



YONGAN HOLDINGS

ESG REPORT 2017



浙江永安融通控股股份有限公司
ZHEJIANG YONGAN RONGTONG HOLDINGS CO., LTD.*

(a joint stock limited company incorporated in the People's Republic of China)

Stock Code: 8211

**For identification purpose only*

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Year ended 31 December 2017

The Board of directors (the “Board” or the “Directors”) of 浙江永安融通控股股份有限公司 Zhejiang Yongan Rongtong Holdings Co., Ltd.* (the “Company”) is pleased to present to our shareholders the Environmental, Social and Governance Report of the Company and its subsidiary (the “Group” or “We”) for the year ended 31 December 2017.

1. ABOUT THE REPORT

1.1 Purpose of the Report

This is the second independent environmental, social and governance report (the “Report”) of the Group. The purpose of the Report is to have a review and report on the Group’s strategies, measures and performance in relation to sustainable development in the past one year. It also hopes to communicate with the stakeholders through the report. For corporate governance matters of the Group, please refer to the “Corporate Governance Report” section of the Company’s 2017 Annual Report (pages 22 to 32).

1.2 Reporting year and scope

Unless otherwise stated, the report covers the Group’s manufacturing and sales of woven fabrics in the Zhejiang Province, People’s Republic of China (“PRC”), and elaborate the measures, investments and performance in environmental management and social responsibility during the period from 1 January 2017 to 31 December 2017 (the “Reporting Period”).

1.3 Reporting standards

We are preparing the Report in accordance with the Appendix 20 Environmental, Social and Governance Reporting Guide of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“Stock Exchange”). The end of the Report also provides an index of relevant content to improve the readability of the Report. The Report presents the core business of the Group and discloses relevant data and information pursuant to the principles of importance, quantification, balance and consistency.

1.4 Way to Obtain

The Report is available in both Chinese and English and is available on the website of the GEM at <http://www.hkgem.com> and the website of the Company at <http://www.zj-yongan.com> for reference.

1.5 Feedback

We welcome any comments and suggestions on the Report and our sustainability performance. Please send your feedback to the secretarial office of the Board, details of which are as the follows:-

Address: Yangxun Qiao Town, Keqiao Qu, Shaoxing, Zhejiang Province, the PRC.
Postal code: 312028
Tel: (86) 575-84570099
Fax: (86) 575-84576060
Email: admin@zj-yonglong.com
Contact person: Mr. Hu Hua Jun

2. ABOUT ZHEJIANG YONGAN

Since its inception, we have been committed to continuous innovation and progress in the design, manufacture and sales of woven fabrics, and our goal is to become one of the pioneers in the industry. “Relying on technology, developing products, winning by quality, expanding trade, strengthening management, and improving efficiency” are our consistent business policy. By satisfying the requirements of customers, we strive to realise their expectations beyond the company spirit of “sincere, dedicated, creative, and sublimated”. We are dedicated to research and development of more advanced technologies and products. We have our own product Research & Development Center and are responsible for researching and developing, testing and assessing. The Company is one of the “Enterprise Research and Development Center” identified by Shaoxing City and the “Sci-tech Small and Medium Enterprises in Zhejiang Province” approved by Zhejiang Provincial Department of Science and Technology. It recognizes our professional qualification in textile and equipment research and development.



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Year ended 31 December 2017

3. SUSTAINABLE DEVELOPMENT POLICY

As a responsible corporate citizen, we value integrity and incorporate environmental, social and governance principles into our daily operations and management practices, strive to create lasting value for stakeholders, and make positive impacts and contributions to the environment and society. We believe that sustainable development is the core value of the Group. Apart from being closely related to the Group's environmental performance and community contributions, sustainable development is also a cornerstone of the Group in many aspects, including business practices and our relationships with employees, customers, shareholders, suppliers and business partners.

4. STAKEHOLDER PARTICIPATION

We are convinced that communication with stakeholders helps us to better formulate sustainable development business strategies in response to their needs. It also allows us to anticipate risks and consolidate the steady development of our businesses and communities. We treat employees, investors and shareholders, customers, governments, suppliers and communities as important group of stakeholders of the Group. In our day-to-day operations, we actively communicate regularly with our stakeholders through formal and informal channels, and come up with a series of important issues related to the environment, society and governance. We will discuss in the Report.

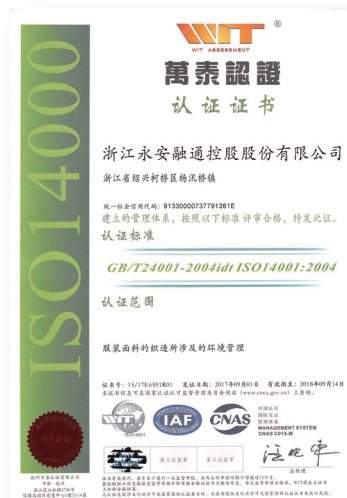
Our way of regular communication with stakeholders:

Stakeholder	Communication channels	
Employees	<ul style="list-style-type: none">• Meeting• Training	<ul style="list-style-type: none">• Employee activities• Social media
Investors and shareholders	<ul style="list-style-type: none">• Group websites• Annual report, announcement and circular	<ul style="list-style-type: none">• Direct communication• Meeting
Customers	<ul style="list-style-type: none">• Exhibition• Customer satisfaction survey• E-mail	<ul style="list-style-type: none">• Social media• Direct communication• Telephone

Stakeholder	Communication channels	
Government	<ul style="list-style-type: none"> Annual report, announcement and circular Reports and submissions issued in accordance with regulatory requirements 	<ul style="list-style-type: none"> Direct communication Telephone E-mail
Suppliers	<ul style="list-style-type: none"> Site Visit Meeting 	<ul style="list-style-type: none"> Assessment Review
Community	<ul style="list-style-type: none"> Group websites Mass media 	<ul style="list-style-type: none"> Social media Direct communication

5. ENVIRONMENTAL PROTECTION

We profoundly optimize the importance of environmental management, while ensuring the interests of stakeholders, we can firmly establish a harmonious relationship with the natural environment. In order to more effectively implement the concept of sustainable development, we are committed to managing the environmental impact of daily operations in a systematic manner. Our production plant has obtained ISO14001:2014 environmental management system certification. During the Reporting Period, we had not received any complaints for a significant impact on the environment and natural resources or environmental protection; and prosecutions in relation to the Environmental Protection Law of the People's Republic of China.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

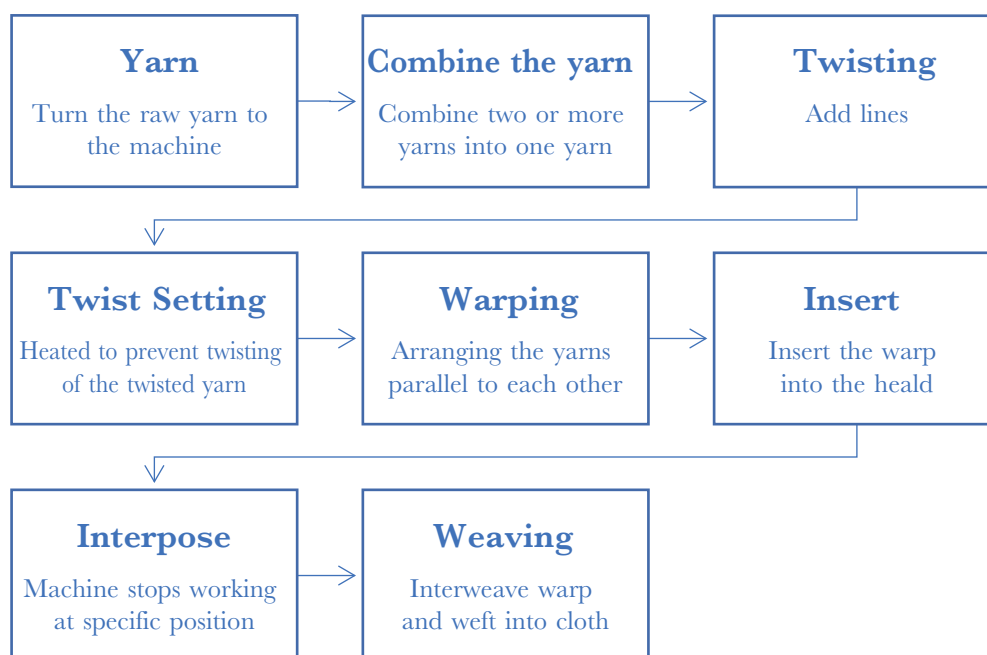
Year ended 31 December 2017

5.1 Emission Management

The daily operations of our business are mainly divided into two parts: the headquarters office and the production plant, which involve indirect emissions from the consumption of purchased electricity and steam and a small amount of vehicle exhaust emissions, the another resource consumption is domestic water used by employees. The production of our factory focuses on the production of textile fabrics. Dyeing processes are handled in outsourced form by third party dyeing factories. Therefore, our production process will not produce industrial wastewater (see production flow chart on the next page).

We have used a small amount of plastic and paper packaging materials, and the main sources of waste are domestic waste and the batt of the workshop. During the Reporting Period, we have not found violations of the relevant national and local air and water pollution regulations and not involving in land pollution due from production.

Production flow chart



5.2 Air Pollutants

Our textile mill utilises more than 300 large-scale looms of machinery instead of manpower as much as possible to effectively increase production efficiency and reduce the occupational strains that employees may suffer from repeating the same process. Therefore, our largest energy consumption is electricity and purchased steam for heating systems and yarn styling procedures. These purchased energy sources generate indirect greenhouse gas emissions. In addition, there are also emissions from commercial private cars. The logistics of our goods are all outsourcing services, eliminating the need for self-transport fleets. All emissions and emission concentrations comply with air-related local government and national regulations and standards, including but not limited to the “Ambient Air Quality Standard” (GB3095-1996) and the “Law of the People’s Republic of China on Prevention and Control of Atmospheric Pollution”.

KPI	Value	Unit
Exhaust gas emission		
Nitrogen oxides (NOx)	2.03	kg
Sulfur oxides (SOx)	0.04	kg
Particulate matter (PM)	0.15	kg
Greenhouse gas emissions		
Total emissions (Scope 1 and 2)	13,425.52	tonnes CO2-e
Direct emission (Scope 1)	8.75	tonnes CO2-e
Indirect emission (Scope 2)	13,419.66	tonnes CO2-e
Removals (trees planting) (Scope 1)	2.90	tonnes CO2-e
Density (calculated per thousand meters of fabrics)	0.72	tonnes CO2-e

5.3 Wastewater

Our production plant does not generate wastewater. The main sources of sewage are domestic sewage from canteens, offices, factories and staff dormitory. We comply with the relevant laws and regulations on sewage discharge, including but not limited to the “Integrated Wastewater Discharge Standard” (GB8978-1996), it shall be collected and sent to the government sewage pipe network through a designated discharge port.

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5.4 Waste

In the textile production process, waste will be produced, and general waste will also be produced in offices and dormitories. We will collect all the waste and general garbage in a centralised manner, which will then be collected and processed by the government. According to the National List of Hazardous Wastes (《國家危險廢物名錄》), the waste mineral oil generated during the maintenance of machinery is classified as hazardous waste. According to the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》) and the Regulations on the Prevention and Control of Environmental Pollution by Solid Waste in Zhejiang Province (《浙江省固體廢物污染環境防治條例》), we properly store the waste oil in the temporary hazardous waste storage area outside the plant and warehouse, and finally engage recycle companies that have hazardous waste disposal operation licenses within the area to handle.

KPI	Amount	Unit
Hazardous waste		
Total amount generated	1.20	Tonnes
Waste mineral oil	1.20	Tonnes
Density (calculated per thousand meters of fabrics)	0.06	kg
Non-hazardous Waste		
Total amount generated	108.00	Tonnes
General waste	108.00	Tonnes
Density (calculated per thousand meters of fabrics)	5.81	kg

5.5 Noise

In order to properly manage the noise generated during the operation of the plant, we adopt appropriate sound control measures, including that in accordance with the Manufacturing Equipment Management System (《生產設備管理制度》), the production department will strengthen the daily care and maintenance of noisy equipment such as rapier, jet loom, air compressor, etc. , and actively consider and prioritise less noisy equipment when changing production machines, to ensure that the noise meets the requirements of the “Environmental Noise Standard for Industrial Enterprises at the Boundary of the Factory” (GB12348-2008).

5.6 Resources Usage

In the textile weaving process, a large number of raw yarns are used, including polyester fibers, man-made fibers, viscose, and so on. Taking into account the impact of packaging materials on the environment, we are committed to eliminating the use of packaging materials. If necessary, we will use the simplest packaging possible to minimise the burden on the environment. During the Reporting Period, our packaging materials included paper tubes, woven bags and thin plastic films.

In addition to the use of materials related to products, the power consumption of factories and offices, and the unleaded gasoline that is burned by private cars are included in our use of resources. The water resources are mainly used for domestic water.

5.7 Emission Reduction Measures

We have adopted a number of energy-saving and emission-reduction measures in our daily operations to reduce carbon footprint, such as:

(i) Reduce resources usage:

- Encourage the use of e-mail, information systems, USB and other electronic tools for internal and external communication to reduce paper consumption;
- Maximise the adoption of double-sided printing or photocopying;
- Encourage employees to turn off non-using machinery, electric appliance, light and office facilities
- Set strict restrictions and rules on the use of air conditioners. It is generally not allowed to switch on the air conditioner when the temperature is below 28 degrees; and
- Encourage employees to fasten the tap after use to avoid waste of water.

(ii) Waste reduction:

- Encourage employees to use re-useable cup and cutlery instead of disposable tableware;
- Encourage employees to reuse the paper which has been used on one side only; and
- Encourage employees to reuse stationery, e.g. used envelop and document folder.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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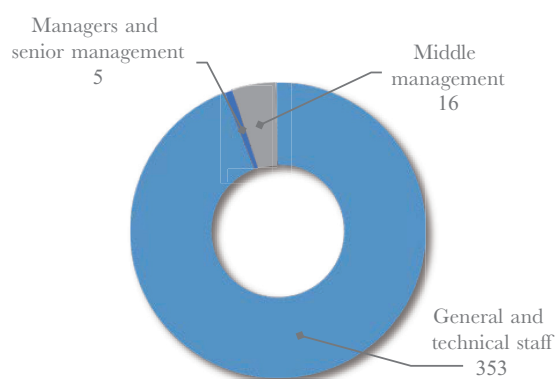
KPI	Amount	Unit
Energy		
Total energy consumption	19,154,028.61	kWh
Electricity purchased	19,014,476.00	kWh
Steam purchased	108,533.49	kWh
Unleaded gasoline	27,173.29	kWh
Liquefied petroleum gas	3,845.83	kWh
Density (calculated per thousand meters of fabrics)	1,030.29	kWh
Water consumption		
Total water consumption	80,119.00	m ³
Density (calculated per thousand meters of fabrics)	4.31	m ³
Packaging materials		
Total consumption	66.76	Tonnes
Paper	61.00	Tonnes
Plastics	5.76	Tonnes
Density (calculated per thousand meters of fabrics)	3.59	Tonnes

6. CARE FOR EMPLOYEES

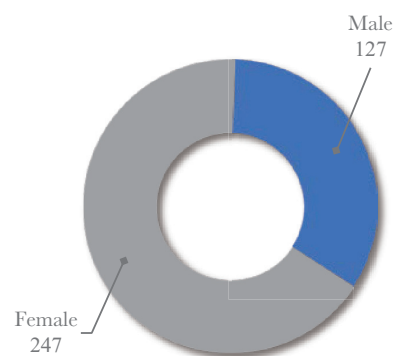
6.1 Employees Overview

As at 31 December 2017, the total number of our employees was 374, all from mainland China. Female employees accounted for two-thirds of the total number of employees for the reason that the process procedure in workshop is relatively more and this type of job is more likely to attract female applicants. Nevertheless, we have always upheld the recruitment principle of fair and open. The results of recruitment will never be affected by race, skin color, gender, sexual orientation, religion, age, disability, or factors unrelated to work ability.

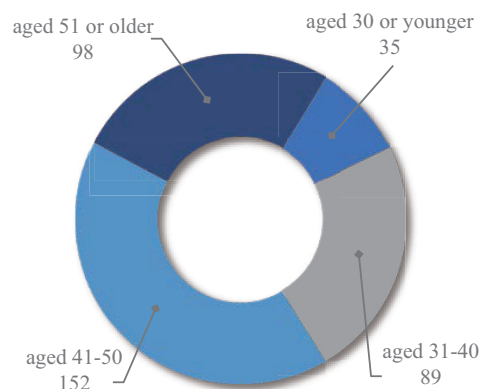
Distribution of employees by employment category



Distribution of employees by gender



Distribution of employees by age group



6.2 Labour Standards and Equal Opportunities

We strictly abide by the labour Contract Law of the People's Republic of China and other applicable local employment laws and regulations. Under the principle of voluntariness between the two parties, we sign a labour contract with each employee and adopt zero tolerance for any form of child labour or forced labour.

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As an equal opportunity employer, we abide by the principle of equal opportunities and diversity. We believe that it is important to provide employees with equal opportunities regardless of race, skin colour, gender, sexual orientation, religion, age, and disability, etc. In terms of attracting talents, we will recruit new employees through advertisements and current employee referrals. In addition to identifying more talents, we also provide equal opportunities of promotion and development for each existing employee. With capability and work performance as assessment indicators of selection criteria, the employees are encouraged to improve and develop continuously and the target is to enable employees to grow together with the Group. We perform monthly performance assessments for our employees, and annual summary and review will be organised by the personnel management department at the year-end as an important evidence for employee promotion and salary adjustment.

According to the Labour Law of the People's Republic of China, we provide employees with pension, medical insurance, unemployment insurance, maternity insurance and work-related injury insurance and market-competitive salary. Policies regarding working hours, holidays (including statutory leave, annual leave, sick leave, bereavement leave, maternity leave, etc.), benefits and dismissal have been explicitly included in the Employee Handbook. If working overtime is necessary for employees that not paid per piece, we will pay overtime wages based on attendance, and reward employees for their performance of work and attendance or qualifications, such as attendance awards, efficiency wages, and quality wages, etc. By constantly improving the remuneration system, we expect to enhance employees' satisfaction with work and increase their sense of belonging in order to retain talents that we have always treasured.

We pay special attention to the needs of the employees from other provinces. We have quality staff quarters in the factory area to provide them with a comfortable living environment for free. We have always maintained good interaction with employees and promoted overall cohesion. We launch various employee caring activities such as employee birthday parties and summer camps for their children. In major festivals such as the Mid-Autumn Festival, Women's Day and the Factory Day (6 December of each year), we will also distribute benefits and holiday gifts to employees and share their joy.

Summer camp for employees' children



6.3 Development and Training

We encourage employees to strengthen their work-related skills and knowledge, provide them with pre-employment and on-the-job training, including training for new employees based on their job requirements and internal training. The topics of our training are diversified, covering areas such as technology, finance, foreign languages, and politics, etc. This not only assists them in self betterment, but also enhances the strength of the Group and increases the competitiveness in market.

The following are some of the training courses held during the Reporting Period :-

- Laws and regulations training
- Textile process training
- Financial knowledge training
- Management skills training
- National real-time politics
- International trade English training

Management skills training



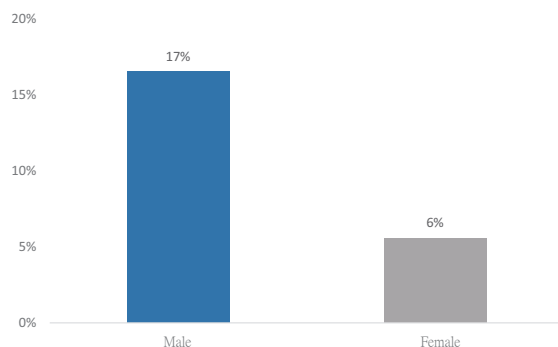
Textile process training



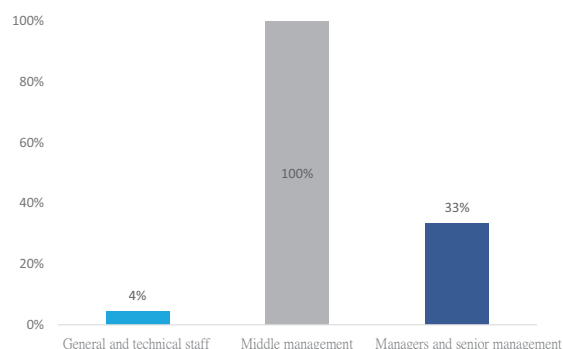
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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Ratio of trained employees by gender



Ratio of trained employees by employment group



6.4 Health and safety

We understand the importance of safeguarding employees' occupational safety and health. Therefore, we have been providing employees with adequate and appropriate personal protective equipment, including earplugs, women workers' caps, dust masks, protective goggles, etc. During the Reporting Period, we were not aware of any violation of the laws and regulations related to occupational safety and health, including but not limited to the Production Safety Law of the People's Republic of China (《中華人民共和國安全生產法》).

Fire safety trainings



Our operations involve mechanical operations. To further reduce the chance of accidents in the plant, we have safety staff to regularly check safety hazards, and formulate corresponding safety operating procedures, and at the same time specify the work safety precautions, machine operating rules and safety production responsibility regulations and post them in the workplace. We also issue notices from time to time to alert employees to comply with various safety measures and remind them to work safely at all times, in order to raise the safety awareness of all employees. During the Reporting Period, we organised three training sessions on fire safety.

During the Reporting Period, we did not have work related fatalities. There was only one incident involving an employee being caught by a machine while working in a workshop. The employee was subsequently sent to the hospital for treatment and has recovered after a full rest and returned to work. We recorded and investigated this accident and emphasised to employees that they must pay high attention to work safety and reduce the chance of recurrence.

7. CORPORATE GOVERNANCE

7.1 Business Ethics

Honesty is our core value. We require employees to strictly abide by relevant laws and regulations (i.e. the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), industry norms, professional ethics and rules and regulations, and establish a clean and pragmatic atmosphere. The Employee Handbook sets out explicitly the prohibition of all gifts, banquets, and receiving customer kickbacks. Any misconduct, fraud, illegal activities, or suspected commercial bribery will be referred to the judicial authorities for accountability. We set up different reporting channels. Employees can report internal ethical violations or related corruption by means such as reporting phone calls and e-mail. All reporting will be treated as confidential and in a sensitive manner. During the Reporting Period, we did not receive reports on corruption, extortion, fraud, and money laundering incidents.

7.2 Supply Chain Management

We understand that good supply chain management may have a positive impact on our environment and society. Our purchasers visit the major suppliers monthly to learn further about their latest operating conditions. We have formulated the Supplier Code of Conduct for sustainable development elements of environmental protection, occupational health and safety, behavioral ethics, laws and regulations, which contains clear guidelines for suppliers' expectations regarding environmental protection and social responsibility. It reflects our commitment to integrating corporate social responsibility into supply chain management and promoting sustainable development.

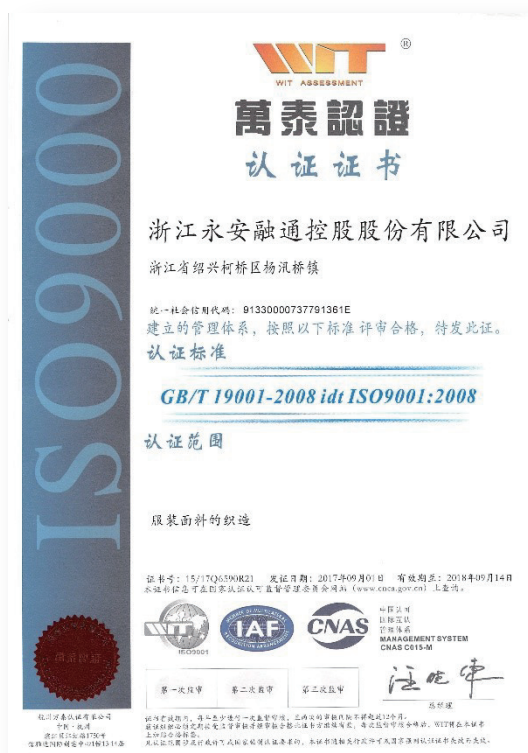
Our procurement process has been systematized. Relevant departments must first submit purchase orders through the internal system to procurement department. While considering suitable suppliers, the procurement department will invite two to three suppliers to quote for conducting a relatively complete market survey and analysis. In addition, we will give priority to procurement in neighboring areas, which not only reduces the carbon emissions from the transportation process but also lowers the corresponding transportation costs. We will continually monitor the supplier's product quality; the procurement department and its department head will regularly evaluate the suppliers. The assessment criteria include product quality, service level and price, etc.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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7.3 Product Responsibility

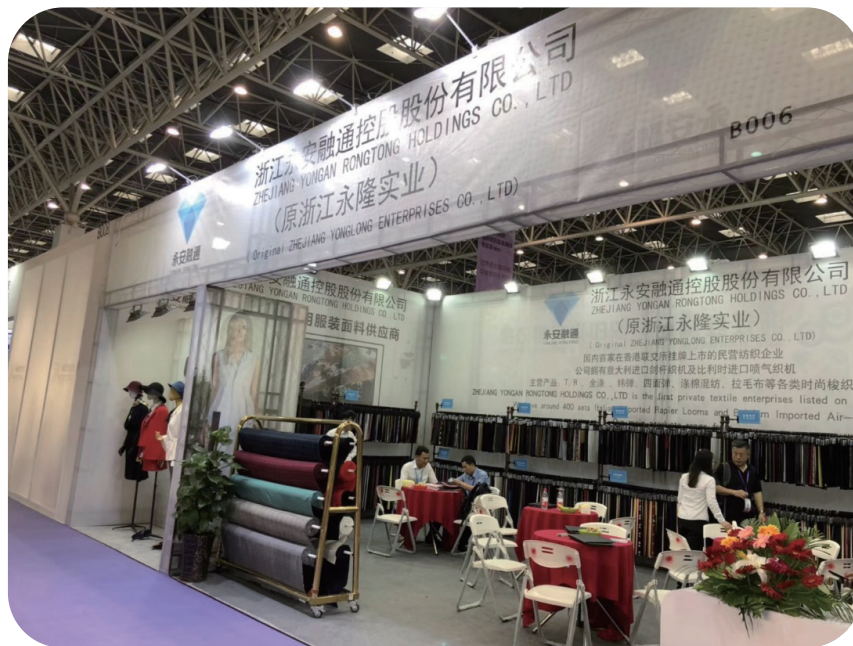
As a responsible manufacturer, we are committed to providing our customers with quality products and services. We have obtained the ISO 9001:2008 Quality Assurance System Certification and have established a comprehensive quality control policy and system. Detailed inspection procedures have been set up for the raw material procurement, semi-finished products, fabrics and finished products. For example, the fabrics inspection procedures clearly set out the objective scoring criteria. The inspector shall check carefully the fabrics as per the guidelines. If any defect is found, it will be repaired before dispatch; we also have strict requirements on the inspection of finished products. The inspector shall score the intrinsic quality including shrinkage, tearing force and appearance defects. The fabric will be rated according to the score, and then packed into the warehouse after the issuance of relevant inspection report upon completion. In order to implement a series of tests, the plant has been equipped with various professional machinery, such as yarn measuring machine, yarn examining machine, electronic single strand machine, yarn twist meter and thermostatic drier, etc., and detailed fabric data are recorded through the internal system. We will also entrust our products to nationally recognized third-party inspection agencies to carry out provincial product quality supervision sample tests and all inspection methods are conducted in accordance with national standards. So far, all products have met relevant standards. We are also one of the national suppliers of military clothing fabrics.



ZHEJIANG YONGAN RONGTONG HOLDINGS CO., LTD.*

We strive for excellence, and through the adoption of customers' opinions, we accurately identify market demand. Our target for annual customer satisfaction is 95% or over. In order to understand customer satisfaction with our products and services, we devised the "Customer Satisfaction Survey Form" and conducted a survey on key customers in January 2018, inviting them to score on dimensions such as product appearance, label, packaging, material, date of delivery, service method, attitude, price, feedback time, and stability, etc. The average customer satisfaction is 95.16%, exceeding the expected target. If any customer finds defective products, we will recall the products and take quick actions to repair and then deliver to the customer. During the Reporting Period, we have not received complaints about product quality or any case in which the sold products had to be recalled for health and safety reasons. We will work hard to maintain communication with customers and receive feedback at any time.

2017 China Keqiao International Textiles, Fabrics and Accessories Exhibition (2017中國柯橋國際紡織品面輔料博覽會)



With regard to promotion of business, we always seek to attract customers with quality. Therefore, the main promotional channel is to participate in fabric exhibitions to approach new or existing customers in order to present the finished products and new products to public. From 14 to 17 October 2017, we participated in the 2017 China Keqiao International Textiles, Fabrics and Accessories Exhibition (autumn) (2017中國柯橋國際紡織品面輔料博覽會(秋季)) jointly organised by the People's Government of Zhejiang Province (浙江省人民政府), China Council for the Promotion of International Trade (中國國際貿易促進委員會), China National Textile And Apparel Council (中國紡織工業協會) and China General Chamber of Commerce (中國商業聯合會), and the event achieved great success.

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We concern the importance of the confidentiality of customer privacy and confidential information of suppliers, including but not limited to operational and financial data. In the Employee Handbook, we stipulate that employees should not disclose any confidential information. Meanwhile, the labour contract clearly stipulates that employees should keep commercial confidentiality. If any violations are found, disciplinary actions will be taken and serious offenders will be dealt in accordance with the law. In terms of financial information, except for the chief financial officer and internal auditors in charge, other employees are not allowed to access invoices and it clearly defines the boundaries of data permission.



Concerned about the importance of intellectual property rights, we stipulated in the labour contract that employees should keep confidential matters relating to intellectual property rights confidential. If any violations are found, disciplinary actions will be taken and serious offenders will be dealt in accordance with the law. In 2017, we completed the internal audit of intellectual property, management review, and external audit of the certification company. We successfully obtained the Intellectual Property Management System Certification Certificate (《知識產權管理體系認證證書》) in the following year which indicates that our internal intellectual property management system complies with the relevant national standards, and passed the Enterprise Intellectual Property Management Regulations (《企業知識產權管理規範》) (GB/T29490-2013) certification. We have successfully applied for patents for nearly 30 products in cumulative.

During the Reporting Period, we were not aware of any violation of laws and regulations relating to product responsibility. , including but not limited to Contract Law of the People's Republic of China (《中華人民共和國合同法》), the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》), the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》) and the Tort Law of the People's Republic of China (《中華人民共和國侵權責任法》).

8. COMMUNITY CONTRIBUTION

Over the years, we have been actively encouraging employees to organize or participate in various charitable activities and give back to society. We are committed to caring for and serving the community. During the Reporting Period, we organised a collective voluntary blood donation campaign to support local medical services. A total of 100 employees were willing to join. We also donated RMB10,000 to the Buddha Association of Shaoxing, Zhejiang and donated RMB50,000 to the poverty-stricken mountainous areas to assist local development.

9. CONTENT INDEX OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF THE HONG KONG STOCK EXCHANGE

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A. Environmental			
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General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		Environmental Protection	5-9
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KPI A1.2	Greenhouse gas emissions in total and, where appropriate, intensity	Environmental Protection	7
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KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity	Environmental Protection	8
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Subject Areas, Aspects, General Disclosures and KPIs		Chapter	Pages
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Aspect A2: Use of Resources.			
General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.		Environmental Protection	9
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Environmental Protection	10
KPI A2.2	Water consumption in total and intensity.	Environmental Protection	10
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Environmental Protection	9
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Environmental Protection	9
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Environmental Protection	10
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General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources		Environmental Protection	5
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Subject Areas, Aspects, General Disclosures and KPIs		Chapter	Pages
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Employment and Labour Practices			
Aspect B1 : Employment			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		Care for Employee	10-12
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	Care for Employee	10-11
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Not Disclosed	
Aspect B2: Health and Safety			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		Care for Employee	14-15
KPI B2.1	Number and rate of work related fatalities.	Care for Employee	15
KPI B2.2	Lost days due to work injury.	Not Disclosed	
KPI B2.3	Description of occupational health And safety measures adopted, how they are implemented and monitored.	Care for Employee	14-15
Aspect B3: Development and Training			
General Disclosure Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.		Care for Employee	13
KPI B3.1	The percentage of employees trained by gender and employee category.	Care for Employee	14
KPI B3.2	The average training hours completed per employee by gender and employee category.	Not Disclosed	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Year ended 31 December 2017

Subject Areas, Aspects, General Disclosures and KPIs		Chapter	Pages
Aspect B4: Labour Standards			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		Care for Employee	11
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Care for Employee	11
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Not Disclosed	
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure Policies on managing environmental and social risks of the supply chain.		Corporate Governance	15
KPI B5.1	Number of suppliers by geographical region.	Not Disclosed	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Partly Disclosed	15
Aspect B6: Product Responsibility			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		Corporate Governance	16-19
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Corporate Governance	17
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Corporate Governance	17
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Corporate Governance	18
KPI B6.4	Description of quality assurance process and recall procedures.	Corporate Governance	16-17

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Subject Areas, Aspects, General Disclosures and KPIs		Chapter	Pages
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Corporate Governance	18
Aspect B7: Anti-corruption			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		Corporate Governance	15
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Corporate Governance	15
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Corporate Governance	15
Community			
Aspect 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		Community Contribution	19
KPI B8.1	Focus areas of contribution.	Community Contribution	19
KPI B8.2	Resources contributed to the focus area.	Community Contribution	19

By Order of the Board
Zhejiang Yongan Rongtong Holdings Co., Ltd.*
Jiang Ning
Chairman

Zhejiang, the PRC, 25 June 2018

As at the date of this document, the executive Directors are Mr. Jiang Ning (Chairman), Mr. He Weifeng (Deputy Chairman), Ms. He Lianfeng (Chief Executive Officer) and Mr. Hu Hua Jun; the independent non-executive Directors are Mr. Song Ke, Mr. Wang Hui and Mr. Wang Zhong.