



2020

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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ABOUT FIRST SHANGHAI

First Shanghai Investments Limited (the “Company”) and its subsidiaries (collectively “First Shanghai” or the “Group”) are engaged in integrated businesses, which mainly include financial services, property and hotel, medical and healthcare and direct investment business. The Company wholly owns a number of financial services, medical and healthcare, hotel and property development companies in Hong Kong, Mainland China and overseas.



Despite the impacts on some business sectors of First Shanghai from the uncertainties of global economy in 2020, the Group will strive to recover its operating results which are influenced by COVID-19 pandemic, and balance its business between the two driving forces in the financial services and the medical and healthcare sectors. The Group will strive to expand its business and continuously improve the Group’s services quality with unremitting professional and sincere attitude. Please see the 2020 annual report of the Company for details.

MAJOR AWARDS

	Awards	Awarding Institution
 <p>5 years+ 商界展關懷 caring company Awarded by The Hong Kong Council of Social Service 香港社會服務聯會頒發</p>	<p>5 Years Plus “Caring Company” 2014–2021</p>	<p>Hong Kong Council of Social Service</p>
 <p>僱 好僱主約章 GOOD EMPLOYER CHARTER 2018</p>	<p>Good Employer Charter</p>	<p>Labour Department</p>
 <p>WWF Silver Member 純銀會員 2020/21 HONG KONG</p>	<p>Silver Member</p>	<p>World Wild Fund</p>
 <p>WORLD GREEN ORGANIZATION Green Office Award Labeling Scheme ECO-Healthy WORKPLACE</p>	<p>Green Office and Eco-healthy Workplace</p>	<p>World Green Organization</p>

ABOUT THIS REPORT

By way of publication of annual Environmental, Social and Governance (“ESG”) Report, the Group presents the ESG policies, measures and performance of the Group to its stakeholder, which allows all stakeholders to understand the progress and development direction of the Group in sustainability issues. This ESG Report (the “Report”) has been prepared in both Chinese and English and is available on the website of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Group’s website (www.firstshanghai.com.hk) under “Corporate Social Responsibility — ESG Report”.

SCOPE OF THE REPORT

The Report presents the Group’s ESG performance during the financial year from 1 January to 31 December 2020 (the “Year”). The scope of the Report is consistent with that of the report for the previous year, which comprises the Group’s places of business of the financial services, property and hotel as well as medical and healthcare sectors in Hong Kong, Wuxi and Paris, France (collectively referred to as “Each Place of Business”). The revenue from the above Places of Business accounted for more than 77% of the Group’s total revenue. The details of Each Place of Business are as follow:

Financial Services

The Group’s headquarter office in Hong Kong is located in Central, Hong Kong (“Hong Kong Headquarter”).

Medical and Healthcare

The Group’s Hong Kong International Medical Centre is located in Central, Hong Kong (“Hong Kong International Medical Centre”).

Property and Hotel

Wuxi

Wuxi Sunshine Real Estate Limited (“Wuxi Property Investment Office”) developed “First Shanghai Plaza”, which is located at Wuxi, Jiangsu Province, PRC and has two buildings where the DoubleTree by Hilton Hotel Wuxi (“Wuxi Hotel”) is located. Its operation is entrusted to the Hotel Manager (“Hotel Manager”) by the Group.

Paris, France

A boutique hotel (“Golf Hotel”), a golf course and a clubhouse (“Gold Club and Golf Course”) are operated by the Group in L’Isle Adam, Paris, France; the boutique hotel, club and golf course are collectively referred to as “L’Isle Adam, Paris”.

REPORTING STANDARDS

The Report is prepared in accordance with the provisions of “Comply or Explain” and parts of the “Recommended Disclosures” under the “Environmental, Social and Governance Reporting Guide” (the “Guide”) in Appendix 27 to the Listing Rules issued by the Stock Exchange with the four reporting principles – Materiality, Quantitative, Balance and Consistency contained therein as the basis of preparation.

Materiality

The board of directors and the senior management of the Group identify issues which are material to the Group through questionnaire. These issues reflect the significant impact of the Group’s operation on the environment and society, which are also important to the stakeholders. The section headed “Stakeholder engagement” in the Report sets out material issues for the Year and the Group’s response to these issues.

Quantitative

Departments of the Group are responsible for recording the data of environmental and social key performance indicators, and an independent consultation firm is engaged to evaluate the carbon emission and other key environmental performance in accordance with local guidelines and international standards. In addition, the Group ensures key performance indicators are measurable, and clearly states the standards and methods of measurement. Please refer to the section headed “Overview of key performance indicators” for the details of key performance data.

Balance

With the preparation principles of accuracy, objectiveness and balance, the Group explains its achievements and challenges with respect to sustainability, allowing stakeholders to reasonably evaluate the Group’s overall performance.

Consistency

The Group adopts consistent methodologies, and provides historical data, if practicable, to present the performance and progress of the Group’s sustainability.

CONFIRMATION AND APPROVAL

All information herein is sourced from the Group’s official documents and statistics, and has been reviewed and approved by the Board of the Group in June 2021.

OPINION FEEDBACK

You are welcome to send us any of your doubts or recommendations via the following methods so as to continuously improve the Group’s performance:

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MESSAGE FROM THE CHAIRMAN

During 2020 when the COVID-19 raged around the globe, all walks of life were impacted to different extents, among which, tourism was impacted most seriously. Consequently, the Group's property and hotel sector was also influenced severely. Under the impact of the epidemic, it is more important for an enterprise to practice its responsibilities as a corporate citizen. In order to establish a sound corporate governance, the Board of the Group is responsible for supervising the ESG work, approving the formulation of relevant policies and measures, and overseeing related targets and progress. Confronted with various environmental and social issues, the Group, as an investment company with diversified businesses, shall manage to identify and manage all kinds of risks and uncertainties of investment projects so as to equip different businesses with responding solutions for the same risks, to avoid miss of opportunities and reduce risks.

As a comprehensive business enterprise, the Group expects to serve the citizens at various business levels. The Group's financial services sector was less affected by the epidemic. However, First Shanghai still adhered to its service positions and served the citizens with professionalism. In terms of the Group's property and hotel sector, despite the suspension of its hotels for several months during the Year due to the epidemic prevention policies in the operating areas, the Group spared no efforts to safeguard its customers' and employees' health and safety through stringent epidemic prevention measures while maintaining high-quality services after the resumption of its hotel operations. And the Group's medical and healthcare sector was able to display its roles during the epidemic, to relieve the pressure on the medical system in Hong Kong, and provided services such as vaccination and virus testing, making its contribution to the fight against the epidemic.

In addition to coping with the epidemic, crisis arising from climate change shall not be neglected as well. In 2020, the PRC government, the government of the Hong Kong Special Administrative Region and the European Union successively promulgated the carbon neutrality targets, which means the areas where the Group operates will gradually transform towards a more low-carbon economy. The Group plans to formulate policies against climate change, evaluate the risks and opportunities for each business brought by climate change, and gradually commence its management of climate change. Furthermore, the Group will also explore and set up environmental targets so as to quantify the effect of First Shanghai's environmental administration.

Looking forward, the Group expects to make progress in the three aspects of ESG. In order to comprehensively understand stakeholders' expectations on the Group, First Shanghai will continue to enhance its communications with stakeholders, explore to collect more opinions from stakeholders through various channels, and further improve its performance in sustainability.

LO Yuen Yat
Chairman
First Shanghai Investments Limited



ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES

First Shanghai regards sound corporate governance culture as the cornerstone to the operation of the Group. The Board of the Company accepts full responsibility for the management of First Shanghai's ESG issues, and the environmental and social issues are managed by each department of the Group. The Board is responsible for the direction and supervision of each department's work, including the assessment and management of relevant environmental and social risks, monitoring of ESG policies, and approval of ESG reports, so as to optimize relevant management. The Group has adopted various measures to ensure a high level of corporate governance, driving the Group to set up and realize long-term strategies and targets to safeguard the interests of stakeholders.

The Board understands the respective impact of each sector on the environment and society during its daily operation. And the Board also acts as the leader in First Shanghai's ESG management, to safeguard the stable development of the Group. In light of the higher expectations of the society and stakeholders on the Group's ESG performance, the Board of the Group will shoulder the responsibility of governance to supervise the environmental and social policies, measures, ways of risk management, as well as relevant targets. The Board also keeps communication with sectors who implements relevant polices and measures to ensure that such policies and measures are carried out effectively, and adjusts the ESG policies appropriately.

RISK MANAGEMENT

The Board accepts full responsibility for maintaining an appropriate and effective risk management and internal control system. The Audit Committee under the Board is responsible for reviewing the Group's risk management and internal control system, where the Audit Committee shall report to the Board annually to ensure its effectiveness. The Group's risk management and internal control system strictly monitors the Group with a coverage of financial, operational, compliance and human resources affairs to maintain the smooth operation of the Group.

The Group's risk management process comprises four procedures, namely 1) risk identification; 2) risk assessment; 3) risk safeguards; and 4) risk control and review. Senior management of the Group's operational departments are responsible for the identification and assessment of material risks during its operation, and the formulation of risk-mitigation policies, to mitigate identified risks through implementation of control policies and to monitor its daily operation. The Risk Committee of the Group shall meet annually to oversee the design, implementation, monitoring and evaluation of the risk management framework and shall submit the overall risk assessment report to the Audit Committee to ensure the effective operation of the risk management system.

The Group is aware that the existing risk management and internal control system does not include relevant environmental and social risks. Next year, the Group will conduct the assessment of environmental and social risks, and include the identified environmental and social risks into the Group's risk management system for management.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES

COMPLIANCE MANAGEMENT

Operational compliance is the minimum requirement for the healthy operation of an enterprise. As the Group is a comprehensive enterprise, the operations of its different sectors are subject to the laws and regulations of different areas. For the balanced and stable development of the Group's sectors, the Group has reviewed and defined the impact of non-compliance with laws and regulations on the Group's operation, including:

Sector coverage	Impact on the Group	Major relevant laws and regulations ¹
Group aspect	<ul style="list-style-type: none"> Breach of relevant laws and regulations would lead to criminal liability to the Group, including detention and significant penalty. 	<i>In terms of anti-corruption</i> "Listing Rules of the Stock Exchange" "The Prevention of Bribery Ordinance" "Anti-Money Laundering and Counter-Terrorist Financing Ordinance"
Financial Services	<ul style="list-style-type: none"> Breach of relevant provisions may lead to revoke of the Group's license for conducting securities transactions and penalty, and a chance to civil claim and criminal liability. 	<i>In terms of service responsibility</i> "Securities and Futures Ordinance" "Code of Conduct for Persons Registered with the Securities and Futures Commission"
Medical and Healthcare	<ul style="list-style-type: none"> Breach of relevant provisions may lead to adverse impact on the Group, such as adverse damage to its reputation, loss of customer loyalty and government penalty. Inappropriate treatment of clinical waste may lead to potential danger such as the spread of disease, and may result in potential safety risks to employees, sanitation workers, waste dealers and citizens at the Group's working location. 	<i>In terms of emissions</i> "Waste Disposal (Clinical Waste) (General) Regulation" <i>In terms of service responsibility</i> "Private Healthcare Facilities Ordinance" (Chapter 633)
Property and Hotel	<ul style="list-style-type: none"> Breach of relevant regulations would lead to penalty to the Group, in addition, would cause foodborne disease which will harm customers' health and severely damage the Group's business development and its reputation. 	<i>In terms of product responsibility</i> "Food Safety Law of the PRC"

The Board accepts full responsibility for the Group's operational compliance, and is responsible for monitoring the Group's departments in managing relevant compliance requirements and duly implementing the policies formulated by the Group to ensure compliant operation. The Group has established procedures to deal with non-compliance incidents in relation to emissions, service responsibility and anti-corruption, including the investigation, response and rectification of the non-compliance incidents. During the Year, the Group is not aware of any cases resulting in significant penalty or non-money judgement due to the breach of laws and regulations which have a significant impact on the Group.

¹ First Shanghai has not identified relevant laws and regulations which have a significant impact on the Group in terms of employment, health and safety and labour standards.

STAKEHOLDER ENGAGEMENT

First Shanghai attaches importance to the opinions of its stakeholders, which is also considered as the material indicator of improving the sustainability performance of the Group. The Group keeps close communications with its stakeholders to ensure that the Group is able to respond to the needs and expectations of its stakeholders in a timely manner. The stakeholders of the Group include internal stakeholders (its employees) and external stakeholders (its customers, suppliers, shareholders, investors and communities). During the Year, the Group communicated with various stakeholders via diverse manners, including:

Key stakeholders and communication channels			
Investors and Shareholders	<ul style="list-style-type: none"> • Annual general meeting • Company's website • Announcement and notice • Annual and interim statements • ESG report 	Customers	<ul style="list-style-type: none"> • Customer's opinion collection box and complaint mechanism • Questionnaire • Customer service hotline
Directors and Employees	<ul style="list-style-type: none"> • Internal communication • Organization of employee activity • Board meeting • Symposium • Dining with senior management • Company's email and other social platforms • Performance evaluation 	Business Partners	<ul style="list-style-type: none"> • Regular report on hotel business by Wuxi Hotel Manager • Seminar for industry players
Suppliers	<ul style="list-style-type: none"> • Routine review mechanism of suppliers • Regular communication and meetings • Bidding and procurement process 	Regulators	<ul style="list-style-type: none"> • Lectures • Regular reporting
Communities	<ul style="list-style-type: none"> • Volunteer activities • Company's website 	Non-governmental Organizations	<ul style="list-style-type: none"> • Incentive plan and charter • Sponsorship and donation

STAKEHOLDER ENGAGEMENT

MATERIAL ENVIRONMENTAL AND SOCIAL ISSUES

Among 12 environmental and social issues, the members of the Board and the senior management of the Group identify 6 ESG issues which are material to the business operation of First Shanghai through questionnaire. In the opinion of the Board, these issues have significant impacts on its stakeholders and the Group's operation. According to the results of questionnaires, material issues and the Group's reply on these issues are as follows.

Material Issues	The Group's Reply
Anti-corruption	The Group has established corruption reporting and managing processes, and provides regular anti-corruption trainings to its directors and employees in various sectors.
Employment	The Group strives to formulate a comprehensive employment system, which serves as the fundamental of First Shanghai's success.
Product and Service Responsibility	During the Year, the Group concentrated on the guarantee of customers' health and safety, and in particular, enhanced measures of preventing and controlling the pandemic in medical centre and hotels.
Health and Safety	The Group focuses on ensuring employees' health and constructing a safe working environment, including providing free flu vaccines for frontline employees at medical centre. During the Year, the Group took more cautious anti-pandemic measures under the impact of COVID-19 pandemic.
Development and Training	The Group continues to provide employees with diversified training opportunities, arranges different training programs in accordance with diverse needs of employees' professional development, and aims to build a competitive team.
Climate Change	The Group has set up a policy in respect of climate change so that it can evaluate the risks and chances brought by climate change to each sector in the future, and conducts management work on climate change.

The Group will continue to listen to stakeholders' opinion with an open mind at different occasion, and regard their opinion as the identification of material issues to reflect and respond to stakeholders' expectancy.

RESPONSIBLE OPERATION

As a comprehensive enterprise, First Shanghai is committed to maintaining high-quality operation ethics in various business operations. During the whole operation process, the Group puts in place established policies and measures whether in procurement or service process or even in provision of after-sale services, to regulate its supply chains, service duties, including service quality, customer privacy, etc., and anti-corruption management.

ANTI-CORRUPTION

First Shanghai always considers anti-corruption as a significant element of its corporate culture, which is also the most material ESG issue in the Report. The Group has adopted a zero-tolerance attitude towards any bribery, extortion, fraud, money laundering and other corruptions. Each Place of Business has formulated a series of anti-corruption policies, such as the "Policy against Bribery and Anti-Money Laundering", "Prevention of Fraud and Blackmail Policy" and "Compliance Manual", which prohibits any bribery, money laundering, fraud and extortion, and regulates commercial gifts. In addition, employees are required by the "Compliance Manual" to strictly abide by the relevant code of conduct for employees, and must not claim or accept benefits including gifts, loans, preferential treatment, etc.

As First Shanghai is a financial business operator, the Group maintains a cautious attitude towards business ethics of its employees. The Group prohibits its employees or their family members from accepting any gifts or benefits from customers and counterparties in order not to affect their independence. All licensed employees must comply with the business guidance of the Hong Kong Securities and Futures Commission (the "SFC"). To prevent corruptions like fraud, extortion, etc., the Group has established complaint channels for employees to make reports according to the "Prevention of Fraud and Blackmail Policy". Details of reporting and management processes are as follows:

1. Reporting	If employees discover any sceptical frauds or extortion cases, they can make reports to the head of the department, and the head of the department shall collect more information regarding the cases and deliver the same to the management and the compliance department for specific investigation.
2. Investigation	The management will keep the whistle-blower and related information confidential during the investigation in relation to the information provided by the department.
3. Whistle-blowing	If the reporting is confirmed to be true, the Group will take appropriate disciplinary actions, including but not limited to the dismissal of relevant employees or calling the police.

During the Year, the Group offered its employees various anti-corruption trainings. In view of the restrictions on on-site training activities due to the pandemic in the Year, the Group arranged online trainings for its employees, which enhanced the cognition and awareness of its employees towards anti-corruption.

RESPONSIBLE OPERATION

PRODUCT AND SERVICE RESPONSIBILITY

First Shanghai regards product and service quality as the fundamental of its operation and business development. We formulate corresponding policies for products and services provided in each sector to manage health and safety of relevant products, service quality, customer privacy protection and other aspects in order to continuously improve service quality and customer satisfaction.

Financial Services Sector

The Group's financial services are mainly securities investment and margin financing products. Pursuant to the "Compliance Manual" of the Group, our employees are required to provide customers with clear and accurate information and to explain risks related to their investments, so that customers can make appropriate investment decisions based on their needs and risk appetites. The "Operational Manual" of the Group is the product of financial services sector of First Shanghai, which set outs trading process of products and gives investment advices to customers with detailed regulations, to safeguard customers' interests. In order to protect the interests of customers, the Group has also set up new procedures for due diligence and customer suitability assessment of various financial products to provide the most suitable services and products according to the needs of customers. First Shanghai has formulated policies in respect of disclosure of product risks to ensure the compliance of financial services and products with operational standards and guidelines of the SFC in relation to advertisements and guarantee that contents of the advertisements are free from incorrect, biased, misleading or deceptive factors and that, at the same time, warning notices shall be contained therein. Furthermore, all advertisements related to financial services shall pass the review procedures of the "Compliance Manual" to ensure that relevant advertisements observe the requirements of laws and regulations.

Protection of personal privacy of customers is an important part of establishment of mutual trust between the Group and its customers. In accordance with the "Environmental, Social and Governance Client Management Policy", the financial services sector of the Group is required to ensure that the customers' messages are handled in a confidential manner and in compliance with relevant legal requirements. Customer personal information collected in financial services sector will be properly stored and the purposes of collection and use of personal data as well as the use of their personal data in each rules and terms will be explained to the customer when customer personal information is obtained.

Property and Hotel Sector

The property and hotel sector of the Group is mainly divided into two segments, namely property development and hotel management. The hotel management segment is the focus of development policies of the Group in recent years. The Group has entrusted the Hotel Manager to be responsible for the management of daily operation of the hotel. In respect of Wuxi Hotel, the Group conducts annual inspection and provides maintenance for the property and its elevator equipment, as well as repairs works of the building exterior wall in question to ensure the safety of occupants. As for L'Isle Adam, Paris, it has also established policies for its golf course to regulate the storage of golf equipment and opening hours in bad weather, to ensure a safe place for customers.

In addition, the Group values the health and safety of its hotel customers. To improve the quality and sanitary standards of catering services in hotel sector, the Wuxi Hotel Manager of the Group and L'Isle Adam, Paris have entered into policies concerning control of food safety, respectively, to guarantee the compliance of food provided in the hotel with food safety and sanitary standards. The Wuxi Hotel Manager has also implemented food safety critical control (HACCP) to regulate the processing in kitchen and has formulated countermeasures for the risk of harm to ensure the achievement of food safety standards and reduce the risk of harm to diners' health. The Wuxi Hotel Manager and L'Isle Adam, Paris also regularly conduct random safety inspection on food.

In the second half of 2020, the hotels of the Group resumed operation due to the gradual ease of anti-pandemic measures. In order to protect customers' health, Wuxi Hotel and L'Isle Adam, Paris took cautious measures to maintain the hygiene and safety of the hotel environment. L'Isle Adam, Paris has also obtained Allsafe accreditation issued by Bureau Veritas, confirming compliance of its environmental hygiene with accreditation standards, with implemented measures as follows:

- The management actively participated in implementation of anti-pandemic measures and had daily communication with frontline teams to ensure the effective execution of anti-pandemic measures;
- Daily record and inspection on mask inventories, disinfectant inventories and the number of suspected cases;
- Analysis of safety risks to employees and customers incurred by the working environment;
- Formulation of anti-pandemic manual to give guidelines concerning work hygiene and social distance of employees;
- Formulation of emergency plans, which will be executed when suspected cases are found;
- Providing employees with relevant trainings.

To safeguard personal privacy of customers, all employees of the hotel sector shall not leak personal privacy information of customers to third parties. Wuxi Hotel and L'Isle Adam, Paris collect customers' personal data when they make room reservation. When collecting customers' personal data, hotels will ensure that customers clearly understand the use and store methods of so collected data. L'Isle Adam, Paris also published the "Personal Data Protection Code" on its website based on the "Ethics Code", promising to protect customer's personal data in accordance with local laws. In addition, Wuxi Hotel also offers a confidential check-in service to provide hotel guests with completely confidential measures, including that no phone call to guest's room, no messages, letters or parcels are accepted, and the hotel employees shall not disclose any information about the guest.

Medical and Healthcare Sector

Pursuant to the "Environmental, Social and Governance Client Management Policy", the Hong Kong International Medical Centre is required to ensure that all employees are offered professional trainings and pass the competency assessment test, and each floor is also supervised by registered nurses to ensure professional treatment services for patients. Moreover, the Group has also established rights and responsibilities guidelines for patients to protect their rights. The terms and conditions of protection customers' privacy of the Group's medical and health sector can be found on the Hong Kong International Medical Centre website (<https://www.imchk.hk>).

As a medical practitioner, the Group was committed to cooperating with the Hong Kong government to take measures of preventing pandemic during the Year, including providing COVID-19 testing and vaccination services.

RESPONSIBLE OPERATION

Customer Satisfaction

The Group keeps close communication with its customers and collects customers' opinions via telephone, e-mail, satisfaction questionnaire, independent customer service department and customer complaint systems and other channels to continuously improve service quality. The Group regularly gathers opinions and feedback from customers, and follows up relevant inquiries and complaints so that we can understand the expectations and requirements of our customers to improve customer satisfaction. Once the customer service department of the Group receives inquiries and questions from customers, it shall arrange personnel to give reply as soon as possible and make remedial measures as to the complaints or dissatisfaction. All employees of the Group will make sure that all customers have accepted the remedial measures.

During the Year, L'Isle Adam Golf Hotel, Paris updated its customer complaint process, which clearly stipulated the management processes and procedures of making complaints. In addition, L'Isle Adam, Paris added a new complaint category in the customer complaint process, which is specialized in handling complaints and claims incurred by COVID-19 pandemic. During the Year, L'Isle Adam, Paris received 7 complaints in total incurred by COVID-19 pandemic.

During the Year, the Group received 74 complaints, 63 out of which were from L'Isle Adam Golf Hotel, Paris, contents of which mainly involved service quality; and the remaining 11 complaints were from the Hong Kong International Medical Centre, contents of which only related to service quality but not product safety or medical accidents. The Group has followed up and handled complaints in accordance with the procedures in place and formulated resolution measures. No complaints about products or services were received from other businesses.



Receipt of complaints in total during 2020:

74

SUPPLY CHAIN MANAGEMENT

The Group relies on establishing long-term business relationships with suppliers to maintain its operation on various sectors. The Group manages the performance of relevant supply chains through policies, such as the "Supply Chain Management Policy", "Supply Chain Policy Related to Environmental Risk Management", "Supply Chain Policy Related to Social Risk Management" and "Responsible Procurement Policy". The Group understands that suppliers play an important role in the improvement of environmental and social performance of First Shanghai, and thereby, the Group will continue to communicate with suppliers, identify and review environmental and social risks of the supply chain to enhance management of the supply chain.

Property and Hotel Sector

As the main suppliers of hotel business are the suppliers of ingredients and hotel supplies, large-scale procurement is required on a regular basis. Wuxi Hotel and L'Isle Adam, Paris have formulated supplier management policies, respectively, to supervise the impact of the supply chain on the environment and society. In particular, the manager of golf course of L'Isle Adam, Paris has implemented the "Golf and Environment" charter to protect the environment during the operation.

The supply chain management of Wuxi Hotel of the Group is in charge by the Hotel Manager. The Hotel Manager selects, manages and reviews appropriate suppliers according to the "Responsible Procurement Policy", while the Group is responsible for supervising established supplier management policies and ensuring that the operation and supply chain mode executed by the Hotel Manager abide by the requirements of the Group. The Group has established environmental procurement policies and processes and related responsible procurement commitments, of which, the "Responsible Procurement Policy" stipulates various requirements, including: compliance, procurement practices, fair trade, information protection, anti-corruption, diversity, human rights, animal welfare and commitments to the environment. In purchasing products, the Wuxi Hotel Manager considers environmental factors, including the product's environmental specifications and environmental labels, and takes into account the environmental performance of suppliers when selecting them, which, if selected, shall be incorporated into supplier list management. The Group regularly reviews whether the suppliers continue to meet the standards established by the Company in respect of all suppliers in the supplier list. The Group will reject and replace the unqualified suppliers. The Group also provides environmental protection and sustainability information to the suppliers on a regular basis, and encourages them to improve environmental and social performance.

Financial Services and Medical and Healthcare Sectors

According to the "Supply Chain Management Policy", a central procurement system is implemented to the financial services and medical and healthcare sectors of the Group. Through central procurement, the Group can calculate the needs of various departments in a more systematic manner and reduce the packaging and transportation of goods. As provided in the "Supply Chain Management Policy" in respect of procurement, the Group shall consider the location of suppliers, energy efficiency and duration of products, and give priority to suppliers offering environmental-friendly products and achieve local procurement as much as possible.

To protect customers' privacy, the Group has set up policies in relation to the management of network security specifications of suppliers' products. The policies specify the standards for purchasing computer products to guarantee the compliance of suppliers with the requirements of the Group in respect of its network security and stability and information security and the laws on environmental protection. In order to ensure the information security of online trading platforms, the Group also requires service providers of online trading platforms to ensure the network security and stability of the system, and regularly update the security system of the system according to the requirements of the SFC. Such service providers are also required to ensure the privacy of the customer, and may not access the data of the trading platform and the customer's personal data without authorization.

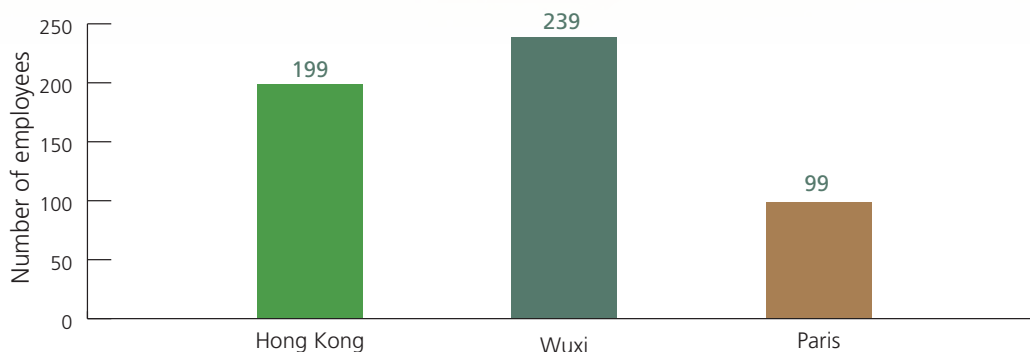
EMPLOYEE CARE

First Shanghai regards establishing a perfect employment system and a safe and healthy working environment as goals, and shows the Group’s care for its employees through various policies and measures. The Group listens actively to employees’ needs and reviews the effectiveness of various policies and measures as appropriate to ensure that the talents of employees are used effectively.

EMPLOYMENT SYSTEM

A sound employment system is the cornerstone of the effective operation of the Group. Various employment policies of First Shanghai include the “Staff Handbook”, the “Equal Opportunity Policy” and the “Diversity Policy”, the “Policy on Prevention of Child Labor or Forced Labor”, etc., which regulate the recruitment and dismissal, salary and promotion, working hours, vacations, equal opportunities, diversity, anti-discrimination, benefits and other treatments of employees.

Number of employees in 2020: 537



Recruitment and dismissal	Salary and promotion
<p>The Group prepares talents allocation according to business development needs of the enterprise and recruits employees according to their individual capabilities. The Group has specified the arrangements and regulations on dismissals and discharge of contracts in relevant policies and employment contracts.</p>	<p>The employee salary and promotion processes of the Group are carried out on the principles of fairness and impartiality. An employee salary and promotion opportunity is determined according to his/her ability, suitability to his/her position and so on.</p>
Working hours and holidays	Equal opportunity and diversity
<p>The working hours of the employees of the Group should comply with local laws and regulations. In addition to statutory holidays, the employees of the Group also enjoy various paid holidays in accordance with the policies of individual place of business, including annual leave, wedding leave, maternity and paternity leaves, examination leave and birthday leave, etc.</p>	<p>The Group ensures that the employees and the applicants enjoy equal opportunities and rights in the aspects of employment, promotion and training, and are not affected by race, color, gender, age, sexual orientation, family role, disability or nationality. The Group is committed to creating a diversified and integrated corporate culture for the employees, such as providing female employees with lactation space and other facilities.</p>

Anti-discrimination and prevention of sexual harassment	Labor standards
<p>If an employee suffers from any discrimination or sexual harassment, he/she can make a complaint in writing or via email. Such case will be investigated and followed up by the department head or the human resources department.</p>	<p>The Group strictly prohibits the employment of child labor or forced labor within the scope of operation. The human resources department must check the identity document of an applicant for the purpose of reviewing his/her age during the recruitment of the Group. If there is any applicant under the legal working age, the Group will disqualify his/her application. The Group also prevents forced labor behaviour, and sets out the provisions on compensation for overtime work in the Staff Handbook. Employees who work overtime can receive overtime allowance or compensatory leave.</p>

Communication with employees

The Group believes that establishing good communication relationships with its employees can promote the development of First Shanghai. The Group has an employee appeal mechanism in place. Employees can report or appeal to the department head in respect of their opinions on the Group. The appeal mechanism is regulated by the “Staff Handbook”, and is handled by the department head and the human resources department to ensure fair and effective handling. The relevant departments of the Group will investigate the incidents fairly and impartially, and take measures to deal with the complaints. If a complaint is confirmed to be true, the Group will impose disciplinary actions on the employee who has violated the regulations, and such employee shall bear civil and criminal liability.

EMPLOYEES’ WELL-BEING

In addition to basic employment policy, the Group has also established policies, such as the “Policy Concerning the Physical and Mental Health of Employees”, to ensure its employees develop physical and mental health in their spare time. The Group offers diversified benefits for its employees to recognize their contributions to the business development of the Group. The benefits provided by each sector include offering various employee benefits for employees, covering food subsidies, professional membership fees and exam allowances, and providing medical insurance for employees and their family members. In addition, the Group praises brilliant employees by granting employee service awards to them.

First Shanghai shows care for its employees by a series of measures, such as employee activities, weekly fruit day, psychological counseling and medical services, etc. First Shanghai held the activities of care for physical and mental well-being of employees, including:

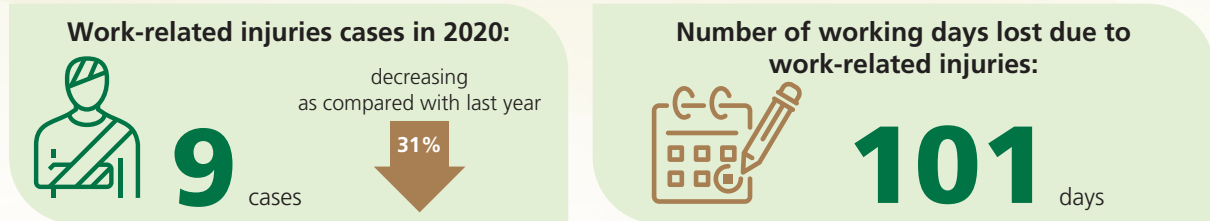
- Arranging physiotherapists to assess whether the working seats will cause muscle strain and poor seat posture;
- Providing free basic health check service for employees, etc.

HEALTH AND SAFETY

In the spirit of striving to providing a safe and healthy working environment for employees, the Group has formulated a series of policies, including the “Occupational Safety and Health Policy” and the “Employee Health and Safety Policy”, etc., and provides the employees with working procedures and guidelines to minimize potential risks relating to the working environment of different positions and ensures employees can respond according to the guidelines while facing emergency incidents.

EMPLOYEE CARE

During the Year, there were no death cases in the Group. However, 9 cases of work-related injuries occurred in the Group, which were mainly due to hotel and restaurant accidents. In response to the safety accidents above, the Group has strengthened employee occupational safety trainings and reminded employees of relevant safety risks during daily operations.



Each sector of the Group should have different measures in place to safeguard the employees' health and safety due to its business nature, such as providing free flu vaccines for frontline employees at medical sector. In addition, each sector also took various prevention measures against the COVID-19 pandemic in 2020. Each detailed safe and epidemic prevention measure is as follow:

Financial Services Sector

Hong Kong Headquarter conducts various office tests and assessments on a regular basis, ensures indoor ventilation, provides office equipment which avoids muscle fatigue or causing occupational disease, and holds occupational safety and health lectures and arranges the employees to participate in fire drill held by the mansion, etc.

Epidemic prevention measures for employees during the COVID-19 pandemic period:

- Employees are required to wear masks within the area of the Company. The Group also provides masks for the employees with a need;
- Strengthening the office cleaning and disinfection, in addition to regular cleaning of carpet and deinsectization, and adding the frequency of comprehensive space and air disinfection;
- Providing personal disinfection supplies and posting notices to remind the employees to pay attention to cleanliness and hygiene;
- Transparent plastic curtain spacers are installed among seats and rearrange the sitting plan to separate the employees in the departments to ensure social distancing;
- Flexible working arrangements, including work-from-home arrangement, flexible lunch time and early release arrangement, etc.;
- Encouraging the use of phone meetings to minimize group meetings;
- Encouraging the employees to eat at the Company and providing dining place for the employees without separate office seats.

Property and Hotel Sector

Meanwhile, to minimize the impact of security incidents on the hotel business, the Wuxi Hotel Manager has formulated the "Crisis Management Manual", which sets out various solutions to deal with security incidents, including accident emergency and rescue, injury treatment, epidemics and infectious diseases, medical help, fire and other security accidents, to minimize the impact of any accidents upon occurrence. L'Isle Adam, Paris compiles in-house risk assessment documents each year, formulates the relevant safety procedures and provides protection equipment, entrusts external inspection company to check the hotel operation equipment regularly, and impairs or changes equipment as appropriate.

Epidemic prevention measures for employees during the COVID-19 pandemic period:

- All personnel entering the hotel shall use the access control system, and may enter the hotel only if his/her temperature is normal;
- The hotel personnel shall wear masks and one-off gloves in work;
- No employee gathering activities are allowed in the hotel;
- The public areas in the hotel shall be disinfected and equipped with sanitizers as required;
- All parcels collected shall be disinfected;
- The employees returning to the place of business from other places should initiatively report to the relevant department head and be quarantined according to the local requirements;
- Employees should report immediately if they have fever, cough, chest distress and other symptoms;
- The doctors from the Science and Innovation Base of Shanghai University of Traditional Chinese Medicine were invited to conduct health counseling activities for employees in Wuxi.

EMPLOYEE CARE

Medical and Healthcare Sector

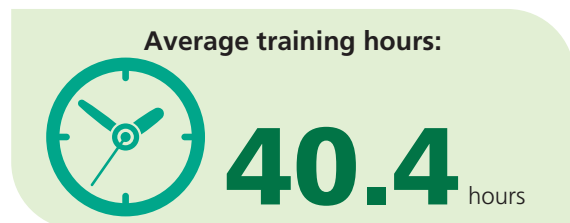
According to the working needs of employees, the Hong Kong International Medical Centre formulated working safety rules, including knowledge and training on safe use of medical materials and devices, and distributed guidelines on occupational safety to employees to safeguard the safety of employees and patients.

Epidemic prevention measures for employees during THE COVID-19 pandemic period:

- Employees are required to wear masks within the area of the Company. The Group also provides masks for the employees with a need;
- Strengthening the office cleaning and disinfection, in addition to regular cleaning of carpet and deinsectization, adding the frequency of comprehensive space and air disinfection;
- Providing personal disinfection supplies and posting notices to remind the employees to pay attention to cleanliness and hygiene;
- Arrangement for work diversion and flexible working arrangement, such as arranging civilian employees to work from home;
- Encouraging the use of phone meetings to minimize group meetings;
- After each patient's consultation, the consultation area will be cleaned and disinfected.

DEVELOPMENT AND TRAINING

The Group attaches importance to vocational skills trainings for its employees. The Group is also committed to guaranteeing the service quality, while supporting the employees' personal career development. It provides various knowledge and skills training opportunities according to the needs of employees and the enterprise. The Group has formulated employee training policies such as the "Employee Training Policy" and "Employee Training and Development Policy" at Each Place of Business to strengthen the employees' skills and give full play to their strengths at their job positions. The Group held various training activities during the Year to improve the competitiveness of the employees. Although the Group is subject to social distancing measures during the Year so that it failed to arrange large scale on-site training activities, the Group arranged its employees to participate in the online trainings to improve their competitiveness.



Financial Services Sector

The Group regularly provides trainings to employees from Hong Kong Headquarter on compliance of licensed companies, accounting and taxation, corporate governance, financial products, and on ESG, etc. In order to encourage employees engaging in financial services to actively pursue further education and obtain professional qualifications, the Group provides course fee assistance and examination leave as employee benefits for further study.

Summary of training activities in 2020:

- Arranging the employees holding relevant licenses to participate in continuous professional trainings related to the finance industry and the insurance industry, and trainings to assist them in obtaining professional or academic qualifications;
- Trainings related to increasing the current position skills of the employees, such as the courses related to financial products, accounting and financial standard amendments;
- Arranging the employees holding relevant licenses to participate in anti-money-laundering trainings.

Property and Hotel Sector

Property and hotel sector formulated annual training programs and planning training courses based on training needs of the employees of each department, including induction trainings, customer relationship management, room management, language, first aid, fire and emergency, etc. The training department will provide the new recruits with the induction trainings. In addition, internal and external trainers of Wuxi Property Investment hold department meetings each month to review the trainings and formulate employee training program for the next month together.

Summary of training activities in 2020:

- Arranging the employees to participate in courses and obtain relevant certificates, with the contents of the training covering financial management, occupational skills training, managerial skills training, training skills training, etc.;
- Arranging the hotel personnel to participate in online epidemic prevention trainings.

Medical and Healthcare Sector

The Hong Kong International Medical Centre regularly provides internal trainings for employees to improve their medical knowledge. The trainings during the Year include emergency response, drug and vaccine application. In addition, the medical and healthcare sector also trains its employees about customer service, teamwork, and language to increase their other operational skills.

Summary of training activities in 2020:

- Arranging the employees to participate in dedicated training, including atrial fibrillation work, vaccine and nutrition training;
- Arranging the employees to participate in special epidemic prevention skills trainings.

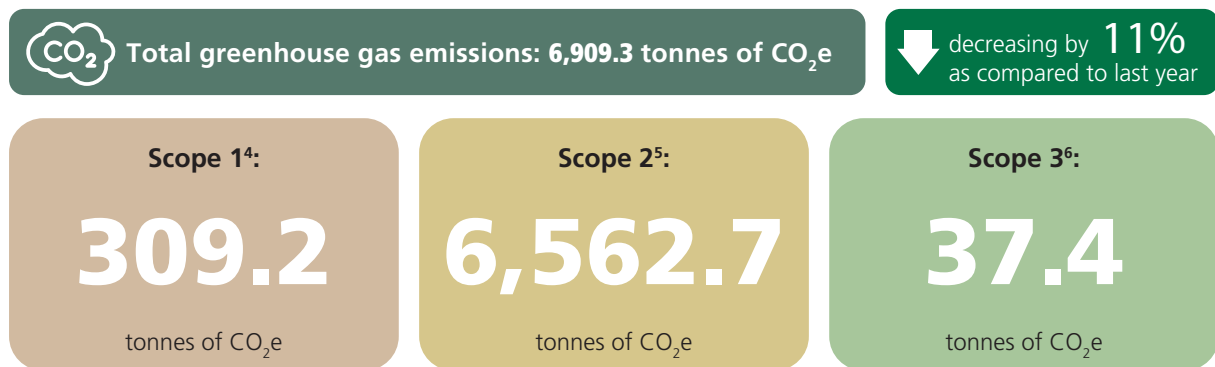
ENVIRONMENTAL PROTECTION

Various businesses of First Shanghai will have different impacts on the environment, including medical wastes and general wastes generated from the medical and healthcare sector, electricity and fossil fuel consumed during the operations of the property and hotel sector, as well as the impacts on the environment from the investment projects in the financial services sector. The Group has respectively formulated environmental policies and measures according to the nature of each sector, managed emissions and use of resources of all sectors, and reduced the impacts of its operations on the surrounding environment. Formulated policies include but not limited to flue gas emission policy, greenhouse gas policy, policies on disposal of hazardous and non-hazardous wastes.

In addition, although First Shanghai does not operate and manage the operation of Wuxi Hotel directly, the Group is still liable for monitoring the Hotel Manager who manages the emissions and use of resources of Wuxi Hotel. The Group maintains close communications with the Hotel Manager so as to ensure its effective execution of relevant environmental management policies and measures. In order to further reduce the environmental impact caused by First Shanghai operation, the Group plans to set up environmental targets for the next year, including exhaust gas emissions, greenhouse gas emissions, waste emissions, electricity consumption and water consumption.

GREENHOUSE GAS EMISSIONS

During the Year, the Group continued to engage independent consultants to conduct carbon assessments to calculate greenhouse gas emissions generated from its operations. The quantification was made with reference to the guidelines prepared by the Environmental Protection Department and Electrical and Mechanical Services Department of Hong Kong², the guides issued by the National Development and Reform Commission of the People's Republic of China³, the international standards such as ISO 14064-1 and the Greenhouse Gas Protocol. The results of the assessments indicate that the operation within the scope of the report of the Group generated a total of approximately 6,909.3 tonnes of CO₂e of greenhouse gas during the reporting year, representing a decrease of 11% as compared to last year. The sources of greenhouse gas emissions are principally generated from indirect greenhouse gas emissions caused by the consumption of purchased electricity and purchased heat, accounting for 95% of the total emissions. Due to its operational nature, Wuxi property and hotel sector is the major source of the Group's greenhouse gas emissions, which represents 83% of the total emissions.



² Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong

³ Guidelines for Accounting and Reporting Greenhouse Gas Emissions China Public Building Operation Units (Enterprises) (Trial)

⁴ Scope 1: It includes greenhouse gas generated from the Group's business vehicles and Wuxi Hotel's kitchen equipment.

⁵ Scope 2: It includes greenhouse gas emissions generated from the consumption of purchased electricity and purchased heat at Each Place of Business.

⁶ Scope 3: It includes greenhouse gas emissions generated from the waste disposal and the use of water of Place of Business in Hong Kong, and business travel by air at all Places of Business.

Subject to the impacts of the COVID-19 pandemic at the beginning of the year, the operations of Wuxi Hotel and L'Isle Adam, Paris have been suspended for several months due to anti-epidemic measures and general travel limit which contributed to a decrease in overall emissions. Furthermore, the Hong Kong International Medical Centre increased electricity consumption due to its service expansion, which was a major reason for rising greenhouse gas emissions in the Hong Kong area. The Group has developed relevant policies on greenhouse gas emissions for Each Place of Business, with a view to maintaining the daily operations while reducing the greenhouse gas emissions. Moreover, the Group required the Wuxi Hotel Manager to regularly report to the Group on the operation of Wuxi Hotel, including management of reducing greenhouse gas emissions. For measures on cutting down electricity consumption which is a principal source of greenhouse gas emissions, please refer to the section headed "Use of Resources".

Clean Air Plan

Wuxi Hotel supports its customers to reduce the impact of carbon emissions on the surrounding environment during conferences and events and participates in the "Clean Air Plan" of Hilton Hotel Group which purchases "Carbon Credits" for conferences and events held by the customers to offset energy consumption, food consumption and others. The Carbon Credit purchased for the events will be used to support climate and environmental protection projects in the Asia-Pacific region. During the year, Wuxi Hotel has purchased Carbon Credit equivalent to HK\$800.

AIR EMISSIONS

The air emissions of the Group are derived from combusting natural gas by Wuxi Hotel's kitchen equipment and from nitrogen oxides, sulfur oxides and respirable suspended particulates produced by the use of vehicles for businesses. Combustion of petrol or diesel in various business vehicles is the main source of air emissions. To reduce air emissions generated from the use of vehicles for businesses, the Group encourages its employees to attend video conference rather than commercial trips. Furthermore, the Group arranges clean-out of exhaust filters such as exhaust air in kitchen, lampblack purification devices as well as air conditioners in a regular manner for Wuxi Hotel, aiming at maintaining the exhaust emission quality.

WASTE MANAGEMENT

Non-hazardous wastes of the Group are mainly generated from the operations of Wuxi Hotel, L'Isle Adam, Paris and the Hong Kong International Medical Centre, among which the Hong Kong International Medical Centre also produces a small amount of medical wastes. In order to ensure the proper treatment of wastes generated by the Group, Each Place of Business has formulated waste management policies to provide guidance for employees. All hazardous wastes produced from offices (such as toner cartridges, fluorescent tubes, and waste batteries, etc.) are stored separately and arranged for collection and disposal by qualified recyclers. Moreover, medical wastes have been duly disposed of in accordance with relevant regulations, sealed in containers and packaging that have leak-proof and moisture-proof functions and will not rupture, and stored in a place with a biohazard symbol pending for collection by the medical waste collector. Meanwhile, the Group has to record the weight of relevant medical waste for future professional processing and data verification. All businesses generated 0.37 tonne of hazardous wastes during their operation, including 0.23 tonne of medical wastes generated by the Hong Kong International Medical Centre.

ENVIRONMENTAL PROTECTION

Among non-hazardous wastes, non-recyclable wastes are generally collected by the contractor and sent directly to garbage landfills, and the rest (such as waste paper, plastic bottles and metal) will be recycled for reuse or donated to non-governmental organizations. For hotel operations, L'Isle Adam, Paris employed professionally certified recyclers to dispose of the waste oil generated from the operation, and the Wuxi Hotel Manager also provided employees with guidelines for the disposal of kitchen waste. During the Year, the Group produced a total of 157.5 tonnes of non-hazardous wastes, including 29 tonnes of kitchen wastes collected by Wuxi Hotel.

The Group is committed to encouraging employees of each sector to make good use of resources and maximize their value so as to reduce wastes from the source. The Group will inspect waste production in different operation sites and formulate more waste reduction measures to get involved in realizing the target of waste reduction.

WASTEWATER DISCHARGE

The wastewater discharge of Wuxi Hotel is regulated by the "Wastewater Discharge Management Policy". The Hotel Manager is required by the Group to treat sewage and rainwater pipes separately and clean the sewage and rainwater channels in a regular manner. Waste residues, waste oil, waste chemicals and other hazardous substances are forbidden to discharge into the waterway. Every year, a monitoring agency is entrusted to test the sewage discharge of the hotel to ensure compliance with laws and regulations. The "Sewage, Hazardous and Non-hazardous Waste Management Policy" of L'Isle Adam, Paris also stipulates that wastewater must pass through the wastewater pre-treatment system before being discharged, and the hotel kitchen is equipped with grease traps to ensure segregation of grease in sewage before it is discharged into the public sewage canal. Since financial services and medical and healthcare businesses are in office-operating nature, the domestic sewage generated is mainly wastewater from toilets and pantry.

USE OF RESOURCES

The Group is committed to making good use of various resources and formulating various conservation policies and measures at Each Place of Business to avoid waste. Currently, the Group mainly uses such resources as natural gas, patrol, heat, electricity, water, paper and hotel supplies. In addition, in order to strengthen hotel energy management, the Wuxi Hotel Manager has also established a hotel energy management committee to implement energy conservation work. The committee has formulated energy management systems in accordance with the national and regional energy management policies, guidelines, regulations and standards. The committee holds meetings regularly to report energy consumption and supervise daily maintenance.

Financial services sector	
<p><i>Energy-saving measures</i></p> <ul style="list-style-type: none"> • Use LED lights, T5 light tubes or energy-saving lamps • Choose energy-saving appliances 	<p><i>Water-saving measures</i></p> <ul style="list-style-type: none"> • Install a water-saving device on the faucet
<p><i>Use of other resources</i></p> <ul style="list-style-type: none"> • Use FSC certified recyclable paper • Distribute information and monthly statements to customers via email • Reuse waste paper and internal office envelopes 	
Medical and healthcare sector	
<p><i>Energy-saving measures</i></p> <ul style="list-style-type: none"> • Put notices to remind its employees about saving electricity 	<p><i>Water-saving measures</i></p> <ul style="list-style-type: none"> • Regular inspection and maintenance of water pipes and faucets to reduce waste caused by long-term leakage
<p><i>Use of other resources</i></p> <ul style="list-style-type: none"> • Set the computer printing function to double-sided printing • Reuse waste paper and internal office envelopes 	
Property and hotel sector	
<p><i>Energy-saving measures</i></p> <ul style="list-style-type: none"> • Choose energy-saving appliances • Use frequency control elevator 	<p><i>Water-saving measures</i></p> <ul style="list-style-type: none"> • Use an inductive faucet and water-saving shower head • Install rainwater collection systems and devices • Water plants with drinking water that is no longer to be used
<p><i>Use of other resources</i></p> <ul style="list-style-type: none"> • Use environmental-friendly alternatives to replace disposable plastic straws, towels and cotton swabs • Use recycled toilet paper and recycled cardboard as packaging for bathroom supplies • Use cloth dry-cleaning bags instead of plastic bags 	

ENVIRONMENTAL PROTECTION

The energy consumption of the Group was 21,908.8 MWh. The major source of energy consumption is electricity, representing an increase of 4.0% as compared to last year. To reduce the impacts of energy consumption on the environment, part of L'Isle Adam, Paris's energy is generated from renewable energy, the geothermal system of which provided total energy of 6,653.0 MWh during the Year, representing an increase of 53% as compared to last year. During the reporting year, the Group consumed a total of 241,172.4 m³ of water resources, representing a decrease of 1.4% as compared to last year.

ENVIRONMENT AND NATURAL RESOURCES

Although the operation of the Group does not involve serious pollution, the Group understands that cherishing resources, choosing more environmental-friendly products and services, and proper disposal of waste throughout the entire operation process can also reduce the impact on the environment and natural resources. The Group introduces environmental protection elements in its daily business in accordance with "Policies for Minimizing the Significant Impact of the Operation on the Environment and Natural Resources" to reduce the impact on the environment.

Financial services sector	According to the "Investment Screening Policy", the Group undertakes to conduct environmental and social risk assessment and screening of investment projects.
Property and hotel sector	<i>Wuxi Hotel</i> The Hotel Manager of Wuxi Hotel has formulated countermeasures in accordance with the "Hazardous Waste Environmental Emergency Plan" to ensure timely control and reduction of environmental pollution in the event of deflagration, leakage and pollution accidents.
	<i>L'Isle Adam, Paris</i> L'Isle Adam, Paris shall comply with local laws during the operation. When using inevitable chemical products during the operation, they shall pay relevant pollution discharge taxes to the product suppliers. In order to practice corporate sustainability, the Group's L'Isle Adam, Paris has participated in Accor's "Our Planet 21 Sustainable Development Program", which focuses on measures in four major areas: good use of resources on the earth, combating sexual exploitation of children, environmental-friendly design, and healthy and sustainable catering.
Medical and healthcare sector	During use of medical supplies and the generation of medical waste in operation, any medical waste leakage will endanger the surrounding environment.

In addition, the Group awares climate change may cause material risks against all businesses of the Group. Therefore, the Group will formulate policies on climate change next year, assess the risks and opportunities of the climate change for each business, and gradually start to conduct climate change management.

COMMUNITY PARTICIPATION

The Group is a comprehensive enterprise whose business scope covers various aspects of people's life. First Shanghai is committed to contributing to society and practicing corporate social responsibility. Each Place of Business of the Group has formulated various policies concerning community investment and public welfare, among which the Hong Kong Headquarter currently focuses on environmental charity and community charity. All the time, the Group has actively participated in different charity activities during the Year, including Wuxi Hotel's participation in the old clothes donation activity, donations for various community institutions, and participation in volunteer services, which has a positive impact to the society. Given the impacts from the COVID-19 pandemic, the Group had conducted less volunteer activities correspondingly during the Year. However, the Group intends to restart volunteer activities gradually upon the mitigation of the pandemic and makes a contribution to the society together with its employees.



“WIND UNDER THE WINGS III” PROGRAMME

The Group has been participating in the “Wind Under the Wings” Growth Navigation Programme held by the Hong Kong Playground Association since 2017. The employees of the Group serve as “Mentor” of grassroots youth, have a meeting and communication with designated youth monthly, and guide them to form the correct financial management concepts and positive outlook on life to help them grow up.

Currently, public welfare activities of the Group are mainly participated by the Hong Kong Headquarter and the Medical Centre while relatively fewer community investment activities are held in the remaining areas. The Group will gain a knowledge of the needs in all operating regions, increase different community projects in the future and encourage employees to participate in various volunteer activities, which will have a positive impact to the society.

OVERVIEW OF KEY PERFORMANCE INDICATORS

ENVIRONMENTAL KEY PERFORMANCE

Emission categories and emissions						
	2020				2019	
	Amount by region				Total	Unit
	Hong Kong	Wuxi	Paris	Total		
Nitrogen Oxides	0.02	74.4	235.2	309.6	339.1	kg
Sulfur Oxides ⁷	0.001	0.7	2.2	2.9	0.8	kg
Respirable Suspended Particulates	0.002	1.6	15.9	17.5	19.0	kg

GHG emissions in total and intensity						
	2020				2019	
	Amount by region				Total	Unit
	Hong Kong	Wuxi	Paris	Total		
Total GHG emissions	1,048.1	5,731.6	129.6	6,909.3	7,751.0	tonnes of CO ₂ e
Scope 1 ⁸	0.1	250.3	58.8	309.2	531.2	tonnes of CO ₂ e
Scope 2 ⁹	1,015.3	5,476.7	70.7	6,562.7	7,133.6	tonnes of CO ₂ e
Scope 3 ¹⁰	32.7	4.6	0.1	37.4	86.3	tonnes of CO ₂ e
GHG intensity (in area)	—			0.010	0.012	tonnes of CO₂e/m²
GHG intensity (in turnover)	—			15.0	19.3	tonnes of CO₂e/HK\$ million

⁷ The air pollutants of L'Isle Adam, Paris were calculated based on the European Test and Evaluation Program/Air Pollutant Emissions List Guide 2019 of European Environment Agency, which excluded the Paris Gold Club and Golf Course as there's no mileage recorded. Thus, the emissions of sulfur oxides produced by vehicles burning gasoline and diesel cannot be calculated.

⁸ It includes greenhouse gas generated from the Group's business vehicles and Wuxi Hotel's kitchen equipment.

⁹ It includes greenhouse gas emissions generated from the consumption of purchased electricity and purchased heat at Each Place of Business.

¹⁰ It includes greenhouse gas emissions generated from the waste disposal and the use of water of Place of Business in Hong Kong, and business travel by air by all Places of Business.

OVERVIEW OF KEY PERFORMANCE INDICATORS

Hazardous and non-hazardous waste produced in total and intensity						
	2020				2019	
	Amount by region				Total	Total
	Hong Kong	Wuxi	Paris	Total		
Total hazardous waste ¹¹	0.23	0.02	0.12	0.37	0.33	tonnes
Hazardous waste intensity (in area)	N/A			0.0005	0.0005	tonnes/thousand sq.m.
Total non-hazardous waste ¹²	16.2	56.8	84.5	157.5	148.8	tonnes
Non-hazardous waste intensity (in area)	N/A			0.2	0.2	tonnes/thousand sq.m.

Direct/indirect energy consumption by type in total and intensity						
	2020				2019	
	Amount by region				Total	Total
	Hong Kong	Wuxi	Paris	Total		
Total energy consumption	1,253.9	11,810.1	8,844.8	21,908.8	21,065.7	MWh
Total direct energy consumption	0.4	552.0	6,893.4	7,445.8	5,130.2	MWh
Total indirect energy consumption	1,253.5	11,258.1	1,951.4	14,463.0	15,935.5	MWh
Energy intensity (in area)	N/A			0.03	0.03	MWh/m²

Water consumption in total and intensity						
	2020				2019	
	Amount by region				Total	Total
	Hong Kong	Wuxi	Paris	Total		
Total water consumption	895.0	74,251.0	166,026.0	241,172.0	244,478.0	m ³
Water consumption intensity (in area)	N/A			0.36	0.37	m³/m²

¹¹ It includes electronic waste (such as toner cartridges, fluorescent tubes, and waste batteries, etc.) generated by Each Place of Business and medical wastes generated by the Hong Kong International Medical Centre.

¹² It includes non-recyclable domestic waste (such as kitchen waste) and recyclable non-hazardous waste (such as waste paper, plastic bottles, and metal etc.).

OVERVIEW OF KEY PERFORMANCE INDICATORS

SOCIAL KEY PERFORMANCE

Employment

		2020				Total	2019
		Number by region			Total number by category		
		Hong Kong	Wuxi	Paris			Total
By gender	Male	76	109	62	247	537	598
	Female	123	130	37	290		
By rank	Senior management	23	2	21	46		
	Middle management	37	78	19	134		
	General employees	139	159	59	357		
By age group	30 and below	43	93	44	180		
	30-40	69	45	28	142		
	41-50	41	57	17	115		
By employment type	Above 50	46	44	10	100		
	Full-time	198	239	99	536		
	Part-time	1	0	0	1		
Total Places of Business		199	239	99	N/A		
Other workforce¹⁴		25	1,215	13	N/A	1,253	N/A

		2020				Total number and rate of new employees		2019		
		Number by region			Number and rate by category					
		Hong Kong	Wuxi	Paris			Total number and rate of new employees			
By gender	Male	11	55	12	78	32%	195	36%	275	46%
	Female	42	69	6	117	40%				
By age group	30 and below	22	58	9	89	49%				
	31-40	20	5	3	28	16%				
	41-50	5	24	3	32	18%				
	Above 50	6	37	3	46	26%				
Total Places of Business		53	124	18	N/A					

¹³ Number of employees as at the end of the reporting period.

¹⁴ Other workforce in Hong Kong includes the portfolio assisting in customer handling and sales agents implementing trading orders and cleaners; other workers in Wuxi include outsourcing cleaners and restaurant temporary workers; other workers in Paris include cleaners, gardeners, interns, restaurant temporary workers and maintenance employees, etc.

¹⁵ Rate of new employees = number of new employees/number of employees at the end of the reporting period.

OVERVIEW OF KEY PERFORMANCE INDICATORS

Number of employees' turnover and turnover rate¹⁶

		2020							2019	
		Number by region			Total number by category		Total number of employees' turnover and turnover rate		Total number of employees' turnover and turnover rate	
		Hong Kong	Wuxi	Paris						
By gender	Male	22	85	12	119	48%				
	Female	47	85	5	137	47%				
By age group	30 and below	29	97	14	140	78%				
	31-40	26	34	2	62	44%	256	48%	240	40%
	41-50	5	16	0	21	18%				
	Above 50	9	23	1	33	33%				
Total Places of Business		69	170	17	N/A					

Health and Safety¹⁷

Total number of reported work-related injuries and lost days due to work-related injuries

		2020						2019		
		Number/lost days by region			Total number by category		Total number of work-related injuries and lost days due to work-related injuries		Total number of work-related injuries and lost days due to work-related injuries	
		Hong Kong	Wuxi	Paris						
Number of Reported work-related injuries	Male	0	0	5	5					
	Female	0	0	4	4		9		13	
Total Places of Business		0	0	9	N/A					
Lost days due to work-related injuries	Male	0	0	52	52					
	Female	0	0	49	49		101		189	
Total Places of Business		0	0	101	N/A					

¹⁶ As at the end of the reporting period, turnover rate = number of employees' turnover in specific categories/number of employees in specific categories.

¹⁷ There were no work-related fatalities in 2020.

OVERVIEW OF KEY PERFORMANCE INDICATORS

Training and Development

Number and rate of employees trained ^{18 19}										
		2020				2019				
		Number by region			Total number by category	Total number and rate of employees trained	Total number and rate of employees trained			
		Hong Kong	Wuxi	Paris						
By gender	Male	48	100	36	184	74%	385	72%	373	62%
	Female	56	118	27	201	69%				
	Senior management	12	1	17	30	65%				
By rank	Middle management	17	75	10	102	76%				
	General employees	75	142	36	253	71%				
Total Places of Business		104	218	63	N/A					

Average training hours of employees trained (hour) ²⁰								
		2020				2019		
		Hours by region			Average hours by category	Total average hours	Total average hours	
		Hong Kong	Wuxi	Paris				
By gender	Male	3.4	85.6	7.8	40.8	40.4	41.7	
	Female	2.0	85.8	6.6	40.1			
	Senior management	3.6	48.0	16.0	11.2			
By rank	Middle management	2.0	90.1	4.5	53.6			
	General employees	2.5	84.0	5.2	39.2			
Average training hours at Places of Business		2.5	85.7	7.3	N/A			

¹⁸ Rate of employees trained = number of employees trained in relevant categories/number of employees in relevant categories.

¹⁹ Percentage of employees trained by gender: male (48%) and female (52%); percentage of employees trained by rank: senior management (8%), middle management (26%) and general employees (66%).

²⁰ Average training hours of employees trained = total training hours/total number of employees.

OVERVIEW OF KEY PERFORMANCE INDICATORS

Supply Chain Management

Region	Number	Percentage of suppliers implementing the relevant practices
Hong Kong ²¹	274	100%
The PRC ²²	85	100%
France region ²³	89	100%
Total	448	100%

²¹ Services and products provided by suppliers include daily consumables, telecommunication services, office equipment, technical support and drug and medical supplies necessary for Hong Kong International Medical Centre, etc.

²² Services and products provided by suppliers include stationery, office equipment, room supplies for hotels, food and beverage materials and engineering and maintenance support, etc.

²³ Services and products provided by suppliers include golf course equipment and utensils, food and beverage materials and room supplies for hotels, etc.

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Subject Areas	Description	Page Index
A1 Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	8, 22
	relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	
A1.1	The types of emissions and respective emissions data	28
A1.2	Greenhouse gas emissions in total and intensity	22, 28
A1.3	Hazardous waste produced in total and intensity	23–24, 29
A1.4	Non-hazardous waste produced in total and intensity	23–24, 29
A1.5	Description of measures to mitigate emissions and results achieved	23–24, 28
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives, and results achieved	24, 29
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	24
A2.1	Direct and/or indirect energy consumption by type in total and intensity	26, 29
A2.2	Water consumption in total and intensity	26, 29
A2.3	Description of energy use efficiency initiatives and results achieved	24–26, 29
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	24–26, 29; The Group does not have any issue in sourcing water that is fit for purpose.
A2.5	Total packaging material used for finished products and with reference to per unit produced	The Group does not involve any use of packaging materials in its business operations.

Subject Areas	Description	Page Index
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources	26
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	26
B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	8, 16–17
B1.1	Total workforce by gender, employment type, age group and geographical region	16, 30
B1.2	Employee turnover rate by gender, age group and geographical region	31
B2 Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	8, 17
B2.1	Number and rate of work-related fatalities	31
B2.2	Lost days due to work-related injuries	18, 31
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	17–20
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	20–21
B3.1	The percentage of employees trained by gender and employee category	32
B3.2	The average training hours completed per employee by gender and employee category	20, 32

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Subject Areas	Description	Page Index
B4 Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour	8, 17
B4.1	Description of measures to review employment practices to avoid child and forced labour	17
B4.2	Description of steps taken to eliminate such practices when discovered	17
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	14–15
B5.1	Number of suppliers by geographical region	33
B5.2	Description of practices relating to hire suppliers, number of suppliers to whom the practices are applied and how such practices are implemented and monitored.	14–15, 33
B6 Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	8, 12–14
B6.2	Number of products-and-services-related complaints received and how they are dealt with	14
B6.3	Description of practices relating to observing and protecting intellectual property rights	As intellectual property rights have no significant impact on the operation of the Group, the Group currently has no relevant policies and measures.

Subject Areas	Description	Page Index
B6.4	Description of quality assurance process and recall procedures	The Group's business does not involve the recall of product.
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	12-13
B7 Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	8, 11
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	8
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	11
B8 Community Investment		
General Disclosure	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	27
B8.1	Focus areas of contribution	27
B8.2	Resources contributed to the focus area	27