

**CONNECTING**  
**BUSINESSES & PEOPLE**  
**WITH SOLUTIONS**

CORPORATE  
SUSTAINABILITY  
REPORT 2017

**CLEAR MEDIA LIMITED**

**白馬戶外媒體** 有限公司 

Stock code: 100

## ABOUT THIS REPORT

This is the second Corporate Sustainability Report published by Clear Media Limited (hereafter “Clear Media”, “the Company”, “we” or “us”). We appointed an independent consultant to identify material environmental, social and governance (ESG) concerns in relation to how we engage with stakeholders regarding our operations. This report is prepared in line with the Company’s commitment to transparency and accountability; it also details our environmental and social achievements in 2017.

### REPORTING PERIOD

This report explains the environmental and social sustainability performance of the Company from 1 January 2017 to 31 December 2017.

### REPORTING SCOPE

This report covers our bus shelter advertising panel operation in China.

### REPORTING STANDARDS AND PRINCIPLES

This report was prepared in accordance with the Environmental, Social and Governance Reporting Guide (ESG Guide) published by The Stock Exchange of Hong Kong Limited. We have adhered to the core reporting principles, including materiality, quantitative data, balance and consistency. A content index prepared with reference to the ESG Guide can be found on pages 20 to 25.

The Senior management have endorsed and the Board of Directors has approved this report.

### REQUEST FOR FEEDBACK

We welcome feedback and suggestions to help us improve the quality of our reporting and our corporate responsibility and sustainability programme:

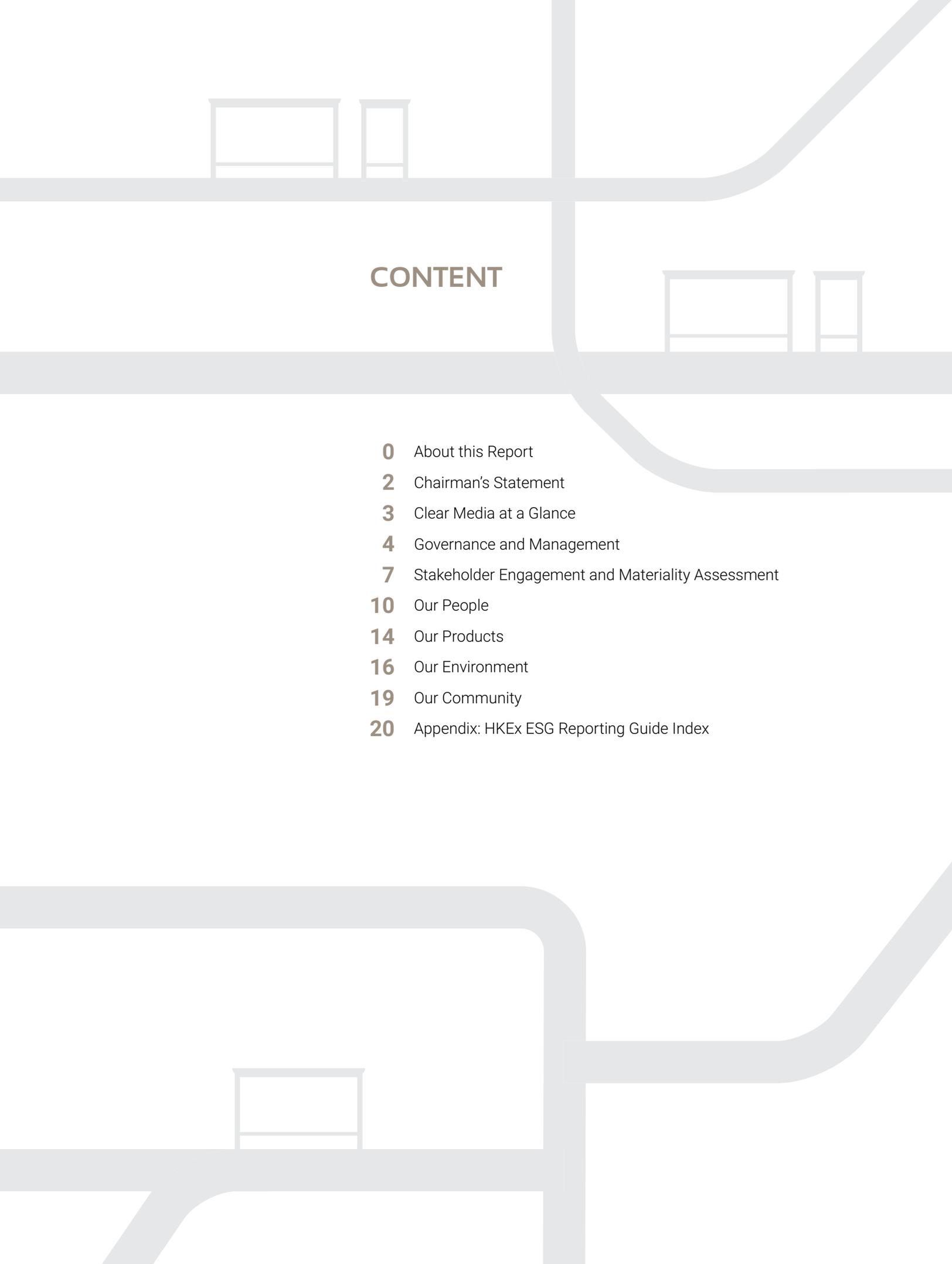
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I am pleased to present our second Corporate Sustainability Report, detailing our group's efforts and achievements in promoting sustainable development in our business operations.

The economy of China continued to grow in 2017. Our sales growth resumed with improved momentum, owing to strong demands from the e-commerce, smartphone and mobile applications sectors. The company's turnover increased by 6.1% to RMB 1,760.3 million in 2017. While we continued to strengthen our operations in strategic locations, we also embraced sustainability as a means to create long-term value for our stakeholders, including shareholders, employees, customers, suppliers and the community.

We have taken the initiative in engaging with stakeholders to understand their expectations of our sustainability performance. As we are dedicated to formulating a more structured and measurable approach to sustainability management in our company, we performed stakeholder engagement and materiality assessment exercises to decide on what key social and environmental areas to focus on. Employment and product responsibility issues are regarded as such key areas.

We value our staff as the most important asset of our company. Recognising their contributions to our business success, we regularly review our remuneration and benefits policies to ensure that we offer reasonable rewards to the employees. We pay special attention to workplace health and safety, cultivating strong awareness of safety and providing sufficient safety equipment for our employees and suppliers.

Quality products and services are also key to our success. We attach importance to customer rights by making efforts to monitor product quality, protect customer privacy and provide sound complaint mechanisms. Being the leader of China's outdoor advertising industry and aiming to be an inspiring role model, we also take an active approach to the protection of intellectual property and content of our clients' advertisements.

In addition, we promoted green office policies and took care of the local community as our ways to commit ourselves to sustainability. We have introduced greener technology and encouraged our employees to use resources wisely. We also show our care for local communities by displaying advertisements with charitable themes from time to time.

With the aim of contributing to a better society and promoting sustainable business developments, we will continue to promote environmental and social sustainability in our operations.

**Joseph Tcheng**

*Chairman*

20 July, 2018





## OUR BUSINESS

We are the largest operator of bus shelter advertising panels in China. Listed on the Hong Kong Stock Exchange since 2001, we have been operating an extensive network of standardized bus shelter advertising panels that numbered more than 50,000 across the country as at the end of 2017.

We have developed an extensive business network covering more than 24 key cities across China, from first-tier cities such as Beijing, Guangzhou and Shanghai, to mid-tier cities, including Shenzhen, Dalian, Harbin and Changchun.



## CORPORATE CULTURE

We aim to lead the outdoor advertising market in China. To achieve this target, we focus on the quality of our products and compliance with local and international industry standards. We cooperate with all of our stakeholders in a proven win-win partnership business model.

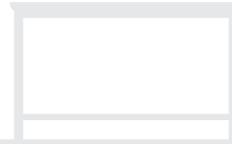
In addition to this vision, we also follow four major strategic business directions to achieve the sustainable growth of the Company.

- Enlarge Our Network – Maintaining continuous business growth in key growing cities
- Seize Opportunities for Industry Consolidation – Employing a strategy for expanding business through acquisition
- Leverage Relationships – Increasing potential clientele locally and internationally
- Tap the Potential of Existing Business Network – Maximising yield and return on investment

## BUSINESS HIGHLIGHTS IN 2017

In 2017, Clear Media remained the largest bus shelter advertising panel operator in China, operating an extensive network of standardised bus shelter advertisement panels across the country. Demand from the e-commerce and information technology sectors continued to increase, contributing to the growth in the Company's revenue.

For more details of our financial results in 2017, please refer to the Company's 2017 Annual Report available on [www.clear-media.net](http://www.clear-media.net).



We are committed to high standards in corporate governance, management and ethics, which are the foundations of success and sustainability for our business operations. Following the principles of transparent, responsible and value-driven management and control of the Company, we strive to enhance the confidence of our stakeholders in our governance and management systems.

### CORPORATE GOVERNANCE

As a member of Clear Channel Outdoor Holdings Inc. ("Clear Channel"), we followed Clear Channel's approach and guidance in the area of corporate governance, which is of international standard. The Board of Directors (the Board) of the Company strives for excellence in corporate governance and internal control. We have clear responsibilities stipulated in the Terms of Reference for the Board. The Board is mainly responsible for the following tasks:

- ▶ Establishing corporate strategy, approving overall business plans and, on behalf of shareholders, supervising the Company's financial performance, management and organisation
- ▶ Defining the scope within which the management team carries out day-to-day management tasks and overseeing specific areas of business
- ▶ Determining the company's overall objectives, strategies and business plans based on the recommendations of the management team
- ▶ Approving the key figures underlying the budgets prepared by the management team
- ▶ Reviewing and approving the Company's budgets and checking whether targets are being achieved

The internal audit team provides ongoing assessment and monitoring of the Company's business practices. The Board has also established seven committees to oversee specific aspects of the business. More details about the role of each committee and their achievements during the reporting year can be found in the Company's Annual Report 2017.

BOARD OF DIRECTORS						
Audit Committee	Remuneration Committee	Nomination Committee	Capital Expenditure Committee	Cash Committee	Director's Securities Dealing Committee	Risk Committee

For further information on our corporate governance, please refer to our Annual Report 2017 available on [www.clear-media.net](http://www.clear-media.net).



## ESG GOVERNANCE AND MANAGEMENT

We emphasise sustainability performance in all aspects of our operations. To ensure that the Company can operate in a sustainable manner, we have designated a working group to manage and disclose data about its sustainability performance. The Board is responsible for approving this Report and senior management is responsible for endorsing it. The Finance Department works closely with other departments to ensure the accuracy and reliability of the metrics presented.

## ETHICAL BUSINESS PRACTICE AND COMPLIANCE

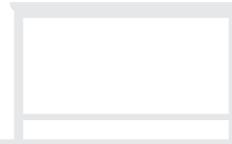
Ethical business practice is of the utmost importance in our business operations. Clear Media and its parent company, Clear Channel, are committed to operating in an ethical manner. Ethics in our business means acting against corruption, complying with laws and regulations, and embracing diversity wherever we operate. Therefore, the Company, following our parent company's policy, complies with local and overseas anti-corruption laws and regulations, including the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act (UKBA), wherever applicable.

Based on these laws and regulations, we established the Company's Business Conduct and Ethics and Anti-Corruption Compliance Policy and Procedures. These policies and procedures clarify the standards of behaviour that we expect from our employees and Directors regarding malpractices that include bribery, corruption and money laundering. Violation of these policies and procedures will result in serious penalties, such as termination of employment.

We have put in place whistle-blowing procedures to ensure the effectiveness of the above policies. Employees are encouraged to report any case of non-compliance with the policy to the Human Resources Department or the Compliance Officer of the Business Department. We prohibit any retaliation against whistle-blowers and strive to protect relevant personnel or departments from any such actions. We also encourage our employees to refer any conflict of interest to their department head for advice.

To ensure our employees possess up-to-date and correct knowledge about ethical business operations and personal behaviour, we require them to receive professional training in the Code of Business Conduct and Ethics and the Anti-Corruption Compliance Policy and Procedures. They can also access training materials on these topics via the Company's intranet.

The Company published an announcement on 2 January 2018 in relation to the misappropriation of funds (the "Misappropriation"). Trading in the shares of the Company has also been suspended from 3 April 2018 and the Stock Exchange has imposed certain trading resumption conditions (the "Resumption Conditions") on the Company. For more details, please refer to the 2017 Annual Report, and the announcements dated 2 January, 8 February, 19 March, 3 April, 29 May and 29 June 2018.



The forensic investigation in relation to the Misappropriation has been conducted to the extent possible and has reached a stage pending the outcome of the police investigations. The Company is in the process of summarising the forensic investigation findings with the view of disclosing to the public the key findings pursuant to one of the Resumption Conditions.

The Company has also introduced a number of transitional control measures focusing on payments, bank balances and internal control of the Company.

As disclosed in the announcement dated 29 May 2018, the Company has engaged an independent internal control consultant to conduct a review of the Company's financial systems and controls, with the view to demonstrate that the Company has put in place adequate internal control systems to meet the obligations under the Listing Rules. This is a comprehensive internal control review led by a separate board committee (which reports to the Audit Committee of the Board) that has been formed specifically for such review.

As of the date of the announcement dated 29 June 2018, the internal control review was still ongoing and pending the receipt of a report from the internal control consultant of its preliminary recommendations. After receipt of such report, the Board will immediately implement such preliminary recommendations, following which the internal control consultant will conduct a further review and check to confirm if all the recommendations have been implemented and embedded.

The Board will update the shareholders and the public on the results of the internal control review as and when appropriate.

The Company is also taking appropriate actions to fulfil all other Resumption Conditions.

Save in the case of the Misappropriation discussed above (and only to the extent described in the announcements also referenced above), during the reporting period the Company was not involved in any cases of corruption or bribery.



To enhance our environmental and social responsibility measures under our sustainability strategy, we sought comments and feedback from stakeholders. With the aid of a third-party consultant, we conducted a stakeholder engagement exercise in 2017 to review and revise our materiality matrix. The materiality matrix serves as the foundation for the prioritisation of important environmental and social issues and thus acts as guidance for formulating and implementing the sustainability strategy in our business operations.

### MATERIALITY ASSESSMENT

The stakeholder engagement exercises consisted of online questionnaires and interviews with stakeholders. The findings of the exercises provide the basis for the materiality matrix. The following shows the process of the materiality assessment:

#### Step 1: Identification of potential material concerns

We identified a list of material concerns through internal document reviews, media coverage, peer benchmarking, and industrial trend analysis. For 2017, a total of 26 potential material concerns were identified.

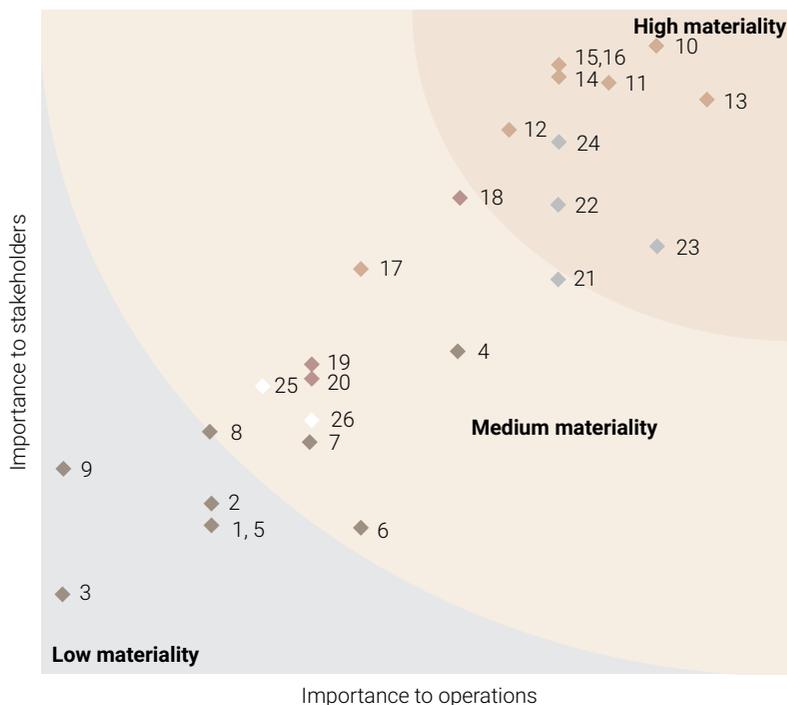
#### Step 2: Prioritisation of material concerns

An online survey was conducted to engage our stakeholders and collect their opinion on the list of material concerns. They were invited to rank the concerns on a scale from 1 to 6 (where 1 is of the lowest importance and 6 the highest). The results showed the importance of the concerns to each stakeholder group and were summarised in a materiality matrix.

#### Step 3: Validation by management

The materiality matrix was discussed and verified by Clear Media's management.

The following shows the materiality matrix and the material concerns identified in the assessment:





The Environment		Employees	
1.	Use of resources	10.	Employment relations
2.	Energy efficiency	11.	Employees' work-life balance
3.	Water consumption and efficiency	12.	Employment diversity
4.	Compliance with environmental law	13.	Employee care
5.	Suppliers' environmental performance	14.	Occupational health and safety
6.	Air emissions	15.	Staff training and development
7.	Waste management	16.	Compliance with labour law
8.	Ecological impact	17.	Feedback on employees' comments
9.	Environmental grievance		

Corporate Governance		Product and Service Responsibility	
18.	Anti-corruption	21.	Intellectual property
19.	Suppliers' social responsibility performance	22.	Compliance with product and service responsibility law
20.	Feedback mechanism for stakeholders	23.	Advertisement design and safety
		24.	Customer privacy

The Community	
25.	Leveraging advertising panels for promoting philanthropic causes
26.	Philanthropic donations

**COMMUNICATION WITH STAKEHOLDERS**

In addition to the stakeholder engagement exercise conducted for the materiality matrix, we also communicate with our stakeholders to listen to their comments so as to improve our governance. We identified employees as our internal stakeholders and shareholders/ investors, customers, suppliers, community partners and industry partners as our external stakeholders.

To improve our sustainability strategy and performance, we actively engage with different stakeholders to understand their expectations and comments on the sustainability performance of Clear Media. Regular reviews are conducted through a wide variety of communication channels to address their concerns. The following table summarises the methods for engaging with different stakeholders during the reporting period.

Stakeholder Groups	Engagement Methods
Employees	▶ Employees' meetings
	▶ Employees' performance reviews
	▶ Internal publications
	▶ Online questionnaires
Shareholders/ investors	▶ Shareholders' meetings
	▶ Investors' meetings
	▶ Annual General Meeting (AGM)
	▶ Press releases and announcements
	▶ Face-to-face meetings
	▶ Phone interviews
Customers	▶ Face-to-face meetings
	▶ Online questionnaires
Suppliers	▶ Meetings
	▶ Phone interviews
Community partners	▶ Meetings
	▶ Online questionnaires
Industry partners	▶ Meetings
	▶ Online questionnaires

Contributions from all our staff are key to the success of our business. Recognising the importance of recruiting and retaining talent, we continue to enhance our human resource policy with the aim of creating a good working environment for our employees. In addition to complying with relevant labor laws and regulations, we are also dedicated to providing our staff with competitive remuneration, safe working conditions and abundant opportunities for career development.

### PEOPLE-CENTRED PRINCIPLE

We uphold the people-centred principle when we formulate our human resource policy. We strictly adhere to the labour laws of the country where we operate, including but not limited to those related to compensation, benefits and welfare, recruitment, dismissal, promotion, working hours, leave arrangements and prevention of child and forced labour. In addition, we have zero tolerance for discrimination in the workplace. Equal opportunities are offered to employees based on their work attitude and performance, regardless of gender, age, nationality, ethnicity, religion, marital status or disability. Owing to our equal opportunities policy, great diversity is exhibited in the employee demographics.

#### Employee demographics

##### By gender

Gender	Male	Female
Number of employees	308	291

##### By age

Age group	<30 years old	30-50 years old	>50 years old
Number of employees	148	377	73

##### By employee category

Employee category	Department heads or above	General staff
Number of employees	130	469



## REMUNERATION AND BENEFITS

Our group has formulated a Staff Handbook to detail our staff's rights and responsibilities. All of the employment contracts are in line with the administration of Labour Contracts. The remuneration of our staff is reviewed and adjusted annually. We have established a comprehensive salary mechanism, a structured salary scale for different positions, a complete performance review system according to detailed research on salaries in the industry and market. Employees receive fair and regular assessments in a performance review system. These mechanisms ensure that competitive and fair remuneration is provided to our employees, following the principle of "fairness within the Company and competitiveness among peers" to retain our talents.

Besides remuneration, we also take care of the different needs of our employees. Employees are provided with social insurance covering endowments, medical treatment, work injuries, unemployment and maternity care. They also benefit from housing provident funds, free annual physical examinations and meal subsidies. All employees are entitled to 7 to 20 days of leave each year under the labour laws of the PRC or Hong Kong. We also provide the staff with fair remuneration and benefits.

In addition to remuneration and benefits, the Company organised a Sales Awards Ceremony to present awards to excellent staff members. The annual award event has been held since 2016. We use this opportunity to recognise the efforts made by staff during the whole year.

## HEALTH AND SAFETY IN THE WORKPLACE

Recognising the employees as the most valuable asset of the company, we attach great importance to workplace health and safety for the well-being of our employees. Our health and safety practices strictly follow relevant laws and regulations. We ensure health and safety in two ways: making the workplaces healthy and safe, and raising the employees' awareness of health and safety there.

Our outdoor staff work alongside our contractors as they put up advertisements or maintain advertisement panels. Safety risks are higher for outdoor work. There are standard operating procedures for our staff to follow to prevent accidents and injuries at work. One example of this is the requirement for workers to place traffic cones near bus shelter that are being cleaned to alert drivers and pedestrians.

The offices and warehouses of our Group are kept tidy and clean, and are equipped with properly functioning equipment to prevent fire and crime. Regular safety checks are carried out to ensure that the equipment are fully functioning.



*A traffic cone is put in place when cleaning work is in progress.*

Deeper knowledge and greater awareness of health and safety are key to a safe workplace. We organise training in health and safety to instruct our employees in the Company's health and safety procedures and to educate our staff on how to respond to emergencies. For instance, in Shenyang, we gave training to the management and warehouse workers in fire safety procedures.

During the reporting year, there were no work-related injuries or fatalities.



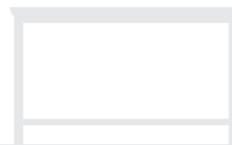
## CAREER DEVELOPMENT AND TRAINING

Development opportunities are also key to retaining talent. We are committed to offering fair opportunities to our employees by setting clear pathways for career development and conducting training programmes.

We encourage our employees to strive for excellence. To enhance their capabilities and foster their career development, we provide them with opportunities for promotion and for taking on diverse roles in the Company. We have introduced an internal job rotation mechanism to allow our staff to expand their horizons through their postings at departments with different business functions. The employees can therefore better understand their interests and talents and set clearer career paths. In addition to the job rotation mechanism, we have established a clear career ladder for all of our staff members. Eight advancement levels have been designed especially for the sales team employees. Each individual receives regular performance reviews, which directly determine opportunities for promotion.

To better equip our staff with sufficient knowledge and techniques to perform their duties, we provide our staff with abundant training courses. There are skills enrichment programmes tailored for different positions of various departments to build employees' capacity to overcome difficulties they may meet in their work. For example, we offered the department heads training courses in which they discussed the "7 Habits of Highly Effective People". In addition, specific sales training programmes were conducted for sales managers to enhance their skills in managing client relationships. We also provide training courses to promote integrity and ethical business practices. Senior management are required to attend anti-corruption training courses conducted by external professionals. In 2017, 95% of our employees completed the online training on anti-corruption and code of business.





Clear Media takes pride in its leading position in the outdoor advertising industry. As the largest operator of bus shelter advertising panels in China, we have a market share of more than 70% in top-tier cities, as well as a broad presence in rapidly growing cities across the country. In order to continue our business development, we strive for excellence in the quality of our products and services.

### **STEADFAST COMMITMENT TO PRODUCT QUALITY**

Clear Media attaches great importance to product quality. We have established a clear operating procedure to ensure both the high quality of our products and services, and compliance with relevant laws and regulations.

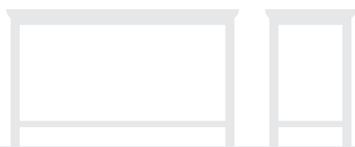
Our business success hinges on our insistence on high quality of our products, which requires cooperation between different departments. We formulated the operations management rules that also cover our product quality management. The operations department monitors the operation of the bus shelter advertising panels closely. There are on-site inspectors to ensure that advertisements are placed properly on clean panels. Also, we enforce the company policy on strict adherence to agreed periods for putting advertisements on the bus shelter panels, so as to protect the rights of our customers. In addition, the Technical Engineering Department carries out technological innovations to improve the design of the bus shelters.

Operating in the advertising industry, we attach importance to the implications of the message and content of our advertisements to society. According to our operations management rules, we have assigned internal reviewers to assess the legal risks associated with the advertisement content provided by our customers. For instance, we avoid content containing violence, pornography or other undesirable content. We also require true and fair descriptions of the functions, place of production, market statistics and other relevant information of products to be advertised so as to prevent misleading information from being displayed to the general public.

Intellectual property is an important asset to our industry. Following the relevant laws and regulations on advertising, we respect intellectual property rights and implement policies to protect the rights of advertising producers. Our employees should ensure that there are no infringements of copyright before putting advertisements on the bus shelter panels. We strictly prohibit other companies from copying our customers' advertising materials and designs.

Apart from protecting intellectual property rights, we strictly follow relevant laws and regulations to protect any commercially sensitive information provided by our clients, such as unpublished advertisements. These advertisements are handled by a designated department and are only accessible by authorized personnel.

During the reporting period, there was no case of product recall due to safety and health reasons.



### **SUPPLY CHAIN MANAGEMENT**

Clear Media mainly engages third-parties to install advertising displays and to conduct cleaning work. We regard good contractor management as essential to the capacity to provide quality products. In addition, we have created an operations manual and assigned on-site inspectors to properly monitor contractors' performance.

Our Operations Department has adopted an internal monitoring system to oversee the work of suppliers and contractors. The workers of cleaning and maintenance companies are provided with operations manuals detailing the work procedures for cleaning and maintenance. In addition to providing guidelines, we also check the work performance of suppliers. Their work is assessed against the standard set by our Company. Annual meetings with suppliers are organised to review and discuss key issues occurring during operations throughout the year.

We also try to promote environmental, health and safety stewardship in our supply chain. For example, we procure environment-friendly materials where possible. To lower the health and safety risks in our supply chain, relevant health and safety guidelines are stipulated in the operation manuals provided for the cleaning and maintenance contractors. Suppliers are also required to submit quality warranties annually to prove that their raw materials are purchased from qualified sources.

In 2017, we engaged a total of 38 suppliers, all of which are based in mainland China.

### **CUSTOMER COMPLAINTS HANDLING MECHANISM**

In addition to product quality, the Company is also committed to pursuing excellence in service quality. We have formulated standard procedures for handling customers' complaints. We have also designated a customer service team to handle such complaints. The team records each case and refers it to the responsible department. The respective department conducts an investigation and reports back to the customer service team within three working days. During the year of 2017, there were no complaints against the quality of our products or services.





We strive to protect the environment for our contemporaries and future generations. In our business, the major environmental footprint is generated from the operation of advertising panels. It is our responsibility to operate with consideration for environmental protection, especially given the growing threat of global warming. We are committed to:

- ▶ Complying with relevant environmental laws and regulations;
- ▶ Using resources efficiently, including energy, water and other raw materials in our operations;
- ▶ Reducing emissions, including greenhouse gas emissions, sewage discharge, land pollution and generation of hazardous and/ or non-hazardous wastes; and
- ▶ Minimising the impacts of our operations to the environment and natural resources.

During the reporting period, no non-compliance with the applicable laws and regulations relating to air and greenhouse gas emissions, discharges into water and generation of hazardous and non-hazardous wastes happened in our operations.

In addition to compliance with environmental laws and regulations, we also raise the environmental awareness of our employees by stipulating environmental measures in our employee manual. For example, we require our employees to switch off unnecessary electrical appliances before leaving the office. By encouraging our employees to implement environmental measures in our operations, we can further minimise the environmental impacts throughout our business operations.

### ENERGY SAVING

Electricity consumption in our advertising panel operations makes up the largest portion of our environmental footprint. We therefore focus on optimising electricity consumption at our bus shelters. Since 2014 we have been replacing the light fixtures in our advertising boards with light-emitting diodes ("LED"). LED lights consume less electricity, and ultimately reduce carbon emissions. As at the end of the reporting period, all the fluorescent tubes used in our advertising boards in Beijing, Shenzhen, Shenyang and Shijiazhuang had been replaced with LED light tubes. Rather than simply replacing old fixtures with LEDs, we also investigated the efficiency of the available LED light products in the market. We strive to deploy the most energy efficient ones, wherever feasible. During the reporting period, we reduced the electricity consumption by around 17% in the operation of our bus shelter advertising panels. We will continue to decrease our electricity consumption.

Meanwhile, we also control the electricity consumption by adjusting lighting hours of the advertising panels. We install timers in the bus shelters' power supply system, which connects with the street light system. This enables us to adjust the lighting period to seasonal differences in daylight hours and thus save energy.

In our sales centres and offices, we have finished replacing conventional light fixtures with LED lights. It helps to save energy by reducing the cooling load on Heating, Ventilation, and air-conditioning (HVAC) systems. In addition, the air-conditioning systems are set at 25 °C in summer and adjusted for ventilation in winter.



### **EFFICIENT USE OF RESOURCES**

We are cautious about the deployment of resources and disposal of wastes in our business operation. We try proactively to reduce paper waste in the operation of our bus shelter advertising panels.

### **MANAGING PAPER WASTE FROM THE OPERATION OF BUS SHELTER ADVERTISING PANELS**

The majority of our paper waste comes from used advertising sheets after a client's rental period finishes. To reduce wastage, we retain clients' advertising sheets for three months before disposal. This enables the reuse of advertising sheets, thus reducing wastage of materials.

If the clients decide to dispose of the advertising sheets, we have standard procedures to ensure that they are disposed of properly. The procedures include:

- (1) Approval from the Operations Department;
- (2) Weighing the material to be disposed of;
- (3) Certification from a third-party disposal agency; and
- (4) Verification of disposal with photos and receipts.

We maintain a detailed record of the disposal of advertising sheets. This ensures the proper disposal of wastes from bus shelter advertising and minimises the potential impact on the environment.

In our offices, we have adopted measures to reduce the use of resources. For example, we tried to reduce paper consumption, and have had water conserving faucets installed. We also recycle electronic wastes, including discarded computers, monitors and projectors. We also maintain a record of the Company's electronic waste to monitor our waste management performance.





## ENVIRONMENTAL PERFORMANCE

During the year, we kept detailed records of our environmental performance as summarized below.

	Unit	2017 Performance
<b>Greenhouse Gas (GHG) Emissions</b>		
Direct GHG emissions (Scope 1) <sup>1</sup>	tonnes of CO <sub>2</sub> equivalent (tonnes CO <sub>2e</sub> )	1,859
Indirect GHG emissions (Scope 2) <sup>2</sup>	tonnes CO <sub>2e</sub>	28,969
<b>Total GHG emissions</b>	<b>tonnes CO<sub>2e</sub></b>	<b>30,828</b>
<b>Intensity</b>	<b>tonnes CO<sub>2e</sub> / panel</b>	<b>0.55</b>
<b>Electricity Consumption</b>		
Offices	kWh	640,576
Bus shelter <sup>3</sup>	kWh	42,542,898
<b>Total</b>	<b>kWh</b>	<b>43,183,474</b>
<b>Intensity</b>	<b>kWh/ panel</b>	<b>765</b>
<b>Water Consumption</b>		
Offices <sup>4</sup>	cubic meters (m <sup>3</sup> )	6,164
Bus shelter cleaning <sup>3</sup>	m <sup>3</sup>	11,795
<b>Total</b>	<b>m<sup>3</sup></b>	<b>17,959</b>
<b>Intensity</b>	<b>m<sup>3</sup>/ panel</b>	<b>0.32</b>
<b>Fuel Consumption</b>		
Petrol usage in office	Litre (L)	83,905
Petrol usage for bus shelter maintenance	L	734,029
<b>Total</b>	<b>L</b>	<b>817,934</b>
<b>Paper Consumption</b>		
Offices	Kilogramme (kg)	3,268
Bus shelter advertisements <sup>5</sup>	kg	200,455
<b>Waste Disposal</b>		
General office waste <sup>6</sup>	kg	64,266
Bus shelter advertising sheets <sup>5</sup>	kg	289,500
Electronic waste <sup>7</sup>	pieces	263

1 Direct GHG emissions are from sources that are owned or controlled by Clear Media.

2 Indirect GHG emissions are from the generation of purchased or acquired electricity consumed by Clear Media. The emission factor employed is the average of the all the regional factors in Mainland China due to the wide geographical coverage of Clear Media's business operations.

3 Consumption data were estimated based on operational practices.

4 Water consumption includes amount at the offices in Beijing, Shenzhen, Changsha, Guangzhou, Wuxi and Haikou.

5 Clients can choose whether the advertising sheet is to be prepared by us or by themselves. Therefore the amount of paper consumed was lower than the amount disposed of.

6 Office waste disposal data were estimated based on operational practices.

7 Electronic waste includes discarded desktop and laptop computers, monitors, scanners, projectors, photocopiers and tape drives at our sales centres and offices.



Clear Media cares deeply about the local communities in which it operates. By maintaining close communication channels with local governments, we are able to better understand the needs of local communities and operate in-sync with the media resource development policies of municipal governments. In addition, we try to contribute to social harmony as a business, and express our care for society with the help of our media resources.

### SPREADING CHARITABLE MESSAGES

One of the major community investment objectives here at Clear Media is to foster a caring society. This is accomplished through spreading charitable and community-fostering messages on some of our bus shelter advertising panels. In addition to that, we display charitable messages on some of the idle advertising panels as well. The theme of the messages can vary year-by-year, enabling us to promote a variety of charitable causes. For instance, we conducted a poster campaign through our panels to encourage citizens to avoid being glued to their screens and the virtual world behind it, and to care more about the people and communities in the real world. As the largest bus shelter advertising panel operator in China, we have an extensive network that can help raise public awareness to charitable and social causes.



The advertisement reminds people of the danger of using a mobile phone while walking on the street.



We encourage citizens to read books.



**A: ENVIRONMENTAL PERFORMANCE**

Aspects	Descriptions	Sections in the report	Remarks
<b>A1: Emissions</b>	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Our Environment	
	KPI A1.1 The types of emissions and respective emissions data.	Environmental Performance	
	KPI A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance	
	KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		Not applicable to the core business of Clear Media
	KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance	
	KPI A1.5 Description of measures to mitigate emissions and results achieved.	Energy Saving	
	KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Efficient Use of Resources, Managing paper waste from the operation of bus shelter advertising panels	

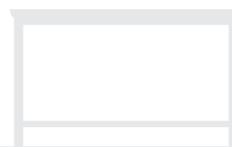
Aspects	Descriptions	Sections in the report	Remarks
<b>A2: Use of Resources</b>	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Our Environment	
	KPI A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Performance	
	KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Performance	
	KPI A2.3 Description of energy use efficiency initiatives and results achieved.	Energy Saving	
	KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.		Not applicable to the core business of Clear Media
	KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.		Not applicable to the core business of Clear Media
<b>A3: The Environment and Natural Resources</b>	General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.	Our Environment	
	KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Energy Saving, Efficient Use of Resources	



**B: SOCIAL PERFORMANCE**

Aspects	Descriptions	Sections in the report	Remarks
<b>Employment and Labour Practices</b>			
<b>B1: Employment</b>	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.	People-Centred Principle, Remuneration and Benefits	
	KPI B1.1 Total workforce by gender, employment type, age group and geographical region.	People-Centred Principle	
	KPI B1.2 Employee turnover rate by gender, age group and geographical region.		Not disclosed
<b>B2: Health and Safety</b>	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.	Health and Safety in the Workplace	
	KPI B2.1 Number and rate of work-related fatalities.	Health and Safety in the Workplace	
	KPI B2.2 Lost days due to work injury.	Health and Safety in the Workplace	
	KPI B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety in the Workplace	

Aspects	Descriptions	Sections in the report	Remarks
<b>B3: Development and Training</b>	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Career Development and Training	
	KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Career Development and Training	
	KPI B3.2 The average training hours completed per employee by gender and employee category.		Not disclosed
<b>B4: Labour Standards</b>	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	People-Centred Principle	
	KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.		Not applicable to the core business of Clear Media
	KPI B4.2 Description of steps taken to eliminate such practices when discovered.		Not applicable to the core business of Clear Media
<b>Operating Practices</b>			
<b>B5: Supply Chain Management</b>	General Disclosure Policies on managing environmental and social risks of the supply chain.	Supply Chain Management	
	KPI B5.1 Number of suppliers by geographical region.	Supply Chain Management	All suppliers are based in China. The disclosure of number of suppliers by geographical region might not be necessary.
	KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management	



Aspects	Descriptions	Sections in the report	Remarks
<b>B6: Product Responsibility</b>	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.	Steadfast Commitment to Product Quality	
	KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Steadfast Commitment to Product Quality	
	KPI B6.2 Number of products and service related complaints received and how they are dealt with.	Customer Complaints Handling Mechanism	
	KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	Steadfast Commitment to Product Quality	
	KPI B6.4 Description of quality assurance process and recall procedures.	Steadfast Commitment to Product Quality	
	KPI B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	Steadfast Commitment to Product Quality	



Aspects	Descriptions	Sections in the report	Remarks
<b>B7: Anti-corruption</b>	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.	Ethical Business Practice	
	KPI 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.	Ethical Business Practice	
	KPI B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Ethical Business Practice	
<b>Community</b>			
<b>B8: Community Investment</b>	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.	Our Community	
	KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Spreading Charitable Messages	
	KPI B8.2 Resources contributed (e.g. money or time) to the focus area.		Not disclosed

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