



**TEAMWAY**

International Group Holdings Limited

## **TEAMWAY INTERNATIONAL GROUP HOLDINGS LIMITED**

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1239

The background of the cover features a vibrant, stylized illustration. In the foreground, there are rolling green hills with various types of trees, including some with dense foliage and others with bare branches. A small red ladybug is visible on one of the plants in the bottom right. In the middle ground, a city skyline with several tall buildings is depicted. The sky is a mix of light blue and white, with a large yellow kite flying in the upper right and a pink airplane trailing a long pink ribbon. A few small black birds are also visible in the sky.

**2019**

### **Environmental, Social and Governance Report**

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## ABOUT THIS REPORT

Teamway International Group Holdings Limited (the “Company”), together with its subsidiaries (the “Group”), is pleased to present this Environmental, Social and Governance Report (the “Report”) to provide an overview of the Group’s management of significant issues affecting the operation, including environmental, social and governance issues. This Report is prepared by the Group with the professional assistance of APAC Compliance Consultancy and Internal Control Services Limited.

### PREPARATION BASIS AND SCOPE

This Report is prepared in accordance with Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) — “Environmental, Social and Governance Reporting Guide” and has complied with “comply or explain” provision in the Listing Rules.

This Report summarises the performance of the Group in respect of corporate social responsibility, covering its operating activities which are considered as material by the Group — (i) the sales of packaging products and structural components segment; and (ii) the property investment segment. The corporate secretarial, consultancy and business valuation services business segment was disposal during the year. With the aim to optimise and improve the disclosure requirements in the Report, the Group has taken initiative to formulate policies, record relevant data as well as implement and monitor measures. This Report shall be published both in Chinese and English on the website of the Stock Exchange. Should there be any discrepancy between the Chinese and the English versions, the English version shall prevail.

### REPORTING PERIOD

This Report demonstrates our sustainability initiatives during the reporting period from 1 January 2019 to 31 December 2019.

### CONTACT INFORMATION

The Group welcomes your feedback on this Report for our sustainability initiatives. Please contact us by email to [enquiry@teamwaygroup.com](mailto:enquiry@teamwaygroup.com).



## INTRODUCTION



The Group is principally engaged in the business of (i) sales of packaging products and structural components; (ii) corporate secretarial, consultancy and business valuation services; and (iii) property investment.

The Group's packaging products are made primarily of expanded polystyrene ("EPS") and expanded polyolefin ("EPO") for packaging of consumer electrical appliances such as televisions, air conditioners, washing machines and refrigerators in the PRC. Its packaging products exhibit chemical, thermal and shock resistivity and offer protection against damages in transit and storage. The structural components are mainly used as components inside consumer electrical appliances manufactured by its customers in the PRC.

The Group recognises the significance of sustainable practices in order to achieve business excellence and enhance capabilities for long-term competitiveness. The Group is committed to operating in a manner that is economically, socially and environmentally sustainable while balancing the interests of our various stakeholders and fostering a positive impact on the society. In pursuance of this commitment, the Group has established and implemented various policies to manage and monitor the risks related to the environment, employment, operating practices and community. Details of the management approaches to sustainable development of different areas are illustrated in this Report.



## STAKEHOLDERS ENGAGEMENT

The Group understands the success of the Group's business depends on the support from its key stakeholders, who (a) have invested or will invest in the Group; (b) have the ability to influence the outcomes within the Group; and (c) are interested in or affected by or have the potential to be affected by the impact of the Group's activities, products, services and relationships. This allows the Group to understand risks and opportunities. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholders.

Stakeholders are prioritised from time to time in view of the Group's roles and duties, strategic plan and business initiatives. The Group engages with its stakeholders to develop mutually beneficial relationships and to seek their views on its business proposals and initiatives as well as to promote sustainability in the marketplace, workplace, community and environment.

The Group acknowledges the importance of intelligence gained from the stakeholders' insights, inquiries and continuous interest in the Group's business activities. The Group has identified key stakeholders that are important to our business and established various channels for communication. The following table provides an overview of the Group's key stakeholders, and various platforms and methods of communication are used to reach, listen and respond.

Key stakeholders	Expectations	Engagement channels
Government	<ul style="list-style-type: none"> <li>— Compliance with the laws and regulations</li> <li>— Proper tax payment</li> <li>— Promote regional economic development and employment</li> </ul>	<ul style="list-style-type: none"> <li>— On-site inspections and checks</li> <li>— Annual reports</li> </ul>
Shareholders and Investors	<ul style="list-style-type: none"> <li>— Low risk</li> <li>— Return on the investment</li> <li>— Information disclosure and transparency</li> <li>— Protection of interests and fair treatment of shareholders</li> </ul>	<ul style="list-style-type: none"> <li>— Annual reports and monthly reports</li> <li>— Site visits</li> </ul>
Employees	<ul style="list-style-type: none"> <li>— Safeguard the rights and interests of employees</li> <li>— Good working environment</li> <li>— Career development opportunities</li> <li>— Self-actualisation</li> <li>— Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>— Conferences</li> <li>— Trainings, seminars, briefing sessions</li> <li>— Cultural and sport activities</li> </ul>
Customers	<ul style="list-style-type: none"> <li>— High-quality products</li> <li>— Stable relationships</li> <li>— Information transparency</li> <li>— Integrity</li> <li>— Business ethics</li> </ul>	<ul style="list-style-type: none"> <li>— Emails and customer service hotlines</li> <li>— Feedback forms</li> <li>— Regular meetings</li> <li>— On-site services</li> </ul>



## STAKEHOLDERS ENGAGEMENT

Key stakeholders	Expectations	Engagement channels
Suppliers	<ul style="list-style-type: none"> <li>— Long-term partnership</li> <li>— Honest cooperation</li> <li>— Fairness and openness</li> <li>— Information resources sharing</li> <li>— Risk reduction</li> </ul>	<ul style="list-style-type: none"> <li>— Business meetings, supplier conferences, phone calls, interviews</li> <li>— Site visits</li> </ul>
Peer and Industry Associations	<ul style="list-style-type: none"> <li>— Experience sharing</li> <li>— Cooperation</li> <li>— Fair competition</li> </ul>	<ul style="list-style-type: none"> <li>— Site visits</li> </ul>
Financial Institutions	<ul style="list-style-type: none"> <li>— Compliance with the laws and regulations</li> <li>— Disclosure of information</li> </ul>	<ul style="list-style-type: none"> <li>— Consulting</li> <li>— Information disclosure</li> <li>— Reports</li> </ul>
Public and Communities	<ul style="list-style-type: none"> <li>— Community involvement</li> <li>— Career opportunities</li> <li>— Environmental responsibilities</li> <li>— Social responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>— Provide career opportunities</li> </ul>





## STAKEHOLDERS ENGAGEMENT

Through general communication with stakeholders, the Group understands the expectations and concerns from stakeholders. The feedbacks obtained allow the Group to make more informed decisions, and to better assess and manage the resulting impact.

The Group have adopted the principle of materiality in the ESG reporting by understanding the key ESG issues that are important to the business of the Group. All the key ESG issues and key performance indicators (KPIs) are reported in the Report according to recommendations of the ESG Reporting Guide (Appendix 27 of the Listing Rules) and the GRI Guidelines.

The Group have evaluated the materiality and importance in ESG aspects through the following steps:

### Step 1: Identification — Industry Benchmarking

- Relevant ESG area was identified through the review of relevant ESG reports of the local and international industry peers.
- The materiality of each ESG areas was determined based on the importance of each ESG area to the Group through internal discussion of the management and the recommendation of ESG Reporting Guide (Appendix 27 of the Listing Rules).

### Step 2: Prioritization — Stakeholder Engagement

- The Group discussed with key stakeholders on key ESG areas identified above to ensure all the key aspects to be covered.

### Step 3: Validation — Determining Material Issues

- Based on the discussion with key stakeholders and internal discussion among the management, the Group's management ensured all the key and material ESG areas, which were important to the business development, were reported and in compliance with ESG Reporting Guide.

As a result of this process carried out in 2019, those important ESG areas to the Group were discussed in this Report.



## A. ENVIRONMENTAL ASPECTS

The Group is committed to minimising the environmental impacts and ensuring that environmental consideration remains one of the key focuses in fulfilling its obligations to both the environment and community. To demonstrate its commitment to sustainable development, the Group has implemented relevant emission reduction and energy saving initiatives to manage the emission and maintain green operations.

### A1. EMISSIONS

The Group acknowledges its responsibility to the environment and has implemented various measures to mitigate the emission generated during manufacturing process. The Group has adopted a policy of “Environmental Facilities Operation and Management System” and assigned relevant personnel to regulate and monitor the emission of air pollutants, wastewater and solid wastes.

During the reporting period, the Group did not identify any case regarding violation of the Environmental Protection Regulations of Chongqing Municipality (《重慶市環境保護條例》) on air pollutants emission. The Group was not aware of other non-compliance with relevant laws and regulations in the PRC, including Environmental Protection Law of the PRC (《中國環境保護法》) and the Regulations on the Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》).

#### Air Pollutants Emission

The air pollutants emitted by the Group are mainly generated from fuel consumption during manufacturing process and use of vehicles. It is crucial to implement emission control measures to reduce the environmental impacts and protect the health of employees. The decrease in air pollutants emission in 2019 was mainly attributable to the decrease in coal consumption in manufacturing process during the year.

The Group has implemented various measures to reduce fuel consumption so as to mitigate air pollutants emission as follows:

- Waste heat collected from wastewater discharged and air compressor is converted to heat energy for usage in hot chambers.
- Waste heat collected from flue gas is recycled to increase water temperature of boilers.
- Low-emission vehicles are used.





## A. ENVIRONMENTAL ASPECTS

During the reporting period, the air pollutants emission was as follows:

Type of air pollutant	Unit	2019	2018
Sulphur dioxide (SO <sub>2</sub> )	tonnes	273.96	293.02
Nitrogen oxides (NO <sub>x</sub> )	tonnes	78.39	81.65
Particulate matter (PM)	tonnes	40.09	39.74

### Greenhouse Gas (“GHG”) Emission

Greenhouse gas is considered as one of the major contributors to the climate change and global warming. During the Group’s operation, fuel, electricity and steam consumption account for a major part of its GHG emission. The slight decrease in total GHG emission in 2019 was mainly attributable to the decrease in fuel consumption in manufacturing process during the year.

The Group places a great emphasis on reducing energy consumption and improving energy efficiency by adopting energy saving initiatives which will be further elaborated in the section “Use of Resources” of this Report.

During the reporting period, the GHG emission was as follows:

Type of GHG emission	Unit	2019	2018
Scope 1 <sup>1</sup>	tonnes of CO <sub>2</sub> e	31,429.54	33,823.65
Scope 2 <sup>2</sup>	tonnes of CO <sub>2</sub> e	21,156.25	19,765.35
<b>Total GHG Emission</b>	<b>tonnes of CO<sub>2</sub>e</b>	<b>52,585.79</b>	<b>53,589.00</b>
GHG emission intensity	tonnes of CO <sub>2</sub> e/floor area in m <sup>2</sup>	1.12	1.23

<sup>1</sup> Scope 1: Direct emissions from sources that are owned or controlled by the Group.

<sup>2</sup> Scope 2: Indirect emissions from the generation of purchased electricity and purchased steam consumed by the Group.

## A. ENVIRONMENTAL ASPECTS

### Hazardous and Non-hazardous Wastes

The Group acknowledges the importance to reduce the amount of waste produced and handle the waste properly to minimise the impacts on the environment. The Group's operational activities do not generate any hazardous waste. Its non-hazardous wastes are mainly generated during manufacturing process and office operation. For the Hong Kong office, the Group did not record the non-hazardous waste generated in both year as the amount was immaterial. However, in order to better formulate measures to reduce the non-hazardous waste production, we will take initiative to record relevant data in the coming year. The decrease in non-hazardous waste amount generated in 2019 was mainly due to the effective implementation of waste reduction strategy during the year. The Group strives to reduce the amount of non-hazardous wastes generated and strengthen the environmental awareness of employees by introducing various waste reduction measures as follows:

- The non-hazardous waste is collected separately and recycled by qualified recycling companies.
- Employees are encouraged to use both sides of paper to maximise paper usage and reduce paper waste.
- Documentations are disseminated through electronic means, when practicable.
- Packaging materials such as paper boxes, are collected and reused.
- Customers are encouraged to return the packaging materials for reuse.
- Unnecessary packaging is avoided.

During the reporting period, the non-hazardous waste generated by the Group was as follows:

Type of waste	Unit	2019	2018
Non-hazardous waste generated	tonnes	15.30	40.30
Non-hazardous waste generated intensity	tonnes/floor area in m <sup>2</sup>	0.0003	0.0010

## A. ENVIRONMENTAL ASPECTS

### A2. USE OF RESOURCES

The Group places a great emphasis on environmental protection to ensure efficient use of resources. The major resources used by the Group are electricity, fuel, water and packaging materials. With the implementation of “Energy Resource Control Procedures”, the Group aims to promote resources saving by adopting energy and water efficiency initiatives and motivating its employees to participate in resources conservation.

#### Energy Consumption

The Group’s energy consumption mainly comes from electricity, steam and coal consumption. The slight decrease in energy consumption in 2019 was mainly attributable to the decrease in fuel consumption in manufacturing process and effective implementation of energy saving strategies during the year. In view of the scarcity of resources, we have advocated various energy conservation strategies as follows:

- Variable frequency drives are applied on induced draft fan for boilers to save energy.
- Heat exchangers of the cooling systems are cleaned regularly to ensure high efficiency.
- LED light bulbs are installed.
- Unnecessary lightings and electrical appliances are switched off before leaving the room.
- Posters are posted to encourage employees to reduce energy consumption.
- An energy reduction incentive plan is formulated to reward departments which achieve energy reduction goals.

During the reporting period, the energy consumption was as follows:

Type of energy	Unit	2019	2018
Purchased electricity	MWh	10,929.32	10,926.38
Purchased steam	MWh	33,281.64	29,824.91
Coal	MWh	92,734.32	99,207.53
Petrol	MWh	211.84	266.73
Diesel	MWh	2,163.20	2,734.21
<b>Total energy consumption</b>	<b>MWh</b>	<b>139,320.32</b>	<b>142,959.76</b>
Energy consumption intensity	MWh/floor area in m <sup>2</sup>	2.97	3.55



## A. ENVIRONMENTAL ASPECTS

### Water Consumption

Water is another important resource used by the Group in daily operation. The Group strives to conserve water effectively by identifying water saving initiatives as follows:

- Water-saving posters are posted to encourage employees to reduce water consumption.
- Water meters are installed to monitor and regulate water usage.
- Water used during manufacturing process is recycled and reused.

During the reporting period, the water consumption was as follows:

Water consumption	Unit	2019	2018
Water consumption	m <sup>3</sup>	182,339.00	129,147.00
Water consumption intensity	m <sup>3</sup> /floor area in m <sup>2</sup>	5.93	6.66

### Packaging Material and Other Resources

The major packaging material used by the Group is plastic. It is used to protect our products in order to minimise the risk of damage during goods delivery. The slight decrease in plastic packaging material consumption in 2019 was mainly due to the effective resource saving strategies implemented during the year.

During the reporting period, the packaging material consumption was as follows:

Type of packaging material	Unit	2019	2018
Plastic	tonnes	110.90	147.66
Packaging material intensity	tonnes/tonnes of production	0.01	0.01

## A. ENVIRONMENTAL ASPECTS

### A3. THE ENVIRONMENT AND NATURAL RESOURCES

With the integration of policies and measures to reduce air and GHG emission and resources consumption, the Group strives to minimise the environmental impacts on the environment and natural resources. The Group also takes into considerations the environmental impacts in selecting and processing raw materials. The Group's packaging products are primarily made of raw materials comprising mainly EPS and to a lesser extent EPO while our structural components are made of EPS. EPS is structurally rigid and stable, it does not produce harmful substance to the environment with proper handling and storage.

In addition, the packaging products made of EPS and EPO are recycled and reused to reduce waste generation. Their scraps are stored in storage facilities and reprocessed in manufacturing facilities to be used in manufacturing of packaging products and structural components. In processing raw materials, the Group does not apply chlorofluorocarbons as blowing agent since they contribute significantly to the depletion of ozone layer and greenhouse effect.



## B. SOCIAL ASPECTS

### EMPLOYMENT AND LABOUR PRACTICES

#### B1. EMPLOYMENT

The Group regards employees as important assets and foundation for the success and development of the Group. Hence, the Group strives to maintain a safe and equal working environment for our employees, provide equal development opportunities and promote employee health and well-being. The Group's staff handbooks cover the Group's standard in respect of compensation and dismissal, recruitment and promotion, working hours, rest periods and other benefits and welfare, in accordance with relevant laws and regulations in the PRC, including the Labour Law of the PRC (《中國勞動法》) and the Labour Contract Law of the PRC (《中國勞動合同法》).

The Group is an equal opportunities employer who strives to create a fair and inclusive workplace where all our employees are treated with dignity and respect. The Group is dedicated to providing equal opportunities in all aspects of employment and maintaining a workplace that is free from discrimination or harassment against any individual on the basis of seniority, nationality, gender, age, marital status, disability, race, color, religion or sexual preference.

The Group rewards and recognises employees by providing competitive remuneration packages including bonus programs, share option schemes and education and training allowances. Considering the individual and company performances, inflation and salary movement in the market, the Group reviews the salary structure regularly to ensure that it is fair and competitive.

The Group offers fair promotion opportunities which serve as a motivation for employees to continue learning and improving work performance. Taken into considerations the needs of the Group's business development and employee's competence, the Group promotes qualified employees to fill up the job vacancies.

The Group strives to create a comprehensive welfare and benefit system for employees. Employees are entitled to holidays and leaves such as annual leave, marriage leave, maternity leave, compassionate leave, and insurances in accordance with relevant laws and regulations. The Group also provides welfare for employees during festivals, such as Lunar New Year and Mid-Autumn Festival. Recognising the importance of a work-life balance to a motivated and productive workforce, the Group has organised a range of recreational activities, including regular gatherings and outdoor activities, to enhance communication between employees and strengthen employees' sense of belongings.

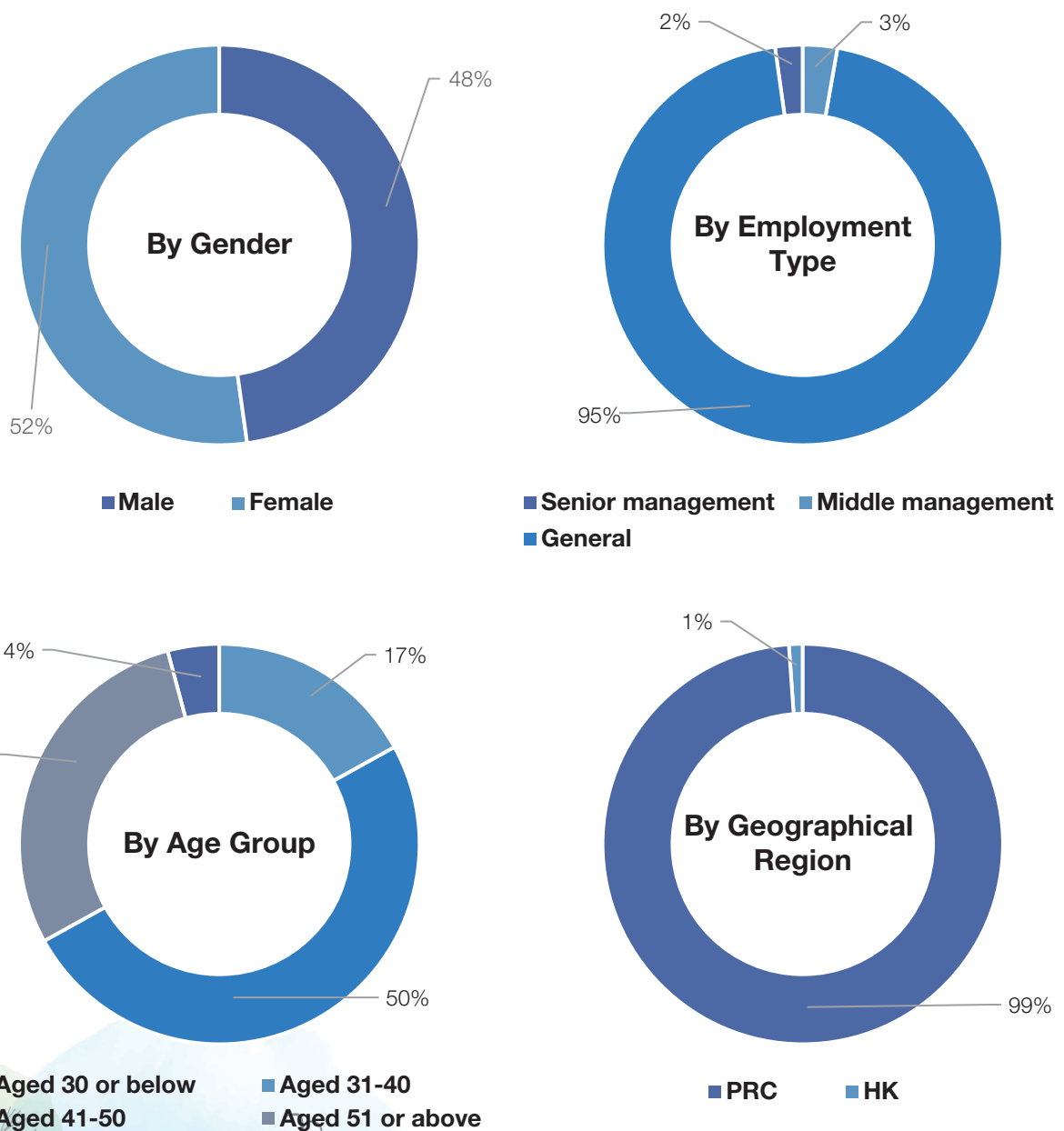




## B. SOCIAL ASPECTS

During the reporting period, the Group was not aware of any non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination and other benefits and welfare.

As at 31 December 2019, the employee compositions by gender, employment type, age group and geographical region were as follows:



## B. SOCIAL ASPECTS

Below is the detailed breakdown of our employee turnover rate by gender, age group and geographical region during and at the end of the Reporting Period.

Employee turnover rate	2019
<b>By gender</b>	
— Male	6%
— Female	14%
<b>By age group</b>	
— 30 years old or below	10%
— 31–40 years old	12%
— 41–50 years old	10%
— Over 50 years old	9%
<b>By geographical region</b>	
— Hong Kong	—
— PRC	10%
<b>Overall</b>	<b>10%</b>

### B2. HEALTH AND SAFETY

The Group places the highest priority on securing health and safety of all employees and strictly complies with relevant laws and regulations in the PRC, including the Production Safety Law of the PRC (《中國安全生產法》). The Group has adopted various safety management policies to establish safety guidelines and procedures against accidents. The Group's safety requirements are incorporated into staff handbook to strengthen employees' safety awareness.

#### Safety Education

The Group conducts safety trainings for employees who work in production lines. They are required to pass the safety assessment before on-duty. For employees who handle special types of work, such as welder and electrician, they are required to receive safety training and obtain special operation certificate in accordance with the Group's requirements before working on the sites. The Group also provides personal protective equipment such as gloves, masks and work uniforms for employees according to their positions. Besides, the Group assigns safety officers to conduct safety inspection in order to ensure safe operation and safeguard the safety of employees.



## B. SOCIAL ASPECTS

### *Fire Safety Management*

The condition of the fire equipment is inspected on a regular basis by safety officer. In case of any abnormality, it should be promptly reported and properly handled. Employees are instructed of the placement of materials and vehicles to ensure the means of escape is free from obstruction.

### *Equipment Safety Management*

During the operation of equipment, relevant personnel are required to strictly abide by the safety operation regulation to ensure personal safety. The Group also carries out regular inspection and maintenance on its manufacturing facilities according to its internal procedures so as to ensure proper functioning of the equipment.

During the reporting period, the Group was not aware of any non-compliance with relevant laws and regulations that had significant impact on the Group relating to providing a safe working environment.

## B3. DEVELOPMENT AND TRAINING

The Group believes the skills and knowledge of its employees are vital to the sustainable development of the Group. Hence, the Group provides training opportunities, including internal and external trainings, for its employees to enhance their capabilities and skills in discharging their duties.


The training programs offered by the Group are as follows:

### **1. Orientation trainings**

The orientation trainings are offered for newly recruited employees. They cover company policies and regulations, quality knowledge, fire safety and operational skills related to the positions, in order to strengthen the sense of belongings of newly joined employees and familiarise them with the job responsibilities.

### **2. On-the-job trainings**

The on-the-job trainings are provided for existing employees. They cover a variety of themes based on the needs of different departments to update the knowledges of employees and strengthen their skills.





## B. SOCIAL ASPECTS

Below are some examples of trainings offered during the reporting period.

Themes	Participants	Course description
<b>Safety education</b>	All employees	Production safety, fire safety and transportation safety
<b>Debugging training</b>	Debugging workers	Basic theory of foam molding process, molding machines operation skills, quality requirements
<b>Mold maintenance knowledge training</b>	Mold maintenance team	EPS product knowledge, molding knowledge, procedures of daily checking and mold maintenance
<b>Quality training</b>	Quality inspectors	Product inspection procedures, quality targets of the Group, quality management

During the current year, the detailed breakdown of the average training hours completed by each employee is as follows:

Employee training	Average training hours (hours/employee)	Percentage of employee trained (%)
<b>By gender</b>		
— Male	2	100%
— Female	2	98%
<b>By employment category</b>		
— Senior management	2	25%
— Middle management	3	42%
— General	2	100%



## B. SOCIAL ASPECTS

### B4. LABOUR STANDARDS

The Group is committed to upholding the elimination of all forms of forced labour and supporting the effective abolition of child labour. The Group is in strict compliance with the Labour Law of the PRC (《中國勞動法》) and other applicable laws and regulations relating to labour standards in the PRC. As prevention for child labour, candidates are required to present their identity proofs to Human Resources Department for age verification during recruitment process. Individuals under the age of 16 or without any identification documents are disqualified from employment.

The Group has formulated a policy of “Prohibition of Recruitment of Child Labour Policy and Remedy Procedures” to manage issues relating to the child labour. In case of any recruitment of child labour, the Group will stop the child labour from working and offer medical checks for him/her.

Besides, the Group will contact his/her guardian and bring him/her back home. The Group will also keep contact with his/her guardian and school to follow up his/her situation. In order to prevent recurrence, the Group will review the problem and improve the recruitment policy.

The Group respects the freedom of employees and prohibits all form of forced labour. All work should be performed on voluntary basis. The working hours are stipulated in the staff handbook and overtime workings are compensated in accordance with relevant laws and regulations.

During the reporting period, the Group did not identify any incident and was not aware of any non-compliance in relation to recruitment of child labour or forced labour practices.

## OPERATING PRACTICES

### B5. SUPPLY CHAIN MANAGEMENT

The Group purchases raw materials such as EPS and EPO, and components for manufacturing packaging products and components from suppliers. In order to manage and mitigate the environmental and social risks in the supply chain, the Group has selected suppliers and products prudently and maintained stable relationships with qualified suppliers. The Group has implemented a policy of “Procurement Control Procedures” to regulate the procurement activities.





## B. SOCIAL ASPECTS

### ***Selection of New Suppliers***

The Group keeps a record of an approved suppliers list and maintains business relationships with those suppliers who are stated on the list. When selecting new suppliers, the Group conducts evaluations on their product quality, price, delivery time and service. In order to assess their product quality, the Group collects samples from potential suppliers and conducts inspections in accordance with internal procedures. New suppliers will be included in the list of approved suppliers of the Group only when they have passed the evaluations and inspections. The Group believes stringent procurement and control procedures can ensure the quality of raw materials and components which are crucial for manufacturing high quality products.

### ***Supplier Assessments***

The Group conducts annual assessment of approved suppliers to ensure their performances meet the Group's standards and contractual requirements.


The assessment covers the quality of raw materials, delivery time, price and service. The Group gives priority to suppliers who have a higher rating in the assessment and maintains stable relationships with them.

## **B6. PRODUCT RESPONSIBILITY**

The Group regards product and service quality as key competitive advantages of its business and strives to provide high quality products and services to offer excellent customer experience. The Group is in strict compliance with the Patent Law of the PRC (《中國專利法》), the Product Quality Law of the PRC (《中國產品質量法》) and other applicable laws and regulations in the PRC. During the reporting period, the Group did not discover any significant risk exposure in relation to the product responsibility.

### ***Quality Control Management***

The Group places a great emphasis on the quality of its packaging products and structural components. The Group has installed quality management systems for the manufacturing of its packaging products and structural components in accordance with international standards of ISO9001 and GB/T19001. Policies including "Inspection Control Procedures" and "Procedures on the Control of Nonconforming Product" are in place to ensure our products meet the quality requirements of our customers.





## B. SOCIAL ASPECTS

The Group has set up Quality Control Department responsible to monitor and manage the manufacturing processes from the sourcing of raw materials to the production of finished products. The Group continues to invest and acquire machineries and testing apparatuses in order to ensure testing and checking of its product quality is conducted in accordance with rigorous technical criteria. The quality control team conducts quality control inspections and closely monitors the quality of raw materials, semi-finished products and finished products as follows:

### 1. Raw materials

Before the raw materials are used in the manufacturing process, the Group collects and examines samples of each type of raw materials to ensure the quality of raw materials meets the standards of the Group. Raw materials that failed the inspection test will be returned to suppliers. In addition, the Group also conducts evaluations for existing suppliers to ensure their product qualities are in compliance with the Group's specification.

### 2. Semi-finished products

Inspection tests are conducted at different stages of the manufacturing processes. Quality control team selects samples of semi-finished products for testing in accordance with the Group's internal procedures and technical standards. In case any quality related issues are revealed during testing, they are promptly addressed and resolved.

### 3. Finished products

Quality control team conducts final checks and inspections for finished products before delivery to customers in order to ensure the Group's products are in compliance with specifications of its customers.

### ***Complaints Handling***

The Group believes the opinions from customers can drive our continuous improvement and are crucial to our pursuit for excellence. In the event that customers consider the Group's products deviate from their specified requirement, the Group will carry out product investigation. If it is confirmed that the Group's products deviate from the specified requirements of the customers, the Group will carry out remedial plans, which include paying compensation in accordance with the terms of sales agreement with the respective customers and replacing such defective products with products in good condition. During the reporting period, the Group did not receive any case of complaints related to the products and services and they are promptly addressed and resolved.

## B. SOCIAL ASPECTS

### *Customer Data Protection and Privacy*

The Group believes data privacy and information security is the key principle embedded in its business operations. The Group incorporates its requirements into “Corporate Governance Policy” and staff handbook. It requires its employees to fully abide by the guidance on prohibiting any unauthorised disclosure of confidential information including customer information.

### *Intellectual Property Rights*

The Group is dedicated to protecting and enforcing its intellectual property rights which are essential to sustainable business growth. The Group relies on the proper registration of intellectual property rights with authorities in jurisdictions in which it carries out its business operations. Moreover, the Group enters into legally binding patent licensing agreements with patents owners in respect of applications of their patents in the Group’s business operations.

## B7. ANTI-CORRUPTION

The Group believes business ethics is the foundation of an enterprise and continues to maintain the highest standards of integrity and honesty. The Group is in strict compliance with applicable laws and regulations in the PRC, including the Criminal Law of the PRC (《中 國 刑 法》). Stringent policies are stipulated in the Group’s “Corporate Governance Policy” as well as staff handbooks, which include soliciting or accepting any advantages in the business operations, to ensure employees fully abide by the Group’s internal guidelines in relation to anti-corruption.

Employees may report any observed and suspected non-compliance case related to bribery, extortion, fraud and money laundering issues to Corporate Supervision Department. Once the case is confirmed, it will be reported to police for prosecution.

During the reporting period, no legal case concerned with corruption practices was brought against the Group.

## COMMUNITY

## B8. COMMUNITY INVESTMENT

As a socially responsible enterprise, the Group is committed to taking up its corporate responsibility to make contribution to the society. The Group strives to develop long-term relationship with its stakeholders and bring a positive impact on community development. As stipulated in the Group’s “Corporate Governance Policy”, the Group encourages its employees to understand the needs of the community and respect different opinions. Employees are also encouraged to dedicate their time in helping people in need with the aim to build a harmonious community.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Sections	Pages
<b>A. Environmental</b>			
A1: Emissions			
General Disclosure		"Emissions"	7
KPI A1.1	The types of emissions and respective emissions data	"Emissions — Air Pollutants Emission"	8
KPI A1.2	Greenhouse gas emissions in total and, where appropriate, intensity	"Emissions — Greenhouse Gas Emission"	8
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity	Not applicable to the Group's business.	—
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity	"Emissions — Hazardous and Non-hazardous Wastes"	9
KPI A1.5	Description of measures to mitigate emissions and results achieved	"Emissions — Air Pollutants Emission", "Emissions — Greenhouse Gas Emission"	7–8
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	"Emissions — Hazardous and Non-hazardous Wastes"	9
A2: Use of Resources			
General Disclosure		"Use of Resources"	10
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity	"Use of Resources — Energy Consumption"	10
KPI A2.2	Water consumption in total and intensity	"Use of Resources — Water Consumption"	11
KPI A2.3	Description of energy use efficiency initiatives and results achieved	"Use of Resources — Energy Consumption"	10
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	"Use of Resources — Water Consumption"	11
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced	"Use of Resources — Packaging Material and Other Resources"	11

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Sections	Pages
A3: The Environment and Natural Resources			
General Disclosure		"The Environment and Natural Resources"	12
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	"The Environment and Natural Resources"	12
<b>B. Social</b>			
<b>Employment and Labour Practices</b>			
B1: Employment			
General Disclosure		"Employment"	13
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	"Employment"	14
KPI B1.2	Employee turnover rate by gender, age group and geographical region	"Employment"	15
B2: Health and safety			
General Disclosure		"Health and Safety"	15
KPI B2.1	Number and rate of work-related fatalities	The Group currently does not disclose on this indicator.	—
KPI B2.2	Lost days due to work injury	The Group currently does not disclose on this indicator.	—
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	"Health and Safety"	16
B3: Development and Training			
General Disclosure		"Development and Training"	16
KPI B3.1	The percentage of employee trained by gender and employee category	"Development and Training"	17
KPI B3.2	The average training hours completed per employee by gender and employee category	"Development and Training"	17



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Sections	Pages
B4: Labour Standards			
General Disclosure		"Labour Standards"	18
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	"Labour Standards"	18
KPI B4.2	Description of steps taken to eliminate such practices when discovered	"Labour Standards"	18
<b>Operating Practices</b>			
B5: Supply Chain Management			
General Disclosure		"Supply Chain Management"	19
KPI B5.1	Number of suppliers by geographical region	The Group currently does not disclose on this indicator.	—
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	The Group currently does not disclose on this indicator.	—
B6: Product Responsibility			
General Disclosure		"Product Responsibility"	19
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	The Group currently does not disclose on this indicator.	—
KPI B6.2	Number of products and service related complaints received and how they are dealt with	"Product Responsibility — Complaints Handling"	20
KPI B6.3	Description and practices relating to observing and protecting intellectual property rights	"Product Responsibility — Intellectual Property Rights"	21
KPI B6.4	Description of quality assurance process and recall procedures	"Product Responsibility — Quality Control Management"	19–20
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	"Product Responsibility — Customer Data Protection and Privacy"	21

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Sections	Pages
B7: Anti-corruption			
General Disclosure		"Anti-corruption"	21
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 case	No concluded legal case regarding corrupt practices was noted.	—
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	"Anti-corruption"	21
<b>Community</b>			
B8: Community Investment			
General Disclosure		"Community Investment"	21
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	The Group currently does not disclose on this indicator.	—
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	The Group currently does not disclose on this indicator.	—



**TEAMWAY**

International Group Holdings Limited

**TEAMWAY INTERNATIONAL GROUP HOLDINGS LIMITED**

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1239