



# 上海昊海生物科技股份有限公司

## Shanghai Haohai Biological Technology Co., Ltd.

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

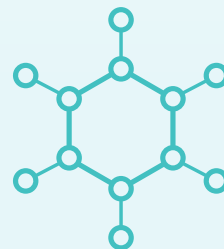
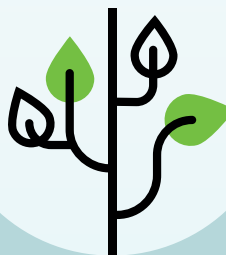
Stock Code : 6826



For a 3H Life

# HEALTHY HEARTY HARMONIOUS LIFE

更好的生活，從昊海開始



ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT

2017

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# About this Report



## Scope of the report

This is the second Environmental, Social and Governance (hereafter as “ESG”) Report released by Shanghai Haohai Biological Technology Co., Ltd., which focuses on the disclosure of relevant information of the Company’s performance in the economic, social and environmental aspects for the period between 1 January 2017 and 31 December 2017 (the “Reporting Period”), and involves information prior to 2017.

The policies, statements, and data given in this report are relevant to Shanghai Haohai Biological Technology Co., Ltd. and its subsidiaries. Unless otherwise specified, the currency mentioned in this report refers to RMB.

## Basis of preparation

This report has been prepared with reference to the “*Environmental, Social and Governance Reporting Guide*” in Appendix 27 of *Main Board Listing Rules* issued by The Stock Exchange of Hong Kong Limited (the “HKEX”).

## Relevant abbreviations

For the convenience of presentation and reading, the following abbreviations are used in this report.

“the Company” or “Haohai Biological”	Shanghai Haohai Biological Technology Co., Ltd.
“the Group” or “We”	the Company and its subsidiaries
“Shanghai Qisheng”	Shanghai Qisheng Biologicals Co., Ltd.
“Shanghai Jianhua”	Shanghai Jianhua Fine Biological Products Co., Ltd.
“Shanghai Likangrui”	Shanghai Likangrui Bioengineering Co., Ltd.
“Haohai Development”	Shanghai Haohai Medical Development Technology Co., Ltd.
“Henan Universe”	Henan Universe Intraocular Lens Research and Manufacture Co., Ltd.
“Shenzhen NIMO”	Shenzhen New Industries Material of Ophthalmology Co., Ltd.
“Zhuhai Eyegood”	Eyegood Medical (Zhuhai) Co., Ltd.
“Contamac Holdings”	Contamac Holdings Limited
“Contamac Group”	Contamac Holdings and its subsidiaries
“Aaren Laboratories”	Aaren Laboratories, LLC
“CFDA”	the China Food and Drug Administration of the PRC
“NDRC”	the National Development and Reform Commission of the PRC



## About this Report

### Sources of data and guarantee of reliability

The data and cases given in this report mainly come from the Group's statistics reports and related documents. The Group undertakes that this report contains no false or misleading representations, and shall be responsible for its truthfulness, accuracy and completeness.

### Confirmation and approval

This report has been reviewed by the management and approved by the board of directors on 11 June 2018.

### Access and feedback

This report is available in both traditional Chinese and English versions. The electronic version of this report is available to be downloaded from the "Financial Statements/ESG Information" on the website of the HKEX or the website of the Company.

We take the opinions of stakeholders very seriously and welcome readers to contact us via the following contact details. Your opinions will help us to further improve this report and enhance the overall environmental, social and governance performance of the Group.

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# Chairman's Statement



By making vigorous efforts and capitalizing on ten-year experiences, we united together and strive for good governance, innovation and creation. 2017 was an exceptional year. In this year, we have been successfully included on the list of “National Enterprise Technology Centers” released by the NDRC, making us the first and the only bio-pharmaceutical enterprise in Shanghai enlisted within these two years. In June 2017, the project on “Research & Development of New Intraocular Lens and High-end Ophthalmic Implant Materials” led by us was successfully selected in the National Key Research and Development Programs under the “13th Five-Year Plan”, fully demonstrating our strengths in innovative technology, reaffirming our confidence in and determination to enhance the quality and market competitiveness of domestic intraocular lens (“IOL”) and to replace the imported goods.

As an enterprise engaging in the high-tech biomedicine industry, we strive for innovative technology and superior quality of products by integrating industry-leading resources in domestic and international markets and gaining experience of advanced technology. Through scientific supply chain management and product quality control system, we have established our quality industrial chain. We put into practice its sustainable development concepts through research and development (hereafter as “R&D”) of products, production, transportation and other aspects. After the establishment of R&D project, we started the assessment of the environmental risks and reduced the impact of the product to the environment as far as possible. In accordance with ISO14001 environmental management system certification, we have actively complied with related laws and regulations and insisted in optimizing environmental protection facilities and implementing energy conservative measures throughout our production process. We persist in enhancing our environment management standard and minimize the impact on the environment arising from our production and operation. By upgrading our transportation efficiency, we further implement energy conservation and emission reduction measures to put our operation concept of sustainable development into practice throughout our transportation process.

Employees are the cornerstone of company development. We continue to improve our salary, benefit and training systems, optimize promotion channels according to the fundamental needs of our staff, creating an equal and healthy career development platform for them. As a leader in the industry, we actively fulfil our social responsibility while striving to promote industrial advance, and have participated in charity programs for several years though providing protection for the operative treatment for cataract patients.

Looking forward, we will continue to focus on our corporate social responsibilities. With the proactive expansion of the industry layout, we unite together to promote the management and practice in quality, green and human-oriented operation in order to support the sustainable development of the Company and the community.

**Hou Yongtai**

Executive Director and Chairman of the Board





In 2017, the project on “Research & Development of New Intraocular Lens and High-end Ophthalmic Implant Materials” led by the Group was successfully selected in the National Key Research and Development Programs under the “13th Five-Year Plan”, which will offer in-depth support to the Group on improving the quality and market competitiveness of domestic IOL products and realizing its strategic plan related to replacing the imported products. During the Reporting Period, the Company, as the only and first bio-pharmaceutical enterprise in Shanghai in the past two years, has been included on the 2017 (the 24th Batch) List of National Enterprise Technology Centers released by the NDRC.

#### Highlights of performance in 2017

- In 2017, the aggregate revenue was RMB1,344.856 million, representing an increase of 58.0% as compared to 2016;
- Revenue from the sales of ophthalmology products realized an increase of 363.9% as compared to 2016;
- Revenue from the sales of medical aesthetics and wound care achieved an increase of approximately 36.2% as compared to 2016.

# 1

## STRENGTH OF HAOHAI



# 1 Strength of Haohai

## 1.1 Introduction

Founded in 2007, the Company was successfully listed on the Main Board of HKEX on 30 April 2015. The Group focuses on the research and development, manufacturing and sales of biomedical materials. We strategically target the fast-growing therapeutic areas in the biomedical material market in China, including ophthalmology, medical aesthetics and wound care, orthopedics, anti-adhesion and hemostasis.



## Honors in 2017

- The project on "Research & Development of New Intraocular Lens and High-end Ophthalmic Implant Materials" led by the Company was selected in the National Key Research and Development Programs under the "13th Five-Year Plan".
- The Company, as the only bio-pharmaceutical enterprise in Shanghai, has been included on the 2017 (the 24th Batch) List of National Enterprise Technology Centers released by the NDRC.
- The Company's application for "The Shanghai municipal academician expert workstation" (the 4th batch in 2015) has passed the examination.
- The Company's application for "Shanghai Pilot Enterprises in Patent Operation for 2015" has passed the examination by Shanghai Intellectual Property Administration.
- The Company's application for "Shanghai Intellectual Property Advantage Enterprise for 2015" has passed examination by Shanghai Municipal Commission of Economy and Informatization.
- The project "Recombinant Human Epidermal Growth Factor Products for External Use" of the Company was awarded the "2016 Best 100 of Commercialization of High and New Technology in Shanghai" granted by Shanghai Technology Innovation Center.
- Shanghai Qisheng was awarded the title of "Little Giant Science and Technology Outstanding Enterprise" for 2017 by Shanghai Science and Technology Commission.
- The sodium hyaluronate gel for injection ("Matrifill") of Shanghai Qisheng was awarded the "2016 Best 100 of Commercialization of High and New Technology in Shanghai" granted by Shanghai Technology Innovation Center.



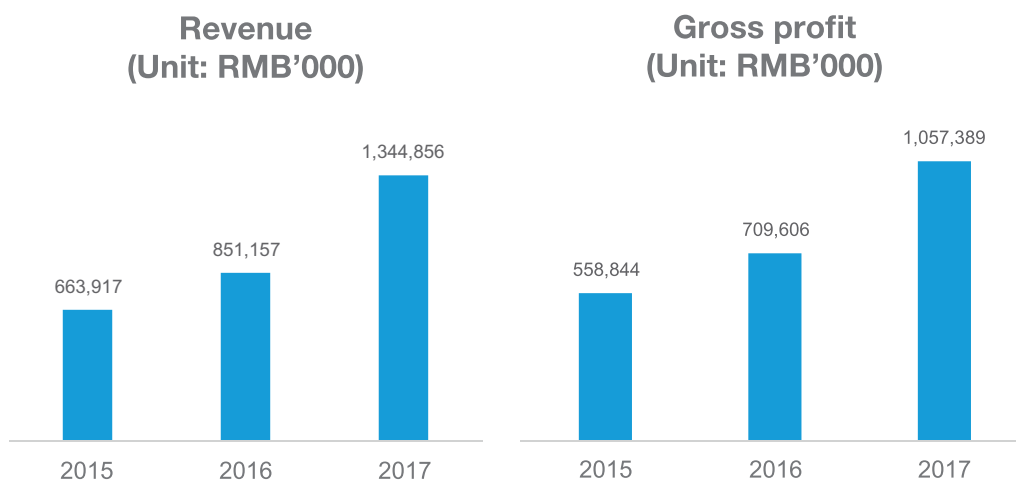
# 1 Strength of Haohai

## 1.2 Business Performance

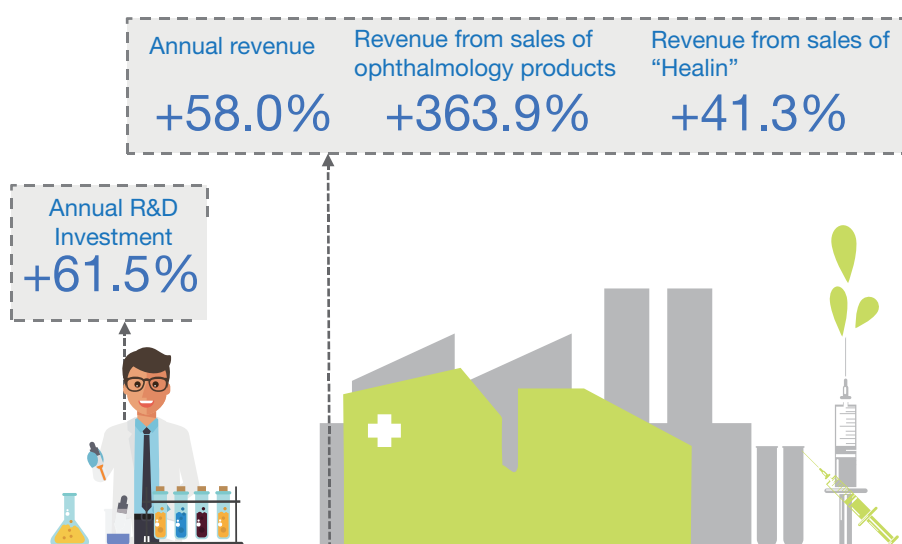
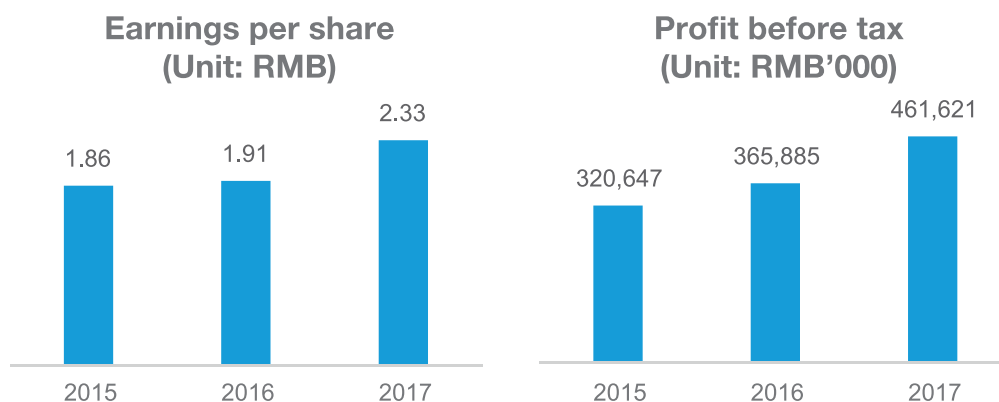
The Group adheres to the business-level strategy of endogenous growth and external expansion. The Group has been taking steady steps to penetrate the ophthalmic high-valued materials industry since 2016 from the market of IOL (the core medical device for cataract surgery), by means of acquisition and integration with domestic and foreign targeting enterprises with mature products, high-end technologies and valuable marketing resources. Since 2016, the Group has completed a number of acquisitions, including the acquisition of 60% equity interest in Shenzhen NIMO, 100% equity interest in Henan Universe, 100% equity interest in Zhuhai Eyegood and the hydrophilic and PMMA IOL business of Aaren Scientific Inc.. The Group completed the acquisition of 70% share capital in Contamac Holdings, a UK IOL, ophthalmic materials and technology supplier, on 2 June 2017, which will help the Group to secure long-term and stable upstream material supply and enhance the R&D of new IOL and other ophthalmic products. So far, the Group's global whole industry chain layout centered on IOL products has been primarily established, which has laid a foundation for the long-term growth of the ophthalmic high-valued materials business in the future.

### Financial and operating performance

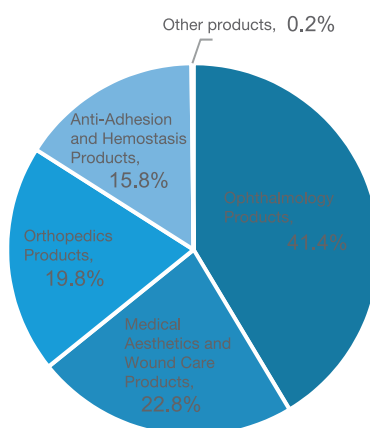
During the Reporting Period, the Group proactively offered responses to the reforms. In order to accommodate with the fast-changing tender policy and the highly competitive market environment, the Group made quick and proper adjustments to the selling prices of products, marketing mode, etc. Meanwhile, the Group improved operational efficiency through refined management, enhanced budgeting and operations control. While adhering to innovation in technology, the Group also focused on seeking strategic acquisition and merger opportunities, optimizing its product portfolio and advancing service upgrade so as to secure the steady growth of the Group's entire principal business.



# 1 Strength of Haohai



Ratio of revenue of respective products





## DEVOTING TO MANAGEMENT

The Group is committed to corporate governance and ESG management to safeguard the interests of shareholders, enhance corporate value, and actively implement sustainable development. Since the incorporation, we have been improving the corporate governance, strengthening risk management and control, and always upholding the values of honesty and integrity in the process of actively expanding our business. In daily operations, we safeguard product quality through sound management system and accountability mechanism, create a transparent and healthy business environment, and ensure the stable development of the Company. In terms of ESG management, we always strive to build a sound ESG management system and refine the communication mechanism for stakeholders to understand the opinions and expectations of stakeholders on the Company's ESG management, which form an important basis of future strategies and policies.

Highlights of performance in 2017

- 0 litigation cases regarding corruption
- 15 in-depth interviews with stakeholders

## 2 Devoting to Management

### 2.1 Corporate Governance

Beneficial corporate governance and strict risk control are the important prerequisites and guarantees for the healthy development of the Company. We are committed to creating a well-defined and transparent operating environment. Whether in terms of optimizing internal controls or strengthening external regulation, we are constantly striving to improve and refine the effective authority, accountability and interest mechanisms, fully implement the anti-corruption and integrity internally and externally and safeguard the interests of the Company and our customers.

#### Corporate governance

Pursuant to the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Main Board Listing Rules of HKEX* and other laws and regulations, and based on relevant requirements under the Company's Articles of Association, the Group has established an efficient corporate governance structure to provide institutional protection for the interests of shareholders and other stakeholders, and continuously enhance the Company's value, and improve management transparency and accountability.

For more information on corporate governance, please refer to the "Corporate Governance Report" of the 2017 Annual Report.

#### Risk management

The risk management and internal control system is designed to manage rather than eliminate the risk of failing to achieve business objectives. The Board is responsible for reviewing the its internal control and risk management system on a regular basis to ensure its efficiency and effectiveness. At the same time, from the prospects of the company level and key business level, the Group has developed a series of relevant management systems and procedures to regulate operations, manage and control risks, and gradually incorporate ESG risk identification and control procedures into the management structure and processes.

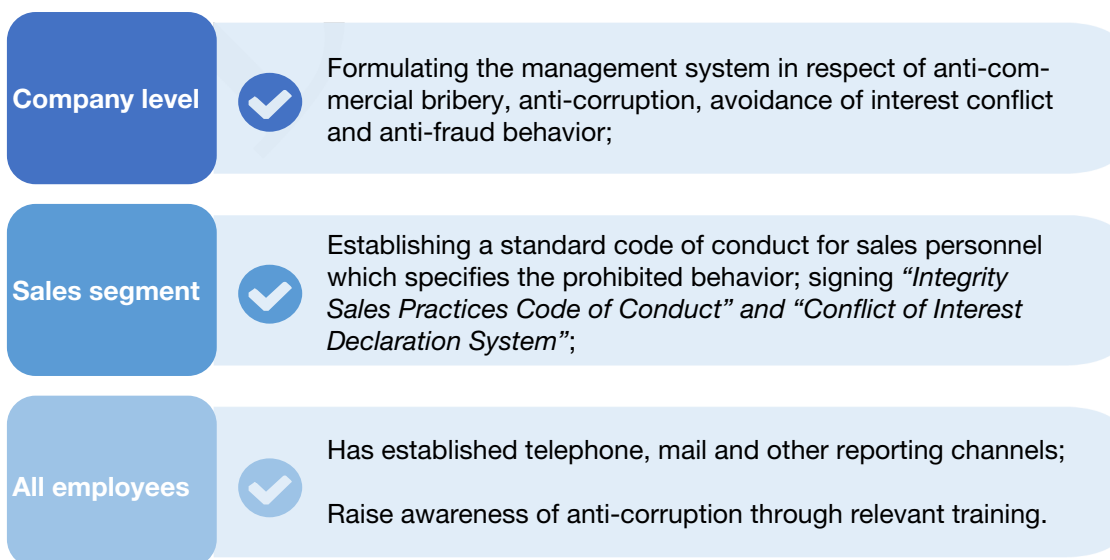
#### Integrity and honesty

During the Reporting Period, the Group has complied with the applicable laws and regulations related to anti-corruption. In order to strengthen the integrity governance within the Company and raise the awareness of management and employees at all levels to prevent corruption, we strictly control and supervise through rules and regulations to further improve the management system, strengthen education and promotion of anti-corruption, and promote management under the principles of honesty, self-discipline and integrity.



## 2 Devoting to Management

We have established an effective honesty and integrity management system at the company level and the sales segment level with a view to raising employees' awareness of honesty and self-discipline. We have enhanced promotion of and supervision on anti-fraud and anti-commercial bribery in important positions, and safeguarded the reporting rights related to anti-corruption of all employees and ensure open channels for reporting to prevent corruption.



We always uphold the values of honesty and integrity. Efforts have been made to formulate and refine specific management systems, reporting systems and codes of conduct, and to standardize the act of duty of employees so as to ensure the healthy and stable development of the Group. During the Reporting Period, there is no litigation cases regarding corruption against the Group.

### 2.2 ESG Management

As the Group takes ESG management as an important part of its daily operation and management, it continuously deepens the integration of philosophy ESG responsibility and its business strategy, and upholds operation with integrity and scientific development, and implements corporate social responsibility and sustainable development in every business segment.

#### ESG management structure

We continuously improve the ESG management system. Based on the ESG management structure formed in the previous year, in combination with the findings and conclusions during the work process, we further clarify the responsibility for the implementation of ESG management and objectives, and summarize, evaluate, and improve the work on a regular basis, and make plans for the next annual ESG management.



## 2 Devoting to Management

During the Reporting Period, in order to implement the ESG management in an effective manner, the Company has established an internal ESG management structure led by the board of directors, and mainly implemented by the daily working group. The full-time staff have conducted communication, data collection and preparation for the report with regard to the ESG relevant issues. The ESG working group is responsible for the specific implementation of the ESG business and giving feedback to the management of the Company. The management of the Company reports to the board of directors to help them evaluate and determine in a timely manner whether the risk management and internal control system of ESG are appropriate and effective.

### Communication with stakeholders

The Group has been committed to establishing communication and exchanges with all stakeholders covering a variety of aspects. Through various channels of communication with various categories of stakeholders, we seek in-depth understanding of the needs of all parties, collecting opinions from them, sharing and discussing different issues closely related to the development of the Group, so as to actively respond to the opinions and requests of the stakeholders in practice, and further realize sustainable development of the Company in a comprehensive way.

We have identified the following six categories of stakeholders who have the right of decision-making or influence over the Group or are closely related to our business.



## 2 Devoting to Management

Through communication and exchange with stakeholders, the Group understands the issues of their concerns, reviews the effectiveness of relevant measures on regular basis, and improves the communication channels to have a more comprehensive and in-depth understanding of stakeholders' opinions. The following table sets out the topics that are of particular interest to different stakeholders during the Reporting Period.

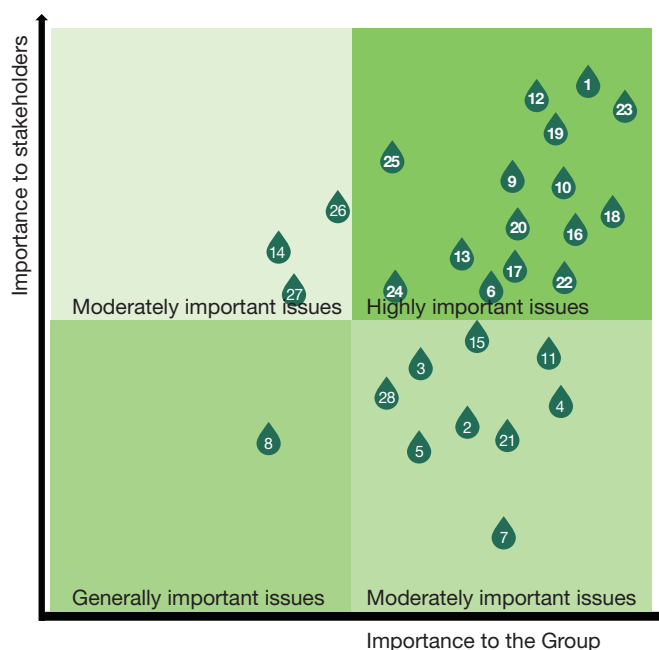
Stakeholders	Topics of concern to stakeholders	Communication and feedback channels	Frequency
Customers	R&D and innovation	Hotline service	Irregular
	Product safety	Customers' feedback	Irregular
	Communication channels	Satisfaction survey	Regular/irregular
Shareholders and investors	Economic benefit	Annual reports	Regular
	Compliant operation	Announcements of the Group	Regular/irregular
	R&D and innovation	Roadshows	Irregular
Government and regulators	Pay tax pursuant to laws	Publication of reports	Regular
	Promotion of employment	Offer employment	Irregular
	Environmental protection	On-site inspection	Regular/irregular
Employees	Salaries and benefits	Physical examination for employees	Regular
	Career development	Professional training	Regular/irregular
	Humanistic solicitude	Organization of employee activities	Irregular
Suppliers	Integrity	Arm's-length negotiation	Irregular
	Management on suppliers	Evaluation and assessment	Regular
	Communication with community	Supplier meetings	Holding supplier meetings on regular basis
Community	Communication with community	Activities in community	Irregular
	Environmental protection	Announcements/news release	Regular/irregular
	Product safety	Interview or survey	Irregular



## 2 Devoting to Management

### Materiality analysis

On the basis of the materiality assessment matrix obtained from the questionnaire survey of stakeholders and interviews with them in the previous year, in combination with the 15 in-depth interviews with stakeholders and in-depth research on the industry during the Reporting Period, we have learned the opinions and expectations of various stakeholders on the Group's response to and disclosure of environmental, social and governance issues, and made adjustment to the materiality matrix of ESG. The following is a materiality matrix we drawn, which clearly shows the degree of concerns of internal and external stakeholders of the Group on different topics:



Serial	Name of topic	Serial	Name of topic
1	<b>Business performance</b>	15	Staff turnover rate
2	Climate change	16	<b>Safe and comfortable workplace</b>
3	Gas emissions	17	<b>Career development and training for employees</b>
4	Consumption of packaging materials	18	<b>Safety in production</b>
5	Energy consumption	19	<b>Compliance of labour law</b>
6	<b>Industrial and domestic wastewater treatment</b>	20	<b>Criteria for supplier selection</b>
7	Solid waste management	21	Supplier's performance in environmental and social aspects
8	Noise emission	22	<b>Services and communication channels for customers</b>
9	<b>Consumption of materials for production</b>	23	<b>Intellectual property</b>
10	<b>Discharge and treatment of toxic and hazardous substances</b>	24	<b>Privacy of customers</b>
11	Water-saving and energy-saving measures	25	<b>Anti-corruption, anti-bribery</b>
12	<b>Compliance of local environmental regulations</b>	26	Contributions to society
13	<b>Employee salaries and benefits</b>	27	Maintenance of relationship and communication with community
14	Employee diversity and equal opportunities	28	Charity





# 3

## ATTENTIVE TO PRODUCTS

As a bio-pharmaceutical enterprise, on the one hand, the Group pursues technological innovation, actively integrates industry-leading resources at home and abroad, and learns from advanced technological experience to accelerate upgrading of products; on the other hand, the Group strives to manufacture products in superior quality and build up a premium industry chain through scientific management of supply chain and enhancing control on product quality, so as to meet the quality needs. In addition, we also pay close attention to the after-sales feedback of the products, devoting to provide detailed and effective solutions to our customers.

Highlights of performance in 2017

- Total R&D investment **RMB76.33** million, an increase of **61.5%** as compared to 2016
- **181** patent applications, and **102** authorized patents
- Internal R&D team consisting of **207** employees, including **16** doctoral degree holders and **50** master's degrees holders

## 3 Attentive to Products

### 3.1 Research, Development and Innovation

The Group's strong R&D capability is one of our core competencies in the long term. It ensures the sustainable and healthy growth and development of our core businesses in the future.

During the Reporting Period, the Group has made great achievement in intellectual property as below:

	Total	Obtained during the Reporting Period
Patent application (number)	181	44
Patent authorization (number)	102	45
Copyright application (number)	14	8
Copyright authorization (number)	14	8
Trademark registration (number)	131	14

We have accumulated a number of core patented technologies qualified for leading international and domestic standards, and established and trained a sophisticated and experienced high-tech R&D team, laying a solid foundation for our development. In 2015, Mr. Wu Jianying, the Executive Director and General Manager of the Company, was selected for the Shanghai Leading Personnel Training Program; in 2016, Mr. Zhang Jundong of the Company was selected for the Shanghai Leading Personnel Training Program; in 2017, Ms. Jiang Lixia of Shanghai Qisheng, was awarded the title of 2016 Pioneer in Transformation of Scientific and Technological Achievements in Shanghai.

Currently, we remain our focus on R&D goals in both short-to-medium term and long term, and actively pursue more competitive technology on R&D capabilities.

#### Short-to-medium term goals - Focus on R&D

- Third-generation HA dermal filler "QST gel"
- Fibrin sealant products
- Second-generation thermal-sensitive products and new intraocular lens products
- certain programs in ophthalmic treatment areas covering optical, dry eyes and glaucoma
- Expansion of specification and indication of the Group's existing products in the market



#### Long-term goals - strengthen R&D capabilities

- The new IOL and high-end ophthalmic implant materials R&D platform and the medical chitosan technology platform, as well as the electrospinning technology platform will further expand the Group's product offerings in the product sectors of sustained-release preparations, new compound antiadhesion and hemostasis membrane products



### 3 Attentive to Products

During the Reporting Period, our sodium hyaluronate injection product with a new specification of 2.5ml has been approved by the CFDA, making the Group the only enterprise having sodium hyaluronate injection products with full series of specifications of 2ml, 2.5ml and 3ml in the PRC market, and providing more choices for users. In addition, we have also upgraded the syringe adapters and needles of our products. As compared with the previous generation of products, we have not only improved sterility and reliability, but also increased the convenience and stability of use. The new thin-walled needles can further reduce users' pain during injection.

The Group has always taken maintenance of intellectual property rights seriously. We have strengthened the management of patents, non-patent technologies, trade secrets, and various types of confidential drawings, procedures and materials arising from the course of R&D, and regulated borrowing and use strictly in accordance with the rules and regulations, and prohibited access to the research results by unrelated personnel.

#### Ophthalmic Industry Seminar led by Haohai Biological

In December 2017, the launch assembly of the project on “Research & Development of New Intraocular Lens and High-end Ophthalmic Implant Materials” led by Haohai Biological, jointly with five entities including Sun Yat-sen University, Wenzhou Medical University, and Sichuan University which was successfully selected in the National Key Research and Development Programs under the “13th Five-Year Plan” was successfully held in Shanghai. Dozens of representatives of government departments, ophthalmology academic community, clinicians, and ophthalmic enterprise at home and abroad were invited to witness the launch of the project. This research and development project will complete the design of personalized intraocular lens based on the large database of Chinese eyes and achieve the industrialization of high-end intraocular lens.

#### 3.2 Quality Assurance

The Group is dedicated to the establishment a sound quality management and inspection system so as to ensure that the production process fully complies with regulatory requirements and the product quality keeps improving and meets the requirements, by strictly adhering to the national and industry quality system standards such as the Good Manufacture Practice of Medical Products (“GMP”), ISO9001 Quality Management System Standards, and ISO13485 Medical Device Quality Management System, and actively following up with any changes of relevant standards. At the same time, the Group has also formulated internal standards stricter than national and industry ones, and optimized and adjusted them on an ongoing basis.

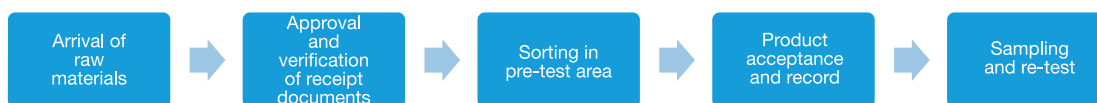


### 3 Attentive to Products

We understand that only by strictly observing regulatory provisions and production requirements can we truly be accountable to users. The birth of each of our products requires not only advanced technology, but also strict quality control procedures in the whole process. In 2017, Haohai Biological passed the measurement management system certification as its measurement management system in terms of product quality, operation management, energy saving and consumption reduction, and environmental monitoring conforms to requirements under GB/T 19022-2003/ISO 10012:2003 “Measurement management systems -- Requirements for measurement processes and measuring equipment”.

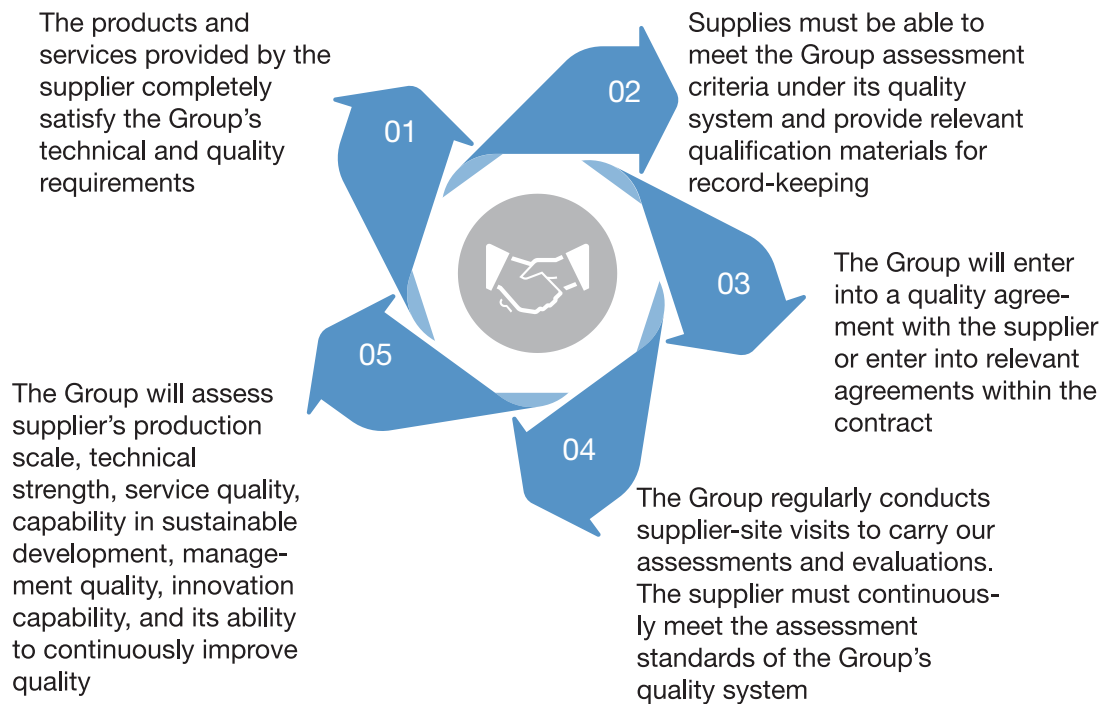
#### Guarantee on raw material and supply chain management

High-quality raw materials are the first step for us to produce premium products. The quality testing procedure of raw materials is one of the integral part in a company's quality management system, which directly affects stability, safety and effectiveness of the quality of the products. We carry out rigorous tests for raw material quality and resolutely implement procurement regulations, sorting and release inspection procedures. The specific processes include:



### 3 Attentive to Products

The Group attaches great importance to product quality, the market status and reputation of the supplier. In accordance with the requirements of the GMP, ISO9001 Quality Management System Standards, and ISO13485 Medical Device Quality Management System, and based on their respective characteristics of procurement and business, the Company and its subsidiaries formulated their respective procurement management regulation and system, to prevent errors and fraud in the procurement and payment businesses and ensure that the social and environmental risks throughout the whole process of procurement management is reasonably controlled, so as to enhance the efficiency of the operation cycles of procurement management. Our selection principles and requirements for suppliers are as follows:



In assessing and selecting suppliers, the Group places special emphasis on the performance of suppliers in carrying through their social responsibilities. While our priority is to select the suppliers who can provide us with the best raw materials, we also consider their accomplishment in protecting the rights and benefits of their employees, environmental protection, and social welfare and so on when selecting suppliers. As of 31 December 2017, the Group had a total of 313 suppliers, including 211 localized ones, accounting for 67.4% of the total.



## 3 Attentive to Products

### Production testing

The Group has established a detailed quality control procedures as well as a rigorous quality management system. The Group not only strictly implements the standardized steps of production procedure, but also adopts statistical analysis methods to optimize the production process efficiently and further refine the operation process. Based on the statistical analysis of parameter fluctuations, we have improved the utilization efficiency of related equipment and facilities and maximized the overall performance of them. During the Reporting Period, Songjiang factory of Haohai Biological conducted evaluations on parameters of production process, drug quality status statistics, clean area statistics, and water system data statistics, so as to further optimize the utilization efficiency of equipment and facilities and improve product quality.

### Traceability and recall

The traceability of its products is a great concern for the Group. We ensure that the product information is reliable and kept in record in every step from the arrival of raw materials to production, storage and transportation.

We have formulated detailed product recall procedures in accordance with the requirements of relevant laws and regulations with regard to drug and medical device recalls, with a view to ensuring that the Group's products can be promptly and accurately recalled. Based on the severity of the defect, the recall is divided into three levels. A scientific recall plan will be designed and be proactively implemented based on the recall level and the actual use of medical devices, so as to ensure the interests and health of users are effectively guaranteed.

### 3.3 Serving with Heart

The Group has established customer service process and customer complaints handling mechanism for the purpose of actively improving service quality while ensuring quality of our products. It also carries out in-depth communications and analysis with customers regularly on the use of products, so as to explore effective ways to provide better services to our customers.



## 3 Attentive to Products

### Quality customer service

For products and services, we regularly visit customers and provide latest product information, as well as offer periodic product training and on-site question answering services to customers. In addition, we also set up the regular service feedback mechanism, actively visit our customers and provide service support. In order to have a better understanding of the comments and advice from customers, we conduct customer satisfaction surveys for our products and services annually, and committed to provide our customers with better quality and safer products, as well as timely and efficient services.

The Group places great emphasis on the protection of the privacy of our customers. Non-public information on our customers is protected in compliance with the requirements of relevant laws and regulations and through contractual agreements.

### Complaints handling mechanism

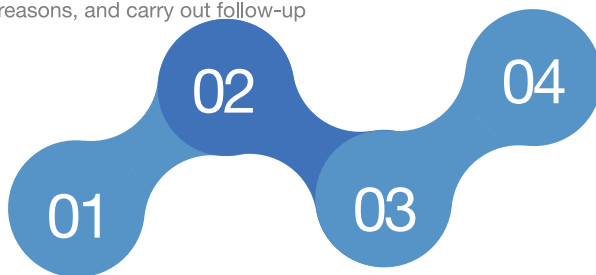
The Group attaches great importance to the feedback of distributors and medical institutions on products. We accept customer feedback and complaints through sales channels, adverse reaction hotlines and other channels, and designate special personnel to handle complaints within the Company. After receiving feedback or complaints from customers, we will communicate with relevant departments on the specific situation of feedback or complaints for the first time, and take effective measures promptly to provide satisfactory solutions to customers.

#### Investigation and handling

Relevant departments will investigate and evaluate complaints on quality. For complaints on the use of products, such departments will take active communication and provide assistance on training methods to meet consumer needs. For complaints that really fall within the scope of product quality problems, they will immediately trace the source to the suppliers or production department, clarify the responsibilities and reasons, and carry out follow-up improvement.

#### Documentation of complaints

Relevant departments record and document all complaints on quality, which serve as the basis for assessing the Company's after-sales service and product quality, and give feedbacks to the suppliers or production department.



#### Acceptance of complaints

After receiving quality complaints from customers, each department of the Company will forward them immediately to the corresponding sales department. The sales department will clarify the contents of the complaint and further collect detailed information, and submit it to relevant departments.

#### Feedback on the result

Relevant departments give the results of investigation and handling back to the sales department, which should in turn provide feedbacks on the reports to customers in time and track the results of handling.



# FOCUSING ON ENVIRONMENTAL PROTECTION

# 4

The Group deeply understand our responsibilities as a high-tech pharmaceutical enterprise. While focusing on the development tendency of global green environmental protection, the Group stresses on and advances energy conservation and consumption reduction. We are in strict compliance with the requirements under the Environmental Protection Law of the People's Republic of China, the Prevention and Control of Water Pollution Law of the People's Republic of China, the Prevention and Control of Atmospheric Pollution Law of the People's Republic of China and other relevant laws and regulations, to actively promote the maintenance of environmental health while boosting our economic efficiency.

Key performance in 2017

- Greenhouse gas emissions intensity amounted to 0.11 ton CO<sub>2</sub>e/RMB ten thousand of revenue
- Integrated energy consumption intensity amounted to 29.04 kilograms of standard coal/RMB ten thousand of revenue
- Water consumption intensity amounted to 1.34 tons/RMB ten thousand of revenue
- Hazardous waste discharge intensity amounted to 0.57 kilogram/RMB ten thousand of revenue



## 4 Focusing on Environmental Protection

### 4.1 Environmental Management

The Company has obtained ISO14001: 2004 environmental management system certification. Through the establishment of the environmental management system, the Company standardizes corporate environmental management practices, so as to achieve continuous improvement. The Company encourages its subsidiaries to carry out various environmental improvement projects, vigorously reduce energy consumption, water consumption and various resource consumption through cleaner production measures including process optimization and source control, improve resources cycle utilization rate, as well as minimize the impact of business activities on the environment. Meanwhile, the Group has increased its investment in the construction of pollutant treatment facilities. Aiming to reduce environmental risks and enhance corporate's reputation, we make great efforts to reduce the discharge of various pollutants including wastewater, air emissions and solid wastes through compliant treatment measures.

In accordance with the requirements of ISO14001 environmental management system, the Company assesses the possible environmental risks arising from product development after the establishment of R&D project, and reduces the impact of the product on the environment during R&D process. To manage waste gas, wastewater and solid waste during the production process, the Company has developed a corresponding procedural management file and has increased its investment in the construction of pollutants treatment facilities in strict accordance with ISO14001 environmental management system.



## 4 Focusing on Environmental Protection

### 4.2 Resource and Energy Consumption

The major packaging materials used by the Group in production process are paper, plastic and glass. The major energy sources we consume include electricity, natural gas, externally-purchased steam and fuel oil consumed by motor vehicles. Through insisting on optimization of environmental protection facilities and reform of energy saving, the Group continues to advance our environmental management level and minimize loads on the environment caused by our business activities. As to transportation, we further practice the idea of energy saving and emission reduction for sustainable development and operation by improving transporting efficiency.

During the Reporting Period, the energy and resource consumption of the Group are as follows:

Type	Total amount	Unit
<b>Energy and greenhouse gas</b>		
Purchased electricity	14.80	GWh
Unleaded gasoline	44.15	tons
Diesel	7.39	tons
Purchased steam	8,283	tons
Natural gas	778,598	standard cubic meters
Integrated energy consumption	3,905	tons of standard coal
Integrated energy consumption intensity	29.04	kilograms of standard coal/RMB ten thousand of revenue
Greenhouse gas (scope I) <sup>1</sup>	1,841	tons CO <sub>2</sub> e
Greenhouse gas (scope II) <sup>2</sup>	12,776	tons CO <sub>2</sub> e
Greenhouse gas emissions in total	14,617	tons CO <sub>2</sub> e
Greenhouse gas intensity	0.11	tons CO <sub>2</sub> e/RMB ten thousand of revenue
<b>Resource consumption</b>		
Water consumption	179,771	tons
Water consumption intensity	1.34	tons/RMB ten thousand of revenue
Packaging materials	632	tons
Packaging materials intensity	4.70	kilograms/RMB ten thousand of revenue

- Note: 1. Greenhouse gas (scope I) arises from the combustion of unleaded gasoline, diesel and natural gas.
2. Greenhouse gas (scope II) arises from the use of externally-purchased electricity and steam.



## 4 Focusing on Environmental Protection

### Henan Universe improved water conservation through maintenance of water production equipment

In March 2017, Henan Universe conducted maintenance works for its water production equipment and replaced the equipment's reverse osmosis membranes, which improved the yield of purified water per ton from 0.45 ton to 0.6 ton. This greatly saved water resource and also improved production efficiency.

In addition, we are committed to reducing the use of packaging materials through improvement in product packaging. This not only complies with the concept of environmental sustainability, but also reduces the cost of business.

### Reduce the use of packaging materials through improvement in packaging design

The Company's rhEGF ("Healin") products need cold-chain transportation, therefore their packaging volumes not only relate to the use of packaging materials, but also impact energy consumption during storage and transportation. During the Reporting Period, the Company launched the work of reducing packaging volumes of Healin products. After the improvement, the packaging volumes of this products with two specifications would save 45% and 12% of space, respectively, as compared to the original ones. This measure not only reduced the use of packaging materials, but also minimized the energy consumption during storage and transportation. We will gradually improve packaging of other products with an aim to save more resources.



## 4 Focusing on Environmental Protection

### 4.3 Emissions Management

The Group has made great investments in the construction of wastewater and air emission treatment facilities, through the operation of such facilities, the wastewater discharge and air emission meet the state-specified standard. In the meantime, we emphasize on reducing the generation of pollutants from the source, and implement and give play to the combined advantages of new facilities supplemented by old ones through process upgrade, improving management of equipment and facilities and other measures, in order to reduce and eliminate pollution arising from all production links.

During the Reporting Period, the emission data of the Group is as follows:

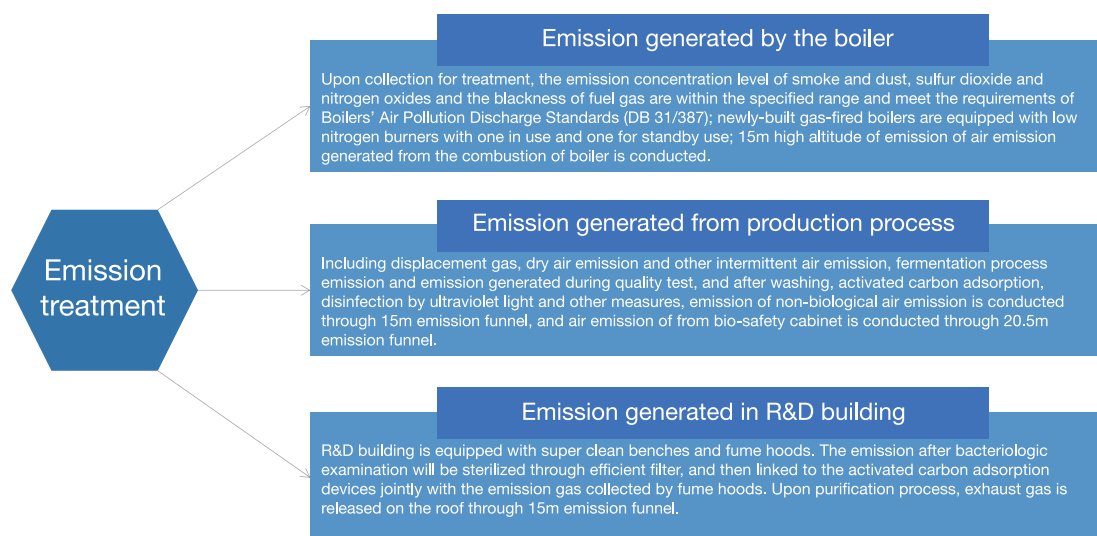
Type	Total amount	Unit
<b>Wastewater and air emission</b>		
Air emission	15,983,078	standard cubic meters
Wastewater	140,292	tons
COD emissions	8.26	tons
Ammonia nitrogen emissions	0.36	ton
<b>Non-hazardous waste</b>		
Packaging waste produced	26.28	tons
Packaging materials recycled	77.06	tons
Domestic waste	213	tons
Total non-hazardous waste	316	tons
Intensity of non-hazardous waste	2.35	kilograms/RMB ten thousand of revenue
<b>Hazardous waste</b>		
Total hazardous waste produced	76.93	tons
Intensity of hazardous waste produced	0.57	kilogram/RMB ten thousand of revenue



## 4 Focusing on Environmental Protection

### Air emission management

The Group's air emissions and disposal are in strict compliance with the relevant standards on air emissions, and we reduce the generation of pollutants as much as possible. The Company's major management measures for air emission reduction are as follows:



As noise will inevitably be produced due to the operation of wind turbine during emission treatment, the Company selects and uses equipment with less noise nuisance and puts vibration dampening measures in place to greatly reduce the impacts of noise. As shown in the results of the Company's independent check and acceptance, the noise in the factory is within the standard limit under GB12348 the *Industrial Enterprise Boundary Noise Emission Standards*.

### Wastewater discharge management

The Company implemented rainwater and sewage diversion measures to distinguish, collect and discharge wastewater of different quality. Both the production wastewater and domestic sewage are collected at the factory's sewage treatment station. The effluent can be discharged into the municipal wastewater treatment pipe network after the water quality reaches the level of municipal sewage treatment permit. We have dedicated sewage treatment operators for our own wastewater treatment stations in our production sites, and we treat and monitor wastewater in real time through professional wastewater analysis instruments. Our wastewater treatment station uses the "anaerobic + hydrolysis acidification + MBR (membrane bio-reactor)" process with an air emission treatment device (capped). Air emission treatment can effectively reduce odor and reduce the environmental impact of wastewater treatment.



## 4 Focusing on Environmental Protection

### Solid waste management

In strict compliance with the provisions of GB18597 the *Standards for Pollution Control on Hazardous Waste Storage*, the Group ensures proper storage of hazardous wastes, and engages companies with hazardous waste recycling qualifications to dispose of hazardous wastes in all aspects of application, approval and transportation. Meanwhile, our treatment of general industrial solid wastes is in line with the provisions of GB18599 the *Standards for Pollution Control on the Storage and Disposal Site for General Industrial Solid Wastes*. The general industrial solid wastes are sold to the relevant materials units as waste materials. And the domestic wastes are regularly removed and delivered by the sanitation department. The Group has developed its internal *Wastes Management Regulation* to further reduce and control the generation of wastes. In particular, we have set up centralized disposal sites for solid wastes to classify different types of solid wastes. We have improved the storage of solid wastes and managed the external disposal of solid wastes under the guidance of strict and standardized records, handovers and supervision processes.

### Animal Welfare

As a bio-pharmaceutical enterprise, we carefully consider the use of experimental animals. We provide animals with sufficient food and water, and systematically adjust the temperature in the animal rooms to ensure a comfortable life for the animals. Also, animal rooms are capped with air emission treatment devices, which, on the one hand, reduces the emission of odors, and on the other hand, maintains circulation of air in the animal rooms in a timely manner. In addition, we organize relevant operating trainings for related staff to regulate their daily operations and minimize the pain of animals during blood samplings.



# 5

## CONCENTRATING ON OUR TEAM

Human resources are the most important capital of the Group. With employees at the core, we start from their basic needs to encourage their enthusiasm and initiative on an ongoing basis, and cultivate knowledgeable and inter-disciplinary employees, so as to achieve a win-win of both corporate development and employee growth. Meanwhile, we treasure and respect individual differences in races, genders, ages, backgrounds and beliefs, etc., with an aim to create a diverse, equal, safe and healthy working environment.

Key performance in 2017

- 1,107 employees in total, representing an increase of 24.94% as compared with previous year



# 5 Concentrating on our Team

## 5.1 Overview of Employees

The Group combines human resources management with our corporate strategies. Under the premise of safeguarding employees' rights and interests pursuant to the law, the Group continuously recruits professional talents based on the internal and external variations, in order to realize our strategic objectives as supported by a reasonable human resource structure.

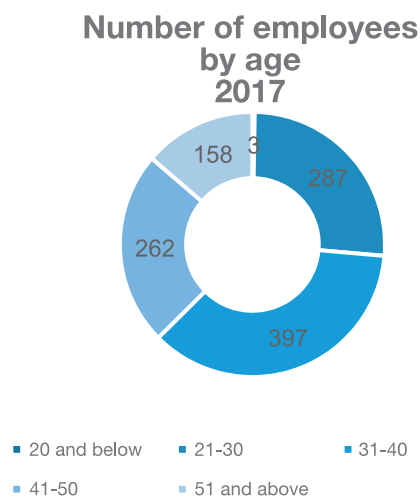
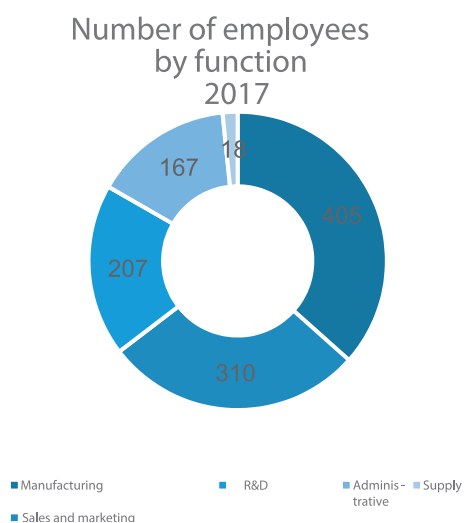
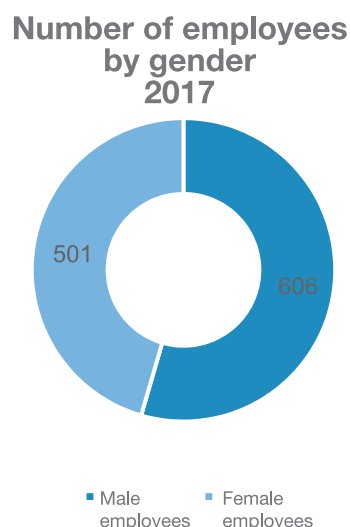
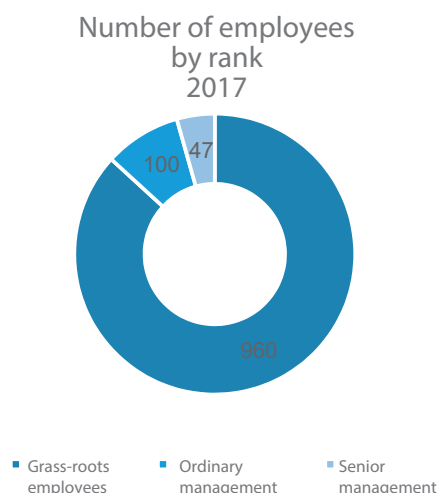
We strictly abide by relevant labor laws and regulations, and resolutely reject the illegal utilization of child labor and forced labor. Before signing labor contract with a candidate to be employed, we will check his/her certification, certificate of degree, etc. to confirm his/her identity. During the Reporting Period, no illegal utilization of child labor and forced labor cases happened in the Group.

We recognize that a diverse and inclusive working environment could stimulate employee's sound performance to the largest extent. The Group recruits talents mainly from the campus and the society under the principles of open and fair recruitment, anti-discrimination and promotes local employment actively.

As of 31 December 2017, the Group had a total of 1,107 employees.



## 5 Concentrating on our Team



### 5.2 Development of Employees

Adhering to the philosophy of joint development of the employees and the enterprise, the Group provides our employees with extensive training and learning opportunities to help them continuously develop in personal quality, professional skills and managerial capacities, and therefore enhance their occupational competitiveness.



## 5 Concentrating on our Team

### Extensive training programs for employees

We have set up a professional training team, which is committed to building a sound training system and creating a learning-oriented organization. We integrate the career development of our employees with the strategic planning of our business, attach great importance to the close connection and deep transformation between training courses and professional practices, and designate annual training program by combining the actual work needs. During the Reporting Period, we held various training:



➤ **Medical device risk management training**

The Group organized the medical device risk management training in September 2017.

➤ **Office automation training**

The Group organized three office automation trainings in total from June to July 2017.

➤ **Training for pharmaceutical preparation staff**

The Group organized trainings for pharmaceutical preparation staff in November and December 2017.



## 5 Concentrating on our Team

### ➤ Training for medical instrument internal auditors

The Group organized three trainings for medical instrument internal auditors in August 2017.

### ➤ Visit Aaren Laboratories Company and American MDA Precision LLC for technical training and equipment survey

In August 2017, staffs from Henan Universe and Zhuhai Eyegood visited America to communicate and study the advanced manufacturing techniques and product development technologies of American Aaren Company, and conducted equipment survey and operation related trainings.

### ➤ Training for new employees

In April 2017, Shenzhen NIMO organized induction training for new employees. After such 8-day training, new employees gradually gained an in-depth understanding of corporate culture, management system, logistic work, product technology, marketing and comprehensive development. Through experiencing corporate culture and grasping basic work skills, work system and work procedures, new employees significantly accelerated their pace of integration into the team. After the training, Shenzhen NIMO also conducted an assessment on the classroom performance, task performance and test scores of employees. All of them passed the assessment and obtained course-completion certificate.

## 5.3 Health and Safety

The health and safety of our employees are the top priority of the Company. We continue to improve the safety production emergency management system, and carry out emergency program drills to enhance the emergency handling capabilities. Through the establishment of OHSAS18001 occupational health and safety management system, the Company has identified the potential health and safety risks in production and operating places and arranged workforce for corresponding improvement, to minimize health and safety risks, thereby creating a safe and comfortable working environment for our employees.

The Group implements localized safety training management. Safety training and drill are conducted at each production office place according to the training program designated in advance, with detailed records of specific implementation process, so as to ensure that all of our employees receive comprehensive and detailed safety training.



## 5 Concentrating on our Team

### Firefighting training

On 4 May 2017, Henan Universe invited lecturers of Zhengzhou firefighting safety publicity team to conduct training on firefighting knowledge for all staff. Through such training, all staff recognized the severe damages and consequences of fire disaster with improved awareness of firefighting safety and enhanced capacities to protect themselves and the property of the Company.



During the Reporting Period, there was no workplace fatal injury accident within the Group. Lost working hours due to work-related injury in production activities amounted to 1,072 hours. In the future, we will further enhance the publicity and training of safety transportation, safety production and knowledge on prevention, in order to reduce the occurrence of transportation and production accidents.

### 5.4 Caring our People

Sticking to the idea of people foremost, the Group cares about the physical and psychological health of our employees, provides them with diverse welfare and care, and encourages them to strike a balance between the work and life. We endeavor to create a comfortable working environment for our employees through actively improving employee welfare and organizing various warmth-extending activities.

- Shenzhen NIMO held the “Spring Outing & Photography Contest” among its employees in April 2017;
- The Group organized a 5-day cruise tour to Japan for our employees in September 2017;
- The Company organized the “Double Eleven Party for Single Youth” among our employees in November 2017.

### Gaining national welfare and subsidy for employees

Leveraging on the supportive policies issued by the government and its advantages as a high-tech enterprise, Shenzhen NIMO was active in gaining various welfare and subsidies for its employees. Over the years, it has been helping employees in handling household registration by virtue of talent introduction in Shenzhen, applying for subsidies for household registration, subsidies for high-level talents, talent apartments in Shenzhen, rent subsidies in Shenzhen, subsidies on individual income tax, and leadership talent qualifications to improve employees' quality of life while guaranteeing employee welfare.

During the Reporting Period, Shenzhen NIMO assisted its employees to receive more than RMB 1 million of national subsidies in total.



# 6

## CARING FOR THE COMMUNITY

The Group has been extending our care for the society in our steady business development. On the basis of ensuring the safety of product quality and bringing benefits to patients, we pay taxes according to the law, focus on social public welfare, and perform our social responsibilities. Meanwhile, as a pharmaceutical enterprise, we take an active part in associations, assist in formulating industry standards, and attend industry meetings to proactively promote the development of the industry.

Key performance in 2017

- Total donations amounted to RMB 625,140



## 6 Caring for the Community

### 6.1 Charity

As a bio-pharmaceutical enterprise, the Group bears the mission of giving back to the community and bringing benefits to the society in addition to striving to create economic values for our shareholders, employees and the society. At the same time of ensuring the product safety, we stay committed to extending our care to more people.

The Group's ophthalmology products are the core materials and necessary devices for cataract surgery. The Group has been cooperating with a number of charitable organizations for consecutive years, such as "Lifeline Express", "Illumination • Smile" and "Yupengnian Charitable Foundation" to relieve the stress of patients and provide guarantee for a large quantity of cataract surgeries.

In addition, we strive to practice the concept of sustainable development and take on more social responsibilities by actively paying taxes, participating in public charity, and helping poor people. During the Reporting Period, the Group made a donation of RMB 625,140 in total.

### 6.2 Promotion of Industry Development

The Group commits ourselves to promoting the industry development. With efforts from the entire industry, we actively join industry associations and assist in drafting industry standards. In the meantime, we pay special attention to the exchanges and interactions with our peers, and have held or participated in many industry seminars to learn from each other's strengths during exchanges. We insist on sharing experiences and findings while gaining an insight into dynamic industry information for a joint development with the entire industry.

#### **Relevant industry standards participated in formulating**

Medical sodium hyaluronate gel (YY 0308-2004)

Aseptic processing of health care products Part 1: General requirements (YY/T 0567.1-2005)

Aseptic processing of health care products Part 2: Sterilizing filtration (YY/T 0567.2-2005)

Tissue engineered medical products Part 9: Sodium hyaluronate (YY/T 0606.9-2007)

Tissue engineered medical products Part 7: Chitosan (YY/T 0606.7-2008)

Medical sodium hyaluronate gel (YY 0308-2015)

Medical Carboxymethyl Chitosan (YY 0963-2015)

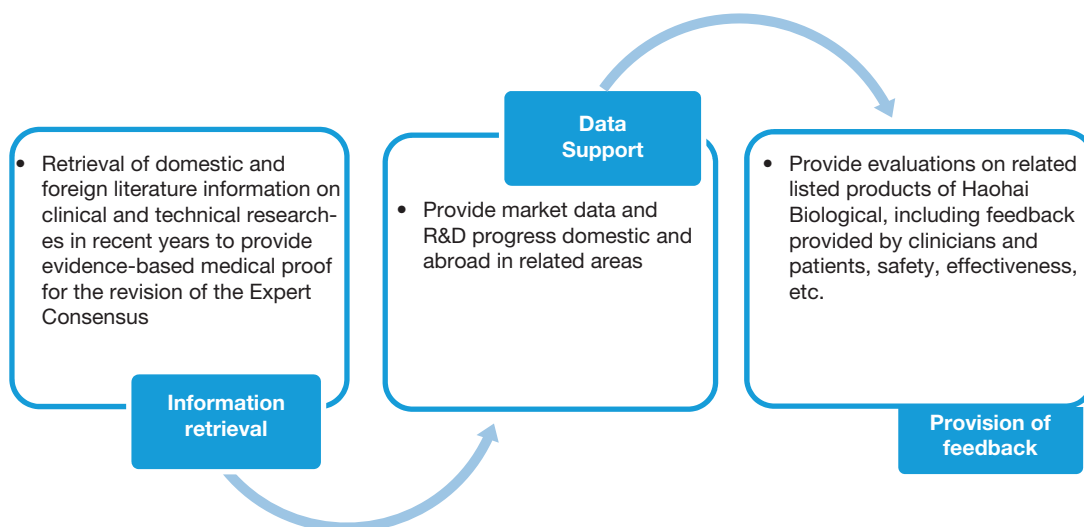
Tissue engineered medical products: Sodium hyaluronate (YY/T 1571-2017)

Collagen sponge (YY/T 1511-2017)



## 6 Caring for the Community

Haohai Biological assisted in revising the Expert Consensus on the Application of Sodium Hyaluronate for Orthopedic and Sports Medicine Related Diseases (revised version of 2017)



### Attending industry meetings

To continuously promote the industry development and to develop its influence and leadership, the Group actively joins relevant industry associations and has launched and participated in seminars of various scales to facilitate the academic discussions among experts and research institutions in the industry.

Company	Industry association	Role
Haohai Biological	Shanghai Pharmaceutical Profession Association	Member unit
	Shanghai Medical Instrument Trade Association	Deputy chief council unit
	Shanghai Association for Pharmaceutics Quality	Member unit
	Shanghai Innovation and Transformation Promotion Center of Medical Absorbable Biomaterial	Chief council unit
	Shanghai Strategic Alliance for Innovation of Medical Absorbable Biomaterial	Chief council unit
	China Strategic Alliance for Human Body Repair Technology and Material	Council unit



## 6 Caring for the Community

<i>Shanghai Qisheng</i>	Shanghai Medical Instrument Trade Association	Member unit
	Shanghai Biopharmaceutics Industry Association	Member unit
	Shanghai Innovation and Transformation Promotion Center of Medical Absorbable Biomaterial	Council unit
	Shanghai Strategic Alliance for Innovation of Medical Absorbable Biomaterial	Council unit
<i>Shanghai Jianhua</i>	Shanghai Innovation and Transformation Promotion Center of Medical Absorbable Biomaterial	Council unit
	Shanghai Strategic Alliance for Innovation of Medical Absorbable Biomaterial	Council unit
<i>Shanghai Likangrui</i>	Shanghai Innovation and Transformation Promotion Center of Medical Absorbable Biomaterial	Council unit
	Shanghai Strategic Alliance for Innovation of Medical Absorbable Biomaterial	Council unit

During the Reporting Period, the Group was invited to participate in and held various activities and conferences in ophthalmology, obstetrics and gynecology, orthopedics, medical aesthetics and other areas, receiving warm responses from the society.

### Haohai Biological was invited to attend the “2017 International Forum on the Innovation and Development of Vision Health”

In July 2017, “2017 International Forum on the Innovation and Development of Vision Health (Vision China 2017)” was conducted at Hangzhou International Expo Center (G20 Summit site), which Haohai Biological attended as invited. This was also the Company’s debut at Vision China Forum after our announcement on completion of five mergers & acquisitions in ophthalmology sector and the initial form of our full industry chain of ophthalmology products in the first half of 2017. Haohai Biological shared our experience in respect of the development of ophthalmology industry, and obtained the “Partner Award” issued by the Forum.



## 6 Caring for the Community

### **“Janlane” made its debut at the “14th Conference of Chinese Society of Aesthetic and Plastic Doctor”**

In July 2017, the “14th Conference of Chinese Society of Aesthetic and Plastic Doctor” opened at China National Convention Center in Beijing, at which the Group’s second-generation hyaluronic acid “Janlane” made its stunning debut, and our medical aesthetics team conducted in-depth exchanges and discussions with domestic and overseas medical aesthetics experts on the cutting-edge technology of medical aesthetics hyaluronic acid injection. During the conference, the Group’s exhibition stand was full of visitors, and our excellent product display demonstrated our professionalism and diligence.

### **The Group was invited to attend the 2017 National Conference on Obstetrics and Gynecology**

In October 2017, the “13th National Academic Conference on Obstetrics and Gynecology of Chinese Medical Association” organized by the Chinese Society of Obstetrics and Gynecology was conducted at Xiamen International Conference & Exhibition Center in Fujian, whose theme was “caring people’s livelihood, promoting medical researches, stressing on innovation, and advancing professional development”. The Group attended this conference with our anti-adhesion and hemostasis product line, and organized special academic and satellite conferences to invite industry experts to discuss industry topics.



## Appendix - Index of ESG Reporting Guide of HKEX

Major subject area, aspect, general disclosure and key performance indicator		2017 ESG Report
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 emissions of waste gas and greenhouse gas, water and land pollution, hazardous and non-hazardous waste generation.	4 Focus on Environmental Protection
KPI A1.1	The types of emissions and respective emissions data.	4.2 Resource and Energy Consumption
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.2 Resource and Energy Consumption
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.3 Emissions Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.3 Emissions Management
KPI A1.5	Description of measures to mitigate emissions and results achieved.	4.3 Emissions Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	4.3 Emissions Management
Aspect A2	Use of Resources	
General Disclosure	Policies on effective use of resources (including energy, water and other raw materials). Resources can be used for production, storage, transportation, buildings and electronic equipment.	4.2 Resource and Energy Consumption
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).	4.2 Resource and Energy Consumption
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	4.2 Resource and Energy Consumption
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	4.2 Resource and Energy Consumption



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Major subject area, aspect, general disclosure and key performance indicator		2017 ESG Report
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	4.2 Resource and Energy Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	4.2 Resource and Energy Consumption
Aspect A3	The Environment and Natural Resources	
General Disclosure	Policies on minimizing the significant impact of the issuer on the environment and natural resources.	4 Focus on Environmental Protection
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4 Focus on Environmental Protection
Employment and Labour Standards		
Aspect B1	Employment	
General Disclosure	Information on: (a) the policies; and (b) relevant laws and regulations that have a significant impact on the issuer relating to remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination and other treatments and benefits.	5 Concentrating on our Team
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	5.1 Overview of Employees
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	To be disclosed in future
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 provision of a safe working environment and protection of employees from occupational hazards.	5.3 Health and Safety
KPI B2.1	Number and rate of work-related fatalities.	5.3 Health and Safety
KPI B2.2	Lost days due to work injury.	5.3 Health and Safety



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Major subject area, aspect, general disclosure and key performance indicator		2017 ESG Report
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	5.3 Health and Safety
Aspect B3	Development and Training	
General Disclosure	Policies on enhancing the knowledges and skills of employees to perform duties. Describe training activities. Training refers to vocational training and may include internal and external courses paid by employers.	5.2 Development of Employees
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	To be disclosed in future
KPI B3.2	The average training hours completed per employee by gender and employee category.	To be disclosed in future
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 prevention of child labor or forced labor.	5.1 Overview of Employees
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	5.1 Overview of Employees
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	5.1 Overview of Employees
Operating Practices		
Aspect B5	Supply Chain Management	
General Disclosure	Policies on managing environmental and social risks of the supply chain.	3.2 Quality Assurance
KPI B5.1	Number of suppliers by geographical region.	3.2 Quality Assurance
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.	3.2 Quality Assurance
Aspect B6	Product Responsibility	



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Major subject area, aspect, general disclosure and key performance indicator		2017 ESG Report
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.	3.2 Quality Assurance 3.3 Serving with Heart
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	To be disclosed in future
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	To be disclosed in future
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	3.1 Research, Development and Innovation
KPI B6.4	Description of quality assurance process and recall procedures.	3.2 Quality Assurance
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	3.3 Serving with Heart
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.	2.1 Corporate Governance
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.	2.1 Corporate Governance
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	2.1 Corporate Governance



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Major subject area, aspect, general disclosure and key performance indicator		2017 ESG Report
Community		
Aspect B8	Community Investment	
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	6 Care for the Community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6.1 Supporting the Community
KPI B8.2	Resources (e.g. money or time) contributed to the focus area.	6.1 Supporting the Community

