



天福(開曼)控股有限公司

Tenfu (Cayman) Holdings Company Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6868

Environmental, Social and Governance Report 2020

Environmental, Social and Governance Report

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Environmental, Social and Governance Report

About the Report

Tenfu (Cayman) Holdings Company Limited (stock code: 6868) hereby releases the 2020 Environmental, Social and Governance (“ESG”) Report (the “Report”) of the Company and its subsidiaries (together, “Tenfu”, the “Group” or “We”) to present the Group’s concepts and practices in ESG to all stakeholders. This is the fifth consecutive year for the Group to disclose the ESG report.

Reporting Scope

The Report has covered the Group’s principal business endeavors and the reporting period is from January 1, 2020 to December 31, 2020 (the “Reporting Period”) . The disclosure of key performance indicators in Environmental Subject Area and Social Subject Area during the Reporting Period covers the Group’s Zhangzhou Tenfu Tea Industry Co., Ltd., Zhangpu Tenfu Tourism Tea Garden Co., Ltd., Jiajiang Tenfu Tourism Tea Garden Co., Ltd., Zhejiang Tenfu Tea Industry Co., Ltd. and Guiding Tenfu Tourism Tea Garden Co., Ltd. As compared with the ESG report for the year of 2019 published on April 8, 2020, the scope of data disclosed in the Report is consistent with that disclosed therein. The Report complies with the disclosure requirement of “Comply or Explain” and explains the disclosure rules not applicable.

Reporting Standard

The Report is prepared according to the Appendix 27 “Environmental, Social and Governance Reporting Guide” (“ESG Reporting Guide”) in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEX”), accordingly explaining the environmental and social impacts arising from the business and operating activities of the Company in Environmental and Social Subject Area. The Report adheres to the “Materiality”, “Quantitative”, “Balance” and “Consistency” principles of the ESG Reporting Guide.

- **“Materiality” principle:** the Group identifies material ESG issues through stakeholder engagement and materiality assessment which has been disclosed in the Report;
- **“Quantitative” principle:** the Report has quantitatively reported on the Group’s key performance indicators in Environmental and Social Subject Area. The quantitative data in the Report has been attached with description explaining its purpose and impacts, and been applicable to valid comparisons;
- **“Balance” principle:** the Report should provide an unbiased picture of the Group’s environmental and social performance;
- **“Consistency” principle:** the statistical method for the disclosure of key performance indicators in Environmental Subject Area used in the Report is consistent with that of 2019; the compilation method of key performance indicators in Social Subject Area has been confirmed, and will be consistent in subsequent years.

Publication

The Report is published online and available on the website of HKEX (<http://www.hkexnews.hk/>) and the Group’s official website (<http://www.tenfu.com>).

The background of the page is a light green, textured pattern of tea leaves. In the upper right, there is a faint, stylized map of China in a slightly darker shade of green.

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About us

Tenfu (Cayman) Holdings Limited was established by Mr. Lee Rie-Ho and went public on HKEX in 2011 (stock code: 6868). The Company is specialized in sales and marketing of various tea products and the development of product concepts, flavors, and package design business. With decades of development, Tenfu's Tea has become an all-around tea brand combining tea processing, sales, research, culture, and tourism.

Our major products include tea, tea snacks and tea ware, which are sold via our own and third party retail outlets and national network of specialty stores. Pursuant to the data of Chinese Enterprises Brands Research Centre (中國企業品牌研究中心), Tenfu ranked first among 2019 China's chain stores of tea in terms of brand index.

With respect to marketing patterns, the Company adopts a multi-brand strategy of market segmentation and has made its presence in every market segment of China's traditional Chinese style tea products. Our tea products under the brand "Tenfu" are sold mainly through our own and third party outlets and specialty stores, with an aim of providing our customers with customized shopping experience. We also have a specially designed product line with brands such as "Tenfu Ten Xin (天福天心)" and "Uncle Lee (安可李)", which are sold mainly through the franchised stores in China's large scale supermarkets. We have been introducing innovative new tea products, which have been recognized and enjoyed by the consumers and become leaders of the tea consumption.

With regard to product portfolio strategy, the Company's major business of traditional Chinese tea products combines China's tea resources with as many as over 1,800 Tenfu series products, including packaged tea and tea bags of oolong tea, green tea, black tea, Pu'er tea, scented tea, and white tea, as well as tea snacks, tea ware, tea art utensils and incense lore.

At present, we offer over 1,300 different kinds of traditional Chinese tea products. On a retail basis, our brand traditional Chinese tea products are holding the biggest market share among China's all brand traditional Chinese tea products, among which the oolong tea and green tea all rank first in corresponding market segments. We also offer over 300 kinds of tea snacks, most of which are tea flavor snacks and produced with our own manufacturing facilities. Our business includes the marketing of the tea ware with our own brands.

We attach importance to quality, safety and environment, and endeavors to fulfill social responsibilities and facilitate sustainable development of the tea industry.

Environmental, Social and Governance Report

ESG governance

ESG management strategy

As a well-known food and beverage enterprise, while paying attention to our own development, the Group has been devoted to exploring how to combine business success with social development better, coding sustainable development into the Group's development strategy, and making the fulfillment of corporate social responsibility the priority of the Group's development and the value orientation of each manager and employee.

The Group exercises strict control over food safety and quality and provides its employees with safe and healthy working environment and scientific and practical training programs. The Group has been devoted to energy saving and emission reduction and actively promoting the construction of transparent and regular environment-friendly supply chains and healthy industry environment.

We established a three-level ESG governance structure, which consists of the board of directors, the senior management and the ESG working group, to clarify their corresponding ESG governance functions, in order to achieve top-down supervision of ESG matters and ensure the smooth development of the Group's ESG work.

- The board of directors assumes full responsibility for the Group's ESG strategy and reporting. In charge of assessing and determining the ESG risk exposure and corresponding opportunities, the board of directors also ensures that the Group establishes appropriate and effective ESG risk management and internal control systems, formulates ESG management policy, strategy, priority and targets, as well as reviews regularly the performance of the Group in relation to ESG-related targets and approves the disclosure of information in ESG reports.
- It is the responsibility of the senior management to assess and determine the Group's ESG risk exposure, ensure that the Group establishes appropriate and effective ESG risk management and internal control systems, report to the board of directors on ESG related risks and opportunities, and ensure the effective operation of risk management and internal control systems.
- The ESG working group is composed of the major departments of the Group. It is responsible for implementing the ESG management policies approved by the senior management, carrying out ESG management and reporting, and reporting the progress of ESG management and reporting to the senior management of the Group.









In December 2020, the board of directors of the Group held a board meeting to review the Group's ESG work summary of 2020, approve the medium and long-term environmental performance targets of the Group, and provide guidance on ESG management of 2021.

For further details on governance, please refer to Tenfu (Cayman) Holdings Limited Annual Report 2020.

Environmental, Social and Governance Report

Stakeholder communication

The Group strongly believes that the effective engagement and continuous support of stakeholders play a pivotal role in its long-term development. Therefore, the Group has been actively communicating with the core stakeholders, building diversified and smooth communication channels, and encouraging them to monitor the implementation of the Group's ESG management strategy and express their opinions and advice on sustainable performance and future development strategy. The Group's stakeholders come from different categories and levels, including shareholders and investors, governments and regulators, customers, partners, industries, employees, communities and the environment etc.

Stakeholders	Expectations and Requirements	Communication mechanism
Governments and regulators 	<ul style="list-style-type: none"> • Compliance with laws and regulations • Paying taxes according to the law 	<ul style="list-style-type: none"> • Daily communication • Monitoring and evaluation • Government and enterprise cooperation • Active tax payment
Shareholders and investors 	<ul style="list-style-type: none"> • Continued development and return to shareholders • Information disclosure • Investor relations • Corporate governance • Responding to the impact of COVID-19 	<ul style="list-style-type: none"> • Company's annual reports, interim reports and announcements • General meetings of shareholders • Special reports • Field investigation
Customers 	<ul style="list-style-type: none"> • Quality services • Protecting consumer's rights and interests 	<ul style="list-style-type: none"> • Member activities • Transparent factories • Service hotline • Online platforms
Partners 	<ul style="list-style-type: none"> • Keeping promise • Equal, fair and open procurement • Win-win development 	<ul style="list-style-type: none"> • Project cooperation • Daily business communication • Regular review • Meetings and negotiations
Industries 	<ul style="list-style-type: none"> • Mutual benefit • Joint development 	<ul style="list-style-type: none"> • Research and cooperation • Communication conferences • Surveys and reciprocal visits • Communication activities
Employees 	<ul style="list-style-type: none"> • Salaries and welfare • Healthy and safe working environment • Equal opportunities for promotion and development • Epidemic prevention and control 	<ul style="list-style-type: none"> • Recruitment and Decruitment • Staff welfare activities • Training and exchanges • Health and safety training and drills
Communities 	<ul style="list-style-type: none"> • Enhancing public benefit awareness • Facilitating the harmonious development of the community 	<ul style="list-style-type: none"> • Community activities • Public benefit and charity activities • Community project cooperation • Reciprocal visits
Environment 	<ul style="list-style-type: none"> • Environmental protection • Improving the energy consumption efficiency 	<ul style="list-style-type: none"> • Environmental information disclosure • Online monitoring • Communication with local environment authorities • Communication with local residents

Environmental, Social and Governance Report

Materiality assessment

Identify ESG issues:

Comprehensively considering the Group's industry, operating characteristics and strategic direction, we selected 16 ESG issues based on the ESG strategic objectives of the Group and the ESG Reporting Guide issued by HKEX:

ESG aspects set out in ESG Reporting Guide		ESG-related issues identified by the Group	
A. Environment	A1. Emissions	1. Emissions management	
		2. Wastes management	
	A2. Use of Resources	3. Water resources management	
		4. Energy management	
	A3. Environment and natural resources	/	
	A4. Climate changes	5. Response to climate changes	
B. Society	B1. Employment	6. Diversity and equal opportunity	
		7. Employee rights and welfare	
	B2. Health and safety	8. Employee health and safety	
	B3. Development and training	9. Employee training and development	
	B4. Labor Standards	10. Prohibition of child and forced labor	
	B5. Supply chain management	11. Supplier environmental and social risk management	
	B6. Product responsibility	12. Product quality management	
		13. Customer satisfaction management	
	B7. Anti-corruption	14. Intellectual property management	
	B8. Community investment	15. Integrity and compliance in operations	
		16. Public benefit and charity	

Identify key stakeholders:

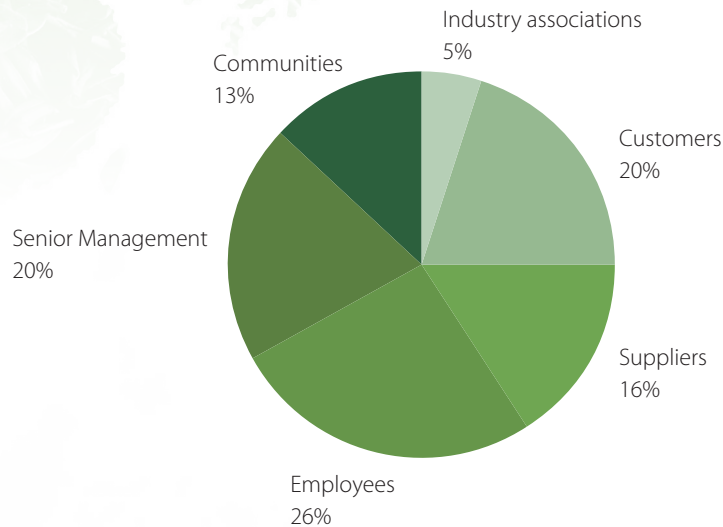
We identified the categories of stakeholders participating in the materiality assessment, taking into account the extent to which stakeholders are "affected by our business" and "affecting our business".

Conduct stakeholders survey:

We invited representatives of the internal and external stakeholders to participate in the materiality assessment of the ESG issues. Such survey activities were carried out from two perspectives namely "importance to the business of the Company" and "importance to stakeholders", through which we learnt about stakeholders' expectations and focus.

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The stakeholders participating in this materiality assessment are shown in the following chart:

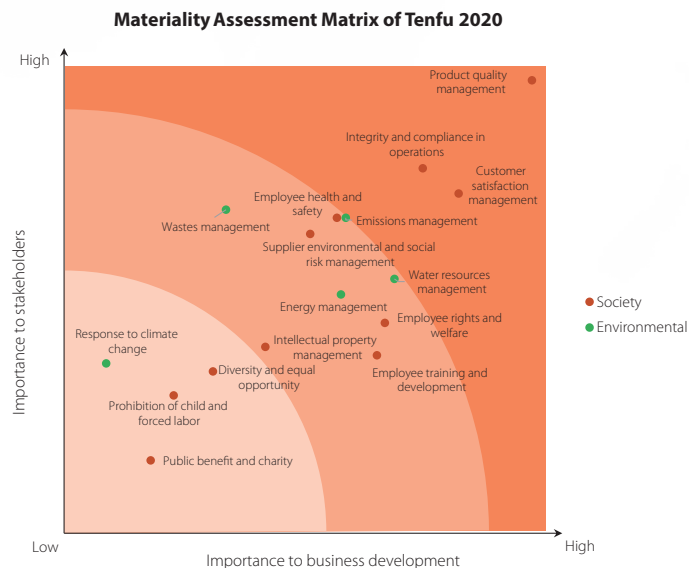


Formulating materiality assessment matrix:

Through analyzing the results of materiality assessment questionnaires completed by internal and external stakeholders, we identified the priority of materiality of each ESG issues, and formulated materiality assessment matrix.

Internal confirmation:

The results of materiality assessment were reviewed and confirmed by senior management of the Group and ESG working group.



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Products and services

The Group adheres to scientific and stringent management to ensure excellent and stable quality, striving to provide customers with quality products.

Product quality and safety

We comply with relevant laws and industrial standards on product quality, health and safety such as Food Safety Law of the People's Republic of China (the "PRC") and Product Quality Law of the PRC. The Group attaches great importance to the development idea of quality, safety, and environment, the food safety concept of prevention, risk management, full-process control and social governance, and the establishment and continuous improvement of complete food quality and safety management system. We has formulated the food quality management systems such as Tea Leave Processing System, Tea Leave Storage System, Food Safety Management System and Instructions on Product Processing Operation, we has formulated the production technology requirements, determination methods, sampling methods, and delivery inspection methods to ensure that food production is under strict safety control and prevent and deal with any potential food safety threats.



In order to control the quality of tea and deal with food safety issues, the Group has established a tea quality tracking system, where "production records are available, information can be double-checked, product flows can be tracked, accountability can be pursued and products can be recalled." The Group has established the Hazard Analysis and Critical Control Point ("HACCP") system and the food safety management system (ISO22000:2005), and has passed the system certification of third-party companies. In 2020, the Group successfully completed the annual review of the dual systems. Some of the Group's export products have also obtained the US National Organic Program (NOP) certification and the European Conformity (EC) certification. These certifications have effectively advanced the Group's quality and safety management standards.

With regard to quality control, we have an in-house inspecting laboratory with professional quality inspection capacities to perform self-inspections for 48 chemical residue indicators on tea products such as pesticide residue, pigments and lead. Meanwhile, we also commission qualified third party inspection institutions with professional quality inspection capacities to ensure that each indicator complies with relevant national standards.

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• **Production**

In the process of production, we have formulated Measures for Management of Food Production Sanitation applicable to all employees, facilities and environment of the Group according to relevant standards and regulations such as The General Hygiene Rules for Food Production (GB 14881-2013), Sanitary Standard for Drinking Water (GB 5749-2006), and Requirements for Safety and Sanitation of Export Food Production Enterprises, with specific requirements for:

- Sanitation of workshops
- Hand washing and sterilizing and washroom facilities
- Labeling, storage, and use of hazardous chemicals
- Employees' health and hygiene
- Insect and pest control

• **Storage**

In order to prevent raw materials and ingredients and products from damage, deterioration or missing during storage and learn the information and status of products in a prompt and accurate way, we have formulated Product Storage and Protection Management Control Procedures and Product Lot Traceability Management Policy to strengthen the storage and flood control management of raw materials and ingredients, products, and spare parts. The production workshops store the raw materials and ingredients and the semi-finished products and finished products in production in designated areas for storage and process transfer, label their status and batches, record their input and output in a timely manner and verify records against materials and products to ensure their agreement. Meanwhile, the workshops are responsible for labeling and isolating unqualified semi-finished or finished products for further treatment by relevant responsible units.

• **Delivery**

The Group stringently executes delivery inspections according to relevant standards and regulations before delivery. Each batch of products must pass the inspections of the Quality Control Department before delivery. Products that fail the microorganism tests are not allowed for retests but will be directly labeled ineligible and not allowed to be delivered. The Group has implemented a security code for each product, so that the customers can easily check and confirm the product authenticity.

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Protection of customer rights and interests

As a responsible enterprise, the Group has been continuously improving customer services and devoted to providing quality products and service experiences for the consumers. The Group complies with applicable laws and regulations with regard to consumer rights and privacy protection, such as Law of the PRC on the Protection of the Rights and Interests of Consumers, and Measures for Management of Food Recall.

• *Satisfaction management*

The Group listens to and receives customer feedbacks and complaints via various communication channels such as telephone and mails. Our complaint management is carried out according to Procedures for Customer Service Hotline Operation of the Business Department and Customer Complaints Handling Procedures, which specify the subsequent operations for each customer complaint scenario. For the purpose of dealing with customer questions and making customers satisfied, the complaint management ensures customer feedbacks can be heard and understood the first time and their problems are addressed professionally and rapidly. We record and analyze all complaints received and summarize the cases with guiding significance for further improvement of our production activities. As of December 31, 2020, the Group has received 87 products and service related complaints, and the complaint handling rate is 100%.

With regard to outlet customers, in order to correctly understand and satisfy our customers' current and future needs and expectations and continuously increase their satisfaction, the Group has established an outlet satisfaction service system based on Customer Satisfaction Measurement and Control Procedures, to specify:

- The Delivery Department is responsible for assessing customer satisfaction, identifying customer needs and potential needs, receiving outlet customer complaints and passing on services and feedbacks to relevant departments;
- The Quality Control Department is responsible for analyzing product information;
- The Production Technology Department is responsible for tracking treatment of product quality defects or improvement suggestions;
- The factory manager or deputy manager is responsible for coordination of the service activities carried out by relevant departments and important customer complaints.



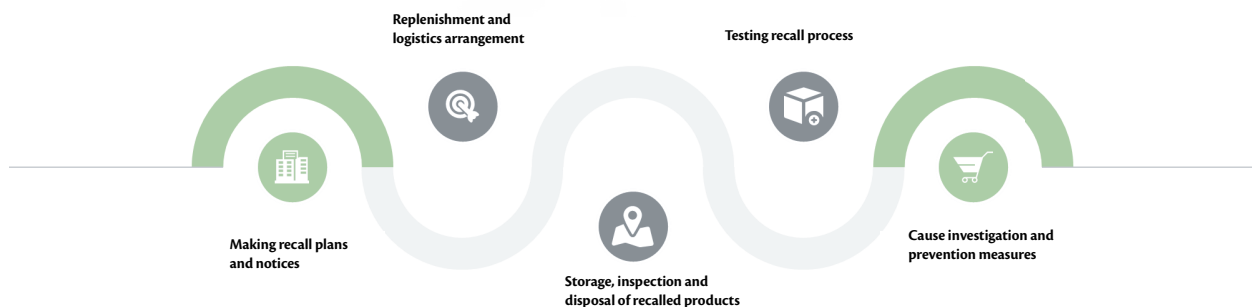
Environmental, Social and Governance Report

In order to improve service efficiency, the Group collects the real-time sales and inventory data of our retail outlets through our ERP (Enterprise Resource Planning) system for more efficient and systematical resource management and distribution. We integrate online and offline sales and logistics through digitalized and intelligent retail. The Group ensures the quick delivery of our products to the customers through the long-term cooperation with the online shopping platforms such as Tmall and JD.com.

The Group fully respects our customers' rights and interests and privacy and strictly abides by privacy laws and regulations, and has put relevant protection clauses into Protection of Consumer Information and Privacy Policy. In this policy, we have clarified the scope of user information collection and usage rules, the disclosure provisions of users' personal information, user rights, and information protection measures to protect user privacy. We treat the privacy information of our customers acquired through sales channels with due care and make public and transparent statements, without any causal dissemination or use.

• **Product recall**

In order to protect consumer rights and interests, the Group carries out investigations on the production chain for any causes of unqualified products and records the production quantity and the quantity for marketing, distribution scope of sales areas and factory inventory of the unqualified batches of products into product recall plans as a basis for recall operations. Simulated traces are carried out by us on a yearly basis to ensure the sound operation of the traceability system and effectiveness of the recall process. During the Reporting Period, the Group has no product recall issues.



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Responsible operation

Supply chain management

The Group has established a rigorous supply chain management system to strictly manage the process of purchasing raw materials such as tea leaves, tea ware and fresh fruits, and has imposed corresponding requirements for each critical point of the procurement process in the Procurement Management Policy.



Supplier selection mechanism: With Form of Supplier Capacity Survey and Evaluation, Directory of Qualified Suppliers, and Record of Supplier Delivery, we strictly review suppliers' registration documents, production permits, and relevant product inspection reports issued by national inspection institutions based on their enterprise nature in selecting outstanding suppliers on an impartial, objective, and timely basis.

Implementation of procurement activities: In order to continuously strengthen and improve management of the procurement process, we have formulated procedures and policies including Tea Procurement Policy and Process and Tea Procurement Management System of QC Department, specifying the standard process of purchasing tea leaves for the tea purchasing staff and the processes and detailed requirements for sampling and warehousing of tea leaves and finished products, and imposing a strict control over the quality of raw materials with the requirement of inspection on each lot of tea leaves purchased.

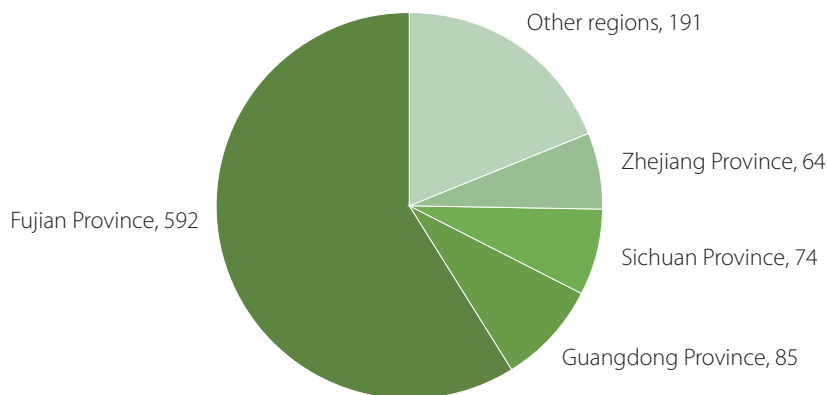
Periodic assessment of supplier: In order to monitor and specify supplier management, the Group has set up a comprehensive supplier evaluation mechanism, to evaluate supplier's capacity, product quality, availability of supply, after-sale services and environmental and social performance based on the Form of Supplier Capacity Survey and Evaluation, and finally select outstanding suppliers to be included in the Directory of Qualified Suppliers.

Risk control of sustainability of supply chain: We pay a lot of attention to the sustainability of supply chain, incorporate the environmental and social risks of the supply chain and the continuity of supply into the important issues of supply chain management, and take a series of effective measures to ensure the stability of production and product supply. We maintain good and effective communication with its suppliers. In communicating with its suppliers, the Group passes on various improvement requirements on environmental and social risks and the idea of sustainability to them, in an attempt to require them to promise that they meet the requirements of local environmental and social laws and regulations, and in turn to promote the development and improvement of the industry in a whole.

Environmental, Social and Governance Report

We communicate with our suppliers at irregular intervals and carry out safety instructions and inspections on tea plantations with regard to pesticide and fertilizer used to prevent the soils from heavy metal pollution and ensure zero risk of raw materials from the sources. In dealing with the environmental pollution caused by tea planting, the Group actively responds to the national target of pesticide reduction and tries its best to reduce the use of pesticides through technical training on suppliers and farmers and publicity of the concept of going green.

While ensuring product quality, the Group purchases the raw materials and ingredients such as tea ware and packing materials as much as possible from local suppliers in order to support the development of local economy. During the Reporting Period, there were 1,006 suppliers of subsidiaries within the reporting scope of the Group, including 592 in Fujian, 85 in Guangdong, 74 in Sichuan, 64 in Zhejiang, and 191 in other regions.



Business ethics

The Group firmly believes that integrity is one of the most important principles for business operations and that a good anti-corruption system is the cornerstone of the Group's positive development. The Group strictly complies with relevant laws and regulations, including Criminal Law of the PRC, Anti-Money Laundering Law of the PRC, Anti-Unfair Competition Law of the PRC, and Contract Law of the PRC. Employee Handbook explicitly states that any employees must not engage in malpractices for personal gains, embezzle public funds, corrupt, and take bribes, and we have entered into anti-corruption agreements with our business partners and require our suppliers and customers to follow relevant requirements for anti-corruption. During the Reporting Period, the Group did not involve in any corruption lawsuits or cases. We prohibit any employees from engaging in any illegal activities using personal positions, including but not limited to engaging in malpractices for personal gains, embezzling public funds, corruption, and taking bribes. Any employees may report such illegal activities to relevant administrative staff by telephone or email.

In order to avoid violations of laws and disciplines for improper benefits, we require our business partners to sign a Letter of Commitment to Business Integrity at the same time when concluding the business cooperation contract to regulate the business conduct of both parties to the contract and maintain fair competition, thus establishing and improving a long-term mechanism for preventing and treating commercial bribery, and intensifying the work of fighting corruption and upholding integrity.

Environmental, Social and Governance Report

The Group has a Legal Department responsible for instructing, supporting and monitoring compliance and anti-corruption works. It leads the liaison with the functional departments, and holds regular anti-corruption and anti-commercial bribes training courses for new employees and all levels of the management. These training courses include commercial ethics and codes such as anti-corruption and anti-bribery, anti-official embezzlement, and anti-money laundering, and other relevant legal knowledge.

Anti-corruption and anti-commercial bribes training courses



On August 6, 2020, the Legal Department of the Group organized training on integrity, anti-corruption activities and some business ethics standards for new executives and employees to strengthen the construction of the culture of integrity.

Publicity in Compliance

The Group performs advertising and product trademark, package and label design strictly according to requirements of relevant laws and regulations such as Advertising Law of the PRC and Trademark Law of the PRC. We consolidate and promote intellectual property management and protection measures, develop corresponding trademark licensing specification documents and process lists and establish a complete label approval process to ensure comprehensive protection for intellectual property rights such as trademarks. At the same time, the Group carries out regular training courses on legal knowledge of food labels and marks for packing, design and business planning personnel from the tea, food and candied fruits factories, in an attempt to raise the employees' legal awareness and prevent risks by the interpretation of the legal rules on prepackaged food labels and of practical cases.

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Employee care

The Group firmly believes that maintaining a good relationship with its employees is one of the keys to business success. Each employee is a valuable resource and asset to the Group. The Group fully respects each of its employees and champions a staff employment philosophy based on “mutual respect, mutual love, mutual reverence, mutual trust, mutual understanding, mutual patience, mutual help and mutual encouragement”, in order to create a harmonious working environment for its employees.

Employee rights and welfare

The Group strictly abides by relevant laws and regulations including but not limited to Labor Law of the PRC and Labor Contract Law of the PRC, and has specified in Employee Handbook its recruitment policy, human resource system, attendance checking system, salary and welfare system and reward and punishment system, so that employees can better understand its employment policy.

- ***Recruitment and Dismissal***

The Group recruits employees via the society and campus. Regardless of nationality, race, religion or gender, the Group provides equal opportunities of employment and promotion, insists on equal pay for equal work and promotes employment for multiple nationalities. The Group signs Labor Contract with employees according to law and fulfill its obligations under such contracts. It also specifies the conditions for the termination of labor contracts.

The Group prohibits any employment of minors aged lower than legal requirements. During the interview, the Human Resource Department will require job seekers to provide valid identification documents to ensure that their actual ages meet relevant requirements. To the extent that there is a misuse of child labor in the future, we will immediately terminate the labor contract in strict accordance with laws and regulations, and properly handle it to protect the legal rights of minors.

During the Reporting Period, the Group did not employ any child labor.

- ***Remuneration & Benefits and Promotion***

The Group adheres to the principles of distribution according to work and attention to efficiency and fairness in establishing a sound performance-based pay system and provides competitive salaries based on employees' positions, performance and capabilities. Employee remuneration consists of salary and increments taking into account academic upgrading, seniority, position allowances, technical upgrading, job-related allowances, performance, etc. The Group boasts a smooth internal promotion channel with a specified promotion process and respects the occupational development plans of its employees.

- ***Working hours and leaves***

The Group strictly complies with relevant national laws and regulations on working hours and its employees are entitled to legal right to take leaves. Apart from statutory national holidays, our employees are entitled to paid annual leaves which shall accrue as they rise in seniority, paid sick leaves, paid condolence leaves, paid marriage leaves and maternity leaves. The Group calls for its employees to finish their work tasks within statutory working hours. Any overtime for unfinished works must be approved and compensatory time-offs or overtime pays will be arranged.

During the Reporting Period, there was no forced labor existed in the Group.

Environmental, Social and Governance Report

• **Employee Care**

The Group cares about its employees. The Group gives gifts to its employees in traditional holidays and organizes regular vacation tours for the employees as a part of staff benefits. We timely visit and offer assistance to the employees suffering from sickness or in need, giving them a sense of belonging and making them happier. During the Reporting Period, the Group has shown condolences to 14 needy employees, and has distributed a total of RMB28,000 as condolences.

Employee health and safety

The Group highly values employees' health and safety, and strictly complies with relevant national laws and regulations, including Work Safety Law of the PRC, Law of the PRC on the Prevention and Control of Occupational Diseases, and Measures for Management of Emergency Response Plans for Product Safety Accidents, in an attempt to make efforts to provide employees with a safe and healthy workplace.

Subject to Tenfu Health and Safety Management Policy, we strengthen the management of production safety and occupational health and perform pre-assessment over occupational disease risks, evaluation of control performance and acceptance inspection of prevention measures for the operation areas with risks of occupational diseases. Based on the requirements of such pre-assessment, the Group takes a number of measures to protect the health and safety of the employees within operation areas, including providing necessary labor protection supplies, firefighting devices, first-aid kits and warning signs and strengthening routing inspection and maintenance on safety facilities, to ensure the solid implementation of production safety and occupational disease prevention and build a safe and comfortable working environment for our employees. The Group organizes regular activities for its employees, such as annual physical examinations, firefighting training and emergency response drills, and traffic safety knowledge and first aid training. According to Regulation on Work-Related Injury Insurance, the Group has set out the range, process and mechanism for identification of work-related injuries, making sure the employees suffering from injuries or occupational diseases due to work-related accidents receive medical treatment and financial compensations in a timely manner.

As of December 31, 2020, there are 1,030.5 lost days due to work injury in the Group.

To fight the epidemic and protect employees, Tenfu is in action!

During the COVID-19 pandemic period, the Group attached great importance to the health and safety of employees, held special meetings, and formulated a series of anti-epidemic prevention and control measures:

- 1) Strengthen the promotion of epidemic prevention and control in the factory to ensure that safety protection is deeply rooted in the hearts of the people during the epidemic period;
- 2) Organize by production units to conduct epidemic investigation on employees and strengthen the epidemic investigation;
- 3) Distribute medical masks in a uniform manner to employees and check their wearing, to make sure that everyone wears a medical mask; strengthen the body temperature detection of personnel at various checkpoints, so as to achieve early detection, early reporting, early isolation, and early treatment, and attack decisively and prevent strictly;
- 4) Persist in the implementation of daily disinfection in the factory, and focus on strengthening the disinfection in public areas such as canteens, shuttle buses, and public offices.



Disinfection in the factory



Body temperature check for epidemic prevention



Lecture on epidemic prevention

Environmental, Social and Governance Report

Emergency drill on eliminating potential hazards and building a strong security line

In June 2020, Zhangzhou Tenfu Tea Industry Co., Ltd. held an emergency drill on eliminating potential hazards and building a strong security line. The activity was mainly divided into five parts: emergency knowledge and CPR knowledge training; broadcasting the epidemic prevention and control videos; fire fighting knowledge training; outdoor fire drill; and experience summaries and comments.

The Group took this event as an opportunity to further optimize the relevant emergency management mechanism, enhance the awareness of product safety responsibility, consolidate the safety concept foundation, promote the continuous and stable development of the product safety, and comprehensively create the production atmosphere of "safety first, prevention first, comprehensive management" and "People-oriented, caring for life".



Emergency knowledge and CPR knowledge training



Epidemic prevention and control training



Fire fighting knowledge training



Outdoor fire drill

The sixth “Flying Fish Cup” and the third “Little Fish Cup” swimming competitions

We regularly organize employees to carry out sports activities to enrich their lives and strengthen their physical fitness. On October 11, 2020, the Group held the sixth “Flying Fish Cup” and the third “Little Fish Cup” swimming competitions. More than 100 players took part in a total of nine events. This activity raised the health awareness among employees, strengthened the sporty atmosphere within the Company and enhanced team cohesion.



Employee training and development

Tenfu sticks to the policy of joint growth by the employees and enterprise. Based on its own development strategy and the employees’ development needs, Tenfu sets up yearly training plans and assigns training targets to each department. It has also established a layered, classified and hierarchical all-around training system targeting all employees and introduces relevant regulations to the employees through relevant chapters in Employee Handbook. Tenfu encourages the employees to improve their capabilities and actively arranges them to attend external training courses, in an attempt to expand their career development room, comprehensively uplift their occupational capacity and quality and professionalism, build a good platform for their growth and development, and prepare a large number of excellent talents for Tenfu’s sound operation.

New employee orientation training	Department pre-job training	External training for administrative staff	Outward bound for administrative staff
<ul style="list-style-type: none"> Enterprise culture and management systems Legal knowledge Awareness of energy saving and emission reduction Experience of tea culture 	<ul style="list-style-type: none"> Technical pre-job training Tea ceremony training Tea specialist training 	<ul style="list-style-type: none"> Colleges and universities Workshops Tea culture seminars 	<ul style="list-style-type: none"> Management basics Project management methods Group management system

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The Group values and encourages its employees to improve their professional skills and knowledge required by the positions they hold. The Group has formulated a “binary system” policy, encouraging employees to study further and improve their academic qualifications. If employees obtain relevant professional certificates for academic elevation and job-related professional knowledge exam grades (tea tasters, tea artisans, accountants, and human resources professionals), the Group will provide them with incentive payment. As of December 31, 2020, 22 “binary system” employees have graduated and become the reserve talents of the Group. In addition, the Group has established a good collaborative relationship with Zhangzhou College of Science and Technology, which offers a continuous supply of talents for the Group.

In order to improve the skill of employees, the Group encourages employees to participate in new apprenticeship training of the Company, relying on Zhangzhou Institute of Science and Technology to offer two specialties to employees for free, naming Intermediate Tea Artisan and Intermediate Tea Taster. The academic system is one year. The Group will give corresponding rewards to colleagues who participate in training and obtain certificates, and consider this as a reference for employees to raise salary and promote.

Comprehensive training for new employees



In early August 2020, Zhangzhou Tenfu Tea Industry Co., Ltd. held the first phase of comprehensive training for new employees in 2020. There were total 37 new colleagues participating the training. The training courses mainly take Tenfu’s enterprise culture, tea culture, team spirit as a core, aiming to enhance employees’ understanding of the enterprise, improve professional quality, and boost team spirit.

Green development

As an active advocate of environmental protection, the Group stands firm on maintaining a green and low-carbon production and operation model and procurement principle, continuously fosters a green and low-carbon industrial environment, facilitates the sustainable development of the tea industry, and develops good corporate ethics. The Group strictly complies with the environment laws and regulations including Environmental Protection Law of PRC, and actively uplifts the environmental awareness of all employees. In addition, the Group has also taken measures to reduce greenhouse gas emissions, reduce wastes, improve energy efficiency and water efficiency, and is committed to reducing the potential negative impact of operations on the surrounding environment.

Our Goals and Commitments:



Reduce emissions

Ensure that all production and domestic wastewater meet the discharge standards of Integrated Wastewater Discharge Standard (GB8978-1996) after being treated by the sewage treatment stations



Reduce wastes

The packaging of the new products is all made of recyclable raw materials



Improve energy efficiency

1. Advocate the use of renewable resources. At least 5% of production and domestic power consumption comes from photovoltaic power generation
2. Purchase energy-saving and environmental protection equipment. The coverage rate of energy-saving LED lights in the factory is greater than 90%



Improve water efficiency

Actively promote the reuse of grey water, and give priority to the use of production and domestic wastewater treated by the sewage treatment stations for irrigation in the factory

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Resource saving

The Group has strictly complied with applicable laws and regulations, such as the Energy Conservation Law of the PRC, and has accordingly formulated the Tenfu Energy Saving Management Policy, and has actively taken measures to improve the efficiency of the use of energy, water resources and materials. We have set up a special post to collect the data of resource utilization regularly, and through comparative analysis, we have worked out the plan and target of resource use, continuously enhanced the level of resource management, and continuously improved the performance of resource utilization of the Group.

In order to minimize the use of all natural resources, the Group should train all new employees with regard to the related course of energy saving and emission reduction, so as to enhance the awareness and keep in mind the requirements of energy saving and emission reduction in the course of their work, and jointly promote the cause of energy saving and emission reduction.

The Group's operation involves resource consumption, including water resources, production power and boiler fuel and packaging materials. We work out recycling water plans, carry out facilities renovation, continuously improve the use efficiency of water resources in enterprises, actively promote energy-saving measures, plan to replace diesel oil and gasoline with natural gas step by step, and reduce the consumption of traditional energy. We continue to pay attention to the reasonable use of packaging materials, and improve the utilization rate of packaging materials.



- Actively promote the reuse of reclaimed water in the factory, and give priority to the use of production and domestic wastewater treated by the sewage treatment stations for irrigation and cleaning in the factory;
- Reinforce the water use management in the production workshops and office area, daily record the water consumption;
- Post water-saving marks and signs in the water use area, and reinforce water-saving publicity.

**Water
resources
management**



- Give priority to the purchase of energy-saving and environmental protection equipment;
- Advocate the use of renewable resources;
- Traditional fuels are replaced with natural gas for boilers;
- Timely switch off the electrical appliance and equipment not in the use state, and arrange for special persons to inspect them.

**Energy
management**



- Abide by laws and regulations, and put an end to excessive packaging;
- The packaging of the new products is firstly made of recyclable raw materials;
- Select the best package suppliers, and reduce the use and loss of packaging materials;
- Encourage customers to replace traditional paper coupons with electronic tickets.

**Packaging
materials
management**



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Environmental protection and emission reduction

The Group adopts the measures of “reduction, innocuity and resource utilization” to deal with waste water, waste gas and solid waste produced in the production process, promulgates and implements the Tenfu Environmental Protection and Management Policy, focuses on reducing the discharge of pollutants produced in the process of production and operation, and through a series of training and environmental protection activities, improves the awareness of environmental protection among employees. According to the national laws and regulations, the Group provides corresponding environmental protection equipment and professional management personnel for each pollutant production process to ensure that pollutants are discharged after treatment to meet the requirements of local laws and regulations, and to minimize their impact on the environment.

With regard to wastewater, the Group strictly complies with laws and regulations such as the Law of the PRC on the Prevention and Control of Water Pollution, to make sure that all production and domestic wastewater meet the discharge standards of Integrated Wastewater Discharge Standard (GB8978-1996) after being treated by the sewage treatment stations. In order to respond to the national environmental protection policy and further enhance the sewage treatment capacity, Zhangzhou Tenfu Tea Industry Co., Ltd. has constructed a new sewage treatment station for production and domestic wastewater treatment. The newly-constructed sewage treatment station was put into operation in January 2020, with a maximum wastewater treatment capacity of 1,500 tons, and the effluent quality exceeds relevant national standards.

With regard to waste gas, the Group strictly abides by the Law of the PRC on the Prevention and Control of Atmospheric Pollution, and other laws and regulations. The main component of waste gas produced in tea production is dust, which is discharged by bag dust collector, so that dust emission can be reduced. The boiler uses natural gas as fuel and commissions a third party to carry out periodic inspection to ensure that the boiler tail gas emission concentration meets the emission requirements of Emission Standard of Air pollutants for Boiler (GB13271-2014).

With regard to greenhouse gases (GHG), the Group has actively taken energy-saving measures to improve the efficiency of electricity use, such as advocating saving electricity, using energy-saving LED lamps in production workshops, and so on. In addition, the Group is vigorously promoting photovoltaic power generation projects to optimize the energy use structure to attain the goal of reducing greenhouse gas emissions.

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Tenfu's photovoltaic power generation in energy-saving and emission-reduction practices

Under the guidance of the "Green China" initiative, the Group sticks to the sustainable development mode of green and low-carbon, and vigorously develops new energy photovoltaic power generation projects in its factory area. Zhangzhou Tenfu Tea Industry Co., Ltd. makes great effort in developing distributed photovoltaic power generation projects whose photovoltaic modules are installed on the roof of the workshop and warehouse and on the carport, with a total installed capacity of 3.5 MW, and the mode of grid-connected remaining power generation is adopted. As of December 31, 2020, a cumulative amount of 2,072.5 MWh of power was generated from photovoltaic equipment, equivalent to reducing 1,504 tons of carbon dioxide emissions.



With regard to solid wastes, the Group clearly classified the management of hazardous wastes and harmless wastes in accordance with the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste, and set up the standardized temporary storage rooms. Hazardous wastes identified according to the National List of Hazardous Wastes are entrusted to qualified third party companies for innocuous treatment in order to reduce the impact of hazardous wastes on the environment. For harmless wastes with recycling values, such as waste materials, waste cartons and scrapped irons, the recycling is carried out for export-oriented comprehensive utilization. The waste residue and sewage sludge produced in the production process were treated by composting and used as organic fertilizer for fertilization in tea gardens. Domestic wastes and other harmless wastes without recycling values will be contracted by a third party company for incineration, landfill and other harmless treatment.

Response to climate changes

The Group's routine risk assessment applied to its supply chain systems has counted in the business continuity risks, and incorporated physical risks caused by climate changes. Through analysis of possible climate changes risks on various business sectors, the Group will be able to formulate effective countermeasures to ensure stable production and supply of products in the event of an emergency. Meanwhile, the Group is aware of the possible negative impacts of climate changes on the price and quality of raw materials. In order to enhance our business ability to adapt to and fight against climate changes, the Group has established a diversified list of suppliers. As the Group's factories are located wide across China such as Fujian, Zhejiang and Sichuan, we can effectively reduce the risk of interruption of production due to adverse weather condition in local areas.

In addition, changes in the climate environment may also shorten the shelf life of products, resulting in unqualified product quality. The Group correctly assesses the shelf life and storage environment based on climate changes to ensure that no quality problems cause harm to consumers and affect the brand image of the Company.



Environmental, Social and Governance Report

Charity and public benefit

In order to standardize the charity and public welfare activities of the Group and give back to the society better, the Group has launched the Tenfu Management Policy of Charity and Public Welfare Activities, which combines the business characteristics of Tenfu to support the dissemination of tea culture, community service, environmental protection, knowledge dissemination, social assistance and volunteer activities and other forms of public welfare activities.

Cultural Propaganda

Meeting friends over tea has been a Chinese tradition since ancient times. Grasping the characteristics of tea leaves and fully leveraging the “diplomatic advantages” of tea, the Company makes friends with people from all walks of life to carry forward Chinese tea culture, fostering the development of social civilization through the promotion of tea culture, thus realizing an ideal human society which is “rich and courteous, peaceful and happy”.

The Group established two tea museums in Zhangpu, Fujian and Jiajiang, Sichuan, respectively to popularize tea culture among the general public, promoting the Chinese tea industry. Zhangpu Tenfu Tea Museum, being classified as a national AAAA class tourist attraction, was one of the first batch of national agricultural tourism demonstration sites. After the opening of Tenfu Tea Museums, the Group has set up tea ceremony classrooms, tea ceremony performance halls and an international tea ceremony exchanges department with the tea museums as bases, actively exploring traditional treasures in the art of tea. It also hosted and participated in various international and domestic tea ceremony exchanges and activities.

Cross-strait Exchanges

Since its establishment, the Group has given full play to its own advantages and characteristics in boosting the “Belt and Road” strategy with “embracing Zhangzhou, joining hands across the strait and going global” as its development goal, actively carrying out the plan of recruiting talents from Taiwan, making Tenfu an important window and bridge for cross-strait exchanges. Mr. Lee Rie-Ho, the Chairman and the founder of the Group, has put forward that, in response to the national “Belt and Road” initiative and the call for “One Generation and One Stratum” on Taiwan, the Group needs to do a good job in tea education and training so that the Chinese tea culture can go to the world. Zhangzhou Vocational College of Science and Technology has established an ESG tea class for Taiwanese youth which is open for enrollment on an annual basis, opening a new model of cross-strait win-win cooperation and customized school-enterprise education adopting the mode of alternating theoretical study in schools and practical training in factories and stores of Tenfu.

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2020 “Tenfu Cup” Cross-strait Famous Tea Invitational Competition

On November 22, 2020, the awards presentation ceremony of “Tenfu Cup” Cross-Strait Famous Tea Invitational Competition was held in Zhangpu Swan Lake Restaurant, Zhangzhou (漳州漳浦天鵝湖餐廳). The Cross-Strait Famous Tea Invitational Competition has been held for 10 consecutive years, witnessing that Tenfu’s belief and pursuit of seeking good tea has never changed.

Tea experts across the strait gathered together to display their tea samples, showing the good results of the integrated development of the tea industry on both sides of the strait. Through just, fair and open competition, the tea industries on both sides of the strait join together, thereby promoting the continuous improvement of cross-strait tea production level and pushing cross-strait tea cultural exchanges and development. The competition also allows the cross-strait tea industry to enjoy the fruitful results brought about by joint developments. Tenfu will continue to spare no effort to create ingenious teas, unswervingly promote the innovation and upgrading of the tea industry and the propagation of tea culture, so that the fragrance of harmonious drinking will spread all over the world.



Public benefit and charity

The Group actively contributes to the cause of education. Mr. Lee Rie-Ho, the Chairman and the founder of the Group, upholding the concept of “using what is taken from tea in tea to benefit the society”, established Zhangzhou Lee Rie-Ho Tea Culture and Education Foundation in 2008. We have also signed an employment agreement with Zhangzhou Institute of Science and Technology. Every year, Zhangzhou Institute of Science and Technology will dispatch interns or graduates to the business units of Tenfu. The Group was awarded Employment and Internship Base for College Graduates of Zhangzhou. The Group has also set up a “Tenfu Star Scholarship” to encourage students to study hard. In addition, to support the education of its employees’ children, rewards are given to outstanding ones as an encouragement.

The Group takes the social responsibility of respecting the elderly and caring for the children, always paying attention to the lives of the elderly and children. During the Reporting Period, the Group cumulatively donated RMB10,000 to the Senior Citizens Association and RMB10,800 on academic subsidy.

Chongyang Festival Activity of “Building Respect for the Elderly, Promoting Social Civilization”

Celebrating the Chongyang Festival on October 25, 2020, Tenfu held a Chongyang Festival activity of “Building Respect for the Elderly, Promoting Social Civilization” letting the elderly enjoy a happy holiday, so as to establish a social atmosphere of “respecting, loving and supporting the elderly”. Tenfu sent the blessings of the Chongyang Festival to the elderly, and showed respect and care to them.



Support for the fight against the epidemic

Tenfu shows its heartfelt support and love to the needy in the face of merciless epidemic. In the morning of March 1, 2020, the Group donated money and materials through Zhangpu Red Cross in Zhangzhou for the prevention and control of COVID-19. The Group donated RMB600,000 in cash designated for the prevention and control of COVID-19. Moreover, the Group donated 12,000 pieces of Tenfu Noble Tea (貴人茶) (flavored white tea) worth RMB720,000 to support the frontline medical staff in Wuhan and across the strait fighting the epidemic, making its own contribution to the prevention and control of the epidemic.

Mr. Lee Rie-Ho, the chairman and the founder of the Group, solemnly promised on behalf of Tenfu: All the frontline medical staff nationwide are Tenfu’s distinguished guests and may enjoy free tea perpetually in over 1,200 shops of Tenfu’s Tea across the country. The Group shows respect with actions and without time limit.

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Tenfu is concerned about the epidemic in Wuhan, and upholds the spirit of “When one is in difficult, everyone should give support”. Fulfilling its social responsibility, staying true to its original aspiration, and taking tea as a base and people’s health as its responsibility, the Group takes actions to contribute to the nationwide in fighting against the epidemic.



Blood Donation under the theme of “Fighting against the Epidemic, Donating Blood for Love”

In response to the blood donation activity organized by the Pantuo County Government under the theme of “Fighting against the Epidemic, Donating Blood for Love”, the Second Division of Tenfu General Management Department actively promoted the voluntary blood donation to all employees, and a total of 50 employees participated in the activity. All of them carry forward the public benefit spirit of Tenfu, devote love to the society, and deliver positive social energy.



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Appendix I: Table of Key Performance Indicators

The key performance indicators in Environmental and Social Subject Area as disclosed in the Report cover the Group's Zhangzhou Tenfu Tea Industry Co., Ltd., Zhangpu Tenfu Tourism Tea Garden Co., Ltd., Jiajiang Tenfu Tourism Tea Garden Co., Ltd., Zhejiang Tenfu Tea Industry Co., Ltd. and Guiding Tenfu Tourism Tea Garden Co., Ltd. Given the impact of the epidemic, the key performance indicators in Environmental Subject Area of the Group during the Reporting Period has decreased compared with that in the year of 2019. The discharge of domestic wastes has increased due to the construction of some subsidiaries.

1) The quantified key performance indicators in Environmental Subject Area are shown in the following table:

Key performance indicators for Emissions	2020	2019	2018
Emissions			
Waste water (10,000 tons)	18.8	26.4	22.0
Chemical oxygen demand COD (tons)	18.5	26.0	20.0
Ammonia nitrogen N-NH ₃ (tons)	3.0	4.3	2.9
Suspended particulate matter SS (tons)	12.0	17.1	12.9
GHG¹			
Direct GHG emissions (Scope 1) (tCO ₂ e)	1,131.6	1,488.7	1,243.6
Of which: fossil fuel combustion (tCO ₂ e)	1,131.6	1,488.7	1,243.6
Energy indirect GHG emissions (Scope 2) (tCO ₂ e)	8,464.9	8,859.4	5,605.9
Of which: purchased electricity (tCO ₂ e)	8,464.9	8,859.4	5,605.9
Total GHG emissions (Scope 1 and Scope 2) (tCO₂e)	9,596.5	10,348.1	6,849.5
GHG emission intensity (tCO₂e/RMB million income)	5.6	5.8	4.2
Hazardous wastes			
Waste paint (tons)	0.047	0.056	0.07
Nickel-cadmium battery (tons)	0.005	0.005	0.01
Total hazardous wastes (tons)	0.051	0.061	0.08
Emission intensity of hazardous wastes (tons/RMB million income)	3.0×10 ⁻⁵	3.4×10 ⁻⁵	4.8×10 ⁻⁵
Non-hazardous wastes			
Domestic wastes (tons)	1,025.2	732.0	344.5
Used materials (tons)	67.0	56.7	26.1
Scrapped iron (tons)	18.6	33.4	124.7
Waste cartons (tons)	205.5	217.1	382.8
Sludge (tons)	3.7	6.3	5.4
Total non-hazardous wastes (tons)	1,319.9	1,045.5	883.5
Emission density of non-hazardous wastes (tons/RMB million income)	0.77	0.58	0.54

Note:

1. GHG accounting is presented in terms of carbon dioxide equivalent and is accounted in accordance with the Guidelines for Greenhouse Gas Emission Accounting and Reporting for Food, Tobacco and Wine, Beverage and Refined Tea Enterprises, issued by the National Development and Reform Commission.

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Key performance indicators for Use of Resources	2020	2019	2018
Energy consumption			
Total energy consumption (MWh)¹	18,096.0	20,211.9	14,311.8
Of which: natural gas (10,000 cubic metres)	35.4	36.6	36.8
Of which: diesel (10,000 litres)	7.2	18.4	12.1
Of which: gasoline (10,000 litres)	8.1	9.7	6.0
Of which: purchased electricity (MWh)	12,819.0	13,531.7	8,584.7
Energy consumption intensity (MWh/RMB million income)	10.6	11.2	8.7
Water resource consumption			
Water consumption (tons)	278,211.8	341,567.9	236,384.8
Water consumption intensity (tons/RMB million income)	162.5	190.1	144.5
Packaging material consumption			
Packaging material consumption (tons)²	466.6	517.6	547.3
Packaging material used per unit produced (tons/tons)	32.7%	37.3%	44.8%

Notes:

1. The calculation of the total energy consumption is based on the quantities of electricity purchased, natural gas, diesel, gasoline consumption, and the Guidelines for Greenhouse Gas Emission Accounting and Reporting for Food, Tobacco and Wine, Beverage and Refined Tea Enterprises, issued by the National Development and Reform Commission, Calculation of Default Values of Fossil Fuel Related Parameters in Appendix 1 and Default Values of Fuel Density in Appendix 2.
2. Because internal statistics are in units of quantity, it is impossible to disclose the weight of all packages for the time being. The calculation of the disclosures is based on the top 50 items sold in 2020. The disclosure scope in 2019 is the top 40 items of the year's sales. During the Reporting Period, due to the decline in packaging material used per unit produced, packaging material consumption also decreased. In the future, the Group will gradually improve the weight statistics of packaging materials, and enhance the level of data disclosure.
3. The production activities of the Group are the production and processing of tea, food and preserves, and do not involve any other environmental or natural resources, Therefore, the aspect A3 (environment and natural resources) and A3.1 (Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them) are not applicable and are not disclosed in the Report.

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2) The quantified key performance indicators in Social Subject Area are shown in the following table:

	Total number of employees in 2020 (persons)	Employee turnover rate in 2020 (%)
B1 Employment		
By gender		
Male	553	7.2%
Female	1,385	7.5%
By age		
Aged below 35	493	13.6%
Aged 35 to 45	672	5.2%
Aged above 45	773	5.4%
By type of employment		
Full-time	1,702	7.9%
Part-time	236	3.8%
By geographical region		
Number of employees in mainland China	1,927	7.5%
Number of employees overseas	11	0%
	Percentage of employees trained in 2020 (%)	Average training hours in 2020 (hours)
B3 Development and training		
By gender		
Male	30.8%	7.3
Female	69.2%	10.4
By type of employee		
Senior management	6.6%	8.1
Mid-level management	17.1%	13.4
Junior staff	76.3%	9.2

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Appendix II: ESG report index table

KPI	Description	Chapter name
A1	Emissions	Green development Environmental protection and emission reduction
A1.1	The types of emissions and respective emissions data	Appendix I: Table of Key Performance Indicators
A1.2	Direct (scope 1) and energy indirect (scope 2) GHG emissions (tons) and (if applicable) intensity (e.g. per production unit, per facility)	Appendix I: Table of Key Performance Indicators
A1.3	Total hazardous waste produced (tons) and (if applicable) intensity (e.g. per production unit, per facility)	Appendix I: Table of Key Performance Indicators
A1.4	Total non-hazardous waste produced (tons) and (if applicable) intensity (e.g. per production unit, per facility)	Appendix I: Table of Key Performance Indicators
A1.5	Description of measures to mitigate emissions and results achieved	Green development Environmental protection and emission reduction
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Green development Environmental protection and emission reduction
A2	Use of Resources	Green development Resource saving
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per production unit, per facility)	Appendix I: Table of Key Performance Indicators
A2.2	Water consumption in total and intensity (e.g. per production unit, per facility)	Appendix I: Table of Key Performance Indicators
A2.3	Description of energy use efficiency initiatives and results achieved	Green development Resource saving
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Green development Resource saving
A2.5	Total packaging material used for finished products (tons) with reference to per unit produced (if applicable)	Appendix I: Table of Key Performance Indicators
A3	Environment and natural resources	Not applicable
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Not applicable
A4	Climate changes	Green development Response to climate changes
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	Green development Response to climate changes

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KPI	Description	Chapter name
B1	Employment	Employee care Employee rights and welfare
B1.1	Total number of employees categorized by gender, type of employment (e.g. full-time or part-time), age and geographical region	Appendix I: Table of Key Performance Indicators
B1.2	Employee turnover rate categorized by gender, age and geographical region	Appendix I: Table of Key Performance Indicators
B2	Health and safety	Employee care Employee health and safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	/
B2.1	Lost days due to work injury	Employee health and safety
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	Employee care Employee health and safety
B3	Development and training	Employee care Employee training and development
B3.1	Percentage of employees trained categorized by gender and type of employee (e.g. senior management, mid-level management)	Appendix I: Table of Key Performance Indicators
B3.2	Average training hours per employee categorized by gender and type of employee	Appendix I: Table of Key Performance Indicators
B4	Labor Standards	Employee care Employee rights and welfare
B4.1	Description of measures to review employment practices to avoid child and forced labour	Employee care Employee rights and welfare
B4.2	Description of steps taken to eliminate such practices when discovered	Employee care Employee rights and welfare
B5	Supply chain management	Responsible operation Supply chain management
B5.1	Number of suppliers by geographical region	Responsible operation Supply chain management
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	Responsible operation Supply chain management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Responsible operation Supply chain management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Responsible operation Supply chain management

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KPI	Description	Chapter name
B6	Product responsibility	Products and services Responsible operation
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Products and services Protection of customer rights and interests
B6.2	Number of products and service related complaints received and how they are dealt with	Products and services Protection of customer rights and interests
B6.3	Description of practices relating to observing and protecting intellectual property rights	Responsible operation Publicity in Compliance
B6.4	Description of quality assurance process and recall procedures	Products and services Product quality and safety Protection of customer rights and interests
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Products and services Protection of customer rights and interests
B7	Anti-corruption	Responsible operation Business ethics
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Responsible operation Business ethics
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	Responsible operation Business ethics
B7.3	Description of anti-corruption training provided to directors and staff	Responsible operation Business ethics
B8	Community investment	Charity and public benefit
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	Charity and public benefit
B8.2	Resources contributed (e.g. money or time) to the focus area	Charity and public benefit