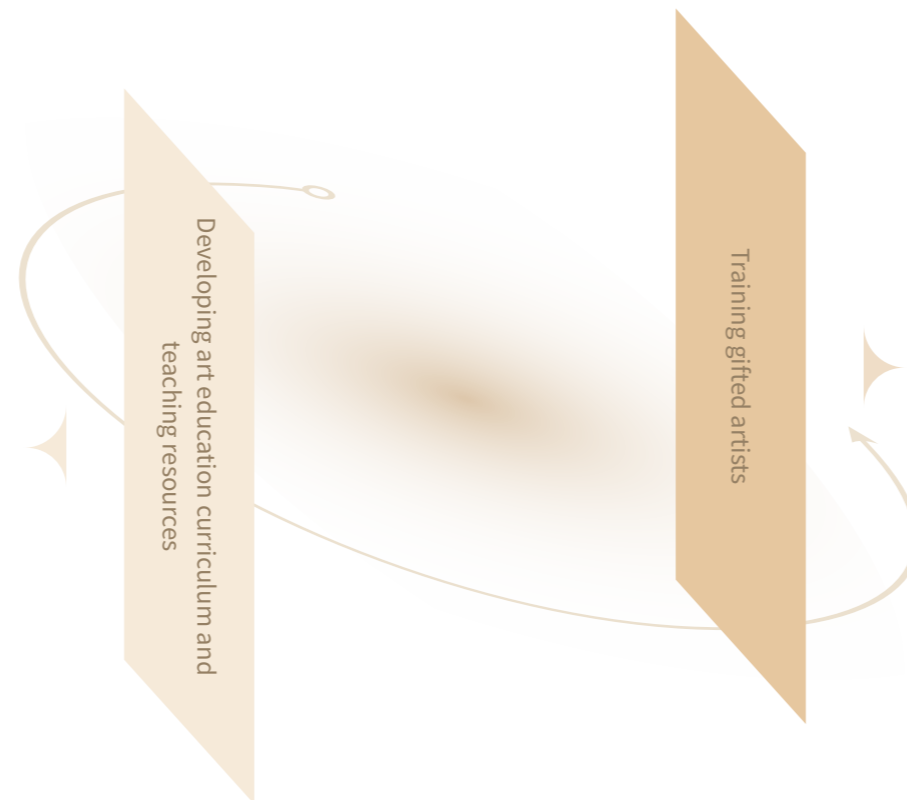
provide support for gifted young Chinese artists strongly influenced by Chinese culture and actively promote international cultural cooperation.

Cooperation with art education institutions

We work closely with well-known art education institutions at home and abroad in such fields as art education, teacher training and employment with a view to promoting the development of cultural industries and art education.



- Zhaohua Publishing House published *Performing Arts Education: Methods and Practices (4 Volumes)* by Professor Chen Ke from the Department of Performing Arts Education of the Central Academy of Drama in August 2022. The book is a condensation of Professor Chen's nearly 40 years of academic outcomes and Poly Art Education's theoretical outcomes. It can be used as a reference book for the training of performing arts teachers. Performing arts teachers who teach kids of all ages (from preschool children to teenagers) may also find it useful.
- From 2019 to 2022, Poly Theater teamed up with the Central Academy of Drama to present nine lectures (including online and offline lectures) on performing arts, including *Operation and Brand Building of Theaters and How to Build a Tasteful Theater*. A total of 73 students from Class 2019, Class 2020, Class 2021, and Class 2022 attended the lectures given by the instructors of Poly Theater.



- Poly Theater and the Central Academy of Drama signed a strategic cooperation framework agreement in 2018, announcing that they will work together to launch the first bachelor's degree program in theater management in China. In 2020, the two parties further expanded strategic cooperation and worked together on the delivery of the program.
- In 2022, Poly Art Education signed a strategic cooperation agreement with Inner Mongolia Arts University for the construction of a bilateral communication and cooperation platform. The two parties have worked together to produce the folk dance drama *The Shepherd Girl* and build a dancer training system that invites famous dancers to train students and offers live performance opportunities to students. This is part of Poly's efforts to tell China's stories well.
- Poly Theater has expanded cooperation with Shanxi Vocational College of Art in production, education and research. It also designated Shanxi Vocational College of Art as its training center for theater managers (or art managers), stage technicians and other theater professionals. In 2022, Poly Theater recruited 20 students majoring in theater management and 10 students majoring in stage technology from Shanxi Vocational College of Art. These students were participants of the collaborative training project of the two parties.

In 2022



students

30



stage technology

10

人



theater management

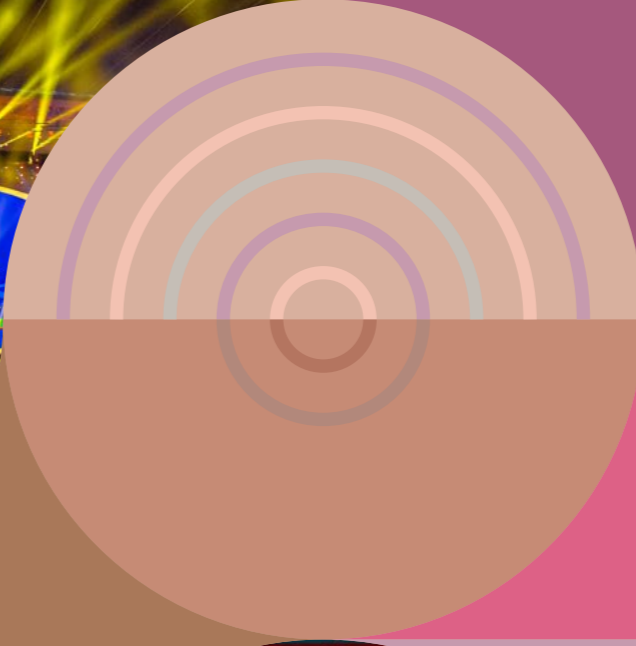
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Integrity & Innovation

02

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Compliance is always at the forefront of our mind. We are committed to improving our compliance management system, building a compliance culture, and instilling integrity in the workplace. We work to upgrade our governance system, build digital capacity, and enhance the ability to create long-term value.



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Party building

We unswervingly follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. We have rolled out a three-year Party building action plan (2022–2024) to integrate Party building into our daily operation and provide guidance for the performance of the "Four Missions".

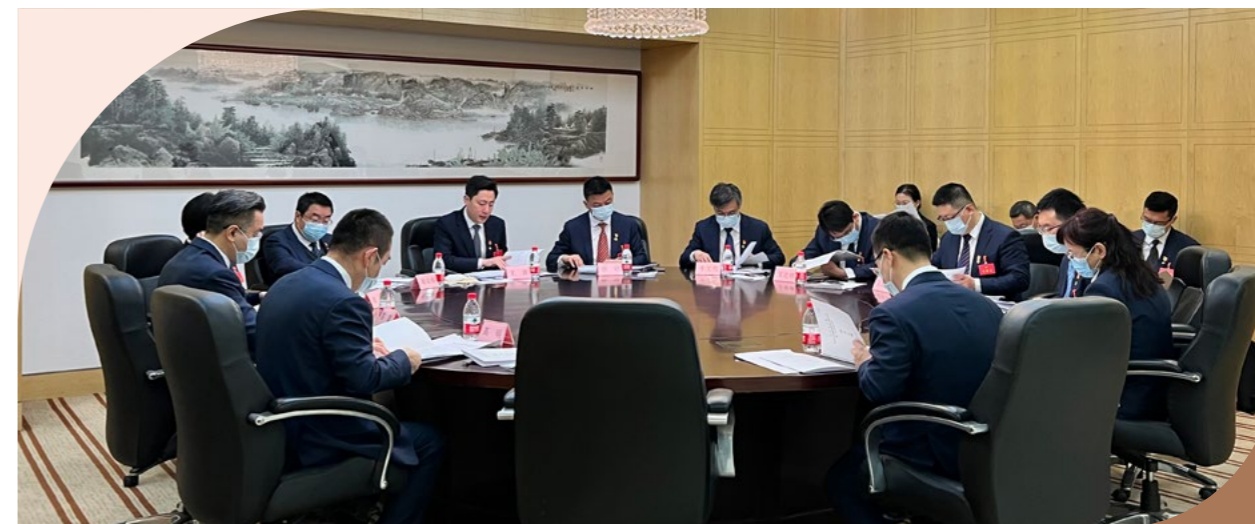
- The mission of meeting the growing spiritual and cultural needs of Chinese citizens and promoting cultural competence and ethical living;



- The mission of promoting the development of cultural industries;

- The mission of supporting artists, helping them improve the quality of their works, and promoting socialist core values;

- The mission of promoting intercultural dialogue, improving the effectiveness of international communication, promoting Chinese culture, and helping the country strengthen its soft power.



:: Study on the essence of the 20th National Congress of the CPC

We study, promote and put into practice the essence of the 20th National Congress of the CPC. All Party members and employees of Poly Culture have gathered to watch the live broadcast of the opening ceremony of the Congress and participated in relevant Party building training. We are committed to incorporating the essence of the Congress into our daily operation.



◆◆ Youth Dialogue in the Theater Industry

case

2022 was an important year for China. The 20th National Congress of the CPC was held in 2022. The year also marked the 100th anniversary of the founding of the Communist Youth League of China (CYLC). In August 2022, on the eve of the 20th National Congress of the CPC, Poly Theater held Youth Dialogue in the Theater Industry: New Ideas and New Trends. The event was livestreamed. The purpose of the forum was to strengthen cultural confidence, build team cohesion, and inspire young people in the theater industry to be daring and enterprising.



:: Rigorous Party self-governance

In 2022, we convened a conference on Party conduct and anti-corruption. Party members were required to sign letters of commitment for building a clean Party and fighting corruption. We have built a Party self-governance system with clearly defined powers and responsibilities. Special

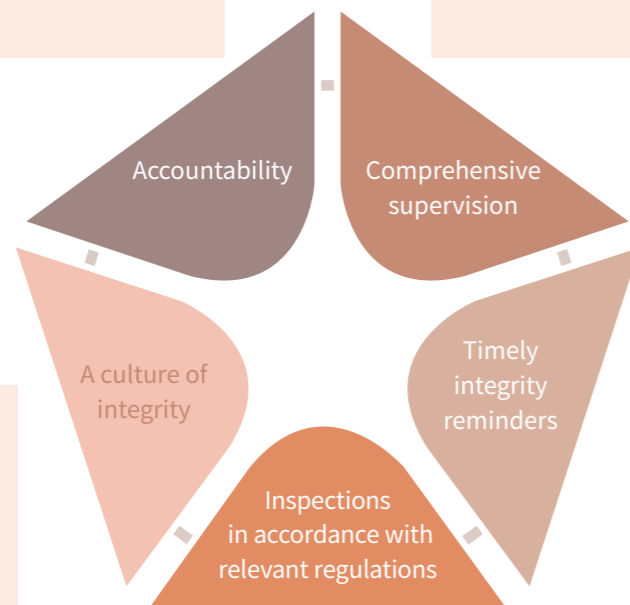
measures have been taken to build a team of Party officials with integrity. Selection and appointment procedures are strictly supervised. In 2022, we replied letters inquiring about our party self-governance measures and wrote reports on corruption vulnerabilities of officials of our Party committee.

We have

- Convened the 2022 conference on Party conduct and anti-corruption
- Signed the letter of commitment on Party conduct with Party members for building a clean Party and fighting corruption
- Built a Party self-governance system with clearly defined powers and responsibilities
- Supervised and talked with staff on major posts and heads of subsidiaries; and enhanced the Party conduct awareness of newly appointed officials through talking, so as to foster a sense of responsibility in Party and corporate governance

We have

- Established a leadership team and a task force to oversee and implement our comprehensive supervision strategy
- Formulated the *Comprehensive Supervision and Management Measures of Poly Culture* and compiled a list of matters subject to supervision; to clarify the relevant responsibilities of each functional department
- Formulated *Major Responsibilities of the Discipline Inspection Committee of Poly Culture*, urging relevant task forces to improve work efficiency



We have

- Launched an anti-corruption short-form video production exhibition to raise the awareness of workplace integrity
- Promoted integrity as a core family value among Party members
- Promoted integrity-themed films and TV shows online

We have

- Inspected departments and subsidiaries in accordance with relevant regulatory requirements and completed relevant rectification tasks
- Re-inspected Party organizations of subsidiaries whose problems have been identified
- Taken measures to follow up the rectification
- Formulated policies (including *Poly Culture Party Committee Internal Inspection Rules* and *Poly Culture Party Committee Internal Inspection Regulations*) to standardize inspection process

We have

- Observed the Integrity Day every Tuesday, and sent more than 1,350 integrity reminders in 2022
- Effectively maintained discipline and increased accountability in the workplace by choosing appropriate punishments (dismissal, admonishment, etc.) for violations by officials as Party members

:: Innovative Party building at the primary level

We have integrated Party building into our daily operation. Efforts have been made to build capabilities of primary-level Party organizations and support personal growth of Party members.

Party organizations of Poly Theater organize various Party building activities

- The Party branch of the Shenyang Theater launched a ceremony to mark the ninth annual repatriation of remains of Chinese People's Volunteers (CPV) martyrs who sacrificed their lives in the War to Resist US Aggression and Aid Korea (1950-1953).
- The Party branch of the Henan Theater held a knowledge competition on Party history to inspire Party members to draw lessons from the history of the CPC.
- The Party branch of the Forbidden City Theater held hybrid online/offline reading club sessions to celebrate the opening of the 20th National Congress of the CPC. At these events, participants recommended and exchanged views on excellent books and articles such as *A Brief History of the Communist Party of China*.
- The Party branches of the Yunnan Theater and the Hohhot Theater encouraged Party members to watch inspirational plays and movies relating to the CPC's revolution stories.



◆◆ Poly Theater set up a temporary Party branch for the national tour of *The Road We Have Taken*

case

The Road We Have Taken is an amazing drama. It shows how the fate of a family is intertwined with that of the country and brings bygone days back to life. As part of its effort to integrate Party building into daily operation, Poly Theater established a temporary Party branch for the national tour of the drama. During the tour, the branch organized a series of Party building activities (visiting revolutionary cultural heritage sites, watching the stage play *Chongqing 1949*, etc.) around the theme of "understanding the right way of life" and effectively tapped into revolutionary cultural resources at each stop. Members of the temporary Party branch have effectively put what they learned during the tour into practice and paid tribute to Chinese revolutionaries by acting out their stories. As of the end of 2022, the team had put up 40 performances on the tour, attracting nearly 50,000 audience members.



:: Party member education

Party member education and training was a key Party building task in 2022. During the year, we formulated a Party member education and training policy and organized a wide range of training and learning activities, including collective training sessions, roll call training, theoretical lectures, and seminars, for different Party member groups.



▲ Achievements in the New Era Exhibition

Multiple learning channels

Poly Culture's official Weibo account has launched several Party member education columns, including "Terms", "Party History", and "The 20th National Congress". Poly Theater has published videos of its revolution-themed theoretical productions on Xuexi Qiangguo app so that its Party members can access learning resources anytime, anywhere. Poly Culture has built a smart Party building system to manage the basic information of Party members and standardize the management of the Three Meetings and One Lecture system.

Diverse learning activities

We integrate Party building into our daily operation and encourage Party members to watch and participate in the production of revolution-themed theatrical performances, films, TV shows, short videos, and exhibitions. Our learning resource library for Party members now include 20 productions.

Learning outcome evaluation mechanism

We have incorporated the evaluation of Party member learning and training outcomes into our regular appraisal system. We conduct qualitative and quantitative assessments of education and training programs on a regular basis to ensure learning effectiveness.

◆◆ Incorporation of revolution-themed movies into Party member education

case

In 2022, the Party branch of Poly Film started the trial implementation of a unique Party member education model developed by Poly Culture. It set up a leadership team, a task force, and several executive teams such as the directing team, the operation team, and the publicity team to work on the trial. This education model involves using revolution-themed movies as learning resources.

Governance structure upgrade

We are committed to achieving and demonstrating the highest standards of corporate governance to improve business performance and maximizing the Company's value to our shareholders. To establish a sound governance structure, strengthen capacity building and standardize activities of the Company, we have formulated a series of corporate bylaws, including the Articles of Association in accordance with the Company Law, Securities Law, Listing Rules and other laws and regulations of the People's Republic of China. We have rolled out policies to standardize disclosure and communication with investors.

:: Board operation

In 2022



▶ we held

7

board meetings

The Board of Directors of the Group consists of nine members, including four executive directors, two non-executive directors, and three independent non-executive directors. Each director is elected for a three-year term. Election and replacement of directors are determined at the Annual General Meeting. Directors may be re-elected upon expiration of their term of office. To increase the Board's independence and objectivity, we have stipulated in the *Articles of Association* that the Company should ensure more than a half of the Board members are outside directors (who do not hold positions within the Company) and maintain at least three independent directors. To improve work efficiency of the Board and improve the quality of its decision-making, we have established five committees under the Board, i.e. Strategy Committee, Audit Committee, Remuneration and Appraisal Committee, Nomination Committee, and Art Committee.

Strategy Committee

- The Strategy Committee is mainly responsible for developing long-term strategies, and supporting informed decision-making on major investment projects that require approval by the Board and on material issues.
- The Strategy Committee consists of five members.

Audit Committee

- The Audit Committee is mainly responsible for recommending external auditors, supervising internal auditing, facilitating communication between internal and external auditors, and reviewing the Company's internal control and risk management system.
- The Audit Committee consists of three members, including two independent non-executive directors and one non-executive director.
- In 2022, the Audit Committee held two meetings and no member was absent.

Remuneration and Appraisal Committee

- The Remuneration and Appraisal Committee is mainly responsible for formulating and reviewing assessment standards and remuneration plans of directors and senior management.
- The Remuneration and Appraisal Committee consists of three directors, including two independent non-executive directors and one non-executive director.
- In 2022, the Remuneration and Appraisal Committee held one meeting and no member was absent.

Nomination Committee

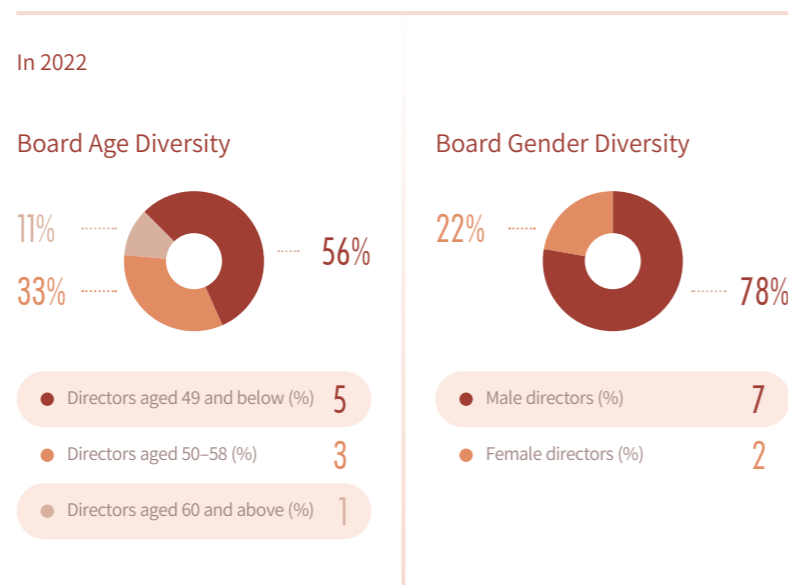
- The Nomination Committee is mainly responsible for the assessment and recommendation of candidates for directors and senior management as well as formulating criteria and procedures for appointment of directors and senior management.
- The Nomination Committee consists of three members, including two independent non-executive directors and one non-executive director.
- In 2022, the Remuneration Committee held two meetings and no member was absent.

Art Committee

- The Art Committee is primarily responsible for developing and making recommendations on the Company's cultural and art investment and management plans and projects.
- The Art Committee consists of three directors, including two executive directors and one non-executive director.
- In 2022, the Art Committee held one meeting and no member was absent.

:: Board diversity

Our *Board Diversity Policy* stipulates that all appointments of board members shall be based on merit, and diversity (including diversity of age, cultural and educational background, professional experience, skills, and knowledge) is a consideration for any Board appointment.



:: Board training

Lifelong learning is very important to directors because they need to bring cutting-edge expertise to the Board. Continued learning can help them improve capabilities to perform their duties and make informed decisions. In 2022, we held two seminars/workshops for directors and the average training time for director was 2 hours.

:: Disclosure and communication

We update and deliver required information to investors in a timely, transparent manner and strive to maintain effective communication. The Board Secretary is responsible for establishing effective communication mechanisms between the Company and investors, including investor meetings, investor's hotline/mailbox, and online

communication. According to the listing rules, an investor meeting should be arranged after official announcement of earnings and the management should answer relevant questions from investors. See the "Investor Relations" section on our website for corporate governance documents, important announcements and contact information of the Company.

Business integrity and compliance

We are committed to continuously improving our compliance management system. The Board of Directors is responsible for reviewing the Company's internal control, financial auditing, and risk management policies every year. The Chief Compliance Officer, who is served by the General Counsel, performs crucial compliance functions for the Company. At the same time, Poly Theater, Poly Film, Beijing Poly Auction and other subsidiaries have each appointed a general counsel and established a compliance management committee to work with the Compliance Department to manage compliance risks.

:: Compliance management

- In 2022, we held 77 compliance workshops, including workshops on the rule of law, compliance management and the responsibility of the Board of Directors of companies listed on the HKEX, and financial and tax compliance. More than 150 people, including management, directors, supervisors, and employees of the Company and its subsidiaries, participated in the workshops.

We have put in place a "1+N" compliance system and formulated the *Compliance Management Policy* and *Compliance Management for Overseas Operations*, which specify the purpose, roles and responsibilities, priorities, and process of compliance management. In order to improve the compliance awareness and ability of employees, we have formulated the *Guide to Compliance*, which provides guidance for employees on their compliance obligations. In 2022, we reviewed more than 4,800 documents of the Company and the 13 subsidiaries, including over 120 major decisions, contracts, and bylaws; no violation was found.

A culture of compliance is vital to business success. We have organized compliance seminars and workshops to improve the compliance awareness and ability of employees.

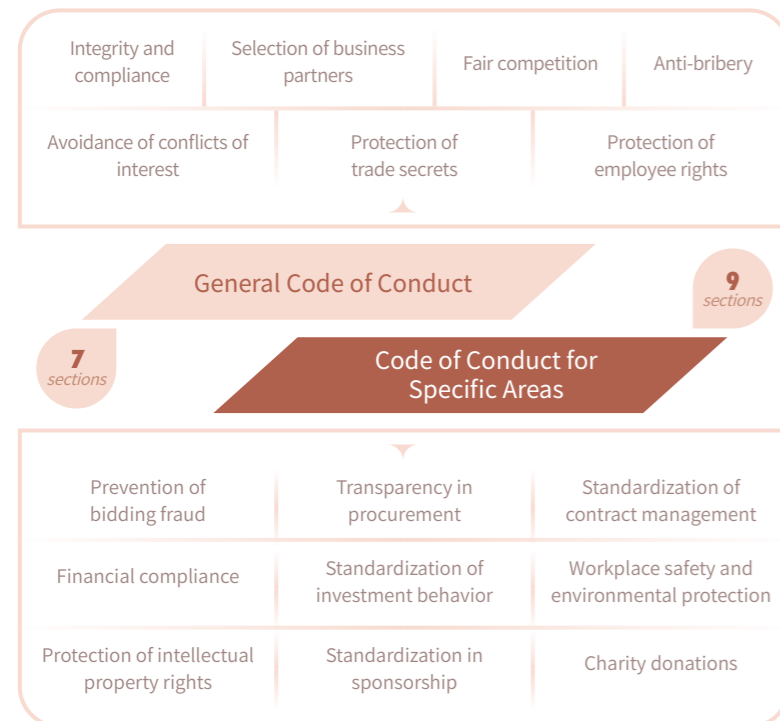


- In 2022, we held four compliance seminars and actively participated in legal lectures of SASAC, centrally-managed enterprise compliance seminars, and Group-wide compliance seminars. Our subsidiaries held about 20 meetings to discuss their compliance management plans. They also actively participated in relevant events in person or virtually.

:: Business ethics

We have developed a compliance-oriented Code of Conduct to ensure the Company and our employees comply with all laws and regulations in an appropriate manner. The Code of Conduct includes several modules, including General Requirements for Management and Employees, General Code of Conduct, and Code of Conduct for Specific Areas. It provides guidance for employees on ethical workplace behavior and for the reporting and investigation of violations. Employees may consult the Compliance Department or relevant personnel about the Code of Conduct and the Company's compliance policy.

Employees and third parties are encouraged to report violations. Employees and third parties are encouraged to report violations. Employees should report any potential or suspected violations of laws and regulations to their superiors or departments. Non-compliance with investment rules should be reported to the department responsible for handling violations with investment rules in a timely manner. Relevant departments will be responsible for investigating and handling non-compliance with workplace regulations. Departments and employees involved should provide full support for the investigation.



:: Risk and internal control

We have compiled the *Risk Management Manual* with a view to improving the Company's risk management by establishing a comprehensive risk management system. Effective risk management can facilitate continuous improvement in our business.

In 2022, we focused on internal auditing, internal control, risk prevention and management, using auditing as a tool to achieve and maintain compliance. Measures were taken to strengthen risk monitoring and reporting. Risk monitoring data were collected on a quarterly basis. Relevant data reported by subsidiaries were analyzed to keep abreast of existing and potential risks faced by subsidiaries. We strengthened the supervision of the disposal of major risks and conducted an annual risk assessment to support evidence-informed improvement in the business.

We issued a rectification notice for every problem identified during the internal control process, specifying the rectification requirements and time limit. According to the rectification results reported by the Company and its subsidiaries, 90% of the problems were rectified by the end of 2022.

By the end of 2022



The problems were rectified

90

%



:: Anti-bribery, corruption, and money laundering

We strictly comply with all applicable laws and regulations, including the *Anti-Money Laundering Law*, *Supervision Law*, *Anti-Unfair Competition Law*, *Anti-Bribery Regulations*, and other relevant laws and regulations of the People's Republic of China. We are committed to continuously improving our anti-bribery, corruption, and money laundering systems and strengthening related capabilities of employees. We

strictly forbid employees and their families from soliciting gifts or hospitality or offering bribery or engaging in distortion, fraud or money laundering.

We have formulated whistleblowing regulations and set up whistleblowing hotline and mailbox to encourage employees to report suspected corruption and fraud. Violations of corporate bylaws will be punish-

ment accordingly. The power to determine the punishment of those who violate the criminal law is vested in courts.

During the reporting period, the Group was not involved in any material non-compliance.

Digital transformation

Our digital cultural platforms connect upstream with downstream partners. We seek to bolster cultural industries and unleash the potential of digital culture by strengthening digital IP protection, facilitating transaction, promoting technological advancement, and exploring new models and paths for high-quality cultural industries in the digital era.

:: An ecosystem of digital culture

We are working to expand dialogue and strategic cooperation in digitalization of culture. We join hands with various partners to build a digital art trading platform

to promote dissemination of digital art content and hold digital cultural events and seminars to chart the course for digital culture.

◆◆ NFTs help bring art closer to the public

The bronze-cast tiger head from the Old Summer Palace is among the existing zodiac parts of a water clock fountain in front of the Haiyang Hall (or National Peace Hall) of the imperial garden. As the statues were designed by Italian missionary Giuseppe Castiglione and made by imperial craftsmen of the Qing Dynasty (1616-1911) using the best copper alloys of the 18th century, they showcase the advanced handicraft techniques of the Qing court and a combination of Chinese and Western arts. Unfortunately, the zodiac heads were looted during the destruction of the Old Summer Palace by the invading French and British forces in 1860. In the spring of 2000, China Poly Group bought three (monkey, ox, and tiger) of them at an auction in Hong Kong SAR, bringing the lost cultural relics back to homeland. In 2022, we launched the digital version of our art collections, including the tiger head, which enables a dialogue between the ancient civilization and the metaverse across time and space.



case

:: Digital and smart services

Digital technology is applied in our theaters, cinemas, exhibitions, and productions. Through the integration of art and technology, we deliver incredible multi-sensory experiences to

audiences. Digitalization has also helped us improve corporate governance, business operation, and management of property, personnel, and assets.

Poly Culture's big data platform

We have built a big data platform and set up a one-stop data billboard to keep abreast of industry trends and empower data-supported decision-making.

Poly Cloud Theater

Poly Cloud Theater creates a perfect illusion of reality, provides amazing close-up opportunities to enjoy performances, and delivers immersive experiences to audiences.

保利票务全新升级

有品位的艺术·有保障的服务

Upgraded Poly Ticketing System

Poly Ticketing System is a state-of-the-art SaaS ticketing platform that provides a one-stop ticketing solution for organizers, venue owners, distributors, and ticketing agents. It can greatly enhance consumer experience.



:: Cutting-edge digital technology

Digital technology is a powerful driving force for the development of cultural industries. In 2022, we developed a rural film transmission and projection system that uses 5G technology, which is known for its fast speed and low latency, and applied it in Hequ County, Shanxi Province as part of our effort to

bring movies to rural residents. We also increased efforts to explore new application scenarios of digital technology in cultural industries, such as ultra-high-definition videos, cloud gaming, and livestreaming. Digitalization can greatly enhance the experience for audiences and exhibition visitors.

◆◆ 5G technology helps bring movies to rural communities

case

In 2022, the Bring Movies to Remote Areas Project developed a device with a built-in 5G mobile communication system, which can transmit movie DCP via 5G network. The device allows us to abandon the traditional movie distribution model that involves physical delivery of hard drives. As the first 5G-DCP film transmission system in the industry, it integrates 5G, cloud computing, blockchain and other technologies to realize the high-speed and secured transmission of DCP via the internet. Hewan Village in Louziying Town, Hequ County is the first village beneficiary. Thanks to the system, local residents now can watch high-quality movies at their doorstep.

Protection of intellectual property rights

IP protection is the key to high-quality development of cultural industries. We properly manage our IP and cracks down on infringements in strict accordance with the law. Our *Code of Conduct* stipulates that employees shall not reproduce, store, keep, tamper with, or destroy the Company's IP without prior consent from the Company; allow third parties to violate the Company's intellectual property rights; or infringe on other people's intellectual property rights or use IP of others without permission or use the IP in a way that is outside the scope of the license agreement.

In 2022, Poly Theater offered training on intellectual property protection, with a special focus on the protection of screenplay copyright. It optimized its workflow and project review rules, so as to protect the rights of artists, theaters, troupes, affiliated companies and other stakeholders.

Training on the protection of IP rights

We are working to increase producers' awareness of IP issues and possible negative impacts by offering training on the protection of IP rights and sharing case studies that walk them through potential obstacles.

Screenplay copyright management policy

We have taken steps to strengthen screenplay copyright protection. Before signing any agreement involving copyright, we will collect information on copyright ownership and income generated by licensing or sales of the copyright. Even if a project does not involve copyright, it is still necessary to ask the troupe or the copyright owner for legally effective documents such as a copyright permission certificate or letter and create backups.

Prevention of plagiarism and unauthorized recording

Before signing any agreement with the copyright owner, we will ask the copyright owner to email us the outline of the screenplay. We will designate personnel for review. Or we can sign an agreement with a third-party copyright protection platform which will be responsible for protecting the rights of both parties. The copyright owner may also mail the screenplay to our office. Despite a higher cost in terms of time and money, this can greatly enhance the protection of the copyright and reduce the risk of being plagiarized.

Livestreaming, official accounts, and self-media

We take extra steps to protect IP when the internet is used. If the project involves livestreaming and internet marketing, the copyright owner will need to submit a script to us for review and avoid mentioning news, hot topics, and buzzwords in the script. During the livestream, it is necessary to strictly follow the script. The livestream may be immediately terminated if circumstances call for it (e.g. an PR issue).

Agreements and punishments

Before signing any agreement, we must ensure that the agreement contains an intellectual property and copyright clause, provisions relating to remedies for copyright infringements, and a clear description of the rights of both parties. In case of a copyright infringement (plagiarism, unauthorized recording, etc.), the offender will be held accountable.

Lean Management and Responsible Operation

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Poly Culture pursues eight-dimension lean management, an approach in response to the needs of the times. Focused on value creation, it combines reform and innovation with cost-effectiveness improvement; development of first-class corporate culture with development of lean production culture; high-quality development with lean management practice. Under its guidance, Poly Culture endeavors to establish itself as a professional, specialized, dedicated entity that serves customers in a genuine and thoughtful manner.



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Workplace safety

The Group puts emphasis on safety awareness, practices efficient management, and attaches importance to persistence. A special committee has been set up at the management level to regulate workplace safety. Meanwhile, workplace safety was identified as a priority in the annual work plan. Efforts made to enhance the effectiveness of safety governance include developing the *Measures for Assessing Workplace Safety of Subsidiaries and the Measures for Supervision and Inspection of Workplace Safety*, establishing a quantitative assessment system for workplace safety, conducting patrol inspection and rectification of safety hazards, and rewarding outstanding employee in this regard.

In 2022, the Group and the subsidiaries reported zero death caused by workplace safety accidents.

:: Safety accountability

We sign the *Statement of Workplace Safety Responsibility* with our subsidiaries each year, strictly implement the workplace safety policies and rules centering on company-wide safety accountability, ensure relevant responsibilities are fulfilled by personnel at each level, and enhance the capabilities of our primary-level enterprises in safety management. Enterprises at all levels shall submit a workplace safety report at the end of each year where achievement of annual objectives is fully examined.

At the same time, institutions at all levels have implement the insurance regime as required, and improved the systems of safety equipment, safety warnings, emergence evacuation, among others, to better protect workplace safety.



Poly Theater

Based on the three-year action plan for workplace safety governance, Poly Theater has signed the *Statement of Workplace Safety Responsibility* with 70-odd management members including general managers and over 5,000 employees, so as to ensure responsibilities concerning workplace safety are fulfilled.

Poly Film

Poly Film has set up a safety center and staffed it with safety personnel, as part of its sound accountability system with the Security Committee at its core, regional directors taking charge, and cinema heads the first to be held accountable. It also requires all of its cinema staff to sign the *Statement of Workplace Safety Responsibility*.

Beijing Poly International Auction

Beijing Poly International Auction has optimized its workflow, expanded the safety team, and detailed job responsibilities of each position. Safety agreements are reached with construction contractors and labor dispatch service providers before each event to ensure the fulfillment of the safety-related responsibilities by all parties.

:: Quality and safety management system

Poly Theater under the Group has always attached importance to standardized theater management. All the theaters have embarked on work related to certifications of the ISO 9001 for quality management system and the ISO 45001 for occupational health and safety management system, aligning their quality objectives with the international management standards and introducing advanced international operation concepts. By detailing the quality guidelines and management objectives of the systems, clarifying the certification process, identifying sources of hazards, establishing

risk assessment, and compiling relevant documents, Poly Theater and its theaters seek to enhance employees' safety consciousness and operational skills, and build a standardized safety management system. A workforce aware of quality management and occupational health & safety protection will allow the company to eliminate hidden hazards in workplace, lower risks related to occupation health and safety, and improve the overall service quality and proficiency. As of the end of 2022, 63 theaters under Poly Theater received the ISO 9001 certification. Among them, 10 theaters are ISO 45001 certified.

:: Governance of major safety hazards

Giving priority to risk control, we have continuously enhanced preventative control for workplace safety, and worked with our subsidiaries to identify key aspects, weaknesses, and problems related to workplace safety. In this regard, a close-loop management model is employed where heads of the subsidiaries take up responsibilities to ensure guaranteeing and corrective measures are in place. Subsidiaries are required to timely

submit workplace safety reports and report workplace safety accidents. Delayed reporting, omission, misreporting or concealment is strictly forbidden. Meanwhile, we provide financial incentives for reporting workplace safety risks. A whistleblower campaign has also been launched, collecting over 150 pieces of rational suggestions regarding workplace safety, all of which have been put into practice.





▲ Various emergence drills in different cities

:: Workplace safety training

We have stepped up training on workplace safety by organizing online training learning programs, training, drills, among other activities, for heads and workplace safety management personnel, with a view to effectively improving their preventative awareness of safety risks and emergency response competence. In 2022, the Group and the subsidiaries held a total of 4,286 safety training sessions and 1,298 emergence drills with a cumulative attendance of 99,163 participants.

- We have organized workplace safety management personnel at all levels to take the online training course on emergence management, held the Group-wide competition on knowledge about the new *Workplace Safety Law*, arranged employees to learn about fire safety on the fire safety learning platform for all, and introduced disaster prevention and disaster relief measures among employees, so as to raise their awareness and capabilities concerning workplace safety.

- We advocate a security culture that puts life first and aims at safe development. Specifically, we place emphasis on safety training for primary-level employees by engaging all employees in workplace safety supervision, risk detection and governance of potential hazards for risk prevention and control. We also attach importance to safety training for special operation workers.



- Poly Theater has held certification training sessions for heads and the workplace safety personnel, where 189 attended the training and passed the assessment to obtain the certificate.

A total of 929 management members have attended the training on ISO 45001. Poly Film has arranged certified safety engineers and workplace safety personnel to take in-service training.

:: Workplace safety supervision and inspection

We launched a workplace safety inspection campaign in 2022, where heads of the subsidiaries led a team to identify problems and shortcomings related to workplace safety in a thoroughly manner. To regulate safety inspection, Poly Culture has formulated the *Key Points of Safety Cross-checks in Densely Populated Places* covering 80 key items in four aspects, i.e., basic management, fire security, on-spot safety, and special safety issues. The parent company participated in and instructed the cross-check via video links. At the same time, we urged our subsidiaries to rectify potential hazards found by the superior-level safety inspection team, drew lessons from common and prominent problems, launched special risk investigation and governance campaigns within the system, and established a regular inspection

mechanism so as to ensure that the concept of safety management standardization is introduced into all primary-level companies.

In 2022, the Group's Security Committee conducted 11 unannounced safety inspections on the subordinate enterprises, and organized 43 security cross-checks across business sections, and 797 special inspections in various densely populated places to identify security problems regarding emergency evacuation facilities, fire protection, self-built houses, gas, engineering construction, and disaster prevention and relief. Potential risks have been remedied or included in a special record to track the later rectification.



▲ Security inspection on Guangxi Culture and Art Center



▶ Representatives of Poly Culture and its Subsidiaries Conduct Safety patrol Inspections

Consumer experience

We have continued to provide high-quality cultural and art works to meet customer demands and improve customer experience in an all-round manner.

:: Professional and standardized theaters

Attaching great importance to professional and standardized management, Poly Theater has established a universal quality standard system and operational management norms for all of its theaters, and built a theater management system based on the strategic development goals, operational management strategies, service standards and business requirements. Efforts have been made to standardize, refine, institutionalize, and apply information technologies to theater management and operation, service provision, safety management,

and management improvement. Moreover, Poly Theater has always pursued to satisfy the spiritual needs of the public, support performance and creation of artists, contribute to China's cultural programs and cultural industries, and facilitate international cultural exchanges and promotion. It is committed to building a stage for displaying domestic and international theater arts, a platform for exchanges between Chinese and Western cultures, and a main site for the public to experience the charm of culture.



▲ "Third-generation cinema" of Poly Film

:: The "third-generation cinema"

To fully capitalize on the opportunities and challenges facing the film and television industry, Poly Film initiated the "third-generation cinema" project designed to create a space of film arts that integrates cultural events, social activities, and fashion elements, among others, based on upgraded contents, scenarios and services.

Content upgrade

- A wider variety of contents would be displayed in the cinema, including recorded programs, live broadcasts and sports events; and more on-spot shows would be introduced, including mini-theater shows and children's plays. The purpose is to upgrade the fast-food-style theater experience to a content-rich, interactive and memorable one.

Service upgrade

The project is designed to enhance the service and management capability of the theaters through an internet-based model that combines online platforms, customer community development, and door-to-door delivery of cinema products.

Scenario upgrade

- By fully tapping into the theater space and enriching the business forms, the project aims to bring close the audience and screen that used to be independent of each other and provide an interactive, immersive experience where the audience integrates with the actors, scene, and plot.



:: Auction business under lean management

In 2022, Beijing Poly International Auction, based on characteristics of the industry and traits of the company, continued to practice the "eight-dimension lean management" with a focus on innovation and efficiency. Specifically, lean process management has been applied throughout the making, printing and mailing of antique catalogs. Meanwhile, customer information has been regularly updated to ensure the accuracy of delivery and the service quality.



Customers' rights and interests

In accordance with the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* and the *Anti-Unfair Competition Law of the People's Republic of China*, the Group has taken such actions to protect customers' interests, including developing measures for service improvement based on customer satisfaction surveys, summary and analysis of customer complaints, and so forth; continuously improving the product and service quality management system; and enhancing the protection and management of network security protection to effectively maintain customers' privacy.

:: Marketing compliance

We strictly conform to laws and regulations including the *Advertising Law of the People's Republic of China*, the *E-Commerce Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China* and the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, as well as policies and provisions released by the industry regulators. Information provided in marketing

is guaranteed to be authentic, legitimate, and impossible to exaggerate the fact or deceive or mislead our customers. Meantime, our subordinate companies are encouraged to use distinctive, healthy, positive materials in advertising. They are also required to conform to local laws, regulations and regulatory provisions and respect local customs and cultures when engaged in overseas advertising.

:: Customer complaint and communication

With great importance attached to customers' voice, we have devoted a lot of efforts to complaints management to maintain sound customer relations. We have coordinated the customer complaints handling mechanisms involving our subsidiaries, who are required to improve their customer complaint channels on a constant basis; mobilize internal departments to analyze causes and implement measures for improvement upon receipt of a customer complaint; and report, track, supervise and offer feedback for the case according to the *Management Measures for Quality Events* whenever necessary.

:: Information security and privacy protection

We have developed requirements for information system security, implemented the classified protection of information system security in a step-by-step manner, and reinforced information system security risk management. In 2022, we identified loopholes and put them under monitoring, timely blocked all the security loopholes, convened cybersecurity conferences, investigated network conditions of the parent company and subordinate enterprises and offered suggestions accordingly, so as to guarantee the safe network operation. In 2022, we identified 272 information security loopholes, all of which have been handled.

For individual customers, they will be reminded to read our *User Protocol* and *Privacy Policy* when registering at any of the Group's apps that would collect user information. Rational and feasible

security protection measures meeting industry standards have also been taken to protect personal information and prevent it from unauthorized access, disclosure, use, modification, damage, or loss. These are in accordance to the *Cybersecurity Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China* and other laws and regulations.

We will continue to conform to laws and regulations governing personal information security and build a personal information and data compliance system that lives up to relevant requirements in terms of institutional completeness, classified and tiered management of personal information and access authority, personal information security protection measures, and personal information security emergency response mechanism.

Procurement and supplier management

The Group's product and service providers are mostly domestic and overseas performance groups, cinema companies, art owners, decoration contractors, printers and others. As domestic and overseas performance groups and art owners are sparsely distributed, it is hard to keep statistics of these two kinds.

We have set up management rules such as the *Interim Measures for Supervision of Bidding Effectiveness* and the *Management Provisions for Centralized Procurement*, which specify the principles and management procedures for bidding and procurement and set forth the requirement that all procurement transactions should be subject to strict control in terms of inclusion of legitimacy and compliance clauses, delivery and acceptance check, payment review and ongoing supervision. It is forbidden to make partial evaluation or transfer any interests or profits via associated transaction in procurement; once there emerges any sign of risk or irregularity in any step of the transaction, such control measures will be taken as cooperation suspense, payment suspense, termination of cooperation, among others.

Poly Culture is dedicated to establishing long-term, sound partnerships with suppliers.

- Suppliers with goodwill and high reliability in terms of product and service are considered.



- Priority is given to suppliers who have sound records in labor, environment and safety management.

- The audit department regularly examines the procurement prices and duly evaluates the suppliers' CSR performance.

◆◆ Poly Theater builds a brand new supplier management system

case

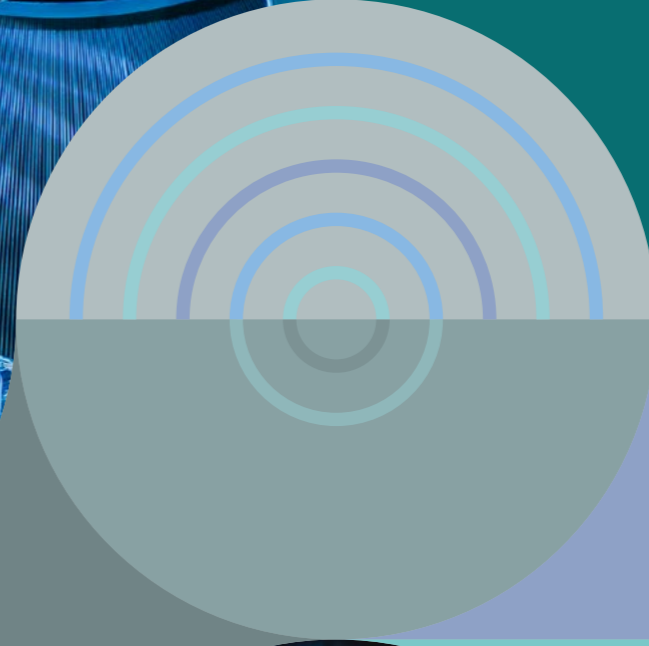
In 2022, Poly Theater set up a supplier management system covering supplier access, quotation & procurement, assessment & management, and business suspense & exit mechanism. Lean management and control throughout the whole chain enabled by systematic management has enhanced the general efficiency of procurement on the one hand, and helped the company optimize procurement costs and increased mutually beneficial cooperation with suppliers on the other.

Green Development

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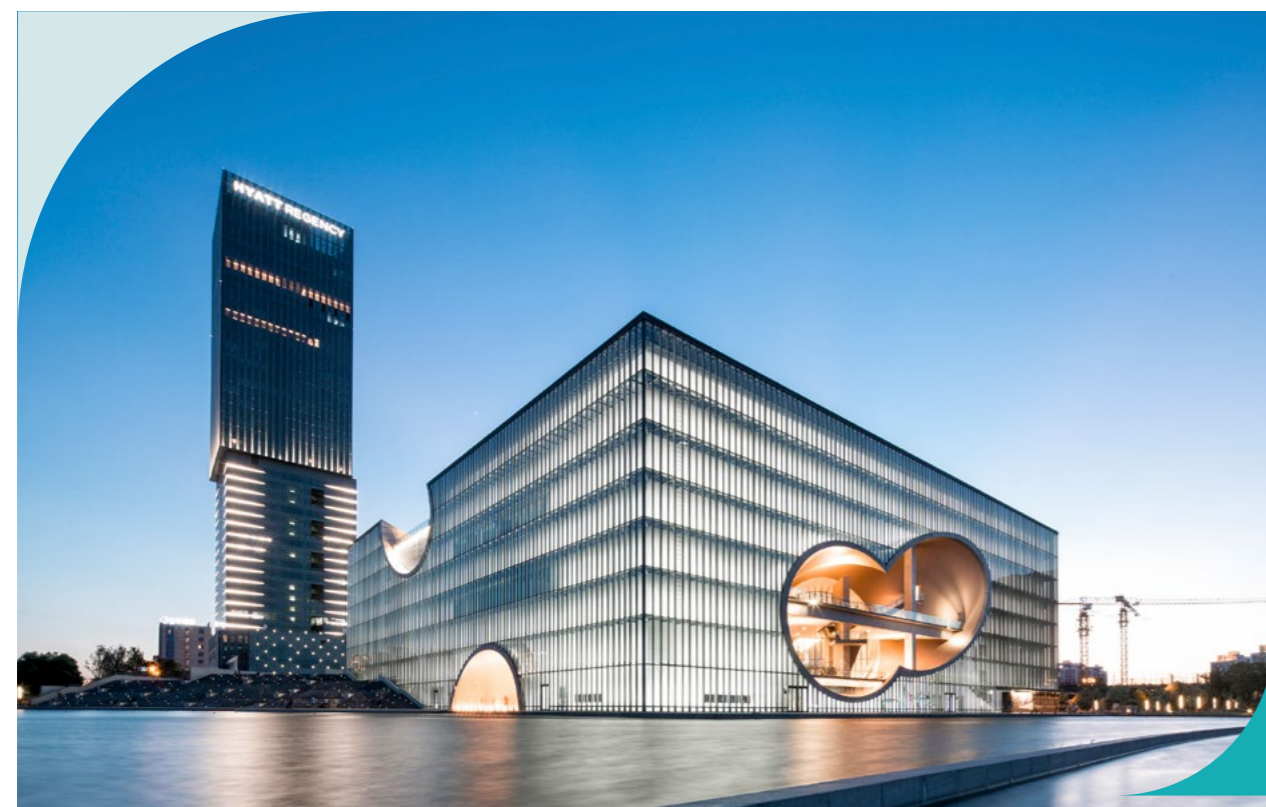
Guided by decisions and planning made by the CPC Central Committee and the State Council, Poly Culture has continuously advanced the development of the environmental management system, enhanced energy conservation and eco-environmental management, and practiced the concept of green operation. By implementing the country's carbon peaking and carbon neutrality goals, Poly Culture has made positive contributions to the harmonious co-existence of man and nature.



Climate change response

As the occurrence of extreme weather events caused by climate change is on the rise, climate change has become an issue of common concerns. With an understanding of the importance of climate change response, the Group has identified a series of acute and chronic climate-related risks including hurricane, rainstorm, flood, fire, hail, and high temperature. Specifically, acute physical risks could cause security troubles to audience at the Group's theaters and cinemas. We have prepared emergency plans and evacuation guides accordingly. Meanwhile, each of our theaters and cinemas is equipped with a workplace safety committee, security management personnel, and emergency teams for fire security, evacuation and first aids, with the aim of guaranteeing safety of the audience and work staff.

In 2022, we reposted over 410 pieces of early warning against extreme weather and geological disasters. All the subsidiaries put great efforts into extreme weather risk control and potential hazard governance; intensified on-duty arrangements for monitoring, early warning and emergency handling; ensured supply reserves; and conducted emergency drills, so as to protect personnel and property safety during extreme weather incidents. In addition to business resumption and COVID-19 control, many of our theaters actively participated in flood control and rescue in cooperation with local people and communities.



▲ Shanghai Poly Grand Theater was rated as a two-star green building in 2018

◆◆ Shanxi Poly Theater launches energy-saving renovation

case

Shanxi Poly Theater has renovated indoor lights in such areas as the hall, audience hall, office area and makeup room to save more power, replacing 1,800 metal-halide lamps and T5 gas lamps with eco-friendly, power-efficient LED lights. Moreover, outdoor landscape lamps have been replaced by solar-energy lights to save energy.

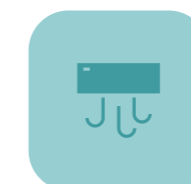


Green operation

As the Group is a non-industrial enterprise, most of our energy consumed is electricity, gasoline, natural gas and heating power. According to the general requirements for energy conservation and eco-environmental protection, we have stepped up statistical work and measurement related to energy consumption and carbon dioxide emissions. Energy consumption data of each show are under monitoring; in the event of any abnormality, the equipment would be timely tested to shoot problems so as to reduce unnecessary energy use. The operation mode is adjusted to peak-hour, usual-hour and valley-hour power price gaps to cut down basic electricity bills.

Lighting

- The stage light control circuit of the audience area inside the theater has all-light-on mode, cleaning-hour mode and children's show mode. The stage lighting and work lighting could be controlled reasonably based on performance requirements; only basic work lights on the stage are kept on when there is no performance.
- Many theaters have changed public area lights to highly bright LED lights, which enables us to lower energy consumption of lighting while ensuring no changes to the brightness.



Air conditioning

- The switching time of air conditioners was strictly controlled according to the performance and film screening schedule; rules on air conditioners in routine operation have been set forth based on actual needs of routine operation and performance requirements.
- Indoor air conditioning temperature control parameters have been designed in the light of the architectural structure characteristics and past records of actual temperature parameters.
- Frequency converters have been installed for the air-conditioning cooling system, cooling pumps and cooling fans, which could greatly reduce power consumption of the central air-conditioning system while ensuring the comfort of the audience during performance.

◆◆ Lean management boots green transformation of the auction industry

case

Antique catalog is an auction instrument carefully prepared by experts in each auction season. It contains professional information and academic evaluation of all lots put up for auction. In response to the call for green, convenient practice as well as to the new requirements for higher quality and efficiency, Beijing Poly International Auction has continuously improved its antique catalogs by means of "eight-dimension lean management".

It has optimized the electronic representation of antique catalogs and explored effective online channels by offering electronic catalogs on the Poly Auction app and the WeChat mini-program named Poly Auction Network Platform, which enable the tracking of use preferences of customers and the cultivation of their habit of using electronic catalogs.

"Lean process management" has been profoundly embedded into each link and each level of operation. A plan has been designed to duly reduce cost of printing in terms of technique, paper type, size and print run.

We have worked with experts from all business departments to develop a set of generally applicable standards on paper and format for catalogs, popularized printing knowledge, and advocated frugality so as to reduce resource cost and time cost.



▲ Part of the antique catalogs for spring auction in 2022

:: Green operation performance

Total electricity consumption kWh



Purchased heating power TJ



Gas consumption m³



Gasoline consumption Liter



Water consumption m³



Green office

We have put up savings reminders at light switches in corridors, in restrooms and around faucets, and advocated the importance of energy consumption reduction via billboards, meetings and other channels, with a view to enhancing the employees' sense of responsibility and awareness and guiding them in taking actions right away to develop good habits of saving power, water, paper and other resources.

Vehicle

- Use of corporate vehicles is minimized; shared use of one corporate vehicle is encouraged; drivers are required to conform to vehicle use rules and traffic laws and regulations and to take energy-saving measures.
- Moreover, we have intensified the management of vehicle use by regularly analyzing the mileage and oil consumption and keeping good maintenance so as to lower oil consumption.



Office

- Appropriate air conditioning temperature is set in the office area; windows should be kept closed with air conditioners on; employees are encouraged to reduce the working hours of air conditioners by one hour at least each day; the air conditioning system must be turned off before leaving office.
- Natural lighting is preferred in workplace with less or no lamps on. It has been made a rule that lights must be off before leaving office; no light should be "forever burning".
- In addition, power control of office facilities such as computer, printer and photocopier has been reinforced; the facilities should be timely powered off when not in service, and never be kept in standby status for a long time.

◆◆ Dongguan Yulan Theater actively adopts a green practice

case

Dongguan Yulan Theater has updated all of its 55 garbage bins, put on labels on those for garbage of different kinds, and seen to classified wastes dumping and gathering. It plays mini-films and put up posters promoting garbage sorting on LED screens of the theater, at the hall, entrance and exit for performers, and in office areas and other conspicuous places to widen the coverage of public education. Lecturers have been invited to give training for all on wastes sorting and offer onsite instructions in a campaign themed on "Participation in Wastes Sorting for a Harmonious Theater".



An Employee-oriented Approach

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Poly Culture is dedicated to developing harmonious labor relations in conformity with the principles of legitimacy, fairness, equality, voluntariness, consensus building, honesty and integrity. We respect and protect employees' legal rights and interests, offer them equal opportunities, continue to improve occupational training, and smoothen their growth channels, with the aim of promoting their all-round development together with the enterprise.



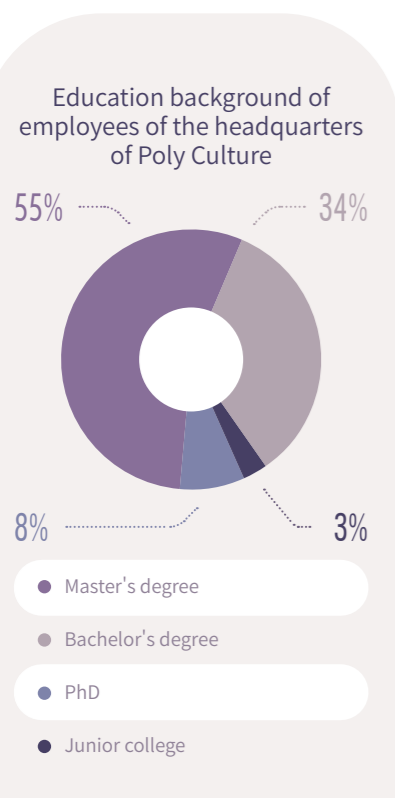
Rights and interests protection

The Group strictly conforms to state laws and regulations including the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and the *Social Insurance Law of the People's Republic of China*. The *Management Provisions for Labor Contract of Poly Culture Group Corporation Limited* and the *Codes of Conduct for Employees of Poly Culture Group Corporation Limited* are in place, which provide for recruitment and employment, labor relations management, attendance and leave-taking, rewards and punishments, remuneration and benefits and other related aspects to fully protect employees' legal rights and interests. Besides, the Group has continuously improved the labor use regimes and set up a sound supervision & guarantee system for employee protection.

We offer equal opportunities to employees with explicit requirements that no discriminatory or differential treatment is accepted in terms of remuneration and benefits, career development, awards and punishments, among others, on the grounds of race, culture, religious belief, gender, age or physical disability or the like. Employees are encouraged and instructed to voice their appeals in a legitimate way.

We oppose and prohibit illegal employment practices such as child and forced labor. We strictly review the age and background of candidates during the resume screening stage. Those who do not comply with the relevant laws and regulations are not allowed to pass the resume screening. During the year, we did not detect any irregularities in employment.

:: Introduction of excellent talents



In the view of the Group's strategic development requirements, we have actively explored the building of a market-oriented selection and recruitment mechanism, enhanced the market concept and competition awareness, and expanded visions and channels of talent selection and employment. As of the end of 2022, the Group had 8,175 employees in total, including 1,815 newly recruited.

In 2022, we recruited externally from the market and internally from the Group for 18 positions, including department heads, subsidiary leaders and headquarters department employees; appointed six Party Committee leaders; and engaged 10 employees for the headquarters.



Written exam for public recruitment

Poly Theater's meeting for internal review on the occupational health and safety management system

:: Occupational health management

We have established a sophisticated occupational health management system to ensure a healthy workforce. A plan on occupational disease control has been implemented to investigate potential risks endangering occupational health, organize physical examinations, create personal health archives, and hold occupational health training for employees.

In 2022, we went all out to protect employees' health. Specifically, we released health information in a timely, simultaneous manner across all of our theaters; took epidemic control measures including environment disinfection and sterilization, ventilation, body temperature checking & recording, mask wearing, individual disinfection, real-name ticketing, inspection on COVID-19 control work, and proper handling of performance cancellation and ticket refund; and arranged performance activities as appropriate.



Poly Film launches the Occupational Disease Control Week campaign

:: Workforce structure

Indicator	Unit	2021	2022
Total number of employees	Person	7,905	8,175
By gender			
Male	Person	3,879	4,012
Female	Person	4,026	4,163
By employment type			
Full-time	Person	7,278	7,655
Part-time	Person	627	520
By age			
Below 30	Person	3,494	3,485
30-50	Person	3,777	3,967
Above 50	Person	634	723
By region			
Beijing	Person	772	921
Areas in Chinese Mainland other than Beijing	Person	7,056	7,180
Hong Kong SAR, Macao SAR and the Taiwan region	Person	72	70
Overseas	Person	5	4

:: Employee recruitment and retention

Indicator	Unit	2021	2022
Newly employed	Person	2,046	1,815

:: Employee health and safety

Indicator	Unit	2021	2022
Coverage of the Statement of Workplace Safety Responsibility	%	100	100
Working days lost due to workplace injury	Day	839	627
Work-related deaths	Person	0	0

Training and career development

The Group focuses on building a learning-oriented enterprise. A sound training system is in place to promote employees' career development. Incentives are provided to drive innovation and realize outcome sharing.

:: Employee training

The "1+3" (headquarters + three main business sections) training system is under ongoing improvement. Training is offered in line with the principles of coordinated planning, tiered management and category-based provision, with the aim of building a learning-oriented enterprise. In 2022, we held 2,620 training sessions with a cumulative 55,116 participants. The Group's Party Committee leaders received 244.5 hours of training per person throughout the year, including 192.5 hours of online training; professional/technical employees received 117 hours of training per capita.

In 2022, we organized a number of training sessions and seminars on lean management based on our research outcomes, in a bid to facilitate the implementation of the "eight-dimension lean management". In August 2022, we launched an innovative Lean Management Workshop, which offered some subsidiaries with tailored tutoring on lean management topics ranging from definition to analysis. Participants exchanged recent work achievements during the workshop. We also invited professional lecturers, which boosted the building of a lean management team and cultivated the atmosphere for lean operation.

- 101 operational management training sessions, with **3,413** participants
- 962 professional/technical training sessions, with **18,610** participants
- 1,557 skills training sessions, with **33,093** participants

:: Talent system

In 2022, we initiated the work to build a talent system. A leading group and a related workforce have been set up to collect information of positions in different series and completed a preliminary questionnaire survey on human resources. Based on these, we have pictured a panorama of position series, planned for a key talent pool, and

created talent management measures, a talent ledger and talent archives. A blueprint for the talent system has taken shape in response to development requirements, which enables us to implement talent projects and HR management measures in a category-based, tiered manner.

:: Employee training

Indicator	Unit	2021	2022
Average training hours per employee	Hour	39.75	39.95
Number of employees trained by gender			
Male	Person	3,277	3,087
Female	Person	3,367	3,285
Number of employees trained by position ranking			
Senior management members	Person	144	160
Middle management members	Person	630	611
Other employees	Person	5,836	5,601

Communication and care

The Group has continuously improved the mechanisms of democratic management and democratic supervision. Opinions and suggestions from employees are valued, and the democratic decision-making procedure is followed when it comes to policies, management rules or big issues directly related to employees' interests, so as to protect employees' rights and interests.

:: Communication

With great importance attached to employees' rights to understand, participate in and supervise business operations, we have formulated and refined the plan for company affairs publicity, so as to enhance democratic supervision and democratic management. The employee representatives' meeting is held to

communicate operational decisions, appointment and dismissal, procurement, financial expenditures, among others. Employees are encouraged to oversee and offer feedbacks on the enterprise's long-term development plan and issues of their interest.

:: Care

We care about our employees. A wider variety of measures, including recreational activities and care and benefits regimes, have been introduced to ensure a warm, positive working atmosphere and a colorful life, so that our employees can work and live happily.

We have always paid attention to employees' needs so as to timely offer help to those in difficulties. In 2022, one employee applied for the subsidy to those in financial difficulties; upon completion of the application procedures under our assistance, the employee received RMB5,000.

:: Employee activity

We have organized a wide range of recreational activities for employees that are designed to enhance their physical health and enrich their spare time on one hand and ensure an energetic, cohesive workforce on the other.



◆◆ **Badminton contest**

On August 25 and 26, 2022, we organized employees to attend the 6th badminton contest held by Poly Group. Ten teams from Poly Theater, Beijing Poly International Auction, Poly Film and the Group attended the contest, where the contestants and played hard for victory.



◆◆ **Celebration activities of youth and vigor**

To celebrate the 100th anniversary of the Communist Youth League of China, carry on the spirits of the May 4th Movement and enrich employees' cultural life, the CYLC organizations and subordinate companies of Poly Theater held a variety of activities such as sports meet for fun and aerobic exercise, which were designed to call on young people to learn, to dance and to move. The sports activities have built up fitness and showcased the vigor of youth.

▾ Sports meet of Changsha Meixi Lake Poly Grand Theater



▲ Sports meet of the CYLC Committee of Qianjiang Poly Grand Theater

◆◆ **Gift giving activity to celebrate the Chinese New Year**

Spring Festival is a time for people to bid welfare to the past and celebrate the new year with couplets. To create a joyful atmosphere for the approaching festival, Beijing Poly International Auction held the traditional activity to distribute "Fu" (lit. "good luck") patterns and red couplets to employees on January 13, 2023, the day of Minor New Year or the Chinese Kitchen God Festival.

The activity received active response. Red papers with the auspicious "Fu" character and red couplets with best wishes that gave off fresh ink fragrance were distributed to employees by Beijing Poly International Auction. With big smiles on their face, everyone was so happy to receive the gift.



◆◆ **Poly International Cinema (Nanning Chendong Branch) organizes a cycling activity**

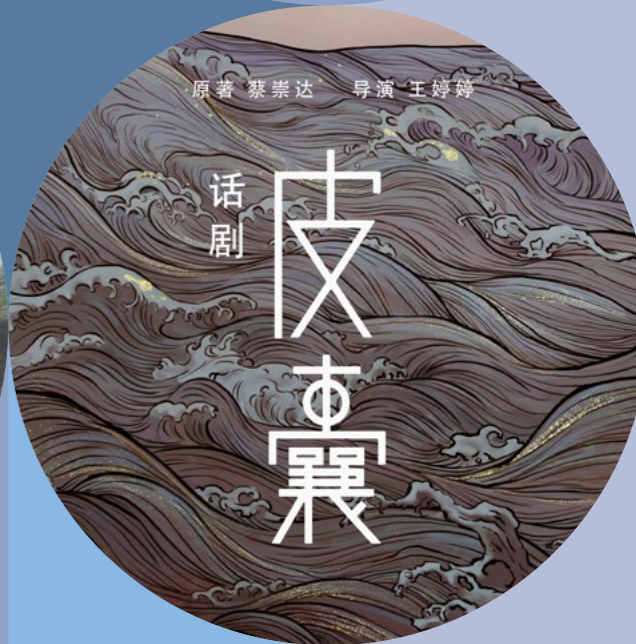
On July 19, 2022, Poly International Cinema (Nanning Chendong Branch) organized a cycling activity themed on "Protect the Blue Sky, Live a Low-Carbon Life." Cyclists set out at 9:30 from the theater, and pedaled along the Jiangbei Road all the way to Shangyao Wharf. Through the activity, they advocated the significance of green travel, firmed up their bodies, and relaxed the minds. Participants also picked up garbage on road, contributing to the building of a beautiful city.



Charity Practice

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Community is our castle. Poly Culture has pursued the mission to be a socially responsible corporate citizen. By leveraging the advantages of our main business, we are devoted to public welfare projects, including charity auctions and free-of-charge film screening, targeting disadvantaged groups. These efforts enable us to give back to communities and contribute to an inclusive, beautiful society.

Poly Theater

◆◆ Wenzhou Poly Grand Theater brings cultural entertainment to children for 11 years

case

Wenzhou Poly Grand Theater would invite new arrivals to Wenzhou to free-of-charge shows each year, a practice starting from 2012. The 11-year loving journey led by the theater has witnessed the population's pursuit of happiness.

On the night of August 6, 2022, this activity, co-organized with Wenzhou Music Radio (FM 100.3), celebrated its 11th anniversary. Wenzhou Poly Grand Theater and Wenzhou Music Radio, in cooperation with the Wenzhou Migrant Population Service Center, prepared a large multi-media stage play themed on the mythical story *Lotus Lantern* for new arrivals

The hall was filled with children's laughter; they read the program brochure and took photos in the theater. The seed planted in the children's heart by this public interest activity would one day sprout and blossom as they experience more cultural life.



Participants feedback

Mr. Pan from Yongjia worked in Shuangyu. He and his kid took one hour by bus to the theater. This was also the first time he had taken his kid to a theater. He said: "There is no such show at school. The activity broadens children's horizon. It is good that they have the chance to experience new things."

For the 12-year-old Zhu Wenchen, this was the third time he had participated such an event. Despite the past experience, he still found it exciting: "Though I've grown up a little bit, I'm still happy and excited to be here."

Chen Zhijun, General Manager of Wenzhou Poly Grand Theater Management Co., Ltd., said: "The activity has been held for 11 years. Over 2,000 new households have been invited to watch 10-odd shows for kids. We hope to continue this activity so that more children loving stage arts have the chance to walk into the Wenzhou Poly Grand Theater."

◆◆ Shenzhen Poly Theater provides art education for juvenile choirs in poor mountainous areas

case

Shenzhen Poly Theater is committed to supporting teens and children in poverty to realize self-breakthroughs via art education, ensuring the next generation of China to live a rich cultural life. To this end, the theater organized a mock choral festival for a choir.

The activity helped the Hualong Keba Warm Dream Choir (consisting of children from Keba Village, Jinyuan Tibetan Town, Hualong County, Qinghai Province) realize the dream of performing on a national stage. The children sang with pure and natural voices the works adapted from traditional folk songs on the Qinghai-Tibet Plateau. Five authoritative experts from the field of chorus gave insightful comments and professional guidance, helping with their professional improvement and broadening their horizon. At the end of the activity, Shenzhen Poly Theater presented a monetary gift of RMB5,000 to the choir. Details of the activity were reported by the *Music Weekly* program on the CCTV-15 music channel.



◆◆ Shenyang Poly Theater holds a public interest show

case

On August 6, 2022, Shenyang Poly Theater, together with Liaoning Children's Art Theater, Liaoyang Disabled Persons' Federation and the Liaoyang CYLC Committee presented a public interest show for special children and left-behind children, leaving them with a happy childhood memory.



Beijing Poly International Auction

Chinese Mainland

Beijing Poly International Auction launched a charity auction of the golden Bing Dwen Dwen in support of the Dajing Winter Sports Program. Money raised was directly donated to the Program under Project Hope run by China Youth Development Foundation for promoting winter sports among young people.

- On the night of March 2, 2022, Wu Dajing introduced the lots up for this auction via Douyin livestreaming platform, shared in detail why he donated his golden Bing Dwen Dwen for the auction, and talked about the philosophy of the Dajing Winter Sports Program.
- During the three days from March 31 to April 2, all the nine lots were sold. The golden Bing Dwen Dwen, the mascot of Beijing Olympic Winter Games exclusively awarded to prize winners at the Games, was sold for RMB920,000; eight limited-edition posters autographed by Wu were sold for varying prices. The total transaction amount reached RMB969,500.

Hong Kong SAR

Poly Auction Hong Kong cooperated with a local arts education institution Kids' Gallery in holding a series of fun activities and a special charity auction, where money raised was donated to Ebenezer School & Home for the Visually Impaired.

- Experts of the contemporary arts department of Poly Auction Hong Kong gave lectures and instructions at Kids' Gallery; a total of 20 exquisite works were created by over 10 students aged between 5 to 14, among whom four were students of Ebenezer.
- Five children were invited to take the "Little Auctioneer" course and served as auctioneers during the event.
- Besides, Poly Auction Hong Kong held a seven-day "young heARTS Exhibition" in its arts space, where lots for the charity auction as well as 10 works of art created by Ebenezer students were displayed to arouse people's concerns for children with visual impairment.



On January 13, 2022, Kunshan Culture & Art Center of Poly International Cinema initiated the "Loving Cinema—Film Accessibility" project, where accessible versions of films on showing were presented to visually impaired audiences. The project served 137 persons throughout the year.

On November 12, 2022, Baise Forest Park Cinema of Stars International Cinema invited over 60 fire fighters of the Baise Municipal Fire Squad to enjoy a free movie Home Coming.

Poly Film

◆◆ Mind's Eye cinema spreads warmth

case

On the morning of January 9, 2022, a comedy film Bath Buddy was being displayed in Hall No.9 of Poly International Cinema (Beijing Tian'anmen Square Branch). Unlike the regular film display, the hall was brightly lit; two volunteers were enthusiastically explaining the plot of the film; audience broke out laughs from time to time. They were "listening" to the movie.

Such heart-warming scene appeared almost every Saturday since July 2018. The cinema reached cooperation with the Xinmu Foundation and became the only fixed site of Xinmu (lit. "mind's eye") Cinema offline. It offers services for visually impaired audiences, enabling them to hear description of the film articulated by volunteers while listening to the film on spot so that they could appreciate the films accurately and completely. To ensure a better experience, the cinema assigned backbone employees for the task, prepared quality movies, and went all out to guarantee good services. Well-trained employees welcomed and treated the audiences with thoughtful services, making them feel at home, and saw them off after the film ended. In the reporting period, the Xinmu Cinema project as included into the CSR bluebook of centrally-managed enterprises as a case of excellency.



Key Indicators

:: Energy use

Indicator	Unit	2021	2022
Total energy consumption	mWh	3,503,191	3,320,109
Energy consumption density (per unit of office area)	mWh/m ²	1.22	1.04
Total electricity consumption	kWh	122,746,780	108,296,047
Electricity consumption density (per unit of office area)	kWh/m ²	42.82	33.81
Gas consumption	m ³	1,277,200	1,045,560
Gas consumption density (per unit of office area)	m ³ /m ²	0.45	0.33
Gasoline consumption	ton	280,764	266,902
Purchased heating power	TJ	18.8	18.2
Water consumption	m ³	1,514,163	1,334,029
Water use intensity (per unit of office area)	m ³ /m ²	0.53	0.42

:: GHG emissions¹

Indicator	Unit	2021	2022
GHG emissions (Scope 1, Scope 2)	Ton of CO ₂ equivalent	919,501	868,896
GHG emissions intensity (per unit of office area)	Ton of CO ₂ equivalent/m ²	0.32	0.27
Direct GHG emissions (Scope 1)	Ton of CO ₂ equivalent	846,118	803,974
Indirect GHG emissions (Scope 2)	Ton of CO ₂ equivalent	73,383	64,922

¹ Calculation of GHG emissions:
 Direct GHG emissions = corporate energy consumption × emission factor (For emission factors, see *China Energy Statistical Yearbook and IPCC 2006*);
 Indirect GHG emissions = purchased electricity × emission factor (For emission factors, see the trial guide on the verification of corporate GHG emissions report by China's Ministry of Ecology and Environment);
 Total GHG emissions = direct GHG emissions + indirect GHG emissions.

:: Workforce structure

Indicator	Unit	2021	2022
Total number of employees	Person	7,905	8,175
By gender			
Male	Person	3,879	4,012
Female	Person	4,026	4,163
By employment type			
Full-time	Person	7,278	7,655
Part-time	Person	627	520
By age			
Below 30	Person	3,494	3,485
30-50	Person	3,777	3,967
Above 50	Person	634	723
By region			
Beijing	Person	772	921
Areas in Chinese Mainland other than Beijing	Person	7,056	7,180
Hong Kong SAR, Macao SAR and the Taiwan region	Person	72	70
Overseas	Person	5	4

:: Employee recruitment and retention

Indicator	Unit	2021	2022
Newly employed	Person	2,046	1,815
Employee attrition	Person	2,056	1,545
Employee turnover rate	%	27.29	18.90
Attrition by gender			
Male	Person	1,105	881
Female	Person	951	664
Attrition by age			
Below 30	Person	1,658	1,282
30-50	Person	359	223
Above 50	Person	39	40
Attrition by region			
Beijing	Person	91	69
Areas in Chinese Mainland other than Beijing	Person	1,953	1,469
Hong Kong SAR, Macao SAR and the Taiwan region	Person	11	7
Overseas	Person	1	0

:: Employee health and safety

Indicator	Unit	2021	2022
Coverage of the Statement of Workplace safety Responsibility	%	100	100
Working days lost due to workplace injury	Day	839	627
Work-related deaths	Person	0	0

:: Employee training

Indicator	Unit	2021	2022
Training sessions throughout the year	Session	1,980	2,620
Number of trainees throughout the year	Person	43,580	55,116
Average training hours per employee	Hour	39.75	39.95
Number of employees trained by gender			
Male	Person	3,277	3,087
Female	Person	3,367	3,285
Number of employees trained by position ranking			
Senior management members	Person	144	160
Middle management members	Person	630	611
Other employees	Person	5,836	5,601
Per capita training hours by gender			
Male	Hour	39.56	40.35
Female	Hour	39.93	39.58
Per capita training hours by position ranking			
Senior management members	Hour	34.40	42.82
Middle management members	Hour	46.41	39.83
Other employees	Hour	39.32	39.88

:: Supply chain management

Indicator	Unit	2022
Total number of major suppliers ²	Entity	324
In Chinese mainland	Entity	324

² Refer to major suppliers of Poly Theater and Poly Film

Content Index

Content Index of SEHK's ESG Reporting Guidelines

Subject Areas, Aspects, General Disclosure and KPIs	Page Number
Mandatory Disclosure Requirements	
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses. P3, P7
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison. P2
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change. P2
A. Environment	
Aspect A1: Emissions	General Disclosure: Information on: (a) the policies and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and on land, and generation of hazardous and non-hazardous waste. P56
	KPI A1.1 The types of emissions and respective emissions data. P76
	KPI A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility). P76
	KPI A1.3 Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility). P61
	KPI A1.4 Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility). P61
	KPI A1.5 Description of emission target(s) set and steps taken to achieve them. P59- P61
	KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them. P60- P61
Aspect A2: Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials. P56
	KPI A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in 000s) and intensity (e.g. per unit of production volume, per facility). P76
	KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility). P76
	KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them. P59- P61
	KPI A2.4 Description of whether there is any issue in sourcing water that is fit for appropriate purposes, water efficiency target(s) set and steps taken to achieve them. P60-P61
	KPI A2.5 Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced. Not applicable
Aspect A3: Environment and Natural Resources	General Disclosure: Policies on minimizing the issuer's significant impact on the environment and natural resources. P56
	KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. P59- P61
Aspect A4: Climate Change	General Disclosure: Policies on identification and mitigation of significant climate related issues which have impacted, and those which may impact, the issuer. P56
	KPI A4.1 Description of the significant climate related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them. P58
B. Social	
Employment and Labor Practices	
Aspect B1: Employment	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. P64

Subject Areas, Aspects, General Disclosure and KPIs	Page Number
Aspect B1: Employment	KPI B1.1 Total workforce by gender, employment type (for example, full or part time), age group and geographical region. P65
	KPI B1.2 Employee turnover rate by gender, age group and geographical region. P77
Aspect B2: Health and Safety	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. P64
	KPI B2.1 Number and rate of work related fatalities occurring in each of the past three years including the reporting year. P65
	KPI B2.2 Lost days due to work injury. P65
	KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored. P65
Aspect B3: Development and Training	General Disclosure: Policies on improving employee knowledge and skills for discharging duties at work. Description of training activities. P66
	KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management). P77
	KPI B3.2 The average training hours completed per employee by gender and employee category. P77
Aspect B4: Labor Standards	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor. P64
	KPI B4.1 Description of measures to review employment practices to avoid child and forced labor. P64
	KPI B4.2 Description of steps taken to eliminate these practices when discovered. P64
Operating Practices	
Aspect B5: Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain. P55
	KPI B5.1 Number of suppliers by geographical region. P77
	KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored. P55
	KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. P55
	KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. P55
Aspect B6: Product Responsibility	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress. P48
	KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons. Not applicable
	KPI B6.2 Number of products and service related complaints received and how they are dealt with. P54
	KPI B6.3 Description of practices relating to observing and protecting intellectual property rights. P45
	KPI B6.4 Description of quality assurance process and recall procedures. P48- P51
	KPI B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored. P54
Aspect B7: Anti-corruption	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. P41
	KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and outcomes of the cases. P41
	KPI B7.2 Description of preventive measures and whistle blowing procedures, and how they are implemented and monitored. P41
	KPI B7.3 Description of anti-corruption training provided to directors and staff. P41
Community	
Aspect B8: Community Investment	General Disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure their activities take into consideration the communities' interests. P12, P16, P17, P22, P70
	KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport). P12-P13, P16-P17, P21-P25, P70- P75
	KPI B8.2 Resources contributed (e.g. money or time) to the focus area. P16-P17, P21-P25, P70- P75

Feedback Form

Thank you for reading this report. For better report preparation, we value your opinions and suggestions. We will appreciate it if you could complete the feedback form below and mail it to us at the following address.

Address: 11/F, New Poly Plaza, 1 North Street of Chaoyangmen, Dongcheng District, Beijing, Office of the Board of Directors, Poly Culture Group Corporation Limited (100010)

Basic Information

Name: _____ Tel.: _____
Affiliation: _____ Fax: _____
Position: _____ Email: _____

Close-ended questions

This report completely and accurately reflects the Group/s major impacts on economy, society and environment:

very good good fair poor very poor

This report responds to and discloses concerns of stakeholders:

very good good fair poor very poor

Information, indicators and data disclosed are clear, accurate and complete:

very good good fair poor very poor

This report is reader-friendly in terms of the framework, contents design, language, and layout:

very good good fair poor very poor

(please put a "√" inside the box of your choice)

Open-ended questions

What else do you need to know that is not disclosed in this report?

Do you have any suggestion for our future ESG reports?



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