



粤海制革有限公司

GUANGDONG TANNERY LIMITED

( Stock Code: 1058 )

2017

Environmental, Social  
and Governance  
Report



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## I. ABOUT THIS REPORT



The purpose of this Environmental, Social and Governance (hereinafter called “ESG”) Report is not only to communicate the sustainability strategies, management approaches and performances of Guangdong Tannery Limited and its subsidiaries (collectively referred to as the “Group” or “we”) with the stakeholders, but also strengthen the Group’s understanding towards their ongoing activities in sustainable development of the societies and the environment as a whole. This ESG Report summarizes the efforts and achievements made by the Group in corporate social responsibility and sustainable development.

The Group hopes to develop its business objectives and creates shareholder/investor value, while at the same time protects the ecological environment by fully utilizing resources and minimizing the emission of pollutants during operation. As a responsible and visionary corporate citizen, we have to balance the relationship between operations and environment by continuously optimizing operations management, business strategies and policies on environmental protection, training and development, and community investment; and contribute towards the sustainable development of the globe, human being and our business.

## **I. ABOUT THIS REPORT (Continued)**

### **SCOPE AND PERIOD OF REPORTING**

The ESG Report mainly covers the investment holding and processing and sale of leather business of the Group and presents the Group's strategic approach to sustainability and performance in the environmental and social aspects of the above business for the reporting period from 1 January 2017 to 31 December 2017. A summary of the environmental indicators and the performance data are listed on the "Environmental Performance Data Summary" section of this report.

### **REPORTING GUIDELINES**

The ESG Report has been prepared in accordance with the updated Environmental, Social and Governance Reporting Guide issued by The Stock Exchange of Hong Kong Limited, as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.





Tannery industry has to deal with a large number of animal solid waste. Only about 30% of the raw materials can be converted into leather and by-products. It also has to deal with raw materials with strong pH value and corrosive chemicals. In addition, most of the operations are in water, all these could easily lead to environmental pollution. With the global increasingly stringent environmental protection regulations, costs of investment in environmental protection need to be increased continually and rapidly resulting into the elimination of many peers. The Group's production has been operated for more than 20 years relying all the time on the profound experience in environmental protection management, continuous improvement of technology and sufficient resources, we not only can survive but also are still in the leading position in the industry of Mainland China. With the beautiful vision of "blue sky, green mountains and clear rivers", from now on, we shall insist continual improvement, strive for reducing emission and energy conservation, economize the usage, recycle and reuse of resources more effectively, and to optimize treatment to pollutants. Through this report, we show our determination and effort in protecting global ecological environment to shareholders and other stakeholders, dedicate in creation of economic value, and at the same time, to avoid and reduce pollutions and harmfulness to the environment and the society during our manufacturing process. We hope more industrial and commercial enterprises, social organizations and general public to participate more in protecting and improving the environment and to build a better world and facilitate sustainable development.



## II. ENVIRONMENTAL PROTECTION (Continued)

Our policies and practices in environmental protection were as follows:

### 1. MANAGEMENT OF EMISSIONS

#### *Management of Atmospheric Emission*

The exhaust air and greenhouse gases come from leather processing in the factory and also hydrogen sulfide from the sewage treatment plant. Workers are required to wear masks, and such gases are discharged at high altitude to reduce the smell in the plant and the surrounding area.

#### *Management of Sewage*

The Group has complied with the “Law of the People’s Republic of China on the Prevention and Control of Water Pollution” and Notice of the State Council on the “Action Plan for Water Pollution Prevention and Treatment”, we will single-out the toxic and hazardous sewage for treatment and discharge them to the integrated sewage treatment plant for further handling. The integrated sewage will then be treated by another treatment plant of the industrial area before discharging to the sea through the North Jiangsu pipe network. Unhairing process produces sewage with toxic contents including sulphur. After chemical sewage treatment, hair and residuals in sewage will be filtered out and fluid and solids will also be separated. Desulfurized liquid will then be integrated with the other waste water and stored in the integrated sewage treatment plant. National environmental authorities can monitor the emission of ammoniacal nitrogen and chemical oxygen demand data in our plant at any time through an on-line automatic monitor. So far, we always meet these two concentration standards. We use recycled water to clean the floor to minimize the use of water resources.



VOCs Treatment Facilities



## II. ENVIRONMENTAL PROTECTION (Continued)

### 1. MANAGEMENT OF EMISSIONS (Continued)

#### *Management of Wastes*

There are two types of treatments to integrated sewage. One is precipitation using physical or chemical method to turn non-toxic mixed wastes in mud into solid wastes. Since solid is heavier than water and after application of chemicals, solid precipitate naturally. Wet precipitates is then dehydrated by dehydration machine leaving non-hazardous solid wastes, which are non-toxic and free of heavy metal and is sent to local landfills once every two months. We are required to provide a test report to local landfills on the composition of the waste mud as confirmed by the environmental protection department. The whole process complies with the national environmental policy.

Another type is centralized treatment of sewage containing chromium – 90% of chromium extracted from sewage dehydration can be reused by adding sulfuric acid to produce chromium salt. This is advanced technology in the tannery industry and chromium production industry of China because of the more thorough recycling of wastes and sewage. The main method is producing sulfate from catalytic oxidation of sulfide ions. The residue sulfide ions are mixed with iron salt to get ferric sulfide. It fulfills the integrated sewage requirements.

Another type of hazardous waste is chromium residues. Transportation of chromium residues has to be reported online and then reported to the Municipal Environmental Protection Bureau, Jiangsu Province and Zhejiang Provincial Environmental Protection Office. The environmental protection department strictly controlled the process in delivering the chromium residues. We must record weights, packaging, vehicles, drivers, chassis number and other information relating to the transportation in the system. The vehicles for transportation of chromium residues from the factories to the processing center must follow specified routes. Upon arrival at the destination, the residuals are weighed again before storage and cease of monitoring process.



## II. ENVIRONMENTAL PROTECTION (Continued)

### 1. MANAGEMENT OF EMISSIONS (Continued)

#### *Management of Wastes (continued)*

In order to comply with the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste”, we have established related policy and procedures. Reusable wastes (such as pallets, barrels) are reused in production after disinfection. Wastes (such as PVC and other waste plastic, scrap metal, rubber tube, steel, drum, tires, steel tiles, etc.) are categorized and stored in the designated area and then handled by the qualified recycler. As the residual fur are free from heavy metals, the department of urban management arranges to have them buried in local landfill. The residual meat from cowhide is stored in the designated location, and then sold to the qualified recycler.

### 2. MANAGEMENT OF RESOURCES UTILIZATION

To comply with the relevant laws, regulations and policies on resource conservation, the production departments and offices of the Group have set up various resource saving measures to raise the awareness of our employees to understand the importance of resource conservation. They are encouraged to make full use of resources, to maximize their effectiveness and to avoid wastage.

#### *Energy Conservation*

The Group focuses on its manufacturing plant design, in particular, for equipment and assembly line arrangement for safety reason and for efficient use of space to enhance production efficiency; to save power and to increase profit. In order to save power, lighting, electric fans, air conditioning, computers and other electrical equipment should be switched off when they are not attended for a long time. All unused electrical appliances are turned off after work.

During the reporting period, the Group’s processing and sale of leather business consumed approximately 9,028 megawatt hours of electricity, approximately 10 tons of diesel oil and approximately 18 tons of gasoline. With reference to the guidelines of the Greenhouse Gas Protocol and the regional emission factors, greenhouse gas emissions are calculated from the above-mentioned data. In terms of total carbon dioxide emission, Scope 1 emissions are approximately 5,149 tonnes and Scope 2 emissions are approximately 7,300 tons.



## II. ENVIRONMENTAL PROTECTION (Continued)

### 2. MANAGEMENT OF RESOURCES UTILIZATION (Continued)

#### *Use of Coal*

The Group has established procedures for coal sampling and inspection to strengthen the coal quality control and to ensure that the industrial coal combustion standard is met. Observation and sample testing, including calorific value of coal which affects the quantity required, are carried out. We mix coal evenly and crush large ones into small pieces to increase efficiency and add about 5 to 10 percent of water to dry coal to raise its viscosity so that it burns thoroughly with less carbon particles. Besides, hot water from scale thermal equipment is recycled and used in furnace so as to raise its temperature and improve its thermal performance and consequently use less coal. In September of the year, we use natural gas as a substitute of coal. During the reporting period, the Group's processing and sale of leather business consumed approximately 1,914 tonnes of coal.

#### *Water Conservation*

Water conservation should become part of our daily life. Various measures are set up to raise our staff's awareness, including restricting use of drinking water in other ways; controlling water level for washing hands; and turning off water taps when not in use. Water supplies facilities are regularly inspected to keep them in good condition and to avoid leakage resulting in water wastage. If problem is found, they are repaired or replaced immediately and maintenance record is kept. After the treatment of the sewage generated in production and meeting standards, the recycled water is used to clean the floor to save water. During the reporting period, the Group's processing and sale of leather business consumed approximately 313,498 tonnes of water.



Boutique Workshop

## II. ENVIRONMENTAL PROTECTION (Continued)

### 2. MANAGEMENT OF RESOURCES UTILIZATION (Continued)

#### *Paper Conservation*

We promote saving papers and avoid wastage through unified purchasing; distribute files in electronic format to minimize photocopying and printing; fully utilize paper by reusing single-sided papers, and collecting double-sided printed papers to qualified recycler for handling. During the reporting period, the Group's processing and sale of leather business consumed approximately 1 tonne of paper.

#### *Compliance*

During the reporting period, there were no confirmed non-compliance incidents in relation to environmental protection that have a significant impact on the Group.

### 3. THE ENVIRONMENT AND NATURAL RESOURCES

The Group has strived to care about and to protect the nature. Everyone should take part in it to create a beautiful world together. In order to let employees realize the importance of the Group's impact on the environment, we have formulated various policies and measures and take actions with an aim to reduce carbon footprint, and minimise the impact of our personal and business lives on the environment (please refer to the sections headed "Management of Emissions" and "Management of Resources Utilization" above for details). We hope that we can start with our staff who convey the message of protecting the environment to families, friends and business partners; build powerful cohesion, and alleviate climate change together.



Finishing Workshop

### III. EMPLOYMENT AND LABOUR PRACTICES



Employees are our most valuable assets. The Group recruits talented people and establishes a comprehensive human resources management mechanism. This is the key driver for our sustainable and long-term business development. We devote to create a non-discrimination, equal, harmonious and safe workplace; build up a mutual-respect and good relationship with our employees and encourage our employees to be innovative, flexible and put emphasis on commitments for accomplishment of their duty for providing high quality of products and services to customers. To accomplish this target, we offer opportunities of advancement to attract, retain and reward our talented staff; including providing commensurate remuneration, personal growth and career development training; together with other fringe benefits, such as vacation, retirement benefits and other welfares. Besides, we promote work-life balance and focus on staff physical and mental health. We also organize activities to enrich their leisure time and, at the same time, to promote team cohesion.



### **III. EMPLOYMENT AND LABOUR PRACTICES (Continued)**

#### **1. TALENT SELECTION**

We follow the principles of openness and non-discrimination to recruit and hire employees, and devote to protect their privacy. During staff recruitment, knowledge, ability, morality and job requirements are used as the selection standards, and the principles of fairness, equality and openness are followed; and all candidates are not discriminated against because of their disability, age, gender, race, religion and nationality. We provide equal opportunities to employees in providing benefits, promotion, performance appraisal, training and career development. We provide equal opportunities to employees in terms of compensation and benefits, promotion, performance appraisal, training and career development. We only consider their morality, knowledge, ability, technical skills, and their performance in compliance with our policies and staff manual etc. in order to make the best use of their talents and ability of those qualified for job requirements. We work with our employees together to create a win-win situation.

#### **2. LABOUR STANDARDS**

The Group respects human rights and strictly prohibit any unethical hiring practices, including child labour and forced labour in the workplace. Policies and procedures are established to comply with the relevant labour laws and regulations. During the recruitment process, we review the identity documents of the applicants and never hire any applicant under the legal working age. The working hours of staff are in line with the relevant local labour laws and regulations. Staff consent for working overtime is required so as to prevent forced overtime work. Employees are compensated for overtime work in accordance with the requirement of the relevant laws and regulations.



### III. EMPLOYMENT AND LABOUR PRACTICES (Continued)

#### 3. COMPENSATION AND WELFARE

The Group attracts and retains outstanding talents with competitive remuneration packages and regularly examines their salary levels to ensure it is up to standard. The Group collects up-to-date remuneration data for our industry and strive to establish a fair, reasonable and competitive remuneration system. Staff salaries level are decided based on one's knowledge, skills, experiences and educational background relevant to their work requirements. Basic remuneration of employees includes salary, bonuses and subsidies, overtime subsidy, meal allowance, etc. In accordance with the local labour laws and social security laws and regulations, we provide social security benefits for all employees, and protect their rights of rest days and holidays. We also provide hospitalization and medical insurance protection, and general body check subsidies. Besides, we organize technical skills competition on an irregular basis to promote team cohesion. Staff dismissal or redundancy or compensation is implemented in accordance with local laws and regulations.

#### 4. DEVELOPMENT AND TRAINING

An excellent corporate team is critical to the Group's sustainable and long-term business development. Therefore, we establish a long-term talent development training strategy. The Group holds a variety of educational and training activities for its employees in Mainland China. New hires are required to receive three-level safety training (please refer to the section headed "Health and Safety" below for details). In case of job transfer, the staff must attend professional training and attain certain required standard prior to working in the new position. In addition to verbal appreciations, outstanding performers in training may be given appropriate incentives varies case by case. However, the training period may be extended appropriately for staff getting unsatisfactory results. We encourage employees to attend external education and training courses in their spare time as long as their daily work and duties are not affected.

The Group provides on-the-job training for its staff in Hong Kong. For new staff, they receive training on corporate culture, industry knowledge, job responsibilities and so on, from the personnel department and other department heads. Professionals such as finance manager, accountant, etc., participate in external training held by qualified organizations regularly in the form of lecture. During the reporting period, training topics includes taxation, finance, and so on.



### III. EMPLOYMENT AND LABOUR PRACTICES (Continued)



Safety Training



Safety Training

#### 5. HEALTH AND SAFETY

We care about our employees' health and the safety of their working environment in order to prevent occupational hazards. To comply with the relevant national laws and regulations on safety production, we have established a sound safety management system. We attach importance to employee's safety training and established safety training management measures. Staff are required to receive 3-level safety training (company level, department level and team level) prior to putting into work. New employees must join the one-day orientation training covering our policies and procedures and safety training on top of their department-specific training. Staff of units and production have to receive safety training prior to work. A 3-day, 3-level safety training is conducted annually to all existing staff and staff knowledge are assessed around their job scope. In addition, there is a regular comprehensive annual safety training. During the reporting period, we organized training activities on safety, quality, operation standards, repair and maintenance of facilities for our staff in dyeing, tanning, embryonic and finishing production units. The safety management team arranges daily safety inspection to the production department. They randomly check the staff safety learning files to ensure our workplace safety. Specialists like electricians, stoves workers, welders, etc., must possess valid license and passed examinations recognized by the Nation before they are allowed to work.



### III. EMPLOYMENT AND LABOUR PRACTICES (Continued)

#### 5. HEALTH AND SAFETY (Continued)

To ensure equipment and facilities are kept in good condition and to control risk and prevent safety incidents from happening, we set up equipment department which inspects production equipment and facilities, and fire facilities (including fire extinguishers, fire hose, etc.), on a regular basis. Immediate repair arrangement will be made if abnormalities are reported and proper regular inspection and repair and maintenance records are kept.

Pursuant to the requirements of the “Law of the People’s Republic of China on Prevention and Control of Occupational Diseases”, an occupational health management policy which protects our workers’ health, rights, and interests was established. We provide our workers with protective equipment (such as masks, earplugs, uniforms, protective shoes, sawdust, etc.) that meets national standards, and supervise and educate them how to wear and use them. In order to provide a safe work environment for staff, we set up identification procedure for environmental factors/hazard source, conduct safety checks to ensure that potential safety hazards can be rectified timely, and implement proper measures to eliminate and control the risks.

#### *Compliance*

During the reporting period, there were no identified violations that were related to labour practices with a significant impact on the Group.



## IV. OPERATING PRACTICES



### 1. SUPPLY CHAIN MANAGEMENT

We are dedicated to maintaining long-term, stable and strategic cooperative relationships with leading suppliers, and is committed to a strategic procurement-led approach, achieving co-development with our suppliers on the basis of equality and win-win situation. We establish supply chain management system with strict requirements to provide channels to employees, suppliers, customers and other business parties to report any violations of laws or regulations. During the reporting period, the Group did not have significant issues relating to violations in this respect.

We have adopted strict procurement management and evaluation systems for both new and existing suppliers, and “approved supplier list” is prepared. Legal Department is responsible for handling sizable projects tendering process; strict segregation of duties from signing of contracts to goods inspection and acceptance. This is to ensure that our goods and services providers possess recognized qualifications and a sound internal control system, stable quality, delivery on-time, compliance with laws and regulations, possessing required professional skills and qualities and also to ensure that suppliers are competitive and that the goods and services provided are of high quality.



## **IV. OPERATING PRACTICES (Continued)**

### **2. PRODUCT RESPONSIBILITY**

We devote in providing high quality and safe products, not only to satisfy the customers' requirements, but also to meet our internal production efficiency, effectiveness and quality control targets. The quality of raw materials has direct impact on our products. Therefore, we strictly select raw materials by requiring our suppliers to provide evidence of test results to substantiate that their products are up to the national standards. A sample of our products is sent to China Leather Research Institute for random test annually. Our products are delivered with a qualified test report.

During the reporting period, the Group's products did not involve in any major violations of laws and regulations.

### **3. ANTI-CORRUPTION**

The Group is committed to maintaining good corporate governance and building our ethical culture and put emphasis on setting up a comprehensive disciplinary monitoring system to cover operation and production processes. We have established channels, including mailbox and hotline, for receiving reports of suspected personal interests in carrying out one's job duties, briberies, extortion, frauds, money laundering and other illegal acts. We handle such reports in absolute confidence. We shall keep on improving our whistle-blowing system and are determinant in combating corruption and contribute in building an uncorrupted society.

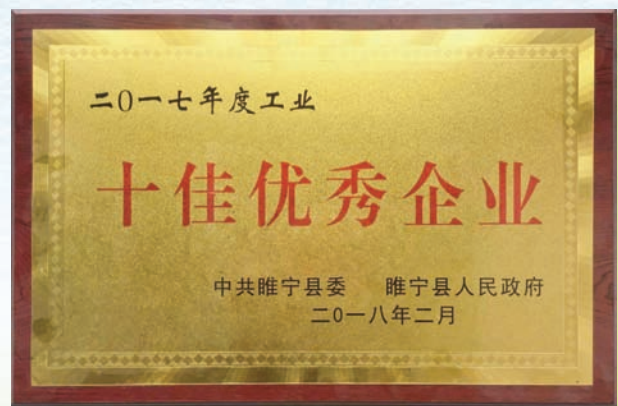
During the reporting period, there was no litigation case of corruption involving our Group and our employees.



## V. COMMUNITY INVESTMENT AND HONOUR



The Group is a responsible tax payer and spare no effort in easing local employment pressure. We pay the “five insurance and housing provident fund” for mainland employees, and contribute to the mandatory provident fund scheme for Hong Kong staff. We assist our staff to make good plans for their retirement life. Our factory in Mainland China has been set up for over 20 years and is one of the pillar industries in that area. We always exercise good practices in our business operation and actively promote green energy-saving and environmental friendly concepts. We set up a role model for the industry, and to some certain extent, we have contributed to social stability and building a harmonious community. The Group was awarded “2017 Top Ten Outstanding Enterprises” by CPC Suining County Committee.



“Top 10 Industrial Enterprises 2017” Plaque



## VI. VISION OUTLOOK



As a good corporate citizen, the Group hopes to balance between achieving the corporate economic goals and business objectives, and to fulfilling their social responsibility. The Group will continue to pay attention to environmental protection, employee care, product/service quality and community contribution so as to create niche for sustainable development.

As for environmental protection, the Group will endeavor to comply with the stringent laws and regulations of environmental protection, allocate resources and undertake various environmental improvement projects, including improving exhaust air, sewage and waste treatment facilities. When it comes to employee care, the Group will put employee satisfaction and production safety as its top priority. Through ensuring occupational safety and a competitive system, the Group aims to attract more talents. As far as product and service quality are concerned, the Group will continue to provide customers with high quality products and put in resources to improve its product quality in order to conform with the environmental protection requirements. For community contribution, the Group is committed to fulfilling its social responsibility by participating in charitable activities and promoting the community's sustainable development.

The Group aims at becoming a respectable enterprise, and hopes to improve business performance and create more meaningful value for our stakeholders through implementing sustainability strategies.



## VII. ENVIRONMENTAL PERFORMANCE DATA SUMMARY

	Unit	2017
<b>Greenhouse gas emissions ("GHG"):</b>		
Scope 1 <sup>1</sup> :		
Total	Tonnes	5,148.69
Intensity	Tonnes (per production unit – square feet)	— <sup>3</sup>
Scope 2 <sup>2</sup> :		
Total	Tonnes	7,300.10
Intensity	Tonnes (per production unit – square feet)	— <sup>3</sup>
<b>Waste gas emissions:</b>		
Nitrogen oxides	Tonnes	6.44
Sulfur oxides	Tonnes	0.65
Particles	Tonnes	1.20
<b>Hazardous wastes:</b>		
<b>Sewage discharged:</b>		
Total	Tonnes	88,440.00
Intensity	Tonnes (per production unit – square feet)	0.01
<b>Solid wastes generated:</b>		
Total	Tonnes	23.77
Intensity	Tonnes (per production unit – square feet)	— <sup>3</sup>
<b>Non-hazardous wastes:</b>		
<b>Sewage discharged:</b>		
Total	Tonnes	326,430.00
Intensity	Tonnes (per production unit – square feet)	0.02
<b>Solid wastes generated:</b>		
Total	Tonnes	8,774.00
Intensity	Tonnes (per production unit – square feet)	— <sup>3</sup>

## VII. ENVIRONMENTAL PERFORMANCE DATA SUMMARY (Continued)

	Unit	2017
<b>Energy and water consumption:</b>		
Electricity:		
Total	Megawatt hours	9,027.51
Intensity	Megawatt hours (per production unit – square feet)	— <sup>3</sup>
Diesel:		
Total	Tonnes	10.09
Intensity	Tonnes (per production unit – square feet)	— <sup>3</sup>
Gasoline:		
Total	Tonnes	17.62
Intensity	Tonnes (per production unit – square feet)	— <sup>3</sup>
Coal:		
Total	Tonnes	1,914.00
Intensity	Tonnes (per production unit – square feet)	— <sup>3</sup>
Water:		
Total	Tonnes	313,498
Intensity	Tonnes (per production unit – square feet)	0.20
<b>Packaging materials:</b>		
Total	Tonnes	119.23
Intensity	Tonnes (per production unit – square feet)	— <sup>3</sup>

<sup>1</sup> Scope 1 refers to direct GHG emissions, including combustion of diesel, gasoline and coal.

<sup>2</sup> Scope 2 refers to energy indirect GHG emissions, like consumption of purchased electricity.

<sup>3</sup> The data are less than 0.01.



## VIII. ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Key Performance Indicators ("KPIs")	Reporting Guideline	Page
<b>A. Environmental</b>		
<b>Aspect A1</b>	<b>Emissions</b>	
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.	4 – 7
KPI A1.1	The types of emissions and respective emissions data.	19
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	19
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	19
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	19
KPI A1.5	Description of measures to mitigate emissions and results achieved.	4 – 7
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	4 – 7

## VIII. ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE (Continued)

Key Performance Indicators ("KPIs")	Reporting Guideline	Page
<b>A. Environmental (Continued)</b>		
<b>Aspect A2</b>	<b>Use of Resources</b>	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	7 – 9
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)	19
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	19
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	7 – 8
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	8
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	19
<b>Aspect A3</b>	<b>The Environment and Natural Resources</b>	
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	9
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	9

## VIII. ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE (Continued)

Key Performance Indicators ("KPIs")	Reporting Guideline	Page
<b>B. Social<sup>#</sup></b>		
<b>Aspect B1</b>	<b>Employment and Labour Practices</b>	
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.	10 – 12
<b>Aspect B2</b>	<b>Health and Safety</b>	
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.	13 – 14
<b>Aspect B3</b>	<b>Development and Training</b>	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	12

## VIII. ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE (Continued)

Key Performance Indicators ("KPIs")	Reporting Guideline	Page
<b>B. Social# (Continued)</b>		
<b>Aspect B4</b>	<b>Labour Standards</b>	
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.	11
<b>Aspect B5</b>	<b>Supply Chain Management</b>	
General Disclosure	Policies on managing environmental and social risks of the supply chain.	15
<b>Aspect B6</b>	<b>Product Responsibility</b>	
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.	16



## VIII. ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE (Continued)

Key Performance Indicators ("KPIs")	Reporting Guideline	Page
<b>B. Social<sup>#</sup> (Continued)</b>		
<b>Aspect B7</b>	<b>Anti-corruption</b>	
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.	16
<b>Aspect B8</b>	<b>Community Investment</b>	
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.	17

<sup>#</sup> Pursuant to Appendix 27 of the "Main Board Listing Rules", the KPIs under Area B "Social" are recommended disclosures only. Therefore, the Group chooses not to disclose those KPIs in this report.



