



**SYMPHONY**

新豐集團有限公司

SYMPHONY HOLDINGS LIMITED

STOCK CODE 股份代號 01223



**PARK OUTLETS**  
尚柏奧萊



**Environmental, Social  
and Governance Report  
2019**  
環境、社會及管治報告



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## INTRODUCTION

Symphony Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”, “we” or “us”) are well aware that excellent environmental, social and governance performance is critical to the sustainable growth and long-term value of our business. The Group is committed to making contributions to the environment and communities where we operate and fulfil our responsibilities as a corporate citizen. Therefore, we are pleased to publish the Environmental, Social and Governance Report (the “Report”) for 2019 to report and reflect the relevant measures and results.

The Report covers the Group’s key businesses for the year from 1 January 2019 to 31 December 2019 (the “Reporting Period”), including the operations of the Group’s Hong Kong office, China Rise Securities Asset Management Company Limited (“China Rise Securities”), Shenyang Park Outlets (“Park Outlets”), and the business of the retailing and sourcing services of their branded apparel, swimwear and accessories in the People’s Republic of China (the “PRC”) (the “Reporting Scope”). There is no significant change in the Reporting Scope as compared with last year, and the performance data of last year are also included in the Report for reference and comparison purposes. We believe that these businesses represented the major economic, environmental and social impacts of the Group during the Reporting Period. The Group will continue to improve our policies on sustainable development according to our own development progress.

In addition, Xiamen Park Outlets, a key investment project of the Group, is officially opened for business on 8 November 2019. The Group will continue to review the materiality of Xiamen Park Outlets in terms of sustainability to us as a whole, and incorporate into the Reporting Scope as and when appropriate.

We also noticed that the Stock Exchange issued a consultation summary of the latest “Environmental, Social and Governance Reporting Guide” in December 2019, which mainly comprises amendment guidelines to the “Environmental, Social and Governance Reporting Guide”, which includes all disclosure responsibilities of KPIs in the “Social” aspect are enhanced to a “comply or explain” level and the publication period was shortened etc. Currently, our disclosure has fulfilled a partial of the requirements and we also know that investors and stakeholders have higher expectation for our reports. We will strive to improve so that the disclosures in the next annual report will be able to meet the new amended requirements. For details of the relevant corporate governance, please refer to the Corporate Governance Report in the Annual Report 2019 of the Group.

This Report has been prepared in accordance with the “Environmental, Social and Governance Reporting Guide” (the “Guide”) contained in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the disclosure principles set out in the Guide. The chart below presents how these principles are applied by us. The content index of the Guide is accompanied with this Report for the convenience of all stakeholders.

We consider the business nature and future development of the Group and entrust consultants to conduct stakeholder engagement surveys to identify and evaluate important sustainability issues.

We collect data systematically, and disclose quantitative KPIs and analyze performance after scientific computation.



This report adopts the Reporting Scope and methods that are consistent with those of last year to ensure that readers of the Report can compare our performance with those of last year.

We endeavor to be equitable, provide pros and cons information, truthfully disclose our performance, including the results and challenges encountered, and continuously review aspects that can be improved.

## OUR VISION IN SUSTAINABLE DEVELOPMENT

The Group is committed to developing the Group’s outlet mall retail business and operating sports brands held while promoting the prosperity, stability and healthy development of the community. Adhering to the philosophy of sustainable development, it serves one of the key factors to the success of our business and helps us to accumulate years of valuable experience and positive reputation. We strive to incorporate sustainable development considerations into the Group’s decision-making process and daily operations, and implement a stringent management system to achieve sustainable development. With the need to encounter a severe market environment and complex conditions in the future, we will continue to adapt to the new norms of economic development, leverage our existing advantages, seize development opportunities, uphold our philosophy, and improve our governance standards, aiming at achieving the goal of sustainable development.

## INTERNAL CONTROL AND RISK MANAGEMENT

An effective internal control and risk management system is indispensable for the sustainable development of an enterprise. We firmly understand the importance of risk management and internal control. The Board of the Group continuously monitors the risk management and internal control system of the Company to identify, assess, manage and control various risks including the environmental, social and governance risks, and adopts appropriate risk management measures to avoid or mitigate factors that may have adverse effects on the Group.

The Group’s Audit Committee will regularly review the Group’s risk management and internal control and listen to the management and departmental reporting to confirm that an effective internal control monitoring system is in place. The Group has also appointed an independent internal control adviser to review the Group’s risk management and internal control systems on a regular basis, so to monitor the effectiveness and recommend measures to the Audit Committee, in hope to improve relevant systems. Based on the changes in business and management, we update our internal control and risk management standards, and continuously improve the Group’s operations in aligning with the Group’s sustainable development strategy, with a view to promote the sustainable development of the Group.

## COMMUNICATION WITH STAKEHOLDERS

As a retailer and brand operator, the Group has a large stakeholder base. The long-term development of our business is founded on the trust and support of our stakeholders. Hence, we attach great importance to the opinions of stakeholders. Our key stakeholders include customers, shareholders, employees, suppliers, business partners, government authorities and regulators. We have a variety of means to communicate with different stakeholders. We have been maintaining a close relationship with stakeholders through various channels and collecting their feedback, the details of which are set out as follows.

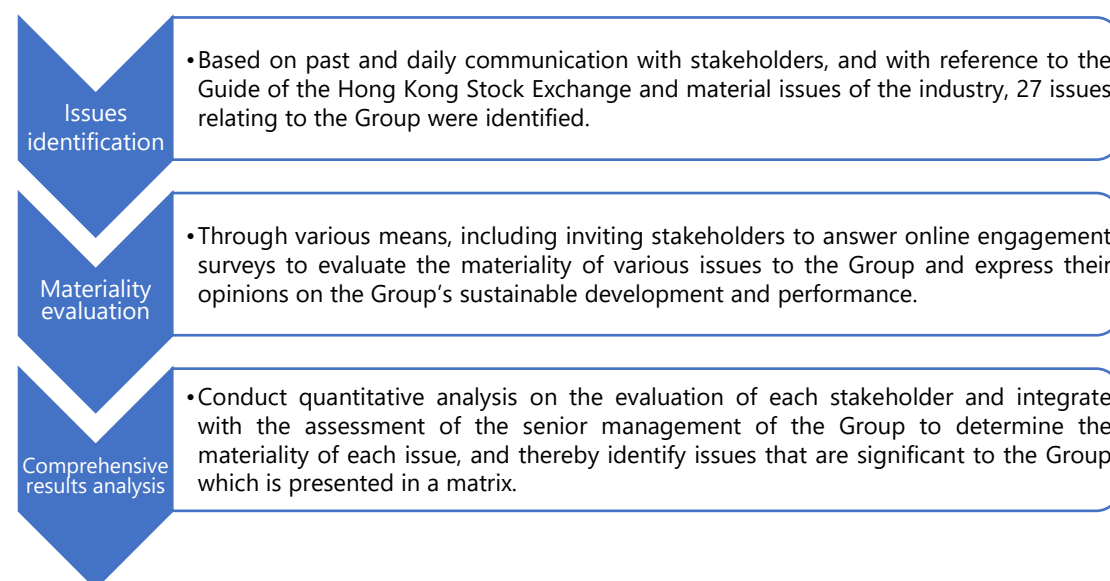
Stakeholders	Means of communication	
Employees	<ul style="list-style-type: none"> <li>• Performance evaluation</li> <li>• Departmental briefings</li> <li>• Training and workshop</li> <li>• Safety meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Recreational contests</li> <li>• Team building activities</li> <li>• Regular union activities</li> <li>• Questionnaires</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Communication in daily operations</li> <li>• WeChat official account</li> </ul>	<ul style="list-style-type: none"> <li>• Customer interviews and opinion collection</li> <li>• Public events</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Suppliers’ performance evaluation</li> <li>• Business meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Site visits</li> <li>• Questionnaires</li> </ul>

Stakeholders	Means of communication	
Shareholders and investors	<ul style="list-style-type: none"> <li>• Annual general meeting</li> <li>• Announcements and circulars</li> <li>• Group website</li> </ul>	<ul style="list-style-type: none"> <li>• Financial reports</li> <li>• Result announcements</li> <li>• Questionnaires</li> </ul>
Government authorities and regulators	<ul style="list-style-type: none"> <li>• Work reports</li> <li>• Approval and reply on application</li> </ul>	<ul style="list-style-type: none"> <li>• Exchange in meetings</li> </ul>
Other business partners	<ul style="list-style-type: none"> <li>• Communication in daily operations</li> <li>• Regular meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Questionnaires</li> </ul>

We also hope that this Report will facilitate the communication between the Group and stakeholders. We welcome all stakeholders and the public to express their opinions on our sustainable development and performance, or the content of this report. We believe that the expectations of our stakeholders are our motivation for continuous improvement. If you have any doubt or suggestion, you are welcome to email us at [info@symphonyholdings.com](mailto:info@symphonyholdings.com).

## EVALUATION OF MATERIAL ISSUES

In addition to the aforementioned regular communication channels, the Group has also engaged sustainability and environmental consultants to assist us in evaluating the environmental, social and governance issues that are significant to the Group. The materiality evaluation process is as follows:

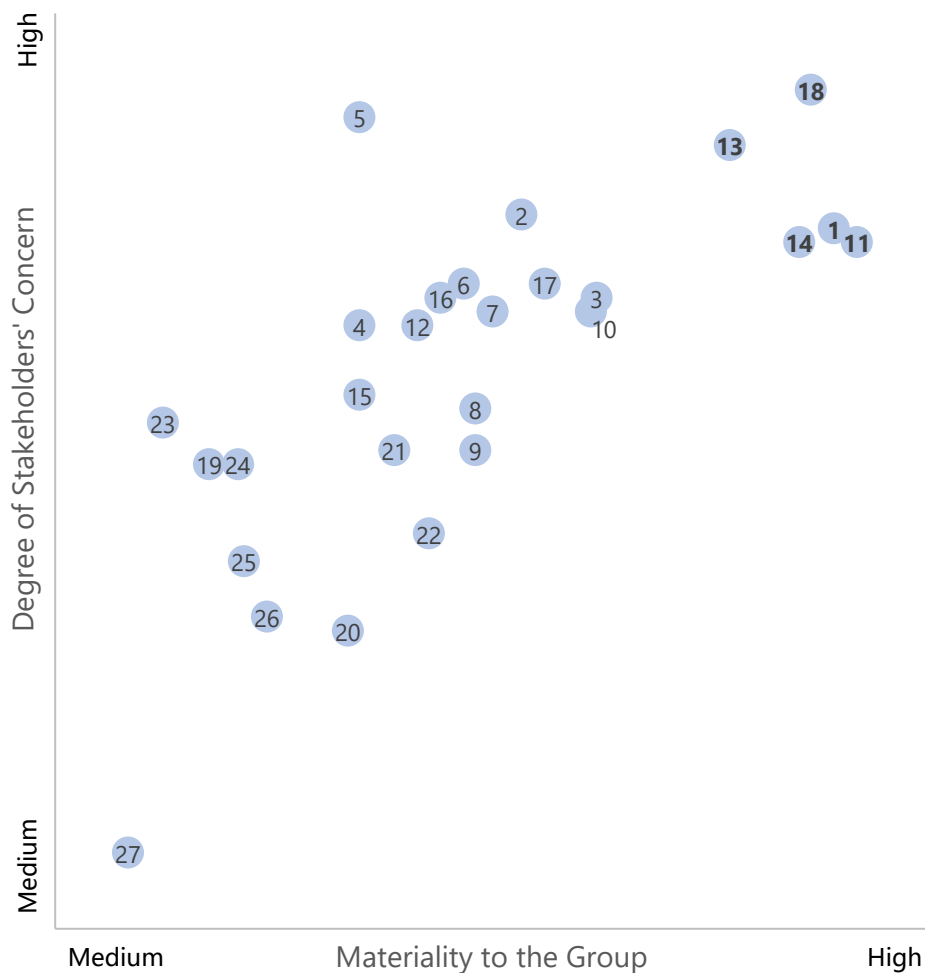


The following are the 27 issues on sustainable development relating to the Group identified by us, which are the results of the comprehensive evaluation and analysis as presented in the materiality matrix by showing the "materiality to the Group" and "degree of stakeholders' concern" of these issues.

Symphony Holdings Limited (Stock Code: 1223)  
 Environmental, Social and Governance Report for 2019

<p><b>Product and service responsibility</b></p> <ul style="list-style-type: none"> <li>• 1) Product and service quality</li> <li>• 2) Product and customers safety and health</li> <li>• 3) Customers communication and satisfaction</li> <li>• 4) Complaint handling</li> <li>• 5) Protecting customers' data and privacy</li> <li>• 6) Intellectual property</li> <li>• 7) Management of advertising and labelling</li> </ul>	<p><b>Working environment</b></p> <ul style="list-style-type: none"> <li>• 12) Workshop diversity, anti-discrimination and equal opportunity</li> <li>• 13) Occupational safety and health</li> <li>• 14) Employee training and development</li> <li>• 15) Preventing child and forced labour</li> <li>• 16) Employee relationships and engagement</li> <li>• 17) Attracting talents and retaining employees</li> <li>• 18) Employee welfare</li> </ul>	<p><b>Environmental protection and green operation</b></p> <ul style="list-style-type: none"> <li>• 19) Air pollution and emission control</li> <li>• 20) Mitigating and adapting to climate change</li> <li>• 21) Treatment and management of wastes</li> <li>• 22) Waste water discharges</li> <li>• 23) Electricity and water saving</li> <li>• 24) Sustainable utilization of other resources and green packaging</li> <li>• 25) Green procurement</li> </ul>
<p><b>Operational practices</b></p> <ul style="list-style-type: none"> <li>• 8) Review of supplier</li> <li>• 9) Sustainability and social responsibility of supplier</li> <li>• 10) Anti-corruption</li> <li>• 11) Disaster and emergency response</li> </ul>	<p><b>Contributions to community</b></p> <ul style="list-style-type: none"> <li>• 26) Participation in charitable activities</li> <li>• 27) Charitable donations</li> </ul>	

Materiality Matrix



Through the evaluation of the material issues mentioned above, we have concluded that the Group has the following five material issues in terms of sustainable development, which are explained in details in this Report. We are convinced that stakeholder engagement can help us to improve the sustainable performance of the Company and seize opportunities for business development. In the future, the Group will maintain communications with various stakeholders and adjust development strategies as and when appropriate, including regular review on sustainable development policies, and will focus on the following issues.

Material issues	Relevant section of this Report
Product and service quality	Product Liability and Customer Service
Disaster and emergency response	Fire Safety and Emergency Drills
Occupational safety and health	Health and Safety
Employee training and development	Talent Education and Training
Employee welfare	Employee Benefits and Welfare

## PRODUCT RESPONSIBILITY AND CUSTOMER SERVICE

Customers are the foundation of our business, therefore our mission is to bring customers better shopping experience. We strive to satisfy our customers in terms of products and services. Product responsibility is an important commitment made by the Group to the customers. We implement product responsibility in all business aspects and leverage high-quality services to protect the legitimate rights and interests of customers and consumers, while protecting our reputation to enhance customer loyalty to our brand or service and expand our customer base. The Group has been strictly managing the quality of product supply and customer service. Going forward, we will strive to formulate and implement standard operating procedures to maintain excellent standards.

During the Reporting Period, as far as the directors of the Company were aware of, the Group had neither recalled any product due to safety and health issues, nor in breach of any laws and regulations applicable to the operation of the Group in relation to product safety and health, advertisement and labelling, including but not limited to the *Law on Protection of Consumer Rights and Interests of the People's Republic of China* (《中華人民共和國消費者權益保護法》), the *Product Quality Law of the People's Republic of China* (《中華人民共和國產品質量法》), the *Advertisement Law of the People's Republic of China* (《中華人民共和國廣告法》), the *Interim Measures for the Administration of Internet Advertising* (《互聯網廣告管理暫行辦法》) and other applicable laws and regulations relating to publications and advertising promotions.

### Outstanding Outlets

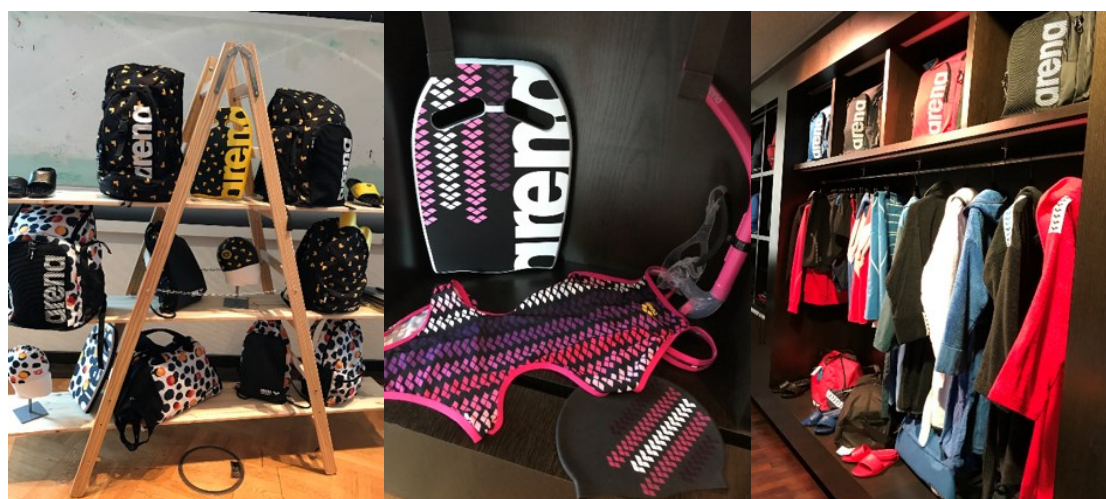


The Group strictly select brand tenants to ensure the quality of the products sold at Park Outlets and the customer service provided at the stores are pleasant. The selection procedures include inspecting their business registration licenses, brand registration certificates, authorisation evidence, related approvals and so forth, to ensure that consumers can obtain high-quality products and satisfactory services at Park Outlets. Our on-site personnel will manage the entire outlet and maintain a safe, comfortable and pleasant

environment, and will immediately inform relevant staff or require relevant brand tenants to rectify any issue or potential risk, if identified.

## Product Quality

Our business focus is to ensure good product quality. We have formulated policies and guidelines for product quality so that our customers can enjoy excellent products. Products offered at Park Outlets by brand tenants or at points-of-sale by our distributors are sourced from brand merchants or licensed agents. We forbid all forms of unauthorised sale of products to ensure that all products sold has reached the quality standard of the brand and is complied with all applicable national and industrial standards.



## Premium Services

As mentioned above, we are committed to providing customers with superior shopping experience and highly treasure and aim at safeguarding the legitimate rights and interests of our mass product users and consumers. Hence, under the premise of complying with the Company's policies, we will try our best to respond to customers' questions about the products, satisfy reasonable demands of our customers, and assist them to reflect their concerns to the brand tenants or distributors, in an effort to bring a satisfactory shopping experience to these consumers.

## Solicitation of Opinions

We respect our customers, listen and consider their opinions earnestly, which are essential in improving our service quality. The Group offers various communication means to collect customers' feedback, such as customer service hotline, customer service centres, email, company website and telecommunication applications etc., so as to promote and improve our communication with customers and understand their needs and expectations. In 2019, Park Outlets received a total of 54 customer complaints, including complaints in relation to product quality, customer service and promotional activities, all of which have been duly handled. Apart from these, no complaint was received by the brand business and securities services within the Reporting Scope from customers. We attach great importance to the opinions of our customers, and we spare no efforts to prevent such issues from recurrence by addressing the complaints and taking appropriate measures.

Once our customer service staff received such complaints, they would follow up in accordance with the existing procedure within the system. For example, if a customer wants to return or exchange an item and if the request meets our relevant policies, we shall do our best to meet their demands. If the complaint relates to product quality, we will communicate with our brand tenants and request the involved brand(s) to improve their product quality. If the complaint relates to our premise management, we will review and investigate the root of the problem and our own deficiency so that we can learn from our lesson. We always keep our staff members informed that customer satisfaction is our first priority when providing service. As we deeply believe that customers' feedbacks are essential for our continuous improvement, we shall continue to stay open-minded and listen to their feedback, regardless they are positive or negative.



## Respect for Privacy

The Group is committed to protecting the privacy and information of its customers as customer trust is of paramount importance to the business. We have put in place a data privacy system and formulated a data security system. We have established our policies and procedures regarding to the handling of customer information in accordance with relevant laws and regulations, including the *Personal Data (Privacy) Ordinance* (《個人資料(私隱)條例》), with a view to protect customers' sensitive information. Such policies include strict prohibition of employees using customer's information for any non-business-related purpose. Designated personnel have already been assigned to handle customers' information such as telephone number and identity, in the strictest confidence. All customer information collected will only be used for specified purposes. Moreover, we review and update such policies and procedures regularly to fulfil the requirements of business operations, regulatory guidelines, relevant laws and regulations.

## Promotion and Labelling

The Group always operates its business under the principle of integrity. We are committed to providing accurate information to assist consumers in making appropriate purchase decisions. The Group operates Park Outlets and brand business, and launch a variety of marketing campaigns to promote Park Outlets and our licensed brands. We have a rigorous internal audit process in place, under which the designated personnel review the contents of the marketing materials used before official publication. Such designated personnel shall have certain sales and promotion experience and shall ensure that the marketing materials comply with the *Advertisement Law of the People's Republic of China* (《中華人民共和國廣告法》), the *Interim Measures for the Administration of Internet Advertisement* (《互聯網廣告管理暫行辦法》) and other applicable laws and regulations governing advertising and labelling enacted by the relevant government authorities.

In addition, the agreement between brand tenants at Park Outlets and us expressly stipulates that the goods sold by such brand tenants shall bear complete product labels in compliance with the regulations, so as to ensure that consumers of Park Outlets are provided with correct and sufficient product information. Product label details shall include but not limited to product name, brand label, implementation standards, name of the manufacturer, details of the certificate of approval, product specifications and other information. Such comprehensive details will fully protect the interests of the consumers.

## SUPPLY CHAIN MANAGEMENT

The Group believes that the implementation of sustainable development requires us to ensure that suppliers share the same philosophy and corporate social responsibility as ours. We also recognise that supply chain management is closely related to product responsibility and product quality, which is essential for attaining long-term growth in our business. Therefore, we pay great attention to supply chain management, and have established stringent management policies in this regard. In 2019, Park Outlets had a total of 153 suppliers, all of which are located in Mainland China and had passed our assessments. The procurement process is managed by professionals, and the details of the process are subject to rigorous standardised procedures. Such professionals shall have considerable procurement experience and continuously review the insufficiency of the process for constant improvement, so as to make the procurement process more efficient and cost-effective while maintaining quality control. In addition, we also stay abreast of updates to the procurement laws and regulations to ensure our compliance therewith.

We monitor the supply chain through a procurement review mechanism, under which we make proper management at the source by strictly selecting suppliers which match our screening criteria, so as to ensure all suppliers have good technical standards and high quality of products and services, and to assess the potential risk of engaging such suppliers.

At the same time, we share our sustainability values with our suppliers and promote the Group's sustainability philosophy. We also encourage our suppliers to continuously improve their performance and cooperate with us to contribute to the long-term sustainable development of the economy, society and environment.

## EMPLOYMENT AND LABOUR PRACTICES

We cherish the results created by our employees for the Group. Therefore, we offer our employees not merely a job but also a good working environment and development opportunities, enabling them to develop their potential and work in an enriched and fulfilling surrounding. We are committed to complying with the laws and regulations regarding employees' basic rights and strictly implement the relevant administration systems and policies to regulate employment behaviours, including the "Staff Handbook", the "System for Human Resources Management" (《人力資源管理制度》) and the "Handbook of the Human Resources and Administrative System" (《人事行政管理制冊》) .

Laws and regulations of the PRC and Hong Kong which relate to employment matters of the Group mainly include the *Labour Law of the People's Republic of China* (《中華人民共和國勞動法》), the *Labour Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》), the *Regulation on the Implementation of the Employment Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法實施條例》) and the *Employment Ordinance* 《僱傭條例》 (Cap. 57 of the Laws of Hong Kong). As far as the directors of the Company were aware, the Group was not subject to any major administrative sanctions or penalties due to the violation of any employment laws or regulations during the Reporting Period.

### Strict Prohibition of Child and Forced Labour

Child and forced labour, which violate basic human rights and corporate ethics, will never be tolerated by the Group. We strictly comply with laws and regulations relating to the minimum age of employment and strictly forbid child labour. All new recruits are subject to review procedures such as interviews and identity checks to minimise the chance of employing child labour. The Group strictly complies with the *Labour Law* (《勞動法》), the *Labour Contract Law* (《勞動合同法》), the *Law of the People's Republic of China relating to the Protection of Minors* (《中華人民共和國未成年人保護法》), the *Employment Ordinance* (《僱傭條例》) and the *Regulations on the Prohibition of the Use of Child Labour* (《禁止使用童工規定》), and expressly prohibits child labour employment in our recruitment policy.

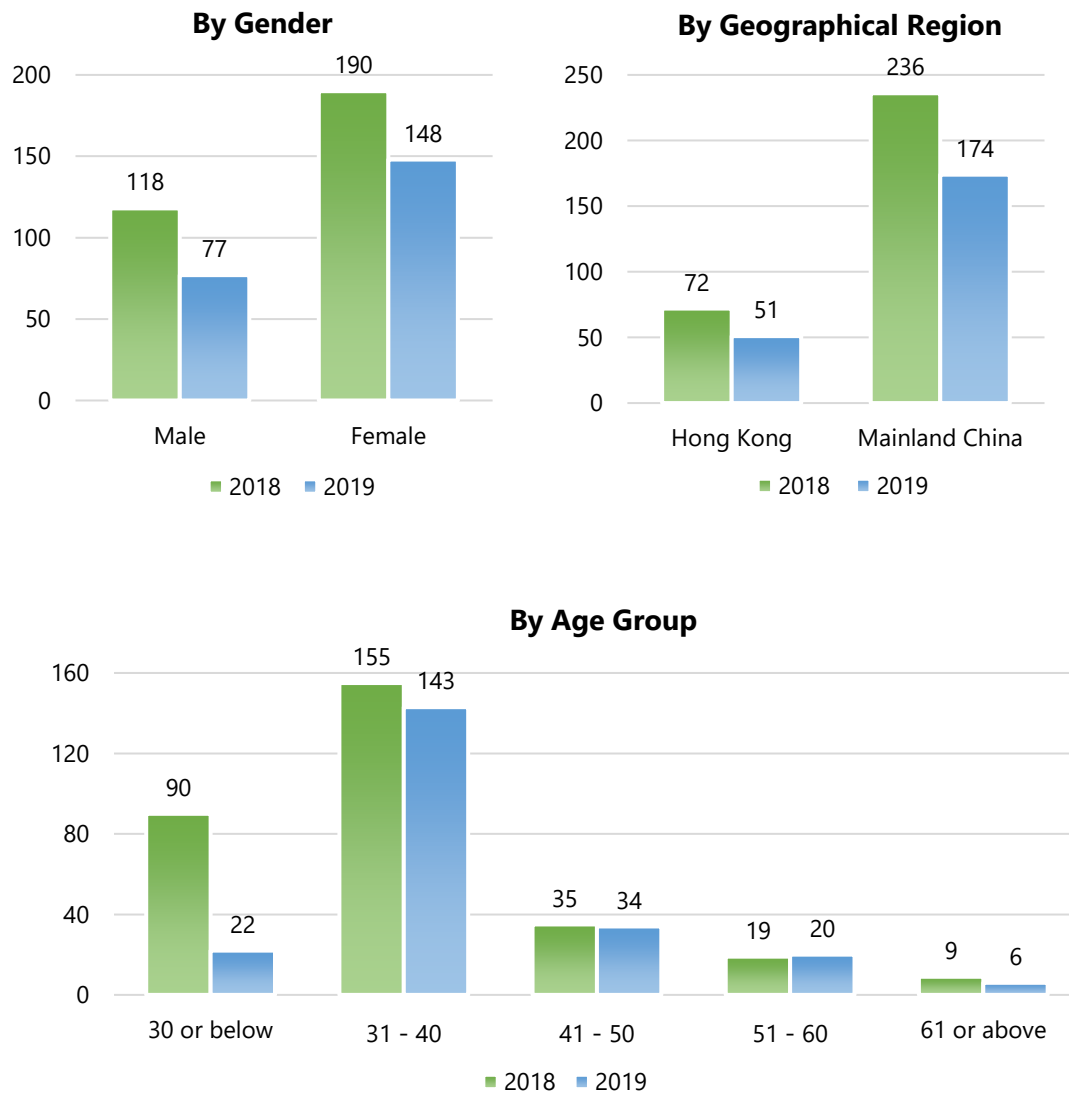
In addition, the Group strictly prohibits forced labour and will not mandatorily require employees to work overtime persistently. Employees can work overtime necessarily only on a voluntary basis.

#### We undertake that:

- We never tolerate forced labour of any form, including intimidation and abuse;
- None of the employees shall be induced to work for the Group by fraudulent means;
- It is forbidden to punish or threaten employees in an attempt to force them to work or to gain benefits therefrom.

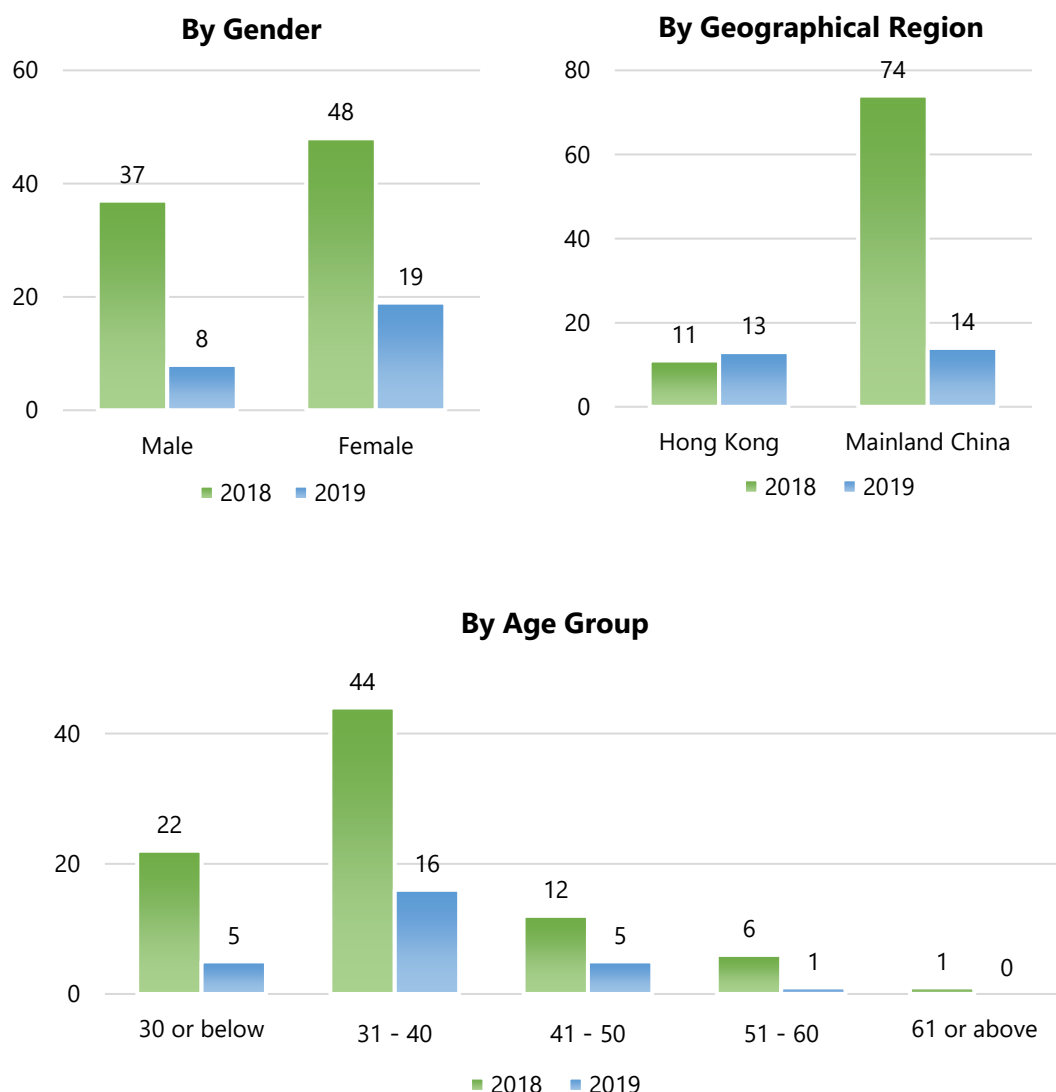
## Employee Statistics

As of 31 December 2019, we had 225 employees in the Reporting Scope, all of them were full-time employees. The statistics by gender, age group and geographical region are as follows:<sup>1</sup>



<sup>1</sup> Some employees in Mainland China were transferred to another subsidiary of the Group outside the Reporting Scope during the Reporting Period.

## Statistics on Employee Turnover



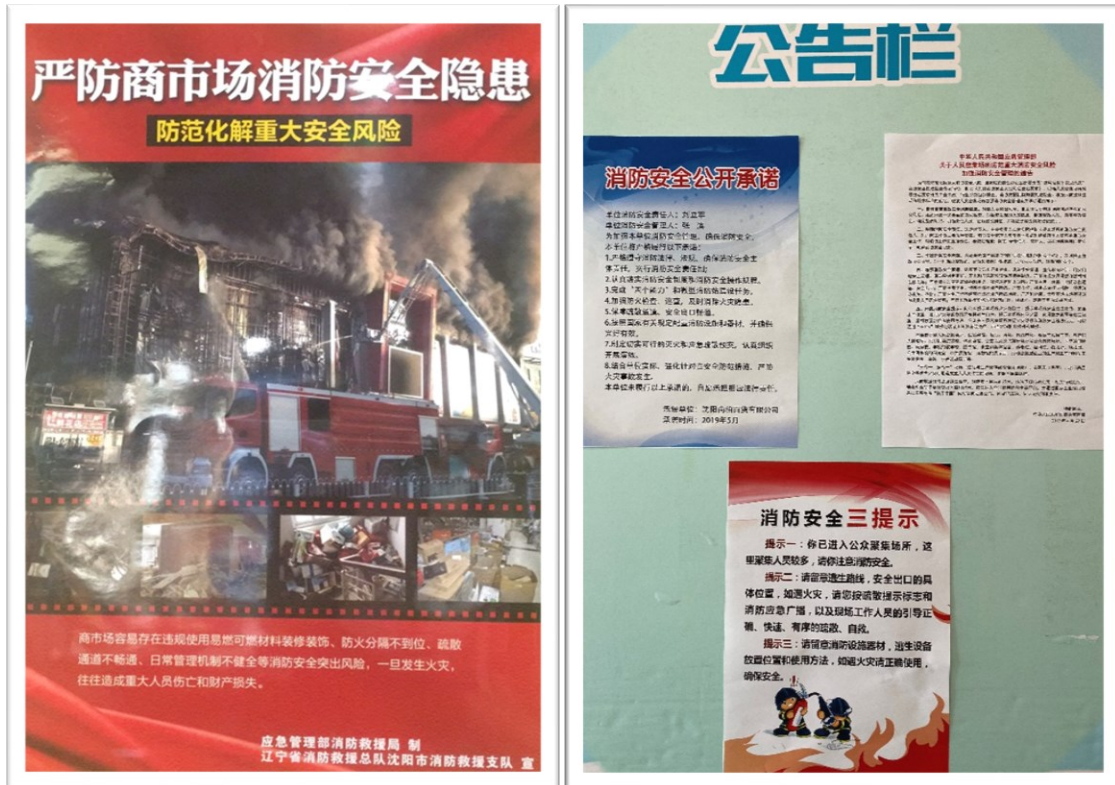
## HEALTH AND SAFETY

Active participation of employees is essential to the sustainable development of the Company's business. A safe and healthy working environment allows our employees to work intensively, thus improve the Company's operational efficiency. The Group is committed to safeguard our employees by focusing on maintaining a safe and healthy working environment. We attach great importance to the health of our employees and have established a health check system for them. Employees who have reached a designated ranking and seniority are entitled to complimentary health checks to ensure that they are able to stay healthy.

In accordance with our internal policies, we have arranged a number of activities and training programmes during the Reporting Period to implement a safe operation management system so as to minimise hazards and accidents, create a safer working environment, safeguard employees from injury and comply with relevant laws and regulations. As far as the directors of the Company were aware, the Group was not subject to any major administrative sanctions or penalties due to violation of any production safety laws or regulations during the Reporting Period.

## Fire Safety and Emergency Drills

The Group attaches great importance to fire safety. Park Outlets, as a large entertainment and shopping premises, attracts huge crowd traffic. Therefore, fire safety is one of our work priorities for safeguarding the public and employees' lives. We have posted materials relating to fire safety at the workplace for promotion and education purposes, which are part of our efforts to increase our employees' basic awareness of fire safety. We have instructed our employees to remain calm and adopt self-rescue measures in a scientific manner in case of an accident.



Each year, we hold fire drills to consolidate our strain capacity when there is a fire. As Park Outlets is a large shopping mall with heavy traffic each day, serious damages may be caused if the emergency response plan is insufficient. For this reason, we pay special attention to fire drills at Park Outlets. We have established the *Fire Evacuation Exercise Plan* (《消防疏散演习预案》), a comprehensive emergency response coordination mechanism which clearly sets out the duties of various positions of the Company in case of a fire. We also held a large fire drill during the Reporting Period, in an effort to enhance the fire safety awareness of our employees and improve their ability to escape and perform self-rescue from fire, and allow our employees to grasp the correct use of various fire extinguishing equipment and skills to extinguish an early fire, thereby minimising the loss of lives and properties in case of fire.



## TALENT SELECTION

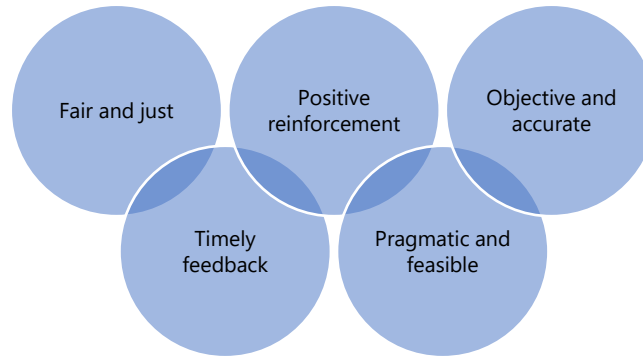
The Group has always considered our employees as the most important assets of the Company. We recruited our employees through various channels and made continuous efforts to attract and retain talents. Adhering to the master principle of “fairness”, we undertake that we recruit employees based on competency or qualifications rather than their nationality, gender, age or family status. The Group has established a protocol of standard handling procedures for the resignation or dismissal of employees. Our human resources department also conducts enquiry on the resignation to ensure that there is no case of unfairness or discrimination. In addition, we have determined our working hours and implemented relevant policies in strict compliance with the national and local laws and regulations.

## Employee Remuneration Packages and Benefits

The Group provides its employees with competitive remuneration packages in the industry. In addition to basic annual leave, we also offer marriage leave, bereavement leave, maternity leave, work injury leave and breastfeeding leave. In accordance with the laws and regulations of the PRC and Hong Kong, we make contributions to various employee benefit schemes for full-time employees, including the retirement insurance, work-related injury insurance, medical insurance, unemployment insurance and maternity insurance in the PRC and the Mandatory Provident Fund scheme in Hong Kong. Remuneration for full-time employees generally includes basic salary, job position compensation, performance evaluation remuneration, subsidies and other allowances. Furthermore, we may also offer year-end bonus to employees based on our annual operating results. Remuneration packages are determined by the management or the Remuneration Committee of the Company, with employees’ remuneration determined mainly based on their performance and qualifications. The Group reviews its remuneration structure each year. We have formulated salary and performance benchmarks for each level of job position according to the minimum wage standard set by the government in the region where we operate, the local average salary level, the current average salary level, technical and professional qualifications of relevant positions as well as the monthly and annual performance appraisal. Further adjustments to such benchmarks will be made depending on each employee’s technical expertise, experience and performance to uphold a fair and competitive remuneration structure.

## Performance Appraisal System

The Group has put in place a full-fledged performance appraisal system to conduct regular appraisal on employees' performance. We offer rewards and promotion opportunities to those with outstanding performance for the purpose of recognising their performance and increase their motivation at work, boost employees' morale and retain talents. Our employees will never be discriminated and their promotion opportunities will not be hindered due to sex, age or race factors. The performance appraisal system is based on the following five principles:



A performance appraisal is organised by the human resources department each year. The performance appraisal is a two-way procedure. By reference to the results of performance appraisal, we will create a broader development space for our employees based on our sound promotion mechanism, aiming at demonstrating the Company's incentive system to attract and retain talents.

## EMPLOYMENT RELATIONSHIP AND TEAM BUILDING



We regularly organise a wide range of cultural and recreational activities for our employees, such as sports meeting, tug of war contests, cultural and art lectures, etc., so as to allow employees to relax in their spare time, promote communication among colleagues and build a cordial and harmonious team. The Group also organises various corporate events including annual party and birthday parties to enhance employees' sense of belonging to the Group.



In addition, the Group has also established WeChat employee groups and make good use of social media to keep in touch with our employees. Our employees are encouraged to communicate on work and share their moments of life via WeChat groups to promote interaction and communication among employees, which also makes it easier for us to hear their opinions.



## TALENT EDUCATION AND TRAINING

The Group has always attached importance to the cultivation of talents. During the Reporting Period, we provided various types of training programmes and development opportunities for employees from various business units, aiming at improving their competence in the long run. Our training themes cover various aspects including management skills, customer service, team cohesion and more.

We provide matching skills training and education to our employees according to their respective professional and job requirements, such as providing our training programme to store managers on management skills and employee communication skills. In addition, unconventional training programmes are launched according to actual performance and unexpected needs in order to assist employees in personal development and improve their leadership skills and management skills. We also provide trainings on mindset, finance, operation, sales, human resources and orientation to employees of Park Outlets according to their positions. As for employees in our securities business, we provide them with financial services related trainings on anti-money laundering, anti-terrorist financing, the latest regulatory developments, suspicious transaction reporting, etc.

A total of 1,666 hours of training were conducted during the Reporting Period, with an average of 6.65 training hours per employee<sup>2</sup>.

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<sup>2</sup> The average training hours per employee is calculated based on total training hours and average number of employees.



<b>Percentage of training received by gender</b>		<b>Percentage of training received by employment type</b>	
Male	67.5%	Senior management	80.0%
Female	88.5%	Mid-level management	70.2%
		General and technical staff	84.7%

<b>Training hours by gender</b>	<b>2019</b>	<b>2018</b>	
Male	6.43	2.28	Hours
Female	6.78	1.41	Hours

<b>Average training hours by employment type</b>			
Senior management	6.55	1.38	Hours
Mid-level management	8.56	0.83	Hours
General and technical staff	6.23	1.89	Hours

## ANTI-CORRUPTION AND ADVOCATING INTEGRITY

The competitive edges of the Company are based on our business integrity. Adhering to our pledge of openness and integrity, the Group strives to maintain outstanding corporate governance and safeguard the Group's reputation and interests. We have formulated comprehensive anti-corruption policies, including anti-fraud management, fraud prevention measures and whistle-blowing policies. In addition, the Group also has in place a reporting and investigation system which includes a general manager's suggestion box for reporting of any suspected corruption, bribery and fraud on an anonymous basis. Relevant investigation procedures have also been established.

As China Rise Securities is a regulated institution engaged in the provision of financial services, we have developed internal policies specific to its business characteristics, which cover due diligence procedures on customers, anti-money laundering, anti-terrorism financing and anti-bribery policies etc. Such policies clearly set out the duties of relevant employees in each position, institutionalise and streamline the work of integrity and anti-corruption, and maintain the compliance and high ethical standards of the Company.

As for other businesses of the Group, we expressly included anti-bribery clauses in the agreements signed with brand tenants at Park Outlets, hoping to ensure that both brand tenants and ourselves have installed an intact internal management system and will continue to manage and educate our and their own employees to jointly resist any commercial bribery or other improper transactional practices, so as to create a well-established, fair and honest business environment.

As far as the directors of the Company were aware, the Group had not received any complaints or taken any disciplinary actions relating to corruption, bribery or other misconducts during the Reporting Period. In the meantime, our business operations comply with relevant policies, laws and regulations relating to anti-corruption, blackmail, fraud and money-laundering during the Reporting Period, such as the *Prevention of Bribery Ordinance* (《防止賄賂條例》), the *Anti-Unfair Competition Law of the People's Republic of China* (《中華人民共和國反不正當競爭法》) and the *Anti-Money Laundering Law of the People's Republic of China* (《中華人民共和國反洗錢法》).

## ENVIRONMENTAL PROTECTION

The Group adheres to the principle of green development and manages environmental affairs in a sustainable manner to achieve a harmonious relationship between the Group and the environment. In order to embrace the green concept in the daily operation of our branding and the operations of Park Outlets, we have also fully complied with the *Law of Environmental Protection of the People's Republic of China* (《中華人民共和國環境保護法》), and we have developed structured environmental protection plans and energy-saving measures. These initiatives include the launch of energy conservation and emission reduction projects aiming at improving the recycling rate of reusable waste. The Group hopes to engage various means to protect the environment and reduce carbon emission so as to minimise negative impact made to the environment. At the same time, we aim to achieve emission reduction at the source through employees training to heighten their awareness of environmental protection. In addition, we frequently keep ourselves abreast of the latest environmental protection laws, regulations and protocols and improve environmental management and monitoring, in an effort to take measures to comply with the regulations and fulfil our corporate social responsibilities.

The environmental protection laws and regulations related to our Company include the *Law of Environmental Protection of the People's Republic of China* (《中華人民共和國環境保護法》), the *Environmental Impact Assessment (EIA) Law of the People's Republic of China* (《中華人民共和國環境影響評價法》) etc. During the Reporting Period, as far as the directors of the Company were aware, the Group was not subject to any major administrative sanctions or punishments due to violation of any environmental laws or regulations.

### Green Operations

The Group attaches great importance to the environmental protection awareness in business operation of each brand tenant at Park Outlets so as to create a green operational environment. Pursuant to our co-operation agreement signed with each brand tenant, they are required to implement the following measures:

Environmental contamination shall be minimised during the process of production, storage and transportation of the goods offered;

Goods that are offered and their raw materials shall meet the requirements of national, local and industrial laws and regulations relating to environmental protection;

Priority shall be given to the use of pollution-free or less polluting production techniques and equipment;

Forbid to source from country or municipalities where methods of production and equipment have been prohibited;

Use of recyclable packaging materials shall be given priority for product packaging so as to reduce wastage of resources.

Save for the measures above, preference is given to corporations that have obtained ISO 14001 (Environmental Management System) for the purpose of promoting a green business environment.

To implement the concept of green operations, we pay attention to the design specifications for construction or renovation of Park Outlets. Apart from ensuring the compliance of such design specifications with environmental standards, we adopt natural ventilation in outdoor and public area in order to lessen the reliance on energy consumption of the air conditioning system. Moreover, many indoor plazas and walkways at Park Outlets are designed with glass rooftops to make full use of natural light, thus reducing the consumption of electricity. In the future, we shall take into account as many environmental-protection factors as possible during the design process.

## Energy Conservation Plan for Park Outlets

Based on the data of the Group's overall emission performance, our major source of emissions is the power consumption of Park Outlets. To address such major energy consumption, we adopted the following energy-saving measures, so as to conserve electricity consumption at Park Outlets during the Reporting Period:

Shorten the pre-set time periods of turning on and off air conditioners

Use LED lights to replace traditional light bulbs

Turn off the lighting of the outdoor plaza earlier to reduce light pollution and save energy

In addition, we have also put in place an energy conservation scheme for the tenants, under which our operating personnel will collect the monthly data of electricity consumption of each brand tenant. If an upward trend is observed in brand tenants' electricity consumption, we will remind them and provide them energy saving recommendations, such as adjusting their air conditioning temperature and adopting energy-saving lamps, as part of our joint efforts with brand tenants for environmental conservation.

In the coming years, we will continue to evaluate and seek for feasible energy-saving solutions and to reduce negative impacts on the environment.

## Green Office

In addition to the emissions produced during the operation of the Park Outlets and our brand business, our office premises are yet another main source of emission. We integrate the concept of green office into the Group's entire office management practices, and we have taken the following measures to reduce the Company's consumption of natural resources, striving to achieve sustainable development during the Reporting Period.

### Reducing electricity consumption

- ✓ Equip automatic sensors in some office areas to automatically control the lighting
- ✓ Make full use of natural light and ventilation to minimise the use of electric lights and air conditioners in our office
- ✓ Maintain the air-conditioning temperature at 25°C in summer and 18°C in winter, and ensure that air-conditioners are turned off automatically when staff are off duty
- ✓ Tune down the computer screen brightness, and set the idle timeout to switch off computer monitors automatically
- ✓ Switch off idle electronic devices and lights

### Reducing water consumption

- ✓ Put up "save water" posters in the dining hall, bathrooms and other places to remind employees to turn off the faucet after use
- ✓ Monitor water pressure and regularly maintain water supply systems and water facilities to prevent leakage
- ✓ Fix any identified abnormal condition promptly to save water resources

### Reducing paper consumption

- ✓ Issue internal communications such as announcements and reports electronically if possible
- ✓ Encourage employees to communicate electronically and promote paperless office
- ✓ Provide recycling boxes to collect single-sided paper and encourage employees to use eco-friendly paper
- ✓ Ask employees to bring their own drinkware so as to avoid using disposable paper cups
- ✓ Encourage employees to dry hands with handkerchiefs so as to reduce paper towel consumption

### Reusing and recycling

- ✓ Reuse office supplies, including envelopes, loose-leaf binders, paper bags and refillable stationeries
- ✓ Engage a recycler to recycle scrap paper on a regular basis

## Efficient Use of Water Resources

Domestic sewage is the principal source of sewage produced from the Group's business operations, which includes sewage from employees' daily life, sewage from the canteen, discharges from washrooms etc. Our domestic sewage is generally discharged into municipal sewage pipelines after pre-treatment procedures, then centrally treated by the sewage treatment plant. The Group's water is sourced from the municipal water supply system. During the Reporting Period, we did not encounter any issue in sourcing water.

## Waste Treatment

The daily operations of the Group do not produce any hazardous waste. The Group's non-hazardous wastes mainly comprise of domestic wastes and office used paper. We have engaged a dedicated service provider and cleaning staff to help us handle non-hazardous wastes. Generally, relevant non-hazardous wastes are collected and transported by our service provider in a centralised manner to the urban environmental sanitation department for centralised processing.

## ENVIRONMENTAL PERFORMANCE

Key environmental indicators	2019	2018	Unit
<b>Greenhouse Gas Emissions (GHG)</b>			
Total GHG emission	606.18	495.89	tonnes of CO <sub>2</sub> e
Direct emissions (scope 1)	64.75	70.16	tonnes of CO <sub>2</sub> e
Indirect emissions (scope 2) <sup>3</sup>	541.43	425.73	tonnes of CO <sub>2</sub> e
GHG emissions per m <sup>2</sup> of floor area (scopes 1 and 2)	31.72	25.76	kg of CO <sub>2</sub> e/m <sup>2</sup>
<b>Exhaust gas</b>			
Nitrogen oxides (NO <sub>x</sub> )	131.60	220.67	kg
Sulphur oxides (SO <sub>x</sub> )	0.36	0.40	kg
Particulate Matter (PM)	15.35	26.00	kg
<b>Non-hazardous waste<sup>4</sup></b>			
Total non-hazardous waste	220.21	200.92	tonnes
Recycled amount of non-hazardous waste	4.46	6.59	tonnes
Non-hazardous waste per m <sup>2</sup> of floor area	11.52	10.44	kg/m <sup>2</sup>
<b>Energy</b>			
Total consumption	925.47	796.96	MWh
Electricity <sup>3</sup>	700.83	551.62	MWh
Gasoline	186.51	179.62	MWh
Diesel	38.13	65.72	MWh
Energy consumption per m <sup>2</sup> of floor area	48.42	41.40	kWh/m <sup>2</sup>
<b>Water<sup>5</sup></b>			
Total water consumption	22,347.00	21,783.63	m <sup>3</sup>
Water consumption per m <sup>2</sup> of floor area	1.28	1.25	m <sup>3</sup> /m <sup>2</sup>

<sup>3</sup> Such data only covers the electricity consumption known to the subsidiaries controlled by the Group as well as the indirect GHG emissions caused by electricity consumption, which include the part of lighting electricity publicly consumed by our offices in Hong Kong and Shanghai as well as Park Outlets in Shenyang.

<sup>4</sup> Taking into account the principle of materiality, the non-hazardous waste data above covers only office used paper and the daily domestic waste and cartons at the Hong Kong office and Park Outlets. The Group is endeavoured to improve the collection of data for the non-hazardous waste produced by other offices, which will be disclosed in due course in future reports.

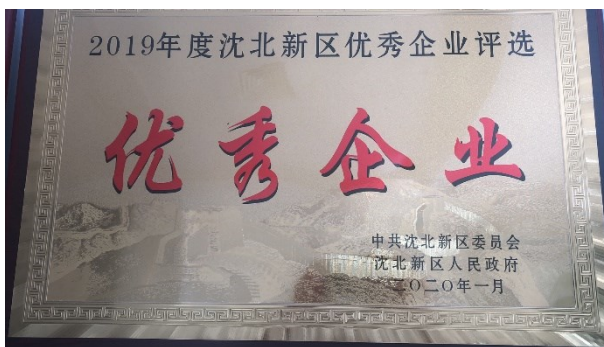
<sup>5</sup> As the property management company of our Hong Kong office is unable to provide water consumption data for the units occupied by the Group, it is inaccessible for the Group to estimate the water consumption at our Hong Kong office. Therefore, the water consumption data in this report does not include that of our Hong Kong office.

## CONTRIBUTIONS TO COMMUNITY

Social harmony and harmonious neighbourliness are important visions for the sustainable development of our business. During the Reporting Period, we organised and participated in various formal community activities. In Hong Kong, we participated the "Yan Chai Fortune Bag in Care of Elderly (仁濟安老送關懷·愛心福袋賀回歸)" organised by the Yan Chai Hospital and donated an amount of HK\$30,000. We also participated the "Nantian Buddha's Family of Blessings - Buddha's Birthday Prayer Convention (南天佛緣福萬家—佛誕祈福大會)". As a resident enterprise in Shenyang, Park Outlets has been supporting the building of a more civilised city. We participated the charitable activities hosted by Hushitai Street Office with the theme of "Park Outlets' Charitable Activity in Cherishing Warm Winter (尚柏奧萊公益行動愛心助暖冬)", as part of our efforts to give back to the community.



Our outstanding performance was recognised by the society, Park Outlets was consecutively rewarded as the "Outstanding Enterprises in Shen North New District, Shenyang City" in 2018 and 2019. In addition, Arena was also granted the "2018 Outstanding Contribution Award" awarded by Shanghai Zhenru District Investment Promotion Centre.



In the past year, Park Outlets continued to host a variety of events, through which we hope to promote community exchanges and provide opportunities for residents of surrounding communities to enjoy leisure and entertainment, to show their talents and to add fun to their busy lives. The following sets forth some examples of the events we organised during the Reporting Period:



Puppet Show



Basketball Competition



New Year Carnival



Chinese New Year Market



Kite Making Event on Ching Ming Festival



Event on Labour Day Holiday





The 7th Anniversary Celebration Event of Park Outlets



Halloween Event



Christmas Event



## **GOING FORWARD**

During the Reporting Period, the Group had always been performing our own social duties by striving to provide premium services to our customers, participating in community building, caring and aiding the underprivileged, maintaining a harmonious and comfortable working environment, paying attention to employees' development and providing them with training programmes, working hand in hand with our employees.

Looking ahead, we aim to continuously develop more programmes, constantly deliver new and premium services to our customers, advocate the highest ethical standards and identify talents. At the same time, we shall constantly participate in community activities, continuously promote the healthy development of local economy, improve the living standards of the public and mitigate the environmental impact caused by our business operations. The Group shall keep on listening to feedbacks from various stakeholders to make continuous improvement, for the purpose of striking a balance amongst society, environment and economy and promoting the implementation of sustainable development.

The Group would like to take this opportunity to express its sincere gratitude to all stakeholders for their support and trust. We shall continue to fulfil our corporate social responsibilities, entrench the concept of sustainable development and dedicate to make greater contributions to the sustainable development of society.

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