



**WHITE
FLOWER®**

PAK FAH YEOW INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code:239



2020

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT





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ABOUT THE GROUP

Pak Fah Yeow International Limited (the “Company”) and its subsidiaries (collectively the “Group”) is principally engaged in the manufacture, marketing and distribution of healthcare products. One of its products, Hoe Hin White Flower Embrocation or Hoe Hin Pak Fah Yeow, a renowned medicated oil, has been manufacturing for over 90 years and is available in Hong Kong, Macau, Mainland China, Southeast Asia and other parts of the world.

The Group is also engaged in property and treasury investments. The property investments in the United Kingdom, Hong Kong and Singapore were acquired a long time ago and are intended to be held for long term to generate steady income.

ABOUT THIS REPORT

This environmental, social and governance report (“ESG Report”) provides an insight into the Group’s policies, measures and performances in environmental, social and governance (“ESG”) aspects. It describes how the Group combines its commitments to responsible operations with business strategy as well as the action it takes, providing stakeholders an overview of the Group’s progress towards sustainability.

REPORTING SCOPE AND PERIOD

The ESG Report specifies the ESG activities, challenges and measures being taken during the financial year ended 31 December 2020 (the “Reporting Year”). The Group focuses on its healthcare business segment, which accounts for more than 93% of the Group’s total revenue. Aligned with the previous reporting practice, the scope of this ESG Report continues to cover operations of the head office and factory of the Group in Hong Kong. The Group will consider expanding the scope of reporting when and where appropriate.

MANAGEMENT MESSAGE

The Group’s senior management team is delighted to present the fifth ESG report of the Group.

As a renowned manufacturer of healthcare products and a household name, the Group has been committed to bringing quality products to ease the pain of many over 90 years. At the same time, the Group remains vigilant to the potential environmental and social impacts that its business may have on the environment and the communities where it operates. Therefore, the Group has been progressively implementing sustainable practices and measures into its daily operations. The desire to promote prosperity, greater social well-being and protection of the environment paves the way to the Group’s greater future.

Achieving sustainable development relies heavily on having sound corporate governance practices, it is therefore the Group’s top priority to establish an effective group-level sustainability governance structure to ensure strict enforcement of such practices. The Group’s ESG Committee, chaired by an executive director, is responsible for the development and implementation of the Group’s ESG strategies and practices. The committee is also responsible for monitoring the performance and effectiveness of ESG targets and measures set.

As nations are confronted with the challenges brought on by COVID-19, the Group’s unwavering commitment to providing safe and high-quality products to its customers is particularly important at this juncture. The continued success of the Group and its products could not be achieved without the effort from all of its employees. Therefore, the Group has promptly implemented official COVID-19 procedures to safeguard the health of its employees and their families.

Apart from placing great emphasis on ensuring product quality and safety and employees' welfare, the Group also makes a continuous effort in protecting the environment by actively implementing green measures. Besides reducing the use of purchased electricity and water, the Group also strives to use environmentally-friendly paper packaging materials that are certified by the Forest Stewardship Council and recycled paper for instruction and promotional leaflets. To further the Group's dedication to reducing environmental and social impact, the Group has established a self-evaluation and assessment scheme for its vendors. Subsequently, the Group has further developed and adopted a supply chain policy on formulating an Environmental and Social Assessment Report to evaluate the ESG performance of its vendors. The formulation of the said assessment report helped promote awareness of sustainability to its vendors. To further promote recycling and reduce waste generation, the Group supported glass bottle recycling into bricks and other construction materials. During the Reporting Year, the Group has recycled 3,433.81 kg of glass bottles.

The Group's commitment and mission remain steadfast despite the unprecedented challenges brought on by the COVID-19 pandemic and climate change. Moving forward, the Group will continue to work towards a more sustainable future through active collaboration with its stakeholders.

REPORTING FRAMEWORK

This ESG Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

To provide stakeholders with an overview of the Group's performance in ESG aspects, the ESG Report not only discloses environmental key performance indicators ("KPIs") under the "comply or explain" provisions but also reports additional social KPIs under the "recommended disclosures" as set out in the ESG Reporting Guide. A complete index is inserted in the last chapter of the ESG Report for reference.

Information relating to the corporate governance practices of the Group has been set out in the Corporate Governance Report as included in the Annual Report 2020.

The Group has established internal controls and a formal review process to ensure that any information presented in this ESG Report is as accurate and reliable as possible. The ESG Committee of the Group has overall responsibility for the establishment and disclosure of relevant measures and KPIs. The ESG report has been approved by the ESG Committee and the Board of Directors (the "Board").

ESG GOVERNANCE

The Group's ESG Committee, chaired by an executive director, has the responsibility for overseeing the Group's policies, initiatives and performance on sustainability matters, principally in respect of product responsibility, employment, community involvement and environmental protection. It also defines the Group's sustainability strategies and sets objectives.

The following shows the composition of the ESG Committee:

Executive Director of the
Company (Chair)

Chief Financial Officer
of the Company

Head of Sales and
Marketing of healthcare
business segment

Assistant Accounting
Manager of healthcare
business segment

Personnel and
Administration Manager
of healthcare
business segment

Production Manager
of healthcare
business segment

In line with the Group's core values – honesty, obedience, excellence, human, innovation and nurturing, the Group aims to achieve its business objectives within a framework of high standards with a commitment to environmental sustainability and be socially responsible within the Group and in the communities that it operates in.

Risk Management

Risk management is considered as an integral part of the Group's daily management processes and good corporate governance. The Board has the overall responsibility of overseeing the Group's risk management and internal control systems with the support of the Audit Committee. A review of the Group's approaches in addressing the identified risks is conducted at least once per year to ensure the effectiveness of the system.

To consider environmental and social issues more comprehensively upon the Group's risk assessment and internal control system, the Group has expanded and enforced risk management to include ESG risk topics to identify imminent ESG risks, enabling the Group to determine action plans in a timely manner.

FEEDBACK MECHANISM

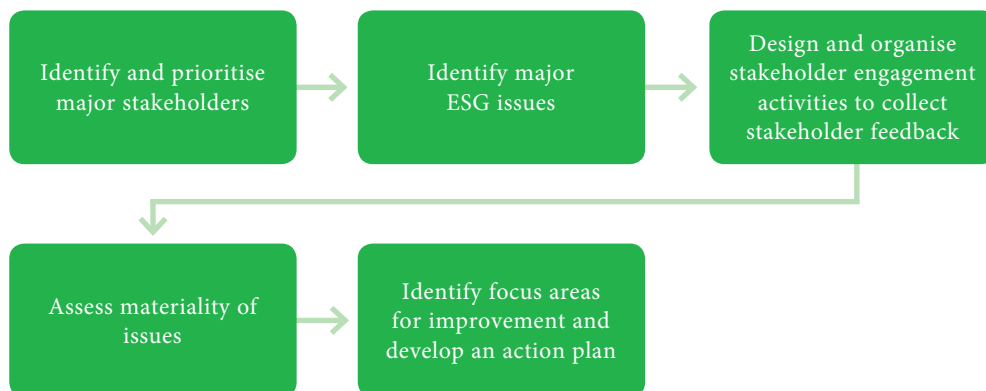
Stakeholder comments and suggestions can help define and strengthen the Group's future sustainability strategy. They are welcome to contact the Group's ESG personnel by email at pfy@pfy.com.hk.

STAKEHOLDER ENGAGEMENT

Understanding and meeting the needs of the Group's stakeholders is of paramount importance for it to move forward on the path towards sustainability. Every feedback will eventually lead the Group to identify material ESG issues and manage relevant risks and opportunities.

Stakeholders are those who have a considerable influence on the Group's business and whom its business has a significant impact on. To better understand their expectations and interests and respond to their concerns, the Group has developed an engagement strategy to ensure engagement activities are carried out on a systematic and regular basis.

The summary of the engagement strategy is as follows:



The following table shows the Group's stakeholders, respective communication channels and their expectations and concerns being raised:

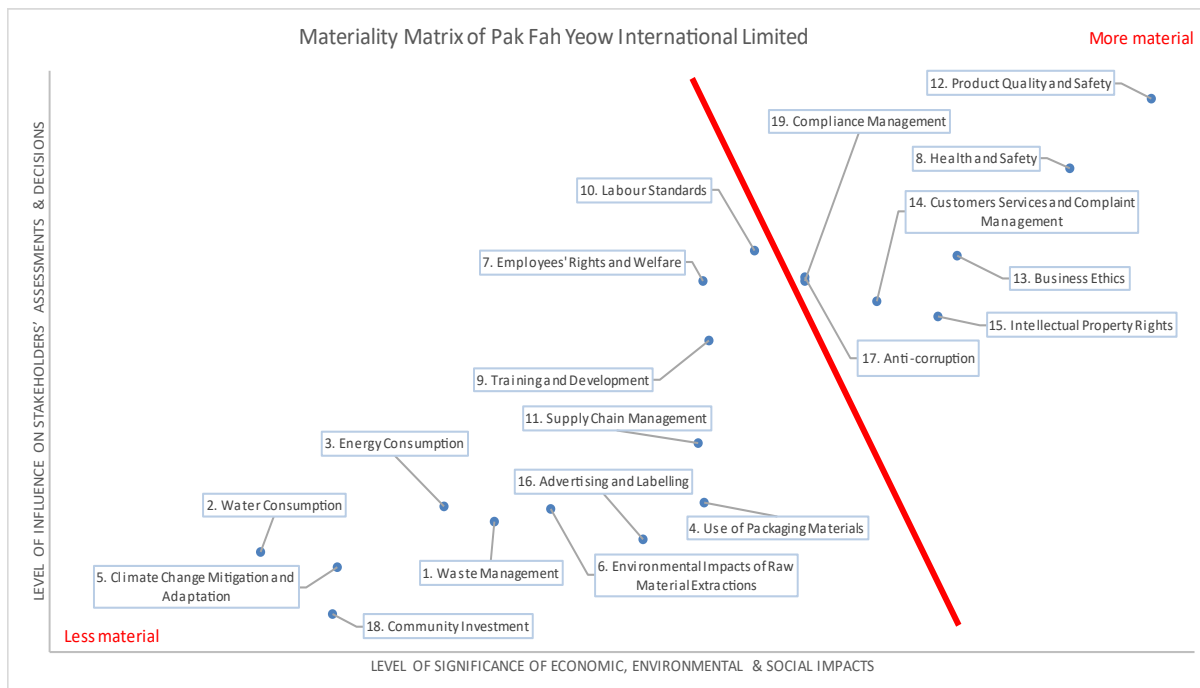
Stakeholders	Communication channels	Expectations and concerns
The Board and senior management	<ul style="list-style-type: none"> Regular meetings Training, seminars and briefing sessions 	<ul style="list-style-type: none"> Compliant operation Economic performance Employees' safety Protection of rights and interests
Employees	<ul style="list-style-type: none"> Training, seminars and briefing sessions Regular performance reviews Regular meetings (i.e. departmental and operations meeting) 	<ul style="list-style-type: none"> Protection of employees' rights and interests Employees' health and safety Employee development and training Compliant operation
Product customers	<ul style="list-style-type: none"> Customer satisfaction survey Customer support hotline and email Company website Social media 	<ul style="list-style-type: none"> Provision of quality products and services Protection of customers' interests Responsible marketing Compliant operation Protection of intellectual property Protection of customers' privacy
Investors and shareholders	<ul style="list-style-type: none"> General meeting and other shareholder meetings Financial reports Announcements and circulars Company website 	<ul style="list-style-type: none"> Compliant operation Risk management Economic performance
Suppliers	<ul style="list-style-type: none"> Supplier management meetings and events Supplier audit Procurement manager 	<ul style="list-style-type: none"> Fair and open procurement Sustainable development of the supply chain
Distributors	<ul style="list-style-type: none"> Supplier management meetings and events Sales team Emails, telephone and messaging service 	<ul style="list-style-type: none"> Provision of quality products and services Targeted communication Compliant operation Steady supply of products Protection of intellectual property
Non-governmental organisations and media	<ul style="list-style-type: none"> Community activities and partner programmes Media and social media External marketing company Company website 	<ul style="list-style-type: none"> Transparent information disclosure
Government bodies and regulatory authorities	<ul style="list-style-type: none"> Compliance Officer Compliance Adviser 	<ul style="list-style-type: none"> Compliant operation Transparent information disclosure

The Group aims to collaborate with stakeholders to improve its ESG performance and create greater value for the community on a continuous basis.

MATERIALITY ASSESSMENT

To ensure the Group's disclosures continue to reflect its significant ESG impacts, the Group undertook an online materiality assessment survey during the Reporting Year to assess the materiality of the topics identified in the previous materiality assessment. Stakeholders of different categories were included in the survey. The result of the materiality assessment provides insight into potentially overlooked ESG issues raised by different stakeholder groups, thus enabling the Group to develop effective long-term ESG strategies.

The outcome of the materiality assessment survey is presented in the form of the following materiality matrix:



List of material topics

1. Waste Management	11. Supply Chain Management
2. Water Consumption	12. Product Quality and Safety
3. Energy Consumption	13. Business Ethics
4. Use of Packaging Materials	14. Customer Services and Complaint Management
5. Climate Change Mitigation and Adaptation	15. Intellectual Property Rights
6. Environmental Impacts of Raw Material Extractions	16. Advertising and Labelling
7. Employees' Rights and Welfare	17. Anti-corruption
8. Health and Safety	18. Community Investment
9. Training and Development	19. Compliance Management
10. Labour Standards	

The most concerned material topic of the Group is “Product Quality and Safety”, followed by “Health and Safety”, “Business Ethics”, “Intellectual Property Rights”, “Customer Services and Complaint Management”, “Anti-corruption” and “Compliance Management”. Nonetheless, environmental material topics such as the use of packaging materials and water management were also raised.

During the Reporting Year, the Group confirmed that appropriate and effective risk management policies and internal control systems for ESG issues are in place and confirmed the information disclosed in the ESG Report meets the ESG Reporting Guide requirement.

RESPONSIBLE OPERATING PRACTICES

Product Quality and Safety

The Group is committed to maintaining and continuously improving the quality of its product to not only maintain competitiveness in the dynamic and ever-changing environment but also to ensure customer’s health and safety. The Group also realises responsible and ethical operating practices, as well as effective supply chain management, are essential to its sustainable development. Thus, the Group’s approach is underpinned by a commitment to acting as a responsible and reliable manufacturer along its value chain. Comprehensive product quality reviews covering its main value chain are conducted annually to ensure the consistency of the quality of the Group’s products.

Product Responsibility and Customer Health and Safety

The Group’s quality management system is established in accordance with the Pharmaceutical Inspection Convention/ Pharmaceutical Inspection Co-operation Scheme (“PIC/S”) Guide to Good Manufacturing Practice for Medicinal Products and is certified with ISO 9001:2015. The Group’s manufacturing facilities are GMP certified with certificates issued by the Therapeutic Goods Administration of Australia and the Chinese Medicine Council of Hong Kong.

The Group has always placed customer’s health and safety at its first priority. The Group has in place a comprehensive quality management system of the products, covering raw material sourcing, production, labelling and distribution.

Testing and inspection are conducted on all incoming materials prior to production according to the Policy on Receiving Inspection and Testing to ensure the raw materials do not jeopardise the quality of the final product.

The Group has implemented related policies, including but not limited to the Quality Planning and Quality Risk Management Policy, to support the mature quality management system in assuring product quality. The mentioned policy has defined and documented how the objectives and requirements for quality will be met, and during the course of quality planning how quality risk is to be identified and managed. Under the coordination of the Quality Assurance Department Head (“QA Head”), together with other department heads, risk assessment is conducted relating to the quality management and product quality.

To ensure product quality, product reviews are regularly conducted with standard procedures. The Group has also established related policies, including but not limited to Policy on Product Quality Review, in governing the annual product and process review procedures in identifying areas of improvement.

The Policy on Distributor Evaluation and Product Training has been in place to ensure distributors meet the specifications and requirements set forth by the Group. Related training is provided to distributors to equip them with product knowledge.

The Group has also formulated and implemented a sound Product Recall Procedure. Any deficiency identified is transferred to respective departments for follow-up actions and QA Head for monitoring and coordination. Such procedures are formally documented and communicated to relevant parties.

To enhance customer knowledge on Hoe Hin products and ensure users can easily access information on its products, the Group periodically updates the FAQ section on its website to include answers to the most frequently asked questions.

During the Reporting Year, the Group was not aware of any incidents of non-compliance with related laws and regulations, including but not limited to the Chinese Medicine Ordinance (Cap. 549) and the Import and Export Ordinance (Cap. 60) of Hong Kong that would have a significant impact on the Group, concerning health and safety, advertising and labelling relating to products and services provided. There was no recall of products for safety and health reasons received during the Reporting Year.

CARING FOR EMPLOYEES

Health and Safety

The Group is committed to providing and maintaining a safe and healthy environment for all its employees, customers and others who visit or work on its premises and preventing work-related accidents, injuries and illnesses. In addition, the Group believes that employees are the valuable assets of an enterprise and regards human resources as its corporate wealth. To this end, the Group has established a Safety Management System (“SMS”) and implemented the Safety Policy to protect employees from workplace injuries. The SMS sets out the roles and responsibilities of different personnel such as QA Head, Production Head, supervisors and workers. Under the SMS, all employees are required to report any workplace hazards to their supervisors immediately. Investigations will be made to identify the cause in order to come up with prompt contingent arrangements to prevent re-occurrence. Fire extinguishers and first aid boxes are strategically placed and fire exits are free from obstruction around the Group’s premises.

A Safety Inspection and Safety Review is also conducted annually to identify potential risks at work or non-conformance to the Safety Management System in place while ensuring continual effectiveness and improvements of the Safety Management System. The Group submits a safety review to the Hong Kong Labour Department annually. The Group reviews and, if necessary, revises its health and safety policies and practices at least once a year to ensure continuous improvements of its health and safety standards.

During the Reporting Year, the Group was not aware of any material non-compliance with health and safety-related laws and regulations, including but not limited to the Occupational Safety and Health Ordinance (Cap. 509) and the Factories and Industrial Undertaking Ordinance (Cap. 59) that would have a significant impact to the Group.

Employees’ Safety

The Group follows the occupational health and safety guidelines recommended by the Labour Department and Occupational Safety and Health Council and regularly encourages employees to attend related workshops or training courses organised both internally and externally. During the Reporting Year, the Group has organised safety training regarding different procedures such as fire and evacuation drill, gas leakage of compressed gas cylinders in the laboratory, safety policies and safety management system, etc.



All employees working at the factory underwent fire and evacuation drill

The Group has also implemented the Risk Assessment and Personal Protective Plan, which entails risk assessment to identify potential risks of hazardous exposure and provide suitable Personal Protective Equipment (“PPE”).

In addition to the above policies and measures, the Group has commissioned a third party to conduct an annual safety review. The result showed that the Group met 89% of the assessment criteria which implied excellent performance of the Safety Management System.

Employees’ Wellness

Apart from physical care, the Group also sees the importance of providing mental care and support to its employees. Effective from the beginning of the Reporting Year, the yearly medical entitlement increased and extended to cover visits to psychologists. In addition, the Group continued with the flu vaccination program for employees by providing e-coupon for staff for free flu vaccination injection at the clinic. To support green and healthy lifestyles, the Group continued to provide \$30 per meal every week as vegetarian lunch subsidies weekly for employees who participate in Green Mondays.

Rapid Response to COVID-19

The Group has always viewed the health and safety of its employees as its most important responsibility. Therefore, in view of the outbreak of COVID-19, the Group has taken prompt measures to safeguard its employees, internal safety of the Group and business continuity. Other than complying with the public health measures of the HKSAR government, the Group has also implemented the COVID-19 Procedures.

To reduce the chance of cross-infection among employees at the workplace, all employees and guests were required to put on surgical masks and conduct temperature checks before entering and exiting the Group’s premises. The Group has also made the effort to increase social distancing through installing dividers in meeting rooms, the office and in factory dining areas. Regular employees’ activities have been reduced and were held only when necessary. Work-from-home arrangement has been offered to employees and conventional face-to-face meetings have been suspended and were replaced by online meetings. In addition, the Group has also distributed adequate protective gear such as surgical masks, hand sanitisers and alcohol wipes to employees in efforts to protect its employees. Should an employee or their family members contract the virus, the employee should follow the instructions detailed in the Group’s COVID-19 Procedures and inform management immediately.



COVID-19 social distancing and prevention measures

The Group will continue to conduct an annual safety review to ensure policies and initiatives in place are in line with the industrial best practices and seek for potential improvements.

COMPLIANCE MANAGEMENT

As a corporate that upholds business integrity, the Group emphasises compliance management in its operation. The Group keeps abreast of the latest updates on local and international laws that are related to its operation and reviews related policies and procedures to comply with the best practices.

The Group strictly complies with related regulatory requirements in relation to the safety of products. Product safety documents including test reports are provided to comply with the registration requirements of a proprietary Chinese medicine (“PCM”) in Hong Kong. For overseas markets, the Group also complies with the local regulatory requirements.

ANTI-CORRUPTION

The Group values and upholds integrity, honesty and fairness in how it conducts business and has zero-tolerance for bribery, extortion, fraud and money laundering. As stated in the Staff Handbook and the Code of Ethics, all employees are prohibited to solicit or receive any form of advantage from any business associates. A reporting channel to the Audit Committee of the Group is also provided in the Code of Ethics.

In addition, the Group has stated in the Code of Ethics the preferred method of handling situations of conflict of interest. Any employee who becomes aware of a conflict or potential conflict of interest should bring it to the attention of the supervisor, manager or other appropriate personnel. Employees are encouraged to consult with a supervisor or manager for any uncertainty of situations related to conflict of interest.

The Group abides by the relevant anti-corruption laws and regulations, including but not limited to the Prevention of Bribery Ordinance (Cap. 201) of Hong Kong. During the Reporting Year, the Group was not aware of any material non-compliance with relevant laws and regulations of bribery, extortion, fraud and money laundering that would have a significant impact on the Group. During the Reporting Year, there were no concluded legal cases regarding corrupt practices brought against the issuer or its employees.

Whistle-blowing Mechanism

In order to further achieve and maintain the highest standards of openness, probity and accountability, the Group has also implemented a Whistle-blowing Policy. This policy applies to all directors, department heads, managers, officers and employees of the Group and allows individuals to disclose internally and at a high level, information that the individual believes shows malpractice or impropriety. Whistle-blowing matters include but are not confined to malpractice or impropriety relating to internal controls, accounting, auditing, financial matters or any other wrongful doings (such as misconduct, dishonesty, bribery, criminal acts, discrimination and ethical issues) that affect the overall interest of the Group.

The Group has set out a proper reporting and detailed investigative procedure to encourage employees to report any fraudulent activities. The format and length of an investigation will vary depending upon the nature and particular circumstances of each complaint made. Where necessary, the matter raised may be escalated to external parties or regulatory authorities such as the Independent Commission Against Corruption, an external auditor or the Hong Kong Police Force.

The Group intends to protect the whistle-blower from common concerns such as confidentiality and potential retaliation. Therefore, the employee reporting in good faith under this procedure shall be assured of the protection against unfair dismissal or victimisation, even if the reports are subsequently proved to be unsubstantiated.

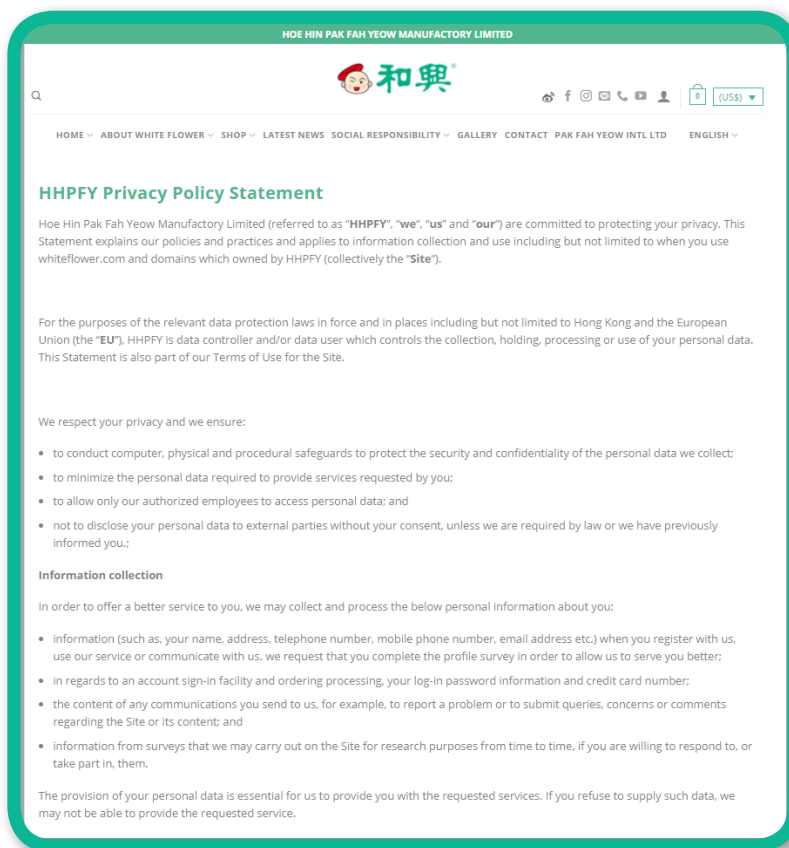
BUSINESS ETHICS

The Group respects the values and rights of the customers' information assets. Employees are professionally trained to maintain the confidentiality of customers' information. The Group abides by relevant laws and regulations, including but not limited to the Personal Data (Privacy) Ordinance (Cap. 486) of Hong Kong. During the Reporting Year, the Group was not aware of any material non-compliance cases in relation to privacy matters relating to products and services provided that would have a significant impact on the Group.

Protection of Customer Data and Privacy

All employees are required to comply with the data protection principles as stated in the Staff Handbook and Code of Ethics. Information provided by the customers and suppliers is only available to employees who have a legitimate need to access it.

The Group has made the Privacy Policy Statement available for the public on its website. Such statement explains the Group's policies and practices and applies to information collection and use, including but not limited to when users visit whiteflower.com and other domains which are owned by Hoe Hin Pak Fah Yeow Manufactory Limited. It clearly states that the Group only stores personal data for so long as it is necessary for the fulfilment of the purpose (including any directly related purpose) for which the data is or is to be used, and personal data retained will be kept confidential.



Privacy Policy Statement on the Company's website.

In addition, the Group has a data backup system through which its back-up data is stored in different locations to reduce the risk of data loss. The Group has also implemented and constantly upgrades firewall, anti-virus and anti-spam solutions for its IT systems to prevent leakage of confidential information.

Customer Services and Complaint Management

Understanding and satisfying the needs of customers are essential to the Group's continuous success. This also echoes with its vision "To be the premier provider of top-quality medicated products that are superior to other choices in the markets for all walks of life." The Group is dedicated to fulfilling customers' requirements and even exceeding their expectations.

Customer Satisfaction

The Policy on Customer Satisfaction Measurement is in place which sets out procedures for collecting and reviewing customers' feedback regularly with the aim to attain their satisfaction. Feedback collected from end-users and distributors is documented and analysed.

According to the Group's Recall Procedure, any deficiency identified is transferred to respective departments for follow-up actions and QA Head for monitoring and coordination. For distributors, the Group conducts regional customer satisfaction review annually, rating its product quality, service quality and their overall satisfaction, and the Marketing Head reviews the results and takes improvement actions as necessary.

Complaint Management

Under the Policy on Product Complaint, all complaints are directed to the Marketing Department at the time of receipt and then forwarded to the Quality Assurance Department for investigation. Quality Control Department may assist in test, re-test or inspection process upon request.

During the Reporting Year, the Group received 13 minor complaints on issues such as damaged or missing goods upon transportation by third-party forwarder and inquiries regarding the differences on the odour and colour. Investigations and appropriate follow-up actions were immediately carried out. Assay results were normal for complaints on product quality. Remediation actions such as reinforcement of careful handling of goods to related parties, replacing damaged products and exchange of new products were carried out.

Intellectual Property Rights

The Group respects intellectual properties and has formulated related policies to protect intellectual property rights. Employees are required to protect the Group's intellectual property such as trade secrets, patents, trademarks and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records and such requirements are clearly stated in the Group's Code of Ethics. Unauthorised use or distribution of the Group's proprietary information would be regarded as violation of the above-mentioned policy and it could also be illegal and result in civil or criminal penalties.

As stated in the Staff Handbook, employees are prohibited from downloading any illegal or unlicensed software as well as copyrighted works. Regular check-up on all office computers is performed to ensure there is no violation of the above-mentioned policies. Employees would be subjected to disciplinary action if any violation is discovered.

Advertising and Labelling

The Group realises that advertising and labelling is an important way for stakeholders, such as customers, to obtain information related to the Group and its products. Thus, the Group has established related policies in ensuring the accuracy of information communicated. Head of Sales and Marketing is responsible for ensuring that all marketing and advertising materials and activities are in accordance with the related policies.

The Group has established the Policy on Control of Labelling and Packaging to ensure correct label and other pre-printed packaging materials are used and respective instructions have been complied with. The Group has ensured all information in relation to the product formula, indications, usages and other information printed in the packaging materials have complied with the local labelling requirements for respective markets.

The Group's Advertising Policy under the Group's ESG Policy provides guidelines in handling all marketing activities and materials according to the related advertising regulations in respective countries. Moreover, to align with the Group's core values as well as its sustainability and social goals, it has committed to not engage in any advertising campaigns and promotions that may pose adverse or negative health consequences to the public such as tobacco, alcohol and gambling-related affiliations.

In addition, environmental and sustainable manner is suggested in advertising practices, it is recommended to use environmentally friendly resources such as solar panel outdoor advertising displays, recycled paper for brochure printing and LED lighting displays as far as possible.

EMPLOYEES' RIGHTS AND WELFARE

The Group's continuous success relies heavily on human resources. As a caring and responsible employer, the Group is devoted to providing a quality workplace for the employees. Apart from nurturing a safe, supportive and collaborative working environment, the Group also values the career development of employees and labour rights protection.

The Group has established related employment policies, including but not limited to Staff Handbook and ESG Policy, covering employment-related practices, including compensation and dismissal, recruitment and promotion, working hours, rest periods, diversity, equal opportunity, anti-discrimination and other benefits and welfare for employees. Such policies are subject to regular review and will be revised, where necessary, to ensure continuous improvements of its employment standards.

During the Reporting Year, the Group was not aware of any material non-compliance relating to employment-related laws and regulations, including but not limited to the Employment Ordinance (Cap. 57) of Hong Kong that would have a significant impact on the Group.

Recruitment, Remuneration, Promotion and Dismissal

Sustainable growth of the Group relies on the diversity of talents. Therefore the Group endeavours to recruit prospective employees under a robust and transparent recruitment process and provide all employees with a comprehensive remuneration package.

The Group's prospective employees are recruited under a transparent and fair recruitment process based solely on their suitability for the position and potential to fulfil the Group's current and future needs.

The Group also provides employees with comprehensive remuneration packages. Remuneration packages include leaves such as annual leave, sick leave, examination and study leave, maternity and paternity leave; and other special leaves such as marriage leave, consolation leave etc. Other benefits include medical and dental allowances. In addition, the Group budgets funds for social activities and entertainment functions where possible. This helps to build up a good relationship between employees and management in a social and relaxed manner.

The basis for compensation and promotion are job-related skills, qualifications and performances, ensuring that the Group fairly treats and evaluates employees and applicants and compensates employees relative to the industry and local labour markets in which the Group operates. Performance appraisal and counselling for all staff are conducted at least once a year by Department Heads or Executive Directors before the annual salary review. Besides assessing an individual's merits for a salary review, the purpose of the appraisal is to improve performance and set objectives for both the individual and the Company.

Unreasonable dismissal under any circumstances is forbidden in the Group. Dismissal process will only proceed on a reasonable basis and counselling session with the individual will usually be conducted by Department Head or Executive Director to ensure there is sufficient communication on the problems prior to the official dismissal.

Diversity, Equal Opportunity and Anti-discrimination

The Group recognises the value of a diverse and skilled workforce and is committed to creating and maintaining an inclusive and collaborative workplace culture in which all can thrive. The Group has formulated the Code of Ethics, and it is dedicated to providing equal opportunity in all aspects of employment and maintaining a workplace that is free from discrimination, physical or verbal harassment against any individual on the basis of race, religion, colour, gender, physical or mental disability, age, place of origin, marital status and sexual orientation. This covers all aspects of employment, including selection, job assignment, compensation, discipline, termination and access to benefits and training. With the aim of ensuring fair and equal protection for all employees, the Group has zero tolerance for sexual harassment or abuse in the workplace in any form. The Group strives to ensure that complaints, grievances and concerns, including whistle-blowing, are dealt with promptly and confidentially.

Working Hours and Rest Periods

The Group has formulated policies in determining the working hours and rest periods for employees which comply with local employment laws.

LABOUR STANDARDS

Prevention of Child and Forced Labour

Child and forced labour are strictly prohibited during the recruitment process as defined by laws and regulations. The Group strictly complies with local laws and conducts recruitment based on the Employment Ordinance (Cap. 57) of Hong Kong. In addition, the Group has formulated the Policy on Child and Forced Labour, which aims to prohibit the use of child or forced labour by the Group.

Upon employment, the Personnel Department will be responsible for checking the identity documents of candidates to ensure no child labour is hired. Personal data will also be collected during the process to assist in the selection of suitable candidates and to verify candidates' personal data.

During the Reporting Year, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations, including but not limited to the Employment of Children Regulations (Cap. 57, section 73) of Hong Kong that would have a significant impact on the Group.

SUPPLY CHAIN MANAGEMENT

The Group recognises the importance of good supply chain management practices in mitigating environmental and social risks. In view of green supply chain management, the Group strives to engage suppliers who incorporate the consideration of environmental and social risks into their supply chain management. The Group strives to maintain long-term and stable relationships with its suppliers and distributors and seeks to work with suppliers and distributors by sharing its commitment to managing social and environmental risks of the lifecycle of its business operations.

All suppliers are evaluated carefully and are subjected to regular monitoring and assessment. During the Reporting Year, the Group sources raw and packaging materials from 38 suppliers (2019: 38 suppliers) based in Hong Kong, Australia, Taiwan, USA, the People's Republic of China ("PRC"), Singapore and delivers products through distributors and wholesalers to destinations worldwide.

Fair and Open Procurement

The Group has established rules to ensure that the suppliers and distributors could compete in an open and fair way. The Group does not differentiate or discriminate against certain suppliers and it strictly monitors and prevents all kinds of business bribery. Employees or personnel who have an interest relationship with the supplier will not be allowed to be involved in the related business activity.

The Policy on Vendor Evaluation of the Group provides a comprehensive account of the selection process of potential vendors. Potential vendors are qualified in one of three prescribed methods: past performance, first article evaluation and vendor evaluation. Approved and qualified suppliers are included in the approved vendor list and are subject to annual review. The Group's Policy on Distributor Evaluation requests the Marketing Department and Finance Department to evaluate and record the ability of distributors in meeting the requirements set forth by the Group. The Group will only purchase materials from vendors meeting the specifications and requirements set forth by the Group to ensure the quality of materials purchased.

Environmental and Social Responsibility of Suppliers

To manage environmental and social risks in the supply chain, the Group has designed and implemented a self-evaluation and assessment scheme for all its vendors. The policy titled "Supply Chain Management on ESG" is implemented to provide instructions on how to evaluate and record the ESG performance of the Group's supply chain including its vendors and distributors as part of its evaluation to decide whether such vendor or distributor is to be or continued to be employed by the Group. To support the evaluation process, an Environmental and Social Assessment Report is formulated. Various ESG aspects such as legal compliance, social sustainability, environmental sustainability and anti-corruption are taken into consideration upon the evaluation process.

During the Reporting Year, the Group was not aware of any key suppliers that had any actions or practices which have a significant negative impact on related ESG aspects.

TRAINING AND DEVELOPMENT

The Group recognises the valuable contribution that its talents contribute to the continued success of the Group. At the same time, training and continuous development are indispensable to the Group's employees to keep abreast of the latest trend in the industry. Therefore, the Group takes a proactive stance in providing employees with opportunities to advance their careers.

Training and Development Management

To ensure the effectiveness of training and development programs, the Group has developed a Policy on Training Procedure in guiding the design of training programme according to the actual needs of different departments and functions. Training programmes are to be compiled by the Quality Assurance Department on a quarterly basis. Executive Directors and all Department Heads are all responsible for facilitating training and development programmes.

The Group is committed to the continuing development of all staff, through both "on the job" and "off the job" training. Other than internal training programmes, courses and seminars are provided through external professional institutions. The Company will reimburse the fees for skills improvement training that are considered necessary and job-related.

During the Reporting Year, all newly recruited production employees were required to attend a mandatory safety training course. The Group has provided training for employees for different job functions, ranging from production procedures and safety to office administration and business strategy. In addition, the Group also allows employee application of duty reassignment and interdepartmental transfer to promote knowledge enhancement and career development.

Moving forward, the Group will continue to organise sustainability training for more employees to raise their awareness and serve as a foundation for exploring ways of implementing sustainability strategies in the workplace.

PROTECTING THE ENVIRONMENT

Use of Packaging Materials

Packaging materials commonly consumed during the Group's operations are glass, papers and plastics, including but not limited to bottles, caps, labels, leaflets, paper boxes, bubble bags, cellophane, sealing tape, shrinkable bags and carton boxes. Acknowledging the Group's daily operations involve significant consumption of different types of raw materials and packaging materials, the Policy on Environment and the Responsible Use of Natural Resources are in place to demonstrate the Group's commitment to using the resources sustainably through source reduction, reuse and recycling.

In order to echo with the Group's commitment to sustainable packaging, the Group has formulated the guideline on reconciliation of packaging materials and conducted an annual review based on the damage rate of packaging materials. The following measures have also been adopted:

- Use FSC paper whenever possible for all paper packaging materials;
- Use recycled paper for all product leaflets; and
- Recycle glass bottles so they are converted as raw materials for glass bricks and other construction materials.

Total amount of packaging materials used per million pieces of products produced during the Reporting Year reduced by approximately 12% compared to that of 2019, signifying the Group's effort in the implementation of the aforementioned reduction and recycling measures. Please refer to the section "ESG Data Highlights" on p. 26 for further information on the use of packaging materials.

WASTE MANAGEMENT

The Group produced both hazardous and non-hazardous wastes in its operations. For production, three types of waste were generated, including waste oil, laboratory organic waste and solid waste. Related waste management policies, including but not limited to the ESG Policy, Waste Disposal Flow Chart and Waste Oil Management Flow Chart, have been formulated to ensure appropriate management and handling procedures are in place.

During the Reporting Year, the Group was not aware of material non-compliance with waste disposal-related laws and regulations, including but not limited to the Waste Disposal Ordinance (Cap. 354) of Hong Kong, that would have a significant on the Group's operation.

Hazardous Waste Handling Method

The Group has put in place step-by-step instructions for handling waste oil and other types of wastes. Waste oil generated from the factory and organic waste generated from the laboratory are collected and handled periodically by collectors approved by the Environmental Protection Department of Hong Kong for further treatment. The Group also implemented clear guidelines on the temporary storage of hazardous waste. Hazardous wastes are handled separately with other general wastes to ensure safety and prevent contamination or spillage.

During the Reporting Year, the amount of hazardous waste generated per million pieces of products produced increased slightly by approximately 3% from 2019. The Group will continue to make an effort to keep hazardous waste generation from its production processes at a similar level.

Non-hazardous Waste Handling Method

The Group upholds the principle of "Minimise Waste and Increase Recycling" upon waste management. Although both domestic waste and paper waste were collected and handled by the property management service providers where the Group's premises are situated, the Group has formulated the ESG Policy in governing the Group's management approach.

In addition, the Group has implemented relevant measures to handle non-hazardous waste generation from its business operations and launched different reduction initiatives. The Group has expanded general waste measurement to the office and factory and assigned staff in the workplace to collectively take the responsibilities for waste management. With reference to the established environmental policies, the Group has implemented waste management approach and initiatives including but not limited to the following:

- Make efforts to minimise the general use of office paper;
- Distribute, file and archive documents electronically to reduce printing;
- Place recyclable products into the bins at the designated recycling areas;
- Increase the frequency of recycling waste paper at office and factory;
- Recycle carton box which is a packing material used in the factory;
- Use durable reusable beverage containers, plates and utensils;
- Use reusable envelopes for interoffice mail; and
- Reuse certain raw material containers as storage drum.

The Group also realises that packaging waste contributes to a certain amount of the overall waste disposal amount. For details on how the Group manages its packaging waste, please refer to the preceding section “Use of Packaging Materials”.

With the above measures, the Group’s general wastes disposal from office and factory, and production waste from factory per million pieces of products produced decreased by approximately 12%. The Group considers existing measures are helpful in reducing non-hazardous waste disposal. Please refer to the section “ESG Data Highlights” on p. 25 for further information on waste disposal amount.

ENVIRONMENTAL IMPACTS OF RAW MATERIAL EXTRACTIONS

During the Reporting Year, the Group was not aware of any significant direct impact on the environment and natural resources.

The Group’s business operation might bring potential impacts on the environment during the extraction of materials to produce the Group’s products. Therefore, the Group strives to fulfil its responsibility to minimise the potential negative environmental impacts. Since the Group is not directly responsible for the raw material extraction process, the Group places great emphasis on ensuring the raw materials are responsibly sourced. In achieving this, the Group adopts industry best practices and regularly monitors its supply chain management practices.

As mentioned in the section “Supply Chain Management”, the policy titled “Supply Chain Management on ESG” is in place. Moreover, the Environmental and Social Assessment Report on distributor and vendor is formulated in assisting the Group to better evaluate the sustainability performances of its supply chain. It considers whether or not the distributors and vendors have formulated and implemented related environmental and social sustainability practices. Environmental topics including but not limited to the quality management system, environmental policies, energy consumption, water usage, waste management, environmental management system and environmental audits are covered in the assessment.

In the long run, a good supply chain management on raw material extractions would not only ensure that the environment and natural resources are not exploited, but also helps generate long-term values to stakeholders and the community.

ENERGY CONSUMPTION

The Group recognises the scarcity of finite natural resources and has therefore implemented policies to better govern the effective use of resources. The responsibility of conserving finite resources lies not only on the Group but also on its employees. The Group believes that employees should share the responsibilities in the Group's ESG issues. Energy conservation is mentioned in both the Group's Staff Handbook and ESG Policy. All employees must implement the adopted measures and be responsible for the Group's overall energy efficiency. The Group will regularly review the related policies to ensure they are in line with the market practice.

The Group has performed the following measures to promote energy conservation:

- Turn off lights when not in use and use natural light when possible;
- Turn off, not just log off, all computers, speakers and other office equipment at the end of every workday;
- Turn off the power strip at the end of every workday;
- Activate the power down features on computers and monitor to enter into a low-power or sleep mode when not in use;
- Maintain air-conditioning at 25 degrees Celsius whenever possible;
- Use automatic light sensors in the office where practicable;
- Replace conventional lamps with LED lights gradually; and
- Turn off advertising signage at 10 p.m. daily.



Total energy consumption decreased by approximately 14% during the Reporting Year. The Group considers existing measures are helpful in reducing energy consumptions. Please refer to the section "ESG Data Highlights" on p. 25 for further information on energy consumption.

CLIMATE CHANGE MITIGATION AND ADAPTION

Climate change can bring both risks and opportunities to the Group. To identify and monitor the associated risks and opportunities, the Group has considered climate change as one of the factors in its development and has included climate change as one of the material ESG topics. Related policies, including but not limited to the ESG Policy, have been implemented to outline the Group's commitment to protecting the environment and minimising the environmental impact of its business operations.

During the Reporting Year, the Group was not aware of material non-compliance with air and greenhouse gas ("GHG") emissions related laws and regulations, including but not limited to the Air Pollution Control Ordinance (Cap. 311) of Hong Kong that would have a significant impact on the Group's operation.

GHG Emissions

The Group's total GHG emissions during the Reporting Year were approximately 441.7 tCO₂e. Energy indirect GHG emissions (Scope 2) from purchased electricity was the major source of the Group's GHG emissions, accounting for approximately 84% (approximately 371.5 tCO₂e), followed by direct GHG emissions (Scope 1) from the fuel combustion of company-owned vehicles, accounting for approximately 15% (approximately 65.9 tCO₂e). Methane gas generation at landfills due to disposal of paper waste, electricity used for fresh water and sewage processing and employee business travel contribute to the Group's other indirect GHG emissions (Scope 3), which accounted for approximately 1% of the Group's overall GHG emissions (approximately 4.3 tCO₂e).

Regarding the major source of GHG emissions (i.e. Scope 2), related policies and initiatives have been implemented to promote energy conservation. Apart from those mentioned in the section "Energy Consumption", the Group has also put in place various energy-saving initiatives, including but not limited to:

- Install light motion detectors in the office pantry to reduce electricity usage; and
- Use a direct digital control system that permits real-time monitoring of the condition for heating, ventilation and air cooling.

The total GHG emissions have decreased by approximately 13% during the Reporting Year. The Group considers existing measures are helpful in reducing GHG emissions.

Air Emissions

Nitrogen oxides ("NOx"), sulphur oxides ("SOx") and particulate matter ("PM") are the common air pollutants being generated during the Group's business activities. 3.65kg of NOx, 0.10kg of SOx and 0.27kg of PM were emitted during the Reporting Year from the use of company-owned passenger cars.

As emissions arising from the use of transportation is one of the major contributors to air emissions in Hong Kong, the Group continues to explore ways to further reduce its emissions, for example:

- Purchase of electric car as one of the company vehicles;
- Encourage employees to use video or telephone conferences to reduce unnecessary business travels; and
- Utilise social media platforms to conduct online product training in reducing the multiple travels for on-site training for retail outlets and chain-stores at different locations.

Regarding key performance indicators on the GHG emissions and air emissions, please refer to the section of "ESG Data Highlights" on p. 24-25.

WATER CONSUMPTION

Effluents

Water is mainly consumed for washing towels and clothing in the factory and domestic water used in the office during the Group's operation; water is not used to wash production equipment in the factory. Domestic wastewater produced by the Group is sent through the local pipe network to a sewage treatment plant. Therefore, during the Reporting Year, there were no significant environmental impacts associated with the Group's effluents and the water disposal amount is equivalent to that consumed by the Group.

During the Reporting Year, the Group was not aware of material non-compliance with discharge into water and land-related laws and regulations, including but not limited to the Water Pollution Control Ordinance (Cap. 358) of Hong Kong that would have a significant impact on the Group's operation. Due to the Group's operating locations, it has not identified any issues in sourcing water that is fit for purpose.

Water Conservation

To promote water conservation, the Group has formulated related policies and initiatives, including but not limited to the ESG Policy. The Group encourages all employees to develop the habit of conserving water consciously. The Group has been strengthening its water-saving promotion and employees are reminded to take the following water-saving actions:

- Make effort to minimise the general use of potable water;
- Only heat the amount of water personally needed when using the kettle; and
- Post signage at water faucets to remind staff to conserve water usage.

Total water consumption increased by approximately 6% during the Reporting Year. This was mainly due to the adoption of more stringent sanitisation practices in the Group's premises due to the COVID-19 pandemic.

Regarding detailed key performance indicators on water consumption, please refer to the section of "ESG Data Highlights" on p. 26.



COMMUNITY INVESTMENT

In line with the Group's value, the Group attaches great importance to driving positive change in the communities where it operates and endeavours to foster a sense of social responsibility within the Group's structure. The Group has established the Policy on Community Investment to emphasise its commitment to strengthening communities' resilience and making a positive contribution to society.

Despite not being able to organise physical activities amid the COVID-19 pandemic, the Group continued to collaborate with charities at both national and local level through fundraising and the provision of skills and manpower to serve vulnerable community groups such as the elderly and the financially challenged in Hong Kong, the PRC and overseas. The Group has also extended its support in response to fighting the COVID-19 pandemic through donating anti-epidemic care packs which include but are not limited to surgical masks, hand sanitisers and soap.

During the Reporting Year, the Group made a cash donation of approximately HK\$175,000 and donated more than 51,000 pieces of White Flower Embrocation. In light of the outbreak of COVID-19, the Group considered that donating anti-epidemic care packs and hand sanitisers to the frontline workers would also be of importance. Therefore, the Group had prepared 1,200 bottles of hand sanitisers and 180 boxes of facial masks for donation to the three selected beneficiaries, namely Banyan Elderly Services Association, Oxfam Hong Kong and St. James' Settlement for the vulnerable communities who are most deeply impacted by the pandemic.

Community Health and Well-being

Sponsorships and donations

The Group has long supported various charity organisations through sponsorships and product donations. Beneficiaries include but are not limited to Banyan Elderly Services Association, Oxfam Hong Kong and Orbis.

During the Reporting Year, the Group distributed souvenirs and red pockets to grassroots elderly who live alone at the Banyan Elderly Services Association's reunion lunch to share the joy of Lunar New Year. The Group also cares for the needy in society and donated scarves and hats to the elderly.



Support of the Lunch Reunion Event of The Banyan Elderly Services Association's Services 2020

The Group is aware of the impending impacts from extreme weather events and has therefore donated an assortment of relief goods for the typhoon victims in Luzon, the Philippines through the Group's distributor in the Philippines, Jelma Philippines Inc.



Donation of Relief Goods to Typhoon Victims in Luzon, the Philippines

COVID-19 Relief

Donation drive and donations of relief packages

The Group is determined to stand by its community during this challenging period and has made a series of donations to minimise the spread of the virus. The Group has conducted two donation drives to distribute facial masks and White Flower Embrocation to, among other organisations, construction sites and district elderly community centres. Furthermore, the Group donated COVID-19 relief packages to Oxfam for distribution to grassroots elderly and ethnic minority families in the Sham Shui Po area in Hong Kong.



COVID-19 relief package donation and distribution

As COVID-19 is a global crisis, the Group recognises that its contributions should not be limited to Hong Kong. In an effort to extend the Group's support to the COVID-19 frontline workers overseas, the Group has donated 30,000 bottles of White Flower Embrocation through Jelma Philippines Inc.

ESG Data Highlights*Environmental Performance*

GHG emissions (Note 1)			
Indicator	Emissions (in tCO ₂ e)		
	2020	2019	2018
Scope 1 Direct GHG emissions (Note 2)	65.9	55.9	23.0
Scope 2 Energy indirect GHG emissions (Note 3)	371.5	428.1	394.6
Scope 3 Other indirect GHG emissions	4.3	25.5	21.7
Total GHG emissions	441.7	509.5	439.3
GHG emissions intensity (in tCO₂e/million pieces of products)	61.9 (Note 4)	82.4	51.3

Note:

1. GHG emission data is presented in terms of carbon dioxide equivalent and are based on, but not limited to, “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards” issued by the World Resources Institute and the World Business Council for Sustainable Development; the latest released emission factors of HK Electric Investments, Water Supplies Department and Drainage Services Department; “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by The Stock Exchange of Hong Kong Limited, and “Global Warming Potential Values” from the IPCC Fifth Assessment Report (AR5), 2014.
2. Scope 1 emissions include direct emissions from combustion of petrol in mobile vehicles and fugitive emissions from refrigeration equipment.
3. Scope 2 emissions include energy indirect emissions by purchased electricity from the Hong Kong Electric Company Limited.
4. During the Reporting Year, the Group produced approximately 7.13 million pieces of products in Hong Kong. The data is also used for calculating other intensity data.

Air emissions			
Air pollutants	Emissions (in kg)		
	2020	2019	2018
Nitrogen oxides	3.65	3.58	5.11
Sulphur oxides	0.10	0.11	0.12
Particulate matter	0.27	0.26	0.38

Waste			
Waste produced	Amount (in tonnes)		
	2020	2019	2018
General waste of the office	0.19	0.22	0.55
General waste of the factory	4.48	4.32	5.76
Production waste of the factory	14.20	9.44	9.61
Packaging disposed	N/A	4.54	N/A
Total non-hazardous waste	18.87	18.52	15.92
Non-hazardous waste intensity (in tonnes/million pieces of products)	2.65	3.00	1.86
Total hazardous waste	2.2	1.9	2.5
Hazardous waste intensity (in tonnes/million pieces of products)	0.31	0.30	0.29

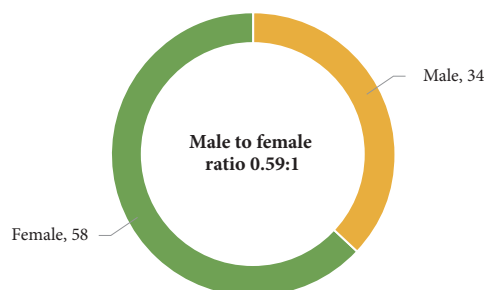
Energy usage			
Energy type	Amount of energy consumed (in MWh)		
	2020	2019	2018
Petrol	64.2	72.8	73.1
Electricity	458.6	535.1	499.4
Total energy consumption	522.8	607.9	572.5
Energy intensity (in MWh/million pieces of products)	73.3	98.4	66.8

Water usage			
Water use	Amount of water consumed (in m ³)		
	2020	2019	2018
Total water consumption	1,226.5	1,153.3	967.3
Water intensity (in m ³ /million pieces of products)	172.0	186.6	113

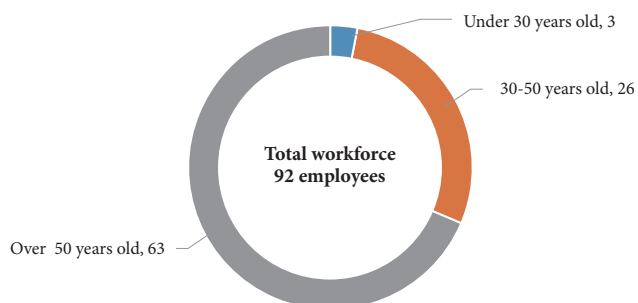
Packaging materials usage			
Packaging materials	Amount of packaging materials used (in kg)		
	2020	2019	2018
Bottle	251,416	247,928	293,481
Cap	3,716	3,511	4,412
Label, leaflet and paper box	39,722	39,884	38,448
Bubble bag	4,295	3,864	4,959
Cellophane/TOPP	3,898	3,626	4,533
Sealing tape	233	221	273
Shrinkable bag	1,513	1,488	1,818
Carton box	18,327	18,164	21,245
Total packaging materials used (in tonnes)	323.1	318.7	369.2
Intensity of packaging material used (in tonnes/million pieces of products)	45.3	51.6	43.1

Social performance

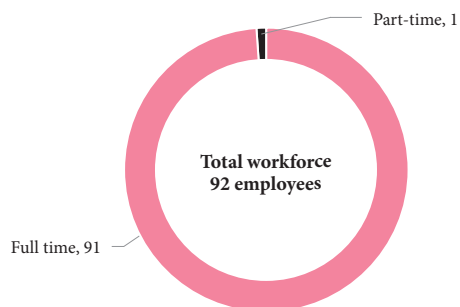
Employees by gender



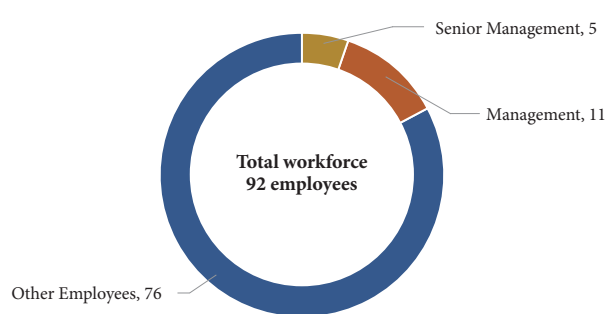
Employees by age group



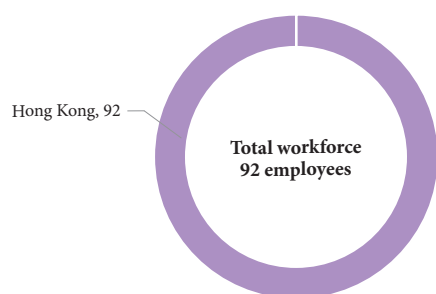
Employees by employee type



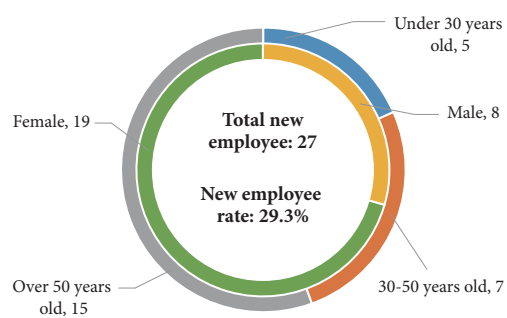
Employees by employee category



Employees by geographical region



New employees



Female

Male

Hong Kong

Under 30 years old

30-50 years old

Over 50 years old

Senior Management

Management

Other Employees

Full-time

Part-time

Turnover	
Category	Percentage
Male	26.5%
Female	27.6%
Under 30 years old	166.7%
30-50 years old	15.4%
Over 50 years old	25.4%
Hong Kong	27.2%

Work-related fatality and injury					
Year	Gender	Number of work-related fatalities	Number of work-related injury	Number of days lost due to work injury	Number of days of absence from work
2020	Male	0	0	0	0
	Female	0	0	71 (Note 5)	71
2019	Male	0	1	0	0
	Female	0	1	25	25
2018	Male	0	0	0	86.5
	Female	0	0	0	262

Note:

5. 71 out of 71 days were carried forward from the injury occurred in 2019.

Training data				
Category	Number of employees trained	Percentage	Training hours	Average training hours
Male	31	91.2%	328.50	10.60
Female	46	79.3%	219.38	4.77
Senior management	5	100%	69.50	13.90
Management	5	45.5%	37.48	7.50
Other employees	67	88.2%	440.90	6.58

No. of suppliers (Note 6)						
Year	Hong Kong Raw material/ Packaging materials	Australia Raw materials	Taiwan Packaging materials	USA Raw materials	PRC Raw material/ Packaging materials	Singapore Raw materials
2020	28	1	2	1	5	1
2019	28	1	2	1	5	1
2018	22	1	1	1	N/A	N/A

Note:

6. 100% of the suppliers on which the same set of engagement practices are being implemented.

Contributing to the community			
Year	Cash donation (Note 7)	Product donation	Cash sponsorship
2020	Approximately HKD175,000	Over 51,000 pieces	Approximately HKD27,000
2019	Approximately HKD496,000	Over 55,000 pieces	Approximately HKD6,000
2018	Approximately HKD249,000	Over 34,500 pieces	Approximately HKD110,000

Note:

7. Cash donation amount includes fundraising charity sale at Lunar New Year Fair only in 2018 and 2019, as the Lunar New Year Fair was cancelled due to COVID-19 in 2020.

THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Waste Management; Climate Change Mitigation and Adaptation
KPI A1.1 ("comply or explain")	The types of emissions and respective emissions data.	Air Emissions; ESG Data Highlights
KPI A1.2 ("comply or explain")	GHG emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GHG Emissions; ESG Data Highlights
KPI A1.3 ("comply or explain")	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management; ESG Data Highlights
KPI A1.4 ("comply or explain")	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management; ESG Data Highlights
KPI A1.5 ("comply or explain")	Description of measures to mitigate emissions and results achieved.	Air Emissions; GHG Emissions
KPI A1.6 ("comply or explain")	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Waste Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Energy Consumption; Water Consumption; Use of Packaging Materials
KPI A2.1 ("comply or explain")	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Energy Consumption; ESG Data Highlights
KPI A2.2 ("comply or explain")	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Consumption; ESG Data Highlights
KPI A2.3 ("comply or explain")	Description of energy use efficiency initiatives and results achieved.	Energy Consumption
KPI A2.4 ("comply or explain")	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Water Consumption
KPI A2.5 ("comply or explain")	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Packaging Materials; ESG Data Highlights

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Environmental Impacts of Raw Material Extractions
KPI A3.1 ("comply or explain")	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Impacts of Raw Material Extractions
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	Employee's Rights and Welfare
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	ESG Data Highlights
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	ESG Data Highlights
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities.	ESG Data Highlights
KPI B2.2	Lost days due to work injury.	ESG Data Highlights
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety

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

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Responsible Operating Practices; Business Ethics
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility and Customer Health and Safety
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Complaint Management
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Product Quality and Safety
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Business Ethics
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment; ESG Data Highlights