



Huajin International Holdings Limited

華津國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2738)

Environmental, Social and Governance Report

2017

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Section 1 – About This Report

1.1 Introduction

As a responsible corporate citizen, Huajin International Holdings Limited (the "Company", together with its subsidiaries, the "Group", "we", "our" or "us") takes active part in sustainable development and attaches great importance to corporate social responsibility. We care about the economic, environmental and social impacts of our business and strive to establish positive relationships with all stakeholders, in order to build a sustainable future.

As an entity principally engaged in the processing of hot-rolled carbon steel coils into cold-rolled carbon steel products and zinc coated steel products, the Group advocates the principle of caring for environment and social interests, and has formulated various initiatives covering environmental management, labour practices, product quality, corporate integrity and community engagement to fulfil our corporate social responsibility.

This report summarises the Group's work on corporate social responsibility ("CSR") during 2017, and attests to our ongoing commitment to creating a brighter future.

1.2 Basis for Preparation of the Report

This report was prepared by the board of the directors (the "Board") of the Company according to the Environmental, Social and Governmental Reporting Guide set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). The information disclosed in this report was sourced from the Group's internal data, results and internal management system analyses.

1.3 Scope of Report

This is our second annual environmental, social and governmental ("ESG") report, which describes the Group's ESG agenda and its implementation, covering the reporting period from 1 January 2017 to 31 December 2017.

Scope of Report:

This report focuses on the Group's headquarters and our two main production subsidiaries operating in the People Republic of China (the "PRC"), namely Jiangmen Huajin Metal Product Company Limited ("Jiangmen Huajin") and Jiangmen Huamu Metals Company Limited ("Jiangmen Huamu"). The Group's headquarters in the PRC is located at Xinsha Industrial Park, Muzhou Town, Xinhui District, Jiangmen City, Guangdong Province, the PRC.

Unless otherwise specified, all numbers are absolute figures. Subcontractors' personnel are not included in the employment section for the Group.

To assist readers and enhance transparency, a detailed index to the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange is included at the end of this report. For other ESG information, including financial data and corporate governance, it has already been published in the Company's 2017 Annual Report.

This report has been approved by the Board. We would like to take this opportunity to thank every individual and organisation that participated in the work for this report.

Section 2 – ESG Performance Overview

The following is an overview of the Group's CSR initiatives for 2017:

Scope	Aspect	Policy/compliance with regulation	Summary of Initiatives
Environment	Emissions	✓	Use aerosol acid purification towers to effectively reduce hydrogen chloride emissions
	Use of Resources	✓	Energy saving plan for the "13th Five-Year Plan" – energy audits
	Environment and Natural Resources	✓	Waste hydrochloric acid on-site recycling project
Society – Employment and Labour Practices	Employment	✓	Fair, equal and open system for internal employee promotions
	Health and safety	✓	Safe production responsibility management system
	Development and Training	✓	New employee training, on-the-job training
	Labour Standards	✓	Prohibit the use of illegal or inhumane punitive measures or forced labour
Society – Operating Practices	Supply Chain Management	✓	Supplier evaluation mechanism
	Product Responsibility	✓	Implement quality management systems
	Anti-corruption	✓	Anti-fraud management system
Society – community	Community investment	✓	Promote local economic, environmental and social development; provide the public with the access to project environmental assessment

Section 3 – Environment

3.1 Emissions Control Management

We believe that environmental protection is extremely important to the sustainable development of the Group's business. Consequently, our operational decision-making processes take into account a wide range of environmental factors, and every aspect, from planning and procurement to production, involves input from all departments, organisations and business partners. We take a range of measures to reduce our environmental impact, waste gas, greenhouse gas emissions, water and soil pollution and minimise generation of both hazardous and non-hazardous wastes, in order to fulfil our ongoing commitment to environmental protection.

Our production processes produce liquid waste, industrial waste water and urban waste water. Our sewage treatment ponds in factory areas enable us to take various steps to neutralise and recycle sewage before discharging in order to prevent and control environmental pollution:

- Our acid washing workshop uses fully-treated neutral water to supply the furnace workshop dust-removal loop and acid washing tanks; and
- Waste water for external discharge is treated to the relevant limits for cold-roll companies in the Iron and Steel Industry Water Pollutant Discharge Standard 《鋼鐵工業水污染物排放標準》 (GB13456-2012) and the Water Pollutant Discharge Standard 《水污染物排放標準》 (DB44/26-2001).

In order to reduce emissions better, we purchased additional aerosol acid purification towers to effectively reduce hydrogen chloride emissions. Compared with 2016, the total hydrogen chloride emissions in our three factories were reduced by 79% in 2017.

Annual emissions from consumption of gaseous fuel and biomass fuel

Pollutant	Nitrogen oxides (NO _x)	Sulphur oxides (SO _x)
Kilogram	16,159.2	714.0

Annual motor vehicle emissions

Pollutant	Nitrogen oxides (NO _x)	Sulphur oxides (SO _x)	Particles (PM)
Gram	421,519	96,365	34,100

Total greenhouse gas emissions

Emissions	Scope 1	Scope 2	Total	Density (tonnes / tonnes of production volume)
Carbon dioxide equivalent (tonne)	29,551.51	102,358.61	131,910.12	0.169
Notes: Scope 1 includes mobile combustion emissions; Scope 2 includes indirect energy emissions; Scope 3 includes electricity consumption for sewage treatment and business air travels of employees, which are insignificant and can be ignored in calculation.				

Our production processes also make appropriate use of natural gas or biomass fuel pellets, and we have signed contracts with gas suppliers to reduce waste gas and greenhouse gas emissions; this work is supervised and implemented by our Energy Audit Team.

We take the following measures to manage solid waste and effectively minimise generation of both hazardous and non-hazardous wastes:

- Scrap material is recycled by a metal recycling organisation;
- Packaging waste material is recycled by the relevant waste recycling organisations;
- Specialist hazardous waste recycling companies handle the replacement of emulsified oils and acid washing effluent, and the replacement of machine oils for mechanical equipment; and
- Office and domestic garbage is collected and disposed of by the relevant sanitation agencies.

Generation of both hazardous and non-hazardous wastes

	Hazardous wastes	Non-hazardous wastes
Tonnes	4,115	534
Density (tonnes / tonnes of production volume)	0.005	0.0007

During the reporting period, the Group complied with all aspects of environmental protection policies and requirements, including relevant environmental laws and regulations in the PRC governing waste gas and greenhouse gas emissions, water and soil pollutant discharge, and hazardous and non-hazardous waste. The Group has not received any penalties for breaching the applicable laws or regulations.

3.2 Efficient Use of Resources

The Group has created rigorous resource usage policies to manage energy savings, water consumption and raw material usage, with the goal of increasing resource efficiency, reducing wastes and recycling reusable resources.

To assess energy efficiency, our Energy Audit Team has created an effective system of rationalised assessment, which includes the Energy Statistics Management System, Energy Consumption Quota Management System, Electricity Use Management System, Energy-saving Technology Modification Management System and the Energy Economy Reward and Penalty System. We have also formulated technology management systems for energy that require the use of energy-saving technologies in rebuilding, expansion and new projects, while the associated feasibility studies and initial designs must demonstrate reasonable energy usage. In addition, we improved our publicity and education programmes to carry forward our energy development strategy of "simultaneously implementing energy saving and development, while putting energy economy first", in a drive to achieve the energy conservation policy under the "13th Five-Year Plan".

The relevant measures and performance are summarised as below:

- Automatic switches based on ambient light are installed at street lamps and billboards in factory areas;
- The acid washing energy saving technological upgrade is estimated to cut down comprehensive energy consumption by 88 tonnes of standard coal; and
- The replacement of annealing furnace inner cover (process furnace pipe) is estimated to cut down electricity consumption by approximately 2,534,400 kWh.

Total energy consumption

Electricity power (MWh)	Natural gas (MWh)	Total (MWh)	Density (MWh / tonnes of production volume)
175,641	63,897	239,538	0.306

In terms of water usage, we found no problems or potential problems in identification of suitable water sources. We advocate water economy in our daily operations to better recycle water resources and reduce water consumption.

Total water consumption

Total (m ³)	Density (m ³ / tonnes of production volume)
758,266	0.968

Consumption of packaging materials in finished products

Materials	Total consumption (tonne)	Density (tonnes / tonnes of production volume)
Paper	83.55	0.00011
Adhesive tapes	143.45	0.00018

Our quality targets include setting indicator requirements for the number of raw material issuing errors that occur during the production process, in order to reduce raw material waste. In our offices, we promote to reduce the use of paper by using double-sided printing and recycling one-side printing paper and electronic filing system. Ink cartridges are often refilled and reused, while a "new for old" replacement policy is operated for office supplies, so that older goods can be recycled and reused.

3.3 Environment and Natural Resources

To reduce the impact of our day-to-day operations on the environment and natural resources, the Group identifies sources of emissions and waste products in our operational processes, as well as the severity of environmental impact caused by the use of resources, and performs targeted environmental impact assessments. During the year, we expanded the facilities of waste water treatment by adopting chemical and physical processes such as "regulating-neutralising-precipitating" processes in waste acid recycling projects. A large proportion of the waste water is reused in the acid washing process after being processed. Domestic waste water is currently treated with septic tanks and screening tanks before being discharged. We also conducted environmental impact assessments on our metal product, strip shearing and logistics projects, and implemented management and monitoring of waste gas, noise and solid waste produced by such projects. These steps include the use of aerosol acid collectors and alkali spraying facilities to control aerosol acid emissions as well as the treatment of hazardous wastes by specialist hazardous waste recycling companies, in order to ensure the compliance with the relevant environmental quality standards.

Section 4 – Personnel

4.1 Respecting Labour Rights

Employees are precious assets for the Group, as well as a vital element upon which the Group's success depends. In terms of employee salaries, recruitment, promotion, dismissal, working hours, rest periods, equal opportunities, diversity, anti-discrimination, benefits and welfare, we have formulated management policies in accordance with the relevant local laws and regulations for the operational locations, in order to properly protect and respect employees' rights and build an ideal workplace for employees.

We recruit and promote suitable employees in accordance with the principles of fairness, equality and openness, and we do not discriminate on the basis of race, skin colour, social status, birthplace, nationality, religion, disability, gender, sexual orientation, union membership, political views or age. We prohibit the use of child labour in accordance with the relevant standards and laws, and our PRC subsidiaries, Jiangmen Huajin and Jiangmen Huamu, only recruit individuals aged 18 or above.

We provide employees with competitive salaries, benefits and welfare. Our employees' salary packages include wages, bonuses and allowances. In general, we determine salaries on the basis of employees' individual qualifications, experience, job position and performance. In accordance with the provisions of the applicable PRC laws and regulations, we participate in society welfare programmes based on employees' actual salaries. These programmes provide our employees with a pension, medical insurance, work-related injury insurance, maternity insurance and unemployment insurance. In accordance with the provisions of the applicable PRC laws and regulations, we also provide our employees in PRC with social welfare programmes based on the employee's actual salary that cover a housing fund and housing benefits. All employees are able to give a reasonable notice period when they leave their job.

We understand the importance of work-life balance and implement a clear system of factory rules and penalties that prohibits and does not support the imposition of illegal or inhumane penalty measures and forced labour. We hold regular recreational activities for employees to reduce work stress, including table tennis, basketball, tug-of-war and singing events, while employees are also entitled to rest periods as specified in their employment contracts.

Our culture is about casting a wide net to recruit outstanding talents including people from different backgrounds. We ensure that every employee is treated fairly and they do not suffer any unfair discrimination in terms of recruitment, salary, benefits, training opportunities and work arrangements.

During the reporting period, the Group's operations complied with all relevant local laws and regulations pertaining to employee salaries, recruitment, promotion, dismissal, working hours, rest periods, equal opportunities, diversity, anti-discrimination, benefits, welfare, child labour and forced labour. The Group was not penalised for any non-compliance incidents under the applicable laws or regulations, and there were no major employee or labour disputes that disrupted our normal day-to-day operations.

Total number of employees of Jiangmen Huajin and Jiangmen Huamu as at 31 December 2017

	Number
Gender	
Male	815
Female	204
Total	1,019
Employment type	
Full time	1,019
Part time	0
Total	1,019
Age group	
18 – 30	493
31 – 45	406
46 – 60	120
> 60	0
Total	1,019
Geography	
Guangdong Province	808
Other provinces	211
Total	1,019

Employees turnover rate of Jiangmen Huajin and Jiangmen Huamu

	Percentage (%)
Gender	
Male	18.0
Female	21.5
Total	18.7
Age group	
18 – 30	13.1
31 – 45	21.2
46 – 60	27.7
> 60	100.0
Total	18.7

4.2 Health and Safety

The Group strives to uphold health and safety standards and comply with PRC laws and regulations regarding labour, safety and work accidents. We have established the Safe Production Responsibility Management System and the Protective Labour Equipment Management System, and provide safety protection for employees working in production factories, including issuing protective labour equipment to employees. We have prepared safety guidelines and operating manuals that include production process safety measures. We have also established the Safety Education and Training Management System that provides our employees with safety-related training schemes to ensure that all employees are familiar with our safety procedures and policies, including safety management, unforeseen circumstances, guidelines for correct operation and use of equipment and machinery, and accident reporting rules, in an effort to achieve zero industrial accidents.

Work-related injury statistics

	Result
Work-related death tolls	
Person	0
Percentage (%)	0
Work-related injuries	
Lost working days	1,646

During the reporting period, the Group complied with relevant PRC workplace safety supervision regulations, while Jiangmen Huajin and Jiangmen Huamu have completed the relevant registration procedures for the furnaces currently in use and have obtained specialised equipment usage registration certificates issued by the local quality and technology supervision agencies. We have not experienced any accidents or complaints that have had material adverse impact on our operations, and we have not been penalised for any non-compliance incident under the applicable laws or regulations.

4.3 Education, Training and Career Development

In order to ensure the quality of our employees and to nurture our management talents, the Group uses comprehensive employee development and training programmes to increase employee knowledge of operational and safety practices and provide training based on specific job requirements. The objective of internal training is to train our employees and identify our management talents, in order to provide promotion opportunities within the Group and foster employee loyalty, thereby promoting further foundations for the sustainable development of the Group.

All employees receive orientation training from the human resources department when they start working for the Group. This training chiefly focuses on providing an understanding of the Group's development history, corporate culture, business philosophy, rules and regulations, basic business operations knowledge, safety rules, welfare/benefits systems, and other basic content. During the term of their employment, employees receive on-the-job training organised by the human resources department or the department in which they served.

We strive to provide ample career development opportunities and evaluate the work capabilities and performance of our employees with the potential for promotion and the desire to change job duty, and make reasonable adjustments based on the Group's business development needs and the employee's individual wishes to help employees developing their careers.

The training of full-time employees

	per cent. (%)
Gender	
Male	100
Female	100
Employee category	
Senior management members	100
Middle management members	100
Junior employees	100

Average training hours completed per each full-time employee

	Hour
Gender	
Male	155
Female	160
Employee category	
Senior management members	136
Middle management members	136
Junior employees	11

Section 5 – Operating Practices

5.1 Product Responsibility

Our ability to consistently deliver high-quality and intensively-processed steel products to our customers is critical to our business. Accordingly, we always place great emphasis on quality control and have implemented stringent monitoring and quality control systems to eliminate the possibility of any consumers' injury or property damage caused by any defect from our metal products. We are committed to ensuring our products strictly comply with the product quality standards set out in PRC laws and regulations, including the PRC Quality Law and the PRC Consumer Rights Protection Law. Jiangmen Huajin and Jiangmen Huamu have held ISO 9001:2008 certification in relation to their quality management systems since 2008 and 2015, respectively. In order to maintain reliable product quality, our quality control team meticulously monitors every stage of our operations, from selecting suppliers and checking key raw materials to conducting spot-checks on semi-finished and finished products.

Our meticulous quality management systems strictly enforce quality control policies, while our product quality warranties generally require us to produce products that are free from any defects in materials or processes to comply with customers' requirements. If a product fails to meet the customer's requirements as a result of fault on our part, the customer may return the defective product to us within 15 days and we are required to repair or replace the product at no charge.

To better track the feedback from our customers on product quality issues, improvement for the efficiency of our after-sale service and product quality, our managers from business, quality and production departments closely communicate with each other to decide whether it is necessary to arrange our staff to the customer's site for further processing, followed by a report on the customer's on-site situation and processing result submitted to the general manager's office. Without prior consent from our customer, no customer information collected will be used by us for other purposes, which is overseen regularly by our business department.

During the reporting period, there were no material product quality issues that resulted in the occurrence of health and safety incidents or the imposition of fines, product recall orders or other penalties by the PRC government or its regulatory authorities.

	Result
Percentage of products subject to recalls for safety and health reasons	0.14%
Number of products and service related complaints received by the Company	0

Jiangmen Huajin and Jiangmen Huamu have filed registration applications for pending patents for our business operations with the State Intellectual Property Office of the PRC, while the patents applied for were created by our employees. We possess registered trademarks and have submitted trademark applications for pending trademarks for our business operations to the Trademark Bureau of the State Administration for Industry and Commerce. The registered trademarks are intangible assets belonging to Jiangmen Huajin and Jiangmen Huamu and which are importance to our business operations. The protection of our intellectual property ("IP") depends upon a number of laws and regulations, including but not limited to the Patent Law and the Trademark Law of the PRC, as well as agreements concluded between the Group and its employees. In accordance with the relevant agreements, all IP rights to inventions, technologies and products created by our research personnel during the term of their employment belong to the Group for the duration of their employment and for a period of five years from the termination of their employment; in addition, all materials pertaining to such products, technologies and IP rights are strictly confidential. Such obligations of our employees are mandatory and legally binding.

During the reporting period, the Group complied with all applicable local laws and regulations in the operational locations concerning advertising, labelling and privacy issues for products and services.

5.2 Supply Chain Management

We have established stable, long-term business relationships with our major steel raw material suppliers, which allow us to obtain steel raw materials of all grades. To make full use of the industry insights and precisely grasp market trends from our suppliers, we communicate and work closely with our major suppliers to obtain up to date market information on customers' future need. We are convinced that our stable, long-term relationships with suppliers also help us to strengthen our relationships with major customers and maintain our competitiveness.

We have established processes for evaluating and selecting suppliers. Before our procurement team adding a potential supplier to our list of approved suppliers, they conduct a variety of background assessment on potential suppliers, including evaluations of their operational scale, quality control, delivery time and reputation in the industry. To ensure the quality of raw materials, our procurement policy is to purchase raw materials only from approved suppliers. We also conduct assessments and evaluations of our existing suppliers from time to time. Any supplier that fails to meet our requirements will be removed from our list of approved suppliers. We did not encounter any major difficulties in selecting potential suppliers during the reporting period and we do not expect such difficulty would be incurred in the foreseeable future. Over the same period, we did not encounter any major disputes with suppliers. We did not experience any interruptions, shortfalls or late deliveries for the supply of raw material from our suppliers that would have caused material adverse impact on our operations.

Number of suppliers as at 31 December 2017

Region	Number
China	40

We provide delivery services to the majority of our customers. The risk and ownership of our products is transferred to the customer once the customer collects or takes delivery of the products. Our products are delivered: (i) to domestic customers, principally by road freight; (ii) to overseas customers, mainly by shipment on a free on board basis. During the reporting period, we did not experience any major disruptions or damage involving our products during the delivery process.

Insurance policies purchased by the Group include property all-risk, environmental pollution liability, goods in transit, cash and cash equivalents, and employee's liability. We believe that the insurance coverage we have purchased is ample for our operations and consistent with best practice in the industry. We were not involved in any major insurance claims during the reporting period. During late August 2017, Severe Typhoon Hato, which originated in the northeast of the South China Sea and escalated into a super typhoon, caused massive damage in the Pearl River Delta. Only a limited part of roofs of our factories was damaged by the typhoon without causing any major interruption or delay in our production that would have caused a material adverse impact on our operations and financial position, and we also received a fair insurance claim.

5.3 Ethics and Anti-corruption

The Group is committed to ensure compliance with the relevant local and international laws and regulations relating to the prevention of bribery, extortion, fraud and money laundering. We conducted regular review of our operational procedures and guidance to enhance internal controls and compliance audit.

Our employees are maintaining business integrity in good faith in the following areas:

- Procurement employees are required to sign an agreement that requires them to comply with the Code of Business Ethics and they are not allowed to have any corruption and bribery;
- All business activities are in line with the highest standards of business ethics;
- Reporting procedures and channels have been established;
- An independent auditor is engaged to audit the Company's and the Group's accounts; and
- Conflict of interest policy.

Employees at all levels of the Group and all third parties having direct or indirect economic relations with the Group could directly complaint, report the actual or suspected fraud information to the audit department against the Group's employee violating professional ethics. The audit department would follow up the complaint or suspected report in a timely manner. The investigation results performed by the audit department will be submitted to the Board and the Audit Committee if it involves fraud or misconduct by senior management. Or it would be submitted to the Company's management if it involves fraud or or misconduct by other employee.

During the reporting period, the Group complied with all relevant local laws and regulations relating to the prevention of bribery, extortion, fraud and money laundering in all operational locations. None of the Group's employees was involved in prosecution or conviction in relation to corruption.

Section 6 – Community Involvement

As a corporate citizen, the Group has consistently supported community engagement to promote local economy, environmental protection and social development. During the reporting period, the Group established a new subsidiary Jiangmen Hairun Renewable Resources Recycling Co., Ltd., and conducted environmental impact assessment on its proposed waste acid comprehensive utilisation project with participation of the public. It ensures the project, which complies with relevant industrial policies and local planning requirements, to have no significant impact on the surrounding environment from project construction. The subsidiary has not started project construction and operation during the reporting period.

During the reporting period, we committed sufficient resources in education, health, environmental protection and labour rights to better fulfil corporate social responsibility. In particular, we donated RMB510,000 to the educational fund for teachers and students of Muzhou Town in July 2017 and contributed RMB280,000 to Muzhou Hospital to finance the purchase of medical equipment in December 2016. We also organised our employees to participate in the environmental regulation seminar hosted by environmental protection associations at provincial and municipal levels.

Section 7 – Contact Information

Share Your Thoughts!

We recognise the importance of your comments on this ESG Report 2017. Your thoughts can help us achieve our vision to sustainable development. We invite you to share your views through the following ways:

Huajin International Holdings Limited

Headquarter in the PRC:

Xinsha Industrial Park, Muzhou Town, Xinhui District,
Jiangmen City, Guangdong Province, PRC

Principal place of business in Hong Kong:

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Tsim Sha Tsui East, Kowloon, Hong Kong

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Appendix 1 Index to the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange

ESG Reporting Guide of the Hong Kong Stock Exchange	Description	Section
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	3.1 Emissions Control Management
key performance indicator (“KPI”) A1.1	The types of emissions and respective emissions data.	3.1 Emissions Control Management
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.1 Emissions Control Management
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.1 Emissions Control Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.1 Emissions Control Management
KPI A1.5	Description of measures to mitigate emissions and results achieved.	3.1 Emissions Control Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	3.1 Emissions Control Management

ESG Reporting Guide of the Hong Kong Stock Exchange	Description	Section
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	3.2 Efficient Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	3.2 Efficient Use of Resources
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	3.2 Efficient Use of Resources
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	3.2 Efficient Use of Resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	3.2 Efficient Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	3.2 Efficient Use of Resources
Aspect A3: Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	3.3 Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3.3 Environment and Natural Resources
B. Society		
Employment and Labour Practices		

ESG Reporting Guide of the Hong Kong Stock Exchange	Description	Section
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.	4.1 Respecting Labour Rights
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	4.1 Respecting Labour Rights
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	4.1 Respecting Labour Rights
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.	4.2 Health and safety
KPI B2.1	Number and rate of work-related fatalities.	4.2 Health and Safety
KPI B2.2	Lost days due to work injury.	4.2 Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	4.2 Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging	4.3 Education, Training and Career Development

ESG Reporting Guide of the Hong Kong Stock Exchange	Description	Section
	duties at work. Description of training activities.	
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	4.3 Education, Training and Career Development
KPI B3.2	The average training hours completed per employee by gender and employee category. Note: Data are not available at present.	4.3 Education, Training and Career Development
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.	4.1 Respecting Labour Rights
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	4.1 Respecting Labour Rights
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	4.1 Respecting Labour Rights
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	5.2 Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	5.2 Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented	5.2 Supply Chain Management

ESG Reporting Guide of the Hong Kong Stock Exchange	Description	Section
	and monitored.	
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.	5.1 Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	5.1 Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	5.1 Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.1 Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	5.1 Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	5.1 Product Responsibility
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.	5.3 Ethics and Anti-corruption
KPI B7.1	Number of concluded legal cases	5.3 Ethics and

ESG Reporting Guide of the Hong Kong Stock Exchange	Description	Section
	regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	5.3 Ethics and Anti-corruption
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 taking into consideration the communities' interests.	6 Community Engagement
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6 Community Engagement
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	6 Community Engagement