



2018

SUSTAINABILITY REPORT

中闽百汇零售集团有限公司
ZHONGMIN BAIHUI RETAIL GROUP LTD.

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Statement from the Chair of Sustainability Committee

Welcome to our second Sustainability Report 2018.

Two major changes made in this Report are: firstly, in line with Global Reporting Initiative's (GRI), our Sustainability Report 2018 is published in accordance with the GRI Standard "Core" option. (Last year, it was on the G4 "Core" option). Secondly, we have rolled out the reporting of actual performance for most of our operating subsidiaries. (Last year, it was only for our flagship Wucun Store.)

This Report is for the period 1st January to 31st December 2018, in tandem with the Group financial year and our reporting cycle will be annually.

The policies and practice are implemented across the entire Group and actual performances are for most of the operating subsidiaries, except for our newest store in Changsha, Hunan which was operational on 20th December 2018. Their sustainability reporting will commence from 1st January 2019.

Material Environmental, Social and Governance (ESG) factors are highlighted through our proactive engagement with various stakeholders, to illustrate take our material factor - food safety. On all four food safety parameters, (i) product quality, (ii) product net weight, (iii) fresh vegetable and farm produces, and (iv) seafood, the passing rates were maintained at above 95%. Our suppliers are mindful of our stringent quality standards and practices and thus we have good working relationship to ensure the best quality for our customers and a reliable supply chain. Also, our customer satisfaction continues our customary high standard of over 95%. In part due to our emphasize on training and development of our front line and store management staff.

My deep appreciation for the dedication of my team members, our employees and board adviser, Dr Lee on this sustainability journey. As we expand and open new stores in the coming years, the need to inculcate the same keenness and attention with regards to sustainability is imperative, let join hands and with a shared responsibility, let's make it happen.

可持续发展委员会主席致辞。

很高兴呈现我司 2018 可持续发展报告

本次报告相比去年有两大变动：首先是，为了符合全球报告倡议组织（GRI）的有关规定，我们本次 2018 可持续发展报告是基于标准“核心”框架而制定（去年，我们的报告是基于 G4 “核心”制定）。其次是，本次报告基本涵盖了所有在营门店的实际表现情况。

报告中的政策与实施贯穿全集团，实际表现则来源于集团旗下所有在营门店，2018 年 12 月 20 日开业的湖南长沙门店除外。该新门店的情况将在 2019 可持续发展报告中体现。

在积极服务我们所有利益相关者的过程中，关键环保、社会性及治理（ESG）这三大因素始终是我们关注的焦点。为进一步阐述，以下让我以关键因素中的食品安全举例。在食品安全的四大指标中，即产品质量、产品净重、鲜疏及农产品、海鲜，我们的通过率都高达 95%以上。我们的供应商深知我们对产品质量的严格把关，与供应商的良好合作关系既为消费者带来了优质商品，同时也构建了一个良好的供应链。此外，我们的顾客满意度也继续保持着一贯的较高水平，同样达到 95%以上。取得以上成果，离不开我们对一线员工及门店管理层培训与成长的重视。

感谢团队成员、我们的职员、以及董事顾问李博士对此次报告所做出的努力。随着未来新门店的相继开业，我们要以更加积极与谨慎的态度对待可持续发展。让我们肩负责任，携手共进，共创佳绩！

Chen Kaitong (陈开通)
CEO and Chair of Sustainability Committee
(可持续发展委员会主席兼总裁)

Board of Directors

董事会

Lee Swee Keng

Executive Chairman

Mr Lee was appointed to the Board in September 2004. He is responsible for charting and steering the Group's business direction, as well as the overall management, strategic planning and business development for the Group. He possesses over 30 years of experience as an entrepreneur, establishing and managing businesses in industries ranging from food and beverage to construction machinery and equipment. As a key founder of the Group, Mr Lee partnered Mr Chen Kaitong in setting up and operating small-scale department stores in Anxi, Fujian, before they collaborated to establish Zhongmin Baihui and its group of stores. Mr Lee was conferred the Public Service Medal (Pingat Bakti Masyarakat or "PBM") in 2014.

Chen Kaitong

CEO and Executive Director

Mr Chen is a key founder of the Group and was appointed Director and CEO of the Company since December 2008. He is also a director in various companies of the Group. Mr Chen is instrumental to the Group's growth, operations and direction. He is responsible for strategic corporate planning, business development and overseeing the key day-to-day operations of the Group. Mr Chen has more than 30 years of experience in the retail industry in China. He was involved in the early stages in setting and running the first modern department store of the Group in Anxi. He received numerous awards for his contribution to the sector. In 2010, he was elected Chairman of the Quanzhou City Chain Store & Franchise Association. He was a member of the National People's Congress ("NPC") representing Quanzhou City from 2002 to 2016 and was elected in 2017 to serve as the Quanzhou City representative in the 16th NPC.

Mr Andrew Lim Kok-Kin

Executive Director

Mr Lim was appointed to the Board as a non-executive director in Jan 2012 and re-designated as an executive director in May 2015. Mr Lim is a CFA charterholder since 1993 and has over 18 years of working experience in the investment industry, which includes serving as Director at Azure Capital Pte Ltd, Chief Investment Officer at S.E.A. Asset Management Pte Ltd, Senior Fund Manager at Pheim Asset Management (Asia) Pte Ltd and Senior Portfolio Manager at MMG Investments (Dubai, U.A.E.). Mr Lim also taught at the School of Business, Singapore Polytechnic. Mr Lim graduated with a B Sc (Hons) (Industrial Engineering) degree from the University of Texas (El Paso) and an MBA from the University of Texas (Austin).

Su Jianli Deputy

CEO (Marketing and Operations) and Executive Director

Mr Su was appointed to the Board in December 2008. His responsibilities include assisting the CEO in performing the daily running of the Group, with emphasis on strategic corporate planning and development of Group operations, implementation of quality management policies and marketing and sales. Mr Su possesses more than 17 years of experience at the management level in the power and apparel industries.

Su Caiye
Non-Executive Director

Mr Su was appointed to the Board in December 2008 and is presently the General Manager and legal representative of Quanzhou Zhongmin Baihui, the parent company of our managed stores. Mr Su has more than 20 years of experience in the retail industry, beginning with apparel shop in 1992. He was involved in the establishment of Xiamen Zhongmin Baihui.

Dr Ong Seh Hong
Independent Director

Dr Ong was appointed to the Board as an independent director in December 2010. He is a practising senior consultant psychiatrist. From 2000 to 2009, Dr Ong was with the Ren Ci Hospital & Medicare Centre where he last held the posts of Clinical Director and Chief Operating Officer. From 1997 to 1999, he was HR Manager and VP (Corp Services), GIC Special Investment, Government of Singapore Investment Corporation Pte Ltd. He was a member of Parliament from 2001 to 2011. Dr Ong is currently an independent director of Dyna-Mac Holdings Ltd and Hock Lian Seng Holdings Ltd. Dr Ong holds an MBBS from the National University of Singapore (“NUS”) in 1987 and a degree in Master of Science in Applied Finance from NUS. Dr Ong was conferred PBM in 2001.

Mr Koh Lian Huat
Independent Director

Mr Koh was appointed to the Board as an independent director in December 2010. He was a sole-proprietor of Koh Lian Huat & Co, an accounting firm, for 17 years till 1999. He was a partner at Ng, Lee & Associates–DFK from 2000 to 2003. He established Huat Associates in 2004 and was a partner from 2007 to 2010. Mr Koh is a Justice of the Peace, was conferred PBM, BBM and BBM(L) in 1985, 1993 and 2007 respectively and serves as Patron of the Tampines East Citizens’ Consultative Committee. Mr Koh is an Independent Director of Hock Lian Seng Holdings Ltd. Mr Koh holds a degree in Bachelor of Commerce (Accountancy) from Nanyang University and is a fellow member of CPA Australia, the Institute of Singapore Chartered Accountants, the ACCA and the Chartered Management Institution (UK).

Ms Goh Poh Kee
Independent Director

Ms Goh was appointed to the Board as independent director in December 2018. She is a corporate service provider providing business & management consulting and corporate compliance services. Between 2012 to 2016, she was a director in KPMG Singapore’s Advisory unit and moved on to head the Finance and Administration functions of KPMG Singapore firm. Prior to that, Ms Goh was the CFO of SGX Catalist firm Equation Corp Limited from 2005 to 2009 and as a Special Assistant to CEO from 2009 to 2012. She has 30 years of finance, accounting and business management related working experiences with various corporations throughout her career. Ms Goh holds a Bachelor of Accountancy degree from NUS and she is a Fellow Chartered Accountant of Singapore (“FCA (Singapore)”).

Key Management
高级管理层

Ms Wang Liyu
Deputy CEO (Administration and Human Resources)

Ms Wang joined the Group in 2010 and is responsible for managing our Group's administration matters as well as in overseeing the full spectrum of human resource related matters including employee recruitment, training, relations and welfare. Prior to joining the Group, Ms Wang was an accountant at the Fujian Motor Industry Group Co., Ltd, and the financial controller of Quanzhou Zhongmin Baihui from 2000 to 2010. Ms Wang holds a Diploma in Finance and Accounting from Fujian Commercial College.

Mr Jeffrey Kan Kai Hi
Chief Financial Officer

Mr Kan joined the Group in July 2010 and is responsible for overseeing matters relating to accounting, financial administration and the compliance and reporting obligations of the Group. Prior to joining the Group, Mr Kan held key appointments, including financial controller of Asia Water Technology Ltd, chief financial officer of Econat Fiber Limited, regional financial controller of BreadTalk Group Limited and financial controller of Ghimli Group where he started as a controlling accountant. He was with several audit firms from 1998 and last held the title of audit senior at KPMG (Singapore). Mr Kan holds a degree in Bachelor of Commerce (Accounting) from Curtin University of Technology, Australia and is a fellow member of CPA Australia.

Corporate Profile

Zhongmin Baihui Retail Group Ltd (the “Group” or “ZMBH”) is principally engaged in the ownership, operation and management of department stores and supermarkets in the People’s Republic of China (the “PRC”) under the name “中闽百汇”. The first modern 中闽百汇 store was opened in Anxi County, Quanzhou City, Fujian Province in 1997. Since then, the Group has expanded its footprint in Fujian to 11 self-owned stores and three managed stores, spanning an aggregate gross floor area of 181,700 sqm (153,300 sqm self-owned store GFA; 28,400 sqm managed store GFA) as at 31 December 2018. The Group ventured into the outlet store operation and management business with the opening of its maiden outlet store, Changsha Sasseur (ZMBH) Outlets, in Changsha City, Hunan Province in December 2018.

The Group’s revenue comes from four sources, namely, direct sales, commissions from concessionaire sales, rental income and income from managed rental. Supermarket sales form the bulk of direct sales. Concessionaire commissions are derived from the tenants in the department store area paying a portion of their sales to the Group. Rental income comes mainly from the F&B outlets in our stores. Managed rental income comes from department store tenants paying fixed rental charges.

ZMBH was incorporated in Singapore on 17 September 2004, listed on the Catalist Board of the Singapore Exchange (“SGX”) on 20 January 2011 and subsequently transferred to the Mainboard on 3 September 2013.

The Group currently has two self-owned stores in Xiamen City, Fujian. The flagship 28,700 sqm Wucun Store, located in a busy commercial district near the Xiamen Railway Station, has the largest underground shopping mall in Xiamen. The Group has a strong presence in Quanzhou, with a total of ten stores (eight self-owned and two managed stores) occupying gross sales area of 111,900 sqm (94,600 sqm self-owned stores).

In addition, the Group has a managed store in Zhangzhou and a self-owned store in Putian. With nearly 20 years of strong retail reputation under the “中闽百汇” brand, the Group offers a pleasant shopping experience with a wide variety of quality merchandise, lifestyle products and customer-oriented services catering to the middle-income consumers. All the stores have sizeable modern supermarkets, offering fresh produce and an extensive range of products. By developing strong relationships with wellknown international and domestic brands, the Group constantly optimizes its product mix to bring more value to its consumers. The Group adheres to the principles of Unity, Dedication, Faithfulness and Service (团结、敬业、忠诚、服务) to our employees, customers and community. ZMBH aims to offer quality goods and services to its customers with a spirit of innovation. ZMBH was named as a top ten brand enterprise in Quanzhou in the year 2015 as a testament to the high quality of service and customer satisfaction that the Group provided.

In line with rising consumption levels and increased tourist arrivals to Fujian, the Group will continue its expansion plan through the opening of new stores, joint ventures, and strategic alliances. The Group will continue to seek suitable sites both within and beyond Fujian to set up new department stores and supermarkets, and build up the network and brand equity of Zhongmin Baihui, with the goal of establishing itself as the leading department store chain in Fujian and beyond.

公司简介:

中闽百汇零售集团是一家投资、经营与管理百货商场及超市为一体的大型零售集团，经营范围位于中华人民共和国境内。自 1997 年于福建省泉州市安溪县开设第一家“中闽百汇”商场起，集团不断扩大其在中国的业务，目前已有十一家自营商场和三家管理商场，截至到 2018 年 12 月 31 日，总经营面积达到 181,700 平方米（其中自营商场为 153,300 平方米，管理商场为 28,400 平方米）。2018 年 12 月，集团于湖南省长沙市开设并经营首家奥特莱斯——长沙砂之船（中闽百汇）奥莱。

集团的收入主要来自于“自营”、“联营”、“租赁”和“承包”。超市营业额构成了主要自营收入。联营收入来自于百货区域内上交集团的部分营业额，租赁收入则主要来自于商场内的餐饮商铺，而百货商铺的固定租金则构成了集团的承包收入。

中闽百汇零售集团于 2004 年 9 月 17 日在新加坡注册成立，并于 2011 年 1 月 20 日在新加坡挂牌上市，随后于 2013 年 9 月 3 日从凯利板块升级至主板。

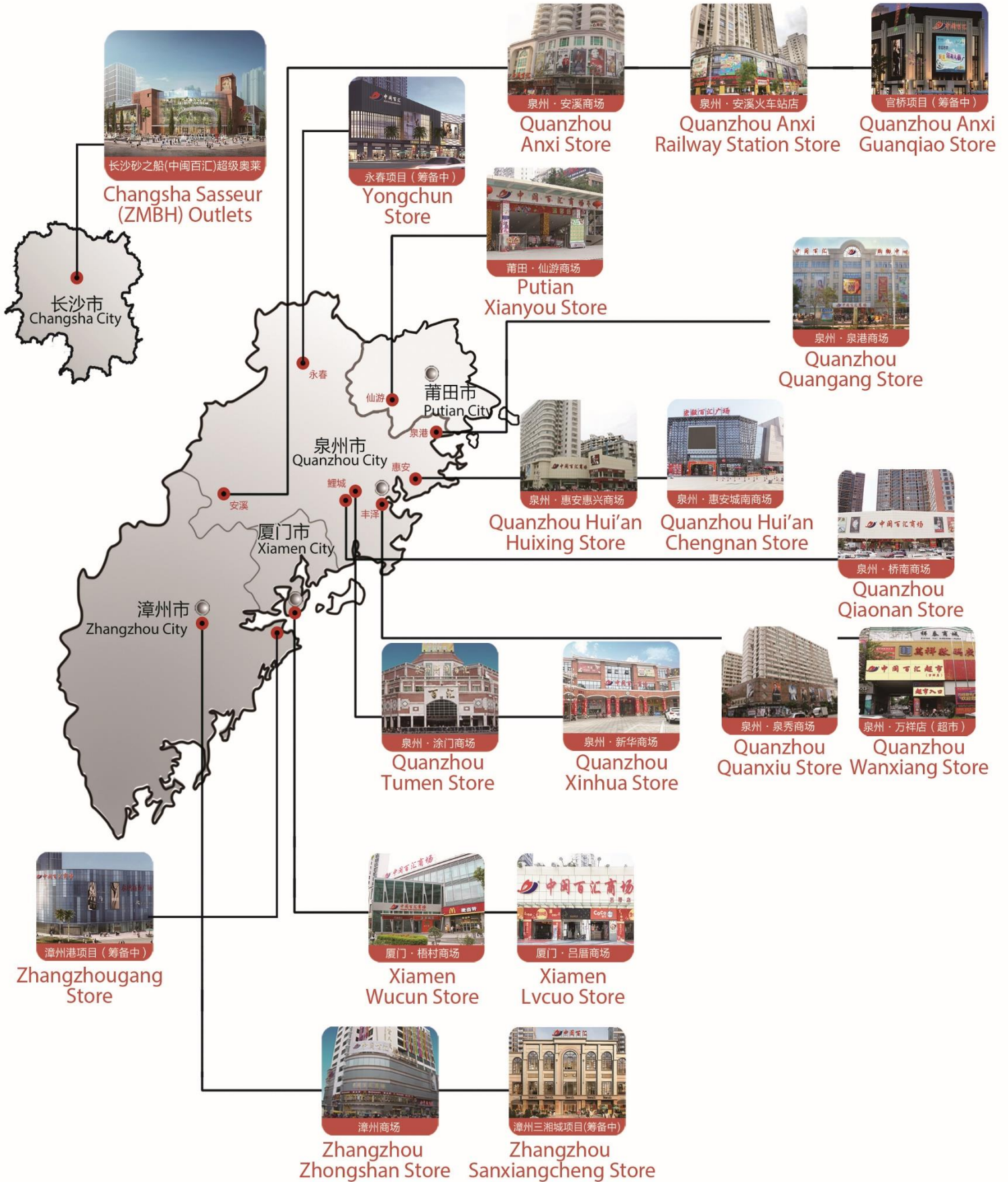
集团目前在福建省厦门市拥有两家自营商场。梧村店作为集团旗舰店，经营面积达 28,700 平方米，坐落在繁华的厦禾路上，紧邻厦门火车站，是目前为止厦门最大的地下购物中心。集团还在泉州市拥有十家商场（八家自营店，二家管理店），总经营面积为 111,900 平方米（自营店为 94,600 平方米）。此外，集团还有一家在莆田市仙游县的自营店和一家在漳州市的管理店。

集团经营“中闽百汇”品牌将近 20 年，期间不断为中等收入顾客提供多元化的优质商品、生活用品，为顾客带来了舒适的购物体验。集团所有门店均配备有规模可观的现代化超市，提供新鲜的农产品以及多种多样的商品。通过与国内外知名品牌商的合作，不断优化产品结构，旨在为顾客带来更多产品价值。集团本着“团结、敬业、忠诚、服务”的原则，善待员工、服务顾客、回报社会。中闽百汇旨在以创新的精神为顾客提供优质的商品及服务。集团于 2016 年被评为“2015 年度十佳市民最喜爱的品牌企业”，顾客的高满意度是对我们优质服务的肯定。

随着消费水平的不断提高，以及到访福建省内的国内外游客日益的增加，中闽百汇计划通过开设新商场、合资及策略联盟等方式，继续在省内外寻找合适的场所开设购物中心及中小型民生超市，并致力于品牌的拓建，打造“中闽百汇”知名品牌，努力实现其成为福建省内乃至全国范围内连锁百货领先者的愿景。

/ Location of Stores

商场位置分布图



Up and Coming Stores

筹备店

中闽百汇漳州港项目

面积：15,200 平方米 地理环境：位于南厦门中央核心位置——漳州港行政科教商住区中心，是漳州港的行政、文化、商业中心。

Store in CMZD, Zhangzhou City Gross floor area: 15,200 sqm

Description: The store is located in a new economic zone called the China Merchants Economic and Technological Development Zone (“CMZD”), one of the state development zones, to serve as the administrative, cultural and commercial centre of Zhangzhou Port

中闽百汇永春项目

面积：23,200 平方米 地理环境：位于永春县主城区，是县城主要的生活居住区，人口密集，也是政府主要机构、文化、体育、科技等服务设施的集中区。

Store in Yongchun County, Qunazhou City Gross floor area: 23,200 sqm

Description: Located in the main town area of Yongchun County, the store serves a densely populated area. The area also serves key local government organisations and other cultural, sports and technology entities.

中闽百汇金峰项目

面积：1,400 平方米 地理环境：位于漳州城西，是一个繁华的住宅区，以生鲜和超市业态为主。

Store in Xiangcheng District, Zhangzhou City Gross floor area: 1,400 sqm

Description: Located in a good residential district in Zhangzhou City, this store will focus on retailing fresh produce and supermarket products.

中闽百汇马銮湾项目

面积：1,400 平方米 地理环境：位于人口密集的厦门市海沧区马銮湾生活广场。

Store in Haicang District, Xiamen City Gross floor area: 1,400 sqm

Description: The store is located in Maluanwan Square, which is in a densely populated part of Haicang District, Xiamen City.

中闽百汇官桥项目

面积：6,400 平方米 地理环境：位于人口密集的 官桥镇中心。

Store in Guanqiao, Anxi County Gross floor area: 6,400 sqm

Description: The store is located in the densely populated town of Guanqiao Town, Anxi County.

中闽百汇仑苍项目

面积：4,000 平方米 地理环境：位于人口密集的泉州市南安市仑苍镇联盟商业广场。

Store in Luncang, Nan'an, Quanzhou City Gross floor area: 4,000 sqm

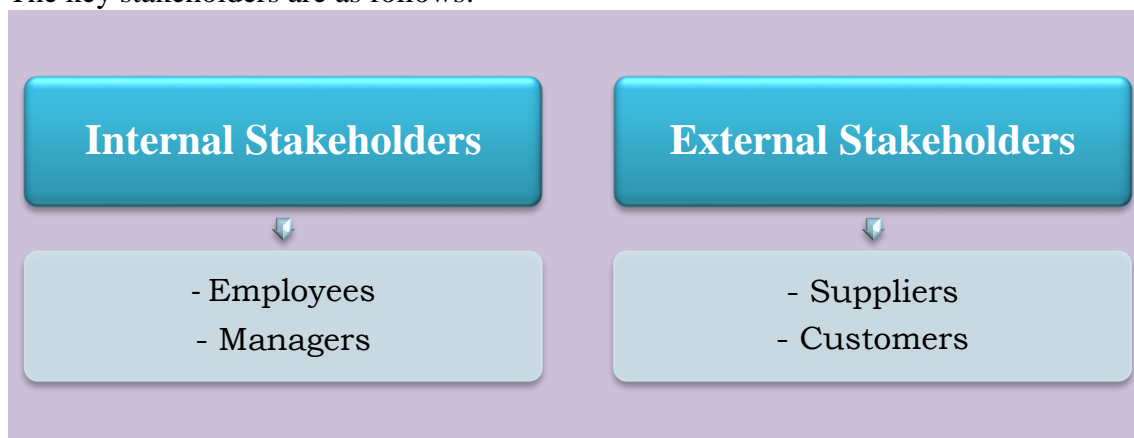
Description: The 2-storey store is located in Lian Meng Commercial Plaza in the town of Luncang in Nan'an County, Quanzhou City.

Stakeholders' Engagement and Materiality Assessment

In preparation for our inaugural sustainability reporting, 2017 we had a kick-off meeting with all our internal stakeholders, to engage, educate, identify a list of ESG factors and implement sustainability through the Group. Our Board Advisor, Dr CG Lee led this initiative.

Last year, it was just our flagship Wucun Store, this year as per Board meeting decision, we have rolled out to most of our operating subsidiaries, except our Changsha Store which open its door in late December 2018.

The key stakeholders are as follows:



The results of our stakeholders' engagement were collated and presented to the Board for the selection of the Group's material factors. The board approval the following ESG factors (Topics) as materials and to be featured in all subsequent sustainability reports until so updated:

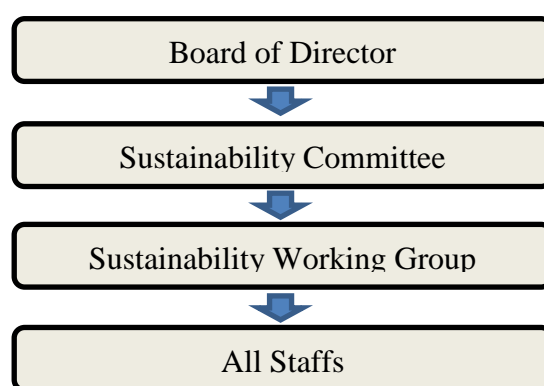
No	Material Topics	Aspect Boundary
1	Food Safety	Group Operating Subsidiaries
2	Energy Consumption (Electricity)	Group Operating Subsidiaries
3	Staffs Training and Development	Group Operating Subsidiaries
4	Customers Satisfaction	Group Operating Subsidiaries
5	E-Commerce	Group Operating Subsidiaries

Governance of Sustainability at ZMBH

AS per last year, our CEO, Mr Chen Kaitong chaired the Sustainability Committee and supported by a dedicated team consisting of Ms Wang Liyu, Deputy CEO, Mr Andrew Lim Kok-Kin, Executive Director, Mr Jeffrey Kan Kai Hi, CFO and Ms Ding Xiuli, Vice President.

The Sustainability Committee is supported by a Sustainability Working Group to implement strategies, monitor and measure performance. This Working Group includes representatives from Human Resources, Marketing, Quality Control, Store Management and the respective Head of operating subsidiaries. The CEO reports sustainability progress, issue and stakeholder feedback to the Board.

Sustainability Governance Structure



In line with Global Reporting Initiative (GRI) we have transit from G4 to the Standards framework. Hence, this report has been prepared in accordance with the GRI Standards: Core option.

Our material ESG factors and as approved by the Board of Directors remains the same and are:

- 1) Food Safety
- 2) Customer Satisfaction
- 3) Energy Consumption within the organisation
- 4) Staffs Training and Development
- 5) E-commerce (Disruptive Technologies)

Material ESG factors are defined as those that:

- a) Reflect the reporting organisation's significant ESG impacts; or
- b) Substantively influence the assessments and decisions of stakeholders.

The Sustainability Committee reviews the option of external assurance for its sustainability report. GRI does not require external assurance and this year we have decided not to get such assurance.

For any queries regarding our sustainability reporting, please contact us at enquiry@zhongminbaihui.com.sg or 80 Marine Parade Road, #13-07 Parkway Parade, Singapore 449269

Management Approach

Material ESG Topic

Food Safety

GRI Topic Specific Disclosure

Customer Health & Safety

(416-1)

Boundaries

Group Operating Subsidiaries excluding the newest Changsha Store

The Group policies and practice of safeguarding food safety are encapsulated in our operational manuals “Goods Acceptance Management Procedures” & “Goods Inspection Procedures” which includes

- 1) Pre-qualification of suppliers before commencement of any commercial transactions.
- 2) 100% inspection of incoming goods
- 3) For perishable like fruits, vegetable, meats, eggs and marine produces, daily testing for freshness and expiration. Test includes detection for pesticide residues in fruits and vegetables and formaldehyde in aquatic produces.
- 4) Weekly spot checks are conducted for net content of merchandise.
- 5) Monthly audit of in-store goods
- 6) Stringent protocols in handling goods that regularly failed inspections or customers complaints, including placing them on the Blacklist.

Like customers, our suppliers are well aware of our long track record of stringency and commitment to safety hence, only reliable and committed suppliers remain.

Material ESG Topic

Energy Consumption

GRI Topic Specific Disclosure

Energy consumption within the organization

(302-1)

Boundaries

Group Operating Subsidiaries excluding the newest Changsha Store

Energy consumption is a major operating expense for the Group.

Reduction in energy consumption is an important means to improve our operational efficiency, reduced operating cost and contribute to reducing our carbon footprint.

Some of the measures we have taken are;

Better management of energy-consuming equipment and reduce unnecessary energy consumption.

Paying more attention to equipment inspection and maintenance, reduce the extra loss.

1. Regularly carry out equipment and accessories maintenance, maintenance, replacement, to ensure the normal operation of equipment, to avoid electrical losses caused by equipment failure.
2. In the elevator and other power equipment, increase equipment lubrication management, arrangements for the timely inspection of equipment operation and lubrication, timely management of maintenance, reduce additional electricity consumption.
3. Central air-conditioning cooling tower to increase drainage valves, cleaning frequency increase, strengthening, maintenance and repair, so as to save water.

Material ESG Topic

Staffs Training and Development

GRI Topic Specific Disclosure

Staffs Training and Development

(404-2)

Boundaries

Group Operating Subsidiaries excluding the newest Changsha Store

Retail industry is highly competitive with lots of direct customer interaction.

Our staffs need to be well-trained to serve our discerning customers, to maintain the high level of customers' satisfaction and over time acquire new skills and product knowledge.

The Group has a training academy, staffed by full-time and part-time trainers, to carry out orientation of new hire before commencement of work and subsequent periodic training.

Through such training, staffs can better understand the Group's corporate culture, management system, post operation norms and skill development for employees.

Our training categories

1. New recruits are required to attend pre-job training for 1.5 days (9 hours).

The main contents of the training are as follows: "< Employee manual > Guide" "Business Etiquette", "the relevant laws and regulations knowledge", "the correct handling of customer action", and so on. Each new hire will need to pass an assessment before being deployed to work under a supervisor.

2. Existing staff are required to attend at least 6 training class annually. Main topics are enterprise culture, shopping guide skills, commodity knowledge and service consciousness.

3. The training of management staff is mainly in the form of workshop, generally between one and two-day duration. Some of the training courses are: Corporate Culture, Management Knowledge and Case Reviews.

There is no formal collective bargaining agreement with employees but we proactively engage with the respective labour unions in employment contracts and negotiations.

Material ESG Topic
Customer Satisfaction

GRI Topic Specific Disclosure
Results of Surveys measuring Customer Satisfaction (102-44,45)

Boundaries
Group Operating Subsidiaries excluding the newest Changsha Store

Our management approach is as follows;

1) Quarterly

Only a quarterly basis, a “universal” questionnaire survey is conducted. Depending on the issues raised, a more targeted survey will be conducted, some of the issues raised are cashier skills, children's section, men's clothing. Other tools include targeted investigation, analysis of the needs of major customer groups through the feedback form and the formation of written documents.

2) Daily basis

On-site processing of customer complaints, attending to customers complaints about our merchandise, our services, our rules regarding return goods, products or service that customers would like to have but are not available in our stores.

All these will be feedback and discussed with the relevant departments for improvement and monitor for subsequent outcomes.

ESG Topic
E-commerce (Disruptive Technologies)

Non-GRI

Boundaries
Within Group and Retail Industry

Internet and E-commerce

The internet has changed our way of life, providing us with convenience but not sensory and emotional satisfaction. Of the five senses of visual, auditory, smell, taste and touch, customers experience only the visual, vastly limiting their shopping experiences.

Nielsen retail sales data has shown a rapid growth of online sales however in recent years it seems to be plateauing. Online sale is not broad-base but seems to be restricted to certain categories like baby diapers and the online sales of impulsive consumer goods such as beverages are negligible.

Topic Specific Disclosure

Material ESG Topic
Food Safety

GRI Topic Specific Disclosure
Customer Health & Safety

(416-1)

Boundaries

Group Operating Subsidiaries excluding the newest Changsha Store

Food Safety 2018, 食品安全:

Inspected Item 抽查项目	Quarterly (季度)	Number of Items inspected (抽查数量 (件次))	Number of items passed inspection (合格数量 (件次))	Passing Rate (合格率)
Product Quality 商品质量	1st and 2nd (第一、二)	2,366,917	2,365,948	99.96%
	3rd (第三)	1,487,492	1,476,601	99.27%
	4th (第四)	1,806,066	1,805,296	99.96%
	Year sub-total (年度小计)	5,660,475	5,647,845	99.78%
Product Net Weight (商品净含量)	1st and 2nd (第一、二)	64,010	63,256	98.82%
	3rd (第三)	31,380	31,170	99.33%
	4th (第四)	34,477	34,196	99.18%
	Year sub-total (年度小计)	129,867	128,622	99.04%
Fresh Vegetable and farm produces Inspection (果蔬农药检测)	1st and 2nd (第一、二)	29503	29503	100%
	3rd (第三)	15843	15843	100.00%
	4th (第四)	16148	16147	99.99%
	Year sub-total (年度小计)	61494	61493	99.99%

Seafood Inspection (水产检测)	1st and 2nd (第一、二)	29503	29503	100%%
	3rd (第三)	15843	15843	100.00%
	4th (第四)	16148	1614700.00%	99.99%
	Year sub- total (年 度小计)	26816	26815	99.99%

Material ESG Topic
Energy Consumption

GRI Topic Specific Disclosure

Energy consumption within the organization

(302-1)

Boundaries

Group Operating Subsidiaries excluding the newest Changsha Store

Energy Consumption (节能降耗) :			
项目	In KWH (度)	KWH per M2 floor space (每m ² 用电量)	Useable floor area, excluding rented out floor space. (使用面积 (年度数据按季度平均值计算; 已扣除出租部分的面积, 单位m ²)
Total Consumption, including lighting and air- conditioning 照明设备、空调 用电	31,212,298.56	65.55	119,046.29
Q1 & Q2 (第一、二季度)	14,781,674.46	60.58	121,994.39

Q3 (第三季度)	9,954,987.54	81.8	121,705.59
Q4 (第四季度)	6,475,636.56	57.085	113,438.88

Material ESG Topic
Staffs Training and Development

GRI Topic Specific Disclosure
Staffs Training and Development (404-1, 2)

Boundaries
Group Operating Subsidiaries excluding the newest Changsha Store

Employees Training and Development 2018 (员工培训):						
Training Category (培训类别)	Training Subject (培训主题)	Training Hours (培训课时)	Employment Category (培训对象)		Headcount (培训人数)	
			Supervisory and Above (管理人员)	Front Line (一线员工)	Men (男)	Women (女)
Pre-Deployment Training (岗前培训)	Employees' Handbook 《员工手册》 Corporate Culture (中闽百汇的企业文化)、Customer Service Etiquette (商务礼仪)	1306	108	1838	240	1706
	Sub-Total (小计)	1306	108	1838	240	1706
Training & Development (岗中培训)	Secret Language of Shoppers 《导购密语》	150	524	3499	426	3597
	Who are you working for? 《你在为谁工作》	13	72	113	35	150
	Fashion Display 《时尚陈列》	26	28	330	16	342
	Specialised Training for Warehouse staffs 《为你打 Call——	26	33	131	9	155

	仓收员工岗位专项课程》					
	Specialised Training for jewellery staff 《为你打 Call——珠宝品类员工岗位专项课程》	18	44	114	7	151
	Enhancing Customers' Service Standard (提高服务水平)	52	225	518	93	650
	Internal Audit Training 学习内部资料	52	249	0	100	149
	Supervisory Training 管理人员培训；	27	361	0	182	179
	小计	364	1536	4705	868	5373
Advance learning Class 研讨班	Corporate culture 企业文化、team work 团队建设 team building 《做好团队建设》；	44	175	96	58	213
	Enhancing sales 关于提升销售业绩的探讨	11	84	124	28	180
	Self-development (提升自我)	6.5	42	77	19	100
	Upgrading service standard on product quality, storage, etc. (提升服务 (《服务提升》)	4	37	16	3	50
	Improving publicity and marketing (提升宣传效果)	4	13	70	7	76

	Minimising product wastage and spoilage 《如何减少商品损耗》	1	5	21	3	23
	Sub-total (小计)	70.5	356	404	118	642
Others 其他专项培训	Vocational competency competitions (岗位技能竞赛)	41	74	740	57	757
	Vocational learning session (培训学习会)	40	219	1495	172	1542
	Product knowledge competition (商品知识竞赛)	13	0	162	11	151
	Train the trainer - pre-deployment training (岗前授课人员培训 (《岗前授课人员进阶培训》))	54	75	0	19	56
	Morning friendly competition (早会PK赛 (《门店管理人员早会PK赛》))	11	51	16	23	44
	Military drills training (军训)	4	28	1187	43	1172
	Drills on fire safety, evacuations and security (提升消防、安保工作相关培训活动)	31.5	88	1614	155	1547
	Sub-total (小计)	194.5	535	5214	480	5269
	Total (总计):	1935	2535	12161	1706	12990

In 2018, a total of 1,935 training hours, 14,696 personnel trained, of which supervisory staff and above is 2,535, front line service staff is 12,161, with 1,706 males and 12,990 females. 2018 年度共计培训 1935 课时，培训 14696 人次，其中管理人员 2535 人，一线员工 12161；男性员工 1706 人，女性员工 12990 人。

Material ESG Topic
Customer Satisfaction

GRI Topic Specific Disclosure
Results of Surveys measuring Customer Satisfaction

(102-43, 44)

Boundaries

Group Operating Subsidiaries excluding the newest Changsha Store

Customers Satisfaction (顾客满意):					
Items 抽查项目	Quarter (季度)	Number of Surveys (调 查份数)	Survey Received (实际 回收份数)	Satisfied (满意人 数)	Satisfactory Rate 满意率
Customers Satisfaction Survey (顾客满 意度调查)	其中：第 一、二季 度	5125	4807	4732	98.44%
	其中：第 三季度	2052	1954	1936	99.08%
	其中：第 四季度	2513	2285	2260	98.91%
	1st and 2nd (第 一、二)	9690	9046	8928	98.70%
Customers Feedback (顾客 意见征询卡)	3rd (第三)	618	530	492	92.83%
	4th (第四)	397	331	327	98.79%
	Year sub- total (年 度小计)	151	102	96	94.12%
	年度小计	1166	963	915	95.02%
	Quarter (季度)	Unsatisfactory Customers number (不满意 人数 (人/次))			/
Unsatisfactory Service (不规范 服务)	1st and 2nd (第 一、二)	<u>229</u> Number of Employees (人员 (人/ 次))			/

	3rd (第三)	<u>148</u> Number of Employees 人员/ (人次)	/
	4th (第四)	<u>156</u> Number of Employees 人员/ (人次)	/
	Year sub-total (年度小计)	<u>533</u> Number of Employees 人员/ (人次)	/

ESG Topic
E-commerce (Disruptive Technologies)

Non-GRI

Boundaries
Within Group and Retail Industry

In the last few years, the Group has been actively monitoring e-commerce, studying the various business models of other industry players, their successes and failure. E-commerce could be an extension since we have most of the merchandises sold online. Our criteria to investing into e-commerce are if it would improve customer service/satisfaction and enhance our competitiveness.

1) Mobile phone Apps platform

Currently, mobile phone Apps like “Wechat” is a popular tool for businesses and social media, capable of text, pictures, voice and video interactions.

In 2017 year, we opened a Wechat enterprise group service number and as end of last year when have 700,000 followers (fans), with up to 800+ millions reading per month.

This kind of promotion way is more direct, focus and in a more flexible way of marketing. It is also more interactive strengthening communication with consumers, understanding the needs of customers, cultivate fans and customers, enhance our service and improve customer satisfaction.

2) Cashless Payments

In recent years, cashless payment has become an important way for customers to pay for purchases, thereby increasing convenience to customers. In our checkout counters, manned or self-service, we are equipped to such accept multi-channel payments, like Alipay, bank cards, etc.

3) Unmanned Conveniences stores

In the last few years, unmanned convenience stores embedded with technology such as RFID tags, mobile payment systems, facial and movement recognition has strung up in major cities like Beijing, Shanghai and Hangzhou.

It is an interesting concept for our business development, which we are actively monitoring.

Achievements and Recognition

2018 年荣誉汇总				
序号	颁发时间	荣誉名称	颁发单位	存放地点
	Issue Month	Name of Awards	Issuing Authority	Store Awarded
1	三月	2017 年度思明区总部企业	厦门市思明区人民政府	梧村店
	March	Excellent Headquarter Enterprise 2017, Siming District	Xiamen Siming District People's Government	Wucun Store
2	三月	年度超 2000 万元纳税特 大户	厦门市思明区人民政府	梧村店
	March	Award for Being Large Taxpayers Over 20 Million RMB	Xiamen Siming District People's Government	Wucun Store
3	四月	思明区 2016-2017 年度安 全生产先进单位	厦门市思明区人民政府	梧村店
	April	Advanced Enterprise of Safety Operation, 2016 to 2017, Siming District	Xiamen Siming District People's Government	Wucun Store
4	七月	《福建省企业年鉴》倡导 单位	《福建企业年鉴》编委 会	梧村店
	July	Outstanding Enterprise of "Fujian Province Enterprises Yearbook"	Fujian Business Enterprise Yearbook	Wucun Store
5	七月	我最喜爱的妈妈小屋	福建省卫生和计划生育 委员会、福建省总工会	梧村店
	July	My Favourite Mum's House	Fujian Province Child Birth Planning Committee and Fujian Province Trade Union	Wucun Store
6	八月	2017 年全国商业质量品 牌示范单位	中国商业联合会	梧村店
	August	2017 National Model Enterprise for Quality	China Commerce Association	Wucun Store
7	11 月	“五好” 达标关工委	思明区关心下一代工作 委员会	梧村店

	November	Enterprise with "Five Excellence" in Workplace	Siming District Working Administration Committee	Wucun Store
8	十月	厦门市第十五届文明单位	中共厦门市委、厦门市人民政府	梧村店
	October	15th Xiamen City Civil Enterprise Award	Xiamen City Government	Wucun Store
9	2018	2018 年度安全商场	梧村街道综治办、梧村派出所	梧村店
	2018	Safe Mall of 2018	Wucun District Police	Wucun Store
10	六月	非公党建示范点	厦门市湖里区市场监督管理局、厦门市湖里区私营企业协会	吕厝店
	June	Model Mall for Non State-owned Enterprise	Xiamen City Public Security Bureau	Lvcuo Store
11	四月	2017 年度税收 469 万元 纳税大户	中共泉州市丰泽区委、泉州市丰泽区人民政府	泉秀店
	April	Large Taxpayers Award	Quanzhou Fengzhi District Government	Quanxiu Store
12	四月	2018 年度重点企业	中共泉州市丰泽区委、泉州市丰泽区人民政府	泉秀店
	April	Outstanding Enterprise of 2018	Quanzhou Fengzhi District Government	Quanxiu Store
13		2018 年度重点企业	中共泉州市鲤城区委 泉州市鲤城区人民政府	涂门店
	March	Outstanding Enterprise of 2018	Quanzhou Licheng Peoples' Government	Tumen Store
14	十月	放心粮油经销店	泉州市粮食行业协会	涂门店
	October	Trustworthy Retailer of Farm Produce	Quanzhou City Cereal and Food Industry Association	Tumen Store
15	十月	2018 泉州服务企业百强	泉州市企业与企业家联合会	涂门店
	October	2018 Quanzhou City Top 100 Excellent Enterprises	Quanzhou Business Association	Tumen Store

16	11月	2018年度重点单位微型消防站业务技能比武竞赛中团体总分第三名	泉州市鲤城区公安消防大队	涂门店
	November	2018 2nd Runner-up Fire Control Contest	Quanzhou District Fire Safety Authority	Tumen Store
17	12月	爱心捐款 情系下一代 (奖杯)	泉州市关心下一代工作委员会	涂门店
	December	Donation For Charitable Organisations	Quanzhou Workers' Committee	Tumen Store
18	11月	2018年度重点单位微型消防站业务技能比武竞赛中团体总分第三名	泉州市鲤城区公安消防大队	涂门店
	November	2nd Runner-up, 2018 Fire Safety Contest	Quanzhou Licheng District Fire Safety Authority	Tumen Store
19	三月	2017年度税收超2000万纳税大户	中共泉州市鲤城区委员会/泉州市鲤城区人民政府	涂门店
	March	Award For Major Taxpayers Of Over RMB20 million	Quanzhou Licheng District Tax Bureau	Tumen Store
20	一月	全国流动人口健康促进示范企业	国家卫生计生委办公厅	新华店
	January	National Employee Health Enterprise Award	National Health and Birth Planning Bureau	Xinhua Store
21	五月	工人先锋号	泉州市总工会	新华店
	May	Pioneer Labour Award	Quanzhou City Trade Union	Xinhua Store
22	三月	2017年度安全生产工作‘平安企业’	中共泉港区委山腰街道工作委员会、泉港区山腰街道办事处	泉港店
	March	Workplace Safety Award 2017	Quangang District Public Safety Bureau	Quangang Store
24	九月	爱国拥军强我国防	泉港区人民政府征兵办公室	Quangang Store
	September	Conscription Award	Quangang District Peoples Government, PLA Bureau	Quangang Store

25	11月	安管部 2017 年度泉州市 “安康杯”竞赛优胜班组	泉州市总工会、泉州市 安全生产监督管理局	泉港店
	November	Group Winner, Quanzhou Health Inter-department competition, 2017	Quanzhou Health and Birth Administrative Bureau	Quangang Store
26	11月	现场部超市柜为“工人先 锋号”	泉州市总工会	泉港店
	November	Pioneer Labour	Quanzhou City Trade Union	Quangang Store
27	六月	惠安分公司工会委员会 “惠安县先进职工之家称 号”	惠安县总工会	城南店
	June	Hui'an County Advanced Workers' Home Award	Hui'an County Trade Union	Chengnan Store

Memberships of Associations

厦门市思明区工商业联合会

Federation of Industry & Commerce, Siming District, Xiamen City

中国连锁经营协会

China Chainstore & Franchise Association (CCFA)

泉州市企业与企业家联合会

Federation of Quanzhou Enterprises and Entrepreneurs

福建省商贸业联合会

Fujian Federation of Commerce and Trade

中国新加坡商会福建分会秘书处

Fujian Chapter Secretariat of the Singapore Chamber of Commerce and Industry in China

中国商业企业管理协会

Association of China Commercial Enterprise Management

福建省企业与企业家联合会

Federation of Fujian Enterprises and Entrepreneurs

泉州市侨商联合会

Federation of Quanzhou Overseas Chinese businessmen

福建省商标协会

Trademark Association of Fujian Province

福建省个体私营企业协会

Association of Fujian Individual and Private Enterprises

福建省批发零售行业协会

Association of Fujian Wholesale and Retail Trade

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中闽百汇零售集团有限公司
ZHONGMIN BAIHUI RETAIL GROUP LTD.

(Co.Registration No.:200411929C)

80 Marine Parade Road #13-07 Parkway Parade Singapore 449269