



ENVIRONMENTAL  
SOCIAL AND  
GOVERNANCE  
REPORT

2018



**GET IT RIGHT**



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## ABOUT THIS REPORT

Fountain Set (Holdings) Limited and its subsidiaries (“the Group”) is one of the world’s largest circular knitted fabric manufacturers with principle activities including fabric knitting, dyeing, printing, finishing, as well as garment manufacturing.

This is the third Environmental, Social, and Governance (“ESG”) report (the “Report”) by the Group, highlighting the ESG performance of its operations with relatively significant environmental and social impacts. Disclosures of the Report made reference to the ESG Reporting Guide as described in Appendix 27 of the Listing Rules and Guidance set out by The Stock Exchange of Hong Kong Limited (“HKEx”) and relevant guidance set out by the HKEx.

Since May 2016, its subsidiary Dongguan Futian Oasis Heating Co. Ltd. (“Futian Oasis”) has signed an agreement with the Dongguan Shatian Town People’s Government for a centralized heat supply project (the “Project”), which supplies heat to the Shatian Town Industrial Park for electroplating, printing and dyeing industry (“the Park”), has commenced operation in the Reporting Period as defined hereunder. As a centralized heat supplier, Futian Oasis’s operation placed significant contribution to the Group’s ESG performance, especially for the environmental protection aspect. Therefore, the Report covers the respective performances of Futian Oasis since 2017.

The four Production Sites, all located in the People’s Republic of China (“PRC”), within the reporting scope (hereinafter collectively referred as “the Production Sites”), include:

- ▶ Jiangyin Fuhui Textiles Limited (“Jiangyin Fuhui”);
- ▶ Yancheng Fuhui Textiles Limited (“Yancheng Fuhui”);
- ▶ Dongguan Shatin Lake Side Textiles Printing & Dyeing Co. Ltd. (“Shatin Lake Side”); and
- ▶ Futian Oasis.

Unless otherwise stated, the Report covers the overall performance in two main aspects (Environmental aspect and Social aspect) of the Production Sites from 1 January 2018 to 31 December 2018 (the “Reporting Period”). For information about the Group corporate governance, please refer to page 30 to 47 of the Annual Report.



## STAKEHOLDERS’ ENGAGEMENT AND MATERIALITY

In order to identify the most significant performance for the Group to report on for this Report, key stakeholders have been involved to discuss and to review material performance which will help the business to meet its potential growth and be prepared for future challenges. During the Reporting Period, we have identified the major stakeholders with significant influence on the Group, the respective means of communication and the material topics that are crucial to the Group’s sustainable development according to “How to Prepare an ESG Report? A Step-by-step Guide to ESG Reporting” published by SEHK and through industrial peer comparative analysis. This helps the Group prioritize the material topics in its development.

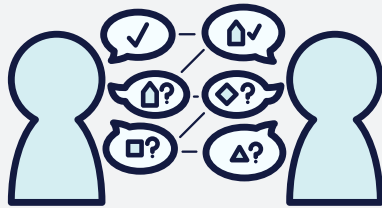
Major Stakeholders of the Group	Communication Channels
Government and supervision bodies	<ul style="list-style-type: none"> <li>▶ Supervised by regulators according to laws</li> <li>▶ Implementation of relevant industrial policies</li> </ul>
Suppliers and business partners	<ul style="list-style-type: none"> <li>▶ Open tendering</li> <li>▶ Regular communication</li> <li>▶ Inspection and evaluation activities</li> </ul>
Employees	<ul style="list-style-type: none"> <li>▶ Regular meetings</li> <li>▶ Staff training</li> <li>▶ Employee activities</li> </ul>
Shareholders and investors	<ul style="list-style-type: none"> <li>▶ Annual general meetings</li> <li>▶ Roadshow</li> <li>▶ Investor briefings</li> <li>▶ Occasional communications</li> </ul>
Peers and industry associations	<ul style="list-style-type: none"> <li>▶ Exhibitions</li> <li>▶ Textile association meetings and communications</li> </ul>
Customers and potential clients	<ul style="list-style-type: none"> <li>▶ Website</li> <li>▶ Email</li> <li>▶ Satisfaction survey</li> </ul>
Media	<ul style="list-style-type: none"> <li>▶ Website</li> </ul>
Non-governmental organizations	<ul style="list-style-type: none"> <li>▶ Public welfare activities</li> <li>▶ Factory visits</li> </ul>
Public community	<ul style="list-style-type: none"> <li>▶ Open channels such as websites</li> </ul>



## STAKEHOLDERS' ENGAGEMENT AND MATERIALITY

### MATERIAL TOPICS CRUCIAL TO THE SUSTAINABLE DEVELOPMENT OF THE GROUP

Pollutant discharge and management	Resource utilization	Ecosystem protection	Employee welfare	Employment and employee rights and benefits
Occupational health and safety	Employee development and training	Labour standards (e.g. prohibiting child labour and preventing forced labour)	Supply chain management (considering environmental and social risks)	Product responsibilities (e.g. product and service quality, protection of customers' privacy, intellectual property, etc.)
Anti-corruption	Community participation and contribution	Competitiveness of textile products	Response to market trends	Production technology and innovation in fabrics
Safe and stable heat supply				



## STAKEHOLDERS' FEEDBACK

The Group welcomes stakeholders' feedback on our ESG approach and performance. Please give your suggestions or share your views with us via email at [pr@fshl.com](mailto:pr@fshl.com).



## THE GROUP'S SUSTAINABILITY MISSION AND VISION

### Mission

The Group is committed to offering quality products and services of genuine value to our customers; to providing our employees with a challenging career and an opportunity for personal development; and to presenting our investors and stakeholders with equitable financial growth.

Based on our founding principles "diligence, frugality, sincerity and integrity", we continue to improve efficiency as well as to develop new markets and products to achieve long-term growth.

### Vision on Environment, Social and Governance

The Group recognizes that no individuals or corporate organizations can over-exploit our limited natural resources and pose irreparable damage to the environment in an irresponsible manner. In terms of social responsibility, we understand that every business operation has an indivisible connection with stakeholders. The Group embraces environmental protection and stakeholders' engagement as the fundamental responsibilities of corporate organizations and is committed to upholding corporate's wellbeing.

# AWARDS AND RECOGNITION

The Group's devotion to the industry and environmental protection has been widely recognised and rewarded. Some of the awards and certifications rewarded to the Production Sites in the Reporting Period are shown below<sup>1</sup>:

8



Award/Certification

## 2017 Outstanding Enterprise of Production Safety<sup>2</sup>

Issued by

**Jiangyin Municipal People's Government Safety Production Committee<sup>2</sup>**

Issued to

**Jiangyin Fuhui**



Award/Certification

## 2017 Outstanding Enterprise of Ecological Civilization<sup>2</sup>

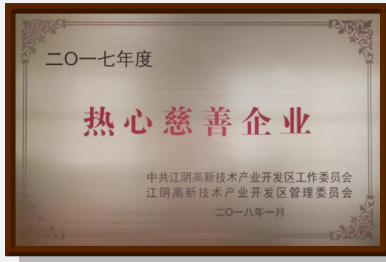
Issued by

**Jiangyin High-tech Industrial Development Zone Committee of Communist Party of China<sup>2</sup>, Administration Committee of Jiangyin High-tech Industrial Development Zone<sup>2</sup>**

Issued to

**Jiangyin Fuhui**





Award/Certification

### 2017 Charitable Enterprise<sup>2</sup>

Issued by

**Jiangyin High-tech Industrial Development Zone Committee of Communist Party of China<sup>2</sup>, Administration Committee of Jiangyin High-tech Industrial Development Zone<sup>2</sup>**

Issued to

**Jiangyin Fuhui**



Award/Certification

### 2017 Outstanding Enterprise of Ecological Civilization and “263” Program<sup>2</sup>

Issued by

**Jiangyin Environmental Protection Committee<sup>2</sup>, Jiangyin “263” Program Leading Group<sup>2</sup>**

Issued to

**Jiangyin Fuhui**



Award/Certification

### 2017 Outstanding Enterprise of “AnKang Cup” Competition of Wuxi<sup>2</sup>

Issued by

**Wuxi Federation of Trade Union<sup>2</sup> Wuxi Administration of Safety Production<sup>2</sup>**

Issued to

**Jiangyin Fuhui**



Award/Certification

### 2017 Outstanding Enterprise of Blood Donation without Compensation<sup>2</sup>

Issued by

**Jiangyin Blood Donation Administration Committee<sup>2</sup>**

Issued to

**Jiangyin Fuhui**



Award/Certification

## Outstanding Enterprise of City in Caring for Next Generation<sup>2</sup>

Issued by

**Jiangyin Working Committee in Caring for Next Generation<sup>2</sup>**

Issued to

**Jiangyin Fuhui**



Award/Certification

## Oeko-Tex Standard 100

Issued by

**TESTEX AG,  
Swiss Textile Testing Institute**

Issued to

**Jiangyin Fuhui**

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Award/Certification

## Energy Management System Certificate

Issued by

**Beijing Zhongjing Quality Certification Co., Ltd**

Issued to

**Jiangyin Fuhui**



Award/Certification

## Environmental Management System Certificate

Issued by

**Beijing Zhongjing Quality Certification Co., Ltd**

Issued to

**Jiangyin Fuhui**



Award/Certification

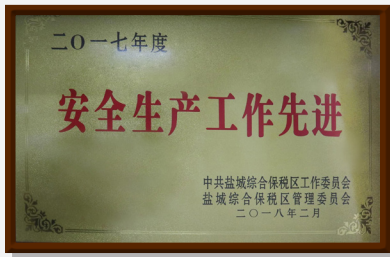
### **Model Worker's Home<sup>2</sup>**

Issued by

**Trade Union of COFCO Corporation<sup>2</sup>**

Issued to

**Shatin Lake Side**



Award/Certification

### **2017 Outstanding Enterprise of Safety Production<sup>2</sup>**

Issued by

**Yancheng Integrated Free Trade Zone Area Working Committee<sup>2</sup>,  
Yancheng Integrated Free Trade Zone Area Management Committee<sup>2</sup>**

Issued to

**Yancheng Fuhui**

The Group will strive to continuously improve its environmental, social and managerial performances to maintain its leading and outstanding position in the industry.

- 1 The awards and certifications below were issued in 2018.
- 2 English names are only translation of their official Chinese names. In case of inconsistencies, the Chinese name shall prevail.



# ENVIRON- MENTAL

Principal activities of the Production Sites are fabric knitting, dyeing, printing, finishing and garment manufacturing. Futian Oasis involves in heat generation. These activities primarily involve direct emissions of (i) carbon dioxide (“CO<sub>2</sub>”), (ii) nitrogen oxides (“NO<sub>x</sub>”), (iii) sulphur dioxide (“SO<sub>2</sub>”) and (iv) particulate matter (PM) from combustion of coal and diesel oil in boilers; and indirect emissions from the consumption of purchased electricity, sewage treatment and business air travels. In 2018, all Production Sites have phased out the use of coal water slurry. Another major natural resource consumed is water, which is mainly used for the production processes. Wastes produced are mainly dye and oil waste, fabric waste, recyclable wastes, sludge and by-products from boilers. The business operations comply with national and local air, water and waste-related laws and regulations. The total floor area coverage for the Production Sites was 910,411 m<sup>2</sup>.

Fountain Set Group attaches great importance to environmental protection and takes environmental protection, pollution control and prevention, energy saving and consumption reduction as keys to factories

establishment and production. The Group is committed to effectively protecting the environment and reducing emission during commercial activities and in production as well as providing customers with green and low-carbon products. On the basis of complying with the local environmental laws and regulations such as the Environmental Protection Law of the People’s Republic of China and the Environmental Impact Assessment Law of the People’s Republic of China, the Group has established and has been actively improving the environmental management system in the Production Sites to promote clean production. Environmental impacts are minimized through emission reduction and energy saving in operations and requiring suppliers to provide environmental certification according to customers’ demands. During the Reporting Period, Shatin Lake Side and Yancheng Fuhui passed the Cleaner Production Audits of Dongguan city and Jiangsu province respectively and have further developed and implemented a series of energy saving, pollution reduction and consumption reduction improvement plans.

# 1 Performance Highlights

## IN THIS CHAPTER

- 1.1 Emission Reduction
- 1.2 Energy Conservation
- 1.3 Water Conservation
- 1.4 Waste Recycling



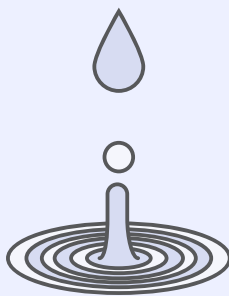
### 1.1 Emission Reduction

- ▶ Purifying equipment, dust removal and desulfurization process are adopted to reduce air emission and pollutants
- ▶ Air emission from sewage treatment plants was collected and treated. The emission of volatile organic pollutants (VOCs) was substantially reduced



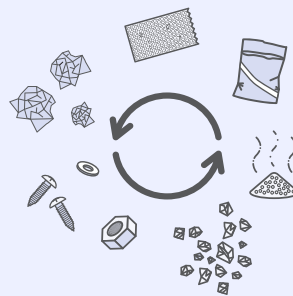
### 1.2 Energy Conservation

- ▶ Energy-saving lamps are widely used, saving over 143 MWh of electricity
- ▶ Heat insulation and low power consumption processes were used to reduce energy use and improve production efficiency



### 1.3 Water Conservation

- ▶ Water-saving process was adopted to effectively reduce water consumption while keeping products in line with quality requirements
- ▶ Upgrading and renovating the sewage recovery and treatment system. More than 2.64 million tonnes of wastewater was reused



### 1.4 Waste Recycling

- ▶ 100% recycling rates for scrap fabric, paper, plastic, scrap metal, boiler slag and coal ash

# 2 Emissions

## IN THIS CHAPTER

- 2.1 Direct and Indirect Emissions
- 2.2 Emission Reduction Results
- 2.3 Centralized Heat Supply Project of Futian Oasis



## 2.1 Direct and Indirect Emissions

The four Production Sites are located in China. All the emissions and concentrations are in strict compliance with relevant national and local regulations and standards, including but not limited to:

- ▶ Environmental Protection Law of the PRC;
- ▶ Environmental Impact Assessment Law of the PRC;
- ▶ Atmospheric Pollution Prevention and Control Law of the PRC;

- ▶ Integrated Emission Standard of Air Pollutants (GB16297-2014); and
- ▶ Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011).

During the Reporting Period, there were 879,707 tonnes of direct and indirect carbon dioxide equivalent greenhouse gases ("CO<sub>2</sub>e") emitted from the Production Sites' operation, with an annual emission intensity of 0.97 tonnes of CO<sub>2</sub>e per square meter (m<sup>2</sup>).

### Direct and indirect CO<sub>2</sub>e emissions<sup>1</sup>

Scopes		Unit	Shatin Lake Side	Jiangyin Fuhui	Yancheng Fuhui	Futian Oasis	Total Emission	Total Emission (%)
Direct CO <sub>2</sub> e emission from mobile and combustion sources	Vehicles	Tonnes	114	460	27	8	609	91.24%
	Boilers <sup>2</sup>		N/A	373,582	N/A	428,468	802,050	
Energy Indirect CO <sub>2</sub> e emissions <sup>3</sup>			37,920	15,438	23,630	N/A <sup>4</sup>	76,988	8.75%
Other Indirect CO <sub>2</sub> e Emissions	Business flights		9	29	14	8	60	Approx. 0.01%
Total			<b>879,707</b>					<b>100%</b>

<sup>1</sup> Unless otherwise stated, the emission factors are based on the documents specified by SEHK in the Appendix 27 of the Listing Rules.

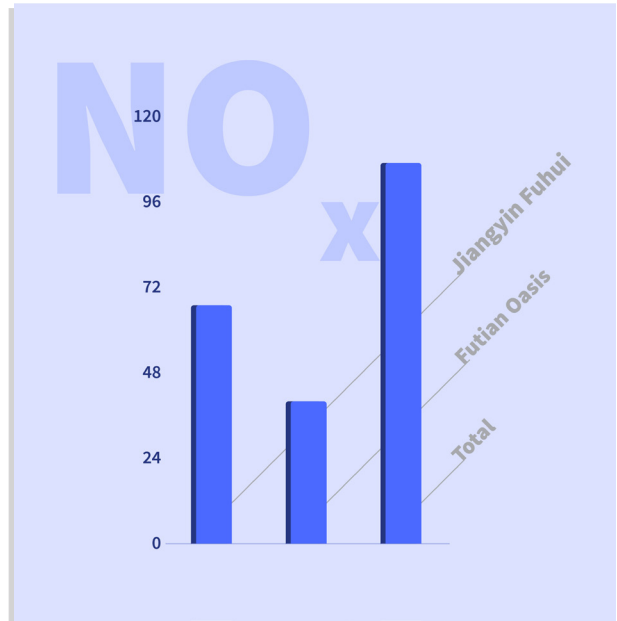
<sup>2</sup> Emission factors for combustion of coal, CWS and diesel oil for stationary source were made reference to GHG Emissions from Stationary Combustion, provided by the Greenhouse Gas Protocol.

<sup>3</sup> Combined margin emission factor (average) of 0.70 kg CO<sub>2</sub>/kWh and 0.53 kg CO<sub>2</sub>/kWh were used for purchased electricity in Jiangsu Province and Guangdong Province of the PRC respectively.

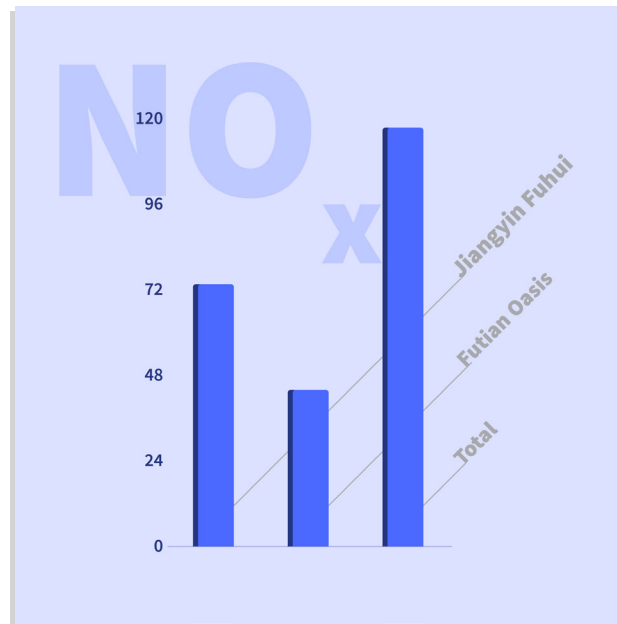
<sup>4</sup> All electricity used in Futian Oasis is produced by itself.

Shatin Lake Side has phased out all coal-fired boiler since 2017. Steam used for production is fully supplied by Futian Oasis. Yancheng Fuhui also purchases steam from suppliers since 2018 for production. Therefore, emissions of air pollutants from Shatin Lake Side and Yancheng Fuhui during the Reporting Period dropped sharply compared with the last Reporting Period. Direct emissions of nitrogen oxides, sulphur dioxide and particulate matters mainly come from production activities of Jiangyin Fuhui and Futian Oasis. Vehicles at the Production Sites also emit air pollutants, but the emissions are insignificant compared to that of coal-fired boilers. Therefore, this report focuses on the emissions of nitrogen oxides (“NO<sub>x</sub>”), sulphur dioxide (“SO<sub>2</sub>”) and particulate matters (“PM”) from Jiangyin Fuhui and Futian Oasis Production Sites.

### Emission of Nitrogen Oxides (NO<sub>x</sub>)<sup>1</sup>



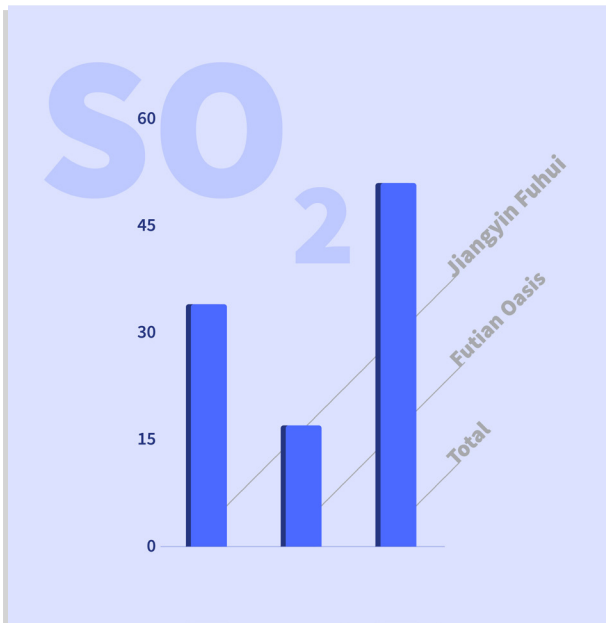
Total Emission (In tonnes)



Concentration (In mg/m<sup>3</sup>)

<sup>1</sup> The graphs below show the emission of air pollutants from Jiangyin Fuhui and Futian Oasis.

**Emission of Sulphur Dioxide (SO<sub>2</sub>)<sup>1</sup>**

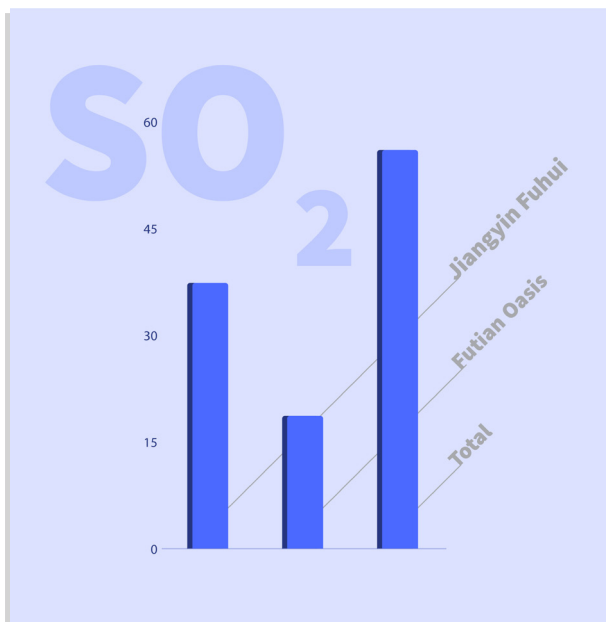


Total Emission (In tonnes)

**Emission of Particulate Matter (PM)<sup>1</sup>**



Total Emission (In tonnes)



Concentration (In mg/m<sup>3</sup>)



Concentration (In mg/m<sup>3</sup>)

## 2.2 Emission Reduction Results

During the Reporting Period, the Production Sites have formulated internal environmental protection management procedures, set relevant pollutants emission limits in accordance with relevant laws and regulations and emission permissible regulations, adopted advanced boiler equipment to reduce emissions and conducted regulatory compliance monitoring of emissions in the production process. During the Reporting Period, the desulfurization

efficiency of boilers in Futian Oasis and Jiangyin Fuhui reached 98% and 92% respectively and dust removal efficiency reached 99% or above. To further reduce emissions, our Production Sites have also investigated and adopted a number of emission reduction measures:

Production Sites	Measures to Reduce Emissions
<b>Yancheng Fuhui, Shatin Lake Side</b>	Installation of chimney exhaust gas purification device on the setting machine in the finishing process.
<b>Yancheng Fuhui</b>	Application of spray and electrostatic treatment to reduce exhaust emissions during production.
<b>Yancheng Fuhui</b>	Air emissions from sewage treatment plants are collected, biological deodorization is adopted to reduce the emission of volatile organic pollutants (VOCs) by about 90%.
<b>Jiangyin Fuhui</b>	Electric field and water film dust removal processes are implemented to improve dust removal efficiency. Combined with multi-layer desulfurization process to effectively reduce sulphur dioxide emissions.
<b>Futian Oasis</b>	Use of circulating fluidized bed boiler and effective desulphurization, denitrification and dust removal process to ensure emission meets relevant standards.

## 2.3

### Centralized Heat Supply Project of Futian Oasis

Since 2016, the Group has started a revolutionary new business – the centralized heat supply project (of Futian Oasis) (“the Project”). The Project is launched in Shatin Town Industrial Park (“the Park”), one of the seven largest environmental industrial parks in Dongguan, China, and integrates and assembles the industry’s enterprises within the Park and those outside Shatian Town which are required to be relocated.

The Project is one of the ancillary projects of the Park’s development and also a key project of the Implementation Plan of Centralized Heat Supply in Guangdong Industrial Park and Industrial Cluster Areas. It supplies heat to enterprises in the Park (including Futian Oasis itself and Shatin Lake Side) with 4 sets of 100 t/hr clean circulating fluidized bed boilers (3 sets in operation and 1 set as backup). Flue gas is cleaned by denitrification using selective non-catalytic reduction (“SNCR”) and selective catalytic reduction (“SCR”), limestone-gypsum desulfurization, dust collectors and wet electrostatic precipitators for dust removal to ensure cleaner emission (with  $\text{NO}_x < 50\text{mg}/\text{m}^3$ ,  $\text{SO}_2 < 35\text{ mg}/\text{m}^3$ ,  $\text{PM} < 10\text{ mg}/\text{m}^3$ ). The business model of the Project is a pioneer in the industry and will contribute to a cleaner air emission by reducing overall emissions of  $\text{NO}_x$ ,  $\text{SO}_2$  as well as particulate matter by continuing replacement of the remaining coal-fired heaters within the district.

During the Reporting Period, Futian Oasis has produced more than 1,430,000 tonnes of steam and supplied over 860,000 tonnes of steam to Shatin Lake Side.



**1,430,000 tonnes**  
of steam produced in Futian Oasis

**4 sets of  
100 t/hr**  
clean circulating fluidized bed boilers

# 3 Energy

## IN THIS CHAPTER

- 3.1 Energy Consumption
- 3.2 Energy Saving Results

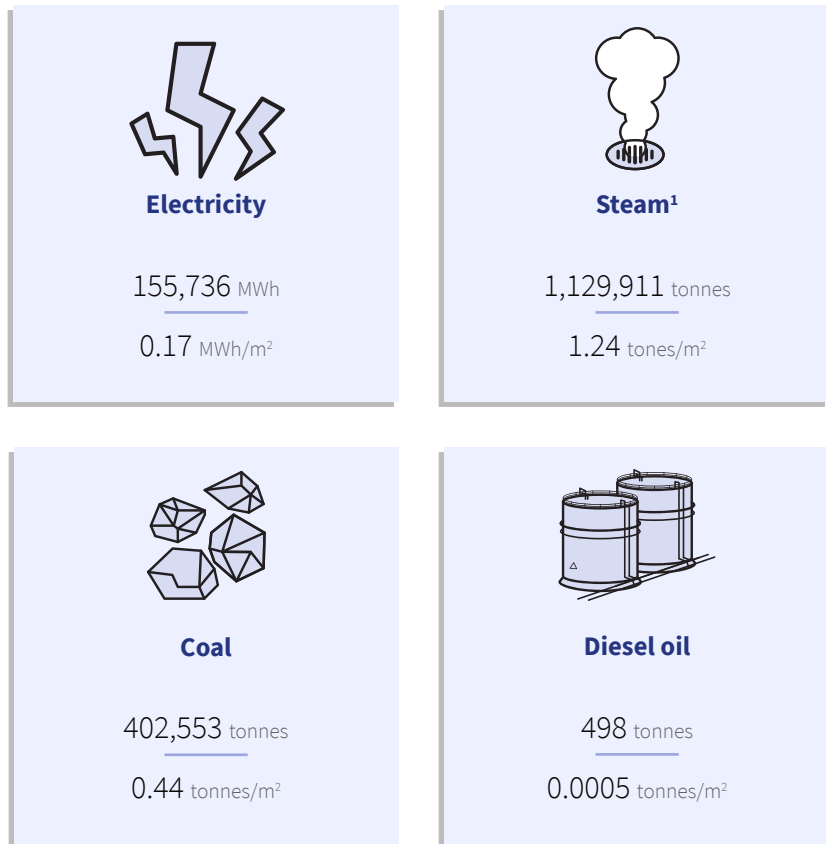
# 3.1 Energy Consumption

The Production Sites consumed electricity, steam, coal and diesel oil for their boilers' operation and other production processes. Insignificant amount of petrol and diesel oil were also consumed for the Group-owned vehicles. Below shows the consumption of energy resources during the Report Period:

## Consumed Resources

### Energy Consumption

### Energy Intensity



1 As the steam consumed in Futian Oasis and Jiangyin Fuhui has been completely supplied by on-site coal-fired boilers, there has been no external purchase of steam. This figure is the sum of consumption in Shatin Lake Side and Yancheng Fuhui.

## 3.2 Energy Saving Results

To reduce resource consumption and improve production efficiency, the Production Sites have set up energy management system and established energy management objectives based on the Energy Conservation Law of the People's Republic of China and other relevant laws as well as the actual situations. Since product design and development stage, the Production Sites have strived to achieve effective energy saving and to reduce indirect carbon emissions by taking energy consumption throughout product life cycle into account, adopting energy saving technology and techniques, strengthening the maintenance of equipment and pipes, monitoring energy management performance and conducting energy efficiency evaluation regularly.

In the Reporting Period, the following measures have been taken by the Group's Production Sites and the results are listed in the table below:

**A total of 1,630 fluorescent lamps have been replaced by LED energy-saving lamps in the Production Sites, saving 142,788 kWh of electricity.**



## Implementation Company

### Shatin Lake Side

### Yancheng Fuhui

### Futian Oasis

## Description

- ▶ Temperature requirement for finishing products has been lowered, reducing the consumption of steam and energy.
- ▶ Old dye vats have been replaced by new model to increase production efficiency.
- ▶ Energy-saving air blowers have been installed on the old looms to save the amount of compressed air and thus saving electricity.
- ▶ Pipes have been covered with more efficient multi-layer insulation to reduce heat loss.

- ▶ Heat-setting machines have been upgraded to achieve better exhaust gas heat recovery and air purification and steam consumption.
- ▶ A total of 1,630 fluorescent lamps have been replaced by LED energy-saving lamps in the Production Sites, saving 142,788 kWh of electricity.

- ▶ Two chain furnaces have been replaced by clean circulating fluidized bed boilers with higher combustion efficiency, to improve energy efficiency and reduce coal consumption.

# 4 Water

## IN THIS CHAPTER

- 4.1 Water Consumption and Discharge
- 4.2 Water Saving and Discharge Quality Control Results

## 4.1 Water Consumption and Discharge

Surface water is taken from Yangtze River along Jiangyin City, Tongyu River along Yancheng City and Dongyin Canal in Dongguan City for the Production Sites' production processes. There was no reported difficulties or issues in sourcing water. Water intakes are all legally permitted by the local government and wastewater is treated by self-built treatment facilities before use. The Production Sites consumed 17,062,277 tonnes of water, with a water intensity of 18.74 tonnes/m<sup>2</sup> during the Reporting Period.

The Group supervises its discharge in strict compliance with the:

1. Environmental Protection Law of the PRC;
2. Environmental Impact Assessment Law of the PRC; and
3. Discharge Standards of Water Pollutants for Dyeing and Finishing of Textile Industry (GB4287-2012).

Wastewater is first treated on site, meeting the standard of tertiary treated wastewater (typically at Chemical Oxygen Demand ("COD") < 200mg/L), and then conveyed to a third-party sewage treatment plant for re-treatment, meeting a more stringent standard (COD < 120 mg/L) before directly discharge to the nature. 15,532,494 tonnes of wastewater was discharged during the Reporting Period, with an intensity of 17.1 tonnes/m<sup>2</sup>. The COD, Biochemical Oxygen Demand (BOD), total ammonia, total nitrogen and total phosphorus in the discharged sewage are all within the permitted discharge limits.

## 4.2 Water Saving and Discharge Quality Control Results

Although the Production Sites have no difficulties in obtaining water, we have attached great importance to the efficient utilization of water resources. We are committed to saving water at source and reusing water, and improving employees' water-saving awareness through internal guidelines and education. Wastewater recycling system has been set up to reuse water. The Production Sites also continuously develop and adopt water saving technologies and equipment. Over 2,646,853 tonnes of sewage was recycled during the Reporting Period. The following table shows the water-saving measures adopted during the Reporting Period:

<p><b>Shatin Lake Side</b></p>	<ul style="list-style-type: none"> <li>▶ By using water-saving technology and dyeing vat equipment, water consumption ratio for the dyeing process has reduced from 1:12 to 1:10. Water consumption has been effectively reduced while complying with the dyeing standard.</li> <li>▶ Water recovering system for backwash wastewater has been set up to increase the utilization rate of reused water.</li> </ul>
<p><b>Yancheng Fuhui</b></p>	<ul style="list-style-type: none"> <li>▶ The heat setting machine has been retrofitted to achieve waste steam recovery and purification, saving 765,000 tonnes of hot water.</li> </ul>
<p><b>Futian Oasis</b></p>	<ul style="list-style-type: none"> <li>▶ The plant is equipped with condensate water collection pool where water can be reused after cooling.</li> </ul>
<p><b>Jiangyin Fuhui</b></p>	<ul style="list-style-type: none"> <li>▶ Condensate water is collected and reused. Over 3,000 tonnes of reclaimed water is reused from the water recycling facility each day.</li> </ul>



# 5 Waste

## IN THIS CHAPTER


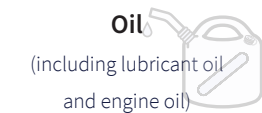



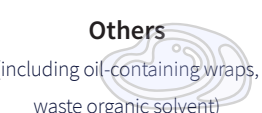
- 5.1 Waste Disposal
- 5.2 Waste Reduction Results

## 5.1 Waste Disposal

The Production Sites generate both hazardous and non-hazardous waste in their operations. Hazardous waste is collected by licensed collectors in compliance with national regulations, while non-hazardous waste is properly collected and recycled when possible. Treatment and disposal of wastes are in compliance with the Standard for Pollution Control on the Storage and Disposal Site for General Industrial Solid Wastes (GB18599-2001).

According to the Directory of National Hazardous Wastes (2016), hazardous waste included boiler slag, coal ash, sludge, air pollutants containing dyes, oil waste and waste organic solvents. Non-hazardous waste included fabric wastes (waste fabric, yarn, etc.), waste paper and plastic for packaging, scrap metal, and other household waste. The following table shows the amount of waste generated during the Reporting Period:

### 1. Hazardous Waste

Waste Type	Source of Waste	Amount of Waste Generated (in tonnes)
 <b>Dye Waste</b> (including materials with dye)	Dyeing processes and expired dye materials	22
 <b>Oil</b> (including lubricant oil and engine oil)	Machines and equipment	6
 <b>Boiler Slag and Coal Ash</b>	Coal-fired boiler	101,588
 <b>Sludge</b>	Wastewater treatment	45,898
 <b>Used Batteries</b>	Daily operations	1
 <b>Others</b> (including oil-containing wraps, waste organic solvent)	Fabric processing and machine cleaning procedures	0.4
<b>Total Hazardous Waste</b>		<b>147,515</b>

## 2. Non-Hazardous Waste

Waste Type	Source of Waste	Amount of Waste Generated (in tonnes)
 <b>Fabric</b>	Fabric processing procedures	2,612
 <b>Paper</b>	Packaging materials and waste paper	2,236
 <b>Plastic</b>	Production process and packaging materials	66
 <b>Scrap Metal</b>	Production process, replacement of machines and equipment	375
<b>General Waste</b>	Daily operations of business	1,325 <sup>1</sup>
<b>Total Non-Hazardous Waste</b>		<b>6,614</b>

<sup>1</sup> In 2018, household waste from Jiangyin Fuhui was directly disposed of by government sanitation department, the weight of the waste has not been calculated.



## 5.2

### Waste Reduction Results

To reduce hazardous waste generation, hazardous materials will be fully utilized before disposal. Scrap fabric from production is analysed to support relevant trainings to employees, to reduce scrap fabric generation and to lower the cost of production. Apart from general waste that cannot be recycled, waste fabric, paper, plastic and scrap metal are sold to recycling collectors. Boiler slag, coal ash and sludge (after being compressed) are collected by qualified waste processors and will be recycled into bricks or construction materials without polluting the environment. Fabric, paper, plastic, scrap metal, boiler slag and coal ash were 100% recycled during the Reporting Period.


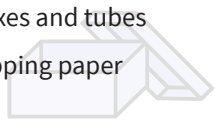
**100%**

**fabric, paper, plastic,  
scrap metal, boiler slag and  
coal ash recycling rates**

# 6 Packaging Materials

## 6.1 Packaging Materials

The Production Sites mainly consume plastic and paper for packaging materials. The Group gives preferences to packaging materials with higher recyclability. Packaging material suppliers are required to provide environmental certificates, test reports for hazardous materials, and material safety data sheets to ensure environmental and safety performances of the packaging materials. Any waste packaging materials will be sent to related recyclers for recycling.

Type of Material	Source of Material	Consumption (in tonnes)
Plastic	 Plastic film and polypropylene strap	708
Paper	 Paper boxes and tubes of wrapping paper	311
<b>Total</b>		<b>1,019</b>



**SOCIAL**





# 1 Employment and Labour Practices

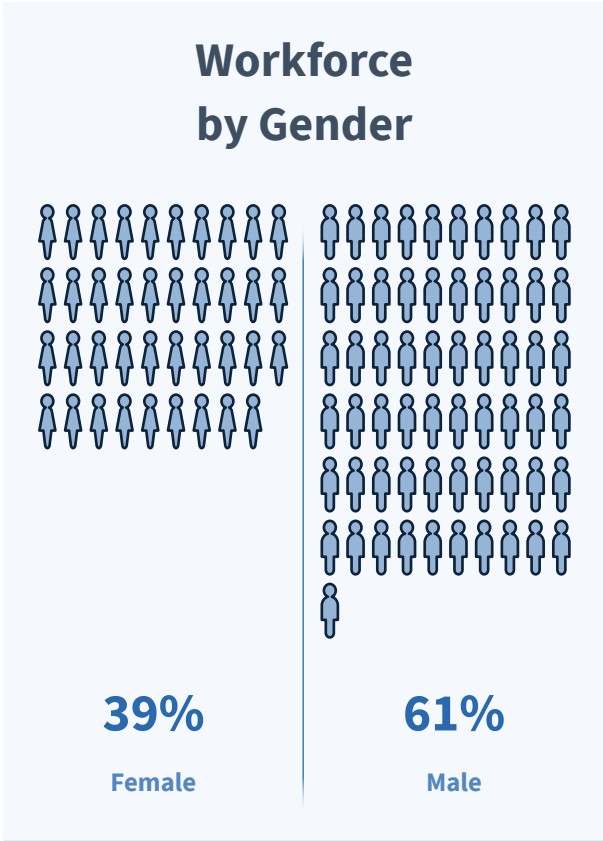
## IN THIS CHAPTER

- 1.1 Employment
- 1.2 Occupational Health and Safety Awareness
- 1.3 Training and Development Programs
- 1.4 Employee Engagement Programs
- 1.5 Labour Standards
- 1.6 Equal Opportunities

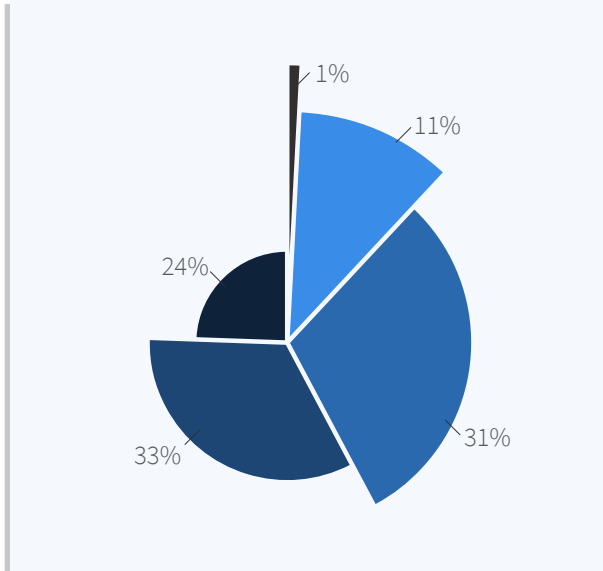
# 1.1 Employment

## Employment Data

The Group offers competitive remunerations, promotion opportunities, compensations and benefit packages to attract and retain talents. The Production Sites had a total number of 6,182 employees as of 31 December 2018, in which all employees were full time staff. The total workforce by gender, age group, geographical region and employment category are shown below:

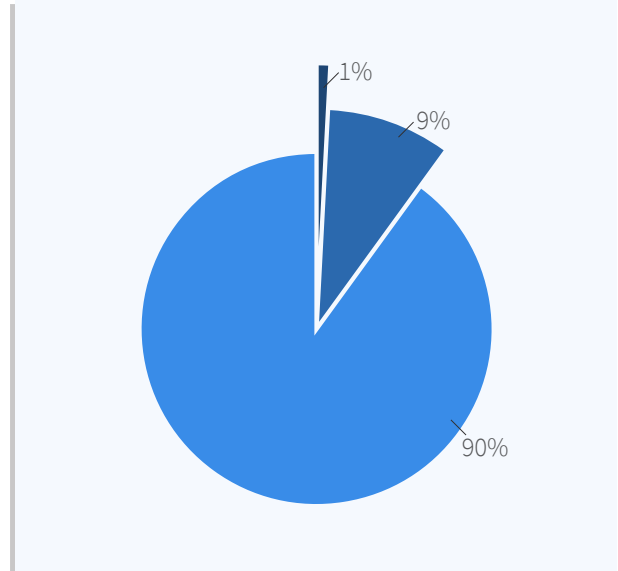


### Total Workforce by Age Group



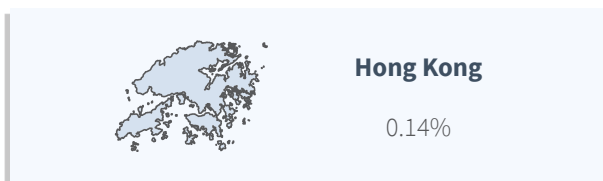
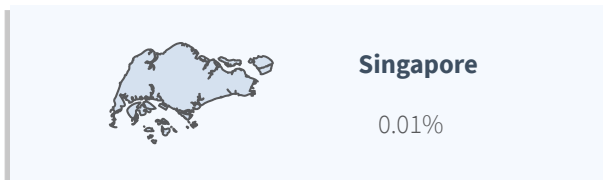
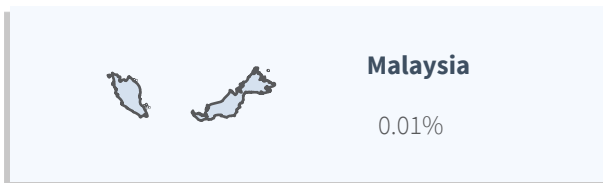
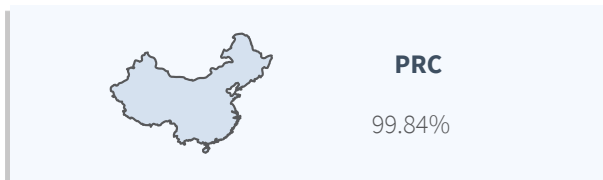
■ 18-25      ■ 26-35      ■ 36-45  
■ 46-55      ■ 56 and above

### Total Workforce by Employment Category



■ Frontline & Other Staff      ■ Middle Management      ■ Senior Management

### Total Workforce by Geographical Region



40 Social

### Employment Welfare and Insurance

The Group is in compliance with the Labour Law, Labour Contract Law, and the Social Insurance Law of the PRC. Labour disputes are settled through the Labour Union and Labour Dispute Mediation Committee set up by the Production Sites. The Production Sites provide basic social insurance (including pension, unemployment, work-related injury, medical and maternity insurance) and group personal accident insurance for all qualified employees on top of those required by the local laws and regulations. In addition, some employees are also entitled to employer's liability insurance to protect employees in a broader extent.

The Group recruits through various channels including job fairs, online recruitment platforms, recruitment agencies and internal referrals. Salary is reviewed and adjusted annually according to the Group's production performance, the market trend and individual employees' performance. Apart from various types of leave from work, employees are also entitled to year-end double pay and subsidies. The employee handbook clearly describes workplace behaviour that the Group expects from employees and is regularly reviewed.



## 1.2

# Occupational Health and Safety Awareness

The Group attaches great importance to health and safety of employees. Pursuant to the Law of the PRC on Prevention and Control of Occupational Diseases, the Production Safety Law of the PRC, the Provisions on Supervision and Administration of Occupational Health at Work Sites and other relevant laws and regulations, the Group established an Industrial Safety Committee (“the Committee”) to oversee its overall safety management. The Committee convenes bimonthly meetings to discuss safety issues raised by departments and holds safety promotion activities (such as fire drills, public health seminars, and the Production Safety Month Campaign) to raise safety awareness of employees. These activities effectively enhanced employees’ awareness on production safety, which provided a crucial foundation to avoid future workplace accidents and support continuous improvement of the Group’s safety performance.

Every year, the Group conducts an occupational health risk factors assessment, evaluates on assessment results, analyses existing risk factors in each production lines, and provides occupational health check for employees exposed to the potential hazards. All employees are required to undergo three stages of safety trainings before working in the Production Sites, which comprise of trainings regarding safety laws and regulations, the Production Sites’ safety policies, the use of safety protection equipment and prevention of associated occupational diseases.

To ensure employees’ safety during production and operation, the Production Sites provide appropriate personal protective equipment to employees and ensure that qualified first aiders are on duty in every work sessions. Each department is also equipped with a first aid kit. During high temperature season, employees are provided with cooling materials and medicine to avoid heat stroke.

During the Reporting Period, there was zero work-related fatalities. The Group will continue to place emphasis on management practices that effectively protect health and safety employees at work. During the Reporting Period, the Group did not violate any laws or regulations on occupational safety and occupational diseases.

**To ensure employees’ safety during production and operation, the Production Sites provide appropriate personal protective equipment to employees and ensure that qualified first aiders are on duty in every work sessions.**

## 1.3 Training and Development Programs

Training and development programs enhance employees' motivation to work, to understand and to execute management decisions. These programs not only boost employees' satisfaction but also improve their work performances. Therefore, the Group allocates optimal resources on training and development programs.

The Production Sites provide a variety of training programs for employees through lectures and on-site operations. The Group has designed a three-level education and training system for each new employee, ensuring that employees who join the factory can acquire the working skills more efficiently and effectively to meet the job requirements:

### Level 1 Training

- ▶ Including laws and regulations, the company policies, and fire safety awareness

### Level 2 Training

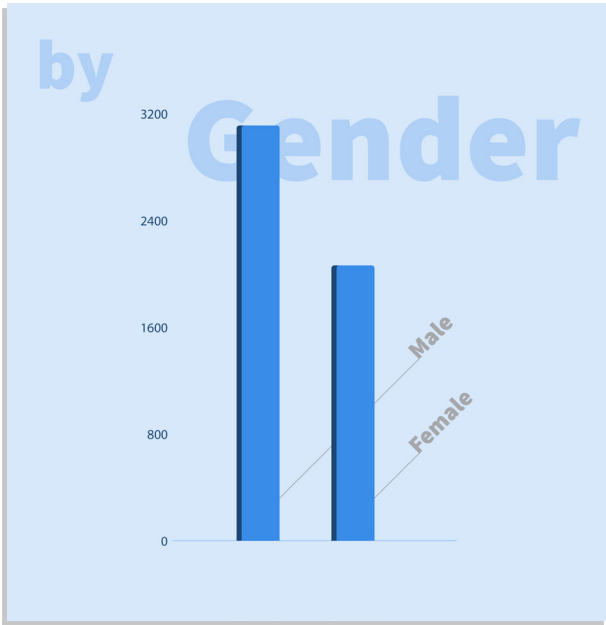
- ▶ Including workflow, safety production rules and regulations, emergency treatment, use and maintenance of safety equipment and personal protective equipment

### Level 3 Training

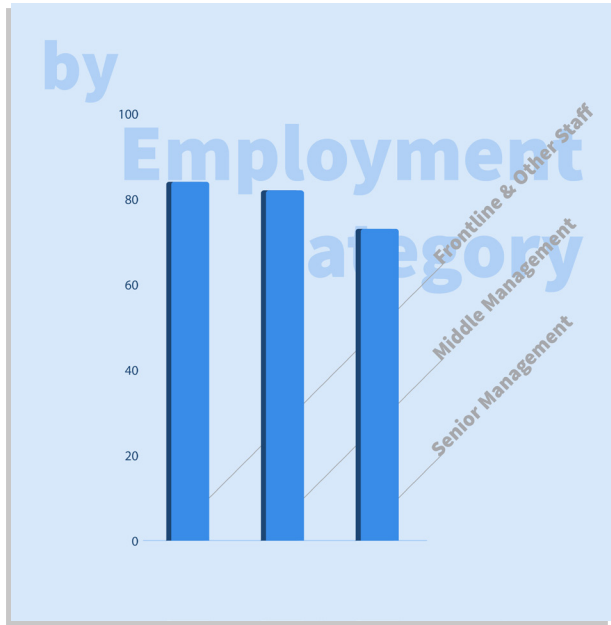
- ▶ Job responsibilities and safety training

In addition to the above staff training programs, the Group provides managerial skill improvement training for managers and management courses for newly recruited university graduates to prepare them for management work. At the same time, the Group also provides professional skills training for employees so as to meet the requirement of day-to-day work. Professional skills training cover topics of hazardous chemical handling, forklift truck driving, boiler operation, high-voltage operation, welding and hot cutting, etc. According to national regulations, some positions required professional training and obtaining corresponding certificates or licenses. In addition, we regularly assess the progress of training programs and employees' performance based on their working ability and enthusiasm, and adjust and formulate training programs based on the results.

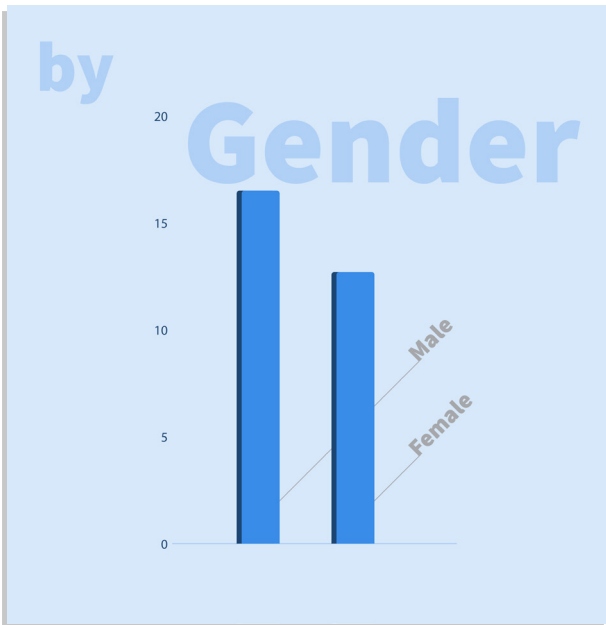
A total of 115,963 hours of training courses were conducted in the Reporting Period, the average training time per employee is 16.1 hours. The percentage of employees trained and the average training hour per employee by gender and employment category are shown below:



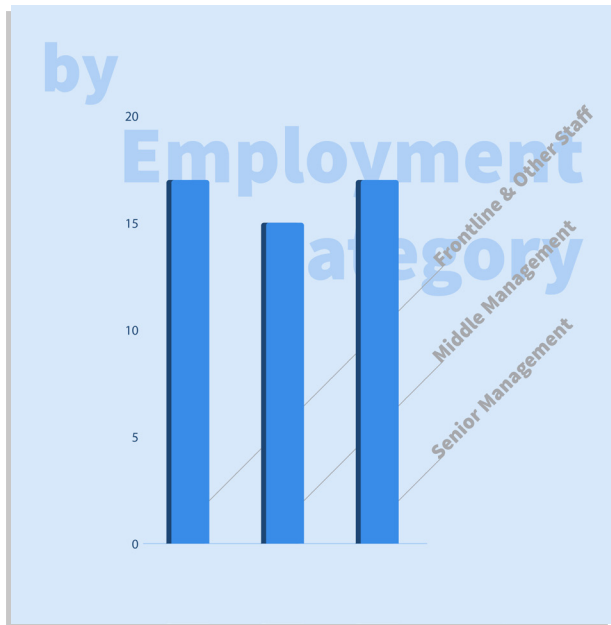
**Trained Employees by Gender**



**Trained Employees by Employment Category**



**Average Training Hours per Employees by Gender**



**Average Training Hours per Employees by Employment Category**

### Case: Jiangyin Fuhui organized training for management

On 24 October 2018, Jiangyin Fuhui invited the Jiangyin Federation of Trade Unions<sup>1</sup> to train the frontline team leaders on the course “Team Leader Management Ability Improvement Training”<sup>1</sup>, and provided team managers with lectures on team management, so as to further improve their management skills and execution capabilities. More than 150 team leaders of Jiangyin Fuhui passionately attended the training.

1 For identification purpose only.



## 1.4 Employee Engagement Programs

The Group believes that work life balance is essential to employees' personal development and work efficiency. Therefore, various facilities including gym room, dance room, table tennis room, basketball court, library, KTV room and chess room are provided for employees to build team spirit and for their relaxation. The Group also arranges activities during festivals (including Chinese New Year, Women's Day, Labour's Day, Mid-autumn festival and Christmas) to enhance employees' sense of belonging to the Group. Some other activities include:

- ▶ travel tours;
- ▶ sports competitions;
- ▶ arts competitions;
- ▶ photography competitions; and
- ▶ essay competitions.

### Case: Fountain Set Group held a health talk event

On 29 November 2018, the Group invited an accredited practicing dietitian to give a health talk at Hong Kong headquarters to promote the message of "Eating for Healthy Heart"<sup>1</sup> to the colleagues. The dietitian explained to the participants the cardiovascular health indicators, "healthy fat" and "unhealthy fat", and the introduction of cardiovascular health diets to help reduce and prevent cardiovascular disease. Our colleagues actively joined the event and the event was held in a good atmosphere.



### Case: Jiangyin Fuhui organized the "Rainbow Classroom"<sup>1</sup> project

In order to express the Group's love and care for employees and promote all-rounded development of the younger generation, Jiangyin Fuhui continued to organize the "Rainbow Classroom"<sup>1</sup> project from July to August 2018.

The "Rainbow Classroom"<sup>1</sup> provides a warm and convenient place for employees' children to study and play during summer holidays. Through providing various courses, the project aims to improve children's knowledge and independent learning ability, laying a foundation for their future studies and lives. Apart from relieving the employees' concerns of unattended children, the "Rainbow Classroom" project also extends the care to employees' home, makes them happier, increases their happiness and actively promotes the harmony between the Group and employees.



### Case: Yancheng Fuhui held the "Parent-child Fun beyond Limits"<sup>1</sup>

In August 2018, with a care of promoting interactions between children and parents and a purpose of establishing harmonious parent-child relationships, Yancheng Fuhui provided a platform for employees, children and families to fully enjoy a wonderful time with their families, and held the first outdoor parent-child activity "Parent-child Fun beyond Limits"<sup>1</sup>.



1 For identification purpose only.

## 1.5 Labour Standards

The Group's recruitment policy clearly requires that employees should be aged 18 or above. During interviews, a candidate must provide formal identification documents for the human resources department to check and verify his/her age and identity. No child labour nor forced labour was involved within the Group during the Reporting Period. Apart from complying with Labour Law of the PRC, clauses of the Group's employment contract stipulate that in case of any forced labour by violence, threat, or illegal restriction of personal freedom, or any degrading treatment or infringement of the legitimate rights and interests of employees initiated by the Group, the employment contract may be terminated by employees, with a compensation fee to be paid by the Group. The Group has not found or been involved in any incidents involving child labour or forced labour during the Reporting Period.

**Employees should be aged**

**18**

**or above**

## 1.6 Equal Opportunities

The Group is in compliance with provisions on Equal Employment of the Labour Law and the Employment Promotion Law of the PRC. Equal opportunities are given to employees in respect of recruitment, training and development, job advancement, and compensation and benefits. Employees are not discriminated against or deprived of such opportunities on the basis of gender, ethnic background, religion, colour, sexual orientation, age, marital status, family status, retirement, disability, pregnancy or any other unlawful reasons. The Group also appreciates the importance of cultural diversity in its development, and employs employees of different age groups, genders, and ethnicities.

**Employees are not discriminated against or deprived of such opportunities on the basis of gender, ethnic background, religion, colour, sexual orientation, age, marital status, family status, retirement, disability, pregnancy or any other unlawful reasons.**

# 2 Operating Practices

## IN THIS CHAPTER

- 2.1 Supply Chain Management
- 2.2 Product Responsibility
- 2.3 Innovative Research and Development
- 2.4 Anti-corruption



## 2.1 Supply Chain Management

In addition to the efforts of our employees, Fountain Set Group's achievements today also attributed to the cooperation with raw material and service suppliers. The quality of raw materials has a significant impact on production process and product quality. The Group adheres to the philosophy of mutual benefits and win-win mentality in practicing our sourcing activities from qualified and well-branded suppliers, and actively establishes effective communication to foster long-term cooperation, aiming for a smooth production and win-win situation.

The raw materials procured by the Production Sites mainly include yarns and chemical dyes. In order to ensure that production materials meet the industry standards and customers' demands on product quality and safety, the Group has developed a stringent supplier management system for suppliers of yarn and chemical dyes:

- ▶ New supplier has been evaluated based on their profile including company structure, production capacity, product details and equipment information.
  - ▷ A number of strict internal quality standards have been set. On-site inspections and evaluation of suppliers' business or Production Site are conducted;
  - ▷ Suppliers are required to provide test reports or certificates of raw materials upon customer's requirements; and
  - ▷ Suppliers are required to provide samples (yarn samples, dye samples, etc.) to conduct strict multi-level quality test to ensure that purchase is only made from qualified suppliers.
- ▶ A prudent and step-by-step approach has been adopted when sourcing raw materials from suppliers to maximize the control over risk.
  - ▷ Yarn samples need to be resubmitted when there is no purchase record within six months

- ▷ For chemical raw material suppliers, an evaluation period of 3 to 6 months is required for new products. Only suppliers with stable quality and logistic performance could be enlisted on the regular procurement list;
- ▷ A batch of raw material will be put in quarantine if supplier's sample failed the test, to avoid affecting production and other operations. Factories will be informed to seek alternative suppliers; and
- ▷ Dedicated department will follow up on new yarn brand and monitor its quality performance.

In order to effectively control the environmental impact of the supplier's production process and raw materials, raw materials are required to meet the following standards:

- ▶ Yarns containing organic cotton must be certified by Dutch Control Union or French ECOCERT;
  - ▷ Cotton must be certified by Better Cotton Initiative (BCI) to ensure cotton material has minimal impact on soil and crops;
  - ▷ Recycled polyester must fulfil the Global Recycling Standards (GRS); and
  - ▷ Man-made fibre (mainly rayon) must be certified by the Programme for the Endorsement of Forest Certification (PEFC) or the Forest Stewardship Council (FSC) as required by the customer to select materials with less impact on the natural environment.

In addition, the Group pays special attention to child labour, forced labour and prevention of dissemination of cotton to extremist groups. It avoids sourcing raw materials from countries using child labour, forced labour and those involved in terrorism. It also responds to the international call in preventing the use of cotton from Uzbekistan, Turkmenistan and Syria, and products that contain cotton or fabric made in Bangladesh. The Group requires suppliers to sign an undertaking to ensure that no cotton from the above countries has been used in their supplied goods.

## 2.2

# Product Responsibility

### Management Guideline for Standardized Safe Production

The Group engages in knitting, dyeing and finishing and garment manufacturing in the PRC, and garment manufacturing in the PRC is subject to the management guideline for standardized safe production (“the Guideline”). The Guideline defines a series of measures to regulate production activities including the establishment of a health and safe production management system, regular inspections of accident hazards, monitoring of major hazard sources, and establishment of a mechanism to avoid accidents and ensuring safe production. The Guideline ensures that the Group meets laws, regulations and standards on production safety and continues to strengthen standardization of safe production in each process of its daily production. This also makes sure that workforce, machines, materials and the working environment remain in good and healthy conditions for safe production. There was no material non-compliance with laws and regulations in relation to health and safety of products provided in the Reporting Period.

### Quality Assurance

Product quality is the fundamentals of the survival and development of enterprises. The Group always pays attention to quality and customers’ feedback on their product-consuming experience. Its quality control department (“QCD”) is independent from its production system to follow up with customers’ expectations so as to further enhance the Group’s market competitiveness. The QCD supervises quality tests and spot checks as a third-party. It also exercises full-range quality control in the production area:

Type of Inspection	Quality Control Requirement
Grey fabric inspection	30% sampled to examine yarn source and check for fabric flaws
Dyed fabric inspection	30% sampled to check for dyeing flaws
Preprocessed fabric inspection	30% sampled to check for preprocessing flaws
Post-printing inspection	100% tested to check for printing defects
Finished fabric inspection	100% tested to check for flaws of any kind on the fabric and sent to the laboratory for physical and chemical indicator testing
	Standardized packaging and warehousing, and delivery as per customer instructions

In addition, raw materials and production processes are subject to the Code of Conduct and quality standards provided by customers. Third party professionals are also assigned by customers to carry out inspections from time to time at the Production Sites for compliance, product quality, environmental and labour standards.

In order to ensure fabric safety for users, yarns purchased and produced by the Group has passed the eco-textile standard (Oeko-Tex Standard 100) established by the International Oeko-Tex Association. The standard laboratory tests include a variety of testing indicators such as formaldehyde, heavy metals, pesticide, phenol, human carcinogenic substances, allergen dyes and about a hundred other testing items, proving that the yarn materials and finished products do not contain substances that are harmful to human body or the environment.

### **Complaints Handling**

The Group carries out product verification process in accordance with the standards agreed with customers. Upon receiving a customer complaint on product quality, the Group will request customer to provide the sample of which he/she has raised concern about, and/or assign its quality control team to verify with the customer whether the Group is responsible for the problem involved. If the Group is responsible for the problem involved, the Group will take immediate remedial actions and review internally to avoid recurrence of the same incident. There was no material non-compliance with laws and regulations relating to advertising and labelling of products and services provided in the Reporting Period. Also, no products had been recalled due to safety and health reasons.

### **Intellectual Property (“IP”) and Confidentiality**

The Group has established a proprietary management system for patents and IP. When developing a new product, the Group will first make sure whether the product involves self-owned IP. If it involves self-owned IP, the Group will sign a confidentiality agreement with the associated suppliers and customers on IP, privacy and trade secrets. When receiving customers’ design draft and internal documents (such as testing standards manual), the Group adopts measures to ensure that their IP, privacy and other trade secrets are protected and kept confidential.

Employees and former employees of the Group shall not disclose any trade secrets and/or confidential information to third parties that may cause direct or indirect loss to the Group. No material non-compliance with laws and regulations in relation to IP and privacy was recorded in the Reporting Period.

## 2.3

# Innovative Research and Development

The Group actively carries out product research and development to enhance market competitiveness and invigorate sustainable development. The technical department from the Production Sites is the core of new product development. It continuously develops innovative fabrics oriented by market demand. Over the years, the Group has developed a number of innovative fabrics under its own brand “Fountain Set™” with eco-friendly, fresh, moisture wicking and UV protection features. In 2018, the Group has successfully developed moisture-absorbent, chlorine-resistant fabrics and heat-conductive fabrics to fulfil the diverse needs of customers.

While conducting fabric research and development, the Production Sites also set up an “Employees’ Suggestion Incentive Mechanism”<sup>1</sup> to encourage employees to put forward suggestions on saving production costs, shortening production process, promoting energy saving and emission reduction, improving product quality and other aspects to the company. With direct involvement in production, creativity and work competence of frontline staff has been fully developed to offer valuable suggestions to the company for continuous improvement of production capacity.

### **Case: The Group launched world-revolutionary FBG-tech fabric in Intertextile Shanghai Apparel Fabrics 2018**

In September 2018, the Group launched the FBG-tech fabric, a revolutionary knitted fabric product, at the Intertextile Shanghai Apparel Fabrics. The FBG-tech is composed of different materials, with functions of durable water repellence (DWR), air permeability, water vapor permeability, wind proof and heat generation. This unique and high-quality fabric is very suitable for men’s, women’s and children’s casual collection.



## 2.4

### Anti-corruption

The Group commits to managing all businesses without undue influence and regards honesty, integrity, and fairness as its core values. The Group has strict anti-corruption internal guidelines in place, and it cooperates with customers in implementing their whistle-blowing policy. Its internal anti-corruption policies are set out in the employee handbook, employee confidentiality agreement and the guidelines on conflict of interest, together with a dedicated e-mail account for integrity to receive complaints about corruption. Any corruption or bribery activities in procurement are strictly prohibited. Anti-corruption monitoring and investigation committee was also established to monitor anti-corruption performances. The Group is in compliance with the provisions on bribery and corruption of the PRC's Criminal Law, and no corruption case was brought against the Group or its employees in the Reporting Period.

**Anti-corruption monitoring and investigation committee was also established to monitor anti-corruption performances.**

# 3 Community

## IN THIS CHAPTER

3.1 Community Investments

## 3.1 Community Investments

During the Reporting Period, the Group adhered to the community spirit of giving back to society and fulfilled its social responsibilities through organizing voluntary blood donations, public education programs and other public welfare activities. Through communication and interaction with the community,

the Group will continue to achieve a better understanding of community needs, organize public welfare activities for the community, and bring long-term economic, social and environmental benefits for its community in the coming years.



### **Case: Shatin Lake Side organized voluntary blood donation**

On 20 November 2018, the Renzhou Village Committee<sup>1</sup> and Shatian Town Population and Family Planning Bureau<sup>1</sup> held voluntary blood donation in Shatin Lake Side. With the orderly organization of Shatin Lake Side and the active participation of employees, a total of 100 people donated blood successfully.

<sup>1</sup> For identification purpose only.

# Reference to "HKEx ESG Reporting Guide"

## Environmental

Aspect A1: Emissions		Pages
"Comply or explain" Provisions	<p><b>General Disclosure</b></p> <p>Information on:</p> <p>a) the policies; and</p> <p>b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste:</p>	15-21, 31-33
	<p><b>KPI A1.1</b></p> <p>The Types of emissions and respective emissions data.</p>	17-19
	<p><b>KPI A1.2</b></p> <p>Greenhouse gas emissions in total and, where appropriate, intensity.</p>	17
	<p><b>KPI A1.3</b></p> <p>Total hazardous waste produced and, where appropriate, intensity.</p>	31
	<p><b>KPI A1.4</b></p> <p>Total non-hazardous waste produced and, where appropriate, intensity.</p>	32
	<p><b>KPI A1.5</b></p> <p>Description of measures to mitigate emissions and results achieved.</p>	20-21
	<p><b>KPI A1.6</b></p> <p>Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.</p>	33



<b>Aspect A2: Use of Resources</b>		Pages
“Comply or explain” Provisions	<b>General Disclosure</b> Policies on the efficient use of resources, including energy, water and other raw materials.	23-28
	<b>KPI A2.1</b> Direct and/or indirect energy consumption by type in total and intensity.	23
	<b>KPI A2.2</b> Water consumption in total and intensity.	27
	<b>KPI A2.3</b> Description of energy use efficiency initiatives and results achieved.	24-25
	<b>KPI A2.4</b> Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	27-28
	<b>KPI A2.5</b> Total packaging material used for finished products and, if applicable, with reference to per unit produced.	35
<b>Aspect A3: The Environment and Natural Resources</b>		
“Comply or explain” Provisions	<b>General Disclosure</b> Policies on minimising the issuer’s significant impact on the environment and natural resources	13-35
	<b>KPI A3.1</b> Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	13-35

# Social

## Employment and Labour Practices

Aspect B1: Employment			Pages
“Comply or explain” Provisions	<p><b>General Disclosure</b></p> <p>Information on:</p> <ul style="list-style-type: none"> <li>a) the policies; and</li> <li>b) compliance with relevant laws and regulations that have a significant impact on the issuer</li> </ul> <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>		41-42, 44-45, 47
Recommended Disclosures	<b>KPI B1.1</b>	Total workforce by gender, employment type, age group and geographical region.	39-40
	<b>KPI B1.2</b>	Employee turnover rate by gender, age group and geographical region.	N/A
Aspect B2: Health and Safety			
“Comply or explain” Provisions	<p><b>General Disclosure</b></p> <p>Information on:</p> <ul style="list-style-type: none"> <li>a) the policies; and</li> <li>b) compliance with relevant laws and regulations that have a significant impact on the issuer</li> </ul> <p>relating to providing a safe working environment and protecting employees from occupational hazards.</p>		41
Recommended Disclosures	<b>KPI B2.1</b>	Number and rate of work-related fatalities.	41
	<b>KPI B2.2</b>	Lost days due to work injury.	N/A
	<b>KPI B2.3</b>	Description of occupational health and safety measures adopted, how they are implemented and monitored.	41

<b>Aspect B3: Development and Training</b>		Pages
“Comply or explain” Provisions	<b>General Disclosure</b> Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	42
Recommended Disclosures	<b>KPI B3.1</b> The percentage of employees trained by gender and employee category.	43
	<b>KPI B3.2</b> The average training hours completed per employee by gender and employee category	43
<b>Aspect B4: Labour Standards</b>		
“Comply or explain” Provisions	<b>General Disclosure</b> 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.	46-47
Recommended Disclosures	<b>KPI B4.1</b> Description of measures to review employment practices to avoid child and forced labour.	46
	<b>KPI B4.2</b> Description of steps taken to eliminate such practices when discovered.	46

## Operating Practices

<b>Aspect B5: Supply Chain Management</b>			Pages
“Comply or explain” Provisions	<b>General Disclosure</b> Policies on managing environmental and social risks of the supply chain.		49
Recommended Disclosures	<b>KPI B5.1</b>	Number of suppliers by geographical region.	N/A
	<b>KPI B5.2</b>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	49
<b>Aspect B6: Product Responsibility</b>			
“Comply or explain” Provisions	<b>General Disclosure</b> Information on: a) the policies; and b) compliance with relevant laws and r egulations 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.		50-51
Recommended Disclosures	<b>KPI B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	51
	<b>KPI B6.2</b>	Number of products and service related complaints received and how they are dealt with.	N/A
	<b>KPI B6.3</b>	Description of practices relating to observing and protecting intellectual property rights.	51
	<b>KPI B6.4</b>	Description of quality assurance process and recall procedures.	50
	<b>KPI B6.5</b>	Description of consumer data protection and privacy policies, how they are implemented and monitored.	51

<b>Aspect B7: Anti-Corruption</b>			Pages
“Comply or explain” Provisions	<b>General Disclosure</b> 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.		53
Recommended Disclosures	<b>KPI B7.1</b>	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.	53
	<b>KPI B7.2</b>	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	53
<b>Community</b>			
<b>Aspect B8: Community Investment</b>			
“Comply or explain” Provisions	<b>General Disclosure</b> 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.		55
Recommended Disclosures	<b>KPI B8.1</b>	Focus areas of contribution.	55
	<b>KPI B8.2</b>	Resources contributed to the focus area.	55



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