



**Hua Lien International
(Holding) Company Limited**

Incorporated in the Cayman Islands with limited liability

Stock Code: 969



2019

Environmental, Social
and Governance Report



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INTRODUCTION

Hua Lien International (Holding) Company Limited (the “Company”) and its subsidiaries (collectively the “Group”) publish its Environment, Social and Governance Report (the “ESG Report”) which was prepared for the year ended 31st December 2019 with reference to the Environmental, Social and Governance Reporting Guide (the “Guide”) set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and based on the material aspects of the Group and its stakeholders. Unless otherwise stated, this ESG Report covers the supporting service operation by two wholly owned subsidiaries of Sino-Africa Technology & Trading Limited and Zheng Cheng International Trade (Guangzhou) Limited at the People’s Republic of China (the “PRC”) (the “Supporting Service Operation”) and the sugar cane growing and sugar manufacturing plant in Jamaica, those are operated by a 70 percent owned subsidiary of Pan Caribbean Sugar Company Limited (the “Planting and Manufacturing Operation”). Supporting Service Operation as well as Planting and Manufacturing Operation represent the core operations of the Group.



STAKEHOLDER ENGAGEMENT

The Group communicates regularly with key stakeholders through various channels in order to understand their different expectations and identifies the most material aspects to be placed comparatively higher emphasis for reporting in the ESG Report.

The table below presents the communication methods between the Group and the key stakeholders.

Stakeholder Groups	Major Concerns	Engagement Methods
Investors	<ul style="list-style-type: none"> Timely updates on financial performance and business strategies and opportunities 	<ul style="list-style-type: none"> Annual and interim financial reports Annual general meeting Announcements and disclosures The Group's website
Employees	<ul style="list-style-type: none"> Occupational health and safety Fair employment practices 	<ul style="list-style-type: none"> Training and seminars Face-to-face meetings Annual performance appraisals Corporate culture activities
Government and regulators	<ul style="list-style-type: none"> Compliance with regulatory requirements 	<ul style="list-style-type: none"> Written correspondence Ad-hoc calls and meetings
Customers	<ul style="list-style-type: none"> Quality of products and services 	<ul style="list-style-type: none"> Customer visits Customer assessment Customer hotline
Suppliers	<ul style="list-style-type: none"> Fair and transparent business conduct Continued engagement 	<ul style="list-style-type: none"> Factory visits Supplier assessment Quality and delivery reviews
Community	<ul style="list-style-type: none"> Environmental protection Job opportunity 	<ul style="list-style-type: none"> Community activities Job fairs



MATERIALITY ASSESSMENT

Through ongoing discussions and direct communications with the stakeholders, the Group understands the main concerns and material issues that matter most to the stakeholders. The main concerns and material issues are listed below:

A. Environmental	A1	Emissions	I. Greenhouse Gas Emission II. Waste Management
	A2	Use of Resources	I. Energy Consumption II. Water Consumption III. Packing Material Used
	A3	The Environment and Natural Resources	I. Environmental Risk Management
B. Social	B1	Employment	I. Human Resources Practices II. Employment and Remuneration Policies III. Equal Opportunity
	B2	Health and Safety	I. Employees' Health and Workplace Safety
	B3	Development and Training	I. Employee Development
	B4	Labour Standards	I. Anti-child and Forced Labour
	B5	Supply Chain Management	I. Supplier Practices
	B6	Product Responsibility	I. Product Quality and Customer Satisfaction
	B7	Anti-corruption	I. Anti-corruption and Anti-money Laundering
	B8	Community Investment	I. Community Investment

While higher priority is given to the most material aspects, the Group will continue to monitor and report the other aspects in the ESG Report in order to enhance the corporate transparency.



A. ENVIRONMENTAL

1. EMISSIONS (ASPECT A1)

The Group's Supporting Service Operation, which mainly involved the provision of supporting services to sweetener business, does not result in significant air and greenhouse gas emissions, discharges into water and land or generation of hazardous and non-hazardous wastes.

The Group's Planting and Manufacturing Operation, which is the largest sugar cane grower and sugar manufacturer in Jamaica has commitment to improve environmental management processes is underpinned by continuous improvement in the management of direct environmental impacts across its value chain.

The policies about emission including:

- to continuously improve their sustainability-linked environmental practices, to conserve raw materials, reduce greenhouse gas emissions and energy intensity, entrench climate change mitigation and adaptation strategies, promote responsible manufacturing and undertake sustainable agriculture practices;
- to introduce environmentally-friendly initiatives such as reducing unnecessary packaging materials or using packaging materials that can be recycled (thereby reducing our solid waste produced at scene), maximise the reuse of the byproducts of our manufacturing processes, optimise our water footprint per ton of cane produced and implement our water risk management and monitoring strategy;
- to create wider environmental stakeholder awareness and improve responsiveness to key environmental-related performance indicators, including threats brought about by climate change;
- to undertake rigorous review, not only to address legal liability, but also to ensure the implementation of a precautionary approach in relation to the management of environmental impact; and
- to leverage improved environmental performance in our supply chain (eg, quantifying and monitoring greenhouse gas emissions from third-party transporters), managing environmental impacts and focus on weather-related supply chain disruptions.

The Group's Supporting Service Operation as well as Planting and Manufacturing Operation abide by all the applicable environmental laws and regulations of the local governments. The Group has established the environmental protection policies that include both emission reduction and energy-saving policies in order to minimize the impacts on the environment.

During the year, the Group's Planting and Manufacturing Operation in Jamaica entrusted an independent consultancy firm to conduct the measurements to the greenhouse gases ("GHG") and other air pollutants emissions. Through the results of measurements, the Group's Planting and Manufacturing Operation have been able to realise the distributions of major GHG emissions, the Group's Jamaica Planting and Manufacturing Operation could improve further the existing energy-saving and emission reducing policies and systems in managing and reducing the GHG emissions.



Emission factors are representative values, relating the quantity of an emission with an activity associated with the release of that emission. Country-specific emission factors have been applied where available, otherwise accepted international proxy emission factors have been adopted.

The electricity grid emission factors applied to our areas of operation vary as a result of the GHG emission intensity of the electricity generation technologies utilised by the countries within which we operate.

The GHG which are managed by the Group include Carbon Dioxide (CO₂), Nitrous Oxide (NO₂) and Methane (CH₄). The other air pollutants which are also managed by the Group include Particulate Matter (PM), Sulphur Dioxide (SO₂), Nitrogen Oxide (NO_x), Carbon Monoxide (CO), Volatile organic compounds (VOCs) and Lead (Pb). GHG and other air pollutants emissions are mainly the result of burning various fuels throughout both agricultural and industrial processes.

The Planting and Manufacturing Operation involved the sugarcane cultivation and milling process, most of the GHG emissions are directly from heavy fuel oil and bagasse burning and also the use of auto-diesel by corporate fleet, lorries and farming machinery. The Supporting Service Operation is relatively clean, the GHG emission is mainly from use of purchased electricity derived from fossil fuels and the air travel (i.e. the indirect emissions). Our GHG emissions are reported in terms of Scope 1 and 2 as defined in the GHG Protocol:

- Scope 1 are direct GHG emissions as a result of fuel combustion; and
- Scope 2 are indirect GHG emissions from purchased electricity and air travel;

I. GHG Emissions ^(Note 1):

Indicators	2019	2018
Direct emissions (Scope 1) ^(Note 2) (tonnes CO ₂ e)		
Bagasse	74,426.8200	85,178.3400
Heavy fuel oil and Auto-diesel	1,827.4487	1,047.8565*
	76,254.2687	86,226.1965*
Indirect emissions (Scope 2) ^(Note 3) (tonnes CO ₂ e)		
Purchased electricity	4.4000	20.4000
Air Travel	1.3000	0.0000
	5.7000	20.4000
Total GHG emissions (tonnes CO ₂ e) ^(Note 4)	76,259.9687	86,264.5965*
Intensity ^(Note 5)		
Total GHG emissions per tonne of sugar produced (tonnes CO ₂ e/tonne) for Planting and Manufacturing Operation	4.6195	4.1984*
Total GHG emissions per floor area (tonnes CO ₂ e/m ²) for Supporting Service Operation	0.0741	0.0662



Notes:

1. The GHG emissions data is presented in carbon dioxide equivalent (“CO₂e”).
2. During the year, the breakdown of Scope 1 GHG emissions is as follows: carbon dioxide of 76,249.3600 tonnes (2018: 86,220.1300 tonnes), methane of 0.1650 tonnes (2018: 0.2100 tonnes), nitrous oxide of 0.0026 tonnes (2018: 0.0027 tonnes), hydrofluorocarbons of nil (2018: nil), perfluorocarbons of nil (2018: nil) and sulphur hexafluoride of nil (2018: nil).
3. Scope 2 GHG emissions data was quantified by applying the emission factor to MWh of electricity consumed and to the haul miles travelled.
4. The 11.6% decrease in the total GHG emissions was mainly due to the day facility operated of the Planting and Manufacturing Operation reduced from 143 days in 2018 to 126 days in 2019. The day facility operated was shortened by the decline in raw material quantity of sugar cane in 2019. Upon further analysis of the total GHG emissions, as the direct emission from bagasse is a major source of emissions which contributes more than 90%, the 12.6% decrease in the direct emission from bagasse had fully offset the 74.4% increase in the direct emission from heavy fuel oil and auto diesel which was caused by the 51.9% increase in the direct renewable energy consumption for reasons that will further explain in “Use of Resources (Aspect A2)” section.
5. The 10.0% increase in intensity of the Plant and Manufacturing Operation was resulting from the decrease in the quantity of bagasse along with the decrease in the sugar cane crushed in 2019, the lesser quantity and instability supply of bagasse as fuel substantially drove up the use of heavy fuel oil as an auxiliary fuel for generator to generate sufficient electricity for factory operation in 2019. The increase in consumption of heavy fuel oil increased the GHG emissions per tonne of sugar produced.

The 11.9% increase in intensity of the Supporting Service Operation was due to the increase in air travel for purpose of new business development in 2019.

* Those comparative figures had been reinstated to conform to the current year’s presentation basis.

II. Other Air Pollutant Emissions:

Indicators	2019	2018
Particulate Matter (PM) ^(Note 1)	67.3923	77.1230
Sulphur Dioxide (SO ₂)	22.7721	25.7150
Nitrogen Oxide (NOx)	10.8460	13.4060
Carbon Monoxide (CO)	1.7490	2.0980
Volatile organic compounds (VOCs)	1.5947	1.5520
Lead (Pb)	0.0001	0.0000
Total other air pollutant emissions (tonnes) ^(Note 2)	104.3542	119.8940
Intensity ^(Note 3)		
Total other air pollutant emissions per tonne of sugar produced (tonnes/tonne) for Planting and Manufacturing Operation	0.0063	0.0058
Total other air pollutant emissions per floor area (tonnes/m ²) for Supporting Service Operation	0.0000	0.0000



Notes:

1. During the year, the 67.3923 tonnes (2018: 77.1230 tonnes) of PM consisted of PM10 with 65.0339 tonnes (2018: 74.4170 tonnes) and of PM of other sizes with 2.3584 tonnes (2018: 2.7060 tonnes).
2. The 13.0% decreases in the total other air pollutant emissions was mainly due to the day facility operated of the Planting and Manufacturing Operation reduced from 143 days in 2018 to 126 days in 2019. The day facility operated was shortened by the decline in raw material quantity of sugar cane in 2019.
3. The 8.6% increase in intensity of the Plant and Manufacturing Operation was resulting from the decrease in the quantity of bagasse along with the decrease in the sugar cane crushed in 2019, the lesser quantity and instability supply of bagasse as fuel substantially drove up the use of heavy fuel oil as an auxiliary fuel for generator to generate sufficient electricity for factory operation in 2019. The increase in consumption of heavy fuel oil increased the air pollutant emissions per tonne of sugar produced.

III. Waste Management ^(Note 1):

Indicators	2019	2018
Total hazardous wastes ^(Note 2) (tonnes)	0.0000	0.0000
Total non-hazardous wastes ^(Note 3) (tonnes)	17,050.0800	18,673.6000
Total wastes (tonnes) ^(Note 4)	17,050.0800	18,673.6000
Intensity ^(Note 5)		
Total non-hazardous wastes per tonne of sugar produced (tonnes/tonne) for Planting and Manufacturing Operation	1.0329	0.9092
Total non-hazardous wastes per floor area (tonnes/m ²) for Supporting Service Operation	0.0010	0.0019

Notes:

1. The Group's Planting and Manufacturing Operation and Supporting Service Operation have classified and collected wastes generated according to the categories of recyclable and non-recyclable.
2. The Group's Planting and Manufacturing Operation and Supporting Service Operation refer to The Natural Resources (Hazardous Waste) (Control of Transboundary Movement) Regulations in Jamaica (the "Act") and The Directory of National Hazardous Wastes (the "Directory") , which has been formulated according to the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, to assess any hazardous wastes generated. According to the classification in the Act and the Directory, the Group Jamaica Planting and Manufacturing Operation and Supporting Service Operation did not generate hazardous wastes.
3. The non-hazardous wastes of Planting and Manufacturing Operation of residue from sugarcane juice filtration ("filer cake") and combustion ash of bagasse ("boiler ash") generated in the manufacturing process of sugar is recycled to be used as a fertilizer/soil improver directly applied on the sugar cane fields. There was 16,990.5000 tonnes of these non-hazardous wastes was recycled in 2019 (2018: 18,600.0000 tonnes).



- 4 The 8.7% decrease in the total wastes was mainly due to the day facility operated of the Planting and Manufacturing Operation reduced from 143 days in 2018 to 126 days in 2019. The day facility operated was shortened by the decline in raw material quantity of sugar cane in 2019.
- 5 The 13.6% increase in intensity of the Planting and Manufacturing Operation was due to the increase in sugar cane extraneous matters in 2019. The increase in sugar cane extraneous matter was resulting from the bad weather conditions which affected the field operations when harvesting the sugar cane.

IV. Discharge of wastewater or runoffs (effluent) ^{(Note 1):}

Indicators	2019	2018
Total hazardous wastewater ^(Note 2) (m ³)	-	-
Total non-hazardous wastewater ^(Note 3) (m ³)	830,788.4090	846,668.2152
Total wastewater (m ³) ^(Note 4)	830,788.4090	846,668.2152
Intensity ^(Note 5)		
Total non-hazardous wastewater per tonne of sugar produced (m ³ /tonne) for Planting and Manufacturing Operation	50.3272	41.2105
Total non-hazardous wastewater per floor area (m ³ /m ²) for Supporting Service Operation	0.4775	0.9302

Notes:

1. The Group's Supporting Service Operation and Planting and Manufacturing Operation and have classified and collected wastes generated according to the categories of recyclable and non-recyclable.
2. The Group's Planting and Manufacturing Operation and Supporting Service Operation refer to The Natural Resources (Hazardous Waste) (Control of Transboundary Movement) Regulations in Jamaica (the "Act") and The Directory of National Hazardous Wastes (the "Directory") , which has been formulated according to the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, to assess any hazardous wastes generated. According to the classification in the Act and the Directory, the Group Jamaica Planting and Manufacturing Operation and Supporting Service Operation did not generate hazardous wastewater.
3. Planting and Manufacturing Operation had implemented measures to reduce the non-hazardous wastewater discharge by re-using the water from Vacuum Pans through the use of two cooling towers to wash sugar canes and by re-using the water from boiler blowdown through the use of two cooling towers for the scrubbers at the boilers.

The non-hazardous wastewater from Planting and Manufacturing Operation will go to the reverse osmosis plant where the wastewater will first neutralize in a holding tank and then passes through two settling ponds which filters out heavy particles before it is discharged. After these wastewater treatments, all effluents are considered safe for direct discharge into surrounding streams and canals in accordance the regulations in Jamaica.



4. The 1.9% decrease in the total wastewater was mainly due to the day facility operated of the Planting and Manufacturing Operation reduced from 143 days in 2018 to 126 days in 2019. The day facility operated was shortened by the decline in raw material quantity of sugar cane in 2019.
5. The 22.1% increase in intensity was due to the increase in sugar cane extraneous matter that would require more water for washing the sugar cane so a higher ratio of wastewater. The increase in sugar cane extraneous matter was resulting from the bad weather conditions which affected the field operations when harvesting the sugar cane.

The Group's Planting and Manufacturing Operation and Supporting Service Operation have implemented various kinds of energy-saving and emission reducing measures to mitigate other pollutant emissions. For details, please refer to the following section "Use of Resources".

2. USE OF RESOURCES (ASPECT A2)

The Group believes that in the long run, due performance of environmental responsibility would definitely improve the effectiveness of the utilisation of the Group's resources and would raise the economic efficiency of the Group.

The Group's Supporting Service Operation as well as Planting and Manufacturing Operation have established the environmental protection, energy-saving and emission reducing policies and strived to integrate the environmental considerations into the daily operation. With the policies implemented in practice, different department was coordinated to ensure the policy direction and effectiveness on environment protection. The taskforce was also responsible for the planning of the energy saving and emission reducing solutions and supervising their implementations. The taskforce applied the energy saving objectives into the workshops.

Supporting Service Operation as well as Planting and Manufacturing Operation continue to identify the potential and the approaches for energy saving and reducing the amount of energy consumption in order to meet the energy saving and emission reducing indicators as requested by the local governments. Supporting Service Operation and Planting and Manufacturing Operation has already formulated a series of energy management systems to raise the efficiency of energy usage.

For the Supporting Service Operation, the main use of resource is the electricity consumption accounts for the majority of indirect greenhouse gas emissions and its scale is insignificant given the size of the Group's operation. To achieve energy efficiency, the Group adjusts the central air-conditioning system of the office on a seasonal and timely basis each year to ensure the indoor temperature is moderate and to reduce electricity consumption. Energy-efficient fluorescent tubes or electricity-saving fluorescent tubes are fully installed in order to save energy and reduce resources consumption. The use of energy-efficient fluorescent tubes or electricity-saving fluorescent tubes can reduce daily electricity consumption. To reduce electricity consumption, our employees turn on the lights and air-conditioning system depending upon usage in the office.

For the Planting and Manufacturing Operation, water, energy and other materials represent three inputs used by all of our operations. The policies for water, energy and other materials are as follows:



Water, which is a vital raw material for the operation, is sourced directly from rain, sustainable, secure and legally compliant water resources such as underground water and indirectly from municipal service providers. Water consumption volumes are measured using a variety of site-specific methods to ensure on-going compliance with water use licenses, and is reported internally on a weekly basis. Water discharge volumes and methods are monitored to ensure compliance with relevant national statutes (eg, discharge qualities and quantities). As part of our overall water management strategy, water management models have been customised to improve water efficiency opportunities in an effort to reduce water consumption and maximise the recycling of water in our secondary processes.

The energy and other material inputs used in the Group's production processes are relevant to the extent that they impact on the conservation of the global resource base and are the focus of our efforts to reduce resource intensity and the management of our total operational costs. Where practical, we use input materials that promote environmental responsibility. Factory by-products, in the form of filter cake and boiler ash are applied to cane fields as natural fertilisers. The use of our by-products as nutrient supplements decreases the Group's reliance on organic fertilisers, thereby resulting in decreased costs, resource intensity and GHG emissions while herbicides, pesticides and fungicides are applied under control for not exceeding limit per hectare of cane grown.

In the sugar production process, steam is generated using bagasse, which is the renewable fibrous residue that remains after the extraction of juice from the crushed stalks of sugar cane. This steam is used to provide the process heating requirements of the sugar production process, and then to generate renewable electricity through co-generation. The electricity is primarily used within the sugar manufacturing process, to power milling, refining and packaging processes, with excess exported to provide national electricity grids in future.

In certain period, the renewable energy derived from bagasse is not sufficient to provide all energy requirements of the production processes and supplementary fuel of heavy fuel oil is required, which is non-renewable.

I. Energy Consumption:

Indicators	2019	2018
Direct energy consumption (MWh)		
Renewable energy used during the year ^(Note 1)	210,849.4849	241,308.2960
Non-renewable energy used during the year ^(Note 2)	6,669.0356	4,389.1538
	217,518.5205	245,697.4498
Indirect energy consumption (MWh)		
Purchased electricity	6.1930	28.8130
Total energy consumption (MWh) ^(Note 3)	217,524.7135	245,726.2628
Intensity ^(Note 4)		
Total energy consumption per tonne of sugar produced (MWh/Tonne) for Planting and Manufacturing Operation	13.1773	11.9631
Total energy consumption per floor area (MWh/m ²) for Supporting Service Operation	0.0805	0.0935



Notes:

- 1 The direct renewable energy consumed by the Group's Planting and Manufacturing Operation include only bagasse (consumed by electricity generators). During the year, the breakdown of the direct energy consumption of renewable energy from bagasse is of 210,849.4849 MWh (2018: 241,308.2960 MWh).
- 2 The direct non-renewable energy consumed by the Group's Planting and Manufacturing Operation include heavy fuel oil (consumed by electricity generators) and auto-diesel (consumed by corporate fleet, lorries and farming machinery). During the year, the breakdown of the direct energy consumption of non-renewable energy is as follows: heavy fuel oil of 5,575.3752 MWh (2018: 2,636.5706 MWh) and auto-diesel of 1,093.6604 MWh (2018: 1,752.5832 MWh).
- 3 The overall 11.5% decrease in the total energy consumption was mainly due to the day facility operated of the Planting and Manufacturing Operation reduced from 143 days in 2018 to 126 days in 2019. The day facility operated was shortened by the decline in raw material quantity of sugar cane in 2019. Upon further analysis of the energy consumption composition, the direct non-renewable energy consumption saw an increase of 51.9% which was caused by the 12.6% decrease in the direct renewable energy consumption resulting from the decrease in the quantity of bagasse along with the decrease in the sugar cane crushed in 2019. The lesser quantity and instability supply of direct renewable energy substantially drove up the direct non-renewable energy usage as an auxiliary fuel for generator to generate sufficient electricity for factory operation in 2019. The decrease in calorific value of the direct non-renewable energy supplied in 2019 was also a contributing factor. As the calorific value of the direct non-renewable energy was lower, more direct non-renewable energy would be consumed.
4. The 10.1% increase in intensity of the Plant and Manufacturing Operation was resulting from the decrease in the quantity of bagasse along with the decrease in the sugar cane crushed in 2019, the lesser quantity and instability supply of direct renewable energy substantially drove up the use of direct non-renewable energy as an auxiliary fuel for generator to generate sufficient electricity for factory operation in 2019. The increase in consumption of direct non-renewable energy increased the energy consumption per tonne of sugar produced.

II. Water Consumption:

Indicators	2019	2018
Ground (borehole)	836,700.6000	852,442.5600
Municipal	36.7300	286.5000
Total water consumption (m ³) ^(Note 2)	836,737.3300	852,729.0600
Intensity ^(Note 3)		
Total water consumption per tonne of sugar produced (m ³ /tonne) for Planting and Manufacturing Operation	50.6876	41.5056
Total water consumption per floor area (m ³ /m ²) for Supporting Service Operation	0.4775	0.9302



Note:

1. The extraction of underground water in Jamaica is under permit granted.
2. The 1.9% decrease in the total water consumption was mainly due to the day facility operated of the Planting and Manufacturing Operation reduced from 143 days in 2018 to 126 days in 2019. The day facility operated was shortened by the decline in raw material quantity of sugar cane in 2019.
3. The 22.1% increase in intensity was due to the increase extraneous matter of the sugar cane, that would require more water for washing the sugar cane therefore a higher ratio of water consumption. The increase in extraneous matter was due to the weather conditions affected the field operations when harvesting the sugar cane.

During the year, water consumption volumes are measured using a variety of site-specific methods to ensure on-going compliance with water use licenses, the Planting and Manufacturing Operation is complied with relevant requirement under the permits. During the year, the Group's Planting and Manufacturing Operation and Supporting Service Operation have no issue in sourcing water.

As part of the water management strategy to reduce the loss of sugar production to inadequate irrigation efficiency, the mitigation and adaptation strategies implemented during the reporting year by irrigation simulation and optimisation programmes were initiated.

III. Packaging Material Used ^{(Notes 1):}

Indicator	2019	2018
Total packaging material used (tonnes) ^(Notes 2)	282.3700	105.2505
Intensity ^(Notes 2)		
Total packaging material consumption per tonne of sugar produced (Tonnes/Tonne) for Planting and Manufacturing Operation	0.0171	0.0051
Total packaging material consumption per tonne of good shipped (Tonnes/Tonne) for Supporting Service Operation	0.0000	0.0000

Note:

1. The packaging materials used in the finished products by the Group's Planting and Manufacturing Operation as well as Supporting Service Operation include plastic (woven bag, stretch film etc.) of 265.0700 tonnes (2018: 89.6317 tonnes) and wood (wooden crates, wooden pallet etc.) of 17.3000 tonnes (2018: 15.6188 tonnes).
2. The 168.3% increases in the total packaging material used and 235.3% increase in intensity was due to the increased use of plastic materials of the Planting and Manufacturing Operation to comply with new mandatory regulatory packaging standards gazetted in Jamaica.



The Group's Planting and Manufacturing Operation as well as Supporting Service Operation have placed great emphasis on the recycling of packaging materials and tried to minimise the total packaging materials used in order to reduce the generation of waste and save the cost of packaging materials. During the year, it is estimated that about 17.3000 tonnes (approximately 6.1%) (2018: 15.6188 tonnes (approximately 14.8%)) of the wooden crates and plastic woven bag have been reused, and recycled or resold to local recycling agents.

During the year, the Group's Planting and Manufacturing Operation as well as Supporting Service Operation have adopted the following initiatives to reduce the use of resources:

1. Use high-efficiency facilities to reduce electricity consumption;
2. Promote environmental awareness among employees to save energy, water and natural resources and to reduce waste; and
3. Shut down equipment, electricity, water, gas and air-conditioning supply when they are not needed.

3. THE ENVIRONMENT AND NATURAL RESOURCES (ASPECT A3)

The Group Supporting Service Operation as well as Planting and Manufacturing Operation continue to put environmental protection policies into practice as the Group believes that those energy-saving and emission reduction policies are not only environmentally friendly but also conducive to cost-saving. The Group also believes that those policies would eventually lead the Group to achieve sustainable development of the environment and the business of the Group.

The Group's Supporting Service Operation as well as Planting and Manufacturing Operation are mindful of the role that we play in relation to the sustainable development of the regions in which we operate and our strong interdependence with the local communities and natural environments in those areas, our management of the environment is guided by the commitment to minimising any negative impacts that we may have on the environment, or which may contribute to climate change.

During these years, the Group's Supporting Service Operation as well as Planting and Manufacturing Operation continue to invest in environmental improvements, with the aim of introducing cost-effective measures to prevent environmental degradation and improve environmental management systems. These include the adoption the energy-saving and emission reduction measures in relation to the cleaner production, such as the replacement of the energy-exhausting old machineries with the new machineries in order to increase the efficiency while saving the energy. Such measures have increased the efficiencies of both energy-saving and emission reduction and improved the working environment of the workshops and the investment in improving water and wastewater treatment infrastructure.

The Group's Supporting Service Operation as well as Planting and Manufacturing Operation is committed to minimising the environmental impact of the operations and by operating the businesses in ways that support sustainable use of the available natural resources. The Group strives to conserve energy and other valuable natural resources, to reduce waste and to participate in recycling and other environmental protection efforts. During the year, there was no confirmed non-compliance incident or grievance in relation to the Group's Supporting Service Operation as well as Planting and Manufacturing Operation which had significant impact on the environment or natural resources.



The Group plans to further enhance the environmental performance through the following issues:

1. Use energy, water and other material input more efficiently;
2. Identify and manage environmental risks continuously;
3. Monitor and comply with new requirements of all applicable laws and regulations in relation to the environmental protection issues;
4. Increase recycling and reuse waste; and
5. Promote the employees' environmental awareness and education.

4. ENVIRONMENTAL COMPLIANCE

The Group's Supporting Service Operation as well as Planting and Manufacturing Operation manages its operations in line with environmental permits issued by government agencies in the countries in which we have operations and continuously monitors for any non-compliance of permit parameters.

We encourage and plan interaction and engagements with local authorities to discuss changing environmental legal requirements and solicit clarity where these may impact on our operations.

In the event that any environmental concerns or complaints are raised from external agencies and the communities in which we operate, these are treated with utmost importance. All entities keep a "complaints register" and any complaints are directed to management for consideration, response and action if necessary. During the year under review, no environment-related submissions were received through our formal complaints mechanisms.

During the year under review, there is no significant incidents, enforcement notices, environmental prosecutions or environmental citations were issued to any of the group's operations. No fines or penalties were imposed by any government agency.



B. SOCIAL

1. EMPLOYMENT AND LABOUR PRACTICES

EMPLOYMENT (ASPECT B1)

The Group respects its employees and endeavours to provide better working conditions for its employees. The Group has established various policies in relation to the labour practices including the remuneration and dismissal, recruitment and promotion, working hours, holidays, disciplinary practice, equal opportunity, diversity and other benefits and welfare so as to provide a fair, healthy and safe working environment for all employees and at the same time, to provide a system of control to the Group to reduce the exposure to any risk concerning labour issues. The Group will update the policies from time to time in order to align with the updates of the rules and regulations of the respective places where the Group has business operations and the changing of the business environments.

The Group strictly complies with the laws and regulations of the places where the Group has business operations. For protecting the interests of employees, the Group executes the labour contracts with the employees according to the laws and regulations specified by the countries and local governments of the places where the Group has business operations. For providing better assurance to the employees, the Supporting Service Operation as well as Planting and Manufacturing Operation pay social insurances for their employees. The holidays and the benefits and welfare entitled by the employees are not less than the rules and regulations specified by the Labour Law of the PRC and the Jamaica. The working hours for the employees are set in accordance with the rules and regulations specified by the Labour Law of the PRC and the Jamaica and the Labour Contract Law of the PRC and the Jamaica. The Group terminates the labour contracts with the employees in strict compliance with the labour laws and regulations of the places where the Group has business operations or through negotiation.

The Group provides equal opportunity for employees in respect of promotion, appraisal, training, development and other aspects in order to build up a sound career platform for employees. The Supporting Service Operation as well as Planting and Manufacturing Operation based on the principles of fairness, equality and objectivity to establish an assessment system and promotion mechanism. Talents are identified through the specific processes under the system and mechanism.

The Group's Planting and Manufacturing Operation is a major source of employment for the urban and rural communities in which it operates, offering direct employment through full, part-time and seasonal jobs across the spectrum of its agricultural and manufacturing activities. Our continuing strategy of striving to be an employer of choice in Jamaica agri-business sector is coupled with a commitment to continual investment in our people in order to sustain the business and to maintain our position as an industry leader. Our human resource philosophy is based upon equal opportunity, irrespective of race, religion or gender, and recognises excellence within our existing employee base to favour internal succession management.



Human resource management and associated operational strategies are determined by the business needs of the group's operating entities with direction from the corporate office. These strategies appropriately embrace the macro-environment prevailing in each country of operation, with alignment being achieved through the group's strategic Intent. Ensuring that the operational strategies are met is a work ethic of continuous improvement which encourages focused, skilled employees to realise their full potential and to "make a difference" in their areas of operation.

Key areas of human resource focus include workplace safety; continuous improvement benchmarking; targeted manpower succession planning; talent and performance management; the maintenance of collaborative industrial relations; human resource development and business understanding; human rights; workplace diversity; localisation programmes and the health and welfare of employees and their dependants. These are issues considered to be material to the organisation because of the actual or potential impact they may have on the organisation, the risks they may pose or the opportunities they may present, and the extent to which they may influence stakeholder assessments of the company and consequent decisions by them. All relevant laws and regulations are also material considerations.

All human capital-related developments, including staff movements, skills development activities and health and safety incidents, form part of Group's internal management reporting processes.

During the year under review, the Group was not aware of any material breach of labour laws and regulations.

HEALTH AND SAFETY (ASPECT B2)

The Group aims at providing a safe working environment for its employees and protecting its employees from occupational hazards. These safety objectives apply not only to the Group but also to the Group's business partners, contractors and all others working with the Group. For realizing these objectives, it relies on the cooperation of the employees from all levels within the Group including the management and the supports from the Group's business partners, contractors and all others working with the Group. In this connection, the Supporting Service Operation as well as Planting and Manufacturing Operation have specified in respective contract requested the contractors and all others working within the areas of the Supporting Service Operation as well as Planting and Manufacturing Operation to execute the production safety and responsibility terms in contracts. This help to clarify the responsibilities of both parties in respect of the safety production, in order to protect the health and safety of those working in the Supporting Service Operation as well as Planting and Manufacturing Operation.

The Group is committed to achieving a high standard of occupational health and safety and have maintained a low accident frequency rate. The Group believes that being a group with the greatest concern for its employees would gain the supports from the employees, customers and the stakeholders. The Group has established the occupational health and safety policies that strictly comply with the laws and regulations of the places where the Group has business operations. The Group will regularly arrange health check-up for employees, frequently check on the proper implementation of safety precaution measures and will carry out safety drills regularly.



The employees of Planting and Manufacturing Operation were unionized. To ensure continuing collaborative relationships, the group engages across a range of labour forums, eg, regular union meetings, collective bargaining forums and others to promote sound employee interaction and compliance with internationally recognised labour practices. Subject matter typically includes conditions of employment, remuneration, safety initiatives and other issues of mutual concern.

During the year, the Group's Planting and Manufacturing Operation as well as Supporting Service Operation organize occupational health and safety education and training for their employees. Employees are educated continuously to raise their occupational health and safety knowledge and awareness and their emergency response capabilities. The Group's Planting and Manufacturing Operation as well as Supporting Service Operation continue to monitor regularly the workplace and the personal safety facilities provided to the employees in order to timely detect any potential safety risk and to correct all improper actions. They should ensure that all production processes and activities should be carried under the safety and health management.

During the year under review, the Group was not aware of any material non-compliance of applicable occupational health and safety laws and regulations.

DEVELOPMENT AND TRAINING (ASPECT B3)

The Group encourages its employees to exert their potential and to align their personal developments with the growth of the Group, so as to promote mutual development between individual employee and the Group. The Group has established various policies in relation to the employees' education and training so as to ensure that employees pursue continuous self-development in line with the Group's business needs.

The Supporting Service Operation as well as Planting and Manufacturing Operation have established a set of training system and process including "induction training", "vocational technical training" and "management skill training" in order to improve the overall quality and professional skills of the employees. New employees must participate in the "induction training", which includes the training topics of the Group's goals and policies, corporate culture, production safety, necessary skills etc. The "vocational technical training" aims to provide and strengthen the employees' professional skills specific to their job positions, production safety awareness, personal communication skills etc. The "management skill training" aims to enhance the daily management capability of the employees at the management level. The training content is evaluated from time to time in order to maintain the effectiveness of the trainings.

The Supporting Service Operation as well as Planting and Manufacturing Operation also organize occupational health and safety education and training for their employees. Employees are educated continuously to raise their occupational health and safety knowledge and awareness and their emergency response capabilities. The Supporting Service Operation as well as Planting and Manufacturing Operation monitor regularly the workplace and the personal safety facilities provided to the employees in order to timely detect any potential safety risk and to correct all improper actions. They should ensure that all production processes and activities should be carried under the safety and health management.



LABOUR STANDARDS (ASPECT B4)

The Group implements its labour standards in strict compliance with the labour laws and regulations of the places where the Group has business operations. The Group maintains strict recruitment process to avoid cases of child labour and forced labour to be occurred at anyone of the business operations. The Supporting Service Operation as well as Planting and Manufacturing Operation implement the labour standards as well as the recruitment process in strict compliance with the rules and regulations specified by the Labour Law of the PRC and the Jamaica.

During the year under review, the Group was not aware of any material non-compliance of relevant child and forced labour laws and regulations.

2. OPERATING PRACTICES

SUPPLY CHAIN MANAGEMENT (ASPECT B5)

The Group works with the suppliers with the same objectives and develops mutually-successful working relationships with the key suppliers. The Group strictly follows its policy, which is constructed under the Group's corporate culture of integrity, and professional standard in the selection of suppliers and purchasing process. Although the cost of purchasing is a major consideration in selecting suppliers, the Group also considers the suppliers' corporate social responsibility performances, including the suppliers' performances on the aspects of legal and regulatory compliance, business ethics, labour practice and environmental protection etc.

The Group has implemented a set of guidelines for the supply chain management, which is available on the Group's information portal for internal use. The purposes of the set of guidelines are not only for unifying the selection of suppliers and purchasing process but also for ensuring transparency in the selection of suppliers and purchasing process to guard against bribery and corruption. In this connection, the Supporting Service Operation as well as Planting and Manufacturing Operation have requested the suppliers and the out-sourcing parties to execute the anti-bribery confirmation, urging them not to provide any benefits to the employees of the Supporting Service Operation as well as Planting and Manufacturing Operation. The selection of suppliers shall be subject to a series of internal assessments and approval processes and supervised by the internal audit department. The engagement of suppliers is strictly controlled under the "Guideline for the Assessment and Control of the Suppliers". The Group shall review the set of guidelines from time to time in order to further strengthen the supply chain management.

Except some local items, the Group has adopted a system in its supply chain management to centralize the purchase of materials, tools and machineries required by the Supporting Service Operation as well as Planting and Manufacturing Operation. Priority will be given to suppliers who have obtained ISO 14001 environmental management certification. The Group has monitored closely the inventories of the materials and tools and constantly analyzed the consumption of the materials and tools. The Group has maintained a supplier list, which is evaluated and updated regularly. With these measures, the Group manages its supply chain smoothly.



PRODUCT RESPONSIBILITY (ASPECT B6)

The Group aims at providing its customers with the qualified products and has adopted a system to control strictly the manufacturing processes of its products and the product quality. All products are manufactured according to the specified procedures and are required to undergo a thorough quality inspection process in order to assure the products quality.

The Group's Supporting Service Operation as well as Planting and Manufacturing Operation have maintained a customer service team to handle the enquiries about the products from the customers. The customer service team handles the customers' feedbacks and complaints according to the stated procedures.

ANTI-CORRUPTION (ASPECT B7)

The Group's corporate culture is the important part of the Group's operating practices and the key components of the Group's corporate governance framework. They provide the guiding principles for the employees to perform justifiably and behave with integrity, uprightness and honesty. The Group's corporate culture puts all employees under stringent obligations as to the manner to which they should deal with the issues of bribery, conflicts of interest and compliance with the Group's policies and practices etc. Details of the Group's corporate culture are included in an employee's handbook distributed to each employee joining the Group. The handbook is also available on the Group's information portal for internal reference. The Group has provided anti-corruption training for the employees in order to reinforce their awareness of the Group's ethical standards.

The Group does not only require all its employees to behave with integrity but also requests its suppliers and business partners to observe the same ethical standards. The Supporting Service Operation as well as Planting and Manufacturing Operation request the suppliers and business partners to execute the anti-bribery confirmation for urging them not to provide any benefits to the employees of the Supporting Service Operation as well as Planting and Manufacturing Operation. The Group also prohibits all its employees from taking advantages of their powers and authorities for personal interests. The Group treats the issues on bribery, extortion, fraud and money laundering very seriously and complies with the laws of the place where the business of the Group carries on, to report the issues to the relevant Government authorities.

The Group has maintained a whistle-blowing system to allow whistleblowers to disclose information in relation to any misconduct, malpractice or irregularity through a confidential reporting channel. All the reported cases would be investigated in a fair and proper manner by the Internal Audit Department of the Group. The Group Internal Audit Department will classify the reported cases according to their natures and reports the cases directly to the Board of Directors or the Audit Committee of the Group. The investigation reports of the reported cases will send to the Audit Committee of the Group for review.

During the year under review, the Group was not aware of any material breach of laws and regulations pertaining to the prevention of bribery, blackmailing, fraud and money-laundering.



3. COMMUNITY

COMMUNITY INVESTMENT (ASPECT B8)

The Group is guided by its corporate culture of being a responsible business. The Group aims to achieve its business objectives within a framework of ethics and high standards, taking into account the needs of the communities in which the Group operates. The people and the assets of the Group are firmly embedded in the communities of such places. The businesses of the Group are closely intertwined with the social well-being of such communities. Thus, the Group places priority in creating value for the communities and make the meaningful contributions to the communities. The Group considers the unemployment rates of the local communities of the places where the Group has business operations and places priority for recruiting candidates from the local communities in order to relief the local employment pressure. The Group has actively involved in the local community greening construction in order to support the environmental protection policy of the local government.

Planting and Manufacturing Operation was committed to continue to provide more study opportunities for Jamaicans who were serious about improving their qualifications and has set up scholarship for children of employees.