



# 星盛商業管理股份有限公司

## E-STAR COMMERCIAL MANAGEMENT COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)  
Stock Code: 6668



Environmental, Social  
and Governance Report

# 2022





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## ABOUT THE REPORT

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### Introduction

This Environmental, Social and Governance Report (the “Report”) is an overview of the environmental, social and governance (“ESG”) performance of E-Star Commercial Management Company Limited (the “Company” or “E-Star”), together with its subsidiaries (the “Group” or “we”).

### Scope of Reporting

Having taken into account the impact of various business activities on the Group’s policies, financial and environmental and social performance, the chief executives of the Group decided to include the office premises and projects with effective operating control and significant impact on environment, society and governance under the entrusted management service model, the brand and management output service model and the sublease service model in the reporting scope of this Report. Because the cost of water, electricity and waste management generated by the brand and management output service shall be borne by property owners, the environmental data disclosed in this Report did not include the environmental data generated by projects of this service.

### Reporting Framework and Principles

The Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) as set out in Appendix 27 of the Rules Governing the Listing of Securities on the Main Board issued by The Stock Exchange of Hong Kong Limited (“HKEX”). The Group attaches great importance to the principles of materiality, quantitative, consistency and balance in the preparation of this Report and the Group has applied these reporting principles in accordance with the ESG Reporting Guide as follows:



## ABOUT THE REPORT

### Materiality

The Group has assessed and analysed material ESG issues through materiality assessment, and the identified material issues become the key focuses of this Report. The relative importance of different issues has been reviewed and determined by the Board and senior management. For further details, please refer to the sections headed “Stakeholder Engagement” and “Materiality Assessment”.

### Quantitative

This Report discloses the criteria and methods used in the calculation of relevant data, as well as the applicable assumptions. Key performance indicators (“KPIs”) are supplemented with explanatory notes to establish benchmarks where feasible.

### Consistency

This Report has been prepared in accordance with the KPI calculation, criteria and scope consistent with that of the year ended 31 December 2021 (“FY2021”), unless otherwise stated for changes in scope of disclosure and calculation method.

### Balance

This Report provides an unbiased overview of the ESG performance of the Group, as well as our significant ESG achievements and areas of improvement.

Information relating to the Group’s corporate governance practices can be found in the Corporate Governance Report on pages 33 to 43 in the 2022 annual report of the Group.

### Reporting Period

Unless specified otherwise, the Report specifies the ESG activities, challenges and measures taken during the financial year ended 31 December 2022 (“FY2022”).



## ABOUT THE REPORT

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### Board Statement

Dear Valued Stakeholders,

The Group is pleased to publish its third ESG Report, reviewing its ESG performance in FY2022. In 2021, the Group was listed on the Main Board of HKEX, becoming the first company fully engaged in commercial operations to go public in the Hong Kong stock market. We mainly focus on improving the results of operations of commercial properties, primarily shopping centers, shopping streets and commercial complex, for property owners through our professional management, and providing customers with comprehensive commercial property operational services under three operational models, namely, the entrusted management service model, the brand and management output service model and the sublease service model. With the tremendous efforts in the industry over the last two decades, the Group owns a number of wellestablished and highly-recognized brands including “COCO Park”, “COCO City”, “iCO”, “COCO Garden” and “Top Living (第三空間)”.

The Group is also devoted to promoting sustainable development and incorporating ESG strategies into our daily operations to improve the well-being of our stakeholders, achieve long-term business growth, and contribute to global agendas such as climate change, in addition to pursuing business performance. In response to the national policy of carbon neutrality, energy conservation and emission reduction, in FY2021, we set environmental targets for the first time, and made efforts in strengthening measures on energy saving and emission reduction as well as performed climate change risk assessments. We also fostered our digital development by establishing online stores and building up private domain traffic, and carried out strategic cooperation with Alibaba Local Life. Furthermore, by embracing the philosophy of caring for the community and giving back to the society, we organized various public welfare and charitable activities to contribute to a harmonious society.

To further implement the sustainable development strategy, an ESG working taskforce (the “Taskforce”) has been formed to incorporate the management of ESG issues within the Group’s overall corporate governance structure. The board of directors of the Company (the “Board”) has overall responsibility for the sustainable development of the Group, including formulating strategies, monitoring the ESG performance of the Company, and approving this Report, and the Taskforce offers assistance to the Board in fulfilling its sustainability responsibilities. Continuous improvement on risk management and internal control systems is carried out with an aim to manage corporate risks, including ESG risks, and the effectiveness of which is periodically overseen and reviewed by the Board. Please refer to the section headed “ESG Governance Structure” for details of the ESG governance structure.



## ABOUT THE REPORT

The Group is committed to creating long-term value for various stakeholders. To this end, the Group listens attentively to their opinions and feedback, and understands their needs and expectations. The Board and the Taskforce maintain communication with our stakeholders and invite them to participate in materiality assessment to identify the priority for ESG issues and evaluate our ESG performance, and thus helping us in developing optimization strategies and measures. Details of the stakeholder communication channels and the materiality assessment undertaken by the Group are set out in the sections headed “Stakeholder Engagement” and “Materiality Assessment” respectively.

To enhance our ESG performance and to tie in with the national environmental policies in carbon neutrality, energy conservation and waste reduction, the Group has set goals for ESG issues that are significant to it. The information gathered is used by the Board and the Taskforce to compare the Group’s performance in different financial years to assess the progress towards the ESG targets. The Group has implemented various environmental protection measures and raises employees’ awareness on ESG issues for the achievement of the targets. We believe that these targets and environmental protection measures could help promote environmental awareness among employees and enhance the Group’s ESG performance so as to satisfy stakeholder expectations.

Looking ahead, the Group will further consolidate its leading position in the Greater Bay Area and expand its business nationwide, and seek high-quality and sustainable development based on the strategic insight and pragmatic culture of its core team. By upholding our mission of “building prosperous cities with business acumen”, we focus on the business opportunities and development concerned by customers, provide competitive products and services, establish a good corporate brand image and continue to create value, and contribute to social harmony, urban development and environmental protection. Finally, the Board would like to express its heartfelt gratitude to shareholders, business partners and customers for their long-term support, understanding and trust, and especially to all departments and teams of the Group for their invaluable contributions.

### About us

The Group is a leading commercial property operational service provider in the Greater Bay Area with a national presence. The commercial properties under the Group’s management are home to various themed shopping areas (主題館) featuring a series of brands of homeware, family and children, women and fashion, sports and fitness, as well as catering and socializing scenarios. The comprehensive and highly-recognized brand systems of the Group primarily include “COCO Park” for inner city shopping centers (城市型購物中心) targeting consumers in the city, “COCO City” and “iCO” for regional shopping centers (區域型購物中心) targeting consumers within a five-kilometer radius from such shopping centers, “COCO Garden” for community shopping centers (社區型購物中心) targeting consumers within a one-to-three kilometer radius from such shopping centers and “Top Living (第三空間)” for our high-end home furnishing shopping center. In addition, we provide our customers with comprehensive commercial property operational services, including (i) positioning, construction consultancy and tenant sourcing services, (ii) operational management services, (iii) property leasing services and (iv) value-added services. With our flexible operational models and comprehensive services, the Group expects to provide premium shopping experience for customers, effective management services for tenants and high operating income for property owners.



## ABOUT THE REPORT

Corporate Honor:

With the Group's excellent operation management and service quality, the Group has received multiple awards in recognition of its efforts and achievements in FY2022.



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① 2022  
"2022 Top 100 Commercial Property Companies in China" (10th)

China Index Academy

② 2022  
"2021 China Top 10 Commercial Property Operators" (6th)

China Index Academy

③ 2022  
"2022 Top 10 Commercial Property Companies in China in Terms of Brand Value" (4th)

China Index Academy

④ 2022  
"2022 Remarkable Brand of Commercial Property Operation in China"

China Index Academy

⑤ 2022  
2021-2022 Outstanding Enterprise of the year

Winshang.com

⑥ 2022  
2022 Top100 of overall strength of retail commercial real estate enterprise of the year

Winshang.com

⑦ 2022  
2022 Top 20 Real Estate Business Management in China

Cric Sec.Capital Management





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**2022 Light Emitter - Digital Intelligence Operational Excellence Impact Company**

Winshang.com

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**Most Valuable Real Estate and Property Company**

Zhitong Finance and Royal Flush Finance

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**2022 Growth Value**

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**Shenzhen Futian Galaxy COCO Park,  
China Commercial Property Golden Tripod Award  
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Winshang.com

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**Shenzhen Futian Galaxy COCO Park,  
2022 Annual new modified shopping center star show**

Mall China



## ABOUT THE REPORT

During the FY2022, the business overview is as follows:



**Contracted Property**

**65**



**Total contracted GFA<sup>1</sup>**

**3.70 million m<sup>2</sup>**



**Revenue**

**561.9 million RMB**



**Operating Property**

**24**



**Total operating GFA**

**1.908 million m<sup>2</sup>**

The Group takes the Greater Bay Area as its development base and is committed to exploring business opportunities in the Yangtze River Delta and other regions. In the financial year ended 31 December 2022, the Group's contracted properties and business revenue are divided geographically as follows:

Location	No. of Property		Percentage of Revenue(%)	
	2022	2021	2022	2021
<b>The Great Bay Area<sup>2</sup></b>	39	57	81.4	86.5
<b>-Shenzhen</b>	20	21	74.9	74.0
<b>Yangtze River Delta<sup>3</sup></b>	9	9	9.8	6.4
<b>Central China<sup>4</sup></b>	1	4	2.6	1.8
<b>Others<sup>5</sup></b>	16	14	6.2	5.3
<b>Total</b>	<b>65</b>	<b>84</b>	<b>100.0</b>	<b>100.0</b>

Notes:

1. As of December 31, 2022, contracted GFA excludes GFA for 13 consulting services projects, respectively.
2. Including Shenzhen, Guangzhou, Zhongshan, Huizhou, Foshan, Zhuhai, Dongguan and Maoming.
3. Including Shanghai, Nanjing, Changzhou, Wuxi, Jiaxing, Lianyungang and Liuan
4. Including Nanchang, Enshi and Changsha.
5. Including Shanwei, Jieyang, Tianjin, Putian, Ordos, Chengdu, Rizhao, Xiamen, Zhanjiang and Jining.



## ABOUT THE REPORT

### ESG Governance Structure

The Group has established the Taskforce, composed of core staff from relevant departments to collect relevant ESG information of the Group for the preparation of the ESG report. The Taskforce reports regularly to the Board to assist in identifying and assessing the Group’s ESG risks and assessing the effectiveness of internal control mechanisms and material ESG issues. The Taskforce also reviews and assesses the Group’s performance in various aspects of ESG aspects, such as environmental, labor standards and product responsibilities, as well as the progress of the set targets and the effectiveness of relevant measures. The Board sets the general direction of the Group’s ESG strategy and is responsible for ensuring the effectiveness of ESG risk control and internal control mechanisms.



### Sustainable Development Goals

In 2015, the United Nations (“UN”) announced that all member countries of UN have unanimously approved the 17 Sustainable Development Goals (the “SDGs”), to eradicate poverty, protect the planet and improve the lives and futures of all people. The Group, as a socially responsible enterprise, believes that assisting in the realization of the SDGs would allow it to collaborate with the government and other enterprises to contribute to the achievement of the SDGs for the country and the globe. Not all of the 17 SDGs are relevant to our business operations. To fulfil our commitment to the SDGs, we have identified two SDGs that are most relevant to the nature and vision of our business.



The Group’s property management projects play a crucial role in the sustainable development of cities and communities. We accomplish the comprehensive digitalization of membership system through technology and digitalization-driven refined operations and continuously improving our operation quality, integrate and upgrade the self-developed COCO GO WeChat Mini Program Platform; we provide customized membership services; through data analysis and the in-depth combination of UnionPay, Tencent and Ali Ecology, we aim to achieve consumption upgrades from the payment, marketing and parking services and other multiple channels.



We care for our employees, and are dedicated to safeguarding employee benefits and providing equal opportunities in all aspects as well as encouraging and advocating diversity among employees, seeking to build a harmonious and positive work culture. Different incentives, rewards, subsidies and insurance systems and safety coverage are offered to our employees. In addition, we have developed a multi-level training system to inspire the potential of our employees and help them discover their own value. In FY2022, the total employee training hours are 8,885 hours



## ABOUT THE REPORT

### Stakeholder Engagement

The Group values its stakeholder's feedbacks regarding its businesses and ESG aspects. To fully understand and respond to the core concerns of different stakeholders, the Group has created a two-way communication model to facilitate communication. The key stakeholders of the Group include but are not limited to employees, investors, customers, merchants, property developers and landlords, suppliers/partners, government and regulatory authorities, as well as the community and the public.

In formulating operational and ESG strategies, the Group considers stakeholders' expectations by utilising diversified engagement methods and communication channels as shown below.

Stakeholders	Expectations and Concerns	Communication Channels
<b>Employees</b>	<ul style="list-style-type: none"> <li>Occupational health</li> <li>Career development</li> <li>Salary and welfare</li> <li>Equal opportunity</li> </ul>	<ul style="list-style-type: none"> <li>Training and seminars</li> <li>Staff interview</li> <li>Annual general meetings</li> <li>Employees' activities</li> <li>Performance review and appraisal</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>Investment returns</li> <li>Operating standards</li> <li>Risk control</li> <li>Sustainable development</li> <li>Improve information transparency</li> </ul>	<ul style="list-style-type: none"> <li>Annual general meeting and other shareholder meetings</li> <li>Annual Reports</li> <li>News announcement</li> <li>Investor hotline and email</li> <li>Official website</li> <li>Online and offline roadshow</li> <li>On-site visitation and inspection</li> <li>Result conferences</li> <li>Domestic and international brokerage strategy sessions</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Product and service quality</li> <li>Customer shopping experience</li> <li>Information protection</li> </ul>	<ul style="list-style-type: none"> <li>Customer hotline</li> <li>Customer satisfaction survey</li> <li>Social media</li> <li>COCO Club</li> </ul>
<b>Merchants</b>	<ul style="list-style-type: none"> <li>Business integrity</li> <li>Customer flow</li> <li>Timely communication</li> </ul>	<ul style="list-style-type: none"> <li>Settlement audit</li> <li>Vendor selection</li> <li>Vendor activities</li> <li>Social media</li> <li>On-site communication</li> <li>National brand appreciation meetings</li> </ul>



## ABOUT THE REPORT

Stakeholders	Expectations and Concerns	Communication Channels
<b>Property developers and landlords</b>	<ul style="list-style-type: none"> <li>● Brand influence/brand reputation</li> <li>● Customer flow</li> <li>● Tenant combination</li> <li>● Long-term cooperative relationship</li> </ul>	<ul style="list-style-type: none"> <li>● Official website</li> <li>● Social media</li> <li>● Notice board</li> <li>● Service hotline</li> <li>● On-site communication</li> </ul>
<b>Suppliers/Partners</b>	<ul style="list-style-type: none"> <li>● Openness and fairness</li> <li>● Business integrity</li> <li>● Mutual benefit</li> </ul>	<ul style="list-style-type: none"> <li>● Tendering and procurement communication</li> <li>● Regular evaluation</li> <li>● Conference calls</li> <li>● Annual supplier meeting</li> </ul>
<b>Government and regulatory authorities</b>	<ul style="list-style-type: none"> <li>● Policy implementation</li> <li>● Fulfill tax compliance</li> <li>● Environmental protection</li> <li>● Information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>● On-site investigation</li> <li>● Conferences</li> </ul>
<b>Community and the Public</b>	<ul style="list-style-type: none"> <li>● Poverty alleviation</li> <li>● Harmonious development</li> <li>● Environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>● Community donations</li> <li>● Community engagements</li> <li>● ESG reports</li> <li>● Social media</li> </ul>

The Group is committed to cooperating and communicating with stakeholders in order to improve the Group's performance in the aspects of ESG, and continue to create greater value for the country and society.



## ABOUT THE REPORT

### Materiality Assessment

In order to understand the concerns of the Group' stakeholders, and to identify the most material issues that are critical to the its business in the present or future. The Group has engaged an independent sustainability consultant to conduct stakeholder engagement and an annual materiality assessment, which involves the following steps: Based on the issues on the list, a materiality assessment survey was designed and conducted to allow stakeholders to rate such issues according to the level of importance and the associated environmental and social impact. At the same time, the Group has also responded to any open-ended questions from stakeholders; This assessment mainly covered stakeholders, including but not limited to investors and employees.

#### Identifying the relevant issues

- With the assistance from the independent sustainability consultants, the Group has identified and determined the most material ESG issues for FY2022 based on the Group's business development and benchmark with the industry peers;
- A list of 14 issues was concluded to have a significant impact towards economy, environment, society and stakeholders, which covers four major scopes, namely "environmental protection", "employment and labor standards", "operating practices" and "community investment".

#### Collecting stakeholders' feedbacks

- Based on the issues on the list, a materiality assessment survey was designed and conducted to allow stakeholders to rate such issues according to the level of importance and the associated environmental and social impact. At the same time, the Group has also responded to any open-ended questions from stakeholders;
- This assessment mainly covered stakeholders, including but not limited to investors and employees.

#### Identifying material issues

- Based on the results of the materiality assessment, the Group has prioritised the materiality of the 14 issues and compiled the materiality matrix;
- After reviewing the feedbacks from stakeholders and the results of the materiality assessment, the Group's management discussed the key disclosure of the ESG Report as well as the key areas for ESG performance enhancement in the future.

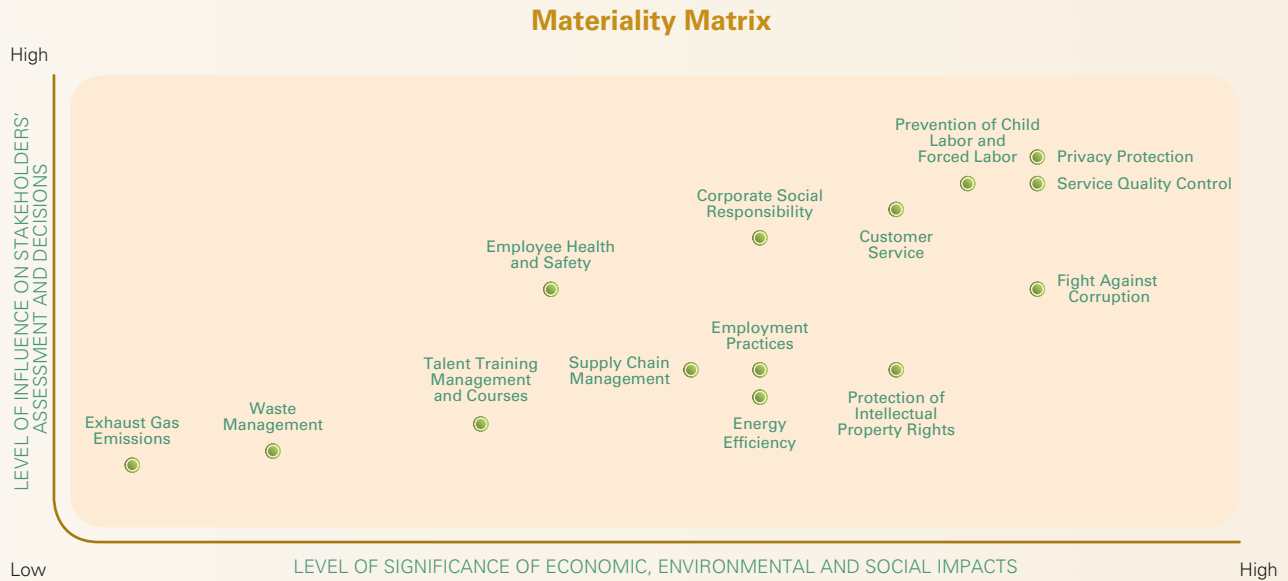
#### Verification

- The materiality matrix was reviewed by the management of the Group and the Taskforce.



## ABOUT THE REPORT

During the Reporting Period, this Report continued to employ the previous materiality analysis results after the review of the Group's senior management since there was no significant change in the business of the Group. The following is the materiality matrix of the Group's major ESG issues:



The Group confirmed that it has established appropriate and effective management policies and internal control system for ESG issues and confirmed that the disclosed contents comply with the requirements of the ESG Reporting Guide.

### Access to the report

This Report is prepared in traditional Chinese and English. The Report can be accessed and downloaded from the company website ([www.g-cre.com](http://www.g-cre.com)) or the HKEX's website ([www.hkexnews.hk](http://www.hkexnews.hk)).

### Contact Us

The Group welcomes stakeholders to provide their opinions and suggestions. You can provide valuable advice in respect of the ESG Report or the Group's performances in sustainable development via the following channels:

Phone: (852) 3643 1525

Email: [info@chngalaxy.com](mailto:info@chngalaxy.com)



**ENVIRONMENTAL  
PROTECTION**



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## ENVIRONMENTAL PROTECTION

### Summary of performance

#### Unified disposal of waste generated by the Group's shopping malls:



3,745,840.00  
liters of general  
food wastes



465,560.00  
liters of grease  
and oil wastes



37,548,080.00  
liters of other  
general wastes

In FY2021, GHG emissions were approximately 91,414.37 tCO<sub>2</sub>e, which is equivalent to approximately 0.16 tCO<sub>2</sub>e for every thousand RMB revenue.

### Emission Reduction Operations

The Group attaches great importance to good environmental management in order to fulfill the Group's social responsibilities. We are committed to operating our business in compliance with applicable environmental protection laws and regulations and have implemented relevant environmental protection measures in compliance with the required standards under applicable People's Republic of China ("PRC" or "China") laws and regulations, to regulate greenhouse gas ("GHG") and discharges into water and land as well as generation of hazardous and non-hazardous waste generated during operations. In this way, we contribute to environmental protection and move closer to the goal of sustainable development. Given the nature of our operations, the Group believes that we are not subject to material risks or compliance costs in relation to environment issues.

The Group strictly complies with the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes, the Environmental Protection Law of the PRC, the Law of the PRC on the Prevention and Control of Atmospheric Pollution the Law of the PRC on Water Pollution Prevention and Control, and other laws and regulations related to environmental protection. In FY2022, the Group has not identified any violations of local relevant environmental laws and regulations regarding exhaust gas and GHG, sewage and generation of hazardous and non-hazardous waste.

### Emission Management

#### Exhaust Gas Emissions

Due to the Group's business nature, its exhaust gas emissions are mainly generated from fuel consumed by vehicles. In order to fulfil its corporate responsibility in energy saving and emission reduction, the Group specifically controls the use of vehicles, and promotes the use of green transportation methods such as taking public transport or cycling. As vehicles are only used for general transportation, only a small amount of exhaust gas emissions are generated. The Group also carries out regular maintenance on its vehicles to effectively reduce fuel consumption, thereby reducing carbon emissions and exhaust gas emissions. In addition, we have installed oil fume purifiers in the main fume exhaust hoses of certain shopping malls to repurify oil fume released by shops and discharge them at high altitudes, reducing the impact on the surrounding environment of the shopping malls and improving the air quality.



## ENVIRONMENTAL PROTECTION

For FY2022 and FY2021, the Group's emissions performance is as follows:

Type of emission	Unit	FY2022	FY2021
Nitrogen oxides (NO <sub>x</sub> )	kg	1.30	3.42
Sulfur Oxides (SO <sub>x</sub> )	kg	0.03	0.09
Particulate matter (PM)	kg	0.10	0.25

### GHG Emissions

The principal GHG emissions of the Group were generated from fuel consumed by vehicles and power generators, refrigerant, natural gas consumed by heating and hot water boilers (scope 1, direct GHG emissions) and purchased electricity (scope 2, energy indirect GHG emissions). The Group actively adopts power-saving and energy-saving measures to reduce GHG emissions, including strict control of air-conditioning usage, lighting facility usage requirements, and office appliance usage. Specific measures are described in the "Energy Efficiency" section in Aspect A2. Through the above policies, employees' awareness on carbon reduction has been raised.

For FY2022 and FY2021, the GHG emissions performance of the Group is as follows:

Indicators	Unit <sup>6</sup>	FY2022	FY2021
Direct GHG emissions (Scope 1)	tCO <sub>2</sub> e	1,595.90	1,453.88
Energy indirect GHG emissions (Scope 2)	tCO <sub>2</sub> e	89,818.46	90,477.46
Total GHG emissions (Scope 1 & Scope 2)	tCO <sub>2</sub> e	91,414.37	91,931.34
Total GHG emissions intensity <sup>7</sup>	tCO <sub>2</sub> e/thousand RMB total revenue	0.16	0.16

Notes:

<sup>6</sup> GHG emission data is presented in terms of carbon dioxide equivalent and are based on, including but not limited to "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs" issued by the HKEX, China Regional Power Grid Baseline Emission Factors For Emission Reduction Project in 2019 (《2019年度減排項目中國區域電網基準線排放因子》) and the "Global Warming Potential Values" from the IPCC Fifth Assessment Report, 2014 (AR5).

<sup>7</sup> In FY2022, the total revenue of the Group was approximately RMB561,854,000 (FY2021: RMB572,209,000). Such data is also used to calculate other intensity data.

The Group's GHG emissions per thousand RMB revenue for FY2022 was approximately 0.16 tCO<sub>2</sub>e, which remains the same as in FY2021 with approximately 0.16 tCO<sub>2</sub>e. The Group has set a target that all shopping malls in operating projects will host an annual low-carbon related event starting from 2025, such as a collaboration with local environmental organizations, artists or university professors. In FY 2022, the Group has invited the Duochang New Energy Automobile Exhibition into our malls, which aimed to promote the Knowledge of new energy vehicles.



## ENVIRONMENTAL PROTECTION

### Sewage Discharge

The water consumption of the Group mainly comes from its property projects. Since the sewage is discharged to the municipal sewage network to the regional water treatment plant, the amount of Group's water consumption is considered as the amount of sewage discharged. The Group's water consumption data are disclosed in the section headed "Water Consumption" in Aspect A2.

### Waste Management

The Group upholds the principles of waste management and is committed to the proper treatment and disposal of all waste generated from the Group's business activities, such as identification and classification, centralized storage and unified disposal of waste. The Group sets up a unified sorting collection box, assigns persons-in-charge to dispose waste in a timely manner, and maintains the environmental sanitation around the collection box. All of the Group's waste management practices are in compliance with relevant environmental laws and regulations.

### *Waste of Shopping Centers*

The waste generated by the shopping centers of the Group mainly includes food waste and other general waste. Food waste is mainly produced by the food and catering stores of the properties under the management of the Group, they are then divided into general food waste, and grease and oil wastes intercepted by grease trap. We advocate all food and catering stores to participate in the "clear your plate campaign", which encourages customers to order food reasonably, so as to drive everyone to cherish food and reduce food waste. All the general food waste collected will be properly stored in the freezer of garbage chamber and handed over to the municipal government for unified treatment. For the oil residues in the catering drainage of shopping malls, we store them in a unified manner until the relevant departments carry out unified recycling. We have changed the original grease trap design from grease trap pools to grease trap machines, which separate the oil and water and improve the isolation effect, making the drainage more environmentally friendly, while reducing the water content of the oil residue. Due to the limitations of the data collection system, the Group was unable to collect the waste of shopping centers in tonnes. The Group will continue to improve its data collection system in the next few years. In FY2022, the Group assisted in treatment of a total of approximately 3,745,840.00 liters of general food waste and approximately 465,560.00 liters of grease and oil wastes intercepted by grease trap.

Other general waste generated in shopping centers will be sorted. We also actively promote waste sorting in the Group's shopping centers to ensure the smooth progress of the sorting. In FY2022, the Group assisted in treatment of approximately 37,548,080.00 liters of other general waste collected from shopping centers.



## ENVIRONMENTAL PROTECTION

### Non-hazardous Waste

In order to create a green and environmentally friendly office environment, the Group responded to the government’s call, promoted the concept of waste sorting in operations, and encouraged our employees to participate in. In FY2022, the non-hazardous waste generated by the Group in the course of service was mainly waste paper in office. In view of this, the Group is committed to promoting a paperless working environment, and encouraging the use of duplex printing or photocopying and to work and communicate with external parties through email and electronic documents. Through the above measures and policies, the awareness and sense of responsibility of our employees in waste management and minimizing waste generation has been improved.

For FY2022 and FY2021, the Group’s direct non-hazardous waste generation performance was summarised as follows:

Types of non-hazardous waste	Unit	FY2022	FY2021
Paper	tonnes	2.83	3.43
Intensity	kg/million RMB total revenue	5.04	5.99

The Group generated approximately 5.04kg of paper per RMB million revenue in FY2022, representing a decrease of approximately 15.86% as compared with approximately 5.99 kg in FY2021. The Group has set a target that all shopping malls in operation will hold an annual event related to waste reduction or recycling starting in 2025. In FY2022, the Group launched internal and external trainings on hazardous waste separation, in order to increase the proportion of waste separation through activities, and thus, to achieve a decreasing trend of hazardous waste generation.

### Hazardous Waste

As the business of the Group only generates a small amount of hazardous waste, there was no quantified data for FY2022. In case there are any hazardous waste generated, the Group must comply with relevant environmental laws and regulations and engage qualified hazardous waste recyclers to handle such waste.

### Use of Resources

The Group actively promotes the efficient use of resources and monitor the potential impact of business operations on the environment in real time. Under the four basic principles of reduce, reuse, recycle and replace, we have promoted a green office and operating environment to minimize the environmental impact caused by the Group’s operations. The Group also conducts ranking statistics on high-power equipment such as air conditioning and elevators used in business operations and implements targeted energy-saving control measures.

In addition, the Group has the Energy Conservation and Consumption Reduction Management Guidelines in place, aiming at strengthening the energy management of various commercial projects of the Group, advocating the concept of energy conservation and consumption reduction, and also adopting standards on energy management of equipment and facilities. In order to achieve sustainable development, the Group will provide employees with environmental education and trainings from time to time and publicize practical suggestions on environmentally friendly lifestyles to enhance employees’ environmental protection awareness. We will also promote green travel and increase employees’ awareness of emission reduction and carbon reduction.



## ENVIRONMENTAL PROTECTION

### Energy Efficiency

The Group's energy consumption is mainly electricity consumption for daily operations, fuel consumed by vehicles and generators and natural gas consumed by heating and hot water boilers. The Group actively implements the concept of energy saving and emission reduction and is committed to fulfilling its corporate responsibility for energy saving and emission reduction. It reduces the unnecessary use of power and creates a green and environmentally friendly office environment. The Group actively reduces electricity consumption by managing usage of air-conditioning, and office computers to achieve energy-saving effects. In order to reduce electricity consumption, the Group actively adopts advanced environmentally friendly luminaire and requires to turn off or reduce the use of lights under appropriate lighting. In addition, in order to reduce energy wastage, the Group has formulated clear management measures, including but not limited to:

- Structural breakdown of energy consumption of projects under operation by regions and equipment, and implementation of energy conservation control in daily operations of projects;
- Updating and implementing the Equipment and Facilities Operation Schedule on a monthly basis to ensure optimum energy efficiency for the equipment;
- Monitoring the temperature and humidity in the public area of the shopping malls, and making adaptive adjustment to the terminal chilled water valve to reduce the waste of cooling energy consumption;
- Carrying out frequency conversion of the equipment for automatic adjustment of the operating power and saving the power used by the equipment;
- Conducting special assessments on energy consumption of key projects, solving the problem of exceeded cooling water temperature of air-conditioning by adjusting the cooling tower operation control, and saving electricity for air-conditioning;
- Transformation of constant lighting into radar-sensing lighting in parking lots, logistics passageway and other areas less visited by people;
- Gradual replacement of high-power 28W T5 lamps in the shopping malls with lower-power 14W LED light strips;
- Maintaining the appropriate level of cooling and heating temperature settings of air conditioners;
- Turning off the lights when no one is working in the office area;
- Ensure staff turn off the computer, air conditioners and other electrical equipment in the offices after work; and
- All staff shall turn off the monitors when leaving their seats.



## ENVIRONMENTAL PROTECTION

For FY2022 and FY2021, the Group's energy consumption performance was as follows:

Types of energy	Unit <sup>8</sup>	FY2022	FY2021
<b>Direct energy consumption</b>			
<b>Petrol</b>	MWh	18.50	62.23
<b>Diesel</b>	MWh	0.96	4.92
<b>Natural gas</b>	MWh	1,658.14	708.22
<b>Indirect energy consumption</b>			
<b>Purchased electricity</b>	MWh	111,867.10	112,593.48
<b>Total energy consumption</b>	MWh	113,544.70	113,368.85
<b>Total energy consumption intensity</b>	MWh/thousand RMB total revenue	0.20	0.20

Note:

<sup>8</sup> Energy consumption data are presented in MWh and unit conversions were calculated with reference to the "Energy Statistics Manual" published by the International Energy Agency.

The Group's energy consumption per thousand RMB revenue in FY2022 was approximately 0.20 MWh, which remains the same as in FY2021 with approximately 0.21 MWh. The Group has set a target to increase the proportion of LED lamps in all lighting lamps in its operating projects in FY2025. In FY2022, the Group completed the replacement of LED luminaires in the luminaires of the projects already in operation, resulting in less power and energy consumption and longer life of the current LED luminaires.

### Water Consumption

The water consumption of the Group is mainly domestic water and its managed water supply includes water for washrooms, washing and cleaning. To encourage all employees and customers to develop the habit of conscientiously saving water, the Group has been strengthening its water-saving publicity in the office area and operating scenes through posting water-saving slogans in conspicuous areas to ensure that "turn off the tap when not in use" and guiding employees and customers to use water reasonably. In addition, the Group uses water-saving sanitary ware as much as possible, regularly inspects the water supply and drainage systems of the washrooms and pantries in each floor, and timely checks and repairs leaks. Through the above measures, the awareness of water saving of our employees and customers has been improved.

Due to the geographical location of the Group's operation, the Group did not encounter any problem in sourcing water.



## ENVIRONMENTAL PROTECTION

During FY2022 and FY2021, the Group's water consumption performance was as follows:

Water Consumption	Unit	FY2022	FY2021
Total water consumption	m <sup>3</sup>	1,156,016.00	1,319,664.00
Total water consumption intensity	m <sup>3</sup> /thousand RMB total revenue	2.06	2.31

The Group's water consumption per thousand RMB revenue (projects in operation) in FY2022 was approximately 2.06 m<sup>3</sup>, representing a decrease of approximately 10.82% as compared with approximately 2.31 m<sup>3</sup> in FY2021. The Group has set a target to organize a conservation diagnostic check-up activity every financial year to continuously raise awareness of water conservation among staff and tenants, in order to prepare for the establishment of quantitative targets where feasible in the future. In FY2022, the Group has launched a special inspection campaign on "water leakage prevention and water saving" in all of its operating projects nationwide to check for leaks in concealed mains, and to check whether the problems of water leakage prevention and water saving in each project have been effectively implemented, and to prepare a summary report and follow up on them, as well as to avoid wastage of resources caused by water leakage, monitor and control water saving, and raise awareness of water saving. In addition, we also conduct daily "three closures and one shutdown" control of our merchants, and the safety control department review whether the water sources in the back kitchens of restaurants are turned off at night to reduce the risk of water leakage.

### Use of Packaging Material

Since the Group's operations did not involve any industrial productions or factory facilities, the Group did not consume a significant amount of packaging material.

### Environment and Natural Resources

The Group continues to be committed to environmental protection and cares deeply about the impact of the Group's business on the environment and natural resources. In addition to complying with environmental regulations and international standards, and properly protecting the natural environment, the Group has also adopted a number of measures to reduce its impact on the environment. On the other hand, the Group also provides environmental protection education to all employees, so as to improve their environmental protection awareness.

### Indoor Air Quality Management

The main business of the Group is commercial property operation, which does not have a material impact on the air quality of the offices and shopping centers. In order to safeguard the environment in the offices and shopping centers and improve the working efficiency of our staff, the Group expressly stipulates the duties, standards and methods of work of cleaning staff, so as to ensure good indoor air quality. In addition, we installed peculiar smell filtering fan equipment and oil fume purifying units in some shopping centers to perform secondary filtration on the air that was originally directly discharged from high altitude, thus reducing the influence of peculiar smell and oil fume on the surrounding environment and improving the surrounding air quality.





### Case – Environmental Monitoring Systems

Jiaxing Galaxy COCO City (嘉興星河COCO City) is equipped with an environmental monitoring system to detect temperature, humidity, PM2.5, methanol, CO<sub>2</sub>, VOC and other indicators in the logistics and work area. The environmental monitoring system is linked with the building automatic control system to adjust the air conditioning and ventilation system in the testing area in real time to reset the environmental parameters to the default value.

### Climate Change Mitigation and Adaption

The impact of global climate change on the global ecology and different industries has become increasingly prominent, and the Group is also deeply aware that climate change will affect its business operations in different aspects. Therefore, while practicing green and low-carbon operations, the Group has incorporated climate-related topics into risk management and internal control procedures, and has formulated Climate Change Policy to identify, monitor and manage risks related to climate change, and assess related impacts. It has also developed coping strategies. Based on the policy and procedures, the Group has identified the following climate-related risks:

#### Physical Risks

Climate change brings more frequent and severe extreme weather events, such as typhoons, floods, heavy rain, etc., as well as long-term climate impacts, such as rising sea level and global warming. Floods caused by extreme weather events or rising sea level may cause physical damage to the properties and infrastructure for which that the Group has the operating right, thereby increasing its costs for maintenance, disaster response and insurance. In severe cases, the normal operations of the Group may be affected, and the personal safety of employees may also be threatened. Any improper handling of such incidents may also cause a negative impact on the Group's reputation.

In order to deal with these physical risks, the Group has formulated contingency plan, and will activate response teams and response mechanisms, conduct safety inspections in advance, implement necessary tightening and protection measures, and purchase emergency supplies based on extreme weather warning information. Meanwhile, we regularly strengthen maintenance of the roof, peripheral equipment, pipelines, etc., and take rust removal and anti-rust measures to prolong the service life of these facilities. Besides, the Group reviews and updates its business continuity plan on a regular basis, to ensure normal operations and proper performance of core business functions under any material event.

#### Transition Risks

In addition to the above physical risks, the Group also faces transition risks arising from the transition to the low-carbon economy. Stricter environmental laws and regulations could affect corporate reputation by increasing the risk of claims and lawsuits arising from companies' failure to comply with legal requirements. Affected by these risks, related capital investment and compliance costs of the Group may also increase. Moreover, with the promotion and popularization of electric vehicles, the charging equipment of the projects in operation needs to be refurbished, and the investment and installation cost of the equipment will increase accordingly. Failure to meet the growing demand for electric vehicle infrastructure in shopping malls may reduce the ability to attract customers, thereby affecting brand reputation and customer flow in shopping malls.

In response to the above transition risks, the Group regularly monitors existing and emerging trends, policies and regulations relevant to climate, and is prepared to alert senior management when necessary to avoid cost increments, non-compliance fines or reputational risks due to delayed response. In addition, the Group also plans to continuously install charging equipment in the parking lot of shopping malls, maintain the charging equipment condition of the operating facilities, so as to enhance its the attractiveness for customers and maintain its competitiveness in the market.



# EMPLOYEE CARE







## EMPLOYEE CARE

### Summary of performance

As of  
31 December 2022,  
the Group has  
a total of 826  
full-time employees



The ratio of  
male to female is  
1:0.55



0 case  
of fatality or serious  
injury due to work

## Emphasis on Protecting Employee Rights

### Employment Practices

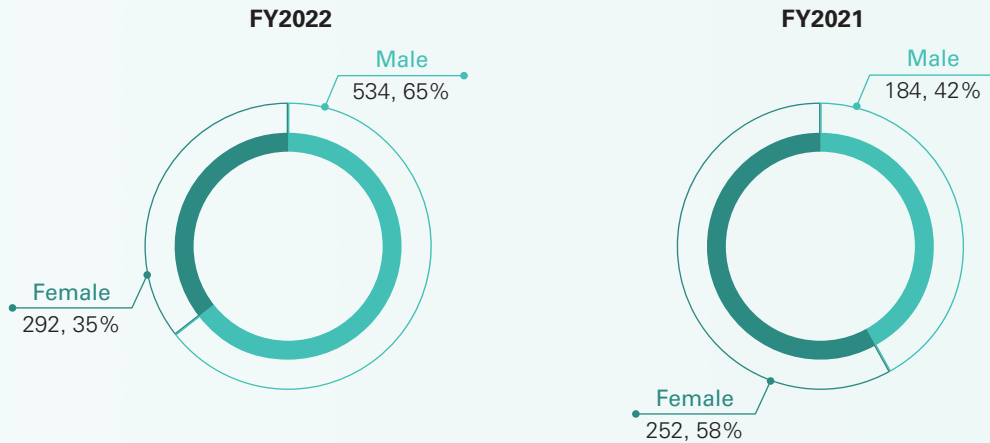
The Group believes that staff is the most important and the most valuable assets, and the core of competitive strength of the Group. The expertise, experience and professional development of our employees continue to bring endless creativity and ingenuity to the Group, contributing to our development. The Group has established relevant personnel management policies, including compensation and dismissal, recruitment and promotion, working hours, leaves, equal opportunity, diversity, anti-discrimination, and other perks and benefits, while being committed to safeguarding the benefits of its employees and providing equal opportunities in all aspects. The Group also encourages and advocates diversity of employees and strives to reduce unfair treatment and to build a harmonious and positive work culture. As of 31 December 2022, the total number of employees of the Group was 826. All employees are full-time employees, 2 employee is located in Hong Kong, China, and the rest are located in Mainland China.



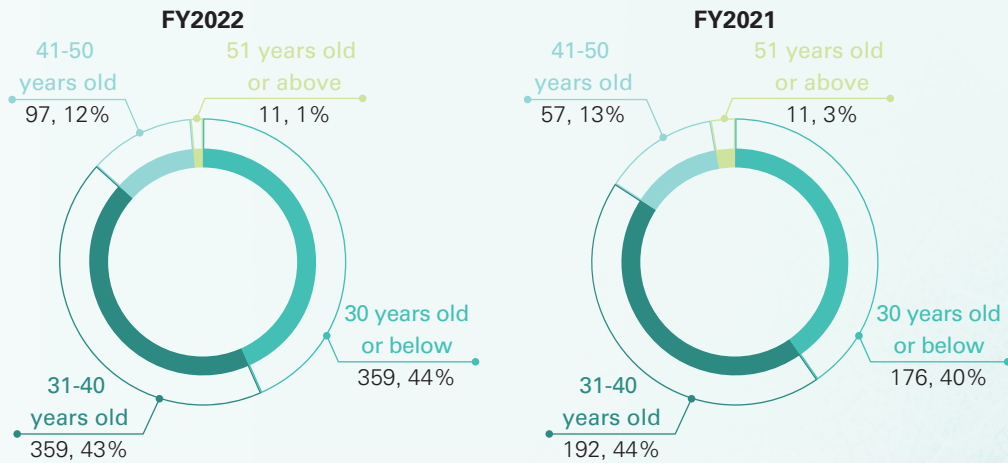
## EMPLOYEE CARE

In FY2022 and FY2021, the specific information about the employees is as follows:

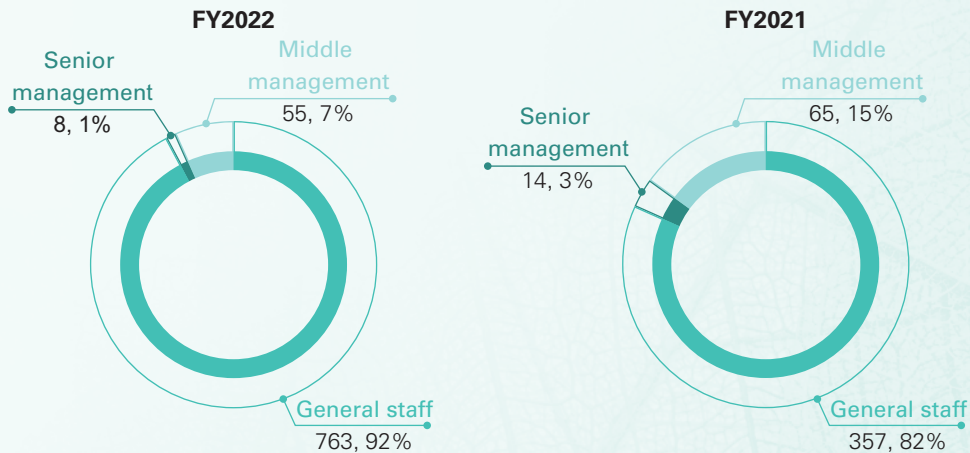
### Number of employees by gender



### Number of employees by age group



### Number of employees by employee category





## EMPLOYEE CARE

In FY2022, the Group strictly complies with the employment-related laws and regulations, including but not limited to, the Labor Contract Law of the PRC and the Labor Law of the PRC. The Group was not aware of any material non-compliance with employment-related laws and regulations.

### Employee Remuneration and Benefits

In order to standardize the remuneration management system to increase its internal and external competitiveness, and fairness and incentives, the Group has established a remuneration and benefit system with reference to market terms and individual circumstances. In addition to basic salary, the Group will also grant various incentives to employees to stimulate their enthusiasm, initiative and creativity. In order to have an objective appraisal on the work performance, ability and attitude of the Group's employees, we have formulated a performance appraisal system, under which we implement six performance appraisals for employees on quarterly, semi-annual and annual basis, and grant performance rewards for outstanding employee, on quarterly, semi-annual and annual basis.

In addition, the Group also grants rewards to employees in respect of project development and operating performance contributed by employees. In order to ensure the achievement of operating objectives and promote the long-term development of the Group, we have formulated tenant sourcing incentives, expansion project incentives and special business model appraisal awards in relation to tenant sourcing, expansion and operation. In order to ensure the smooth opening of business of the preparatory projects, we also have a project opening award and a subsidy system for dispatched personnel in place. We also encourage employees to actively participate in operating management and pay attention to our operating results. We also have performance rewards in place each year, which will reward the project teams and individuals who accomplish their performance indicators beyond the requirement according to the operating conditions of various commercial projects. Furthermore, the Company has established Virtue Investment Development Limited to implement the equity incentive scheme for the management team before listing. Virtue Investment Development Limited held 14.7% of the equity for equity incentive after listing, which is a relatively high level in the industry. The Group also adopted the Restricted Share Unit Scheme on 4 November 2021, in order to reward eligible employees for their contribution and outstanding performance to the Group.

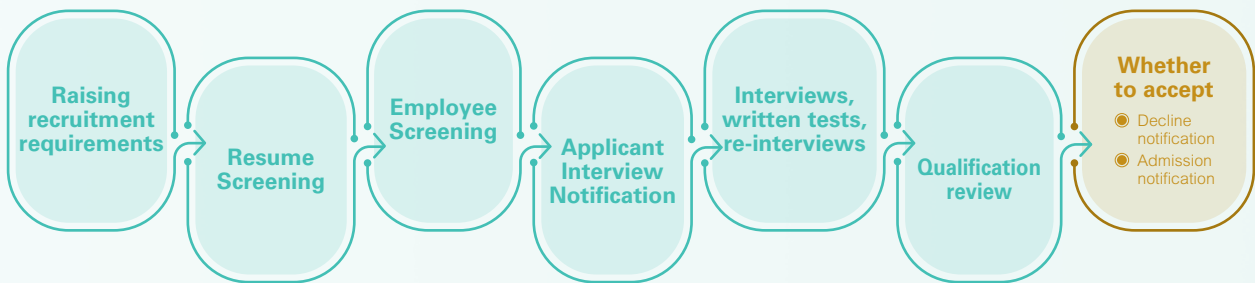
The Group enters into and performs labor contracts with employees and formulated the Labor Contract Management Measures in accordance with the Labor Contract Law of the PRC, and also pays social insurances for employees in accordance with the law, namely pension fund, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing provident fund to ensure employees' treatment of social insurances.

In addition, the Group earnestly safeguards the legitimate interests of its employees in accordance with the requirements of the Labor Law of the PRC and Employee Wage Payment Regulations along with other national and local laws and regulations, and has formulated the Administrative Measures on Attendance and the Leave and Salary and Welfare System to respect the rights of employees to rest and take leave. The Group has personal leave, sick leave, marriage leave, maternity leave, bereavement leave, annual leave, work injury leave and holidays in traditional festivals.



## Recruitment, Promotion and Resignation

The Group has formulated relevant policies to govern recruitment, promotion and resignation, including but not limited to employee on-boarding guidelines, regularization, transfer, resignation, labor relations and personnel file management. The human resource department of the Group will be responsible for management, training and recruitment of employees, and actively implement the strategy of empowering the enterprise by talents to attract and recruit outstanding talents with various backgrounds. The Group has standardized the Recruitment Management Procedures and specified the recruitment and employment procedures. The Group will conduct multiple evaluation based on the applicant's working experience, professional skills and ability, to seek for the most suitable candidate. The Group also ensures that the qualifications of the applicant and their ideology are in line with the Group's development strategy and business plan. The specific recruitment process is as follows:



In addition, the Group encourages its employees to actively recommend talented candidates, and has formulated an expressly internal recommendation process and reward standards. The Group has also formulated the Human Resources Planning Management Procedure System, which analyzes and estimates the demands and supply of human resources, conducts functional plans for post establishment and personnel allocation, regulates the work procedures of human resources planning, and guides the implementation of the human resource management of the Group. In the course of recruitment, we do not exercise any discrimination, exclusion or privilege in the workplace by factors such as race, complexion, age, family background, gender, religion, ethnicity or social origin, and strictly abide by national and local government regulations, so as to ensure that each applicant and employee is treated fairly, and to ensure the diversity of the team.



## EMPLOYEE CARE

In order to enable employees in all positions of the Group to have a clear career development direction, thereby stimulating their enthusiasm for work, the Group has the Position System Management Manual in place and has formulated standardized management system on career development channel design, position transfer or promotion for all employees in the process of their career development. The Group categorizes all positions into three categories, namely management, professional and operational, and establishes corresponding job title standards and management requirements. According to the position ranking system of the Group, we provide employees with promotion channels. We also specify the qualification requirements for various promotion channels, organize and arrange promotion.

For FY2022, the employee turnover rate of the Group was approximately 26.05%.

During the Reporting Period, the Group's employee turnover rates by gender, age group and geographical region are as follows:



The employee turnover rate of the Group was calculated by the formula:

$$\frac{\text{No. of employees left in the specific category during the Reporting Period}}{\text{No. of employees at the beginning of the Reporting Period in the specific category} + \text{No. of employees hired during the Reporting Period in the specific category}} \times 100\%$$





## EMPLOYEE CARE

### Health and Safety

#### Occupational Health and Safety

The Group highly recognizes the importance of health and safety of its employees, strives to regulate potential health and safety hazards at the workplace and provides the employees with trainings which are related to how to respond to specific emergencies to safeguard personal safety and health of the employees at work. The Group endeavors provide a healthy, safe and comfortable working environment for the employees. For example, we set up a break room for employees to relieve the stress of working.

The Group strictly complies with the relevant laws and regulations, such as the Labor Law of the PRC, the Work Safety Law of the PRC, the Law of the PRC on the Prevention and Control of Occupational Diseases and the Fire Protection Law of the PRC. During each of the recent three years including FY2022, the Group did not record any accidents that resulted in death or serious physical injury, and no claims or compensation were paid to its employees due to such accident, and no non-compliance of laws and regulations in relation to health and safety of employees was discovered. In FY2022, the Group did not record any loss of working days due to work injuries.

#### Fire Safety Management

The Group pays high attention on fire safety of office, organizes and arranges the “Fire Safety Management” trainings in the induction training for new employees in order to educate employees about the usage of fire equipment, responsibilities of each department, emergency rescue steps and prevention measures. Also, the Group reminds employees that potential fire risks cannot be taken lightly to reduce fire hazards so as to improve all employees’ awareness of fire protection, prevent fires and reduce hazards, protect employees’ personal and property safety, maintain public safety and ensure the smooth progress of various tasks.

#### Prevention Measures for COVID-19 Pandemic

In response to the outbreak of COVID-19 pandemic, the Group pays close attention to the epidemic situation in real time, strictly abides by and implements the guidelines and announcements of the Chinese Center for Disease Control and Prevention on epidemic prevention to protect the health of employees and minimize operating risks. During the COVID-19 pandemic period, the Group arranged work resumption in a reasonable and orderly way. There is no demoted employee as a result of the epidemic. To ensure public safety, relevant emergency plans are activated promptly. For instance, deep disinfection is implemented regularly in the public areas of shopping malls, especially in crowded areas such as elevator halls, handrails, toilets, floor guardrails, and locations that are easy for customers to make contact. Meanwhile, the Group strengthen the ventilation of the venue, regularly clean and disinfect the central air conditioning system of public spaces and managed properties. In addition, the Group has arranged dedicated employees to perform temperature checks and all personnel entering and exiting the shopping malls must wear a mask. The Group reserves medical supplies, and provides consumers with free-of-charge disinfectant, alcohol cotton, mask and other protective equipment in places such as customer service desks, VIP rooms, and maternity rooms. The Group also requires staff and tenants on duty to wear appropriate protective equipment, such as masks and gloves, to protect the health of customers and themselves, and to conduct regular daily disinfection broadcasts. The Group is committed to continuously strengthen epidemic prevention inspection and control, and strive to provide a safe and good workplace and shopping environment for its staff and the public.



## EMPLOYEE CARE

### Development and Trainings

#### Talent Training Management and Courses

The Group believes that employees are the key to the service quality and customer experience. In order to retain and motivate talents, the Group provides long-term professional skills training to aid the employees in their career development. The Group therefore designs regular training programs for all management levels according to our business needs and long-term strategy. The Group sets up the E-Star Commercial Training Management System to clarify the overall process of conducting trainings, comprehensively improving the working ability and quality of the staff, to ensure the smooth progress of the Group's work. In addition, to optimise the Group's internal lecturer resource, we also set up the E-Star Commercial Internal Lecturer Management Measures, where the certification procedure, incentive and annual evaluation of star-rated lecturers are explained to actively cultivate and build the company's training lecturers team. This therefore gives full play to the core role of internal lecturers in the overall training system, and ensure the smooth development of our training. There are nearly 100 star-rated lecturers in the Group, the rating exercise for the star-rated lecturers is performed in September every year.

We formulated courses covering key areas in the business operation for employees every year, including but not limited to our corporate culture and policies, technical knowledge required for special positions, leadership skills and regular knowledge related to service nature. At present, there are more than 600 internal courses, which are divided into professional course system (operation, investment attraction, promotion, engineering, finance, human resources, etc.) and general course system (leadership improvement, professional quality, communication and negotiation, etc.).

Employee category	Percentage of employees trained (%) <sup>9</sup>		Average training hours (hours) <sup>10</sup>	
	2022	2021 <sup>11</sup>	2022	2021 <sup>12</sup>
Senior management	2	2	7.75	7.43
Middle management	9	17	15.53	12.52
General staff	89	81	10.44	12.21
<b>Gender</b>				
Male	63	40	12.63	10.33
Female	37	60	7.33	13.40

Notes:

<sup>9</sup> The percentage of employees trained was calculated by the formula:

$$\frac{\text{No. of employees trained in the specific category during the Reporting Period}}{\text{No. of employees trained in the specific category as of the end of the Reporting Period}} \times 100\%$$

<sup>10</sup> Average training hours was calculated by the formula:

$$\frac{\text{Total training hours for employees in the specific category during the Reporting Period}}{\text{No. of employees in the specific category during the Reporting Period}}$$

<sup>11</sup> We have restated the percentage of trained employees for FY2021 due to improvements in our data calculation methodology.

<sup>12</sup> We have restated the average number of hours in FY2021 due to improvements in our data calculation methodology.



## EMPLOYEE CARE

In addition, the Group has established E-Star Business Academy in June 2020, which has a relatively complete echelon talent training path, such as the “Three Stars Class”, “Project Salon”. The “Three Stars Class” includes:

### "Future Star Project"

- The introductory course covers general knowledge of the commercial property operation services industry, promotion and planning of marketing activities and the nature of services for entry-level employees recruited through the Campus Recruitment Programme. We also provide a one-on-one mentoring program, where an experienced staff mentor is assigned to each new recruit. Mentors will train and supervise new employees and provide regular evaluations;

### "Morning Star Project"

- Targeting key business employees with deeper courses, such as team management courses, to enhance their communication and presentation skills. We also provide courses specifically to assist employees in transfer and competent management positions, including project leader agency task introduction, so that employees can experience the functions of project leaders, gain experience and execute strategies

### "Navigation Star Project"

- Targeting managers, provide them with management awareness, cross-departmental communication skills and project preparation courses, and train them to become project leaders capable of leading and operating projects. The plan also focuses on experiential learning, providing on-site training during the operation phase, simulating the main operation phase, so that employees can practice operational skills and focus on application.

The Group is also actively preparing different workshops and training courses so that employees can learn job-related skills through scenario simulations.

## Labor Standards

The Group has complied with all the laws and regulations related to prevention of child labor and forced labor, including but not limited to the Employment Ordinance in Hong Kong and the Regulations on the Labor Security Supervision, the Labor Law of the PRC, the Labor Contract Law of the PRC, the Provisions on the Special Protection on Juvenile Workers and the Law of the PRC on the Protection of Minors. During FY2022, the Group was not aware of any material noncompliance of laws and regulations in relation to prevention of child labor and forced labor.

### Prevention of Child Labor and Forced Labor

The Group strictly prohibits the employment of any child labor and formulates the Recruitment Management Procedures, the Personnel File Management Procedures and other policies for recruitment process, labor relations and personnel file management, and requires new employees to provide true and accurate personal information when they join the Group. Recruiters strictly check data, including identity card and account details and conduct periodic review and inspection to prevent any child labor in its operations. If a breach is involved, it will be dealt with as appropriate.

In addition, the Group has formulated the Human Resources Management Procedures and issued the Employee Manual to ensure that the employees abide by the code and criteria of the Company, clarifying the code of conduct for employees, and the human resources system, etc. Employees also work overtime on a voluntary basis to avoid violating labor standards and protect their rights and interests.



# OPERATING PRACTICES







## OPERATING PRACTICES

### Summary of performance



**0 case of major complaint on products and services**



**0 case of serious injury caused by safety accident to company employees occurred**



**0 case involving bribery, extortion, fraud and money laundering**

### Supply Chain Management

The Group has attached great importance to potential environmental and social risk management in the supply chain. Therefore, the Group has established a strict and standardized procurement system and supplier selection procedure, and imposed requirements on the suppliers in terms of environmental and social risk control.

### Procurement Mechanism

The Procurement Management Department of the Group is responsible for reviewing the purchasing applications from headquarter and the business department of different projects and report to the senior management for approval. In accordance with the Bidding Law of the PRC and the Procurement Management Regulations of the Company, the senior management would select the proposed procurement with respects to the annual budget, purchasing types and details, bidding, any relevant traced cooperation record, selective requirements (such as pricing and quality), service scope, environmental and social factors, and other aspects, and will give priority to suppliers which provide environmentally friendly products and services. Once the application is approved, the Procurement Department will conduct procurement by tendering and bidding. Based on keeping contracts, we fairly select suppliers participating in the bidding through assessing their background, so as to ensure tendering and bidding process is justice and equitable. The specific procedures of the Group's procurement is as follows:

**Organize a tendering team to select suppliers from more than three candidates**

**Evaluate, review and collect supplier information and data in the procurement process**

**Drafting, reviewing, implementing and approving contracts**

We also advocate fair and open competition, aiming to develop long-term relationship based on the premise of mutual trust. We not only allow the suppliers who have a long-term strategic partner relationship with us to participate in the bidding, but also allow new suppliers who register in a legal manner to participate. The Group strictly complied with the relevant provisions of the Tendering and Bidding Law of PRC in the process of procurement. Our suppliers are required to practice responsibly, comply with all regulations and fulfill international conventions and contacts duties. The Group will not tolerate any acts of bribery and corruption, and prohibit suppliers and partners obtaining procurement contracts or cooperation relationship through any form of transfer of benefits. Therefore, we will monitor the procurement activities undertaken by staff and strictly forbidden any behaviors against business ethnic and code to ensure the procurement process is conducted under an open, justice and equitable condition and no discriminatory treatment and preferential treatment actions to any supplier will occur. If any staff and other individual are found to have a conflict of interest with relevant suppliers, the Group will ban them from participating in relevant activities. The Group will regularly review supply chain related policies to ensure their effectiveness.



### Supply Chain Management

The Group has the Suppliers Management Practice Guidelines to regulate suppliers management work. The Group's Procurement Management Department needs to launch the annual appraisal to suppliers each year and evaluate suppliers list according to their background, qualification and industrial reputation and the quality of supplied products and services. If suppliers' performance repeatedly fails to meet the standard, we will remove them from the list, so as to optimize supplier resource, keep supplier team stable and reliable, and provide reliable material supply guarantee for the Group's construction and development.

The Group mainly subcontracts certain labor-intensive services, including subcontracting security and cleaning services to our subcontractors, thereby reducing our operating cost, enhancing services quality, focusing more resources on management and improving operation's overall profitability. Our subcontractors specialize in their performed services, so they can provide effective services. In FY2022, there has been no material disagreement with our subcontractors that exerted a material adverse impact on our business, financial condition and operational result.

In FY2022, we have 262 qualified suppliers, of which 252 are located in Mainland China and 10 in Hong Kong, China. All qualified suppliers have passed the practices relating to engaging suppliers

### Product Responsibility

In recent years, Galaxy Commercial Property has gradually extended its business chains, established five themed shopping areas brands, such as "Galaxy Fit Lab", "Food Enjoy", "Galaxy Selection", "Galaxy Life" and "Galaxy Town". These establishments cover a range of diversified commercial activities which include children's entertainment, catering collection store and home life, which has facilitated the expansion of the Group's commercial projects. Galaxy Commercial Property also has established its differentiated orientation by leveraging on its rich brand resources, with a view to improving consumers' shopping experience.



The Group prioritizes quality in our services and believes that quality control is crucial to the long-term success of our business. Our professional quality control team in operation management department is primarily responsible for overseeing quality control of our business operations, focusing on maintaining standards of quality, standardizing our internal policies and procedures and monitoring compliance with those standards.

The Group has actively complied with the requirements of the relevant laws and regulations such as Advertisement Law of the PRC, Law of the PRC on Protection of Consumer Rights and Interests, Product Quality Law of the PRC, Trademark Law of the PRC, Patent Law of the PRC and Copyright Law of the PRC. In FY2022, there were no major products and service-related complaints received by the Group and no products sold or shipped subject to recalls for safety and health reasons.



### Digital Business Operations

Technology is the crucial key to sustainable development. The Group has gradually changed the business mindset for operating shopping malls and carried out digital transformation. The Group uses the power of technology to connect customers, brands and operators, uses technology as the driving force to drive refined operations so as to lead the future of business, and strives to provide a full range of online and offline commercial services. In FY2022, the Group has made the following attempts with the help of technology to enable refined management:

- 1. Comprehensive digitization of membership system and closer distance between users:** Integrating and upgrading the self-developed COCO GO WeChat Mini Program, implementing the unified smart parking platform, sensitive parking, and card coupon marketing to accomplish comprehensive digitization of the membership system; at the same time, launching the “KOC planting” function to build a dedicated user growth system and generate quality UGC content, which leads to shopping conversion and exploring social consumption boundaries.
- 2. Private domain traffic mining in helping precise marketing:** Relying on the online marketing platform, and broaden our access to private domain traffic, we, on the one hand, opened up the WeChat Group, Official Account, Mini Program and Cloud Shopping Platform to activate the original private domain traffic pool; on the other hand, we cooperated with Alibaba Local Services, Koubei Business Circle, TikTok, Tencent Smart Retail Mini Program to introduce public domain traffic and expand the traffic pool. At the same time, we focus on member services, and provide members with more accurate product recommendations and services with the help of data analysis.
- 3. Cooperate with leading Internet enterprises and payment platforms to promote in-depth digital empowerment:** start a strategic cooperation with China UnionPay to build the first city cluster commercial complex smart shopping circle alliance, broaden the marketing channel and further promote member acquisition; launch a joint live campaign with Tiktok Local Life to expand the boundaries of retail, reward consumers with exclusive goodies and super discounts for store celebration activities, and further open the communication channel with consumers through visual marketing in the shorts feed.



The Group will continue to actively adjust the business layout and brand portfolio based on the project operation positioning, to guarantee the market competitiveness in terms of its brand and sales. The Group will also improve the membership system and provide customers with the best service in terms of service and rights to enhance its reputation and repurchase rate.





In FY2022, the Group continues to optimize its digital membership ecosystem, reaching members in a three-dimensional manner through online and offline channels, breaking through the spatial and temporal limitations of physical shopping malls and realizing a 24-hour all-time business chain. At the same time, the Group has integrated and upgraded its eco-applications to consolidate the closed loop of data channels for member consumption and services, and to realize member tagging, precise marketing promotion and electronic payment. In addition, we are committed to narrowing the gap with users, extending our private operation capabilities, and establishing a trusting relationship with our fans based on the corporate micro community to achieve continuous growth in member sales.



### Information Technology Systems Management

In order to reduce our reliance on manual labor and improve our overall competitiveness, we strive to employ technological solutions and digitalize our key business operations as much as possible. Also, we strive to formulate our business strategy based on scientific data analysis results and employ technology to further digitalize and visualize our dynamic management process.

The Group has established multi-layer, multi-facet information technology systems, including intelligent operation data center (for comprehensive business management), ERP system (for tenancy contract management), POS system (for sales cashier system), CRM system (for membership management), Kingdee EAS system (for financial management), and Xingyitong (星意通) program (for tenant sourcing). We have also established the human resource system and EIP system for administration. The comprehensive operation management system is capable of real time, remote onsite monitoring and tenant business performance analysis. Its detailed system functions are as follows:

- BI system (for business intelligence) – provide the underlying data to the intelligent operation data center through preset analytical modules.
- ERP system (for tenancy contract management) – provide tenancy contract management, record contractual arrangements and facilitate our interaction with tenants.
- POS system (for sales cashier system) – process tenants’ sales, record sales data and facilitate daily reconciliation of sales figures.
- CRM system (for membership management) – manage the information of our members and facilitate our interactions with our members.
- Kingdee EAS system (for financial management) – our financial management platform, which effectively facilitates financial management and other business operations.
- Xingyitong (星意通) program (for tenant services) – our tenant services platform provides tenants with full-cycle operational services to effectively improve the quality of tenant services.

Going forward, the Group will continue to cooperate with different enterprises and deepen the application of intelligent technology, so as to promote the standardized digital system of national management and achieve virtuous sustainable corporate development.



### Service Quality Control

We prioritize quality in our services and believe that quality control is crucial to the long-term success of our business. Our professional quality control team in our operation management department is primarily responsible for overseeing our business operations to do with quality control, focusing on maintaining standards of quality, standardizing our internal policies and procedures and monitoring adherence to those standards. We have established a system for monitoring the quality of our services, which includes multiple sets of standardized internal policies and procedures. For example, we require our employees and subcontractors to complete inspection checklists after each round of scheduled inspections, recording their observations and updates as to the conditions of properties. We have also issued guidance pamphlets on how to conduct certain aspects of our business operations, such as how to clean parking lots, bathrooms, elevators and other common areas and how to maintain and operate technical facilities such as elevator systems and fire-extinguishing equipment.

### Customer Service

The Group is committed to its principle of thoughtful service, “quality offerings and dedicated service by Galaxy” (「星河精品·至誠服務」) and strives to provide high-quality service to its customers through its professional commercial real estate management system. During the ordinary course of our business, we seek and receive customers’ feedback about our services.

Customers can give feedback through:

1. customer service center on the spot;
2. service hotline of each shopping center and 400 national unified hotline; and
3. social media accounts.

Customers can give feedback and raise complaints on service provided by tenants, quality of products sold by tenants, service and facilities of shopping centers, property management service, constructive advice and praise, etc. We have established a feedback and complaint management system, and internal policies and procedures for responding to and recording customer feedback and complaints, and following up with our customers for reviews on our responses. These internal policies and procedures are applicable across all of our projects. Our customer service personnel at each shopping center will record complaints and suggestions, and follow up with our customers for reviews on our responses after conclusion of the case. If the customer feedback or complaints cannot be handled on the spot, our customer service leader will report up the command chain and follow up with the settlement regularly. The Group maintains and reviews various communication channels with our customers to listen to their advice and handle their complaints in a timely manner, for the purpose of conducting inspections and improving our customer service system.



## Case – Promoting “Shop with Confidence” Shopping Rights to Create a Shopping Center with Warmth

In FY2022, the Group continues to reinforce promotions in all of its operating projects three major shopping rights, namely “Buy Anywhere”, “Compensate Anywhere” and “Mail Anywhere”, this initiative has effectively reduced customer complaints, improved customer satisfaction and helped to create a “Shop with Confidence” shopping space with warmth.



## Privacy Protection

Due to the nature of its business, the Group has access to a large amount of personal information of customers as well as information of tenants. The Group attaches great importance to customer rights and interests and privacy protection. Through implementing a high level of security and confidentiality standards in relation to customer privacy protection, we strictly abide by the regulatory regulations on data privacy. The Group requires its employees to handle personal data of clients in a cautious manner so as to raise their awareness of privacy protection. According to the data protection policy, we must comply with the Private Policy Statement and notify our customers the general policies and practices of collection, storage and utilization of personal information. The membership data of the Group is only used by internal employees and authorized third parties who entered into the cooperation agreement. Authorities vary depending on different positions, ranks and the content of business cooperation. External personnel who did not enter into the cooperation agreement cannot obtain the membership data access of the Group and they are strictly prohibited to disclose or transfer the membership system access to others. Relevant terms of membership data confidentiality must be included in the agreement with the third party.

The data management department and the business department have also established a sound system for the management of confidential data, and closely manage the extraction, duplication, transmission and destruction of data. To the extent that any information to be shared involves confidential data, the data management department shall report the type, scope and usage of the confidential data pursuant to our confidentiality management procedures, and the sharing of the confidential data is subject to approval. Upon approval and before the confidential data may be shared, a confidentiality agreement must be reached with the receiving party. In the event of any violation of our data management policies or any abuse of customer data, we may, depending on the seriousness of the case, order the relevant persons who violate the relevant laws and regulations to rectify their actions, circulate a notice of criticism, impose certain disciplinary sanctions, and take corresponding legal actions against such persons and entities. In addition, we have implemented relevant internal procedures and controls to ensure that use data are protected and that leakage and loss of such data can be avoided.



## OPERATING PRACTICES

The detailed measures of the Group related to data management are as follows:

- We have installed anti-virus software in our system. We update such software from time to time and carry out inspections to detect virus on a regular basis;
- We have adopted procedures such as regular system check, password policy, user authorization and approval, data backup and data recovery test to safeguard user data; and
- We have designated our IT management department to conduct regular review on our digital platforms to ensure that our collection, storage and use of user data comply with our internal policies and applicable laws and regulations.

### Protection of Intellectual Property Rights

We believe that intellectual property rights are key to the Group's continued success. To maintain its intellectual property rights, the Group relies on trademark and copyright laws, trade secret protection, restrictions on disclosure, and other agreements that restrict the use of the intellectual property rights of the Group to protect its intellectual property rights. The labor contract of the Group has listed detailed confidential contents such as technical information and operation information. All employees shall enter into confidentiality agreements, which, as a supplemental appendix to the employment contracts, clearly define the scope of the confidential information and intellectual property between the Company and its employees, the confidentiality obligations, confidentiality requirements and relevant liabilities arising from breach of the contract. In FY2022, we owned 334 trademarks in Mainland China, 13 in Hong Kong and 5 copyrights and registered 5 domain names.

### Advertising and Labelling

In respect of marketing of our products and services, we will strictly conduct regulations and inspections on all marketing's to ensure relevant work is complied with applicable laws and regulations in relation to advertising and labelling. These marketing shall accurately reflect the quality, efficiency and content of the Group's services so as to protect customers' rights and interests. Under the premise of ensuring the security of user data, and relying on the online marketing platform, we have expanded the private domain traffic acquisition channels. We cooperated with Alibaba Local Services, Koubei Business Circle, TikTok, Tencent Smart Retail Mini Program to introduce public domain traffic and expand the traffic pool. At the same time, we provide members with more accurate product recommendations and services with the help of data analysis.

### Fight Against Corruption

The Group has complied with all laws and regulations in relation to the prevention of bribery, extortion, fraud and money laundering, including but limited to Criminal Law of the PRC, The National Anti-Money Laundering Law of the PRC, Company Law of the PRC, Anti-Unfair Competition Law of the PRC, Law of the PRC on Tenders and Bids, Law of the PRC for Countering Unfair Competition, and Interim Provisions on Prohibition of Business Bribery. The Group did not record any serious issues related to the violation of laws and regulations in connection to the prevention of bribery, extortion, fraud and money laundering, neither did it record any corruption lawsuits case against the Group or its employees which were pending or concluded in FY2022.

Believing that a clean corporate culture is the key for the Group to succeed, the Group attaches great importance to anti-corruption and clean group building and the construction of system in this regard, and has always maintained a corporate culture of cleanness, openness and transparency. In FY2022, the directors and staff of the Group received anticorruption related training, among which the directors of the Group have also received training materials on anti-corruption and integrity, in line with the corporate culture concept of "effective operation without orders under a leader with correct conduct" (其身正·不令而行). The Group requires all of its employees to comply with business ethics standards and promise that they will never engage in corruption, bribery, fraud, extortion and money laundering. In addition, the Group expects that every employee adheres to the principle of honesty and integrity on every aspect of their work, which is one of the Group's core values.



## OPERATING PRACTICES

The Group has formulated internal rules to regulate and govern conflicts of interests among the Group, directors and senior management staff. According to the relevant internal rules, relevant persons are not allowed to engage in some activities, including engaging in, as the employees or members of the Group, competitive businesses that constitutes competition. The relevant persons need to fill in declaration forms of conflicts of interests every year, and we will check the forms and take proper actions so as to reduce potential influences arising from the conflicts and prevent commercial bribery or fraudulent behavior.

### Whistleblowing Mechanism

The Group educates all employees on anti-corruption awareness and encourages them to report any corruption or fraud activities. If the Group receives any relevant report, we will promptly conduct inspection and take necessary measures while protecting the identity of the whistleblower to prevent any conflict of interest or behaviors that will bring harm to the Group and the stakeholders. The Group will regularly review the relevant mechanisms to ensure their effectiveness.

In addition to internal anti-corruption management, the Group also values external management control and have included an integrity section in our business contracts with external parties. For example, signing the Integrity Undertakings in the Shop Leasing Contract with business partners, integrity requirements are also set out in the contracts signed between the procurement department and suppliers. The Group prohibits any form of commercial bribery, and ensures that both parties comply with its integrity regulations during the process of bidding, contract signing, contract performance and settlement.

### Corporate Social Responsibility

When keeping striving and forging ahead, the Group, with its commitment to public service and humanistic care, has been committed to the development of public welfare undertakings, practicing the social responsibility of enterprises, and will consistently contribute the strength of love to communities. The Group has established the Community Investment Policy to encourage employees of the Group to actively participate in social and community activities, understand the needs of the society in which they operate, and create effective and long-lasting benefits for the community by considering community investment. Also, the Group will cooperate with public welfare and charity organizations at irregular intervals and organize social activities for the purpose of public interest and charity to show our enterprise citizenship and establish a good public image. The Group has set up a dedicated customer service system for mothers and babies in the shopping malls of its projects, including dedicated parking spaces for mothers and babies, stroller rental and safety response mechanism for mothers and babies. In addition, in response to the outbreak of COVID-19 pandemic, the Group, united with property owners, directly provided rent relief to commercial tenants, at the same time, the Group implemented different measures to stabilize the operation of commercial tenants, including but not limited to increasing investment in merchant support, improving the efficiency of the five major stall activities across the line, improving one-to-one sales of key merchants, and resource mining, helping them overcome difficulties by fulfilling its corporate social responsibility with concrete action.

In FY2022, the Group launched a wide variety of charity and caring actions in different projects, including co-operate with branded merchants to regularly give out supplies to small communities, providing support to frontline epidemic prevention workers, organizing charity sales and caring for stray animals and pets for adoption, etc.

### Case – COCO Love Relay Program

#### Fighting the epidemic together

During the FY2022 epidemic, together “Starbucks”, “CoCo都可”, and “Shijitang herbal tea” to give out drinks and refreshments to frontline workers in the community. The highest number of beverages and snacks were delivered to the frontline staff during the FY2022 epidemic, with a total of 300 cups of beverages (RMB 7,000) distributed to 3 community nucleic acid sites.





## OPERATING PRACTICES

### Pet Adoption

In FY2022, the Group cooperates with Shenzhen Quanxinquanyi Dogs Animal Protection Center to find new owners for stray cats and dogs for the public welfare activity “Love Adoption”, and at the same time provides free medical consultation to customers’ small animals, consultation and popularization of science and other items to create a pet-friendly mall. The Group will continue to strengthen the link with consumers through the creation of a pet-friendly environment, thus improving the humanistic atmosphere of the shopping centers.



### Blood Donation

In FY2022, we collaborated with Shenzhen Longgang Blood Bank and provided the venue of Longgang COCO Park with a blood donation vehicle and blood available at the blood bank, the whole campaign lasted 32 hours and demonstrated our social responsibility to the project area.



### Green Power for Future

In FY2022, we also cooperated with China Southern Power Grid to launch the “Green Power for Future, One Carbon” environmental protection and low-carbon public welfare promotion, advocating green energy conservation through on-site interactions, experiments and seminars, helping the development of environmental protection public welfare and enhancing the reputation of the project.





## OPERATING PRACTICES

### Case – Huajin Community Health Clinic

Starting from FY2022, our community health clinic service has been introduced to the shopping mall for the, and we have provided a total of 31 hours of services, such as “San Fu Tiao” and “Stroke Prevention and Control” series of talks and charity clinics, hoping to create a healthy and convenient life for our customers.



### Case – Mintai Community Food Safety Social Co-governance Construction Project

In FY2022, the Group provided free food safety testing activities for the public to bring in fruits, vegetables and other agricultural products for free on-site testing, and assisted in conducting four 12-hour special events throughout the year.



### Case – Yidiandian Heart Star River Charity Day

Since FY2022, we have also conducted on-site charity sales for the community, with all donations from the sales going to charity. For example, in FY2022, we raised RMB28,965 through the charity sale for the “Dance for a Dream” project.





## APPENDIX: INDEX TABLE

### CONTENT INDEX OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Mandatory Disclosure Requirements	Sections
Governance Structure	ESG Governance Structure
Reporting Principles	Reporting Framework and Principles
Reporting Boundary	Scope of Reporting

#### “Comply or explain” Provision

Subject Areas, Aspects, General Disclosures and KPIs	Description	Sections/Remarks
<b>Aspect A1: Emissions</b>		
<b>General Disclosure</b>	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 GHG emissions, discharges into water and land, and generation of hazardous and nonhazardous waste.	Emissions Management – Exhaust Gas Emissions, GHG Emissions, Sewage Discharge, Waste Management
<b>KPI A1.1</b>	The types of emissions and respective emissions data.	Emissions Management – Exhaust Gas Emissions
<b>KPI A1.2</b>	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tonnes) and intensity.	Emissions Management – GHG Emissions
<b>KPI A1.3</b>	Total hazardous waste produced (in tonnes) and intensity.	Emissions Management – Waste Management (Not applicable – explained)
<b>KPI A1.4</b>	Total non-hazardous waste produced (in tonnes) and intensity.	Emissions Management – Waste Management
<b>KPI A1.5</b>	Description of emission target(s) set and steps taken to achieve them.	Emissions Management – Exhaust Gas Emissions, GHG Emissions
<b>KPI A1.6</b>	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions Management – Waste Management





## APPENDIX: INDEX TABLE

Subject Areas, Aspects, General Disclosures and KPIs	Description	Sections/Remarks
<b>Aspect A2: Use of Resources</b>		
<b>General Disclosure</b>	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources – Energy Efficiency, Water Consumption
<b>KPI A2.1</b>	Direct and/or indirect consumption by type in total and intensity.	Use of Resources – Energy Efficiency
<b>KPI A2.2</b>	Water consumption in total and intensity	Use of Resources – Water Consumption
<b>KPI A2.3</b>	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources – Energy Efficiency
<b>KPI A2.4</b>	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources – Water Consumption
<b>KPI A2.5</b>	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Use of Resources – Use of Packaging Material (Not applicable – explained)
<b>Aspect A3: The Environment and Natural Resources</b>		
<b>General Disclosure</b>	Policies on minimising the issuer’s significant impacts on the environment and natural resources.	The Environment and Natural Resources
<b>KPI A3.1</b>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources – Indoor Air Quality Management



## APPENDIX: INDEX TABLE

Subject Areas, Aspects, General Disclosures and KPIs	Description	Sections/Remarks
<b>Aspect A4: Climate Change</b>		
<b>General Disclosure</b>	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change Mitigation and Adaption
<b>KPI A4.1</b>	Description of the significant climaterelated issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change Mitigation and Adaption
<b>Aspect B1: Employment</b>		
<b>General Disclosure</b>	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, antidiscrimination, and other benefits and welfare.	Emphasis on Protecting Employee Rights
<b>KPI B1.1</b>	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Emphasis on Protecting Employee Rights
<b>KPI B1.2</b>	Employee turnover rate by gender, age group and geographical region.	Emphasis on Protecting Employee Rights
<b>Aspect B2: Health and Safety</b>		
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety



## APPENDIX: INDEX TABLE

Subject Areas, Aspects, General Disclosures and KPIs	Description	Sections/Remarks
<b>KPI B2.1</b>	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
<b>KPI B2.2</b>	Lost days due to work injury.	Health and Safety
<b>KPI B2.3</b>	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
<b>Aspect B3: Development and Training</b>		
<b>General Disclosure</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Development and Trainings
<b>KPI B3.1</b>	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	Development and Trainings
<b>KPI B3.2</b>	The average training hours completed per employee by gender and employee category.	Development and Trainings
<b>Aspect B4: Labor Standards</b>		
<b>General Disclosure</b>	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.	Labor Standards
<b>KPI B4.1</b>	Description of measures to review employment practices to avoid child and forced labor.	Labor Standards
<b>KPI B4.2</b>	Description of steps taken to eliminate such practices when discovered.	Labor Standards



## APPENDIX: INDEX TABLE

Subject Areas, Aspects, General Disclosures and KPIs	Description	Sections/Remarks
<b>Aspect B5: Supply Chain Management</b>		
<b>General Disclosure</b>	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
<b>KPI B5.1</b>	Number of suppliers by geographical region.	Supply Chain Management
<b>KPI B5.2</b>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
<b>KPI B5.3</b>	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
<b>KPI B5.4</b>	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
<b>Aspect B6: Product Responsibility</b>		
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
<b>KPI B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility



## APPENDIX: INDEX TABLE

Subject Areas, Aspects, General Disclosures and KPIs	Description	Sections/Remarks
<b>KPI B6.2</b>	Number of products and service-related complaints received and how they are dealt with.	Product Responsibility
<b>KPI B6.3</b>	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
<b>KPI B6.4</b>	Description of quality assurance process and recall procedures.	Product Responsibility
<b>KPI B6.5</b>	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility
<b>Aspect B7: Anti-corruption</b>		
<b>General Disclosure</b>	Information on: (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.	Fight Against Corruption
<b>KPI B7.1</b>	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Fight Against Corruption
<b>KPI B7.2</b>	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Fight Against Corruption
<b>KPI B7.3</b>	Description of anti-corruption training provided to directors and staff.	Fight Against Corruption



## APPENDIX: INDEX TABLE

Subject Areas, Aspects, General Disclosures and KPIs	Description	Sections/Remarks
<b>Aspect B8: Community Investment</b>		
<b>General Disclosure</b>	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Corporate Social Responsibility
<b>KPI B8.1</b>	Focus areas of contribution (e.g., education, environmental concerns, labor needs, health, culture, sport).	Corporate Social Responsibility
<b>KPI B8.2</b>	Resources contributed (e.g., money or time) to the focus area.	Corporate Social Responsibility



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