



山東晨鳴紙業集團股份有限公司

SHANDONG CHENMING PAPER HOLDINGS LIMITED*

(於中華人民共和國註冊成立之股份有限公司)

股份代號: 1812



ENVIRONME
NT, SOCIAL
AND
GOVERNAN
CE REPORT
2017



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Introduction

Shangdong Chenming Paper Holdings Limited (the "Company") and its subsidiaries (the "Group") is a leading enterprise in China's papermaking industry. With over half a century of development and innovation since its inception in 1958, the Group has developed into a large comprehensive modern conglomerate mainly engaged in five major sectors, i.e. paper making, finance, fiber yarn, forestry and real estate, while also involving in mining, energy, logistics, construction materials and hotel business. The Company is the one and only listed company in China simultaneously listed on A, B and H stock market, and the first enterprise in the papermaking industry comprise of financial company and a financial leasing. The total assets of the Company have reached RMB110 billion. With the production bases in Shandong, Guangdong, Hubei, Jiangxi and Jilin, the annual paper pulp capacity can reach over 10 million tonnes. Our economic indicators is leading the industry for 20 consecutive years. The Company is ranked 234th among the top 500 Chinese companies in terms of comprehensive strength, was listed among the top 100 listed companies in China in terms of revenue, and was one of the 50 most competitive blue-chip companies in China.

At present, the Group has the world's largest pulp and paper production base and dozens of internationally advanced pulp and paper production lines. We have 5 categories of paper products, i.e. printing paper, packaging paper, office paper, industrial paper and household paper. Gradually, we have developed a product portfolio composed of eight mid- and high-end product lines, namely high-grade coated paper, white cardboard, newsprint, light coated paper, double offset paper, light paper, electrostatic paper and household paper. The Group has such research institutes at state-level technology centre, post-doctoral scientific work station, and pulp and paper testing centre accredited by the China National Accreditation Service for Conformity Assessment. We have obtained over 150 state-authorised patents, including 12 invention patents. We have seven products rated as "National New Products" and 35 products filling the domestic gap, won 21 scientific and technological progress awards at provincial level or above, and undertook 5 national scientific and technological projects and 26 provincial technological innovation projects. We are the first enterprise in the industry to obtain certification ISO 9001 Quality Management System certification, ISO 14001 Environmental Management System certification and FSC CoC certification (License code: FSC-C020261). The Group has also won more than 200 national and provincial honorary titles, including the National May 1st Labour Award, China Enterprise Outstanding Management Award, Advanced Spiritual Civilization national and provincial honorary title.

Looking forward, the Group will adhere to the overall strategy of green, low-carbon, circular and sustainable development under the guidance of the “Made in China 2025” initiative. Focusing on scientific development with quality and efficiency improvement as the core, strive to promote the combination of manufacturing and financial services and the integration of industrialization with intelligentization through transformation and restructuring, so as to comprehensively enhance quality and efficiency, improve management, increase technology content, enhance happiness index and brand image. The Company is undergoing a new round of rapid development. We will earnestly implement the spirit of Chenming and make every effort to improve our enterprise management. With an aim to build "a RMB100 billion company with a history of 100 years", we aspire to develop the Group into a world-class conglomerate that is garden-style, highly environment-friendly and efficient.

About this Report

Scope of Reporting

This report covers the environmental protection, social, and governance measures of the Company and the following subsidiaries that are engaged in the main production activities of the Group.

- ♦ Jiangxi Chenming Paper Co. Ltd.
- ♦ Zhanjiang Chenming Pulp & Paper Co., Ltd.
- ♦ Jilin Chenming Paper Co., Ltd.
- ♦ Wuhan Chenming Hanyang Paper Holdings Co., Ltd.

Reporting Period

This report covers the data from 1 January 2017 to 31 December 2017. Where applicable, historical data is used for comparison.

Reporting Standards

The contents of this report is prepared in accordance with the “Comply and Explain” of the Environmental, Social and Governance Guide, Appendix 27 issued by the Hong Kong Stock Exchange.

Valuable Feedback

Valuable opinions from stakeholders will help us make continuous improvements in our environmental, social and governance performance. Please feel free to contact us for any comments.

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Communication with Stakeholders

The Group understands that stakeholders have different expectations and requirements for the Group. We hope to establish open and effective communication channels with our stakeholders to understand their needs and expectations. Aim to meet the requirements of stakeholders while business development in order to achieve balanced and satisfactory results. In order to understand stakeholders' concerns about the Company's business and its environmental, social and governance performance, the Group identifies external and internal stakeholders and collects opinions from them through a variety of channels such as interviews, electronic media communications, various forms of meetings and questionnaires to set long-term development objectives on this basis.



Environmental Protection



The Company opt to create on green, innovative and diversified development while building a complete industrial chain and continuously improving its industrial competitiveness. Since its inception, the Group has laid great emphasis on environment-friendly production. In addition, in response to the national environmental policies, the Group has invested a great deal of resources in environmental protection projects over the years to phase out low-efficiency, high-pollution equipment and introduce state-of-the-art papermaking equipment and technology, thereby improving the environment, resource use efficiency and product quality. In 2017, the Group invested a total of RMB210 million to update multiple systems and reduce emissions. Meanwhile, we have adopted zero-wastewater-discharge technology and imported advanced water treatment equipment in hope of realising zero discharge of wastewater and having our environmental indicators go beyond national or even international standards. The Company will continue to invest in various environmental protection projects to further improve its environmental performance.

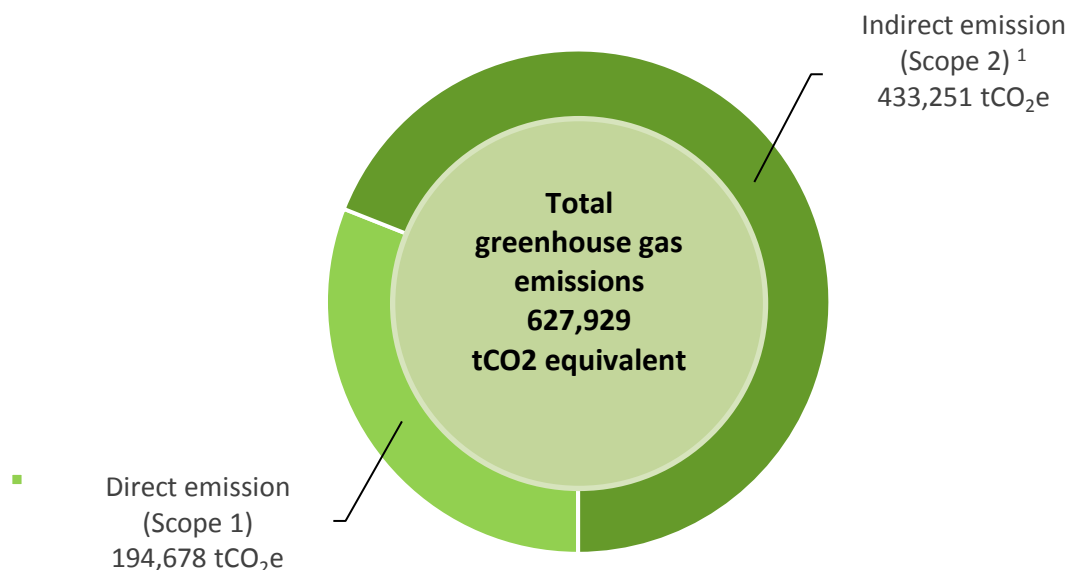
Low Carbon Production

As a major producer in the world, China has joined many international trade union in recent years. The rapid economic growth in China attracts global attention, so does its pollutions. The Environmental Protection Law put into effect by the Chinese government in 2015 not only reinforces penalties and law enforcement, but also strengthens the supervision over the emissions of various industries. Emissions are inevitable during the production process. The Group sets emission targets and cooperates with the government to install a real-time monitoring system at each of its production base. The monitoring system is connected to the environmental protection bureau where governmental department can directly track the relevant emission data. The Group abides by the laws and regulations and closely monitors its emission data. During the reporting period, the nitrogen oxide concentration of Wuhan Chenming on February 20 was slightly higher than the standard limit. Except this, the Group committed no acts of exceeding limits or violating environmental laws and regulations.

Given its long production process with high power consumption of equipment, the Group invested in building a thermal power plant at the Shouguang production base to supply power to the base, in order to reduce the pressure to the local consumption and ensure the stability of power supply to the surrounding areas. In addition to the power supply from the thermal power plant, power is also supply power to the production base through the power generating units with waste incineration and biogas generated from wastes. The treatment tower of the thermal power plant emits fumes, sulphur dioxide and nitrogen oxides. In order to reduce the nitrogen oxides, fumes and sulphur dioxide in its exhaust gas, the thermal power plant adopts dust removal and desulphurisation technologies to reduce air pollutants by 30% to 75%. The fumes in the boilers are sealed with hanging film and glass fiber reinforced plastics and collected in biological deodorisation devices for centralised treatment, so as to ensure that exhaust gas emissions meet the national standards.



Greenhouse Gas and Exhaust Gas



**Nitrogen
Oxides²**

16,990kg

**Sulphur
Dioxide²**

19kg

**Particulate
matter²**

1,234kg

Electricity purchased³

480,150 kWh

Diesel

5,630,543 liters

Steam

28,413 tonnes

Natural gas

80,623,014 m³

¹ Only includes the emission of the purchased electricity from the power companies

² Calculation based on Wuhan, Jilin and Zhanjiang mobile source and travel distance

³ Only include electricity purchased from the local companies. The Group also generate from fuel source

Use of Water Resources



Papermaking consumes large amount of water. For effective use of water resources, the Group considers using multiple ways to save water. Each production base has a sewage system. All sewage must be purified by the system, and part of the purified water will be reused for production while the non-reusable sewage will be discharged. The sewage will be tested the

sewage and ensure that it meets the relevant requirements before discharged. During the reporting year, it was found the nitrogen content of Wuhan Chenming exceeded the standard limit. The responsible department immediately stopped its sewage discharge in the area and studied the reasons for exceeding the limit. The discharge was not resumed until the sewage met the discharge standards.

The governmental department has installed an online monitoring system at the production base where emission data will be uploaded directly to the monitoring department. During the reporting period, the water consumption of our production bases reached 43,181,694 m³.



Green Supply Chain

The world economy is complex and changeable. With the environmental policies are tightening, Chenming as a key papermaking enterprise in China is trying to adjust industrial structure and reduce costs through "forest-pulp-paper" integration in the face of increasing raw material costs. One of the important raw materials for papermaking is from wood. The Group develops forestry in Guangdong, Hubei and Guangxi to reduce its dependence on imported raw materials, which can also reduce the emissions generated during transportation. The Group considers not only environmental and economic factors, but also the surrounding ecology and potential benefits for the society, with a view to creating a win-win situation for the forestry development. Recycling wastes not only reduce the damage to the environment, but also bring economic benefits. Since the early years, the Group has been recycling waste paper for production to reduce the use of raw materials and turn paper into green products.

Forests are the precious resources of the earth. Indiscriminate logging and improper use of pesticides or planting of other genetically modified trees in forests will affect the ecology and habitat of animals. To ensure the sustainable growth of forests, the Forest Stewardship Council has developed an internationally recognized certification to ensure the certified timber in the supply chain comes from legal and sustainable sources. The Group has obtained the FSC CoC certification, which is audited annually by third-party to ensure the validity.

In order to prevent finished products from being damaged during transportation, finished products will be wrapped with paper first. The Group has reduced the use of packaging materials in many aspects. For example, packaging materials shipped at the production bases will be reused. In 2017, a total of 17 tonnes of paper was used for packaging.



Waste Management

Proper disposal of waste will help reduce the impact to the environment and ecology. The Group classifies and processes wastes according to the National Hazardous Wastes List and manages waste treatment according to the relevant procedures to ensure that wastes are properly disposed. Wastes are divided into hazardous waste and general waste.



Different departments are responsible for collecting and disposing of different types of wastes and setting up appropriate classified storage sites to temporarily store wastes. Hazardous wastes are properly packaged and stored in designated storage areas for regular disposal by qualified contractors.

Hazardous waste

24,369 tonnes

General waste

1,123,592 tonnes

Waste disposal cannot rely on waste classification alone. Recycling waste can not only solve the disposal problem, but also bring economic benefits. Waste paper can be turn into recycled paper with appropriate procedures. The Group's research department uses wastes in other links of the production base. For example, coal and cinder from the thermal power plant are processed into building materials. Sludge generated in the papermaking process is used to provide nutrients to crops after removing harmful substances therefrom. The Group will continue to study different feasible ways of using wastes to bring benefits.

Caring for Employees

The Company's achievements today are owed to employees' efforts. The Group strives to build a professional and efficient team to improve the working environment for employees. Understanding employees' needs is believed to increase employees' sense of belonging, reduce turnover rate, and improve production quality. In order to promote communication and mutual trust with employees, the Group interacts with employees through different channels, such as holding monthly meetings and approving the establishment of labour unions. To practice the principle of "cultivating, introducing, employing and retaining talents", the Group has developed a personnel management policy to provide appropriate support and training for employees based on its long-term development vision and in accordance with the relevant national regulations. During the reporting period, no material non-compliance regarding employment was noted.

Occupational Health and Safety



It is our responsibility to ensure that employees work in a safe environment. The Group has set up a safety committee to be responsible for coordinating, directing and supervising fire safety and labour protection work. Each production base has a safety department to carry out safety measures in accordance with the guidelines of the Group and the actual situation. The department also identifies high-risk work procedures, sets safety guidelines and provides employees with appropriate protective equipment. All production bases need to carry out regular safety inspections and submit the inspection results to the Group's safety committee. The safety committee also regularly discusses with the production bases on feasible safety measures and urges to improve the working environment. In the case of fire, the heads of production departments must report to the Group according to the relevant management measures, and thoroughly investigate the causes and conduct analysis to prevent similar incidents from happening. During the reporting period, there were no serious accidents and casualties occurred within the Group and no material non-compliance regarding occupational health and safety was noted.

The Group believes that the most effective way to prevent accidents is to raise employees' safety awareness. As such, new employees will be arranged to receive safety training and assessment. The safety departments organise occupational safety training on different topics to protect employees and others from danger. Each employee receives briefing every day before work to remind relevant matters that need special attention. The 5S methodology is implemented at the production bases where hazardous chemicals and raw materials for production are placed in separate areas with clear marks in order to avoid improper use of materials or chemical reactions.

The Group provides employees with protective equipment according to the nature of work and arranges for the employees to take health check-ups. Where the check-up results are abnormal, the Group will make appropriate work arrangements according to the circumstances. To protect employees' health, the Group purchases insurance for all employees in accordance with national and regional laws.

Development and Training



Employees' continuous learning of new knowledge and skills can enhance competitiveness. The Group hopes to progress together with employees. To this end, the Group practices the enterprise spirit "learning, transcending and leading" and the talent development principle of "cultivating, introducing, employing and retaining talents". As

such, the Group provides employees with various types of training to enhance their personal capabilities and knowledge. In order to make effective use of resources, the Group will prepare an annual training plan according to training needs every year, which includes professional skills and management capabilities. The Group arranges internal training from experienced employees to share of professional know-how. The scientific and technological information are updated frequently, in order to keep up-to-date knowledge, the Group financially supports employees to take relevant courses and absorb new knowledge. In an effort to improve the training content and plan, questionnaires will be conducted after each training session for optimisation future training.

The Group continuously refines its personnel system and provides various types of positions for employees to give play to their strengths. Cultivation of new employees is a priority of the Group. In order for them to integrate into the Chenming culture more quickly, each new employee will receive induction training and sign a mentoring agreement pursuant to which the new employee will be mentored by senior staff to learn about the operations of the relevant position and the culture of Chenming. To facilitate the Group long-term development and talents for the country, the Group conducts campus recruitment every year to provide employment opportunities for the young generation, and arrange mentors to provide appropriate training for them in hope of helping them accumulate experience so that they may be able to lead the Group to turn a new page in the future.

The annual performance appraisal on the Group's employees provides a formal platform for employees to discuss their development paths and training needs with their superiors. Each employee has different needs and expectations for his career. Employees can offer to promote talents for the Group according to their wishes and provide key training.

Labour Standards

As an equal opportunity employer, the Group ensures that all employees are treated fairly. All subsidiaries employ talents according to their needs, with the personnel department carrying out recruitment in a unified manner. The Group will never employ any children for any work. Job applicants are required to present identity documents for verification when being interviewed, so as to avoid employing child labour. Recruitment and promotion are based only on work ability and the Company's needs and are not affected by other factors such as gender and age. During the reporting year, no non-compliance regarding child and forced labour was noted. Long working hours will reduce productivity and increase the risk of accidents. The Group is well aware of the importance of work-life balance. Some production processes take a long time, so employees inevitably have to work shifts or overtime. However, the Group never forces employees to work overtime, and gives them sufficient rest time during working hours. Employees are given overtime pay according to the legal requirements, and their overtime hours will not exceed the legal limits. There were no major labour complaints during the reporting year. The Group has zero tolerance towards any form of discrimination against employees and has a number of channels to receive complaints about unfair treatment.



Supplier Management



Effective supplier management can help save energy, streamline processes and increase productivity, which in turn creates value for the Company. In the course of its operations, the Group needs to cooperate with suppliers in various aspects. We believe the high-quality raw materials and advanced production technology can create a win-win situation. As such, we have to establish a solid and long-term partnerships with suppliers.

In order to ensure suppliers provided material and service that meets the requirements, the Group has developed a supplier management system and conducts centralised procurement to control costs and quality. Before being listed as a qualified supplier, each supplier is required to pass an assessment which covers quality management, business philosophy, environmental management, occupational health and safety, service performance, etc. During the assessment, samples maybe taken and handed over to a laboratory for testing. Supplier profile will be established on the system for each qualified supplier which is subject to assessment each year according to the relevant management measures. Where a supplier fails to pass the assessment, corrective actions are required. For serious violation, the Group will consider terminating its partnership with the supplier. All assessment data are stored in the system for future review.

Suppliers' products have a direct impact on the quality of our finished products. In order to ensure quality, acceptance inspection standards are set for each procurement project. Goods ordered shall meet the acceptance inspection standards before being accepted for use, and the inspection report are properly recorded. The laboratory will test raw materials by batch and make statistical analysis of the testing results. Such data analysis can help understand the quality performance of suppliers.

Product Responsibility



With a number of world-class papermaking production lines, the Group is committed to produce all kinds of high-quality and environmental-friendly paper products for its customers. The production of paper requires a lot of natural resources, and unqualified products will increase the burden to the environment. The Group maintains an

efficient ISO9001 quality management system which has been certified by a third-party certification agency. The Group also has a state-level technology centre, post-doctoral scientific research station, and a pulp paper testing centre accredited by the China National Accreditation Service for Conformity Assessment (CNAS) to carry out new product development and testing. During the reporting year, 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 government authorities.

Quality Control

Product quality and diversification have a significant impact on the sustainability of the Company. The quality of finished products is affected by the complexity of production process and other instable factors. To effectively manage quality, the Group has adopted an array of quality monitoring methods from product design to production process.



Quality Control

Formulation of testing methods	The product design and production process require multi-level testing and monitoring to ensure that the quality of finished products meets the requirements. The quality assurance department will set the sampling method and quantity of finished products according to the contract signed with each customer and international standards.
Acceptance of raw materials	Acceptance criteria are set based on the characteristics of different raw materials. Where quality requirements are not met, the supplier is required to make other arrangements.
Quality control in the production process	Quality control is managed by the Group's quality department and the production base. Inspections are carried out in accordance with the Group's standards for various production steps to detect any potential problems as early as possible. Every week, random samples are taken from various production lines to the technical quality department for testing of physical indicators, appearance quality, etc.
Quality analysis meeting	At the monthly meeting, the sales department will summarise and report customers' feedback on product quality, and the quality and technology departments will make suggestions on product quality improvement, analyse the reasons for quality problems, and discuss the methods for improving product quality.

After-sales Services

After-sales services are the Company's responsibility to customers and products. A good after-sales services can gain customer trust of the Group. The maintenance and after-sales services are jointly handled by the marketing management department, quality management department, production management department and storage & transportation department. The Group has formulated an after-sales service policy covering product return, exchange and compensation to protect the interests of all parties. During the reporting period, the Group received no serious complaints or compensation claims that might affected the operations of the Group.

Intellectual Property Protection

Product development and production technology development require a large amount of capital investment and time in research and refine. The uniqueness of products and technologies affects the Group's competitiveness and profitability. Therefore, the relevant departments of the Group will apply for patents for unique products and processes with commercial value after necessary technical evaluation and market analysis. As of now, the Group has obtained more than 150 state-authorized patents. The Group mainly uses patents to protect the intellectual property regarding its products and technologies. Employees are reminded to keep confidential the information of the Group, in order to protect the interests of the Group.

Information Protection

Automated production is the trend of the production industry. The Group believes the automated production and proper data management can help improve its management across the nation, speed up its upgrading and transformation, and enhance efficiency and quality. Automated production and data management rely on computer systems. The Group has developed a system maintenance policy and set rules on employees' use of computers to ensure no leakage of information.



Anti-corruption



The Group firmly believes that operate with integrity and good corporate governance are an important contribution to improving competitiveness, and thus has zero tolerance towards any acts of bribery, extortion, fraud and money laundering. The Group has set up an audit committee in its governance structure which is responsible for formulating, reviewing and monitoring corporate management policies and practices, strictly abiding by relevant laws and regulations in operations, establishing an effective internal control system, and continuously optimizing management. The Group have identified departments with great risk of conflict of interest, such as the sales, finance, procurement and audit departments, and introduced deterrent penalties. The audit department of the Group will make audit arrangements for each year and visit the key departments of each subsidiary to conduct audits. As some of our projects involve large sums of money, in order to enhance the transparency of tendering, the tendering policy requires that the tender documents shall be made public on the Group's website, but with the identity of bidders kept confidential for impartiality.

To operate with the highest professional ethics, the Group constantly reminds employees of relevant regulations to avoid conflicts of interest. The code of conduct specifies in labour contracts and the employee handbook, and has formulated appropriate measures against illegal or unethical behaviours. Employees can inform on suspected illegal or fraudulent activities. The legal department regularly organises relevant legal courses for employees involved in high-corruption-risk work to raise their integrity awareness and reduce the occurrence of illegal activities. More details are set out in the corporate governance report on page 110 of the Company's Annual Report 2017. During the reporting period, no cases of bribery, extortion, fraud or money laundering were found within the Group.

Community Engagement

The Group do not forget to be responsible to the community while developing business. The Group uses its existing strengths and resources to give back to the society and local communities where operates. We support the long-term development of the communities through different projects. Each subsidiary of the Group has set up a mutual aid foundation to support the families of employees in need, in an effort to develop the spirit of solidarity and mutual assistance. Such foundations also fund after-work cultural activities and provide financial aid in the event of natural disasters. In addition, each subsidiary arranges suitable community investment projects according to local community needs.



Scope of community investment

Shouguang Chenming	Strengthen the greening of the factory area. Enhance environmental conservation in the factory and surrounding areas
Jiangxi Chenming	Set up a staff mutual aid association and actively participate in local cultural and sports activities
Zhanjiang Chenming	Engage in poverty alleviation and solve local employment problems through employment
Jilin Chenming	Engage in poverty alleviation and give priority to employing residents in surrounding villages and towns according to their actual needs
Wuhan Chenming	Participate in local cultural and sports activities

In 2017, the Group once again held the "One Day Charity Donation" event. The event has been held for more than 10 consecutive years. The Group donated RMB1 million this year, and its employees also made generous donations to support the event. The funds raised are used to support a number of projects in poverty alleviation, elderly care, student aid and cultural education. The Group was named the "Most Loving Charitable Enterprise" for the sixth consecutive year. The Group will continue to make community investments to fulfill its social responsibility according to the needs of communities where it operates and develops business.

Content Index of Environmental, Social and Governance Reporting Guide

Category	Description	Page	Comment
Environmental Protection			
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.	Low Carbon Production	
KPI A1.1	The types of emissions and respective emissions data.	Low Carbon Production	
KPI A1.2	Greenhouse gas emissions in total.	Low Carbon Production	
KPI A1.3	Total hazardous waste produced.	Waste Management	
KPI A1.4	Total non-hazardous waste produced.	Waste Management	
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Low Carbon Production	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Waste Management	
A2 Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Low Carbon Production	
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total.	Low Carbon Production	
KPI A2.2	Water consumption in total	Use of Water Resources	

KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Low Carbon Production	
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Use of Water Resources	
KPI A2.5	Total packaging material used for finished products	Green Supply Chain	
A3 Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Green Supply Chain	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Supply Chain	

Social			
Employment and Labour Practices			
B1 Employment		Page	Comment
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.	Caring for Employees	
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	To be disclose in the future	
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	To be disclose in the future	
B2 Occupational 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.	Occupational Health and Safety	

KPI B2.1	Number and rate of work-related fatalities.	To be disclose in the future	
KPI B2.2	Lost days due to work injury.	To be disclose in the future	
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Occupational Health and Safety	
B3 Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training	
KPI B3.1	The percentage of employees trained by gender and employee category.	To be disclose in the future	
KPI B3.2	The average training hours completed per employee by gender and employee category.	To be disclose in the future	
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.	Labour Standards	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards	When child labour identified, the Group will invite relevant agencies to help address the issue and provide tuition fees and living allowances for the children involved.

Operating Practices			
B5 Supply Chain Management		Page	Comment
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management	
KPI B5.1	Number of suppliers by geographical region.	To be disclose in the future	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management	
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, labeling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	To be disclose in the future	
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	After-sales Services	
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Protection of Intellectual Property	
KPI B6.4	Description of quality assurance process and recall procedures.	Quality Control	
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Information Protection	

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.	Anti-corruption	
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.	None	
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption	
B8 Community Engagement			
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 Engagement	
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Engagement	
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Engagement	