



CHINA HUAJUN GROUP LIMITED

中國華君集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 377)



**ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT**

2020

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

The board (the “Board”) of directors (the “Director(s)”) of China Huajun Group Limited (the “Company”) is pleased to present the Environmental, Social and Governance Report (this “Report”) of the Company and its subsidiaries (collectively referred to as the “Huajun”, the “Group” or “us”). This Report mainly introduces our management policies, strategies and achievements in environmental, social and governance and aims at strengthening our communication and relationship with stakeholders.

This Report covers our sustainability performance for the year ended 31 December 2020 (the “Current Year”). The reporting scope for the Current Year covers the sustainability performance of printing business, solar photovoltaic business and energy business. In preparation of this Report, we have adhered to the Environmental, Social and Governance (“ESG”) Reporting Guide (the “Guide”) under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) to disclose our sustainability performance in material and related aspects of the Guide during the Current Year. We value any comments you may have on our sustainability performance. If you have any comments or suggestions on this Report and our sustainability performance, please email to ir@chinahuaajungroup.com.

This report is available on the websites of the Company (<http://www.chinahuaajungroup.com>) and Hong Kong Exchanges and Clearing Limited (“HKEx”) (<http://www.hkex.com.hk>).

ABOUT HUAJUN

With the development strategy of health and green, diversified group companies that focus on health, printing, equipment, energy, department stores, finance, and real estate, and develop with a diversified integrated enterprise business model. The business links are interlinked, reflecting the rich group resources and financial strength, and at the same time giving full play to the synergies to enhance the overall operating efficiency, and guided by national policies, prospectively review and plan for future development, solidify its existing business. At the same time, it will also actively identify merger and acquisition opportunities and seize opportunities for economic development in China and the world.

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STAKEHOLDERS ENGAGEMENT

Understanding the views and concerns of stakeholders is crucial to our sustainable development. Our major stakeholders include customers, suppliers, employees, shareholders, regulatory authorities and the public. We have always maintained a close relationship with our stakeholders and are committed to balancing the opinions and interests of our stakeholders to determine our long-term sustainability direction. In preparation of this Report, we actively gathered the advice of our key stakeholders and understood their recommendations on the sustainability performance and direction of the Group. The information collected will be an important basis for the framework of this Report.

Stakeholders	Communication channels	
Customers	<ul style="list-style-type: none">• Interviews• Visits• Social platforms (such as WeChat Official Account)	<ul style="list-style-type: none">• Meetings• Email
Staff	<ul style="list-style-type: none">• Meetings• Interviews	<ul style="list-style-type: none">• Trainings• Discussion sessions
Shareholders	<ul style="list-style-type: none">• General meetings• Telephone conversation• Financial reports	<ul style="list-style-type: none">• Company's website• Announcements
Suppliers	<ul style="list-style-type: none">• Conversation• Email	<ul style="list-style-type: none">• On-site inspection
Regulatory authorities	<ul style="list-style-type: none">• Conversation• Email	<ul style="list-style-type: none">• On-site inspection
The public	<ul style="list-style-type: none">• Social platforms (such as WeChat Official Account)• Company's website	<ul style="list-style-type: none">• Interviews• Sharing sessions

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SUSTAINABILITY PERFORMANCE SUMMARY

The following table summarises our sustainability performance during the Current Year.¹

	Printing business		Solar photovoltaic business		Energy business		Total	
Air emissions								
Nitrogen Oxides (NOx)	997,373.08	g	19,715.87	g	554,119.62	g	1,571,208.57	g
Sulphur Oxides (SOx)	1,939.29	g	856.57	g	758.57	g	3,554.43	g
Particulate Matter (PM)	82,546.17	g	1,451.64	g	41,017.99	g	125,015.80	g
Greenhouse gases								
Total greenhouse gas emissions	13,824.48	tonnes of CO ₂ e	20,508.12	tonnes of CO ₂ e	338.62	tonnes of CO ₂ e	34,671.22	tonnes of CO ₂ e
Direct emissions (Scope 1)	868.69	tonnes of CO ₂ e	137.86	tonnes of CO ₂ e	122.66	tonnes of CO ₂ e	1,129.21	tonnes of CO ₂ e
Indirect emissions (Scope 2)	12,957.79	tonnes of CO ₂ e	20,375.48	tonnes of CO ₂ e	219.41	tonnes of CO ₂ e	33,552.68	tonnes of CO ₂ e
Greenhouse gases removal (Tree Planting) (Scope 1)	2.00	tonnes of CO ₂ e	5.22	tonnes of CO ₂ e	3.45	tonnes of CO ₂ e	10.67	tonnes of CO ₂ e
Greenhouse gas emissions intensity	1.18	tonnes of CO ₂ e/tonnes of production volume	34.65	tonnes of CO ₂ e/MW	57.31	kg of CO ₂ e/tonnes of production volume		
Hazardous waste								
Total hazardous waste produced	148.04	tonnes	1.37	tonnes	–	tonnes	149.41	tonnes
Hazardous waste produced intensity	12.64	kg/tonnes of production volume	2.31	kg/MW	–	kg/tonnes of production volume		
Non-hazardous waste								
Total non-hazardous waste produced	6,028.80	tonnes	391.70	tonnes	6.50	tonnes	6,427.00	tonnes
Non-hazardous waste produced intensity	514.64	kg/tonnes of production volume	661.58	kg/MW	1.09	kg/tonnes of production volume		
Energy consumption								
Total energy consumption	17,156.62	MWh	81,994.66	MWh	780.15	MWh	99,931.43	MWh
Energy consumption intensity	1.46	MWh/tonnes of production volume	138.49	MWh/MW	0.13	MWh/tonnes of production volume		
Water consumption								
Total water consumption	227,057.00	m ³	115,692.00	m ³	7,120.00	m ³	349,869.00	m ³
Water consumption intensity	19.38	m ³ /tonnes of production volume	195.40	m ³ /MW	1.19	m ³ /tonnes of production volume		
Packaging material²								
Total packaging material	2,208.70	tonnes	556.00	tonnes	–	tonnes	2,764.70	tonnes
Packaging material intensity	0.19	tonnes/tonnes of production volume	0.94	tonnes/MW	–	tonnes/tonnes of production volume		
Employment								
Total employees (As at 31 December 2020)	1,220	persons	721	persons	95	persons	2,036	persons
By gender								
Male	582	persons	430	persons	52	persons	1,064	persons
Female	638	persons	291	persons	43	persons	972	persons
By age group								
20 or below	10	persons	88	persons	1	persons	99	persons
21-30	159	persons	420	persons	14	persons	593	persons
31-40	357	persons	130	persons	36	persons	523	persons
41-50	547	persons	60	persons	29	persons	636	persons
51 or above	147	persons	23	persons	15	persons	185	persons

¹ The annual production volume of printing business is calculated based on the weight of finished products in tonnes, the annual production volume of photovoltaic business is calculated based on solar module production capacity in megawatt (MW), and the annual production volume of energy business is calculated based on the weight of goods delivered in tonnes.

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	Printing business		Solar photovoltaic business		Energy business		Total	
By employment type								
Senior management	32	persons	2	persons	7	persons	41	persons
Middle management	63	persons	22	persons	18	persons	103	persons
Technical staff	341	persons	56	persons	–	persons	397	persons
General employees	784	persons	641	persons	70	persons	1,495	persons
By geographical region								
East China	365	persons	721	persons	46	persons	1,132	persons
South China	855	persons	–	persons	3	persons	858	persons
North China	–	persons	–	persons	46	persons	46	persons
Turnover rate								
By gender								
Male	50.86	%	302.56	%	28.85	%	151.50	%
Female	33.39	%	310.65	%	13.95	%	115.53	%
By age group								
20 or below	200.00	%	295.45	%	–	%	283.83	%
21-30	109.43	%	286.19	%	42.86	%	233.05	%
31-40	43.98	%	488.40	%	16.67	%	152.58	%
41-50	19.38	%	155.00	%	27.59	%	32.55	%
51 or above	35.37	%	65.22	%	6.67	%	36.76	%
By geographical region								
East China	30.18	%	305.83	%	28.26	%	205.83	%
South China	46.43	%	–	%	–	%	46.27	%
North China	–	%	–	%	17.39	%	17.39	%
Health and safety								
Deaths due to work	–	persons	–	persons	–	persons	–	persons
Lost days due to work injury	657	days	–	days	–	days	657	days
Employee training								
Average training hours								
By gender								
Male	38.22	hours/employees	10.12	hours/employees	0.98	hours/employees	25.04	hours/employees
Female	26.29	hours/employees	9.73	hours/employees	2.49	hours/employees	20.28	hours/employees
By employment type								
Senior management	8.69	hours/employees	2.00	hours/employees	0.57	hours/employees	6.98	hours/employees
Middle management	28.94	hours/employees	2.00	hours/employees	2.00	hours/employees	18.48	hours/employees
Technical staff	9.96	hours/employees	15.07	hours/employees	–	hours/employees	10.68	hours/employees
General employees	42.75	hours/employees	9.81	hours/employees	1.69	hours/employees	26.71	hours/employees
Employees trained								
By gender								
Male	51.05	%	61.22	%	26.32	%	53.05	%
Female	48.95	%	38.78	%	73.68	%	46.95	%
By employment type								
Senior management	2.25	%	0.08	%	3.51	%	1.78	%
Middle management	6.88	%	0.50	%	22.81	%	5.63	%
Technical staff	20.01	%	11.68	%	–	%	17.98	%
General employees	70.87	%	87.74	%	73.68	%	74.61	%
Supply Chain Management								
Number of suppliers								
East China	439		23		165		627	
South China	142		4		5		151	
North China	86		–		18		104	
Others	38		1		6		45	

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PROMOTING SUSTAINABLE DEVELOPMENT

Sustainability is the core value of the Group. While pursuing excellence, we are devoted to promoting the sustainability of the nation and the world. We share our beliefs with employees, customers, shareholders, suppliers and business partners, and work together to reduce pollution to the natural environment. We adhere to the principle of sustainability and take into account the impact of our business on the environment and the society, so as to fulfil our responsibilities as a corporate citizen. Meanwhile, we are committed to maintaining a high degree of business ethics, strictly complying with regulations and continuously improving production safety and environmental protection performance, in order to do our best to promote the sustainability of the nation and the world.



FSC Chain-of-Custody since 2007



FSC Chain-of-Custody since 2008

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PRINTING BUSINESS



We have established an environmental management mechanism in accordance with the “Environmental Protection Law of the People’s Republic of China”, the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste” and the “Law of the People’s Republic of China on Conserving Energy”, aiming to:

- comply with national and local environmental protection laws, regulations, standards and guidelines in places where we operate;
- prevent, avoid and reduce waste generation as much as possible during the production process;
- prevent pollution to the environment during the production process;
- regularly review the implementation of environmental, health and safety measures, as well as the performance of partners in relevant aspects;
- improve product quality and efficiency through research, product development and trainings to save energy and resources; and
- invest significant time and resources to upskill staff knowledge on energy conservation systematically.

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ENVIRONMENTAL POLICIES AND MANAGEMENT SYSTEM

Establishing a sound environmental management system is an effective way to reduce the environmental impact of production and promote our sustainable improvement. Therefore, we have been making efforts to establish and improve our environmental policies and management system.

ISO 14001 Environmental Management System

In accordance with the requirements of the ISO 14001 Environmental Management System standards, we have formulated the “Environmental Handbook” and established an environmental management system covering the Company’s office area and production workshops, and obtained the ISO 14001 Environmental Management System certification. We strictly implement the relevant policies in accordance with the requirements of the environmental management system standards, thereby fulfilling the principle of minimising waste of resources, recycling and reusing resources.



EMISSIONS MANAGEMENT

Our main emissions are wastewater from precision screens and organic waste gases of ink generated from the process of printing and silk screen printing. Our equipment indirectly emits greenhouse gases due to the use of electricity, and the use of backup generators and vehicles also generates air emissions. Other sources of emissions include flawed products, debris and defective products from the production process, noise generated during the operation of equipment, and domestic waste and sewage generated by employees and offices. For various sources of emissions, we have actively adopted a number of measures to reduce emissions and their impact.

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Collection and Treatment of Volatile Organic Compounds (VOCs) and Ammonia

Volatile organic compounds (VOCs) and ammonia released during our production can affect our health. Therefore, we have built the VOCs and ammonia treatment system in mid-2017 to reduce their impact on our employees and the ecological environment. Water is added through sprinklers to neutralise and reduce the concentration of ammonia before it is emitted at the discharge outlet. With VOCs, dust filtration and ultraviolet (UV) photolysis are employed. Activated carbon is used to absorb VOCs and, discharged through the chimney. Through this system, VOCs emissions are reduced by 90% while saturated activated carbon will be recycled by qualified third parties.



VOCs and ammonia collection and treatment

The following table shows our air emissions during the Current Year:

Air emissions	Year ended 31 December 2020	Year ended 31 December 2019	
Nitrogen Oxides (NOx)	997,373.08	755,550.15	g
Sulphur Oxides (SOx)	1,939.29	1,573.30	g
Particulate Matter (PM)	82,546.17	67,338.98	g

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Air emissions of the Printing Segment for the Current Year are higher than those for the year ended 31 December 2019 as the Group broadened the scope of data collection to provide a more comprehensive view on the operation of this business unit. During the Current Year, data on air emissions from transportation relating to daily operation has been recorded in this Report.

Greenhouse Gas Emissions

Our greenhouse gas emissions are mainly generated indirectly from the use of electricity. Therefore, we focus on energy-saving to reduce carbon emissions. We prioritise the procurement of energy-saving and highly-efficient production equipment such as electric forklifts to reduce greenhouse gas and air emissions. We promote energy-saving behaviours such as maintaining air-conditioning temperature and using tele-conferencing, video-conferencing or e-mails instead of overseas travel to reduce carbon footprint. Through the implementation of the above energy-saving measures, we have significantly reduced the emission of greenhouse gases.



Our offices are designed to optimise the use of natural light

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We have replaced the lighting systems of certain production lines and areas of our plant from fluorescent lamps to light-emitting diodes (LEDs), saving approximately 117,589 kWh of electricity per year. We have replaced our conventional air compressors with inverter air compressors to enhance energy-efficiency, saving approximately 77,040 kWh of electricity per year.



Complete replacement of LED lights

Greenhouse gases	Year ended 31 December 2020	Year ended 31 December 2019	
Total greenhouse gas emissions	13,824.48	16,217.58	tonnes of CO ₂ e
Direct emissions (Scope 1)	868.69	824.48	tonnes of CO ₂ e
Indirect emissions (Scope 2)	12,957.79	15,395.10	tonnes of CO ₂ e
Greenhouse gases removal (Tree Planting) (Scope 1)	2.00	2.00	tonnes of CO ₂ e
Greenhouse gas emissions intensity	1.18	1.05	tonnes of CO ₂ e/tonnes of production volume

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Wastewater Treatment and Discharge

We strive to ensure that our treated wastewater is discharged in accordance with the “Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant” (GB 18918-2002) issued by the State General Administration of Environmental Protection of the PRC, and have formulated the “Guidelines for the Operation of Wastewater Treatment System” to standardise the workflow of our wastewater treatment system.

We have established a wastewater treatment system that practises “treatment before emission”. The wastewater from workshops first enters the retention basin through the collection system, and is then sent to the coagulation and sedimentation equipment to add coagulant in order to remove the oil and micro suspended solids in the wastewater. The treated wastewater is discharged after going through the anaerobic process, aerobic process, sedimentation and filtration. Sludge generated from wastewater treatment is collected regularly and handled by qualified third parties.



Waste Management

In accordance with the “Waste Management Guidelines”, we categorise waste into (i) hazardous waste; (ii) recyclable waste; and (iii) general waste, and conduct waste treatment as per the principle of “separate recycling, centralised storage and unified treatment”.

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Hazardous Waste Management

Our hazardous waste mainly includes solvent waste, waste container, waste mineral oil, ink residue, waste paint, waste fixer/developer, waste lamp, waste empty barrel, rag & gloves, waste glue, photographic material waste, sludge and waste activated carbon. We have dedicated and labelled containers for the collection of hazardous waste, which shall be properly stored in conformity with national laws and regulations, such as the “Standard for Pollution Control on Hazardous Waste Storage” (GB 18597-2001), and will be transferred to qualified third parties for treatment upon approval.

Hazardous waste	Year ended 31 December 2020	Year ended 31 December 2019	
Total hazardous waste produced	148.04	123.70	tonnes
Solvent waste	13.30	23.13	tonnes
Waste container	6.48	11.00	tonnes
Waste mineral oil	2.00	0.63	tonnes
Ink residue	14.87	6.61	tonnes
Waste paint	3.00	1.93	tonnes
Waste fixer/developer	3.16	7.00	tonnes
Waste lamp	0.20	0.20	tonnes
Waste empty barrel	6.69	0.40	tonnes
Rag & gloves	58.29	59.62	tonnes
Waste glue	9.78	1.38	tonnes
Photographic material waste	0.90	1.10	tonnes
Sludge	29.37	9.31	tonnes
Waste activated carbon	—	1.39	tonnes
Hazardous waste produced intensity	12.64	7.98	kg/tonnes of production volume



Hazardous waste processing equipment

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Non-hazardous Waste Management

Waste paper is the main stream of waste in printing business, and we actively take measures in recycling. Recycling bins are placed near all machineries allowing workers to segregate waste paper and other general waste from the source. Waste sorting areas are set up in workshops. In addition, we have a designated area for temporary storage of collected waste paper outside workshops to reasonably protect waste paper from rainwater or other pollutants, then the waste paper will be delivered to recycling. In order to reduce paper consumption, we use electronic systems for file archiving. We also require documents used in offices to be printed and copied on both sides. The administrative department collect monthly statistics on paper consumption, and reminds departments identified with wasting paper to control their paper consumption. For general domestic waste, we clean it up in time to maintain a clean environment.

Non-hazardous waste	Year ended 31 December 2020	Year ended 31 December 2019	
Total non-hazardous waste produced	6,028.80	6,977.57	tonnes
Paper	5,994.17	6,933.52	tonnes
Food waste	18.00	25.00	tonnes
Other general waste	16.63	19.05	tonnes
Handled by waste collection department	34.63	44.05	tonnes
Collected for recycling	5,994.17	6,933.52	tonnes
Non-hazardous waste produced intensity	0.51	0.45	tonnes/tonnes of production volume

RESOURCES MANAGEMENT

Energy Resource Management

We have established an online energy monitoring system to oversee energy consumption in real time. It also allows us to accurately analyse energy consumption data and structure, and helps us to identify equipment or procedures that potentially waste energy, facilitating the formulation of effective energy-saving measures. In addition, the monitoring system assists us in implementing our energy-saving plan and enables us to monitor the execution of energy-saving measures through its energy-saving assessment function.

Energy consumption	Year ended 31 December 2020	Year ended 31 December 2019	
Total energy consumption	17,156.62	19,827.73	MWh
Direct energy consumption			
LNG	10.00	22.50	MWh
Diesel oil	1,111.91	729.43	MWh
Unleaded petrol	300.65	418.45	MWh
Indirect energy consumption			
Purchased Electricity	15,734.06	18,657.35	MWh
Energy consumption intensity	1.46	1.28	MWh/tonnes of production volume

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Water Resource Management

We promote water-saving and use water-saving equipment and products in all areas, such as installing water-saving faucets to improve water efficiency. We properly manage, repair and maintain all water supply equipment, facilities and appliances. Engineering staff are responsible for the inspection of water pipes and hoses in the plant and repairment in time. In October 2020, the water supply pipeline improvement was implemented. It is estimated that the annual water consumption and water pump power consumption would be reduced by 40,000 cubic meters and 27,000KWH respectively. The administrative department also constantly monitors and prohibits acts of water wastage. We have no issue in sourcing water that is fit for purpose.

Water consumption	Year ended 31 December 2020	Year ended 31 December 2019	
Total water consumption	227,057.00	225,093.00	m ³
Water consumption intensity	19.38	14.52	m ³ /tonnes of production volume

Packaging Material Management

Packaging material	Year ended 31 December 2020	Year ended 31 December 2019 (Restated)*	Year ended 31 December 2019	
Total packaging material	2,208.70	3,051.59	458.95	tonnes
Carton boxes	2,087.32	2,873.83	437.94	tonnes
Protective film	54.22	70.22	12.53	tonnes
Packaging strap	0.75	4.23	0.59	tonnes
Packaging tape	62.66	97.12	5.11	tonnes
Paper packaging strap	3.75	6.19	2.78	tonnes
Packaging material intensity	0.19	0.20	92.25	tonnes/tonnes of production volume

Note: Figures for the year ended 31 December 2019 is restated due to clerical error.

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PRODUCT QUALITY, HEALTH AND SAFETY

We win clients' trust and confidence with high-quality packaging, books and printed products. We are accredited various certifications, such as the Quality Management System certification (ISO9001), Occupational Health and Safety Management System Certification (OHSAS 18001), Social Accountability Standard Certification (SA8000), certificate issued by the International Council of Toy Industries (ICTI) Ethical Toy Program and G7 Master Qualification. Meanwhile, we have achieved the Global Packaging and Packaging Materials standard formulated by the British Retail Consortium (BRC) and have been awarded the Global Safety Certification by Intertek Testing Services Taiwan Ltd. (Intertek).



We have formulated the “Quality and Safety Handbook” and a series of quality management systems and procedures, including the “Incoming Inspection Procedure”, the “Processing (Handicraft) Inspection Procedure”, the “Control Procedure for Verification”, the “Control Procedure for Unsatisfactory Products”, the “Control Procedure for Product Consistency”, the “Control Procedure for Food Safety Protection Plan”, the “Control Procedure for Product Recall” and the “Control Procedure for Sustainable Improvement”. We strictly implement the requirements of each procedure to ensure our products are at an exemplary level in quality, health and safety.

We attach great importance to product safety. We have established the “Control Procedure for Product Recall” and a sample retention procedure. When exceedance of harmful substances are found in a batch of products which is no longer under the control of the Company (e.g. delivered to customers), we would start recalling promptly to ensure that the affected products can be identified and remedied, so as to protect consumer safety. We also carry out simulated recall on a regular basis to ensure a smooth procedure of product recall. Employees are familiar with the precautions for recall and can respond appropriately in time whenever recall incidents occur.

We promise to respond to our clients within half a working day if there is any complaint about product quality or safety, we would contact the concerned client, ask for details, and transfer to the customer services department for coordination and follow-up action. We take immediate rectification action, understand the source of the problem and implement measures to prevent similar incidents from happening again. Should a product has any potential harm to end users, we would recall the product immediately. During the Current Year, there were 220 complaints received from customers and all of them were duly handled by customer services department.

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We understand that customers' confidential information and property, such as customers' trademarks and intellectual property, are protected by regulations in respect of patents, trademarks, copyrights and trade secrets. We have formulated the "Code of Business Ethics", requiring all employees, agents and contractors to carefully handle customers' confidential information and ensure that the relevant information is used only for business purposes. To protect intellectual property rights of our clients, surveillance system is installed in our printing workshops to administer the production process, to ensure that clients' printing materials are surveilled from receiving to delivering finished products, and to safeguard against any intellectual property leakage.

SOLAR PHOTOVOLTAIC BUSINESS

The solar photovoltaic segment provides clean renewable energy for domestic and foreign enterprises. Using solar energy to generate electricity reduces our dependence on fossil fuels, thereby reduces the emissions of air such as sulphur dioxide, nitrogen oxides and greenhouse gases, and mitigating global warming effect.



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EMISSIONS MANAGEMENT

During the assembly of our solar cell modules, soldering fumes, silica gel fumes, a small amount of non-hazardous waste and hazardous waste such as flux are generated. The use of vehicles generates air emissions; the use of electricity-driven equipment indirectly generates greenhouse gases; and offices and employees also generate domestic sewage and waste. We actively adopt a number of energy-saving and emission reduction measures to reduce our impact on the environment.

Air Emissions

Air emissions	Year ended 31 December 2020	Year ended 31 December 2019	
Nitrogen oxides (NOx)	19,715.87	93,884.98	g
Sulphur oxides (SOx)	856.57	948.78	g
Particulate matter (PM)	1,451.64	6,912.55	g

For the VOCs and dust generated in the lamination process, we will follow the provisions of the Integrated Emission Standards for Air Pollutants (GB 16297-1996) to ensure that the pollutant discharge concentration meets its emission standards.

For air emissions generated by vehicles, we prioritise the use of energy-efficient, environmental-friendly, low-cost, high-safety and cost-effective models, and strengthen daily vehicle maintenance, so that vehicles are in good operating condition, and thus reducing the occurrence of failures. According to different models, we have established standards for the use of fuels and consumption of fuels, verified and determined vehicle maintenance costs, strengthened fuel-saving management, and implemented the “one car, one card” and fixed-point refuelling system. By reducing the costs of fuels and maintenance of vehicles, the cost of vehicle mileage is hence reduced. We also prohibit car engines from idling to reduce exhaust gas.

Greenhouse Gas Emissions

Our greenhouse gas emissions are mainly generated from the use of electricity. We reduce greenhouse gas emissions by enhancing the efficiency of the use of electricity.

Greenhouse gases	Year ended 31 December 2020	Year ended 31 December 2019	
Total greenhouse gas emissions	20,508.12	23,556.18	tonnes of CO ₂ e
Direct emissions (Scope 1)	137.86	152.90	tonnes of CO ₂ e
Indirect emissions (Scope 2)	20,375.48	23,408.50	tonnes of CO ₂ e
Greenhouse gases removal (Tree Planting) (Scope 1)	5.22	5.22	tonnes of CO ₂ e
Greenhouse gas emissions intensity	34.65	35.87	tonnes of CO ₂ e/ MW

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Wastewater Treatment and Discharge

There is no industrial wastewater discharge in our production process, only domestic sewage produced by workers. After the domestic sewage is treated by the septic tank and the canteen wastewater is pretreated by the grease trap, the water quality can reach the third-level standard of the “Integrated Wastewater Discharge Standard” (GB 8978-1996), NH₃-N and TP reach the standard A under Table A of “Water Quality Standard for Discharge Into Municipal Sewers” (CJ 343-2010) standard, and then through the sewage pipe network into the Guozhuang Town sewage treatment plant for centralized treatment, the tail water reached the first-class A standard in the “Urban Sewage Treatment Plant Pollutant Discharge Standards” (GB18918-2002) before it is finally discharged into the Gaoyang River.

Waste Management

We strengthen waste management in all aspects by improving reuse of resources, reducing waste generation and strengthening the recycling rate during construction and operation. We scrupulously separate the treatment of hazardous waste and non-hazardous waste.

Hazardous Waste Management

Our hazardous waste is mainly waste mineral oil, xylene and smear. We have made application to the local environmental protection agency for the approval of temporary storage of hazardous waste, properly stored it in accordance with national laws and regulations and the application acceptance conditions, and will deliver it to qualified third parties for recycling when appropriate.

Hazardous waste	Year ended	Year ended	
	31 December 2020	31 December 2019	
Total hazardous waste produced	1.37	2.21	tonnes
Waste mineral oil	0.85	0.73	tonnes
Xylene	0.02	0.68	tonnes
Smear	0.50	0.80	tonnes
Hazardous waste produced intensity	2.31	3.36	kg/MW

Non-hazardous Waste Management

For non-hazardous waste such as paper, metal factory waste, packaging cartons and domestic waste generated from offices and employees, we have established centralised sorting points to recycle as much waste as possible. For non-recyclable waste, we entrust local waste collection department for waste treatment, ensuring that all waste is properly disposed of.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Non-hazardous waste	Year ended 31 December 2020	Year ended 31 December 2019	
Total non-hazardous waste produced	391.70	370.30	tonnes
Metal	118.40	5.90	tonnes
Paper	125.60	4.40	tonnes
Other general waste	147.70	360.00	tonnes
Handled by waste collection department	147.70	360.00	tonnes
Collected for recycling	244.00	10.30	tonnes
Non-hazardous waste produced intensity	0.66	0.56	tonnes/MW

RESOURCES MANAGEMENT

Energy Resource Management

In terms of energy-saving, we use high-energy-efficient equipment and formulate energy-saving plans every year to minimize energy consumption. Our production workshops use LED lights instead of fluorescent lamps to achieve the same brightness with less power, saving approximately 21,000 MWh of electricity every year. Solar street lights are also installed outdoors to provide lighting with clean and renewable energy.

In terms of packaging materials, we mainly use wooden boxes and trays for packaging. We will collect packaging cartons and filling materials from suppliers for reuse, and deliver the excess cartons and filling materials for recycling, so as to reduce waste.



Using LED lights instead of fluorescent lamps in workshops



Outdoor solar street lights

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Energy Consumption	Year ended 31 December 2020	Year ended 31 December 2019	
Total energy consumption	81,994.66	85,975.88	MWh
Direct energy consumption			
Solar energy	60,191.44	60,885.18	MWh
Unleaded petrol	617.28	676.70	MWh
Diesel oil	136.89	231.66	MWh
Indirect energy consumption			
Purchased Electricity	21,049.05	24,182.34	MWh
Energy consumption intensity	138.49	130.87	MWh/MW

Water Resource Management

In terms of water consumption, although our production does not have high demand of water, we will continue to monitor water consumption, emphasise the importance of water-saving to employees, regularly check the leakage or damage of water pipes and equipment, and repair in time to prevent waste of water resources. We will also post water-saving labels in our offices and workshops to remind our employees to save water. We have no issue in sourcing water that is fit for purpose.

Water consumption	Year ended 31 December 2020	Year ended 31 December 2019	
Total water consumption	115,692.00	121,642.00	m ³
Water consumption intensity	195.40	185.16	m ³ /MW

Packaging material	Year ended 31 December 2020	Year ended 31 December 2019	
Total packaging material	556.00	615.00	tonnes
Paper	369.00	402.00	tonnes
Plastics	29.00	33.00	tonnes
Wood	158.00	180.00	tonnes
Packaging material intensity	0.94	0.94	tonnes/MW

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

PRODUCT QUALITY, HEALTH AND SAFETY

We implement stringent requirements on the quality, health and safety of our products. The efficiency guarantee period of our products is 25 years and the material guarantee period is 10 years. We have also obtained various certifications, such as the Quality Management System certification (ISO9001), certification from the Technischer Uberwashings Verein TUV and, certification from the Bureau of Indian Standards (BIS). We have established quality inspection procedures for each production process to ensure product quality is meeting the required standards. Our products had undergone a number of tests and inspections before packaging and delivery to customers, including high voltage testing, insulation testing and grounding testing, so as to ensure products are meeting the safety standards.



We have always been providing customers with the highest quality of products and services over the years. Through close communication with our customers, we understand their requirements, expectations and comments on our products. We continue to improve our products to deliver higher quality service experience to our customers. Upon receipt of customer complaints, we will arrange the quality department or customer services department to follow up in time and conduct on-site inspection when necessary. We will review the cause of the problem and rectify the problem to prevent it from happening again. During the Current Year, we did not receive any complaint in relation to our products and services.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENERGY BUSINESS

We have established an environmental management mechanism in accordance with the “Environmental Protection Law of the People’s Republic of China”, the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes” and the “Safety Production Law of the People’s Republic of China” and other related relevant national laws and regulations. Our goal is to achieve reducing waste generated, prevent pollution and safe production, in order to provide our business partners with quality products and best partnering experience.

During the Current Year, the energy business recorded an increase in intensity of emission and consumptions. It is primarily because of the reduction in production volume, which results in each unit production sharing higher fixed emission and consumptions and outweighed the effect in reduction of emission and consumptions relating to the operation.



EMISSIONS MANAGEMENT

In the course of our storage and transportation business for energy segment, the vehicles will generate air emissions; the use of electricity-driven equipment indirectly generate greenhouse gases; and offices and employees also generate domestic sewage and waste. We strive to build a highly green environment plant. In addition to planting a large number of trees, we use those vacant area to open up a small farmland to bring more green areas to the plant.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Air emissions	Year ended 31 December 2020	Year ended 31 December 2019	
Nitrogen Oxides (NOx)	554,119.62	815,660.71	g
Sulphur Oxides (SOx)	758.57	1,105.03	g
Particulate Matters (PM)	41,017.99	59,660.37	g

For air emissions generated by our fleet, we disposed of those aged vehicles and upgraded to new, more environmentally friendly and energy-efficient one. Keeping regular maintenance ensures that the vehicles are in good condition, reducing the occurrence of faults and ensuring the efficiency of vehicle operation.



During the Current Year, due to the impact of the epidemic, we strengthened the management of the factory environment, and conducted disinfection and stay management of vehicles and personnel entering the factory. In addition to keeping the appearance of the factory clean and tidy, it also restricted the staying time of outsiders and reduces the chance of spread of germs.



Factory environment

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Greenhouse gases	Year ended 31 December 2020	Year ended 31 December 2019	
Total greenhouse gas emissions	338.62	378.91	tonnes of CO ₂ e
Direct emission (Scope 1)	122.66	178.79	tonnes of CO ₂ e
Indirect emission (Scope 2)	219.41	203.57	tonnes of CO ₂ e
Greenhouse gases removal (Tree Planting) (Scope 1)	3.45	3.45	tonnes of CO ₂ e
Greenhouse gas emission intensity	57.31	24.76	kg of CO ₂ e/ tonnes of production volume

There is no discharge of process wastewater during our production.

Waste Management

We strengthen the waste management work in all aspects by improving reuse and recycling rate of resources, reducing waste generation from the business as much as possible. We use domestic waste generated by our offices and canteen, such as kitchen waste, to make organic fertilizers for the small farmland in our plant. Metal scraps generated will be moved to qualified third parties for recycling. For non-recyclable waste, we will entrust the local waste collection department for waste treatment, ensuring that all waste is properly dispose of.



Hazardous Waste Management

There is no hazardous waste produced during our production.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Non-hazardous Waste Management

We use domestic waste generated by our offices and canteen, such as kitchen waste, to make organic fertilizers for the small farmland in our plant. Metal scraps generated will move to qualified third parties for recycling. For non-recyclable waste, we will entrust the local waste collection department for waste treatment, ensuring that all waste is properly dispose of.

Non-hazardous waste	Year ended 31 December 2020	Year ended 31 December 2019	
Total non-hazardous waste produced	6.50	6.50	tonnes
Food waste	1.50	1.50	tonnes
Other general waste	3.00	3.00	tonnes
Metal waste	2.00	2.00	tonnes
Handed by waste collection department	3.00	3.00	tonnes
Collected by recycling	2.00	2.00	tonnes
Reuse	1.50	1.50	tonnes
Non-hazardous waste produced intensity	1.09	0.42	kg/tonnes of production volume

RESOURCES MANAGEMENT

Energy Resource Management

Our energy consumed mainly from electricity used in offices, diesel and petrol for transportation and delivery. In addition to upgrading our fleet to save diesel and petrol we also use LED lights instead of fluorescent lamps to save electricity.

Energy consumption	Year ended 31 December 2020	Year ended 31 December 2019	
Total energy consumption	780.15	1,016.09	MWh
Direct energy consumption			
Diesel	349.10	552.63	MWh
Unleaded petrol	204.38	253.16	MWh
Indirect energy consumption			
Purchased electricity	226.67	210.30	MWh
Energy consumption intensity	0.13	0.07	kWh/tonnes of production volume

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Water Resource Management

We have no issue in sourcing water that is fit for purpose.

Water consumption	Year ended 31 December 2020	Year ended 31 December 2019	
Total water consumption	7,120.00	6,249.00	m ³
Water consumption intensity	1.19	0.40	m ³ /tonnes of production volume

Package Material Management

Due to nature of product, goods are delivered by oil tank trucks and no packaging involved.

PRODUCT QUALITY, HEALTH AND SAFETY

Continue to our effort on quality management we qualified on ISO9001:2015 certificate examination in two consecutive years. This is an important milestone for us to established a complete quality management system with high standards and strict requirements for standardized management. At the moment, we have two major subsidiaries holding ISO9001:2005 certificates and we will not stop our work until we promote this quality management to all the segment subsidiaries.



To enhance our production safety awareness, we have installed fire safety facilities in the plant. At the same time, safety management policy and procedure have been formulated in accordance with relevant regulations to enable employees to understand and compliance with the requirement.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Because of the effect of epidemic, we have strengthened the management of outsiders. In addition to sterilization before entering the factory, we have also restricted the number of people entering the factory and the length of stay and area they can stay. At the same time, environmental protection and safety management regulations have been formulated in accordance with relevant laws and regulations for employees to learn and comply with.



We attach great importance to product safety. We have established the “Control Procedure for Product Recall” and a sample retention procedure. Testing will carry on at the product dispatch from the site, report and sample will keep until the customer confirm the quality of good delivered. Only qualified product will dispatch to the customer. We also taking precaution on the vehicles use for delivery to ensure the safety. We also carry out simulated recall on a regular basis to ensure a smooth procedure of product recall. Employees are familiar with the precautions for recall and can respond appropriately in time whenever recall incidents occur.

Whenever our customer complains about product quality or safety issues, we promise to respond within half a working day. We would contact the customer and ask for details, and submit it to the customer services department for coordination and follow-up. We would take immediate rectification action, understand the source of the problem and implement measures to prevent similar incidents happening again.

During the Current Year, we did not receive any complaint in related to our product and services.

EMPLOYEES

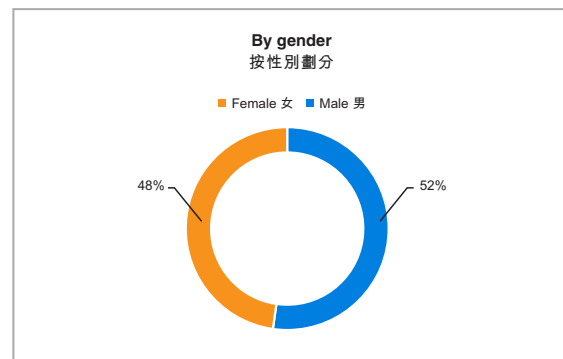
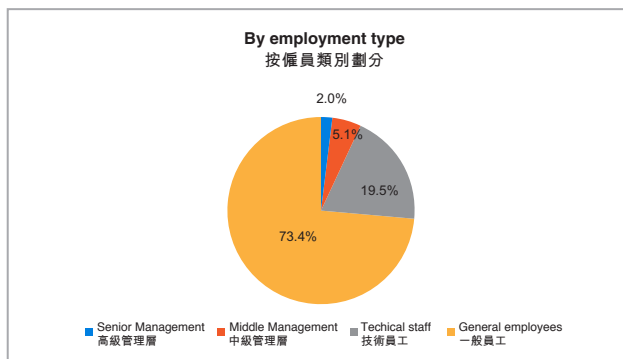
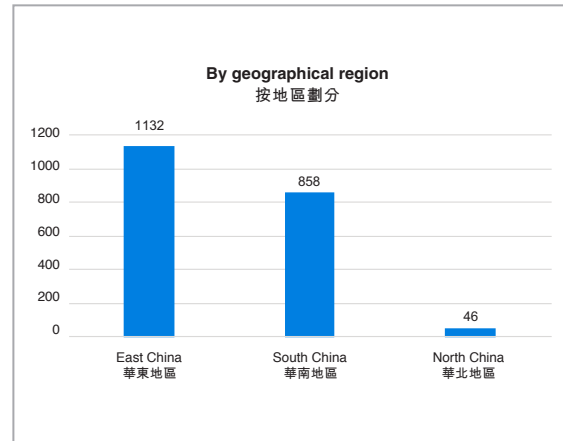
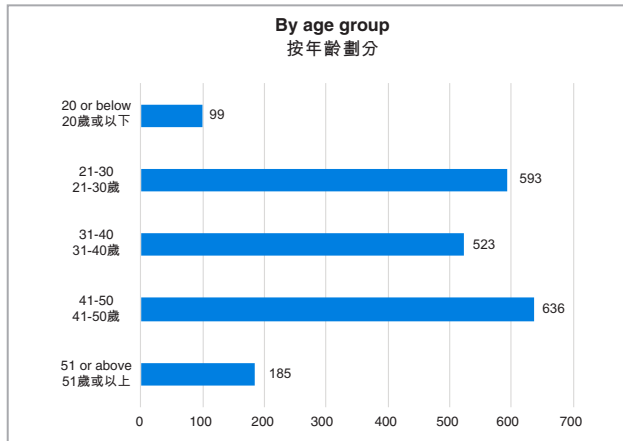
Employees are important assets of the Company. They are also the foundation of our success and development. We believe that our business success depends on our ability to attract, retain and nurture our employees. We are committed to providing employees with a safe working environment, attractive remuneration and benefits, adequate trainings and a fair promotion ladder. We will continue to review and improve the existing mechanism in accordance with the market standards, so that every employee can grow together with the Group.

We strictly comply with applicable local labour laws and regulations, including but not limited to the “Labour Law of the People’s Republic of China”, the “Labour Contract Law of the People’s Republic of China” and the “Social Insurance Law”, and have formulated a comprehensive human resources management mechanism, including the “Human Resources Management Regulations” and the “Employee Handbook”, so that employees can have a clear understanding of our employment systems, such as recruitment, promotion, rest periods, benefits and welfare, working hours, resignation and dismissal.

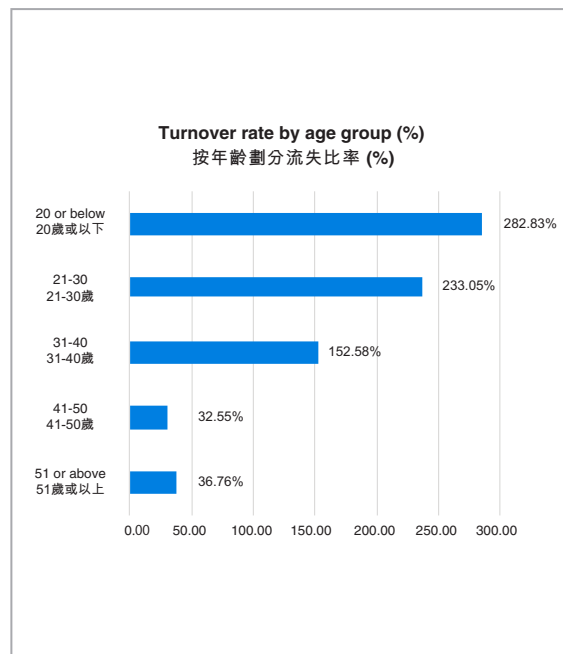
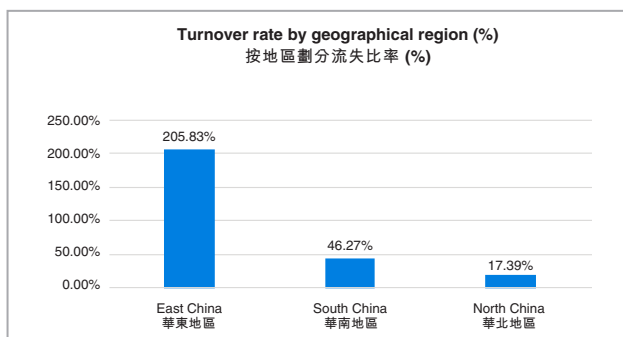
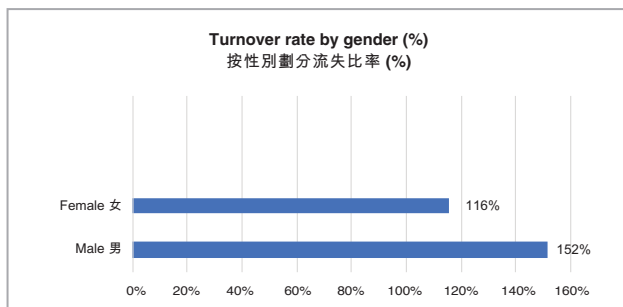


ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Total workforce



Employee turnover rate



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Meritocracy

We adhere to the employment principle of “fair competition and meritocracy”. We support a diverse working team, and believe that fair, justice and equal opportunities are essential in human resources management. Employees’ employment and promotion opportunities will never be affected by factors such as their gender, age, marital status, race, nationality, colour, religion or disability. During the process of recruitment and performance appraisal, we only consider work-related requirements of employees, such as their experience, working ability, teamwork and attitude, opposing to any form of workplace discrimination.

We respect human rights and adopt a zero-tolerance approach to issue such as gender, race and disability discrimination and workplace harassment. We strictly comply with the “Labour Law of the People’s Republic of China”, the “Labour Contract Law of the People’s Republic of China” and the “Special Provisions on Labour Protection of Female Employees”. Should the head of human resources department or other departments receive any complaint, the matter shall be investigated, and will be handled solemnly once proven to be true. We have also formulated the “Management Procedure for Child and Minors Labour”, which strictly prohibits the employment of child labour and forced labour. If any related situation is found during recruitment or under any circumstances, we will set up a task force and notify the social welfare department to ensure proper handling. During the Current Year, no child labour or forced labour was found, and we fully complied with all relevant laws and regulations relating to child labour or forced labour.

Remuneration System, Working Hours and Rest Periods

Our remuneration system strictly complies with relevant laws and regulations, such as the “Labour Contract Law” and the “Labour Law”, ensuring employees receiving their due labour compensation. We have also formulated the “Management Procedure for Working Hours and Overtime” to regulate the on-duty time and overtime of employees. Rest periods or overtime pay shall be compensated to employees for overtime work in accordance with legal requirements. Besides, we also provide personal leave, sick leave, work injury leave, paid marriage leave, paid maternity leave, paid funeral leave and paid public leave.

We have also formulated the “Regulations on Reward and Punishment Management” to review the work efficiency of employees regularly. Awards such as the special contribution award, production performance award and best employee award shall be given to outstanding employees. The long-term service award shall be given to employees who have been working continuously in the Company for a certain period of time.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Team Cohesion

The Group strives to promote a healthy lifestyle. 2020 is a challenging year. Affected by the epidemic, we have followed the anti-epidemic policy to work from home at the beginning of the year. After this period, we are actively preparing to purchase sterilize and prevention supplies for our colleagues and carry out professional sterilization measures in the office and factory area in order to resume normal business. After that, we held a number of recreational activities to help employees striking a balance between life and work. For example, we organised sports and entertainment activities, including singing competitions, sports competitions and health sharing sessions. By organising these activities, we believe employees can develop team spirit and enhance their sense of belonging to the Company.



Occupational Health and Safety

We strive to provide employees with a safe workplace, and ensure compliance with all occupational safety-related laws and regulations, including the "Law of the People's Republic of China on the Prevention and Control of Occupational Diseases", the "Production Safety Law of the People's Republic of China", the "Fire Protection Law of the People's Republic of China" and the "Special Equipment Safety Law of the People's Republic of China". We have obtained the Occupational Health and Safety Management System (OHSAS 18001:2007) certification. We are devoted to safeguarding employees from occupational hazards and enhancing employees' awareness of production safety, thereby reducing the risk of health and safety in workplace. During the Current Year, there were total 15 work injury cases with 657 lost days due to work injury, and with no work-related fatality involved.

We put the health and safety of our employees at first priority. We have appointed safety directors in all production workshops and production lines, and established an Environmental Health and Safety Committee to review the work safety in workshops. We equip our employees with necessary protective equipment, such as earmuffs and safety shoes. Our workshops are equipped with fire protection equipment or tools. Our mechanical equipment is sensor-activated, so as to prevent staff from being pinched, with protective fences to reduce risks, ensuring the safety of employees. In addition, we provide all employees with annual health examination and medical insurance, in an aim to eliminate the worries of employees.

Our printing business may involve the use of hazardous chemicals. In terms of the purchase, storage, usage and management of hazardous chemicals, we have formulated the "Working Guidelines for Storage of Hazardous Chemicals", regulating the purchase, storage and usage of hazardous chemicals. Employees who are responsible for handling hazardous chemicals must receive relevant trainings. The training includes how to understand the safety points, labels and the keys to the operation of chemicals as set out in the "Manual of Safety Information of Chemicals". Responsible staff are required to undergo regular yearly trainings.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

We have formulated contingency plans and procedures for the control and management in case of fire, work-at-height incidents, and work-related injuries to ensure prompt responses are taken and losses are minimised. We provide employees with regular safety trainings to enhance employees' safety awareness, including:

- Occupational health and work injury prevention training
- Special equipment and machine safety training
- Safety awareness training
- Fire safety basic knowledge training
- Hazardous chemicals safety knowledge training

To raise our production safety awareness, fire drills in the factory are conducted regularly. At the same time, safety management regulations are established in compliance with relevant laws for employee learning and obligation.



Fire drill

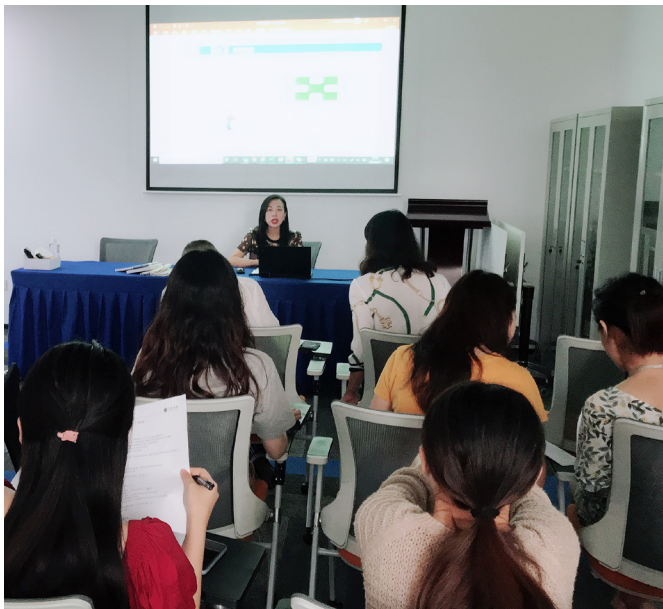


Intelligent fire alarm system

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Training and Development

Training and development of our employees is the key to our business success. We provide employees with various training programs, covering corporate culture, occupational safety, laws and regulations, professional skills and other aspects. The human resources department has introduced staff training programs based on the actual business condition and needs. After the implementing staff training programs, sequential record tracking are maintained for adjustment of staff training programmes and human resources management. We offer new employees with orientation and induction training courses to let them familiarise themselves with our corporate culture, adapt to and understand the operations of each department of the Company. We provide existing employees in different positions with regular on-the-job training, covering basic knowledge of printing, maintenance of production equipment, production procedures, design theory, post-process and basic knowledge of quality. We held approximately 46,357 hours of trainings during the Current Year.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In 2020, the detailed breakdown of the percentage of employees trained and the average training hours completed per employee by gender and employee category is as follows:

Employee training	Average training hours (hours/employee)		Percentage of employee trained	
	Year ended 31 December 2020	Year ended 31 December 2019	Year ended 31 December 2020	Year ended 31 December 2019
By gender				
– Male	25.04	19.82	53%	43%
– Female	20.28	16.87	47%	57%
By employment type				
– Senior management	6.98	4.06	2%	2%
– Middle management	18.48	18.15	6%	6%
– Technical staff	10.68	9.44	18%	14%
– General employees	26.71	20.36	74%	78%

SUPPLY CHAIN MANAGEMENT

We value environmental, social and governance work. We also hope that our partners share our philosophy, thereby maintaining a long-term and stable cooperation and growing together, as well as building a long-lasting and mutually beneficial partnership. We have established the “Assessment and Management Procedures for Suppliers” to comprehensively evaluate suppliers through suppliers’ management systems, production scale, quality assurance, control of hazardous materials, environmental protection, hygiene and safety of food, price, services and social responsibility. We continuously evaluate the performance of suppliers to ensure that their products and service quality are meeting the standards.

In 2020, the detailed breakdown of the number of suppliers by geographical region is as follows:

Number of suppliers	Year ended 31 December 2020	Year ended 31 December 2019
Total number of suppliers	927	963
East China	627	800
South China	151	92
North China	104	44
Others	45	27

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

PRIVACY PROTECTION

The Group strictly complies with the provisions of the Personal Data (Privacy) Ordinance and strive to ensure all collected data kept is free of unauthorized or accidental access, processing, erasure or other use. We require employees to keep internal information such as consumer data and employee data confidential and configure proper networking and server permissions to avoid employee accessing information unrelated to their work. In case of any information leakage is noticed, the Group will ascertain the source of leakage to prevent any further leakage of information.

The Group has also incorporated an IT management policy in our corporate policies. We ensure anti-virus software must be installed on all computers to safe-guard customer's information and backup employees' computer and servers on regular basis to protect possible data loss caused by hardware or software failures.

INTELLECTUAL PROPERTY RIGHTS

The Group respects and protects intellectual property rights and take appropriate actions to ensure that the intellectual property rights are observed and protected. We ensure all computers must be installed with licensed software and no employees are allowed to install software on the computers to office without authorization.

ANTI-CORRUPTION

We uphold the corporate culture of "fairness, justice, honesty and integrity". Our "Employee Handbook" and "Supplementary Provisions of Labour Contract" stipulate that all gifts, banquets and customer rebates are prohibited. If any misconduct, fraud, unlawful behaviour or suspected commercial bribery is found, it shall be passed on to judicial authorities for pursuit of charges.

We have established whistle-blowing channels. If employees are aware of any violation of laws and regulations, they can report the matter by phone, email or letter. We encourage employees to report violations, and we keep the identity of whistle-blowers and their report content confidential to protect the legitimate rights and interests of the whistle-blowers, in order to create a healthy business environment. During the Current Year, we did not receive any report of such violations, and there were no cases of corruption, extortion, fraud or money laundering against us or our employees. For further information on our corporate governance, please refer to the section headed "Corporate Governance Report" in our annual report 2020.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

COMMUNITY CONTRIBUTION

The rapid growth of Huajun is inseparable from the support and trust of the nation and the society. During our continuous development, we have gained understanding, support and help from the government, society and residents, and we recognise the importance of harmonious coexistence with the society. As a responsible enterprise, the Group extends active presence in community activities to support public welfare in addition to its efforts in delivering business growth.

During the Current Year, the Group actively participated in charity events including donating money to Ronald McDonald House Charities, Hong Kong Cancer Fund and participating in the related Dress Pink Day 2020. The Group also participated in Solidary Programme, Help Children in Needs To School Programme, Targeted Poverty Reduction Programme, and made donations of epidemic-related supplies organised by Dongguan City Association of Enterprises With Foreign Investment. During the Current Year, the Group donated a total of HKD269,000 for charity and community purposes.



Dress Pink Day



Healthcare Sales



Donations of epidemic-related supplies

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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(b)	compliance with relevant laws and regulations that have a significant impact on the issuer.		
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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Emissions Management	8-14, 18-20, 23-26
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(b)	compliance with relevant laws and regulations that have a significant impact on the issuer.		
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KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Meritocracy	30
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General Disclosure		Training and Development	34-35
Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.			
KPI B3.1	The percentage of employees trained by gender and employee category.	Training and Development	35
KPI B3.2	The average training hours completed per employee by gender and employee category.	Training and Development	35
Aspect B4: Labour Standards			
General Disclosure			
Information relating to preventing child and forced labour:			
(a)	the policies; and		
(b)	compliance with relevant laws and regulations that have a significant impact on the issuer.		
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Meritocracy	31
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Meritocracy	31
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure		Supply Chain Management	35-36
Policies on managing environmental and social risks of the supply chain.			
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management	36
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	35

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Subject Areas, Aspects, General Disclosures and KPIs		Section/ Statement	Pages
Aspect B6: Product Responsibility			
General Disclosure		Product Quality, Health and Safety	16
Information relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress:			
a) the policies; and			
b) compliance with relevant laws and regulations that have a significant impact on the issuer.			
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	There were no recalls for safety and health reasons during the Current Year	N/A
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Quality, Health and Safety	16, 22, 27
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Rights	36
KPI B6.4	Description of quality assurance process and recall procedures.	Product Quality, Health and Safety	16, 22 ,27
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Privacy Protection	36
Aspect B7: Anti-corruption			
General Disclosure		Anti-corruption	36
Information relating to bribery, extortion, fraud and money laundering:			
(a) the policies; and			
(b) compliance with relevant laws and regulations that have a significant impact on the issuer.			
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Current Year and the outcomes of the cases.	Anti-corruption	36
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption	36

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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.		Community Contribution	37
KPI B8.1	Focus areas of contribution.	Community Contribution	37
KPI B8.2	Resources contributed to the focus area.	Community Contribution	37