



Xin Point Holdings Limited 信邦控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 1571



ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT

2020

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ABOUT THIS REPORT

REPORTING YEAR

This report is the fourth Environmental, Social and Governance Report prepared by Xin Point Holdings Limited (the “**Company**” or “**Xin Point**”) and its subsidiaries (together as the “**Group**”) to disclose the Group’s performance in respect of environmental protection, social responsibilities and corporate governance every year.

This report describes the Group’s measures and results in respect of the above issues during the financial year from 1 January to 31 December 2020.

REPORTING GUIDE

This report is prepared in accordance with the “Environmental, Social and Governance Reporting Guide” (the “**ESG Reporting Guide**”) set out in Appendix 27 to the Main Board Listing Rules of The Stock Exchange of Hong Kong. This report covers the Group’s corporate social responsibility activities during the financial year 2020, including our performance in important aspects that the Group is focusing on, including environmental, employment and supply chain management.

This report is prepared according to the four major reporting principles of ESG Reporting Guide, including materiality, quantitative, balance and consistency.

- **Materiality:** We have engaged an independent consultant to conduct stakeholder engagement and materiality assessment, so as to understand the material environmental and social issues of our operations.
- **Quantitative:** We disclose quantitative environmental and social performance data in this report and provide comparable data in appropriate indicators.
- **Balance:** We disclose the year’s environmental, social and governance performance, and also mention relevant improvement space to present an impartial performance profile in this report.
- **Consistency:** The scope of this report and the data statistics methods are consistent with the past in order to provide a fair comparison.

In the long run, we hope that through report disclosure we will continue to improve our corporate performance in sustainable development and enhance the transparency in the disclosure of relevant information.

REPORTING SCOPE

This report covers our major production business of automotive plastic electroplated components in Mainland China, including the headquarter of the Group and the following plants:

- Huizhou production base: Huizhou Xin Point Precision Components Co., Ltd*, Huizhou Keen Point Precision Plastic Co., Ltd., Huizhou Xin Point Surface Decoration Co., Ltd*, Huizhou Keen Point Surface Decoration Co., Ltd* and Huizhou Xinsheng Technology Co., Ltd.*
- Wuxi production base: Wuxi Jinxin Surface Decoration Co., Ltd., Wuxi Keen Point Electronics Co., Ltd* and Wuxi Keen Point Automobile Precision Moulding Co., Ltd.
- Tianjian production base: Tianjin Jinxin Precision Plastic Components Co., Ltd.
- Changzhou production base: Changzhou Xinsheng Automobile Components Co., Ltd.*
- Mexico production base: Xin Point Mexico Co., Ltd.*

In order to meet the growing demand from our international customers, we are expanding the production capacity of our plants around the world. In 2020, the Group's new production bases in Mexico and Changzhou have begun full operations. In view of this, we have included the sustainability performance of the above new production bases in the reporting scope of this year's report to ensure that the relevant information truly reflects the business scale of the Group.

CONTACT US

We welcome your feedback on our sustainable development performance and the content of this report. We believe that your feedback is the driving force for our continuous progress. Should you have any feedback on our sustainable development performance or the content of this report, you are welcome to contact us through the following ways:

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Company website: www.xinpoint.com

This report is published in both Chinese and English. The electronic version of this report is available on the Group's website (www.xinpoint.com). In case of any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.

BOARD APPROVAL

This report was approved by the Board of the Company on 24 June 2021.

BRIEF INTRODUCTION TO THE HISTORY OF THE GROUP

Established in 2002, the Group is a leading automotive plastic electroplated components supplier in China. The Group mainly sold and manufactured electronic and chemical products at its early business stage. Subsequently, the Group transformed its business, expanded its business scope to plastic products, moulding production and electro-plating, and established production bases in Wuxi City and Tianjin City in China.

In 2006, the Group successfully expanded its international business, began selling our products to customers in North America and became the second largest automotive plastic electroplated component supplier in China in terms of sales revenue in that year. We then extended our presence to European markets, such as Germany, in 2008. In line with our business expansion over the years, we have established production bases in Mainland China and around the world to expand the Group's production capacity. During the reporting year, the Group's plants in Lagos de Moreno, Mexico and Changzhou, China have commenced mass production.

In the first half of 2020, the Group formed a new joint venture company with Wanka Online Inc. ("Wanka", HKEx: 1762), and commenced the internet of vehicle business in Shenzhen in mid-2020. However, the joint venture company is not included in the reporting scope for the current year due to its insignificant joint venture proportion.

BUSINESS SCOPE

The principal activities of the Group are the production and sale of various electroplated automotive interior components, such as door trims, door handles, shifter bezels, steering wheel components, console parts and cluster rings. As a plastic electroplated components supplier, we continue to develop various professional electroplating technologies, such as ABS resin, PC/ABS resin and other plastic resins to enrich the Group's business solutions. In addition, we provide various surface treatment specifications, such as bright, metal drawing, black and titanium metal finishes, to meet the different needs of our customers.

We place great emphasis on one-stop production process management, including quality control in various production processes such as mould production, plastic injection moulding and electroplating. Effective production management has not only enabled the Group to increase its production capacity, but has also established a good brand reputation for the Group, enabling the Group to provide excellent products for various world-renowned luxury automotive brands. In the financial year 2020, the Group's overall production yield rate reached 89.5%, which is similar to 88.6% in the financial year 2019.

In response to the COVID-19 pandemic, Xin Point implemented various pandemic management measures during the year, striving to reduce the impact on operation and production and secure the safety of staff members and the community. For details, please refer to the section headed "Safe Working Environment and Preventive Measures". The Group will continue to actively respond to the challenges brought by the pandemic and strive to improve our operational efficiency.

SUSTAINABLE DEVELOPMENT APPROACH

SUSTAINABLE DEVELOPMENT OBJECTIVES

The Group's corporate vision is to become a leading technology company in the plastic surface decoration industry. To this end, we adhere to our corporate principle of "People-oriented, Prevention-focused" and implement our commitment to "Safety first, Recycling preferred, Quality-centered" in our operation process. In addition to complying with the laws and regulations of the places where we operate in, we also strive to improve the quality of our products and services to satisfy the requirements of customers and other stakeholders.

SUSTAINABLE DEVELOPMENT AND GOVERNANCE FRAMEWORK

The Group has established a comprehensive sustainability governance structure to effectively incorporate sustainability considerations into the Company's decision-making process. In our governance structure, the Board is responsible for advising and supervising the sustainable development strategies of the Company. In our daily operations, our senior management is responsible for making decisions and supervising our sustainable development management model; while each department is responsible for planning and implementing the relevant measures and reporting to the senior management and the Board on a regular basis.

ADVOCATING PROBITY AND PERFECTING GOVERNANCE

The Group rigorously complies with national laws and regulations relating to business ethics such as bribery, extortion, fraud and money laundering, which include the "Criminal Law of the People's Republic of China", the "Anti-Money Laundering Law of the People's Republic of China" and the "Anti-Unfair Competition Law of the People's Republic of China". To regulate the behavior of our staff members, suppliers, contractors and subcontractors as well as customers, the Group has established an internal control system and formulated the "Integrity Convention and Code of Business Ethics". We require our staff members to comply with relevant laws and regulations, and work with the highest standards of integrity and business ethics.

In order to prevent corrupted business practices, the Group has implemented a series of measures in its operations. For example, we strictly forbid our staff members from participating in any activities involving conflict of interest, including participating in the business of our suppliers or contractors in their personal capacity and misusing the information and facilities of the Group. Also, staff members are prohibited from participating in transactions that are in direct commercial competition with Xin Point, possessing any asset that is impacted by the Group's actions or acquired based on the Group's information, holding or transferring any business opportunities of the Group, and obtaining any interest or position at our competing corporations, so as to eliminate any behavior that staff members may use their powers for personal gains. To reduce the risks of committing fraudulence, staff members must submit all the present received in business activities to the CEO office for centralized handling. To ensure that our staff members comply with the above measures, the audit department of the Group conducts reviews annually to examine if there is any conflict of interests for personnel in sensitive positions, including senior management, procurement, marketing and finance personnel.

In addition, the Group adheres to a "zero tolerance" stance on corruption issues, establishes channels for reporting and complaints, and encourages employees to report misconduct. We have established an "Anti-Fraud Whistleblowing System" and an internal control system to assist the Board in performing internal supervision over the management. According to the management structure of the system, the audit department of the Group is responsible for managing the relevant reporting channels, whereas employees and external third parties can make named or anonymous reports via our whistleblowing hotline and email. The system states that the Group must ensure the rights and interests of the investigating personnel and whistleblowers are protected, and discrimination, revenge and hostility against them are prohibited. In case of violation, the offenders will be dismissed and sent to the judicial authorities for action in accordance with the legal requirements.

During the reporting year, there was no case of corruption litigation against the Company or our employees.

STAKEHOLDER ENGAGEMENT

The Group actively communicated with the stakeholders to understand their opinions and expectation regarding the sustainable development of the Group, and thereby identifies the material environmental and social issues in the Group's operation, to continuously improve the relevant performance.

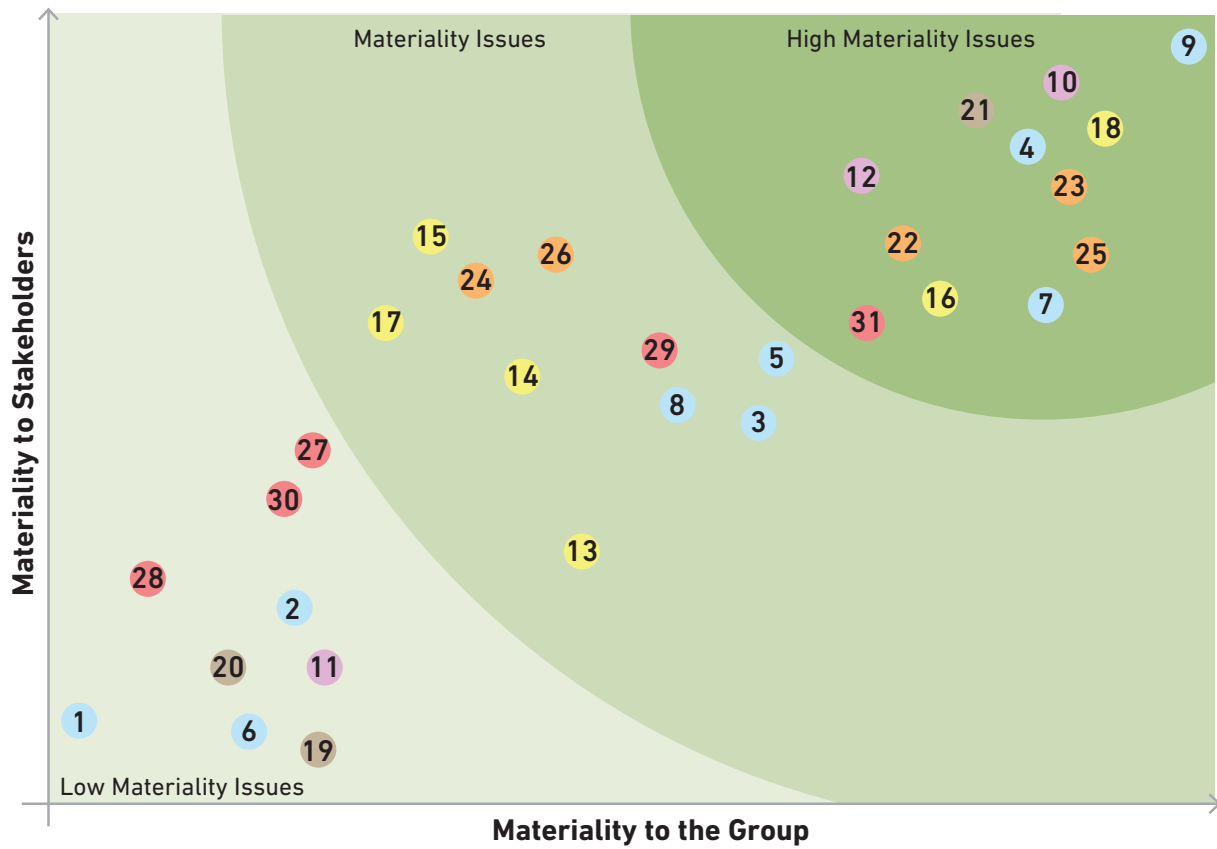
The stakeholders of the Group include staff members, shareholders and investors, customers, contractors, suppliers, governmental and regulatory institutions, industry associations and members of the community. The main channels of communication between the Group and stakeholders are as follows:

| Type of Stakeholders | Communication Channels |
|---|--|
| Employees | <ul style="list-style-type: none"> • Intranet • Staff meetings • Staff training • Staff interviews • Satisfactory survey of staff members |
| Customers | <ul style="list-style-type: none"> • Telephone communication • Opinion poll |
| Shareholders or investors | <ul style="list-style-type: none"> • Annual general meetings • Annual and interim financial reports • "Investor Relations" web page on the Group's website • Press release |
| Cooperation partners (suppliers and contractors) | <ul style="list-style-type: none"> • Interviews • Audit and assessments • Telephone communications |
| Governmental and regulatory institutions | <ul style="list-style-type: none"> • Interviews • Telephone communications |
| Media | <ul style="list-style-type: none"> • Press release • Press conference • "Press & Events" web page on the Group's website |

MATERIALITY ANALYSIS

The Group has commissioned a third-party professional institution to conduct materiality analysis to identify the important environmental, social and governance issues in the industry, and analyze the importance of the issues to the Group through communication with stakeholders, with a view to effectively enhancing the Group’s sustainable development management. During the reporting year, as there was no significant change in the Group’s business, the results of our previous materiality analysis continued to be presented in this report.

The result of relevant materiality analysis is as follows:



| | High materiality issues | Materiality issues | Low materiality issues |
|------------------------------------|---|--|---|
| Environment | 4. Sewage management 7. Management of wastes 9. Regulations on Environmental protection | 3. Management of the use of water resource 5. Prevention management of soil and groundwater pollution 8. Adoption of environmental protection technologies | 1. Management of the usage of energy 2. Management of greenhouse gases 6. Environmental and natural resources |
| Economic issues | 10. Economic performance 12. Sustainable development strategies | | 11. Risks on climate change |
| Employment | 16. Employee benefits and development 18. Regulations on labor protection | 13. Diversity of employees 14. Equal and non-discriminatory working environment 15. Occupational safety and health 17. Employee well-being and satisfaction | |
| Community investment | 21. Community Regulations | | 19. Community investments 20. Impact on the community |
| Product and service responsibility | 22. Product health and safety 23. Protection of intellectual properties 25. Customer complaints | 24. Customers Privacy 26. Regulations on products and services | |
| Supplier management | 31. Regulations on supplier management | 29. Examination suppliers | 27. ESG performance of suppliers 28. Supplier training 30. Diversity of suppliers |
| Anti-corruption | 32. Anti-corruption management 34. Anti-corruption regulations | 33. Anti-corruption training | |

CARE FOR THE ENVIRONMENT

CONTINUOUS MONITORING OF ENVIRONMENTAL PERFORMANCE

The major business of the Group is the manufacturing of automotive interior decorative components. Inevitably, wastewater and exhaust gas would be emitted and solid wastes would be produced in the process of production. In order to strengthen environmental protection, we strictly abide by the laws and regulations of the places where we operate, including the "Environmental Protection Law of the People's Republic of China", the "Measures for the Disclosure of Environmental Information of Enterprises and Public Institutions" and the "Environmental Impact Assessment Law of the People's Republic of China", to ensure that the environmental performance in the process of plant establishment and production meets the local standards. During the reporting period, the Group has not been fined or penalized due to any violation of applicable environmental laws and regulations.

We regularly convene work meetings to examine the latest requirements of national and local laws and regulations on environmental protection and review the implementation and compliance of the Company's existing management measures. At the same time, we invited the management to prepare the "Environmental Performance Monitoring Plan" and arrange third-party monitoring to ensure that the Group has an effective management mechanism for environmental affairs.

We have incorporated management standards into our operations and developed a "Management Manual" in accordance with the principles of the ISO14001:2015 Environmental Management System to regulate the daily operations of each production process, including the product manufacturing procedures, such as mould fabrication, injection moulding, insulating, plastic electroplating, spray painting, printing, laser engraving, and assembling, as well as the procurement, sales, transport, and after-sale services of raw material. In addition, a total of six of our companies have obtained ISO14001 Environmental Management System certification, establishing a level of environmental management that meets international standards.

We have formulated the "Environmental Factors Identification and Assessment Management Procedures" and the "Risk Management and Control Procedures" to help us conduct internal monitoring and risk control in our production process and analyze potential environmental hazards and accident risks. In addition, the Group has established the "Control Procedures for Corrective Measures and Preventive Measures", which requires employees to analyze the causes and prepare reports for non-compliant environmental performance to suggest improvements for the relevant departments.

To monitor environmental performance more effectively, we have formulated the "Environmental Monitoring and Control Procedures". Relevant documents are formulated, which require employees to monitor the discharge of wastewater, exhaust gas, noise and solid wastes, as well as our consumption of energy resources during the production process by taking the implementation of technical, management and improvement goals as indicators. Meanwhile, we regularly engage external qualified monitoring agencies to conduct measurement to further examine our environmental performance.

GAS EMISSIONS AND ENERGY MANAGEMENT

In the process of electroplating, the major source of exhaust gas emissions comes from the component surface treatment process. To mitigate air pollution, we strictly comply with the requirements of the "Law of the People's Republic of China on Prevention and Control of Atmosphere Pollution" by installing air purifiers and circulation facilities to collect air pollutants from the production workshops and improve the quality of gases emitted.

The Group complies with the exhaust gas emission laws and standards of the places where it operates, including the "Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution", the national standard "Emission Standard of Pollutants for Electroplating", the local provincial standard "Air Pollutant Emission Limit", as well as the Mexican government's "Standards for Control of Emissions for Air Pollution - Flue Gas Desulfurization and Acid Condensation Plants - Sulfur Compounds (NOM-137-SEMARNAT-2003)", "Emission Measurement Standards for Particulate Matters from Solid Wastes (NMX-AA-010-SCFI-2001)" and "Environmental Protection Standards for Air Pollution (NMX-AA-023-1986)". During the reporting period, we have not been prosecuted or penalized for violating the relevant laws and regulations relating to exhaust gas emissions.

To ensure compliant emissions, we engaged independent third-party testing companies to inspect the exhaust gas emission concentration at the exhaust gas outlets of each plant. The results of the inspections are as follows:

| Types of exhaust gas | Maximum density of emission (mg/m ³) ³ | Emission standard (mg/m ³) ³ | Performance 2020 |
|-------------------------|---|---|------------------|
| Sulfuric acid mist | ≤5 | 30 ¹ | Requirements met |
| Chromic acid mist | ≤0.023 | 0.05 ¹ | Requirements met |
| Hydrogen chloride | ≤7.8 | 30 ¹ | Requirements met |
| Non-Methane Hydrocarbon | ≤11.6 | 120 ² | Requirements met |
| Methylbenzene | ≤0.46 | 40 ² | Requirements met |
| Benzene | ≤0.233 | 12 ² | Requirements met |
| Dimethylbenzene | ≤0.487 | 70 ² | Requirements met |
| Particulate matter | ≤37.6 | 120 ² | Requirements met |

Sources:

¹ "Electroplating Pollutant Emission Standard" GB 21900-2008

² "Air Pollutant Emission Limit" DB44/27-2001

³ The figure is taken from each gas emission outlet inspection report in 2020, and represents the maximum detected figure of the type of exhaust gas.

| Types of exhaust gas | Unit | Performance 2020 | Performance 2019 |
|-------------------------|--------|---------------------|---------------------|
| VOCs | Tonnes | 2.40 | 2.29 |
| Benzene | Tonnes | 0.11 | 0.11 |
| Methylbenzene | Tonnes | 0.17 | 0.16 |
| Dimethylbenzene | Tonnes | 0.30 | 0.28 |
| Non-Methane Hydrocarbon | Tonnes | 2.13 | 2.51 |

The Group understands that greenhouse gases are closely related to global climate change, and therefore is committed to reducing greenhouse gas emissions and achieving energy conservation. To strengthen energy management, we have formulated and followed the "Water and Electricity Management System" for energy conservation in plants to ensure that all production equipment is switched off once the production is suspended, and regular maintenance is implemented to maintain a smooth operation of machinery and equipment, increasing power consumption efficiency. In addition, the system also sets up energy-saving operating practices for all workplaces and offices, including regularly cleaning the air-conditioning filters to increase the efficiency of air-conditioners, requiring staff members to turn off the lights and air-conditioners after work, with an aim to actively reduce electricity consumption to slow down global climate change.

In 2020, the Group's total greenhouse gases emissions are as follows:

| Greenhouse gases emissions | Unit | Performance 2020 | Performance 2019 |
|--------------------------------|--|---------------------|---------------------|
| Scope 1 ⁴ | Tonnes of CO ₂ equivalent | 464 | 619 |
| Scope 2 ⁵ | Tonnes of CO ₂ equivalent | 59,853 | 60,600 |
| Scope 3 ⁶ | Tonnes of CO ₂ equivalent | 45.1 ⁷ | 238.9 |
| Total greenhouse gas emissions | Tonnes of CO ₂ equivalent | 60,362 | 61,458 |
| Emission intensity | Tonnes of CO ₂ equivalent/ revenue (RMB'000) | 0.0292 | 0.0288 |

⁴ The emission factors used to calculate greenhouse gases emissions (Scope 1) refer to Appendix 2: Reporting Guide on Environmental Key Performance Indicators of "How to Prepare an ESG Report" issued by the Stock Exchange

⁵ The emission factors used to calculate greenhouse gases emissions (Scope 2) refer to the reference document "2011 and 2012 Regional Power Grid Average Carbon Dioxide Emission Factors in China"

⁶ The calculation scope of greenhouse gases emissions (Scope 3) only includes greenhouse gases generated from business trips by employees.

⁷ Due to the outbreak of Coronavirus Disease 2019 (COVID-19), the number of business trips by employees in 2020 decreased significantly, resulting in a decrease in greenhouse gases emissions.

For various businesses, we have implemented several energy-saving and consumption reduction projects to reduce the impact on the environment. The Group actively adopts renewable energy and has launched a 500 kilowatt-peak (kWp) distributed photovoltaic power generation project at the end of 2020. A user-side grid-connected power generation system was built at the top of the buildings within Keen Point Group in Xikeng Market, Huihuan Town, Huicheng District, Huizhou City, Guangdong Province, to directly convert solar energy into electricity. This project is expected to generate an average of approximately 515.5 MWh of electricity per year, reducing 21.53 tonnes of carbon dioxide emissions annually, and gradually implementing the vision of low-carbon development.

| Resources consumption | Unit | Performance 2020 | Performance 2019 |
|--|-----------------------|---------------------|---------------------|
| Purchased electricity | MWh | 96,965.9 | 99,318.6 |
| Purchased steam | GJ | 38,996.6 | 35,502.2 |
| Petroleum | Liters | 61,937.5 | 49,536 |
| Diesel | Liters | 109,827.2 | 179,756 |
| Total direct energy consumption ⁸ | MWh | 1,634.7 | 2,211.9 |
| Total indirect energy consumption ⁹ | MWh | 107,798.4 | 109,181.0 |
| Total consumption intensity | MWh/revenue (RMB'000) | 0.0529 | 0.0523 |

⁸ Scope 1 Greenhouse gases emissions are calculated based on the petroleum and diesel consumed.

⁹ Scope 2 Greenhouse gases emissions are calculated based on the purchased electricity and purchased steam consumed.

Case study:

Energy Saving and Consumption Reduction of Ice Water Units

Originally, the plant only operated cooling circulation pumps and cooling fans in manual mode to cool down the ice water units. During winter, the plant installed an automatic control function. In response to the changes in the unit temperature, the cooling circulation pumps and cooling fans can be automatically turned on when the temperature is too high, so as to avoid unnecessary electricity consumption. The automation function also ensures that the cooling water temperature meets the requirements and extends the service life of facilities. The total annual saving of electricity costs is approximately RMB24,000.

Case study:

Improvement of Energy Saving and Consumption Reduction by Using Residue Heat to Dry Sludge

The heat generated during the operation of the air compressor is guided into the sludge drying unit through the pipeline, which serves as an auxiliary energy for drying sludge. The "first-in, first-out" design in the drying unit enables the hot air to form turbulence indoor to ensure that high internal temperature is maintained and moisture from wet sludge can be evaporated. At the same time, the drying unit is built with iron sheets painted in black, with thermal insulating cotton and waterproof tape covering the pipe, which can fully utilize the advantages of outdoor solar heating and prevent heat loss.

The processing time of such procedure is 3 times faster than normal drying methods, saving a total of approximately RMB29,000 in annual electricity cost.

Case study:

New Cardboard Boxes

There are several shortcomings in the use of traditional paper boxes in transportation, such as deformation due to moisture, compression and deformation caused by the storage of heavy items, rapid deterioration and consumption, low reuse frequency, etc. For the above issues, we fully replace the traditional paper boxes with new cardboard boxes, together with a new packaging design which can reduce the use of packing tapes in sealing boxes. This reduces the use of plastic paper and simplifies the sealing process.

The new cardboard box can be used 20 times on average, which is obviously more durable as compared to that of the old paper boxes by 6.95 times. In addition to reducing the consumption of paper boxes and packing tapes, saving a total of approximately RMB240,000 in annual procurement costs.

MANAGEMENT OF WATER RESOURCE

As water is a precious natural resource, it is the corporate responsibility to properly manage the use of water resources. The Group strictly abides by the laws and regulations of the regions where it operates, including the "Water Law of the People's Republic of China", the "Law of the People's Republic of China on the Prevention and Control of Water Pollution" and the "Law of the People's Republic of China on the Prevention and Control of Radioactive Pollution". At the same time, we ensure that the discharged water quality meets the relevant standards set by the PRC and the Mexican governments, such as the "Maximum Permitted Limits of Pollutants in National Water Discharge Wastewater (NOM-001-SEMARNAT-1996)" in Mexico.

As the automotive plastic electroplating process requires extensive use of water resources, the Group has implemented various measures to reduce water consumption and wastewater discharge during the production process. As the recycling process of precious metal generates electroplating wastewater, we recycle such water and reuse it in different production steps to make full use of water resources. In addition, to prevent the water resources wastage caused by water pipe leakage, we have formulated the "Water and Electricity Management System", which states that employees must carry out regular maintenance work and take treatment steps when a water leakage incident is discovered. Our administration and human resources department also regularly reminds employees to turn off water taps after daily use, to promote water-saving office practices.

During the reporting period, the Group was not aware of any non-compliance cases in relation to laws and regulations on water bodies.

| Types of water consumption | Unit | Performance 2020 | Performance 2019 |
|---------------------------------|-------------------------------|---------------------|---------------------|
| Water consumption in production | Cubic meter | 461,616 | 464,133 |
| Domestic water consumption | Cubic meter | 65,666 | 78,718 |
| Water intensity | Cubic meter/revenue (RMB'000) | 0.255 | 0.255 |

The Group strictly complies with the wastewater treatment requirements set by the State, including the "Emission Standard of Pollutants for Electroplating (GB 21900-2008)" or the local government's requirements on water pollutant emission control standards, such as the "Electroplating Water Pollutant Emission Standard DB 44/1597-2015" imposed by the Guangdong Provincial Government. In addition, our plants have referred to the national standard "Technical Specification for Electroplating Industry Wastewater Treatment (HJ2002-2010)" and adopted the wastewater treatment compliance projects and technical solutions to treat industrial wastewater containing heavy metals, acidic and alkaline wastewater discharged from the electroplating and painting processes.

To strengthen internal management, the Group has formulated the "Wastewater Treatment Control Procedures", which clearly sets out the wastewater treatment processes and operations, water sampling requirements and discharge requirements, emergency response methods, reports and records, etc. The procedures also instruct all plants to install appropriate wastewater treatment facilities to ensure that wastewater is properly filtered and treated before its discharge. We have installed surveillance cameras and wastewater recycling equipment in the industrial park to further monitor the wastewater treatment process to ensure that the level of pollution discharge reaches the national emission standards. As technology advances, we will continue to explore design improvements, adopt advanced process technologies and equipment, use quality raw materials, and improve management to enhance our prevention and control efforts.

During the reporting period, our wastewater discharge met the requirements of the national and local governments, and there was no incident of non-compliance.

Case study:

Copper and Nickel Recycling on Production Line and Permeated Liquid Recycling System

In the process of metal recycling and treatment, we adopt the combination process of “microfiltration + ultrafiltration + membrane filtration”. The system collects the rinse water used in the metal aqueduct first, and then uses a booster pump to pressurize the water. The pressurized water is then sent to the cotton core filter and an ultrafiltration membrane for filtration. The filtered rinse water will be temporarily stored in a circulating concentration tank, transforming into transparent liquid through a third-level nanofiltration.

After several cycles of filtration, the transparent liquid will gradually be concentrated. When the concentrated liquid reaches the conductivity set point, the concentrated liquid and the separated recovered water can be returned to the production line for reuse. During the year, the total cost reduction of copper and nickel materials was approximately RMB2,172,473, the reduction of wastewater discharged to the environment was approximately 5,251 cubic meters, saving a water bill of RMB268,145.

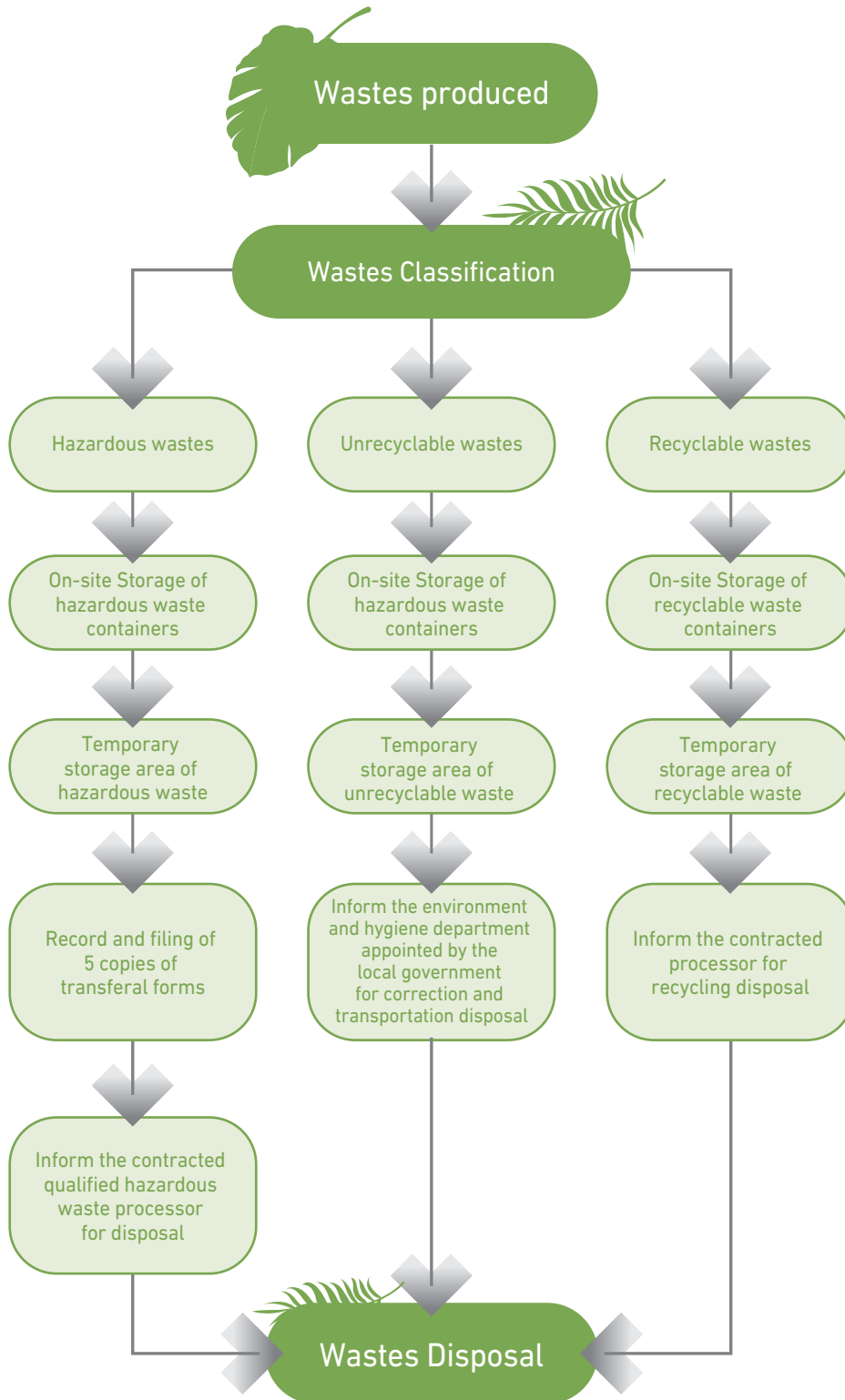
| Wastewater quality index | Unit | Performance 2020 | Performance 2019 |
|-------------------------------------|--------|---------------------|---------------------|
| Wastewater discharged in production | Tonnes | 410,905 | 429,496 |
| Chemical oxygen demand (COD) | Tonnes | 10.15 | 14.35 |
| Ammonia nitrogen | Tonnes | 0.43 | 1.04 |
| Heavy metals | Tonnes | 1.04 | — |

MANAGEMENT OF WASTES

We aim to reduce environmental impacts and effectively manage various types of waste in the production process. We ensure that all waste generated, temporarily stored and finally disposed of are in compliance with the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste” and other local regulatory requirements, including the “Unified Classification, Labelling and Connectivity System of Hazardous Chemicals (NMX-AA-047-1977)” of the Mexican government.

Our “Waste Management and Control Procedures” clearly sets out the responsibilities of the relevant departments, such as the administrative department, warehouse management department and production department, classifies wastes into three categories, namely recyclable, unrecyclable and toxic and hazardous wastes, and sets out the corresponding treatment procedures according to the types of wastes, including classified collection and temporary storage, temporary storage area management, transfer of hazardous wastes, etc., to avoid contamination of wastes. The Procedures requires waste processors to obtain the recognition of environmental protection authorities and sign waste disposal contracts before being included in the “List of Waste Disposal Processors” to ensure that hazardous wastes are not handled by non-licensed processors. To further reduce the burden on the environment and landfills, the Procedures also requires the CEO office’s IT team to collect valuable waste such as electronic waste and end-of-life products and transfer it to a processor that can reuse the item.

The waste disposal procedures described in the "Waste Management and Control Procedures" are as follows:



As electroplating is a key business of the Group, we pay special attention to how to treat electroplating sludge – i.e. hazardous wastes containing heavy metals produced after technical processing of electroplating wastewater. In order to safely dispose of hazardous wastes, our “Hazardous Waste Disposal Record Form” sets out the precautions for managing hazardous solid wastes (including electroplating sludge), as well as the procedures for delivery activities. Due to the dangerous nature of hazardous solid wastes, hazardous waste producing units are required to centralize the treatment of hazardous solid wastes, set up special containers for storage, and arrange qualified professional environmental service providers for collection, transportation and treatment. The external service providers we engaged are all equipped with the relevant licenses and business licenses granted by the government.

During the reporting period, the Group did not receive any non-compliance cases in relation to the laws and regulations on waste management.

| Resources consumption | Unit | Performance 2020 | Performance 2019 |
|------------------------------|-------------|-----------------------------|---------------------|
| Packaging material paper | Tonnes | 2,936 | 3,554 |
| Office paper | Tonnes | 16.5 | 15 |

| Types of hazardous wastes | Unit | Performance 2020 | Performance 2019 |
|----------------------------------|-----------------------------|-----------------------------|---------------------|
| Electroplating sludge | Tonnes | 671.6 | 467.6 |
| Electroplating liquid filter | Tonnes | 30.65 | 76.66 |
| Paint residue and paint cans | Tonnes | 271.62 | 170.50 |
| Intensity of hazardous wastes | Kilograms/revenue (RMB'000) | 0.471 | 0.336 |

| Types of non-hazardous wastes | Unit | Performance 2020 | Performance 2019 |
|--------------------------------------|-----------------------------|-----------------------------|---------------------|
| Plastic | Tonnes | 1,365 | 1,388 |
| Cleaning cloths | Tonnes | 2.7 | 1.9 |
| Domestic wastes | Tonnes | 186.15 | 138.69 |
| General industrial wastes | Tonnes | 209.32 | — |
| Intensity of non-hazardous wastes | Kilograms/revenue (RMB'000) | 0.85 | 0.72 |

OPERATING PRACTICES

SUPPLY CHAIN MANAGEMENT

The Group believes that supply chain management is essential to product quality and contributes to sustainable business development. To this end, we have formulated the "Supply Chain Management and Control Procedures" which sets out the details on the selection, evaluation and review of suppliers to regulate supplier management. In order to ensure the quality of raw materials for our products, the procurement department of the Group has formulated the "Supplier Basic Information Survey Form" to conduct background investigation on each potential manufacturer. Manufacturers passing the above review will be included in our list of approved suppliers for selection by the procurement department. In the selection of suppliers, in addition to evaluating the product quality and prices of suppliers, we require suppliers to at least obtain ISO9001:2000 certification and aim to meet the requirements of IATF 16949:2016 automotive industry supplier quality system in the long run, so as to ensure that the products meet international standards.

The Group incorporates relevant considerations on suppliers' environmental and social performance in the evaluation process. On the environmental front, we require our suppliers to introduce their environmental management system. They are required to confirm their compliance with laws related to environmental protection and analyze the hazardous substances used in the product ingredients. In addition, we request suppliers to sign the "Green Procurement Agreement" formulated by the Group, and suppliers must meet our environmental material management requirements before being included in the list of approved green suppliers. These requirements include the compliance of raw materials with national and local laws and regulations, active measures to deal with excessive pollutants emitted during the production process, and to ensure the materials purchased from third parties also comply with the stipulated requirements.

The "Supplier's Code of Conduct" sets out our standards on various issues, such as social, corporate governance, anti-corruption and basic human rights of labor, to ensure that our suppliers follow and comply with our corporate ethical standards. We require suppliers to sign the "Letter of Notification for Relevant Parties" and "Sunshine Commitment Letter" to commit to business integrity. In addition, we require our suppliers to provide past records of safety incidents and consider performance on occupational health and safety. After the selection of suppliers, we will provide training on corporate social responsibility and the environment to help them understand the importance of sustainable corporate operation by analyzing various cases and theories.

In addition to the strict review of supplier's backgrounds, the Group continuously evaluates the annual performance of suppliers. The procurement department distributes the "Environment Quality Questionnaire for Suppliers" to suppliers to fill in, understands the environmental performance of the suppliers in respect of the implementation of ISO14001/GP Environmental Quality Management System, the use of hazardous substances, waste disposal and the environmental impacts of chemicals and records the relevant results in the "Supplier Semiannual/Annual Review Form". If suppliers fail to pass the audit requirements or there is any material quality, social or environmental incident, we will consider abolishing their qualifications. At the same time, we conduct on-site audits at suppliers' plants from time to time and evaluate suppliers' performance according to the environmental requirements in the "Supplier Supervision List".

The Group actively participates in industry-related initiatives to ensure the Group's effective implementation of responsible procurement practices. We require our suppliers to sign the "Confirmation Letter on the Non-use of Conflict Minerals" to undertake that the components and materials supplied are not metal products derived from conflict minerals. In addition, we use the conflict minerals reporting template (CMRT) published by the Responsible Minerals Initiative to trace the Group's supply chain to the country of origin as well as to smelters and refineries to enhance the transparency of our supply chain.

| Supplier locations | 2020 | | 2019 | |
|--------------------|--------|------------|--------|------------|
| | Number | Percentage | Number | Percentage |
| Mainland China | 1,126 | 97.83% | 1,058 | 97.96% |
| Hong Kong, Macau | 11 | 0.96% | 9 | 0.83% |
| Others | 14 | 1.22% | 13 | 1.20% |

MANAGEMENT OF PRODUCT QUALITY

We believe that product quality acts as a cornerstone for an enterprise. To become a leading technology-based enterprise in the plastic surface decoration industry, the Group is committed to continuous improvement and management of our products and services with the goal of "zero defect". Most of our plants have been certified by the IATF 16949-2016 Automotive Quality Management System Standard, meeting the industry's quality standards. In addition, we ensure that the Group's products strictly follow the product specifications of the sales regions and the relevant customers requirements.

To safeguard the Group's product quality, we have formulated different internal management procedures to conduct quality inspection and improvement work at each step of product design and production to ensure that the Group's products meet the requirements in different aspects, such as quality and safety. During the design stage, we have established the "Product Quality Initial Planning and Control Procedures" and conduct multi-party evaluations on the design plan to improve the quality of product designs.

At the production stage, we have formulated the "Quality/Environmental Record Control Procedures", which requires each department to collect and keep quality and environmental data records to facilitate internal tracking and management. "Final Inspection and Control Procedures" guides the staff of the production department to inspect the quality of finished products. Once defective products are identified, our staff will follow the "Product Marking Control Procedures" to extract and affix return labels the concerned products. The frequencies and causes of returns and are recorded in the Enterprise Resource Planning Systems for analysis on a regular basis, and calculate the passing rate of each batch to obtain the final parts per million (PPM).

The staff of our production department will then provide defective products that fail to pass the inspection to the quality control department for their handling, follow-up and the formulation of improvement measures to enhance product quality. In addition, the Group also raises employees' requirements on product quality through various channels such as publicity and training. We also illustrate the quality requirements and the Group's management approach to employees through promotion channels such as display boards and billboards. During the year, we have provided employees with various training on quality enhancement, covering quality awareness, control on unqualified products and software operation, etc. Upon completion of the training, instructors will assess the staff to ensure that they have firmly grasped the knowledge taught in the courses.

MANAGEMENT OF CUSTOMER SERVICES

The Group attaches great importance to the opinions and feedback from customers that promote the further development of the Group. To continuously monitor the performance of the Group, the marketing department distributes the "Customer Satisfaction Survey Form" to customers every half year to collect and analyze their satisfaction data. In the Survey Form, customers will rate us in six aspects, namely product quality, technical capability, price, delivery capability, service attitude and environmental protection capability. In the customer satisfaction survey in 2020, the overall score of our products exceeded 95 points, which was higher than the score in 2019, indicating that the Group's product and service quality was of high standard and was highly recognized by customers.

In order to gather and follow up customer opinions more efficiently, the Group has formulated the "Customer Complaints and Returns Procedures", which sets out the responsibilities of each department in response to customer complaints and return requests. Since 2012, every plant under the Group has started to record each complaint case and its outcome. By analyzing the causes of complaints, we continue to improve the quality of the Group's services and products.

During the reporting year, the Group received a total of 310 complaints related to products and services and has properly followed up on the relevant complaints.

CONTINUOUS INNOVATION

Technological innovation is essential to our future development. As such, the Group considers innovation as our long-term development goal. To encourage employees to actively innovate, technological innovation incentives have been established and regular meetings on technological progress and innovation are held to recognize employees' achievements in research and development of innovative technologies.

The Group has established the "Confidentiality System" that requires employees to observe and respect the Group's corporate intellectual property rights. We have also implemented a series of measures to protect intellectual property rights, including trademark registrations, patent applications, confidential technical solutions, etc. We have obtained 44 patents in China, the scope of which covers various aspects, including product design, production equipment standards and process technologies, etc.

CARE FOR EMPLOYEES

The Group regards employees as important assets, and therefore believes that caring for employees and creating an ideal working environment are the top priorities in building a solid corporate foundation. The Group strictly abides by the relevant laws and regulations of the places where it operates, including the “Labor Law of the People’s Republic of China” and the “Federal Government Labor Law” and the “Social Security Law (LEY DEL SEGURO SOCIAL)” of Mexico, to establish and maintain good labor relations, facilitating the attraction and retention of talents.

The Group adheres to the principles of openness, fairness and impartiality in the recruitment process to ensure that the candidates’ treatment are not affected by factors such as gender, race, religious belief, age, disability status, sexual orientation, nationality, political views, social status, and clan background, etc.

During the reporting year, the Group was involved in three cases of labor dispute, all of which were concluded. In particular, the Group has obtained court decisions in favor of the Group in two cases, which proved that the Company did not have any non-compliance. The remaining case was settled by mediation agreement and the Group will assist the concerned parties in applying for insurance costs and medical subsidies to strengthen the compensation for work-related injuries.

LABOR STANDARD

The Group respects basic labor rights and understands their importance. In compliance with the “Labor Contract Law of the People’s Republic of China”, we have formulated the “Standard Employment Management Procedures” to prohibit the employment of child labor or forced labor in any positions. In the recruitment advertisements, we emphasize the requirement on candidates’ minimum age candidates. To further ensure that our recruitment complies with the labor standards, recruiters are required to strictly check the age of candidates. Before commencing the subsequent recruitment process, candidates’ original identity cards are checked and their photos are verified to confirm that the applicants have not concealed, forged or used any counterfeit identity and personal profile. When going through the onboarding process, our staff also need to confirm the identity of the employee before arranging the signing of any contract. In cases of child labor are identified, the Group will immediately terminate their employment.

The Group requires employees to be employed voluntarily and prohibits any form of forced labor, including prison labor, indentured labor, debt labor, etc. In accordance with relevant labor laws and regulations, the Group clearly states in the employment contracts the terms of employment without any restrictive or unreasonable conditions. In cases of business needs, the Group adheres to the principle of working overtime voluntarily. If employees choose not to work overtime, they shall notify their department supervisors in advance to facilitate work arrangement.

During the reporting year, there were no non-compliance cases regarding child labor or forced labor.

EMPLOYEE BENEFITS

The Group believes that maintaining good relationship with employees is the key to talent attraction and retention. Our “Employee Handbook” sets out the requirements for employees’ remuneration, welfare, attendance, leave and resignation to protect employees and enable their understanding of their rights and obligations. The Group provides competitive remuneration packages and benefits, with allowances, incentives and performance bonuses, in addition to basic salaries. The remuneration of employees is adjusted based on departmental evaluation to ensure that their efforts are rewarded. We have established the “Reward and Punishment System”, and set up monthly, quarterly and annual bonuses that are linked to the Company’s operating performance and departmental performance, to reward commendable employees with bonuses. The Group will also prioritise internal recruitment when there are job vacancies, so as to provide employees with good promotion and diversified development opportunities.

In addition to providing good working benefits, the Group also values the personal lives of employees. We hope to build up team spirit among employees through a series of activities and enrich their physical and mental health. During 2020, the Group's human resources department provided cultural activities with the theme of "Reading Salon" to cultivate colleagues' interest in reading. In addition, we also actively organize other outing activities, in which the "Healthy and Nature Walk" event invited employees from different plants to broaden their social circle and facilitate communication, thereby reducing their daily work pressure. At the same time, the Group continues to organize orientation activities for fresh graduates who are about to work in order to deepen employees' understanding of the Company and accelerate their adaptation to the new working environment through plant visits, induction training, tours and other activities.

As of 31 December 2020, the Group had a total of 5,516 employees. They are mainly responsible for duties such as production, research and development, quality assurance, human resources, administration and finance, maintenance, logistics, procurement, marketing and management.

| | 2020 | 2019 |
|---------------------------------|--------------|-------|
| Total number of employee | 5,516 | 5,324 |
| By gender | | |
| Male | 2,903 | 2,875 |
| Female | 2,613 | 2,449 |
| By age | | |
| Below 30 | 2,081 | 2,036 |
| 30 - 50 | 3,252 | 3,120 |
| Above 50 | 183 | 168 |
| By types of employee | | |
| Senior management | 73 | 56 |
| Middle management | 434 | 404 |
| General employee | 5,009 | 4,864 |
| By geographical region | | |
| South China | 4,282 | 4,315 |
| East China | 615 | 533 |
| North China | 119 | 360 |
| Hong Kong and Macau | 2 | 2 |
| Overseas | 498 | 114 |

COMMUNICATION WITH EMPLOYEES

The Group actively communicates with its employees and has set up guidelines for internal communication to receive their feedback. Employees who have different opinions concerning or disputes arising from the operation and management of the Group may lodge complaints with their department heads, the human resources department or the administrative department. In case of any dispute between employees and the Group in relation to the enforcement of labor laws and regulations, employees may lodge a complaint with the labor union. To protect employees' privacy, complaints and grievances are handled in strict confidence. We have also established an employees' labor union to exercise such obligations as employee representatives to ensure the rights and interests of our employees. In the face of labor disputes, the Group will adhere to its people-oriented concept under the premise of compliance with laws and regulations, properly handle the disputes, and strive to protect the rights and interests of both parties.

The Group encourages employees to make reasonable and feasible suggestions on the operation and development of the Group and provides appropriate incentives to the proposed employees. The human resources department conducts annual surveys on employee satisfaction, to collect employees' feedback on the Group's management, work, training, welfare and other aspects, and then calculates, summarizes and analyzes the survey results. The human resources department also collects employees' opinions and expectations through seminars, interviews and questionnaires. The results of the surveys and analysis will help us take follow-up improvement measures.

EMPLOYEE DEVELOPMENT AND TRAINING

The Group provides diversified training to its staff, thereby enabling them to have sufficient development opportunities to enhance their productivity. At the beginning of every year, the human resources department grasps the training needs of each department by means of interview, questionnaire and direct feedback, etc., and takes into account a series of factors, including the Group's development plan, industry development needs, knowledge and skills that customers are concerned about and insufficient knowledge and skills that may bring higher operational risks, to prepare an appropriate annual training plan. The human resources department also calculates the training achievement of each department and includes it in the monthly performance appraisal of each department. In order to continuously optimize the training plan, the human resources department conducts a summary and analysis of the annual training plan every year.

In addition, the Group provides pre-employment and on-the-job training in accordance with its "Group Training Management System" and "Staff Training Management Procedures". The human resources department is responsible for arranging induction training courses, covering topics such as safety at production, the Group's policy, quality and environmental awareness, product quality risk, etc., to ensure that employees have adequate safety and environmental awareness and lay a solid foundation for work after posting. There will be assessments for induction training to ensure that employees are equipped with relevant knowledge and practical application. The Group also provides various types of on-the-job training, including post (re-) training courses, with an aim to continuously improve job skills to meet customers' requirements and meet employees' career development needs. Employees in special positions are required to obtain internal qualifications, and upon assessment of their ability, the quality management department will issue job-related certificates.

There are 4,902 trained employees of the Group during the reporting period, and each of them received training of 7.4 hours on average.

| Percentage of trained employees | | | | | |
|--|---------------|--------|-----------------------------|---------------|--------|
| | 2020 | 2019 | | 2020 | 2019 |
| Total number of trained employees | 4,902 | 4,896 | By types of employee | | |
| By gender | | | Senior management | 0.49% | 0.35% |
| Male | 55.34% | 53.47% | Middle management | 5.98% | 9.29% |
| Female | 44.66% | 46.53% | General employee | 93.53% | 90.36% |

| Average training hour per employee | | | | | |
|---|------------|------|-----------------------------|------------|------|
| | 2020 | 2019 | | 2020 | 2019 |
| Average training hour per employee | 7.4 | 5.6 | By types of employee | | |
| By gender | | | Senior management | 1.7 | 1.4 |
| Male | 7.2 | 5.7 | Middle management | 7.0 | 6.3 |
| Female | 7.6 | 5.5 | General employee | 7.5 | 5.6 |

SAFE WORKING ENVIRONMENT AND PREVENTIVE MEASURES

During the COVID-19 pandemic, the health and safety of our employees are particularly important. In response to the actual situation, the Group has established an emergency rescue leading group to ensure timely and reliable information transmission in relation to the prevention and control of COVID-19. All staff and visitors are required to wear face masks and check body temperatures before entering the workplace, dormitory, canteen and other areas for multi-person gathering. We require employees from high-risk areas to be quarantined for 14 days before they resume work, and those who have contact with the infected people and those who have symptoms need to obtain approval from the human resources department before they can resume work. We also offer flexible work arrangements in response to the pandemic, such as allowing employees in need to work from home.

The Group is committed to creating a safe working environment. The Group thoroughly adheres to the management approach of "Safety First, Prevention Foremost and Comprehensive Management", and continuously strengthens the awareness of occupational health and safety and the capability of safety production of employees to reduce the chances of injuries and fatality. We comply with the relevant laws and regulations, and have formulated our internal "Regulations on the Management of Safe Production" in accordance with the "Law of the People's Republic of China on the Prevention and Control of Occupational Diseases" and the "Regulations for Prevention of Dust Lung Disease of the People's Republic of China", to regulate the Group's training on safety, regular inspection and safety management. Each of the Group's subsidiaries has established a safety management committee, comprising management and employee representatives, to conduct regular safety inspections for production facilities and ensure employees' compliance with safety measures and implementation of the relevant production procedures.

In response to various emergencies, the Group has formulated the "Medical First Aid Management System" to detail the emergency treatment measures for accidents such as chemical burns, fractures and poisoning. First aid medical boxes are set up in dormitories and workplaces, and designated personnel are responsible for purchasing and recording supplies to ensure that there are sufficient drugs in the medical boxes. According to the "Management Regulations on Outfits and Safety Protection", the Group has formulated safety protection requirements for all kinds of personnel during operation to reduce the risk of injury and fatality of employees.

To enhance employees' awareness of occupational safety, the Group provides various safety training. The human resources department provides safety training for new employees according to the annual training plan, covering basic safety knowledge, including hazardous chemicals, firefighting, use of electricity and mechanical operation. Each department also arranges suitable safety training according to the training plan. Newly recruited and internally transferred employees are required to attend specific safety training courses, receive training on operation of equipment and occupational safety tools, and pass the assessment to ensure that employees can meet the safety requirements at work. For special positions, the Group requires special operation employees to go through professional technical training and obtain operation certificates before taking up their posts.

The Group is aware of the connection between fire accidents and production, and has formulated internal management procedures and adopted strict measures to prevent the occurrence of such accidents. The "Fire Safety Management Procedures" regulates the management of firefighting equipment and rescues and stipulates that an annual drill plan shall be formulated annually to enhance employees' fire safety awareness and maintain firefighting facilities on a regular basis. We also closely monitor the production areas with explosive and flammable items, install fire detection and alarm systems, and arrange safety personnel to conduct 24-hour patrol in the plants to ensure fire safety in the production areas.

During the reporting period, the Group has no cases of work-related fatality.

| | 2020 |
|---|------|
| Number of work-related fatalities | 0 |
| Number of work-related injuries | 11 |
| Number of workday loss due to work-related injuries | 263 |

APPENDIX I: ESG REPORT CONTENT INDEX

ENVIRONMENTAL ASPECT

| Aspect | General disclosure and description of key performance indicator | Chapter of report | Note |
|---|---|--|------|
| Aspect A1: Emission 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. | Continuous Monitoring of Environmental Performance, Management of Wastes | |
| | KPI A1.1 The types of emissions and respective emissions data. | Continuous Monitoring of Environmental Performance | |
| | KPI A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Continuous Monitoring of Environmental Performance | |
| | KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Management of Wastes | |
| | KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Management of Wastes | |
| | KPI A1.5 Description of measures to mitigate emissions and results achieved. | Gas Emissions and Energy Management | |
| | KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. | Management of Wastes | |

| Aspect | General disclosure and description of key performance indicator | Chapter of report | Note |
|---|--|--|------|
| Aspect A2: Use of resource | General disclosure Policies on the efficient use of resources, including energy, water and other raw materials. | Gas Emissions and Energy Management, Management of Water Resource | |
| | 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). | Gas Emissions and Energy Management | |
| | KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility). | Management of Water Resource | |
| | KPI A2.3 Description of energy use efficiency initiatives and results achieved. | Gas Emissions and Energy Management | |
| | KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. | Management of Water Resource | |
| | KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. | Management of Wastes | |
| Aspect A3: Environmental and natural resources | General disclosure Policies on minimising the issuer's significant impact on the environment and natural resources. | Continuous Monitoring of Environmental Performance, Management of Wastes | |
| | KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | Continuous Monitoring of Environmental Performance | |

SOCIAL ASPECT

| Aspect | General disclosure and description of key performance indicator | Chapter of report | Note |
|---|--|---|------|
| Employment and Labor 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 | Employee Benefits, Communication with Employees | |
| | KPI B1.1 Total workforce by gender, employment type, age group and geographical region. | Employee Benefits | |
| | KPI B1.2 Employee turnover rate by gender, age group and geographical region. | Employee Benefits | |
| 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. | Safe Working Environment and Preventive Measures | |
| | KPI B2.1 Number and rate of work-related fatalities. | Safe Working Environment and Preventive Measures | |
| | KPI B2.2 Lost days due to work injury. | Safe Working Environment and Preventive Measures | |
| | KPI B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored. | Safe Working Environment and Preventive Measures | |

| Aspect | General disclosure and description of key performance indicator | Chapter of report | Note |
|--|---|-----------------------------------|------|
| Aspect B3: Development and training | General disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | Employee Development and Training | |
| | KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management). | Employee Development and Training | |
| | KPI B3.2 The average training hours completed per employee by gender and employee category. | Employee Development and Training | |
| Aspect B4: Labor standard | 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 labor. | Labor Standard | |
| | KPI B4.1 Description of measures to review employment practices to avoid child and forced labor. | Labor Standard | |
| | KPI B4.2 Description of steps taken to eliminate such practices when discovered. | Labor Standard | |
| Operating Practices | | | |
| Aspect B5: Supply Chain Management | General Disclosure Policies on managing environmental and social risks of the supply chain. | Supply Chain Management | |
| | KPI B5.1 Number of suppliers by geographical region. | Supply Chain Management | |
| | 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 | |

| Aspect | General disclosure and description of key performance indicator | Chapter of report | Note |
|--|---|--|------|
| 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. | Management of Product Quality, Management of Customer Services | |
| | KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons. | Management of Product Quality | |
| | KPI B6.2 Number of products and service related complaints received and how they are dealt with. | Management of Customer Services | |
| | KPI B6.3 Description of practices relating to observing and protecting intellectual property rights. | Continuous Innovation | |
| | KPI B6.4 Description of quality assurance process and recall procedures. Product responsibility. | Management of Product Quality | |
| | KPI B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored. | Management of Customer Services | |
| 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. | Advocating Probity and Perfecting Governance | |
| | 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. | Advocating Probity and Perfecting Governance | |
| | KPI B7.2 Description of preventive measures and whistleblowing procedures, how they are implemented and monitored. | Advocating Probity and Perfecting Governance | |

| Aspect | General disclosure and description of key performance indicator | Chapter of report | Note |
|--|---|-------------------|--|
| 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 | Not Applicable | This is not a material issue, and therefore it is not disclosed. |
| | KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport). | Not Applicable | This is not a material issue, and therefore it is not disclosed. |
| | KPI B8.2 Resources contributed (e.g. money or time) to the focus area. | Not Applicable | This is not a material issue, and therefore it is not disclosed. |