



IMAX China Holding, INC.

Incorporated in the Cayman Islands with limited liability

Stock code: **1970**



2020 Environmental, Social and Governance Report

CONTENTS

PREFACE	2
PRODUCT RESPONSIBILITIES	7
WORKPLACE	12
SUPPLY CHAIN MANAGEMENT	19
COMMUNITY INVESTMENT	20
GREEN OPERATION	23
FILMS TO THE FULLEST	



Preface

About the Report

IMAX CHINA HOLDING, INC. (hereinafter referred to as “IMAX China”, “the Group” or “We”, Stock code: 1970) hereby issues the Group’s 2020 Environmental, Social and Governance Report (hereinafter referred to as “ESG report”) for the purposes of assisting all its stakeholders in understanding its concept and practices of sustainable development. This ESG report describes the Group’s policies and activities in 2020 that were designed to fulfil the Group’s obligations with respect to sustainable development and social responsibilities areas, as required by the “Environmental, Social and Governance Reporting Guide” (“ESG Guide”) in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

This ESG report includes IMAX China and all of its subsidiaries covering the period from January 1 to December 31, 2020. There are no significant changes in the scope of this ESG report from that of the 2019 ESG report published in March 2020. This ESG report is prepared in accordance with the reporting principles of ESG Guide that include:

- **Materiality:** The Group identifies key ESG issues through stakeholder engagement and materiality assessment;
- **Quantitative:** The ESG report discloses the environmental and social key performance indicators in quantitative terms;
- **Balance:** The ESG report provides an unbiased picture of the Group’s performance on ESG management following the principle of balance;
- **Consistency:** Methodologies used in the ESG report are consistent with those used in the prior years in terms of data statistics and calculation to ensure the comparability of information.

This ESG report has complied with all the “comply or explain” provisions set out in the ESG Guide and has included explanations for provisions which are not applicable to the Group.

This ESG report is available in electronic copies which can be viewed on the Group’s official website at <http://www.imax.cn>.

ESG Strategy

As a leading entertainment technology group, IMAX China is engaged in creating an immersive theatre viewing experience, so as to drive the breakthrough and development of film technologies. As we are well aware of the importance of improving our environmental and social footprint for the sustainable operation of the Group, we formulated *IMAX China ESG Policy*. The ESG related risks and opportunities have been incorporated in the business strategy of the Group to direct the Group’s daily operation.

We have established a three-tier structure to govern the ESG work. The ESG governance structure is comprised of the Board of Directors, senior management and ESG working group consisting of major departments of the Group, with their respective functions clearly defined, to achieve top-down ESG supervision and ensure the effectiveness of the Group's ESG work.

The Board of Directors assumes full responsibility for the Group's ESG strategy and reporting. The Board of Directors is responsible for formulating ESG management strategies, priorities and objectives; reviewing and approving the ESG risks and opportunities evaluated by senior management, as well as ESG management policies; ensuring appropriate and effective ESG risk management and internal control systems to fit the actual business situation; reviewing the Group's ESG performance against objectives; and approving the disclosures in the ESG report. The ESG work in 2019 was reviewed and the ESG report for the year was approved in the board meeting held in February 2020.

The senior management is responsible for evaluating and identifying the ESG risks, formulating ESG management policies of the Group, ensuring the effectiveness of the ESG risk management and internal control system of the Group, and reporting these to the Board of Directors.

The ESG working group is responsible for implementing ESG management policies approved by senior management, carrying out the ESG management and reporting work, and presenting the working progress of ESG management and reporting to senior management. During the reporting period, the senior management had a special meeting with the ESG working group to share the latest ESG compliance requirements and discuss the Group's ESG management plan and progress.

Communication with Stakeholders

Adhering to the concept of sustainable development, IMAX China values communication with stakeholders, including governments and regulators, shareholders and investors, employees, partners, fans and consumers, suppliers, society and communities, and industry associations. The Group has established multiple effective communication channels to understand stakeholders' expectations and concerns in relation to the Group's ESG issues. These channels provide important references for formulating and implementing ESG strategies, and for determining the materiality of ESG issues.

Stakeholders	Expectations and concerns	Communication channels	Communication frequency
Governments and regulators	Compliance with laws and regulations; Paying taxes.	Compliance management; Voluntary taxation; Complying with national policies.	Multiple times per year
Shareholders and investors	Return on investment; Corporate governance; Information disclosure; Epidemic response.	Announcements and circulars; Annual and interim financial reports; Shareholders' meetings	Multiple times per year

		roadshow; Investor meetings.	
Employees	Protection of employees' rights; Career development channel; Healthy and safe working environment; Epidemic prevention and control.	Employee satisfaction survey; Regular meetings and trainings; Employee care; Intranet website; Enterprise WeChat.	Multiple times per month
Partners	High-quality products and services; Product innovation, research and development; Protection of customers' rights and interests.	Face-to-face meetings and site visit; Technical training; Marketing communications; Service hotline; Complaint mailbox.	Multiple times per week
Fans and consumers	High-quality content; Immersive movie-watching experience; Responsible content; Satisfaction of customers' diversified needs; Customer's right and privacy protection.	Face to face interviews; Media activities; Customer satisfaction surveys; Consumer complaint mailbox; Interactive platforms such as WeChat and Weibo.	Multiple times per week
Suppliers	Fair and impartial procurement; Win-win cooperation.	Business visits; Regular meetings; Supplier questionnaire survey.	Multiple times per month
Society and communities	Community engagement; Business compliance; Environmental awareness.	IMAX China's official website; Activities for public good; Social science and education publicity; Employees' participation in volunteer activities.	Multiple times per year
Industrial association	Responsible content; Positive social influence; Work resumption.	Face-to-face communication; Industry forum.	Multiple times per year

Materiality Assessment

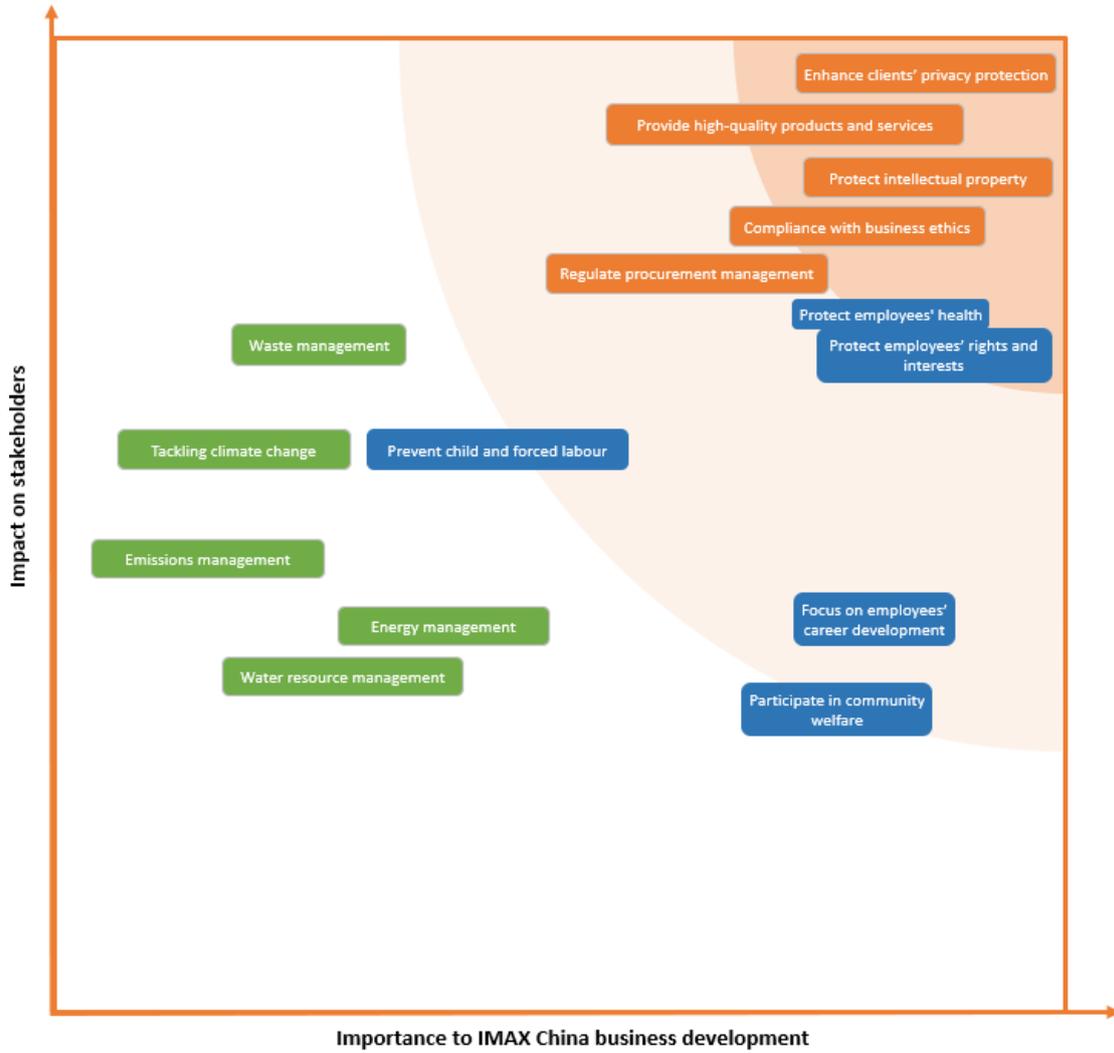
To further clarify the Group's ESG priorities and to enhance the relevance and responsiveness of this ESG report, we cooperated with third-party consulting companies to invite internal and some key external stakeholders to participate in materiality assessment questionnaires, in 2019 and 2020 respectively:

Step 1: Identifying ESG issues: According to the requirements of the ESG Guide and the actual business and industrial characteristics of the Group, we identified 15 ESG issues relevant to the Group and classified them as social, economic and environmental issues;

Social issues	Economic issues	Environmental issues
<ul style="list-style-type: none"> • Protect employees' rights and interests • Protect employees' health • Focus on employees' career development • Prevent child and forced labour • Participate in community welfare 	<ul style="list-style-type: none"> • Provide high-quality products and services • Enhance clients' privacy protection • Protect intellectual property rights • Regulate procurement management • Compliance with business ethics 	<ul style="list-style-type: none"> • Energy management • Water resource management • Waste management • Emissions management • Tackling climate change

Step 2: Assessing the materiality: We invited internal and external stakeholders to assess the “importance to IMAX China business development” and “impact on stakeholders” of each issue through questionnaires. Based on the results of the survey, the materiality assessment matrix was generated;

Step 3: Verifying the assessment results: The senior management of the Group and the ESG working group are responsible for reviewing and confirming the materiality assessment matrix, then reporting to the Board. Based on the materiality assessment matrix, we identified 6 issues that are extremely critical to the Group, including enhancing clients' privacy protection, abiding by business ethics, protecting intellectual property rights, protecting employee's health, protecting employees' rights and interests as well as providing high-quality products and services.



Materiality Assessment Matrix

1 Product Responsibilities

We strictly comply with the laws and regulations concerning health and safety, product quality, intellectual property, labelling, advertising, protection of consumers' rights and interests and privacy protection, including *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, *Advertising Law of the People's Republic of China* and *Trademark Law of the People's Republic of China*, etc. In addition, we strictly ensure the compliance of business operation and effectively fulfil relevant product responsibilities and legal obligations of the Group. In 2020, there were no confirmed non-compliance incidents in relation to product responsibility that would have a significant impact on the Group's operations.

Fighting COVID-19

To prevent the further outbreak of pandemic, the Group complied with the regulatory instruction and supported the decision to close theatres and delay the release of films just before the Spring Festival. During the nationwide shut-down of cinemas, we offered various online activities such as raffling, online question and answer, knowledge sharing and live broadcasting to interact with film fans.

Acting on the national call to work resumption, we launched the "Guide to the Film Industry" programme in conjunction with Bad Rabbit Film, Maoyan Entertainment, Taopiaopiao and Wanda Film. We also recorded a promotional video at IMAX China's headquarters, introducing the film industry to viewers. In addition, we released a reopening video to deliver a message of reunion as well as our confidence in the film industry to the outside. We offered a complete set of online training plans for cinema work forces including brand introduction, marketing and operation, etc., so as to ensure the safe and efficient operation after resumption. Based on the consideration of epidemic prevention and personal hygiene, we introduced personal IMAX 3D glasses for retail, convenient for consumer to use without having to worry about cross infection.

We have also been responding actively to the operational challenges posed by the pandemic. The Group's executive management and the head of each department held a special seminar on 4 December 2020 to analyse the challenges and opportunities faced by all departments, discuss and share the work priorities and strategies for the year to come.

Immersive Viewing Experience

Positioned as providing the best viewing experience for audiences, IMAX China brings the audience breath-taking audio-visual effects and immersive experiences. Our remastering process fully transforms every frame of a film to produce the best possible version of a filmmaker's vision. With a perfectly tuned integrated sound system and precise speaker orientation, the audio in each IMAX movie is carefully reviewed for the presentation of a perfect soundtrack.

In order to present the best viewing experience, in film selection, the war blockbuster “The Eight Hundred” served as the first local language IMAX film programmed after cinemas reopened in mainland China. As the first commercial blockbuster in Asia that had been entirely filmed using IMAX cameras, it marked a milestone in our cooperation with Chinese filmmakers.

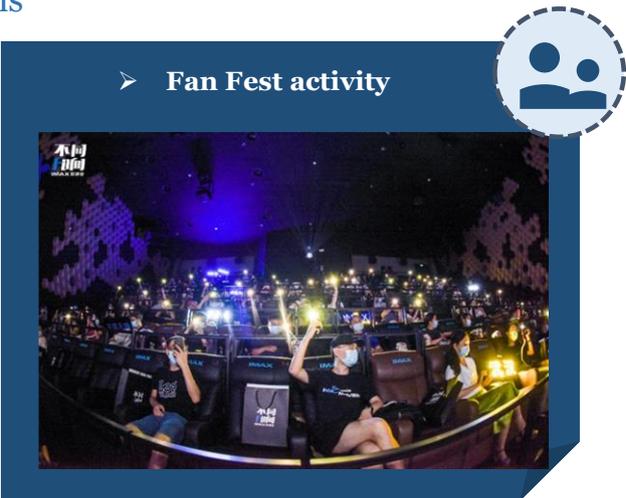


To celebrate the Chinese National Day of 2020, we shared various moving and exciting Chinese stories with our fans through different types of films such as “My People, My Homeland”, “Legend of Deification”, “Leap” and “Vanguard”. We also released the “IMAX Memorandum” during the national holiday to provide a number of fantastic film locations, bringing an exclusive “Movie Tour” experience to IMAX movie fans.



Strengthen communication with fans

We set up the “IMAX Fan Fest”, through which various events were held from time to time throughout China to facilitate interaction among IMAX China, fans, key cinema operators and key films. In 2020, we also engaged IMAX core fans in greater depth through the IMAX Squad WeChat group. We regularly published the latest news on films and the industry in the group. Fans could register for exclusive gifts such as film-related products, posters and film tickets by completing the designated group tasks. At the same time, we developed the IMAX PLUS membership applet in an effort to provide a dedicated online community for film enthusiasts.



In 2020, given the cinema capacity restriction measures in the midst of COVID-19, we upgraded our online shopping mall to meet the changing needs of our fans and provided a safe and secure online shopping channel. We also added live-streaming and invited guests from different fields to share film cultural and technological content, so as to serve as a bridge for an exchange of ideas among fans and enrich their cultural life.

IMAX China puts a premium on communication with consumers and customers. Apart from interactive platforms such as WeChat and Weibo, we have created an email address CQO@IMAX.com, which appears on the screen when a movie ends. Audiences can email IMAX China their feedback or opinions about their viewing experience. In accordance with the *IMAX Customer Complaint Tracking Workflow Policy*, we promptly record and respond to messages and emails. We classify complaints into technical, operational and non-IMAX related categories. Each complaint is channelled to the corresponding department respectively. Critical handling processes will be tracked to ensure that all complaints are promptly responded to and dealt with.

Excellent Theatre Services

We provide services including system installation, equipment maintenance and operational training to IMAX theatres. Our excellent services speak for our brand value and creates a win-win cooperation with clients.

- ❖ **System Installation:** IMAX China maintains various internal policies including the *IMAX Pre-installation Check List*, *Client & Contractor Guide to Installing an IMAX Digital System* and *Client & Contractor Guide to Install an IMAX Commercial Laser (“COLA”) Projection System*, all to ensure the efficient installation of the IMAX projection systems as well as to improve customer service. To maximize the efficiency of the installation process, we follow strict supplier selection procedures and technical specifications when purchasing equipment such as screens, screen frames, audio equipment and projection equipment.
- ❖ **Equipment Maintenance:** Regular maintenance is conducted at least once a year to ensure the best viewing experience. IMAX China offers its clients maintenance services via a 7 days × 24 hour phone service center, as well as remote network guided by the *IMAX Technical Service Phone Support Manual*. IMAX China maintenance technicians are located in eight cities in the PRC so that for the equipment requiring on-site repair, IMAX China is able to send a technician located in more convenient proximity to the relevant theatre. Customers’ calls for emergency services are answered within 3 hours by phone. If required, emergency personnel will arrive at the theatre within 24 or 48 hours as stipulated in the term of sale agreements. According to the *IMAX China’s Customer Satisfaction Survey Workflow Policy*, customer feedback is collected via e-mail after every routine maintenance service in order to continuously track customer satisfaction. IMAX Corporation is responsible for product quality assurance and recall. In case of product recall, IMAX China will cooperate with IMAX Corporation to carry out relevant work. In 2020, there was no product recall for safety and health reasons.

- ❖ **Operation Training:** IMAX China provides customers with training for theatre operations and technical training. We communicate with theatre circuits on subjects such as box office performance and marketing plan, and carry out thematic training projects, including IMAX brand publicity and movie marketing. For our operators, on a regular basis, we conduct training for senior technicians of theatres on projection system maintenance and emergency repair according to the *IMAX Operator Training Checklist* and various other training courses, so as to promote equipment maintenance efficiency; for IMAX COLA theatre systems, theatre operators need to take relevant safety knowledge and awareness training to deal with the unique safety issues around lasers. We also established an online video training platform, which will be integrated with physical training, to provide better services for all theatre customers.

Operation Compliance

IMAX China has been in compliance with the relevant laws and regulations concerning advertising, intellectual property right, and privacy protection.

- ❖ **Privacy protection:** The appropriate handling of confidential information of the Group as well as its customers and suppliers is critical to the Group's business. IMAX China employees are obligated to maintain confidentiality of any and all information obtained in connection with their employment, including but not limited to, trade secrets, know-how, client information, supplier information and other proprietary information. Following the *Information Security Policy* of IMAX Corporation, we adopt business continuity plans to safeguard the integrity, confidentiality and availability of information. We formulated the *Basic Guidelines for the Application of Social Media*, to regulate employees' behaviour on various social media. It prohibits employees from disclosing confidential information about the Group, customers and others through social media without authorization. We will terminate labour contracts of employees who seriously violate the guidelines. In 2020, we updated the privacy policy for IMAX websites, applets, and other online platforms to further protect users' privacy. All personal information of users is stored and processed in strict compliance with applicable privacy and data protection laws.
- ❖ **Advertising:** IMAX China complies with the *Advertising Law of the People's Republic of China* and relevant laws and requires suppliers to do likewise.
- ❖ **Intellectual Property Rights:** IMAX China encourages all employees and clients to engage in the protection of the IMAX brand. Employees and clients are encouraged to report any suspected infringement to the Group's legal department, which in turn reports any suspected infringement to IMAX Corporation. After confirmation of any infringement, a formal cease and desist letter is sent to the infringing party requesting that any infringement be discontinued.

In addition, specified trademark provisions are included in cooperation agreements, requiring theatres to protect the IMAX trademark, specifying appropriate trademark usage and including obligations to report any suspected trademark infringement to IMAX China.

2 Workplace

IMAX China strives to create a fair, comfortable and diverse workplace for its employees. We provide employees with competitive employee benefits and an inclusive working environment to encourage employees to achieve their full potential; we provide systematic programs for learning and training to build professional career development paths for our employees; we also enhance employees' sense of belonging and strive to create a friendly and harmonious working environment through employee activities and welfare care. In 2020, there were no confirmed non-compliance incidents in relation to employment, labour standards, working environment, workplace safety and human rights.

Employment and Labour Standards

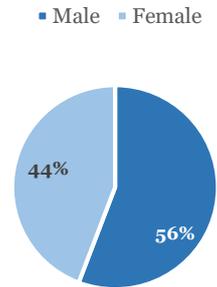
In accordance with the *Labour Law of the People's Republic of China*, *Labour Contract Law of the People's Republic of China* and other relevant laws and regulations, the Group has adopted the *IMAX China Employee Handbook*, which contains information regarding compensation, resignation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other policies for the benefit of its employees. In accordance with the applicable labour laws and regulations and *IMAX China Employee Handbook*, IMAX China tolerates neither recruitment of minors nor forced labour. In order to comply with *Provisions on the Prohibition of Using Child Labour*, IMAX China's HR department affirms candidates' age by checking valid identification during interviews and hires a third party to conduct reference checks on all applicants. Individuals under 16 years of age are disqualified from employment at the Group.

IMAX China recruits and promotes personnel without regard to age, national origin, race, religion, sexual orientation, marital status, pregnancy, disability and political beliefs, thus putting the principle of fairness into practice. All employees of the Group in the PRC are entitled to an employment contract at the start of their employment. We advocate an equal and fair working environment and provide assistance and support for employees with special needs, including providing nursing rooms and corresponding care for new mothers. IMAX China does not tolerate sexual harassment, attack or abuse in the workplace in any form, which is a violation of PRC law.

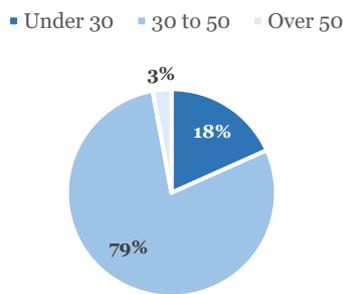
As of 31 December 2020, the Group had 104 full-time employees.

2020 Environmental, Social and Governance Report

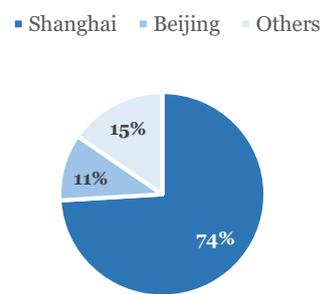
Proportion of employees
by gender



Proportion of employees
by age



Proportion of employees
by region



IMAX China has introduced the Employee Referral Program, where an employee can earn bonuses if an individual referred for employment is hired for select positions. We conduct satisfaction survey with employees from time to time and implement improvement plans for information communication, learning & development and management responsibilities based on the opinions of employees for the purpose of creating high quality working atmosphere for employees.

Wage and salary distribution conforms to the principle of equal pay for equal work. Wages and salaries are paid in a full and timely manner. The Group generally formulates employees' remuneration based on one or more elements such as salaries, bonuses, long-term incentives and benefits, subject to applicable rules and regulations. Through its remuneration policies, the Group aims to attract and retain talent, motivate performance and achievement and to reward superior performance. To achieve these goals, the Group has established an incentive system that links remuneration with the annual performance of the Group, taking into account the Group's performance, as well as the objectives of individual departments.

IMAX China also strictly follows relevant PRC labour regulations relating to working hours, rest and holidays to ensure the physical and mental health of all employees. The Group's employees work under a standard 40 hours per week. Employees are not required to work overtime. Employees are entitled to overtime pay if they obtain prior approval from their manager.

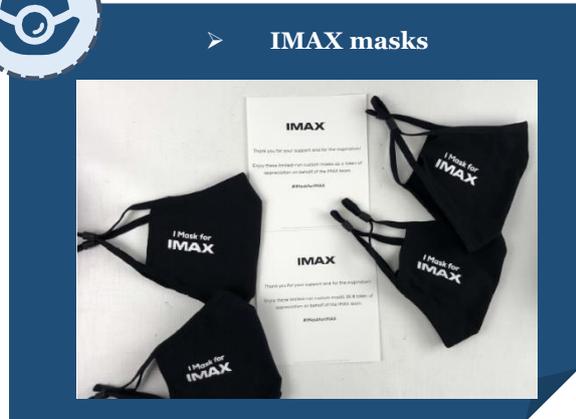
IMAX China also maintains a *Holiday Policy* and *Travel Policy*, under which employees are entitled to paid days off from work for national public holidays and company holidays, as well as annual vacation leave, compassionate leave, marriage leave, maternity leave, personal leave, sick leave, etc.

Health and Safety

IMAX China works hard to provide a safe, healthy and comfortable working environment in accordance with *the Labour Law of the People's Republic of China* and other applicable regulations. By the end of 2020, there was no work-related fatality. In 2020, there was no lost day due to work injury.

❖ **Prevention of COVID-19:** During the COVID-19 outbreak in 2020, we insisted our employees' health was the most important priority. According to *Global COVID-19 Guidelines* of IMAX Corporation, we implemented a series of measures to avoid the spread of the disease:

- ✓ Adjusted working hours so that employees can travel at off-peak hours to reduce unnecessary contact in clusters;
- ✓ Strengthened office access management and regular disinfection, posted hand-washing tips and other important precautions at conspicuous places;
- ✓ Emailed employees about precautions against COVID-19 from time to time;
- ✓ Provided personal preventive supplies to meet employees' needs, such as IMAX masks, hand sanitisers and alcohol cotton balls; and
- ✓ Recorded and tracked employee's health and mobility every day to protect their health and safety.



❖ **Installation Safety:** Employees are asked to stringently abide by all safety rules and regulations and utilize available and applicable protection measures at all times to avoid accidents and protect themselves and co-workers from safety risks. IMAX China has formulated *Client & Contractor Guide to Installing an IMAX Digital System* and *Client & Contractor Guide to Install an IMAX COLA projection system* to ensure safe installation of its projection systems. IMAX China also provides protective equipment including helmets, safety belts, masks and protective clothing to all employees or consultants working on the installation of projection systems.

In addition, we periodically provide safety training to technicians covering potential safety hazards, prevention methods and safety specifications in laser related jobs, operation at height, and electrical operation.

❖ **Safety at workplace:** With the aim of protecting the health and safety of employees, IMAX China provides first aid kits and over-the-counter medicine in the offices. IMAX China performs fire drills and has in-house fire wardens who maintain, inspect firefighting equipment and coordinate safety meetings. Fire safety packs have been prepared for each office which consist of helmets, flashlights, a loudspeaker, emergency escape masks, a whistle, a roster of employee names, etc. In 2020, we conducted fire prevention training to teach employees about common hazards in the office, fire prevention, escape precautions in case of fire, etc. to enhance their awareness of fire prevention.

- ❖ **Health support:** We offer employees an annual fitness reimbursement to encourage their involvement in workout programs to improve physical fitness. IMAX China offers its employees health care coverage which includes inpatient treatment, outpatient treatment, and maternity care; the Group also provides insurance coverage including accident insurance, critical illness insurance, and group health insurance for children. We provided female employees with health insurance that covers childbirth and infant care. Moreover, we have expanded and upgraded health insurance to include more forms of medical care and types of medicines. In 2020, we invited two external specialist physicians to deliver health lectures for employees on the prevention and treatment of helicobacter pylori and thyroid diseases, guiding employees to establish the concept of healthy life and enhance their health awareness.
- ❖ **Employee activities:** To help employees ease the stress of work, to strike a balance between work and life and to create a pleasant working atmosphere, we hold various team-building activities on an irregular basis to deepen the communication between various departments and improve the team cohesion.

Development and Training

To help employees advance their careers and to encourage their development, IMAX China designs various training courses and programs for employees. Efforts have also been made to establish an appraisal system where the effectiveness of training programs is subject to monitoring and assessments, as set out in the *IMAX China Training Management Policy*. The Group has established both online as well as offline learning platforms and established a “Brainstorming Corner” in its headquarters in Shanghai, which is a comfortable and dedicated space for employees to avail themselves of training programs offered.

We established the IMAX training center and installed an IMAX digital projection system to facilitate technical trainings. Moreover, an experienced internal trainer was nominated to be responsible for orientations for new technicians, technician on-job trainings, trainings on evolving IMAX projection systems and service process optimization, as well as senior theatre exhibitor trainings.

- ❖ **Corporate culture training:** We arrange corporate culture training from time to time, so that all employees can understand the operation and management of the Group. We share values, and enhance their understanding and recognition of the group culture. In early 2020, IMAX Corporation introduced its new theme for corporate culture - “From strength to strength”. We organised five corporate culture promotion activities in March. These events helped boost our employees’ confidence to work together to overcome difficulties, laying the groundwork for subsequent business operations with the reopening of cinemas.
- ❖ **On-Board Training for New Employees:** We arrange on-board training for all new employees to help them get an understanding of IMAX China’s culture, business and

operation. These trainings include an IMAX introduction, a review of relevant policies, guidelines and a review of HR-specific policies and procedures.

❖ **Pre-job Trainings:** For technical posts such as technical support and projection system installation, every newly-hired employee would accept pre-job training to enhance the professional skills necessary for the job. Training sessions are also accessible on both online and offline platforms to ensure technicians are able to stay up-to-date with the latest evolution of IMAX technology.

❖ **Department professional training:** Depending on the actual working needs, each department carries out flexible and practical professional training for employees on smaller scales, so that employees can fully master their professional skills and provide better services for consumers and customers. In 2020, with the rapid development of internet marketing, the



Market department – Marketing Training



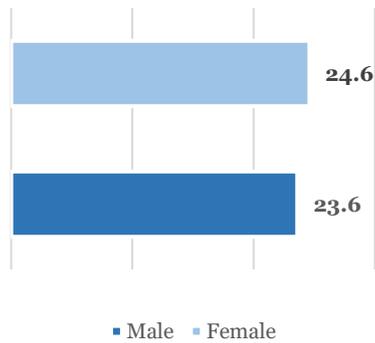
marketing department conducted online marketing training and learning based on the perspective of expanding user growth, striving to develop a new user flow pool through a refined operation of existing users.

❖ **E-learning Platform:** To provide training which is more flexible and broader in scope, IMAX China launched a program called *IMAX Learning Series*. The purpose of the program is to make available to employees training materials covering topics focused on development of key competencies and skills that can contribute to employee' performance and ongoing success. As a part of the program, IMAX China has made available online libraries including training content consisting of topics such as strategic thinking, career planning and vocational skills.

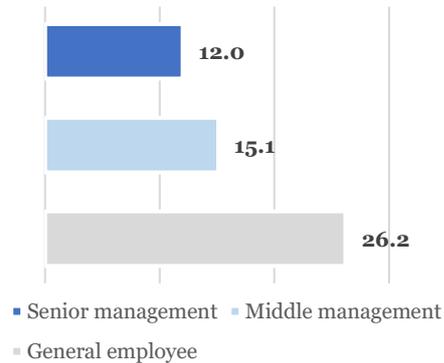
❖ **Lunch and Learn:** Lunch and Learn, as an interesting medium for knowledge management and internal communication, allows employees to learn and share knowledge over lunch break in an informal way.

In 2020, the percentage of employees trained in the Group was 100% and the total training hours of the whole year were 2,500.

Average training hours by gender



Average training hours by position



Anti-corruption

IMAX China maintains a high standard of business integrity throughout its operations and tolerates no form of corruption or bribery, in compliance with *the Anti-Unfair Competition Law of the People’s Republic of China, the Company Law of the Peoples Republic of China* and other relevant laws and regulations relating to anti-corruption, bribery, extortion, fraudulent behavior and money laundering. As a majority-owned subsidiary of IMAX Corporation, all directors, officers and employees of IMAX China are required to abide by IMAX Corporation’s *Code of Business Conduct and Ethics (the “Code”)* and eliminate any form of corruption and bribery. In 2020, there were no confirmed non-compliance incidents in relation to anti-corruption and bribery, extortion, fraud or money laundering.

All employees are required to sign a statement acknowledging receipt of the Code and agreeing to abide by its terms. We conduct business ethics training about anti-bribery and anti-corruption for all employees annually, including executive directors, to ensure that employees understand and are committed to abiding by laws and regulations and conduct their business with integrity.

IMAX China has also adopted a formal policy for reporting violations of *the Code* in its *Protocol for Reporting Suspected Violations of the IMAX Code of Business Conduct and Ethics and Anti-Bribery and Anti-Corruption Policy China Addendum*. We set up multiple effective communication channels, and the employee may report a suspected violation of *the Code*. We strictly adhere to the principle of confidentiality, and strictly prevent the leak and loss of whistle-blowers’ information in the handling process. Without the consent of the whistle-blowers, their information shall not be disclosed to any others unrelated.

All new employees are required to sign the employee commitment undertaking to comply with the *Employee Handbook* and its appendixes and with all other rules and regulations applicable to IMAX China employee, including business ethics & code of conduct and duty of confidentiality. Anti-corruption trainings materials are uploaded to the Group’s online learning platform. Employees are required to sign a compliance statement after finishing the relevant courses.

For suppliers and customers, we incorporate compliance obligations in contract to request that all parties comply with relevant laws and regulations while performing contracts entered into with us.

3 Supply Chain Management

As stipulated in the *IMAX China Supply Chain Management Policy*, IMAX China has set up a strict supply chain management system to ensure high quality service to the Group's clients.

IMAX Corporation, the Group's controlling shareholder, has implemented a strict selection process on its suppliers and sub-contractors taking into considerations such elements as supplier qualification, past performance, financial strength and price. IMAX China only works with qualified suppliers approved by IMAX Corporation and, for the duration of any arrangement with a supplier, IMAX China closely supervises supplier performance. For the issues identified, we will issue a rectification report in a timely manner, analyse the root causes of the problems, put forward reasonable suggestions, and urge them to rectify the problems within a limited time.

Committed to social responsibility in its supply chain, IMAX China conducts factory inspections and trainings and offers guidance on IMAX product quality standards.

For the local suppliers selected by IMAX China, the Group formulates strict requirements: For screen frame suppliers, they must be accredited by ISO9001 Quality Management System. Apart from that, IMAX China establishes stringent technical and service criteria to ensure product and service quality. We carry out load-bearing test on screen frame every year to ensure safety; for logistics providers, IMAX China requires appropriate vehicle and qualified drivers. IMAX China also requires the suppliers to adopt GPS system to monitor and manage all the logistics vehicles.

IMAX China pays active attention to the sustainability during supply chain management process, such as encouraging our suppliers to use recyclable packaging materials. The Group performs an annual assessment on environmental and social risks of the supply chain. We prepared the Supplier Environmental and Social Risk Assessment Form with the supplier's self-review and IMAX China's evaluation adopted to assess the supplier on its management of environmental and social risks and provide a quantitative rating for its environmental and social risks, which would be referred to when selecting and evaluating supplier. The assessment scope includes environmental risks such as the establishment of an environmental risk system, process management of procurement, raw materials and production, publicity and training on environmental risk awareness, as well as social risks such as supplier's maintenance for labour rights and interests, its maintenance for labour health and safety.

As of 31 December 2020, IMAX China had five key local suppliers, including two in Tianjin, two in Jiangsu and one in Jiangxi. All five local suppliers have completed the 2020 annual environmental and social risks assessments, and no material environmental and social risks were found for each of the suppliers.

4 Community Investment

With social responsibility in mind, IMAX China is expanding its efforts in the area of charity work. We have formulated the *IMAX China Community Investment Management Policy*. An annual assessment is conducted to assess the relationship between our business and the interests of the surrounding communities, and we take an active part in public welfare activities and fulfil corporate social responsibilities.

Tribute to medical personnel

In September 2020, we specially arranged the first IMAX Fan Fest in Wuhan, inviting the head nurse and a total of 13 team members from the drug resistance ward of Wuhan Jinyintan Hospital. Jinyintan Hospital was the “battlefield” where most patients in Wuhan were treated during the COVID-19 outbreak. To show our gratitude to their efforts, we offered free IMAX cinema tickets for the entire year for the team. Through this event, we paid tribute to them, as well as to the angels in white all over the country.



Actively promote the film culture

IMAX China actively accelerated the development of Chinese film culture and the improvement of China’s film industry system. In August 2020, we launched a resident artist initiative, exploring closer and deeper cooperation with more Chinese film talents to seek more investments in IMAX technology and IMAX DNA in Chinese films, promoting IMAX technology education to professionals and film lovers. We helped film talents specialising in photography and post-production to enter the international platform and acquire more opportunities, and also helped push Chinese films to reach the international level on film creation and marketing. Meanwhile, we also hoped to rely on the power of artists to improve the quality and innovation of IMAX film content creation.

In addition, we launched “IMAX Masterclass”, inviting Chinese film masters to attend online and offline open classes and share their core film and television knowledge with the public. Masterclass taught professional knowledge and told stories behind the films through systematic professional courses, from which film lovers benefited.



❖ First “IMAX Masterclass” - The darkest night with the brightest light

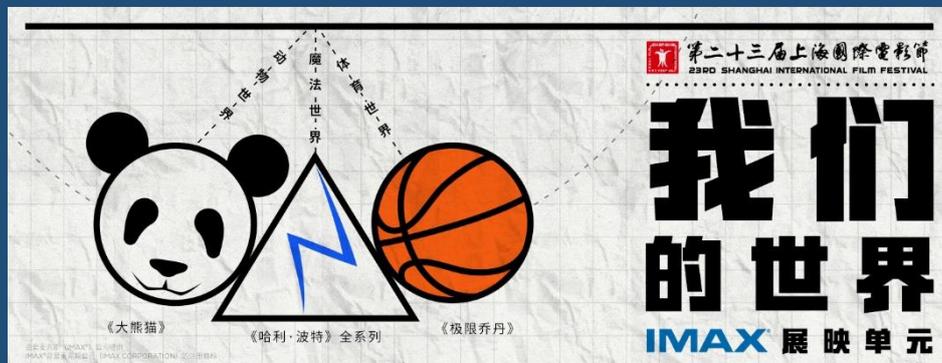


Film panorama in the Shanghai International Film Festival

With the grand opening of the 23rd Shanghai International Film Festival on 25 July 2020, we actively contacted the organising committee of the film festival and film copyright owners to take several wonderful films, showcased at the IMAX Film Presentations, to meet the fans in front of the big screen again. The IMAX film panorama was themed by “Our World”, presenting 10 IMAX films, including “Harry Potter I - VIII”, IMAX’s original documentary film “Pandas” and Michael Jordan’s documentary film “Michael Jordan to the Max”, to show wonderful stories of the world of magic, sports and nature by IMAX technology. In the spirit of enriching people’s cultural life, we not only provided free IMAX film sources to the organising committee, but also took no share of the box office earnings.



➤ “Our World” panorama



Free viewing for welfare

We continued to hold offline, non-commercial film-watching activities to give back to the community. We invited over 130 members from the Association of the Descendants of Chinese People's Volunteers Forth Field Army to come to Dandong, Liaoning Province, a city of heroes at the border between China and Korea and participated in the special film-watching activity “Watch films, Salute and Remember Our Heroes”, allowing them to watch the IMAX version of “The Sacrifice” for free.

In addition, since the cinemas were reopened, we held more than 10 free film-watching activities across the country with media partners, such as Sina Film-watching Group, and gave away film ticket coupons in the major ticketing platforms (Maoyan and Taopiaopiao). We provided more people a chance to go into IMAX cinemas and once again watch movies in a safe and entertaining environment.



➤ A non-commercial film-watching activity “Watch films, Salute and Remember Our Heroes”



5 Green Operation

We strictly follow the *Environmental Protection Law of the People's Republic of China* and other applicable laws and regulations, as we understand the importance of environmental protection and resource conservation for the sustainable development of IMAX China. Considering the very limited energy consumption and emission caused from operation at workplace and travels of employees, the Group's business operation has little impact on the environment and natural resources. The Group is committed to improving employees' awareness of energy conservation and environmental protection, and enhancing the Group's green operation level. In 2020, there were no confirmed non-compliance incidents in relation to environmental protection that would have a significant impact on the Group's operations.

Emission Reduction

We formulated *IMAX China Environmental Protection Management Policy* according to relevant laws and regulations to standardize the management of emissions generated during the Group's operation, so as to meet relevant emission standards. IMAX China conducts data collection and analysis on greenhouse gases that have substantial impact generated at workplace, and takes effective measures to reduce or avoid emissions. Based on the Group's evaluation, IMAX China does not generate significant air emissions or hazardous waste. Limited workplace effluents and wastes are attributed to the operation of IMAX China offices. All workplace effluents are managed by the property management companies and discharged into the municipal sewer systems for collective treatment. Workplace wastes of IMAX China offices are treated by the property management companies. There is no material impact on the environment and natural resources.

Due to the Group's business nature, the Group's main greenhouse gas emissions are the indirect emissions resulting from electricity consumed at the Group's workplace as well as from business travel by employees. The Group has adopted green office measures to reduce the impact on the environment, e.g., teleconference and internet-meeting practices are encouraged to avoid unnecessary travel. The Group's technical service center gives customers instant technical support via phone or remote access which increases efficiency and reduces the impact on the environment since less travel is required to service systems.

Theatre operators in cooperation with the Group are responsible for the operation and management of IMAX theatres, as well as for the management of environmental influences caused by such theatres. As part of our cooperation with theatre operators, we also actively encourage the theatre operators to take actions for energy saving and environmental protection.

Use of Resources

In order to better manage the use of resources and improve resource utilization, we collect and analyse annual energy consumption data every year in accordance with *IMAX China Environmental Protection Management Policy* and solve the identified problems in time.

The Group has adopted green office measures to reduce resource consumption:

- For workplace with fewer employees and higher personnel mobility, we adopt the emerging shared office model to maximize resource utilization;
- Employees are encouraged to adopt water and electricity-saving habits; A table card is placed on each employee's desk to remind them to turn off the lights and power when not in use; and the lights shall be kept off for one hour during the lunch break;
- By default, all office printers are set to print double-sided to reduce paper use, and to print in black-and-white to conserve printing inks. Recycled papers are placed beside the printers to encourage employee to use;
- We organise public education activities about waste classification, encouraging employees to use their own tableware and cups, thus reducing the use of disposable utensils.

In the process of goods transportation, we use electronic customs declaration documents and make full use of appropriate transportation space. Marine instead of air transportation is preferred when time permits in order to reduce carbon emissions and waste of resources during transportation; we also actively encourage logistics companies to reuse shipping packing materials including pallets, paper packing boxes and special aluminium parts packing cases. We have also launched the IMAX projection equipment recycling programme, which not only reduced the waste of resources, but also contributed to savings on operating costs of cinemas and extended the life of the equipment.

With the goal of ensuring service quality in mind, we adopted multiple ways to improve energy efficiency while providing customer service. Services requiring no on-site overhaul are provided by the technology service center via telephone or remote control. IMAX China has established after-sales service sites in Shanghai, Hangzhou, Beijing, Chengdu, Chongqing, Guangzhou, Shenyang and Wuhan. Where on-site services are required, on-site service engineers nearby would be appointed, so that unnecessary travel for employees could be avoided.

In 2020, due to the pandemic, the Group reduced the business travel and working hours in office in order to ensure the health and safety of employees, and therefore the energy indirect greenhouse gas emission (Scope 2) and the indirect greenhouse gas emission (Scope 3) from air travel of employees significantly decreased. The total emission of greenhouse gases decreased sharply by 59.85% from 521.96 tCO₂e in 2019 to 209.57 tCO₂e in 2020. The Group's total emission of greenhouse gases per capita declined from 4.83 tCO₂e/employee in 2019 to 2.02 tCO₂e/employee in 2020. The total energy consumption has decreased slightly for two consecutive years. It was 1.40 MWh/employee in 2020, and reduced by 17.16% compared with 2019.

Response to climate change

IMAX China is not involved in large-scale production activities. We do not consume a lot of energy or generate a large amount of emissions. Therefore, we face low risks of climate

transformation from policies, regulations, technology, market, reputation and other aspects. In response to operational risks arising from extreme weather and natural disasters, we have developed appropriate emergency response procedures and protective measures to minimise the loss of office equipment and facilities, the impact on the business and the hazard to employees' safety.

Environmental key performance indicators:

	2020	2019	2018
Total emission of greenhouse gases (Scope 2 and Scope 3) (in tCO ₂ e)	209.57	521.96	444.49
Energy indirect greenhouse gas emission (Scope 2) (in tCO ₂ e)	102.61	128.15	120.60
Including: purchased electricity in tCO ₂ e	102.61	128.15	120.60
Other indirect greenhouse gas emissions (Scope 3) (intCO ₂ e)	106.96	393.81	323.89
Including: air travels of employee (in tCO ₂ e)	106.96	393.81	323.89
Total emission of greenhouse gases per capita (tCO ₂ e/employee)	2.02	4.83	4.73
Total energy consumption (MWh)	145.85	182.16	171.43
Total indirect energy consumption (MWh)	145.85	182.16	171.43
Including: purchased electric power (MWh)	145.85	182.16	171.43
Total energy consumption per capita (MWh/employee)	1.40	1.69	1.82



Notes:

1. Based on the operating characteristics, our greenhouse gas emissions are mainly comprised of the energy indirect greenhouse gas emission caused by purchased electricity (Scope 2) and other indirect greenhouse gas emissions caused by air travels of employee (Scope 3). We do not produce any material amount of direct greenhouse gas emission (Scope 1).
2. The accounting of greenhouse gas is presented in terms of carbon dioxide equivalent, and energy indirect greenhouse gas emission is accounted in accordance with the *Guidelines on Accounting Methods and Reporting of Greenhouse Gas Emissions of Public Building Operators* issued by the National Development and Reform Commission. Air travel greenhouse gas emission data is provided by the ticket agency.
3. As minimal environmental impact results from the Group's operation, KPIs A1.1 (types of direct emissions and emissions data), A1.4 (total non-hazardous waste produced) and A1.6 (description of how

hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved) are immaterial to the Group's operation and have not been disclosed in this ESG report. The Group will continue to monitor the environmental impact of its operations and will include the relevant environmental data in future reports when appropriate.

4. As there is no hazardous waste produced from the Group's operation, KPI A1.3 (total hazardous waste produced) is not applicable to the Group and has not been disclosed in this ESG report.

5. As only a minimal amount of water was used in the office, KPIs A2.2 (water consumption in total and intensity) and A2.4 (description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved) are immaterial to the Group's operation and have not been disclosed in this ESG report.

6. As no packaging material was used in the Group's operation, KPI A2.5 (total packaging material used for finished products) is not applicable to the Group and has not been disclosed in this ESG report.

7. As the Group's operation is immaterial to the environment and natural resources, Aspect A3 (the Environment and Natural Resources) and KPI A3.1 (description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them) are not applicable to the Group and have not been disclosed in this ESG report.

Appendix: Index for ESG Reporting Guide

KPI	Description	Disclosed or not	Note
A1 Emissions			
Information on:			
(a) the policies; and			
General Disclosure	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	Disclosed	P23
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.	Without substantial effect	P25
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	P25
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Irrelevant	P26
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Without substantial effect	P25
A1.5	Description of measures to mitigate emissions and results achieved.	Disclosed	P23
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Without substantial effect	P25
A2 Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Disclosed	P23
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).	Disclosed	P25
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Without substantial effect	P26
A2.3	Description of energy use efficiency initiatives and results achieved.	Disclosed	P23
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Without substantial effect	P26
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Irrelevant	P26
A3 The Environment and Natural Resources			
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Irrelevant	P26
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Irrelevant	P26

B1 Employment

	Information on:		
	(a) the policies; and		
General Disclosure	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	Disclosed	P12
	relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		

B2 Health and Safety

	Information on:		
	(a) the policies; and		
General Disclosure	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	Disclosed	P13
	relating to providing a safe working environment and protecting employees from occupational hazards.		

B3 Development and Training

General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Disclosed	P15
---------------------------	--	-----------	-----

B4 Labour Standards

	Information on:		
	(a) the policies; and		
General Disclosure	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	Disclosed	P12
	relating to preventing child and forced labour.		

B5 Supply Chain Management

General Disclosure	Policies on managing environmental and social risks of the supply chain.	Disclosed	P19
---------------------------	---	-----------	-----

B6 Product Responsibility

	Information on:		
	(a) the policies; and		
General Disclosure	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	Disclosed	P7
	relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		

B7 Anti-corruption

Information on:

(a) the policies; and

General Disclosure	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	Disclosed	P17
	relating to bribery, extortion, fraud and money laundering.		

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.	Disclosed	P20
---------------------------	---	-----------	-----

The background is a deep blue with several bright, glowing light rays emanating from the top center, creating a sense of depth and focus. The rays are slightly blurred, giving a dynamic feel. The IMAX logo is centered in the middle of the frame.

IMAX[®]