

2020

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT

環境、社會
及管治報告 / 股票代碼
STOCK CODE 0450



鴻興印刷集團有限公司
HUNG HING PRINTING GROUP LIMITED.

Corporate Profile

The Hung Hing Printing Group, listed on the Hong Kong Stock Exchange, is a major global player in book and package printing, consumer product packaging production, corrugated box manufacturing, paper trading, and design innovation in these areas.



With a 70-year history of producing tailor-made printing solutions for clients around the world, Hung Hing has a heritage of excellence built on a foundation of craftsmanship and innovation.

Headquartered at the Tai Po Industrial Estate in Hong Kong, we have seven manufacturing facilities, including one in Hong Kong, five in China (Shenzhen, Zhongshan, Heshan and Foshan in the Guangdong province and Wuxi, near Shanghai) and one in Hanoi, Vietnam. The Group's total production floor space around 600,000 square meters, with a workforce of around 6,600 in Hong Kong, China and Vietnam.

All the company's activities focus on pursuing three major goals: to maintain operational excellence, add value, and achieve success for all stakeholders. Its clients include leading local and multinational corporations around the world. Through its design hub Beluga and investments in new development opportunities, the Group is also pioneering new capabilities including digital+print products to help drive innovation.

Hung Hing's financial objective is to deliver consistent returns and long-term growth to shareholders from a leading position in its industry. The strategy to achieve this involves resilience and long-term commitment in fixed and human assets, and an unwavering focus on quality, efficiency and customer service.

Environmental, Social and Governance Report

The Hung Hing Printing Group's Environmental, Social and Governance Report (report) lists out the operating principles and policies of the Group and describes how we put these into action to achieve sustainable growth, keeping major stakeholders in mind.

This report includes our Vietnam facility, which has completed its first full year of operation. The Group has a total of 8 sites under its direct administration with 6 sites in China, a site in Vietnam and headquarters in Hong Kong. This report covers scopes 1 and 2 emissions data

for each of the sites as well as air travel mileage by Group employees.

Every site has an ESG team responsible for the execution of the ESG principles and strategies set out by the Board of Directors. During the year, our Vietnam factory passed numerous industrial standards audits covering ethics, environment and quality, including ICTI-ETP¹, SMETA², ISO14000 and ISO9001. The following table lists out all the standards awarded to Hung Hing's manufacturing sites.

	Shenzhen	Heshan	Zhongshan	Shunde	Wuxi	Vietnam
ISO9000	Yes	Yes	Yes	Yes	Yes	Yes
ISO14001	Yes	Yes	Yes	Yes	Yes	Yes
ISO50001	Yes					
SMETA	Yes	Yes	Yes	Yes	Yes	Yes
ICTI-ETP	Yes	Yes				Yes
RBA ³	Yes					

In 2020, we further invested in green energy with phase II of a solar power system installed at our Hong Kong headquarters. The total capacity of the solar power system reached 527kWp with the yearly output equivalent to about one third of the 2020 electricity consumption of our headquarters.

Our total investment in environmental improvement amounted to HK\$5.4 million.

We strive to provide complete transparency to our business partners on our ESG initiatives. Besides sharing our ESG report with them, we also publish our ESG performance on various platforms which are accessible by participants in the industry.

Platform name	Website address	Description
EcoVadis	www.ecovadis.com	A website for business sustainability information
Higg Index	https://portal.higg.org/	A platform developed by 'Sustainable Apparel Coalition' with a suite of tools to measure user's sustainability performance
RBA Responsible Business Alliance	https://www.rba-online.org	Formerly the 'Electronic Industry Citizenship Coalition' and now focused on 'Advancing Sustainability Globally'
ICTI-Ethical Toy Program	https://www.ethicaltoyprogram.org	Advancing ethical manufacturing in the toy industry
Sedex	www.sedexglobal.com	A platform that promotes responsible supply chain management

¹ International Council of Toy Industries – Ethical Toy Program

² Sedex Members Ethical Trade Audit

³ Responsible Business Alliance



Engaging with our stakeholders

Our stakeholders drive the way we operate and how we prioritise resources towards key priorities. It is important that their voices are heard at all times, even during the COVID-19 pandemic. In 2020, most trade exhibitions were cancelled or postponed, so we put more effort into online channels to interact with customers. We shared updates via email with customers on a regular basis and posted to our online platforms. The purpose of this was to convey the measures we have implemented in order to safeguard the health and safety of our employees and show how we maintained normal operations. In addition to the existing channels used to collect feedback from our stakeholders, the ESG and marketing teams prepared a corporate social

responsibility presentation, which concentrated on topics of concern raised by our customers. The presentation covers our environmental performance, efforts and results of utilising and sourcing environmentally-friendly materials, and our approach towards reducing emissions.

The presentation addresses the needs of customers who have requested more in-depth information on environmental protection.

Besides the above customer centric presentation, the table below lists the channels and information collected from various stakeholders in 2020.

Stakeholder	Communication channels	Information covered
Investors	Annual report; annual general meetings; company emails, company websites, investor enquiries	Business performance; adoption of new technology; geographical diversification; investment strategy
Customers	Meetings; customer satisfaction surveys; factory audits; customer requests for information; global partner conference	International environmental and ethical trends; knowledge of new technologies and market trends; material supply stability and material safety; conflict minerals; intellectual property protection; modern slavery prevention; business contingency plan
Employees	Regular worker representative meetings; suggestion boxes; suggestion emails; dedicated emails to chairman and independent board director for whistle-blowers; employee interest groups	Employee benefits; operational, factory and office facility improvements; employee recreational activities; working environment
Suppliers	Supplier questionnaires; site visits; business meetings	Cost impact of higher safety and environmental compliance requirements; procurement management, supply chain stability
Community	Engagement with NGOs and charitable organisations	Labour rights; employee health and benefits; long-term partnerships and collaboration with charitable organisations
Government, Industry	Factory visits; seminars; industrial association gatherings; government websites, announcements, subscription-based emails for industrial information	Occupational health and safety; environmental protection; fire safety; career development opportunities; intellectual property protection; safety regulation updates

All stakeholder feedback received is analysed and prioritised according to the level of concern and significance to our operation. This is displayed in the following material aspects chart:

Environment

- A. Reduction in the use of plastic materials for packaging
- B. Environmental impact of our operations
- C. Measures to fight climate change
- D. Product carbon footprint and carbon offset options
- E. New materials or technologies for environmental protection

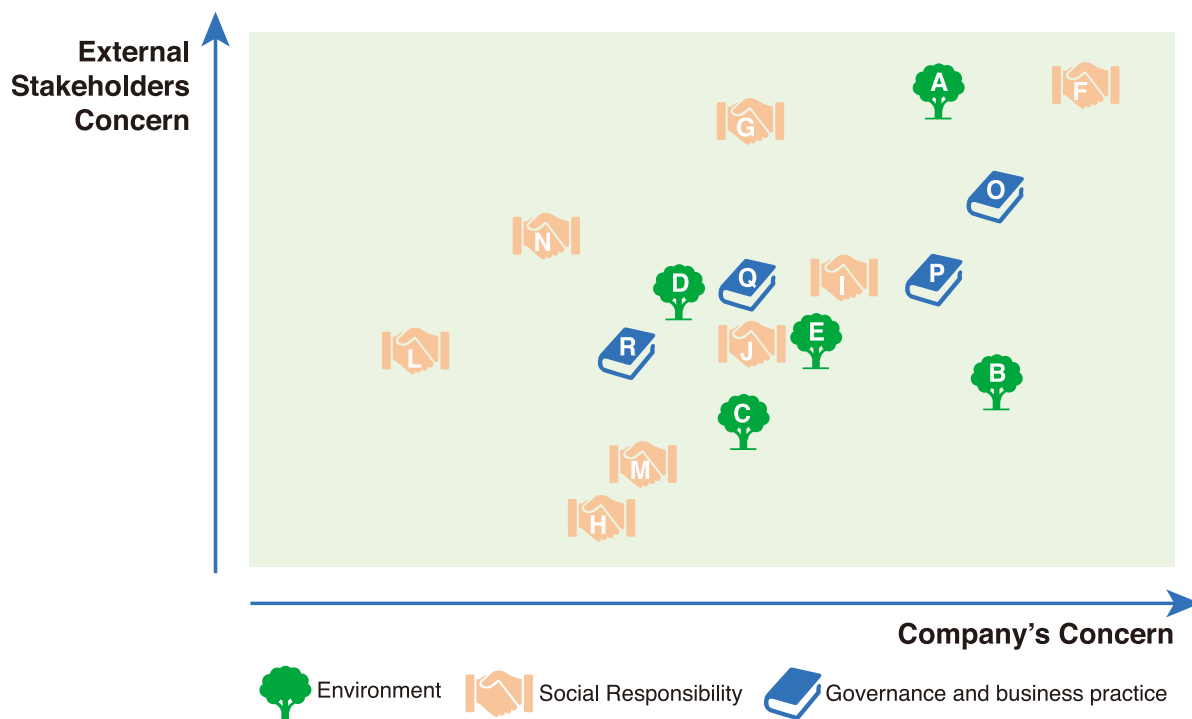
Social responsibility

- F. Fire safety
- G. Occupational health and safety
- H. Modern slavery prevention and protection of minors

- I. Fair employment opportunities
- J. Employee compensation and benefits
- K. Training and career advancement opportunities
- L. Conflict minerals
- M. Contributions to the community

Governance and business practices

- N. Intellectual properties protection
- O. Ethical conduct with business partners
- P. Anti-corruption measures
- Q. Prevention and reporting of misconduct
- R. Material and product safety



Environment

The use of green energy, environmentally-friendly materials and an energy efficient production process is key to sustainable manufacturing. In 2020, we installed an additional 327kWp of solar panels on the roof of our Hong Kong headquarters. The total capacity of this green energy system is now 527kWp, allowing it to generate 562,000 kWh of solar power annually. During the year, we also participated in carbon credit programmes and acquired 480 tonnes of carbon credit. This small start gave us experience in carbon credit exchange, which in the future may become an effective mechanism to achieve carbon neutrality.

Our environmental policy (published on the Group's website at <https://www.hunghingprinting.com/en-US/environmental.php>) supports responsible forestry for use in our products. Despite the disturbance and interruption of world-wide supply chains throughout the year and the increased price of paper, the Group remained true to its goals of using certified and highly-recycled paper and more than 90% of the paper we used came from these sources. Our use of plastic packaging reduced by 21.5% to 325.48 tonnes in 2020 compared to 414.98 tonnes in 2019. We also sourced various types of bio-degradable plastic materials and samples, from which customers could select.

Our ongoing effort to replace highly volatile organic compounds (VOC) materials and streamline operations has helped to reduce the use of cleaning agents with high VOC content. VOC emissions have significantly reduced to 50.43 tonnes in 2020 from 96.12 tonnes in 2019, marking a reduction of 47.5%.

We continued to receive customer enquiries on the carbon footprint of our products and the options available to reduce it. We provide these figures to customers using an established formula based on the materials and process used to manufacture each product. The parameters in this formula are regularly updated based on data collected from suppliers and our own internal data. We also have a source of carbon credits that is available to customers to off-set their carbon footprints.

Since we joined the Shenzhen government carbon trade programme, our Shenzhen factory has been close to or exceed the carbon emissions target – our 2020 unaudited figures also close to the target.

	2016 Audited	2017 Audited	2018 Audited	2019 Audited	2020 Unaudited
Emission index ⁴	0.652	0.628	0.604	0.549	0.531
Emission Target TCO ₂ e	24,936	26,465	22,882	18,211	16,354
Actual emission TCO ₂ e	22,960	22,940	20,430	18,799	16,388
Quota Surplus	1,976	3,525	2,452	-588	-34

The Group has accessed a green loan with advantageous low interest rates to invest in more green projects for environmental improvement.

⁴ Ton of CO₂ equivalent emission per 10,000RMB value added production

Use of energy

In 2020, the solar power panels installed at the Hong Kong headquarters generated a total of 463,000kWh of electricity. The solar-panel covered roof also helped reduce the indoor temperature and electricity consumption associated with air conditioning in the facility. All of our production sites enjoy reliable electricity supply with only a few days of interruption reported at the Vietnam and Heshan sites over the course of the year.

Natural gas is used as a heat source for steam boilers in corrugated board production. A mix of natural gas and Towngas (in Hong Kong) is used for cooking purposes in our canteens.

Petrol is used by passenger cars and all vehicles owned by the Group comply with the relevant car emission regulations⁵. We are gradually introducing electric vehicles across our fleet during scheduled replacement. Currently, the Group has 4 electric passenger vehicles, 33 electric forklifts and 220 electric pallet trucks across all its sites.

Usage	Electricity (MWh) Power and heating, passenger vehicles	Natural Gas (M ³) Steam boiler and cooking	Towngas (MJ) Cooking	Diesel (Tonnes) Heavy duty vehicles	Petrol (Tonnes) Passenger vehicles
2020	60,483	3,595,665	323,328	104.5	92.45
2019	67,616	3,256,793	335,472	76.83	154.43

In 2020, business air travel was limited to domestic flights within China and totalled 56,000 km across all employees of the Group.



⁵ Measures on Supervision of Exhaust Pollution from Automobiles in the People's Republic of China

Use of resources

Paper is a renewable resource and is considered carbon neutral by itself. It is the major resource within our operations and there is a dedicated section in our environmental policy which elaborates on our stance on the use of paper. We prefer to use paper sourced from well-managed forest plantations or paper with high recycled content and recommend the same to our customers. Our responsible paper supply policy is in line with globally recognised forestry certification schemes and is implemented across all our production sites, including the new Vietnam site. In 2020, our production operations used over 140,000 tonnes of paper, of which 50,000 tonnes was certified paper.

At the Hong Kong headquarters, we promote and practise a paperless office. Our purchases and shipping workflows are managed electronically. Approvals are done using electronic signatures and documents are sent to business partners via email and digital copies are stored. This campaign has achieved a 36% reduction – equivalent to over 130,000 sheets – in the use of A4 paper at our headquarters in 2020 compared to 2019.

Other resource materials derived from fossil fuels include ink, glue and varnishing oil. Due to our ongoing effort to use more environmentally-friendly alternatives with low VOC, the total VOC emissions of these materials have reduced from 96.12 tonnes CO₂e in 2019 to 50.43 tonnes in 2020.

Fresh water comes from the municipal supply across all our sites. Employee training and water-saving installations have resulted in a reduction of 13% in water usage, from 1,224,513M³ in 2019 to 1,057,315M³ in 2020. This is despite the increased use of water for sanitation and disinfection during the COVID-19 pandemic.

Waste handling

We have incorporated the 3Rs (reduce, reuse, recycle) principles into our operations. Our paper engineers always provide advice to customers on how to reduce the use of materials in product design, which not only saves materials but also production and shipping costs. Whenever appropriate, we recommend customers to use materials with recycled content, especially in packaging items – over 90% of the paper and plastic materials we use have recycled content. Whenever materials cannot be further reused in our operations, they are separated into different categories for disposal or recycling.

Recyclable materials were sold to collectors and also used for other purposes. In 2020, we recycled 39,192 tonnes of paper, 863 tonnes of wood, 393 tonnes of plastic and 149 tonnes of metal. In China, all hazardous waste, including liquid chemicals, chemically contaminated containers, cleaning rags and sludge from waste water treatment, was collected and treated by authorised agents who have the right qualifications⁷ to handle hazardous waste.

⁶ Forestry Stewardship Council Chain of Custody Certification ; Programme for the Endorsement of Forest Certification Schemes Chain of Custody

⁷ Regulation on the Management of the Shifting of Hazardous Waste (危險廢物轉移聯單管理辦法)



Social Responsibility

Our employees

Employees are the most important asset of the Group. Our success is a result of their continued effort. They build connections with our business partners and shape our operations and culture. We offer competitive remuneration and benefits to attract and retain talented individuals.

The geographical spread of our sites means we employ people from different areas and backgrounds. Our ethics policy ensures all employees are treated equally and no discrimination of any kind is tolerated, and their rights are safeguarded from recruitment stage and through their advancement in the Group.

We take a zero-tolerance approach to any kind of exploitation of human rights. In the recruitment process, we interview candidates to ensure their documents are genuine, they are coming to work of their own free will and that their age meets minimum requirements for employment. Our recruitment procedure is regularly reviewed to ensure compliance with regulations wherever we operate⁸, and includes remedial action and grievance redressal steps for any violations or compliance issues found. Our procedures align with the latest regulations, industrial standards and best practice from our business partners.

Health and safety

Providing a healthy and safe working environment is our responsibility. Throughout the year, we remained on high alert to combat COVID-19. We rigidly followed the recommended practice of wearing face masks whenever staff came into contact with others. Video conferencing platforms were widely used for external and internal meetings. Canteen tables were partitioned to reduce the chance of transmission. Work from home arrangements and staggered team scheduling helped reduce the chances of infection. As of the end of 2020, there was not a single case of COVID-19 across the entire workforce of 6,612.

Whenever new or refurbished machines are integrated, a factory health and safety team will conduct a safety and environmental risk assessment of operation and use of materials, to ensure it complies with relevant occupational health and safety regulations⁹. All chemicals used in the production process have an MSDS (Material Safety Data Sheet), which is posted in the workshop, and recommended precautionary steps are strictly followed including the use of Personal Protection Equipment (PPE).

Development and Training

We provide various types of training to our employees, from basic health and safety knowledge such as precautionary steps to prevent contraction of COVID-19, to occupational health and safety, skills and management training, and knowledge on how to advance their career. In 2020, we provided 139,724 hours of in-house training to 57,483 attendees. Employees also attended various external web-based or tele-conference sessions in areas which interested them.

We strive to provide a pleasant workplace for our employees and encourage them to live an enjoyable and balanced lifestyle. HH Marketplace, our Hong Kong office employee platform, established to help staff get discounts on consumer products, was expanded to become a multi-purpose platform. It was used as a marketplace to extend the life of used furniture, and in 2020, used as a channel to invite Hong Kong staff to give a helping hand to a colleague in China whose family member has a critical illness.

⁸ Labor Contract Law of the People's Republic of China (中華人民共和國勞動合同法)
Hong Kong Employment Ordinance (香港僱傭條例)
The Labour Code of Vietnam (越南勞動法)

⁹ Law of The People's Republic of China on Prevention and Control of Occupational Diseases (中華人民共和國職業病防治法)

We are a part of our community wherever we operate and our employees come from. It is our obligation to nurture the community when we have the ability to do so. We encourage our employees to support the community either with their time or financially, or both. 2020 marked 15 years of our participation in the Caring Company programme, in partnership with a local charity. We also donated HK\$260,000 to communities in mainland China, Hong Kong and Vietnam.

Our community



Governance

Our suppliers

We work closely with our suppliers as they are an integral part of our business success. We prefer to have long-term relationships with reliable suppliers who share our philosophy on ethics and sustainability. Local suppliers are preferred, to minimise carbon footprint for transportation and ensure shorter lead times. We communicate openly and transparently with our suppliers and welcome any complaints or suggestions for improvement. We aspire to have long-term relationships based on transparency and open discussions. This makes it more viable to develop environmentally-friendly materials or other mutually beneficial arrangements like returning waste materials or chemical containers. For major suppliers, we have regular meetings at management level to develop strategic cooperation agreements. With this high level of involvement, we achieve a stable and discounted supply of paper, ink and other major raw materials.

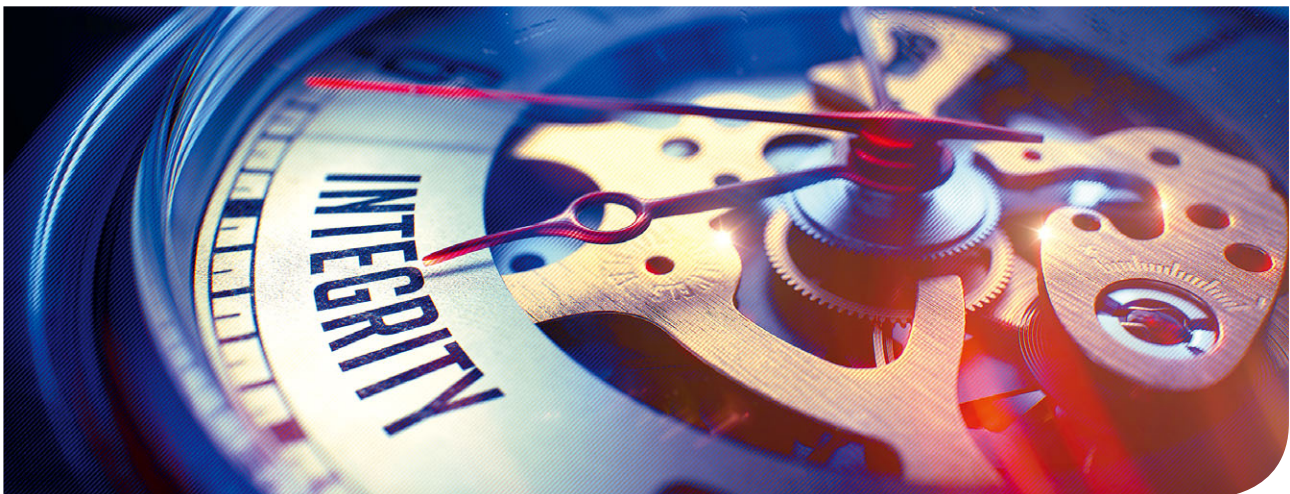
Our suppliers are cooperative in helping us to address customer concerns on conflict minerals, namely tin, tantalum, tungsten and gold (3TG), which are primarily mined in conflict zones in Africa. They act promptly in accordance to safety regulation updates associated with chemical safety such as Substance of Very High Concern (SVHC). Of the 175 major suppliers who supplied us with over 85% of the overall value of our production materials in 2020, 147 completed our ethical and environmental questionnaire and are fully compliant with our requirements.

Business integrity and anti-corruption

We operate our business with the highest standards of integrity and will not tolerate any misconduct or bribery. All our employees and trading partners are well aware of our zero-tolerance policy in this regard. Our new employee training programmes also include anti-bribery content. Every year, we remind our employees of this by circulating the company's anti-corruption policy and corporate guidelines to handle any client gifts. The anti-corruption policy is displayed in meeting rooms within the factories and is an integral part of our corporate social responsibility policy which we send out to new trading partners.

We only choose business partners on the grounds that it will bring the best value to all parties. We welcome the signing of intellectual protection, anti-competition and non-disclosure of content agreements.

Our whistle blower policy is posted clearly on the Group's website. Complaints can be directed to various levels of management, ranging from operating unit heads up to independent non-executive directors or the chief executive. In 2020, we did not receive any complaints at the group level. To the best of our knowledge, no legal proceedings regarding corrupt practices have been brought against the Group or our employees in 2020.



Our customers

Many of our customers are world-renowned brand names. They stick to the highest standards of ethical and product safety. We carried out regular ethical standards audits throughout the year to ensure our practices comply with the latest requirements and meet customers' expectations.

For product safety, we regularly test our materials against the latest safety and environmental standards¹⁰ to ensure compliance. Europe and various states in the USA have established lists of SVHCs¹¹ (Substances with Very High Concern), which are updated several times a year. We track these lists on an ongoing basis. We also subscribe to the newsletters of various testing laboratories to stay informed on the latest information in materials safety. Upon coming across pertinent new information, we contact suppliers to confirm compliance or request them to find appropriate replacements. All of this work is documented in our ISO9000 quality management system to ensure product quality and regulation compliance.

Following customers' requests, we have sourced an alternative varnish coating to replace PP lamination film, which is normally used on book covers for protection but makes the product less recyclable.

From time to time, customers request a confidential production process to protect their intellectual property design. We have established stringent procedures throughout the production process, right from the time the design files are received, through to the delivery of the finished product. Production is done in an enclosed area with CCTV recordings and handled by designated employees who have signed non-disclosure agreements.

The Group does not hold any consumer data. Customer contact information is limited to necessary content and is solely for conducting our business purpose. We have signed General Data Protection Regulation with some of our European customer and strictly follow it in our business activities.

We keep track of customer complaints and suggestions for improvement. In 2020, we received 470 complaints. We responded to these promptly following root cause investigation, and proceeded with corrective action.



¹⁰ EN71 European Union Toys safety regulation; ISO8124 Safety of toys Standard; European Union Rohs (Restriction of the use of certain Hazardous substances in electrical and electronic equipment) regulation (Directive 2011/65/EU); European Union Packaging and Packaging Waste regulation (Directive 94/62/EC); US ASTM F963 Standard Consumer Safety Specification for Toy Safety

¹¹ SVHC list under Europe REACH regulation (EC/1907/2006); CHCC list (Chemicals of high concern to children) under Washington state regulation WAC 173-334-130; California Proposition 65

ESG Performance Data

Subject Area A – Environment

Aspect A1: Emissions

Performance Indicator		2020 Data	2019 Data	HKEx ESG Report Guide KPI
Emission*	Total sulphur dioxide SO ₂ emission (tonne)	3.85	4.53	KPI A1.1
	Total Carbon Monoxide CO (tonne)	0.03	0.02	KPI A1.1
	Total Volatile Organic Chemicals emission (tonne) (From production)	50.43	96.12	KPI A1.1
	Total Carbon Dioxide emission (CO ₂) (tonne)	16,746.78	17,332.34	KPI A1.1, A1.2
	Direct emission (Fuel, Natural Gas, Town Gas, Fire Extinguishers)	7,503.26	6,964.36	KPI A1.1, A1.2
	Indirect Emission (Electricity consumed, Town Gas)	9,243.52	10,367.98	KPI A1.1 A1.2
	Total nitric oxide NO _x emission (tonne)	0.16	0.25	KPI A1.1 A1.2
	Total greenhouse gas emission per million HKD of goods sold (tonne CO ₂ e)	6.58	5.65	KPI A1.2
Hazardous Waste	Solid and liquid hazardous from production and water treatment	607.30	660.94	KPI A1.3
	Total hazardous waste produced per million HKD of goods sold (tonne)	0.24	0.21	KPI A1.3
Non-hazardous Waste	Non-hazardous waste (tonne) (Office waste, paper, plastic not suitable for recycle, household waste from canteen and dormitories)	1,524.20	1,592.72	KPI A1.4
	Total non-hazardous waste produced per million HKD of goods sold (tonne)	0.60	0.52	KPI A1.4
Aspect A2: Use of Resources				
Energy	Fuel and Gas (MWh)	36,496	33,726	KPI A2.1
	Electricity (MWh)	60,483	67,617	KPI A2.1
	Energy consumed per million HKD of goods sold (MWh)	38	33	KPI A2.1
Water	In M ³ (Consumption by production, canteen and dormitory)	1,057,315	1,224,513	KPI A2.2
	Water consumed per million HKD of goods sold (M ³)	414	397	KPI A2.2
Paper	Total paper consumed by production (tonne)	142,027	182,098	KPI A2.2
Packaging material	Packaging materials are mainly nylon tape and PP shrinkage film (tonne)	325.48	414.98	KPI A2.5
	Packaging materials consumed per million HKD of goods sold (tonne)	0.13	0.13	KPI A2.5



Subject Area B – Social

Employment and Labour Practices

Aspect B1: Employment

Performance Indicator		2020 Data	2019 Data	HKEx ESG Report Guide KPI
Workforce	Total	6,612	7,056	KPI B1.1
	By gender			KPI B1.1
	Male	3,293	3,468	KPI B1.1
	Female	3,319	3,588	KPI B1.1
	By employment category			KPI B1.1
	Senior Management – male	139	177	KPI B1.1
	– female	57	85	KPI B1.1
	Middle management – male	344	339	KPI B1.1
	– female	410	443	KPI B1.1
	Worker – male	2,812	2,953	KPI B1.1
	– female	2,850	3,059	KPI B1.1
	By age Group			KPI B1.1
	At and below 30	1,200	1,224	KPI B1.1
	> 30–50	4,857	5,325	KPI B1.1
	over 50	555	507	KPI B1.1
	By geographic location			KPI B1.1
	Eastern china	380	471	KPI B1.1
	Southern china	5,804	6,243	KPI B1.1
	Hong Kong	290	342	KPI B1.1
	Vietnam	138	N.A	KPI B1.1

Performance Indicator		2020 Data	2019 Data	HKEx ESG Report Guide KPI
Employee turnover %	Total	30	58	KPI B1.2
	By gender			KPI B1.2
	Male	29	58	KPI B1.2
	Female	31	58	KPI B1.2
	By age Group			KPI B1.2
	At and below 30	55	88	KPI B1.2
	> 30–50	20	33	KPI B1.2
	over 50	9	12	KPI B1.2
	By geographic location			KPI B1.2
	Eastern china	39	45	KPI B1.2
	Southern china	31	60	KPI B1.2
	Hong Kong	17	12	KPI B1.2
	Vietnam	6	N.A	KPI B1.2
Aspect B2: Health and Safety				
Incident	Number of incident	20	20	KPI B2.1
	Number of work-related fatalities	0	0	KPI B2.1
	TIR (Total Incident Rate = number of incident per 200,000 work hours)	0.25	0.20	KPI B2.1
Lost days	Number of days lost due to work injury	959	1,398	KPI B2.2
	LTIR (Lost Time Injury Rate = number of hour lost per 200,000 work hours)	95.69	111.72	KPI B2.2

Aspect B3: Development and Training

Performance Indicator		2020 Data	2019 Data	HKEx ESG Report Guide KPI
Attendee	Total	57,483	61,063	KPI B3.1
	By gender			
	Male	27,608	28,706	KPI B3.1
	Female	29,875	32,357	KPI B3.1
	By employment category			
	Senior Management	0.74%	1.10%	KPI B3.1
	Middle management	3.01%	4.49%	KPI B3.1
Training hour	Worker	96.25%	94.41%	KPI B3.1
	Total	139,724	241,128	KPI B3.2
	By gender (Average hours)			KPI B3.2
	Male	2.44	3.03	KPI B3.2
	Female	2.42	2.89	KPI B3.2
	By employment category (Average hours)			KPI B3.2
	Senior Management	2.74	2.31	KPI B3.2
	Middle management	2.81	3.24	KPI B3.2
	Worker	2.42	2.95	KPI B3.2

Operating Practices**Aspect B5: Supply Chain Management**

Active Supplier	In China	1,513	1,594	KPI B5.1
	In Hong Kong	58	304	
	In Vietnam	9	N.A	KPI B5.1

Aspect B6: Product Responsibility

Performance Indicator	2020 Data	2019 Data	HKEx ESG Report Guide KPI
Percentage of total products sold or shipped subject to recalls for safety and health reasons.	0.0000%	0.0000%	KPI B6.1
Number of products and service related complaints received	470	743	KPI B6.2

Community**Aspect B8: Community Investment**

Total value of money and product donation	260,115	116,606	KPI B8.2
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* Diesel and gasoline emission data according to GHG emission from fuel type, mobile combustions sources in Appendix 2:Reporting Guidance on Environmental KPIs

http://www.hkex.com.hk/-/media/hkex-market/listing/rules-and-guidance/other-resources/environmental-social-and-governance/how-to-prepare-an-esg-report/app2_kpis

Towngas direct emission data according to Towngas bill data; Towngas indirect emission data according to Towngas 2019 Sustainability Report <https://www.towngas.com/en/Social-Responsibility/Sustainability-Report?type=Sustainability-Report&year=2019>;

Natural gas emission data according to 2006 IPCC Guidelines for National Greenhouse Gas Inventories <http://www.ipcc-nggip.iges.or.jp/public/2006gl/index.html>

China electricity emission data according to China Southern Power Grid 2019 Green Development Annual Report <<中國南方電網有限責任公司之2019年綠色發展年刊>> <http://www.csg.cn/shzr/zrbg/202006/P020200628626242299778.pdf>

Hong Kong electricity emission data according to CLP 2020 Sustainability Report <https://sustainability.clpgroup.com/en/2020>



2020 Environmental, Social and Governance (ESG) Content Index

Indicators	Description	ESG report Page
Subject Area A. Environmental		
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 greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Page 5~6
KPI A1.1	The types of emissions and respective emission data.	Page 12
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Page 12
	Scope 1 emissions	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Page 12
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity	Page 12
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Page 5~6
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Page 7
Aspect A2: Use of Resources		
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Page 7
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Page 12
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Page 12
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Page 6
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Page 7
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Page 12

Indicators	Description	ESG report Page
Aspect A3: The Environment and Natural Resources		
General disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Page 5~7
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Page 5~7
Subject Area B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Page 8
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Page 13
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Page 14
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.	Page 8
KPI B2.1	Number and rate of work-related fatalities.	Page 14
KPI B2.2	Lost days due to work injury.	Page 14
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Page 8

Indicators	Description	ESG report Page
Aspect B3: Development and Training		
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Page 8
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Page 15
KPI B3.2	The average training hours completed per employee by gender and employee category.	Page 15
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.	Page 8
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Page 8
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Page 8
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Page 10
KPI B5.1	Number of suppliers by geographical region.	Page 15
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.	Page 10
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.	Page 11

Indicators	Description	ESG report Page
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Page 16
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Page 11,16
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	page 11
KPI B6.4	Description of quality assurance process and recall procedures.	page 11
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	page 11
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.	Page 10
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.	Page 10
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Page 10
Community		
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.	Page 9
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Page 9
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Page 16