



# Xin Point Holdings Limited 信邦控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 1571

ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT

# 2019



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## ABOUT THIS REPORT

### 1.1 Reporting Standards

This report is the third sustainable development report for Xin Point Holdings Limited (the “**Company**” or “**Xin Point**”) and its subsidiaries (together as the “**Group**”). This report is prepared in accordance with the “Environmental, Social and Governance Reporting Guide” (the “ESG Reporting Guide”) set out in Appendix 27 to the Main Board Listing Rules of The Stock Exchange of Hong Kong, which covers the performance of the Group on aspects of environment, employment, supply chain and community investment during the financial year 2019.

This report is prepared according to the four major reporting principles of ESG Reporting Guide, including materiality, quantitative, balance and consistency.

- **Materiality:** We have engaged an independent consultant to conduct stakeholder engagement and materiality assessment, so as to understand the material environmental and social issues of our operations.
- **Quantitative:** We disclose quantitative environmental and social performance data in this report and provide comparable data in appropriate indicators.
- **Balance:** We disclose the year’s environmental, social and governance performance, and also mention relevant improvement space to present an impartial performance profile in this report.
- **Consistency:** The scope of this report and the data statistics methods are consistent with the past in order to provide a fair comparison.

In the long run, we hope that through this report we will continue to improve our performance in sustainable development and enhance the transparency in sustainable development of the Group.

### 1.2 Reporting Year

The Group issues the Environmental, Social and Governance Report every year to disclose the performance in respect of our environmental protection and social responsibilities. This report describes the Group’s environmental, social and governance measures and results during the financial year from 1 January 2019 to 31 December 2019.

## ABOUT THIS REPORT

### 1.3 Reporting Scope

This report covers the Group's major production business of automotive plastic electroplated components in Mainland China, including the headquarter of the Group and the following plants:

- Huizhou production base: Huizhou Xin Point Precision Components Co., Ltd\*, Huizhou Keen Point Precision Plastic Co., Ltd., Huizhou Xin Point Surface Decoration Co., Ltd\*, Huizhou Keen Point Surface Decoration Co., Ltd\*, Huizhou Xinsheng Technology Co., Ltd\*.
- Wuxi production base: Wuxi Jinxin Surface Decoration Co., Ltd., Wuxi Keen Point Electronics Co., Ltd\*, Wuxi Keen Point Automobile Precision Moulding Co., Ltd.
- Tianjian Production Base: Tianjin Jinxin Precision Plastic Components Co., Ltd.

In order to meet the demand of the growing customer base, we are expanding our international production capability. As such, the Group has built the Mexico production base, Longhua injection molding center and Changzhou production base. We will incorporate the sustainable development performance of the new production bases in due course to improve the transparency in sustainable development information.

### 1.4 Contact us

We welcome your feedback on our sustainable development performance and the content of this report. We believe that your feedback is the driving force for our continuous progress. Should you have any feedback on our sustainable development performance or the content of this report, you are welcome to contact us through the following ways:

Address: Keen Point Industrial Park, Xikeng, Huihuan Town, Huicheng District, Huizhou City, Guangdong Province  
Telephone: 0086-752-2652600  
Fax: 0086-752-2652333  
Email: ESG@xinpoint.com  
Company website: www.xinpoint.com

This report is published in both Chinese and English. The electronic version of this report is available on the Group's website (www.xinpoint.com). In case of any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.

### 1.5 Board Approval

This report was approved by the Board of Directors (the "Board") of the Company on 29 June 2020.

## ABOUT THE GROUP

### 2.1 *Brief Introduction to the History of the Group*

The Group is a leading automotive plastic electroplated components supplier in China. In 2002, we started our business with our core business in the sales and manufacturing of electronic and chemical products. Subsequently, we expanded our business to plastic products, moulding production and electro-plating, and established our production bases in Wuxi City and Tianjing City in China.

In 2006, we began to supply products to the first tier suppliers in North America. We set up offices in Germany and the United States in 2008 and 2013 respectively, in order to strengthen our position in the global automotive market, and launch marketing campaigns to promote our products. In 2016, we became the second largest supplier of automotive plastic electroplated components in China in terms of sales revenue.

For years, we endeavoured to expand businesses, and set up and expand the production bases in Mainland China as well as around the world. During the Year, the Group expanded the overall production capacity as new production bases in Lagos de Moreno, Mexico and Changzhou, China commenced their trial operations.

### 2.2 *Business Scope*

Our products mainly include electroplated automotive interior decorative components of passenger vehicles, such as interior door handles, door trim, shifter bezels, steering wheel components, console parts and cluster rings. We emphasize on our one-stop-shop production capability in mould production, plastic injection and electroplating. Our overall production yield rate reached 88.6% in FY2019, representing an increase of one percentage point as compared with that of last year.

As an automotive plastic electroplated components supplier, we have accumulated extensive technical knowledge and developed advanced professional technologies, with a consistent focus on research and development. We are capable of completing surface decoration on a wide range of plastic resin surfaces, such as ABS resin, PC/ABS resin and other plastic resins. We are also capable of completing automotive decorative components with different kinds of plating finishes according to customer's specifications, such as bright, drawing, black and titanium finishes.

Xin Point surpasses the overall industry in terms of quality control and governance. Our products are generally applied to passenger vehicles of globally renowned and luxury automotive brands, attributed to our strong reputation, production capability and high quality performance.

### 2.3 *Sustainable Development Objectives*

We aim to establish a leading technology-based enterprise in the plastic surface decoration industry based on the principle of "People-oriented, Prevention-focused" to fulfill our promise of "Safety first, Recycling preferred, Quality-centered", to pursue zero defects and strive for continuous improvement. Under the legal and regulatory frameworks at our operating jurisdictions, we endeavor to satisfy the requirements of customers and other stakeholders through continuously providing competitive products and services.

## SUSTAINABLE DEVELOPMENT GOVERNANCE APPROACH

### 3.1 Sustainable Development Framework

The Group has an effective governance framework for sustainable development, which is led by the Board of Directors, while our senior management is responsible for decision-making and supervision. Thus, sustainable development is integrated into our corporate strategy and decision-making processes. Various departments of the Group are responsible for identifying and implementing sustainable development measures and reporting to senior management.

### 3.2 Advocating Probity and Perfecting Governance

The Group strives to comply with national laws and regulations relating to bribery, extortion, fraud and money laundering, which include the "Criminal Law of the People's Republic of China", the "Anti-Money Laundering Law of the People's Republic of China" and the "Anti-Unfair Competition Law of the People's Republic of China". We have also established an internal control system to regulate the behaviour of our staff members, suppliers, contractors and subcontractors as well as our customers to minimize our operational risks. Accordingly, we established "Integrity Convention and Code of Business Ethics", which requires the staff members to strictly comply with relevant laws and regulations, and maintain the highest standards of integrity and business ethics. We forbid our staff members to participate in activities which have conflict of interest with the Group, including participating in the businesses of our suppliers or contractors' clients in their personal capacity and misusing information and facilities of the Group. Staff members are prohibited from using their powers for personal gains, including participating in transactions that are in direct commercial competition with Xin Point, possessing any asset that is impacted by the Group's actions or acquired based on the Group's information, holding or transferring any business opportunities of the Group, and holding any interest or position at our competing corporations. The Group's senior management, procurement, marketing and finance personnel are in sensitive positions. Therefore, the audit department of the Group shall conduct annual review on them in respect of conflict of interests to ensure that they are not participating in any activities that might contradict with the interests of the Group.

In order to further reduce the risks of committing fraudulence by our staff members, the Group has also established the "Anti-Fraud Whistleblowing System", to encourage staff members to report any misbehaviors. The system requires the Board of Directors to supervise the management to set up a well-established internal control system and establish a channel for reporting any complaint. The system also requires staff members to submit all the presents received in business activities to the office of the President of the Group to avoid any fraudulence. The audit department of the Group is responsible for managing the channel for whistleblowing, including the whistleblowing hotline and emails to receive any named or anonymous report from our staff members and external third parties. The investigating personnel and the whistleblowers are protected when assisting such investigation. The Group prohibits any unlawful discrimination, revenge or hostile behaviours. The offenders of the relevant regulations will be dismissed or sent to the judicial authorities for legal action in accordance with law.

During the reporting year, there was no case of corruption litigation against the Group or our employees.

## SUSTAINABLE DEVELOPMENT GOVERNANCE APPROACH

## 3.3 Stakeholder Engagement

By communicating with the stakeholders, the Group understands their opinions and expectation regarding the sustainable development of the Group, and identifies the material environmental and social issues in the Group's operation, which is beneficial to continuously improving of relevant performance of the Group.

The stakeholders of the Group include staff members, shareholders and investors, customers, contractors, suppliers, governmental and regulatory institutions, industry associations and members of the community. The main channels of communication between the Group and stakeholders are as follows:

Type of Stakeholders	Communication Channels
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Intranet</li> <li>• Staff meetings</li> <li>• Staff trainings</li> <li>• Staff interviews</li> <li>• Stakeholder questionnaire</li> <li>• Satisfactory survey of staff members</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Telephone communication</li> <li>• Opinion poll</li> <li>• Stakeholder questionnaire</li> </ul>
<b>Shareholders or investors</b>	<ul style="list-style-type: none"> <li>• Annual general meetings</li> <li>• Annual and interim financial reports</li> <li>• "Investor Relations" web page on the Group's website</li> <li>• Press release</li> <li>• Stakeholder questionnaire</li> </ul>
<b>Cooperation partners (suppliers and contractors)</b>	<ul style="list-style-type: none"> <li>• Interviews</li> <li>• Audits and assessments</li> <li>• Telephone communications</li> <li>• Stakeholder questionnaire</li> </ul>
<b>Governmental and regulatory institutions</b>	<ul style="list-style-type: none"> <li>• Interviews</li> <li>• Telephone communications</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>• Press release</li> <li>• Press conference</li> <li>• "Press &amp; Events" web page on the Group's website</li> <li>• Stakeholder questionnaire</li> </ul>
<b>Community Organizations</b>	<ul style="list-style-type: none"> <li>• Community welfare services</li> <li>• Communication with community members</li> </ul>

## SUSTAINABLE DEVELOPMENT GOVERNANCE APPROACH

### 3.4 Materiality Analysis

To enhance the management efficiency of the sustainable development of the Group, the Group commissioned a third party professional institution to engage stakeholders of the Group, and to analyse environmental, social and governance issues that are material to the Group. Details of such engagement and analysis processes are as follows:

#### ***Step I: Identifying the material environmental, social and governance issues of the industry***

The Group refers to the ESG Reporting Guide of the Stock Exchange to preliminarily identify the issues to be considered concerning development of the Group. The Group also preliminarily identified the relatively material issues on environment, social and governance in the industry through peer benchmarking and media analysis.

During the year, we have identified 34 issues from seven aspects for consideration.

#### ***Step II: Ranking issues***

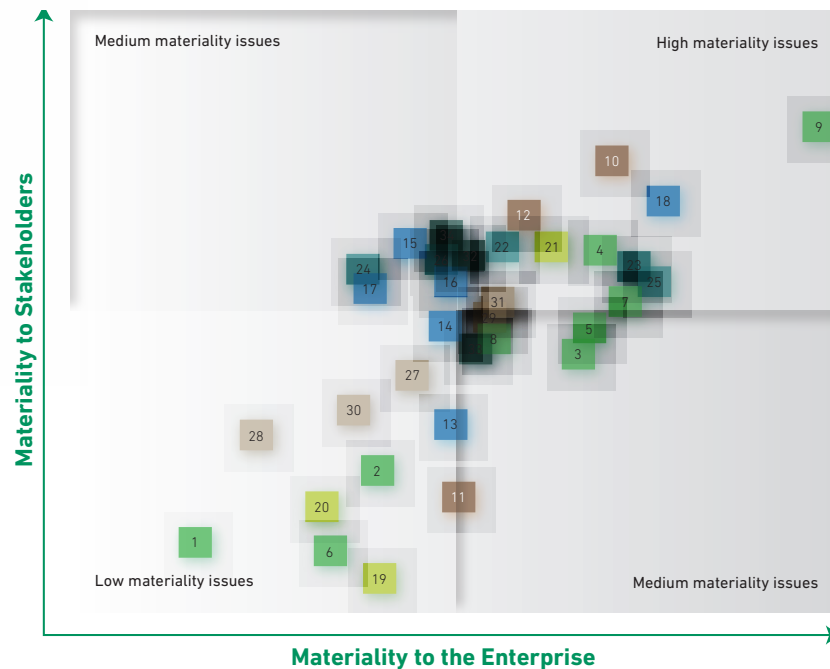
ESG issues were ranked based on the opinions of stakeholders collected from the questionnaires. We invited over 200 stakeholders to fill in questionnaires, upon which the Group analyzed the 34 issues based on the two dimensions — “materiality to the enterprise” and “materiality to stakeholders”, so as to classify the issues into three levels, namely the “high materiality issues”, “medium materiality issues” and “low materiality issues”, in order to identify the issues which were material to the Group.

#### ***Step III: Verifying results***

The management of the Group verified the result with the third-party professional institution, and regularly confirm the materiality of issues with stakeholders.

## SUSTAINABLE DEVELOPMENT GOVERNANCE APPROACH

The result of relevant materiality analysis is as follows:



	High Materiality Issues		Medium Materiality Issues		Low Materiality Issues	
<b>Environment</b>	4.	Sewage management	3.	Management of the use of water resource	1.	Management of the usage of energy
	7.	Management of wastes	5.	Prevention management of soil and groundwater pollution	2.	Management of greenhouse gases
	9.	Regulations on Environmental protection	8.	Adoption of environmental protection technologies	6.	Environmental and natural resources
<b>Economic issues</b>	10.	Economic performance			11.	Risks on climate change
	12.	Sustainable development strategies				
<b>Employment</b>	16.	Employee benefits and development	13.	Diversity of employees		
	18.	Regulations on labour protection	14.	Equal and non-discriminatory working environment		
			15.	Occupational safety and health		
			17.	Employee well-being and satisfaction		
<b>Community investment</b>	21.	Community Regulations			19.	Community investments
					20.	Impact on the community
<b>Product and service responsibility</b>	22.	Product health and safety	24.	Customers Privacy		
	23.	Protection of intellectual properties	26.	Regulations on products and services		
	25.	Customer complaints				
<b>Supplier management</b>	31.	Regulations on supplier management	29.	Examination of suppliers	27.	ESG performance of suppliers
					28.	Supplier training
					30.	Diversity of suppliers
<b>Anti-corruption</b>	32.	Anti-corruption management	33.	Anti-corruption training		
	34.	Anti-corruption regulations				

## CARE FOR THE ENVIRONMENT

### 4.1 *Environment Management Policies*

The major business of the Group is manufacturing automotive interior decorative component. Inevitably, our production processes would have certain impact on the environment, such as the emission of "three wastes" (wasted water, solid wastes, exhaust gas). We strive to minimize the effects on the environment brought by the Group and comply with the applicable environmental laws and regulations. We formulate the environmental management policy across the Group based on the principle of "people-oriented and prevention-focused". The scope of management system covers various operation procedures, including the product manufacturing procedures, such as mould fabrication, injection moulding, insulating, plastic electroplating, spray painting, printing, laser engraving, and assembling, as well as the procurement, sales, transport, and after-sale services of raw material, so as to continuously and thoroughly improve our environmental management.

#### 4.1.1 *Environmental Risks and Management*

The production of Xin Point is supervised by the local environmental authorities. Inadequate environmental management will bring tremendous risks and impact to the enterprise. Therefore, we strictly comply with the "Environmental Protection Law of the People's Republic of China". Accordingly, the Group incorporates environmental management into the risk management mechanism of the operation procedures of the Group, as well as setting up the "Environmental Factors Identification and Assessment Management Procedures" and the "Risk Management and Control Procedures" to direct every department to conduct risks identification and impact evaluation of environmental factors annually, while taking in consideration the expectation of stakeholders and compliance requirements, and to establish measures addressing risks to avoid and minimize the negative effects brought to our business and the environment. Some of the manufacturing plants of the Group have obtained the ISO14001 Environmental Management System certification.

The Group ensures that all the staff members understand the meaning and requirements of our environmental management approach by means of slogans, cards, training and notice boards. The above measures are also adopted to educate our staff members of the impact caused by their works on the environment, as well as the risks and consequences brought by the inadequate environment management and control that does not meet customers' requirement. Consistent communication with staff members can help to enhance our environmental management, and ensuring that both the staff members and management are effectively engaged in and contributing to the establish and improvement of our environmental management system.

In 2019, we conducted an environmental management assessment for our Huizhou production line, in which all environmental targets were successfully achieved, including: 100% qualified emission rate of exhaust gas, 0 unsatisfactory discharge of wastewater, over 40% utilization rate of recycled water, and more than 60% reuse rate of industrial water, which demonstrated that all procedures were under effective control.

## CARE FOR THE ENVIRONMENT

## 4.1.2 Environmental Regulation Compliance Management

We regularly review the Group's compliance with environmental laws and regulations, in order to fulfill our pledge to compliance. Such reviews are conducted by meetings with the responsible personnel of relevant departments. Reviews cover the latest requirements of national and local laws and regulations, existing company management regulations and implementation measures, as well as the compliance and implementation of relevant company departments and the industry in relation to environmental protection. The Group also established the "Environmental Monitoring and Control Procedures" to monitor critical procedures and activities that might have a significant impact on the environment, including the technical monitoring (emission intensity and pollutant density, etc.) and management control (implementation of systems, targets, compliance with laws and regulations, etc.).

Our manufacturing processes produce various kinds of chemicals that are emitted in forms of gases, water and solid wastes. Accordingly, we shall comply with the environmental protection laws and regulations of China, such as the "Environmental Protection Law of the People's Republic of China" and certain relevant Chinese laws and regulations. We shall use, store, emit, and handle such chemicals based on their environmental impact valuation instructions. We have adopted various anti-pollution measures in compliance with the environmental production standards of plastic electroplating industry in China.

The Group has also formulated the "Management Procedures for Monitoring and Measurement", under which the management is responsible for formulating the "Environmental Performance Monitoring Plan" and arranging for monitoring of the three types of wastes by third parties, so as to effectively respond to the compliance requirements of laws and regulations and control each environmental protection objectives. At the same time, according to the "Control Procedures for Corrective Measures and Preventive Measures", the Group analyzes the causes and prepares reports for non-compliant environmental issues and guides relevant departments to improve or correct any issues identified. During the reporting period, we have not been fined or penalized due to violation of any applicable environmental laws and regulations.

## 4.2 Management of Water Resource

The production of automotive interior decorative component uses large amounts of water and discharges wastewater. In order to reduce the environmental impact of the Group's operations, we are committed to reducing water consumption and wastewater discharge. At the same time, we ensure that the discharged water quality meets the relevant standards set by the Chinese government. We abide by the "Water Law of the People's Republic of China" and the "Law of the People's Republic of China on the Prevention and Control of Water Pollution" to protect water resources, so as to reduce the environmental impact of the Group's operations. During the reporting period, we did not violate any laws and regulations related to water bodies.

We strive to reduce the consumption of water in the electroplating process and reuse the large amount of electroplating wastewater and recycle precious metals, so as to conserve the water resources while reducing the burden of heavy metals on the water body, and make good use of the resources to solve pollution problems effectively and protect the environment.

Type of water consumption	Unit	Performance 2018	Performance 2019
Water consumption in production	cubic meter	591,016	464,133
Domestic water consumption	cubic meter	50,740	78,718
Water intensity	cubic meter/ revenue(RMB'000)	0.313	0.255

## CARE FOR THE ENVIRONMENT

We set up the production lines in strict accordance with the requirements of the "Technical Specification for Electroplating Industry Wastewater Treatment (HJ2002-2010)", and established the wastewater treatment compliance projects and technical solutions to treat industrial wastewater containing heavy metals generated from the electroplating process and acidic and alkaline wastewater produced from the painting process, which have a significant adverse impact on the environment. In order to reduce the impact, the Group has required each plant to install appropriate wastewater treatment facilities in accordance with the "Wastewater Treatment Control Procedures" to ensure that the wastewater is discharged after proper filtration and treatment. The controlling procedures also set out the wastewater treatment processes and operations, water sampling requirements and discharge requirements, emergency response methods, reports and records, etc. We have installed our own surveillance cameras over or by monitoring the discharge of wastewater through the industrial parks. Our plants also installed wastewater recycling facilities to reduce the impact of wastewater produced during our operation on the environment.

Through continuous improved design, adoption of advanced technologies and equipment, use of premium raw materials and improvement on management, we strive to reduce the emission of pollutants, and ensure that such prevention measures meet the national standards. During the reporting period, all of our emissions of wastewater meet the national requirements, whereas each pollutant emission meets the requirements of "Emission Standard of Pollutants For Electroplating (GB 21900-2008)" or the local government's requirements on water pollutant emission control standards, such as the "Electroplating Water Pollutant Emission Standard DB 44/1597-2015" imposed by Guangdong Provincial Government.

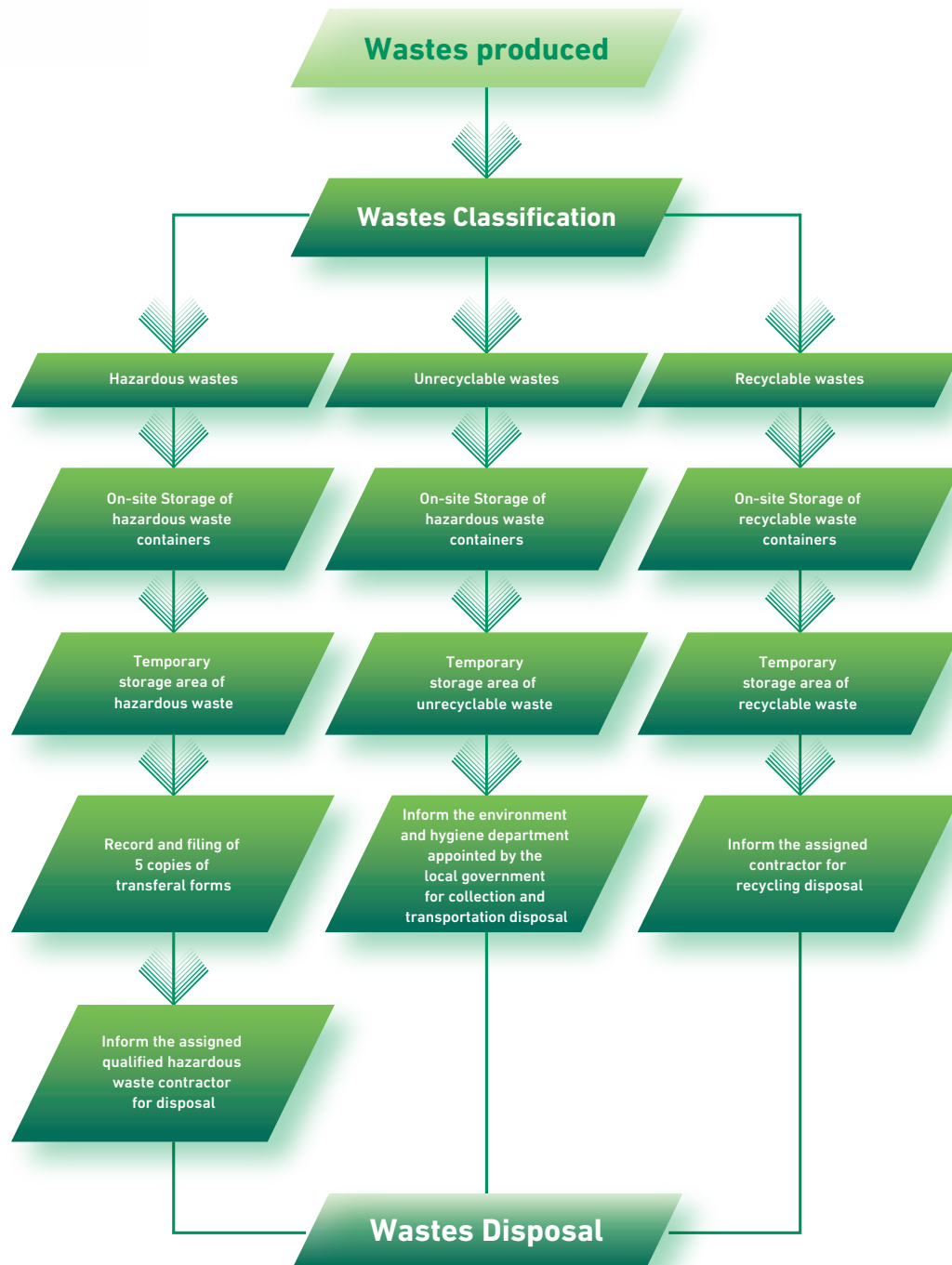
**Case study: Copper and Nickel Recycling on Production Line and Permeated Liquid Recycling System**

A metal recycling technology "microfiltration + ultrafiltration + membrane filtration" was used. The system collects the rinse water behind the metal aqueduct and then the water is pressurized by a booster pump. After passing through a cotton core filter and an ultrafiltration membrane, the rinse water is transformed into permeated liquid and temporarily stored in the circulating concentration tank. After several cycles of filtration, when the concentrated liquid reaches the conductivity setting figure, the cycle is stopped. Both the concentrated liquid and the separated recovered water can be returned to the production line for reuse. During the year, the total cost-saving of copper and nickel materials was approximately RMB3,112,212, the reduction of wastewater discharged to the environment was approximately 6,725 cubic meters, and the cost-saving of water was RMB371,363.

Wastewater quality index	Unit	Performance 2018	Performance 2019
Wastewater discharged in production	Tonnes	503,423	429,496
Wastewater discharged for domestic activities	Tonnes	41,295	78,426
Chemical Oxygen Demand(COD)	Tonnes	9	14
Ammonia nitrogen	Tonnes	1	1

### 4.3 Management of Wastes

We strive to ensure that all wastes are properly and safely controlled during production, storage, and final disposal, and comply with laws and regulations such as the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste”. As such, we established the “Waste Management and Control Procedures”, to minimize the impact of wastes on the environment and realize the Group’s commitment to protecting the environment. The “Waste Management and Control Procedures” details each processing step, such as waste production, classification and storage, temporary storage area management, waste transfer, hazardous waste storage warehouse environment management, external processor qualification management, valuable waste recycling, transferal ledger records, etc., and clearly specify the responsibilities of the relevant departments. With such well-established waste management system, we did not observe any non-compliance cases regarding waste disposal case during the reporting period.



## CARE FOR THE ENVIRONMENT

We classify wastes by nature and store different categories separately to avoid contamination of valuable wastes. Then we contact the waste reusing or recycling processor, try to avoid proceeding wastes directly to the landfill/incineration, so as to increase the chances of making the best use of such resources, and reduce the burden on the environment.

After the electroplating wastewater is technically processed, it will produce highly harmful wastes containing heavy metals, namely the electroplating sludge. We established the "Hazardous Waste Disposal Record Form" to properly manage the delivery of hazardous solid wastes such as electroplating sludge. Hazardous waste producing units must centralize such hazardous waste to dispose, arrange special personnel responsible to collect and manage the wastes, and such hazardous wastes to be transported must be stored in specialized containers, and collected, transported, and disposed by qualified professional environmental service suppliers. The external service providers we engaged are all equipped with the relevant licenses and business licenses approved by the government.

Types of hazardous wastes	Unit	Performance 2018	Performance 2019
Electroplating Sludge	Tonnes	399	468
Electroplating liquid filter	Tonnes	89	77
Paint residue and paint cans	Tonnes	151	170
Intensity of hazardous wastes	Kilograms/revenue (RMB '000)	0.312	0.336

Types of non-hazardous waste	Unit	Performance 2018	Performance 2019
Plastic	Tonnes	2,031	1,388
Clean cloths	Tonnes	4	2
Domestic waste	Tonnes	132	139
Intensity of non-hazardous waste	Kilograms/revenue (RMB '000)	1.1	0.72

## CARE FOR THE ENVIRONMENT

## 4.4 Management of Exhaust Gas

The gas emission from the electroplating plants during the production process is mainly generated by the component surface treatment process. In order to comply with the requirements of the "Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution", the Group actively reduces pollution and installs air purifiers and circulation facilities to collect air pollutants from the production workshops, so as to improve the quality of gases emitted. During the reporting period, we have not been prosecuted or penalized for violating the relevant laws and regulations relating to exhaust gas.

**Case study: Hexavalent chromium atmospheric concentration recovery system**

The acid mist is guided into the chromic acid recovery tower. The filter screen board blocks the chromic acid particles in the mist to make them coalesce into a liquid. The chromic acid solution flows into the bottom channel and is guided into the recovery container by the conduit. The gas is purified until it reaches the level of acceptable standard of emission. The recycling system not only reduces pollutant emission, but also has obvious economic benefits. One chromium recycling tower on the production line recycled approximately 7,000 kilograms of chromic anhydride in this year, and saves approximately RMB35,000 during the year.

In order to meet the control requirements of the "Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution", we engaged independent third-party testing companies to inspect the exhaust gas emission concentration at the exhaust gas outlets of each plant. Each exhaust gas emission complies with the "Emission Standard of Pollutants for Electroplating" and local government's standards on pollutant emission, e.g., the local standard of Guangdong Province, "Air Pollutant Emission Limit DB44/27-2001".

Types of exhaust gas	Maximum Density of Emission (mg/m <sup>3</sup> ) <sup>3</sup>	Emission standard(mg/m <sup>3</sup> )	Performance 2019
Sulfuric acid mist	≤4.39	30 <sup>1</sup>	requirements met
Chromic acid mist	≤0.005	0.05 <sup>1</sup>	requirements met
Hydrogen chloride	≤3.8	30 <sup>1</sup>	requirements met
Non-Methane Hydrocarbon	≤28.2	120 <sup>2</sup>	requirements met
Methylbenzene	≤0.704	40 <sup>2</sup>	requirements met
Benzene	≤0.321	12 <sup>2</sup>	requirements met
Dimethylbenzene	≤11.8	70 <sup>2</sup>	requirements met
Particulate matter	≤21.4	120 <sup>2</sup>	requirements met

Sources:

<sup>1</sup> "Electroplating Pollutant Emission Standard" GB 21900-2008

<sup>2</sup> "Air Pollutant Emission Limit" DB44/27-2001

<sup>3</sup> The figure is taken from each gas emission outlet inspection report in 2019, and represents the maximum detected figure of the type of exhaust gas.

Types of exhaust gas	Unit	Performance 2018	Performance 2019
VOCs	Tonnes	1.4179	2.2869
Benzene	Tonnes	0.0557	0.1093
Methylbenzene	Tonnes	0.1026	0.1615
Dimethylbenzene	Tonnes	0.1793	0.2847

## CARE FOR THE ENVIRONMENT

## 4.5 Consumption of Resources

Apart from atmospheric pollutant emissions, the Group also concerns about the impact of greenhouse gases. We comply with the "Water and Electricity Management System" to reduce energy consumption by saving energy in machinery and equipment, fuel usage management, water leakage prevention, electricity for lighting and air conditioning, so as to contribute to slowing down global climate change. Our total greenhouse gases emissions during the year:

Types of exhaust gas	Unit	Performance 2018	Performance 2019
Total greenhouse gases emissions	Tonnes	67,209.57	63,204.56
Emission intensity	Tonnes carbon dioxide/ revenue (RMB'000)	0.0327	0.0297

We monitor the energy consumption of various businesses and implement different energy conservation and consumption reduction projects.

Resources consumption	Unit	Performance 2018	Performance 2019
Purchased electricity	MWh	96,520.7	99,318.6
Purchased steam	GJ	70,115.3	35,502.2
Petroleum	Liters	80,749	49,536
Diesel	Liters	162,567	179,756
Total direct energy consumption <sup>4</sup>	MWh	2,321.9	2,211.9
Total indirect energy consumption <sup>5</sup>	MWh	116,009.8	109,181.0
Total consumption intensity	MWh/revenue (RMB'000)	0.0578	0.0523
Cartons (packaging materials)	Tonnes	3,137	3,554
Office paper	Tonnes	18	15

<sup>4</sup> Scope 1 Greenhouse gases emissions are calculated based on the petroleum and diesel.

<sup>5</sup> Scope 2 Greenhouse gases emissions are calculated based on the purchased electricity and purchased steam consumed.

**CARE FOR THE ENVIRONMENT****Case study: Energy Saving and Consumption Reduction of Ice Water Units**

The cooling unit in the ice water units is manually deactivated in winter, and the pipelines are cooled by the combination of low temperature in the northern region and the cooling circulation pumps and cooling fans. During other seasons, when the electronic control design is used to drive the main cooling unit to cool the crafting pipelines, the cooling circulation pumps and the cooling fans are automatically switch on or off according to the cooling water temperature in the unit. The total annual saving of electricity costs is approximately RMB24,000.

**Case study: Improvement of Energy Saving and Consumption Reduction by Using Residue Heat to Dry Sludge**

The heat generated during the operation of the air compressor is guided into the sludge drying unit through the pipeline, and the hot air forms a turbulence in the lower part of the chamber by matching the design of the pipeline, where the wet sludge is fully exposed to evaporate the moisture. The drying unit is built with iron sheets painted in black, which is heated by solar energy outdoors, and the two heat sources both contribute to drying the sludge.

The processing time of such procedure is 3 times faster than normal drying methods, and the total annual saving of electricity costs is approximately RMB35,000.

**Case study: New Cardboard Boxes**

There are different shortcomings in the use of traditional paper boxes in transportation, such as deformation due to moisture, storage of heavy products which are easily compressed by deformation, fast deterioration and consumption, low reuse frequency, etc. For the above reasons, we use new cardboard boxes as a substitute with a packaging design that can eliminate packing tapes used for sealing boxes to reduce the use of plastic paper and time for sealing process.

The new cardboard boxes can be reused for approximately 20 times, which is better than that of the old paper boxes of 6.95 times, saving approximately RMB318,588 per year in addition to reducing the consumption of paper boxes and packing tapes.

## OPERATING PRACTICES

### 5.1 Supply Chain Management

The Group believes that high-quality products can promote the Group's business sustainability, and effective supply chain management is essential to maintain product quality. To this end, we have formulated the "Supply Chain Management and Control Procedures" which sets out the details on the selection, evaluation and review of suppliers to regulate supplier management.

During the selection of suppliers, the procurement department is required to conduct reviews with regards to potential manufacturers and issue a "Supplier Basic Information Survey Form" to the manufacturers for a basic background survey. We will include the qualified suppliers to our list of approved suppliers. In addition to assessing the product quality and prices of suppliers, we also consider environmental and social factors. We shall understand the environmental management system of our suppliers and their compliance with environmental regulations and conduct assessments on hazardous substances. We shall also evaluate factors such as occupational health and safety of suppliers to ensure that suppliers meet our social responsibility requirements. If an approved supplier meets our environmental substance management requirements, we will include it to the list of approved green suppliers and request them to sign the "Green Procurement Agreement" formulated by the Group.

The Group's procurement department conducts annual review of the approved suppliers, including distributing the "Environment Quality Questionnaire for Suppliers", and the results will be recorded in the "Supplier Semiannual/Annual Review Form". If a supplier fails to pass the annual audit, or if there are any major quality, social or environmental incidents, we will revoke its qualification. In addition, we will conduct occasional inspections regarding our suppliers' environmental activities and conduct on-site audits and assessments in accordance with the environmental aspect of the "Supplier Supervision List".

The Group is committed to Responsible Minerals Initiative and requires suppliers to sign the "Confirmation Letter on the Non-Use of Conflict Minerals" to indicate that the components and materials supplied by them do not have responsible materials sourcing issues. We also use conflict minerals reporting templates to help trace the Group's supply chain to the country of origin as well as to smelters and refineries for better transparency of our supply chain.

We expect our suppliers to consider the sustainable development factors in their operations, and have formulated the "Supplier's Code of Conduct". The Code includes standards for different aspects, such as environment, social, corporate governance, anti-corruption, and basic human rights of employees for our suppliers' compliance. We also require our suppliers to sign the "Letter of Notification for Relevant Parties" and "Sunshine Commitment Letter" to better express our expectations and standards. The Group also provides suppliers with training on corporate social responsibility and environmental incidents, providing them with various cases and theories to understand the importance of sustainable development.

During the reporting period, we had a total of 1,080 suppliers, which are mainly located in Mainland China.

Supplier location	2019		2018	
	Number	Percentage	Number	Percentage
Mainland China	1,058	97.96%	1,194	98.11%
Hong Kong, Macau	9	0.83%	11	0.90%
Others	13	1.20%	12	0.99%

## OPERATING PRACTICES

### 5.2 Product Responsibilities

The Group is committed to becoming a leading technology-based enterprise in plastic surface decoration industry by continuously providing competitive products and services. We pursue zero defects and consistently make improvements. We strive to meet the relevant requirements of applicable laws and regulations, customer requirements and other relevant requirements. We also follow quality standards of the industry, and most of our plants are certified to the IATF 16949-2016 Automotive Quality Management System Standard. The Group promotes quality requirements internally through various promotion channels such as display boards and billboards, so that employees can understand management policies and strictly follow and implement them in the production process. During the year, we provided employees with various training on quality improvement, including quality awareness, control on unqualified products and software operation training, etc. After training, the instructors assessed the employees to ensure that they effectively absorb the course knowledge.

In order to meet our quality requirements of products, we established the "Final Inspection and Control Procedures" to guide employees in the inspections of finished products. When encountering defective products, we follow the requirements of the "Product Marking Control Procedures", affix return labels on defective products and consolidate the defective records. The quality control department shall record the defective records in the ERP for analysis on a regular basis, and calculate the passing rate of each batch to obtain the final parts per million (PPM). The production department is responsible for submitting products for inspection to the quality control department, the products are then processed according to the inspection results, and improvement measures are provided to improve product quality.

Customer's confidence is vital to the Group's development. We have been continuously collecting customer's feedbacks and handling customers' complaints carefully to improve the quality of products and services provided by us. Since 2012, the Group has filed and consolidated customer complaints collected from various plants of the Group, and analyzed the causes of the complaints as well as recorded the results of solutions, thus effectively improved the Group's service and quality.

### 5.3 Continuous Innovation

To further enhance customers' satisfactions, we have formulated the "Customer Complaints and Returns Procedures", which sets out the responsibilities of corresponding departments in response to customer complaints and returns, ensuring that customer complaints and returns are processed in a timely manner. The marketing department performs analysis on customers' satisfaction at the end of June and December every year with data gathered from the "Customer Satisfaction Survey Form". Customers will evaluate us in six aspects, namely product quality, technical capability, price, delivery capability, service attitude and environmental protection capability. The quality of products and services provided by the Group is of high standard and highly recognized by customers. In the customer satisfaction survey in 2019, the overall score of our products was over 94 points, which was higher than that of 2018.

The Group understands the importance of technological innovation to our future development and therefore integrates the spirit of innovation into our long-term development goals. We encourage our employees to actively innovate and provide incentives for technological innovation. Regular meetings on technological progress and innovation were also held to recognize employees' efforts on innovative technologies. In 2019, we continued to hold the "Excellence Awards Presentation Ceremony" to encourage and recognize our employees' technological innovation and improve project efficiency. A total of 36 projects were awarded, involving 150 employees, and a bonus of over RMB370,000 was granted. In addition, the Group has obtained 40 patents in China, covering various aspects such as equipment, products and process technology, and has established an intellectual property network formed by trademarks, patents and technical secrets to fully protect intelligent achievements.

## OPERATING PRACTICES

With the increasing demand for sustainable development from the society, we continue to invest more resources in the development of automotive lightweight and green manufacturing technologies, for example, we focus on the research and development of "Hexavalent-Chromium-Free Electroplating Technology" and "Physical Vapor Deposition" (PVD). Currently, we possess leading PVD technology in the automobile PVD field across the country. In 2016, we successfully developed the PVD technology on soft rubber material to further enhance the Group's competitiveness. The Group continues to optimize our production process, such as using intelligent mould design and electroplating results simulation technology to improve production efficiency, as well as, using information-based electronic control system for real-time monitoring and to adjust production data and precisely control production status.

In respect of the product technology confidentiality mechanism, the Group has formulated the "Confidentiality System", which clearly stipulates the specific scope, requirements, measures and handling methods for employees to protect confidential information and enhance employees' awareness of confidentiality. In addition, the Group's "Employee Handbook" also clearly set out the employees' obligations in respect of confidentiality with the corresponding rewards and penalties system attached. In the event of a leak of confidentiality that causes damages to the Group, the leakers will be fully liable. In addition to compensating for the loss, the persons responsible will be disciplined according to "Employee Handbook" or legally liable.

## CARE FOR EMPLOYEES

Employees are the foundation of the Group's development, and caring for employees is one of our important responsibilities. We strive to create a good working environment and conditions for employees. We strictly abide by the "Labour Law of People's Republic of China" and the "Labour Contract Law" and maintain good labour relations to attract and retain talents. During the recruitment process, we adhere to the principles of openness, fairness and impartiality, regardless of the candidates' gender, race, religious belief, age, disability status, sexual orientation, nationality, political views, social status, and clan background, etc.

During the reporting period, we have not violated any law or regulation in relation to labour.

### 6.1 *Employee Relationship*

The Group strives to maintain a good relationship with its employees. We formulated the "Employee Handbook", which sets out the requirements on employees' remuneration, welfare, attendance, leave and resignation, to help employees understand their rights and obligations. We offer competitive remuneration packages and benefits and promotion opportunities to our employees to attract and retain talents. In addition to basic salary, employees' remuneration includes allowances, incentives and other performance bonuses. The remuneration of employees shall be adjusted based on their work performance to ensure that employees are rewarded for their efforts. We also provide good promotion opportunities for our employees, and when there is a job vacancy, we will first consider internal promotion applications to provide diversified development opportunities for our employees.

The Group values the communication with employees and set up guidelines for internal communication. If employees have different opinions concerning or dispute arising from the operations and management of the Group, they may lodge complaints with their department supervisors, the human resources department or the administrative department. If an employee has a dispute with the Group regarding the enforcement of labour laws and regulations, the employee may also lodge a complaint with the labour union or the Labour Law Supervision Committee. The complaints or grievances made by employees shall be handled confidentially to protect the privacy of employees. The Group encourages employees to put forward suggestions on the operation and development of the Group. Once such suggestions are adopted, appropriate incentives will be provided by the Group.

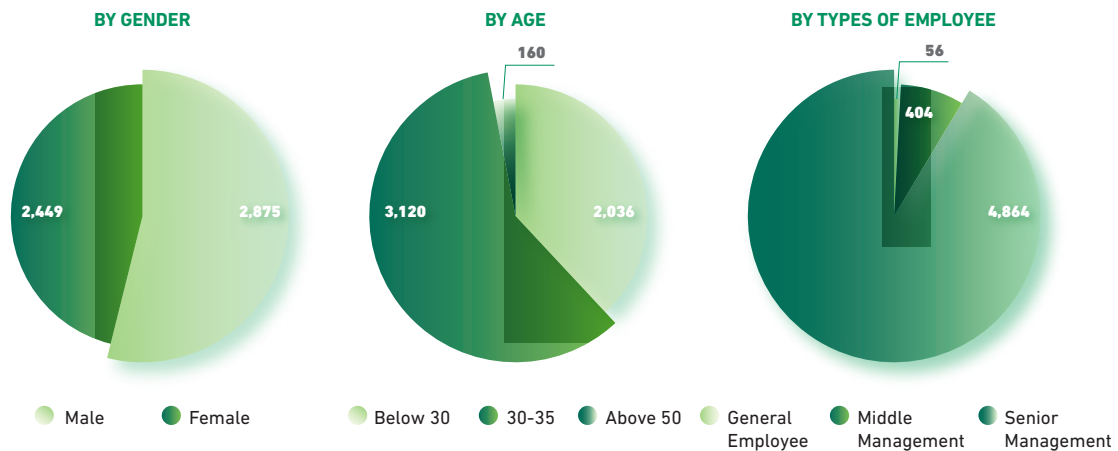
Our human resources department conducts survey on employee satisfaction regularly. We collect feedbacks from employees in areas such as the Group's management, work, personal development, welfare, etc. by anonymous questionnaires. All departments will take follow-up actions and adopt improvement measures according to the investigation and analysis results. The human resources department will also collect opinions from employees by means of exit interview, suggestion box and work summary from time to time to ensure opinions from the employees can be effectively reflected.

## CARE FOR EMPLOYEES

## 6.2 Number of Employee

As of 31 December 2019, the Group had 5,324 employees (2018: 5,554). They are mainly responsible for work such as production, research and development, quality assurance, human resources, administration and finance, maintenance, logistics, procurement, marketing and management.

By gender			By age			By types of employee		
Number			Number			Number		
gender	2019	2018	Age groups	2019	2018	Types of employee	2019	2018
Male	2,875	3,040	Below 30	2,036	2,518	Senior management	56	60
Female	2,449	2,514	30 – 50	3,120	2,893	Middle management	404	401
			Above 50	168	143	General employee	4,864	5,093



### 6.3 Safe Workplace

The Group is committed to creating a safe workplace and adheres to the management approach of "Safety First, Prevention Foremost and Comprehensive Management". We also constantly enhance employees' awareness of occupational safety and health and reduce the occurrence of safety accidents. We comply with relevant laws and regulations, and formulated the "Regulations on the Management of Safe Production" applicable to the Group in accordance with the "Law of the People's Republic of China on the Prevention and Control of Occupational Diseases" and the "Regulations for Prevention of Dust Lung Disease of the People's Republic of China". It regulates the Group's work on safety training, inspection and management, and provides guidelines on maintaining a safe workplace. Meanwhile, the Group has established a safety management committee in each of its subsidiaries, comprising management and employee representatives, to conduct regular safety inspections for production facilities and ensure employees' compliance with safety measures and existing production procedures.

The Group formulated the "Medical First Aid Management System", which sets out the detailed emergency handling measures and hospital admission procedures for various accidents, such as chemical burns, fractures and poisoning, etc. The Group has also set up first aid medical boxes at various spots of the dormitory and workplace to ensure that employees can obtain first aid medicines in a timely manner. The Group has designated staff to purchase and record medical cases to ensure that first aid medical cases contain sufficient types and quantities of drugs in the long run.

The Group provides various safety trainings to employees to enhance their awareness of occupational safety. The human resources department provides safety training to new employees according to the annual training plan, covering basic safety knowledge such as hazardous chemicals, firefighting, use of electricity and mechanical operation. Newly recruited and internal transferred employees are required to attend specific safety training courses (such as operation of equipment and occupational safety tools) before their official induction to ensure that they are capable of meeting work safety requirements. In addition, each department is also required to provide safety training to employees according to the training plan.

In view of the past fire accidents, the Group has adopted strict measures to prevent similar accidents from occurring. Use of fire or lighting cigarettes are strictly prohibited in the production area of the factory. Any person who uses fire in the factory without prior approval will be punished or dismissed. If it is necessary to use fire in other places of the factory, it must be applied and approved by the administration department, and the details should be clearly stated in the application form, including the place in use, time, reason and the name of the relevant supervisor. Safety officer will also inspect the area where fire is used and prepare relevant documents for record purpose after approval is granted.

To further reduce fire hazards, the Group regularly maintains fire fighting facilities and conducts fire drills. At the same time, we closely monitor the production areas with explosive and flammable items and install fire detection and alarm systems. Our factory also arranges security personnel to conduct safety patrol 24 hours a day to ensure safety in the production area.

During the year, the subsidiaries of the Group carried out safety management system audit, covering the storage of special equipment and hazardous chemicals, occupational health measures and fire-fighting facilities. The reviewers assessed whether the safety equipment met the requirements and proposed corresponding improvement measures. The Group also followed up and improved according to those measures.

During the reporting period, there is no case of work-related fatality.

## CARE FOR EMPLOYEES

#### 6.4 Employee Development and Training

We continuously provide diversified trainings to employees and enable them to have sufficient development opportunities while enhancing the Groups' productivity. The human resources department of the Group collects the information about the demand of training from every department by means of interview, questionnaire and direct feedback, etc, at the beginning of every year in order to set up an appropriate annual training plan. Apart from the annual training plan, the human resources department is also responsible for providing induction training course. The course covers safety at production, management approach of the Group, quality and environment awareness, product quality risk, etc, to enable employees have adequate awareness of safety and environment before reporting duty officially. We set up an examination after training to ensure the employees clearly understand relevant knowledge and are able to apply them effectively.

There are 4,896 trained employees of the Group during the reporting period (2018: 4,590) and each of them received training of 5.63 hours on average (2018: 6.84 hours).

Percentage of trained employees					
By gender			By types of employee		
Gender	2019	2018	Type of employee	2019	2018
Male	91.06%	86.74%	Senior Management	30.36%	21.67%
Female	93.02%	77.68%	Middle Management	95.30%	96.26%
			General Employee	92.39%	82.29%

Average training hour per employee (hour)					
By gender			By types of employee		
Gender	2019	2018	Type of employee	2019	2018
Male	5.72	7.00	Senior Management	1.39	1.00
Female	5.54	6.64	Middle Management	6.30	4.80
			General Employee	5.63	7.07

#### 6.5 Labour Standard

The Group understands the importance of basic human rights. We abide by the "Law of The People's Republic of China on Employment Contracts" and prohibits employment of child labour or forced labour in any positions. When recruiting, we emphasise the minimum age requirement of the candidates. We will strictly examine the candidate's age by checking the original identity card and verifying his/her photo to ensure authenticity before proceeding. If child labour is found, the Group will suspend his/her work at once and handle it properly.

The employee of the Group must be employed voluntarily, forced labour such as prison labor and debt labour are prohibited. The Group will set out the terms in the employment contracts to ensure that employees understand that there are no unreasonable conditions for employment. We comply with the principle of voluntary working overtime when need arises and the employee can choose to work overtime. If the employee does not work overtime as he/she is informed, they may approach to the department supervisor for re-arrangement.

During the year, there were no non-compliance case regarding child labor or forced labor.

## COMMUNITY INVOLVEMENT

The Group is committed to a caring community with contributions to minority group, promoting community development, and creating social benefits. We encourage employees to participate in various voluntary work and devote in the welfare business. During the year, the Group continued to provide supports to university students. We organized a team building event for university students by preparing an outing for fresh graduates and provide them with opportunities to get to know each other, so that they can quickly adapt to the new working environment and join the society.

In addition, the Group is also committed to providing employees with a better cultural life after work to enhance their physical and mental health. During the year, the human resources department organized a series of themed activities, such as movie-watching activities with the theme of "Imagination • Future", cultural activities with the theme of "Reading Salon", and other outing activities. We hope that team spirit can be built through such activities and the physical and mental health and cultural experience of our employees can be enriched.

## APPENDIX I: ESG REPORT CONTENT INDEX

### ENVIRONMENTAL ASPECT

Aspect	General disclosure and description of key performance indicator	Chapter of report	Note
<b>Aspect A1: Emission</b>	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Management Policies, Environmental Regulation Compliance Management, Management of Exhaust Gas	
	KPI A1.1 The types of emissions and respective emissions data.	Management of Water Resource, Management of Exhaust Gas	
	KPI A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Consumption of Resources	
	KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Management of Wastes	
	KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Management of Wastes	
	KPI A1.5 Description of measures to mitigate emissions and results achieved.	Management of Water Resource, Management of Exhaust Gas, Consumption of Resources	
	KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Management of Wastes	

## APPENDIX I: ESG REPORT CONTENT INDEX

Aspect	General disclosure and description of key performance indicator	Chapter of report	Note
<b>Aspect A2: Use of resource</b>	General disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Management Policies, Consumption of Resources	
	KPI A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Consumption of Resources	
	KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Management of Water Resource	
	KPI A2.3 Description of energy use efficiency initiatives and results achieved.	Consumption of Resources	
	KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Management of Water Resource	
	KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Consumption of Resources	
<b>Aspect A3: Environmental and natural resources</b>	General disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.	Environmental Management Policies	
	KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.		The operating activities of the Company do not create significant impact on the environment and natural resources.

## APPENDIX I: ESG REPORT CONTENT INDEX

## SOCIAL ASPECT

Aspect	General disclosure and description of key performance indicator	Chapter of report	Note
Employment and Labour Practices			
Aspect B1: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Employees Relationship	
	KPI B1.1 Total workforce by gender, employment type, age group and geographical region.	Number of Employees	
	KPI B1.2 Employee turnover rate by gender, age group and geographical region.		The mobility for first tier labour in the factory is huge, difficult to accurately calculate the turnover rate.
Aspect B2: Health and safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Safe Workplace	
	KPI B2.1 Number and rate of work-related fatalities.	Safe Workplace	
	KPI B2.2 Lost days due to work injury.		During the reporting period, the number of lost days due to work injury of the Group is 546.
	KPI B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	Safe Workplace	

## APPENDIX I: ESG REPORT CONTENT INDEX

Aspect	General disclosure and description of key performance indicator	Chapter of report	Note
<b>Aspect B3: Development and training</b>	General disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee Development and Training	
	KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Employee Development and Training	
	KPI B3.2 The average training hours completed per employee by gender and employee category.	Employee Development and Training	
<b>Aspect B4: Labour standard</b>	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standard	
	KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	Labour Standard	
	KPI B4.2 Description of steps taken to eliminate such practices when discovered.	Labour Standard	
<b>Operating Practices</b>			
<b>Aspect B5: Supply Chain Management</b>	General Disclosure Policies on managing environmental and social risks of the supply chain.	Supply Chain Management	
	KPI B5.1 Number of suppliers by geographical region.	Supply Chain Management	
	KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management	

## APPENDIX I: ESG REPORT CONTENT INDEX

Aspect	General disclosure and description of key performance indicator	Chapter of report	Note
<b>Aspect B6: Product Responsibility</b>	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibilities	
	KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.		During the year there is no case of recall for safety and health issues.
	KPI B6.2 Number of products and service related complaints received and how they are dealt with.	Product Responsibilities	
	KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	Continuous Innovation	
	KPI B6.4 Description of quality assurance process and recall procedures. Product responsibility	Product Responsibilities	
	KPI B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	Product Responsibilities	
<b>Aspect B7: Anti-corruption</b>	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Advocating Probity and Perfecting 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.	Advocating Probity and Perfecting Governance	
	KPI B7.2 Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Advocating Probity and Perfecting Governance	

## APPENDIX I: ESG REPORT CONTENT INDEX

Aspect	General disclosure and description of key performance indicator	Chapter of report	Note
Community			
<b>Aspect B8:</b> <b>Community</b> <b>Investment</b>	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Involvement	
	KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Involvement	
	KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	Community Involvement	