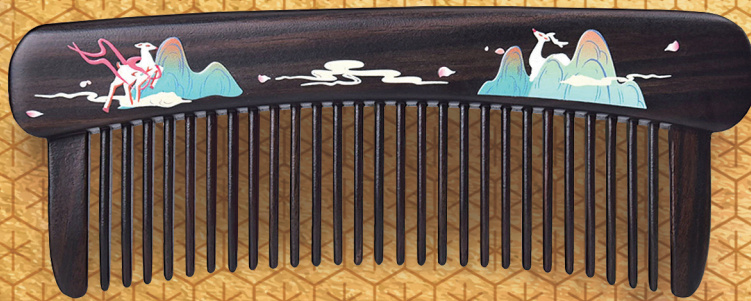


譚木匠控股有限公司*

CARPENTER TAN HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 837



*For identification purpose only

2020

ENVIRONMENTAL,
SOCIAL,
GOVERNANCE
AND
REPORTANCE

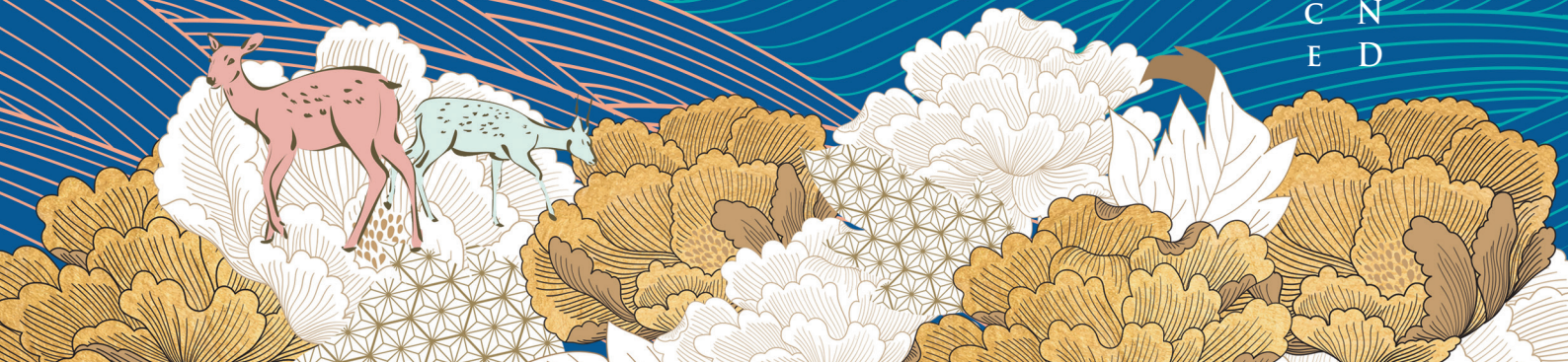
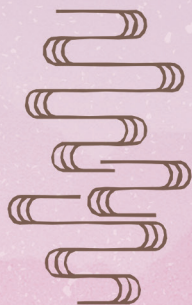




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I. ABOUT THIS REPORT

The board of directors (the “Board”) of Carpenter Tan Holdings Limited (the “Company”) is pleased to present this Environmental, Social and Governance (hereinafter called “ESG”) Report (the “Report”) of the Company and its subsidiaries (collectively as the “Group” or “we”). This ESG Report summarizes the policies, sustainability strategies, management approach, initiatives and performance made by the Group in the environmental and social aspects of its business.

The ESG Report covers the environmental and sustainable development strategies and policies of Group’s business in the manufacture and sale of combs, mirrors and other kinds of wooden/horn handicrafts for the year ended 31 December 2020. The Report discloses the required information under the “comply or explain” provisions of the ESG Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEX”). The relevant provisions and details are listed out at the end of the Report.

The Board is responsible for the Group’s ESG strategy formulation and reporting, evaluating and determining the Group’s ESG-related risks, and ensuring that appropriate and effective ESG risk management measures and internal control systems are in place. In order to determine the ESG reporting scopes, the key management personnel have discussed internally and identified the environmental, social and operating items; and assessed their importance to the stakeholders and the Group. The summary of material ESG items are listed out in this Report.



II. STAKEHOLDERS' ENGAGEMENT

The Group is committed to maintaining the sustainable development of its business and the environmental protection of the communities in which it operates. The Group maintains a close tie with its stakeholders, including government/regulatory organizations, shareholders/investors, employees, customers, suppliers, community, etc. and strives to balance their opinions and interests through constructive communications in order to determine the directions of its sustainable development. We assess and determine our environmental, social and governance risks, and ensure that the relevant risk management measures and internal control systems are operating effectively. The following table shows the means of communication with the stakeholders and the management response to the stakeholders' expectations and concerns:

Stakeholders	Expectations and Concerns	Means of Communication	Management Response
Government/ regulatory organizations	<ul style="list-style-type: none"> ➤ Compliance in laws and regulations ➤ Fulfill tax obligation ➤ Safety production ➤ Work together to fight against the coronavirus ("COVID-19") 	<ul style="list-style-type: none"> ➤ Periodic report/announcement ➤ Correspondence ➤ Field investigation ➤ Handle official business through government affairs website or application 	<ul style="list-style-type: none"> ➤ Uphold integrity and compliance in operations ➤ Pay tax on time, and in return contributing to the society ➤ Establish comprehensive and effective internal control system ➤ Promote clean production ➤ Fully implement safety production responsibility system ➤ Comply with the government's COVID-19 measures and guidelines to curb the spread of COVID-19
Shareholders/ investors	<ul style="list-style-type: none"> ➤ Return on investment ➤ Information transparency ➤ Corporate governance system ➤ Operational risk management 	<ul style="list-style-type: none"> ➤ Information disclosed on the HKEX website ➤ The Company's official website ➤ Annual general meeting and other shareholders' meetings 	<ul style="list-style-type: none"> ➤ Management possesses relevant experience and professional knowledge in business sustainability ➤ Ensure transparent and effective communications by dispatching websites of HKEX and the Company ➤ Continue to improve the internal control system and focus on risk management
Employees	<ul style="list-style-type: none"> ➤ Labor rights ➤ Career development ➤ Compensation and welfare ➤ Health and safety ➤ Work together to fight against COVID-19 	<ul style="list-style-type: none"> ➤ Employee activities ➤ Employee performance assessment ➤ Induction and on the job training ➤ Internal meetings and announcements ➤ Contact via email, phone and communication applications 	<ul style="list-style-type: none"> ➤ Set up contractual obligations to protect labor rights ➤ Encourage employees to participate in continuous education and professional trainings ➤ Establish a fair, reasonable and competitive remuneration scheme ➤ Pay attention to occupational health and safety ➤ Provide COVID-19 prevention supplies

II. STAKEHOLDERS' ENGAGEMENT



Stakeholders	Expectations and Concerns	Means of Communication	Management Response
Customers	<ul style="list-style-type: none"> ➤ High quality products and services ➤ Timely delivery ➤ Reasonable price ➤ Work together to fight against COVID-19 	<ul style="list-style-type: none"> ➤ Business visit ➤ Contact via email and phone call ➤ Customer service hotline ➤ Official WeChat ID 	<ul style="list-style-type: none"> ➤ Improve the quality of products and services continuously in order to maintain customer satisfaction ➤ Establish an effective, efficient and green supply chain system ➤ Formulate comprehensive quality assurance process and recall procedures ➤ Ensure proper contractual obligations are in place ➤ Comply with the government's COVID-19 measures and guidelines to curb the spread of COVID-19
Suppliers	<ul style="list-style-type: none"> ➤ Stable demand ➤ Good relationship with the Company ➤ Corporate reputation ➤ Work together to fight against COVID-19 	<ul style="list-style-type: none"> ➤ Business visit ➤ Contact via email and phone call 	<ul style="list-style-type: none"> ➤ Ensure proper contractual obligations are in place ➤ Establish policy and procedures in supply chain management ➤ Establish and maintain strong and long-term relationship with suppliers ➤ Select suppliers with due care ➤ Comply with the government's COVID-19 measures and guidelines to curb the spread of COVID-19. Promptly and fully resume work and production as soon as possible
Communities	<ul style="list-style-type: none"> ➤ Environmental protection ➤ Reduce greenhouse gas emissions ➤ Reduce waste generation ➤ Effective resource utilization ➤ Community involvement ➤ Economic development ➤ Work together to fight against COVID-19 	<ul style="list-style-type: none"> ➤ The Company's official website and information publicity website of government departments ➤ Community activities 	<ul style="list-style-type: none"> ➤ Pay attention to climate change ➤ Continue to invest resources in environmental protection ➤ Strengthen energy saving and emission reduction management ➤ Encourage employees to actively participate in charitable activities and voluntary services ➤ Maintain good and stable financial performance and business growth ➤ Comply with the government's COVID-19 measures and guidelines to curb the spread of COVID-19 ➤ Donate supplies for the prevention of COVID-19 and support frontline medical staff in the fight against COVID-19

III. MATERIALITY MATRIX

During the reporting period, the Group has evaluated a number of environmental, social and operating items, and assessed their importance to stakeholders and the Group through various channels. This assessment helps to ensure that the Group's business objectives and development direction are in line with the stakeholders' expectations and requirements. The Group's and stakeholders' matters of concern are presented in the following materiality matrix:

Materiality Matrix

Importance to Stakeholders	High	<ul style="list-style-type: none"> ◆ Anti-discrimination measures ◆ Labor rights protection 	<ul style="list-style-type: none"> ◆ Talent management ◆ Staff training and promotion opportunity ◆ Staff compensation and welfare 	<ul style="list-style-type: none"> ➢ Operational compliance ➢ Product quality and safety ➢ Customers' satisfaction ➢ Service quality ➢ Suppliers management ◆ Occupational health and safety ◇ Application of clean production and green products
	Medium	<ul style="list-style-type: none"> ➢ Community involvement 	<ul style="list-style-type: none"> ➢ Anti-corruption ◇ Greenhouse gas emissions ◇ Use of energy 	<ul style="list-style-type: none"> ➢ Customers' privacy protection ◇ Exhaust air emission ◇ Sewage discharge
	Low	<ul style="list-style-type: none"> ◆ Preventive measures for child and forced labor 	<ul style="list-style-type: none"> ◇ Use of water resources ◇ Generation of non-hazardous waste 	<ul style="list-style-type: none"> ◇ Use of raw materials ◇ Generation of hazardous waste
		Low	Medium	High
		Importance to the Group		
		◇ Environmental	◆ Employee	➢ Operation

IV. ENVIRONMENTAL PROTECTION

1. MANAGEMENT OF EMISSIONS

The Group has always strictly complied with the national laws and regulations on environmental protection, including 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 Atmospheric Pollution”, the “Law of the People’s Republic of China on the Prevention and Control of Water Pollution”, the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste”, the “Law of the People’s Republic of China on the Prevention and Control of Environmental Noise Pollution”, the “Law of the People’s Republic of China on Energy Conservation” and other local laws and regulations. The Group based on the ISO14001 environmental management system standards, and made reference to the Group’s operating environment, structure, production capabilities and human resources to develop a unique environmental management system and established different internal policies and procedures on pollutant management to regulate waste gas, waste water, noise and different types of solid waste generated in operation and production. The factory that holds ISO14001 environmental system certification has been certified by a third-party professional certification body and comply with the international standards. We update the internal policies and procedures timely to ensure that the environmental policies and systems are in line with the national and local standards. We set up a Risk Control Center within our management structure to supervise various actions in environmental protection, and monitor the environmental performance of the plant in a regulated and systematic manner.

Besides, the Group upholds the environmental policy of “saving energy and reducing carbon, complying with law and regulations, and greening the society” to fulfill its social responsibilities. The Group lets the employees at all levels understand more about the importance of its impact on the environment through various measures and actions (please refer to the “Management of Emissions” and “Management of Resources Utilization” sections below for details), and hope to seek balance between stable economic growth and environmental protection, thereby reducing the adverse effects on the environment from the enterprise’s business activities and the employees’ personal life.



MANAGEMENT OF AIR AND GREENHOUSE GAS EMISSIONS

The country's increasingly stringent requirement in air pollution control has brought certain impacts on the operations of the Group. Therefore, the Group strictly abides by the laws and regulations related to air pollution, aims at improving the atmospheric environment, insists on solving problems at source, and continues to optimize the energy structure, environmental protection facilities and air emission management. The waste gas generated by the Group during its operation mainly includes the dust from the production process, the volatile organic compounds from the painting process, the fume and waste gas from canteens, the waste gas and greenhouse gas from cars and forklifts using gasoline and diesel, and the greenhouse gas produced when using electricity, natural gas, and other energy resources.

In order to comply with the applicable laws and regulations and to meet the emission standards of air pollutants, the Group has established "Environmental Protection Control Procedures" to control and monitor the emissions of exhaust air and dust. We have established stringent safety production procedures in the production division in order to avoid extra waste gas and dust produced from improper operation. We installed pulse central dust collector, and a port is set at its bottom to facilitate the removal of dust. We also installed ventilation and exhaust facilities to ensure that the exhaust air and dust are diluted and discharged effectively. We have installed activated carbon adsorption equipment to ensure that discharge of volatile organic compounds can meet the emission standards. We also regularly replace the activated carbon in the device to maintain its adsorption efficiency. In order to reduce the production of fumes in staff canteens, we have installed purifiers such as fumes separators, and stipulated that canteen staff have to operate the cooking stoves properly to reasonably minimize fumes. We conduct regular repairs and maintenance on vehicles and forklifts to reduce waste gas and greenhouse gas emissions due to part failures. In order to further reduce greenhouse gas, we start from the source, reduce the use of electricity, natural gas and other energy sources, or increase their use efficiency. Please refer to the "Management of Resources Utilization" section below for details of the related measures.



Wanzhou plant has obtained the air pollutant emission permit from local government and discharge particulate matters, sulfur dioxides, nitrogen oxides, non-methane total hydrocarbons, toluene and xylene following the requirements. During the reporting period, Wanzhou plant has entrusted professional testing company according to the requirements of the local environmental protection department to inspect the waste gas emitted by the plant. The testing contents include particulate matter, non-methane total hydrocarbons, toluene and xylene. The test results are in line with the national "Integrated Emission Standard of Air Pollutants", "Emission Standard of Air Pollutants from Boilers" and local emission standards.

IV. ENVIRONMENTAL PROTECTION



MANAGEMENT OF SEWAGE

In order to comply with “Law of the People’s Republic of China on Prevention and Control of Water Pollution” and to meet the emission standards of sewage, the Group has established “Environmental Protection Control Procedures” to control and monitor the non-hazardous sewage produced in production, office and living. Our operation and production process did not generate any hazardous sewage. At the end of 2019, Wanzhou plant has completed the rainwater and sewage diversion project so as to prevent sewage from contaminating the rainwater system; domestic sewage discharge directly into water environment and farmland are forbidden, and they must go through separation and biochemical treatment before discharge into the municipal sewage pipe network system according to the regulations. The sewage from Wanzhou plant must be precipitated, filtered, and separated before reuse in the production process to conserve water and minimize sewage discharge; the sediments are sold to third party as fuel. Wanzhou plant has obtained the sewage discharge permit from the local government and discharge sewage that meets standards within the effective period. Wanzhou plant has entrusted professional testing company according to the requirements of the local environmental protection department to inspect the sewage produced by the plant this year. The testing contents include the concentration of pH value, ammonia nitrogen, suspended particulate, chemical oxygen demand, animal and vegetable oil. The test results are in line with the national “Discharge Limits of Water Pollutants”. During the reporting period, the Group discharged 27,557.00 tonnes of non-hazardous sewage, representing a decrease of approximately 5,960.00 tonnes or 17.78% as compared with the previous year. This is mainly due to the decrease in production level.

During the reporting period, the Group’s production of non-hazardous wastewater are as follows:

	2020 (Tonnes)	2019 (Tonnes)
Non-hazardous Sewage		
Total ¹	27,557.00	33,517.00
Intensity ²	7.96	7.42

Notes :

¹ Non-hazardous sewage produced is estimated based on the actual amount of water consumed by Jurong office and Wanzhou plant.

² The intensity is calculated per each 1,000 production unit.

MANAGEMENT OF DISPOSAL OF SOLID WASTE

In order to comply with the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste”, “Standard for Pollution Control on Hazardous Waste Storage”, and the applicable laws and regulations, the Group has established “Environmental Protection Control Procedures”, “Regulations on the Disposal of Hazardous Chemical Waste” and “Rules for Classification of Domestic Waste” to manage and monitor the treatment process of disposal of solid waste. Solid waste mainly includes hazardous waste, recyclable waste, non-recyclable waste and domestic waste.

Hazardous wastes include oil waste, waste paint residue, activated carbon, paint bucket, filter cotton, solvents, thermometers, batteries, fluorescent tubes, toner and ink cartridges, etc. We follow the requirements of the local laws and regulations to label, categorize and process the hazardous waste centrally; and store them in specified location. Hazardous waste collection boxes are put inside the production plant, warehouse and office areas. The Administrative and Personnel Department and Wanzhou Plant Office deliver the collected waste to the designated qualified agents of the government for processing. During the reporting period, the Group generated approximately 3,043.20 kilograms of hazardous waste, representing a decrease of 175.95 kilograms or 5.47% as compared with the previous year. This is mainly due to the drop in production level.

Non-hazardous waste include recyclable and non-recyclable waste (including wet garbage and dry garbage). We formulate relevant policies and procedures for non-hazardous wastes recycling and external processing. Waste is categorized and labelled in different colors, and then stored in designated areas by category. Waste such as woodchips, tiny wood and wood scraps is placed centrally and delivered to qualified recycling company for further processing or utilization when the waste has reached certain quantity level. We review and change our production process with an aim to recycle the solid waste whenever applicable, for example, optimize the production techniques of lacquer products to shorten the production process and reduce the use of sanding auxiliary materials; design products that can reuse scrap materials from other products (such as teeth-inlaid comb). The related techniques have been progressively matured, and can effectively save materials and reduce wastes. Non-recyclable waste is centrally stored in waste warehouse/garbage station and delivered using closed circulation method to avoid loss and leakage, and unauthorized disposal in transit is prohibited. Solid waste from our canteen is collected and stored centrally, and further processed by the local neighborhood committee. Due to drop in the production level this year, the Group generated approximately 49,522.00 kilograms of non-hazardous wastes, representing a drop of 9,924.00 kilograms or 16.69% as compared with the previous year.

During the reporting period, the Group's generation of hazardous and non-hazardous solid waste are as follows:

	2020 (Kilograms)	2019 (Kilograms)
Hazardous Solid Waste		
Total	3,043.20	3,219.15
Intensity ¹	0.88	0.71
Non-hazardous Solid Waste		
Total	49,522.00	59,446.00
Intensity ¹	14.31	13.15

Note :

¹ The intensity is calculated per each 1,000 production unit.

COMPLIANCE

During the reporting period, the Group's businesses strictly abide by the national environmental laws and regulations and did not involve in any confirmed violations or suspected violations that are related to emissions that have a significant impact on the Group.

IV. ENVIRONMENTAL PROTECTION

2. MANAGEMENT OF RESOURCES UTILIZATION

In view of the growing climate change, the society has paid more attention to environmental protection and energy conservation. The Group has taken into account the environmental factors in mapping our sustainable development strategies and has actively responded to changes in the government's environmental policies. The Group establishes measures to conserve natural resources and promotes the conservation culture in environmental protection. The Group strives to improve the environment of the production plant, encourages employees to save and make full use of resources, maximizes the benefits, and eliminates waste. Besides, in order to comply with the "Law of the People's Republic of China on Energy Conservation" and the applicable laws and regulations and policies, the Group has established "Environmental Protection Control Procedures". The use of water, electricity and fuel is controlled as long as the production and office operations are not negatively impacted. All uses outside business are prohibited. Craft Equipment Division set up water, electricity and fuel consumption indicators. The level of energy consumption is reviewed and assessed quarterly, and when excessive consumption and wastage is noted, immediate attention and action is required, so as to control the situation and reduce its impact.

MANAGEMENT OF ENERGY UTILIZATION

CONSERVATION OF GASOLINE, DIESEL AND NATURAL GAS

Gasoline and diesel are mainly used in automobiles and forklifts. Most of the time, the vehicles are used for business reception and commuting employees, while the forklift is used for handling materials and goods. The Group has implemented a number of conservation measures to reduce exhaust gas and greenhouse gas emissions. For example, drivers must plan their routes in advance. If passengers travel to the same or close destinations, they will be arranged to use the same vehicle to reduce the amount of gasoline and diesel used; the drive must stop and turn off the engine to reduce energy consumption and exhaust gas; conduct regular repairs and maintenance on vehicles for better energy use efficiency and reduce fuel consumption and waste gas emissions due to part failures. During the reporting period, the Group consumed approximately 9,286.66 liters of gasoline, representing a decrease of approximately 4,132.67 liters or 30.80% as compared with the previous year. For diesel consumption, the Group consumed approximately 1,837.00 liters this year representing a drop of approximately 363.00 liters or 16.50% as compared with past year. This is mainly caused by the suspension of operation and production for a period of time due to COVID-19.

Natural gas is mainly used in cooking in canteens and boilers generating steam for operating the timber drying equipment. We regularly inspect natural gas pipelines, cooking facilities and boilers to avoid unnecessary waste caused by leakage and failure of cooking facilities and boilers. Leakage of natural gas also poses safety issues. During the reporting period, the Group consumed approximately 115,431.00 cubic meters ("m³") of natural gas, representing a decrease of approximately 42,345.00 m³ or 26.84% as compared with the previous year. The major reason is operation and production suspension at time of COVID-19.

During the reporting period, the Group's use of energy and Scope 1¹ greenhouse gas emitted are as follows:

	2020	CO ₂ equivalent emissions (Tonnes)	2019	CO ₂ equivalent emissions (Tonnes)
	Consumption		Consumption	
Gasoline	9,286.66 Liters	25.14	13,419.33 Liters	36.34
Diesel	1,837.00 Liters	4.81	2,200.00 Liters	5.75
Natural Gas	115,431.00 m ³	248.96	157,776.00 m ³	288.96
Total Group's Emission		278.91		331.05
Group's Emission Intensity ²		0.08		0.07

Notes :

¹ Scope 1 refers to the greenhouse gas emission directly generated by the Group's business, including combustion of gasoline, diesel, natural gas and so on.

² The intensity is calculated per each 1,000 production unit.

CONSERVATION OF ELECTRICITY

The Group’s electricity is used in office and electrical equipment in the production plant. We mainly through daily management, actively promote the “energy conservation and consumption reduction” policy based on the applicable laws and regulation, and implement a series of energy conservation measures to educate employees on the relationship between energy use and sustainability of the planet, and raise their awareness of conservation so that they can build good habit in use of electricity. We strictly select energy-efficient equipment, electrical appliances and lighting for use in production and office areas. Empty running of equipment, unreasonable electric power distribution, etc. are strictly prohibited. Electrical equipment, including lighting, air-conditioners, electric fans, etc. are turned on according to need during office hours, and staff are encouraged to switch off the unused equipment after work. The temperature and duration of use of air-conditioners are strictly controlled. We pay attention to the maintenance and inspection of electrical equipment to keep them in good condition and to use electricity effectively. During the reporting period, suspension of operation and production for a period of time due to COVID-19 has led to less electricity consumed by the Group by approximately 333.11 megawatt hours (“MWh”) or 17.21% as compared to last year; and a total of approximately 1,602.31 MWh of electricity consumed.

During the reporting period, the Group’s use of electricity and the Scope 2 ¹ greenhouse gas emitted are as follows:

	2020		2019	
	Consumption (MWh)	CO ₂ equivalent emissions (Tonnes)	Consumption (MWh)	CO ₂ equivalent emissions (Tonnes)
Electricity	1,602.31	1,369.66	1,935.42	1,733.63
Total Group’s Emission		1,369.66		1,733.63
Group’s Emission Intensity ²		0.40		0.38

Notes :

¹ Scope 2 refers to the Group’s business “indirect energy” greenhouse gas emission caused by the consumption of purchased electricity.

² The intensity is calculated per each 1,000 production unit.

IV. ENVIRONMENTAL PROTECTION



CONSERVATION OF WATER

The Group uses government-supplied water sources mainly for production, domestic use (including hand washing, cleaning, canteens, staff dormitories, and so on) and greening. Although we do not encounter any water supply problem during the reporting period, we have taken various measures to raise the water resources use efficiency, to reduce the impact on the environment and to educate our employees to save water in daily life. We use water-saving appliances; turn off water tap after use to prevent running, overflowing, dripping and long flowing water; reuse and recycle water in production process. When irregularity is found, one should report the case to the Equipment Division to take appropriate action to prevent wastage of water resources. During the reporting period, suspension of operation and production for a period of time due to COVID-19 has led to less water consumed by the Group by approximately 5,962.61 tonnes or 17.78% as compared to last year; and a total of approximately 27,568.40 tonnes of water consumed.

During the reporting period, the Group's use of water resources are as follows:

	2020 (Tonnes)	2019 (Tonnes)
Water Resources		
Total	27,568.40	33,531.01
Intensity ¹	7.97	7.42

Note :

¹ The intensity is calculated per each 1,000 production unit.

CONSERVATION OF PAPER

The Group promotes green office policy and encourages employees to save paper and avoid wastage. We send files in electronic form whenever possible to reduce physical copies; recycle the one-sided used papers for photocopying and printing. Office Division is responsible for monitoring the paper quantity used; Administrative Department and Office Division are jointly responsible for collecting and recycling used papers. Waste cartons are recyclable; an example of its use include temporarily hold finished goods pending for packaging.

MANAGEMENT OF USE OF TIMBER

The major raw material used in production is timber, which is procured by our purchasing department in the factory. We select timber that meets our production and quality requirements (please refer to “Supply Chain Management” below for details). We monitor closely the production process, provide professional training to workers, and minimize sub-standard semi-finished and finished goods. Sub-standard goods are repaired to avoid timber wastage. We improve our production process, and reuse scrap materials as much as possible, for example, design products that can use scrap materials (such as teeth-inlaid comb), and the related techniques has progressively matured, which can effectively use each piece of timber and save materials. We strengthen our warehouse management; each warehouse is equipped with thermometers, hygrometers and fire sprinkler systems, etc., and cover timber with thin film to ensure that timber is kept dry and safe and prevent the materials from mechanical and chemical injuries. During the reporting period, the Group used approximated 1,227.79 cubic meters of timber, representing a decrease of approximately 103.27 cubic meters or 7.76% as compared to last year. This is mainly due to the drop in production level. Wanzhou plant has manufactured larger sized products (such as hair care comb) and led to increase in the Group’s timber consumption intensity^{Note 1} from 0.29 in 2019 to 0.35 in 2020.

During the reporting period, the Group’s use of timber is as follows:

	2020 (Cubic Meters)	2019 (Cubic Meters)
Timber		
Total	1,227.79	1,331.06
Intensity ¹	0.35	0.29

Note :

¹ The intensity is calculated per each 1,000 production unit.



IV. ENVIRONMENTAL PROTECTION



3. THE ENVIRONMENT AND NATURAL RESOURCES

The Group has a pool of dedicated and diligent employees. When formulating sustainable development strategies, the employees actively support and contribute feasible suggestions speeding up the Group's pace towards green management. The Group will continuously increase the investment on various environmental protection projects, re-identify the source of wastes generated during operation and the impacts on the environment when using resources, enhance and install different types of environmental protection facilities and ancillaries, and continue to optimize internal management systems, working guidelines and environmental protection measures; continuously enhance employees' awareness on environmental protection and resource conservation through promotion, education and other effective methods, and take up the social responsibilities and obligations with employees in the process of management and development.



V. EMPLOYMENT AND LABOR PRACTICES

Employees are the Group's most valuable assets. The Group strives to provide a non-discrimination, equal, harmonious and safe workplace. The human resources strategies are formulated for the long-term benefit of the Group and take into account the sustainability strategies in setting commensurate salary and benefits, providing staff training for personal and career development, establishing an equal and competitive mechanism to regulate the process for employees' promotion and advancement, so as to create incentives to attract, develop, retain and reward talents. Besides, the Group cares about the work, life, physical and mental health of its employees; and encourage employees to build harmonious interpersonal relationships. The Group organizes leisure activities and training programs to enrich its employees' leisure time, enhance their technical skills, and build tacit understanding among employees and promote team cohesion.

1. TALENT SELECTION

The Group is a fair opportunity employer and respects personal privacy, and established recruitment guideline to regulate the recruitment management procedures. During the recruitment process, the department head determines the job positions' responsibilities and requirements, and the Administrative and Personnel Department assesses and screens applicants according to the requirements. The appropriate candidates would be selected based on the principal of "open, fair, competitive, select the best", and their morality, knowledge, abilities and job requirements; regardless of their age, gender, sexual orientation, race, disability, marital status, pregnancy, religion, political factions. The policy applies to all phases of the employment relationship, including but not limited to, hiring, promotion, performance appraisal, training, personal development and termination. On the basis of equality, the Group hopes to identify talents who are committed and dedicated to work; the Group has confidence and high hopes on those employees who are willing to take responsibility, keep learning, continuously improving their abilities and willing to move forward with the Group. Wanzhou plant has been supporting the rehabilitation plan for people with disabilities and assigned more than 300 employees with physical disabilities with appropriate job duties based on their ability and skills during the reporting period.

2. LABOR STANDARDS

The Group cherishes human rights and protects labor rights, and follows the applicable laws and regulations in forbidding child and forced labor. The Administrative and Personnel Department of the Group examines the identity documents of the candidates in the hiring process to prevent employment of child labor. Besides, the Group also strictly implements various measures to prevent any form of forced labor, including prisoner, indentured servitude, bonded labor; for example, labor contract is signed by the employee on a fair and voluntary basis, ensure employees do not need to bear any onboarding costs, never deduct wages, benefits or property of employees without reason, detention of employee's identity card or other identification documents is strictly prohibited, any form of physical abuse, assault, body search or insult, or forcing an employee to work by means of violence, threat or unlawful restriction of personal freedom is all forbidden. Employees' consent for work overtime is required to avoid involuntary overtime work, and the employees are compensated as appropriate in accordance with the applicable labor laws and regulations. During this reporting period, the Group did not involve in any violation of the laws and regulations related to the child and forced labor.

V. EMPLOYMENT AND LABOR PRACTICES

3. COMPENSATION AND WELFARE

The Group attracts and retains outstanding talents with competitive remuneration packages; benchmarks up-to-date remuneration data in their industry and strives to establish a fair, reasonable and competitive remuneration scheme. Staff salaries level is decided based on one's knowledge, skills, experiences and education background relevant to their work requirements, and the Group implements a remuneration system that consists of basic salary and performance-based bonus. The employee remuneration package includes salary, overtime subsidies, performance-based bonus, and so on. Other benefits include festive gifts (Spring Festival, Dragon Boat Festival, Mid-Autumn Festival, etc.), body checks, work shuttle services, meal subsidy and so on. We also provide various facilities for employees with disabilities, for example, arranging a electric car to take them between canteen and their workplace during lunch time; installing handrails in the stairs and washrooms. In order to enhance employees' work quality and efficiency and inspire their motivation, we conduct periodic performance appraisal and fairly assess the level of awards, salaries increment and/or promotion recommendations based on a number of criteria. To comply with the local labor laws and regulations, the Group provides social security benefits for all employees. For example, the Group contributes to various social security scheme (including endowment insurance, medical insurance, unemployment insurance, work injury insurance and maternity insurance) and housing provident fund for the employees in mainland China. We handle dismissal and compensation in accordance with the local laws and regulations.

The Group pays attention to its employees' health and encourages work-life balance. We protect the employees' rights of rest days and holidays, and establish employees' work hours based on the local labor laws. Besides, the Group did not reduce the employee benefits or lay off employees during COVID-19 pandemic outbreak in 2020. For the sake of employees' health and safety, the Group has formulated an emergency plan for epidemic prevention and control, and has adopted a number of epidemic prevention measures. Please refer to the "Health and Safety" section below for details.



4. DEVELOPMENT AND TRAINING

An excellent corporate team is the most important for the sustainable and long-term business development of the Group. Therefore, we discover and cultivate professional talents through strict recruitment system, standards and procedures, and introduced competition mechanism; we also encourage employees to continue their education and lifelong learning. In addition to meeting the needs of business development, the Group also improves the quality, professional skills and knowledge of its employees through continuous training. New hires have to participate in induction training and must pass the assessment. The training topics include corporate culture, business, work-related rules and regulations, organizational structure, staff welfare and work safety, etc.. Besides, we also provide employees with skills training and professional training according to the requirements of different positions. The training is mainly in the form of lectures and self-study. During the reporting period, on top of providing our new hires with induction training, we also organized various training programs related to product quality, and environmental, occupational health and safety to achieve the ultimate goal of nurturing talent. Please refer to the “Product Responsibility” and “Health and Safety” sections below for details.

5. HEALTH AND SAFETY

The Group pays attention to its employees’ health and provides a safe work environment so as to prevent occupational hazards. To comply with the requirements of the “Law of the People’s Republic of China on Work Safety”, we establish management policies in production safety and set up safety management system. We follow the requirements of the government’s safety production department and signed the safety responsibility statement. We also require the supervisors and employees at all levels to clearly understand their own safety responsibilities and sign the respective safety responsibility statement, and strictly perform the requirements as stated on the safety responsibility statement with reference to the internal safety management system. During the reporting period, we obtained GB/T45001-2020 idt ISO 45001:2018 Certification in Occupational Health and Safety Management System.

Training topics are mainly related to workplace safety and occupational health. The Group provides appropriate occupational health and safety training to introduce the corporate development plan, enhance their awareness on safety and continuously strengthen their consciousness, improve their professional skills, especially for those job positions under significant potential safety hazards, and enable them to perform their duties in a safe environment. Employees have to report to the management immediately when incident occurs or aware of any potential hazards. New staff are required to attend and get pass in examination after a 3-level safety training, including company level, department level and team level, before they are assigned to jobs. Production team provides daily training to remind staff about production safety issues. During the reporting period, the Group organized various safety training programs. Topics include emergency plan for hazardous chemical incidents, emergency rescue plan for environmental and safety incidents, management methods for operational training, environmental, occupational health and safety policies, hazard identification and risk assessment, management control for working aloft, management control for handling hazardous chemicals, and equipment management systems, management control for boiler operation etc..

We give a lot of attention to fire safety in our factory. In order to comply with the “Law of the People’s Republic of China on Fire Control”, we established guidelines in fire safety. Warehouse, production plants and offices are equipped with fire facilities and equipment (including fire sprinkler system, fire extinguisher, fire hose, etc.), and maintained and replaced fire facilities and equipment regularly. The maintenance work is conducted by external professional company. “No smoking and fire” signs are posted at the easily noticeable places at the entrance and inside the production plants; set up more escape routes and emergency indicators; motorcycles and vehicles are required to park in specified location; key areas like transformer and power supply room, and flammable and explosive materials warehouse are closely monitored to reduce the risk of fire. We have established volunteer fire brigade and medical team which are equipped with fire extinguisher, fire hose, helmet, medical equipment, etc.

V. EMPLOYMENT AND LABOR PRACTICES



Staff of special work types, such as electricians, welders, drivers, etc., must possess valid licence from the government authority before they are allowed to operate the machines. Besides, we educate our employees to correctly use production equipment and installed facilities, fire prevention facilities, protective and first aids tools, etc.. Machine operators are required to inspect the equipment and facilities daily; and to report abnormalities to the relevant department for immediate repair arrangement. We also set up annual maintenance and repair plan and equipment enhancement plan for critical equipment to ensure that they are kept in good condition and control risk and prevent safety incidents from happening.

We care so much about our people's health and set up working hours and holiday systems in compliance with the national requirements. In principle, staff working overtime must be voluntary and do no harm to their health. In order to comply with the "Law of the People's Republic of China on Prevention and Treatment of Occupational Diseases", we provide workers with safety production tools like earplugs, masks, goggles, gloves, etc. and such supplies should be used correctly as instructed according to needs by job positions, We prepared rescue drugs and equipment according to needs where poisoning, injury and other incidents may occur. We do not allow and will not assign our minor staff (above legal working age) to handle tasks relating to toxic, hazardous, excessive physical labor or dangerous type of works. We also provide pre-employment body check for the new hires, and periodic body checkup every two years thereafter in order to prevent occupational disease. Since the production process involves wood dust, chemical substances and noise that can affect the employee's health, Wanzhou plant engaged qualified agency to inspect the occupational hazards of each job position periodically. The inspection covers wood dust, benzene, toluene, xylene, formaldehyde, noise, etc.. The wood dust and noise test results of some job positions has failed to meet the national standards. We have implemented remedial measures, including strictly demanding employees to wear earplugs and strengthened safety inspections, installing the exhaust and dust removal system which is expected to be completed in September 2021 so as to tackle the problem of excessive wood dust.

With the outbreak of COVID-19 in 2020, for the sake of employees' health and safety, the Group has implemented the following preventive measures:

- Launched emergency response plan for prevention and control of epidemic, and set up epidemic prevention and control team to cope with the situation of possible spread of the COVID-19 in the offices, production plant, dormitories and canteens;
- Set up isolation measures for employees returning to the offices, production plants and dormitories from the epidemic areas;
- Organized epidemic prevention knowledge training for employees through WeChat groups before resuming work, strengthened their COVID-19 prevention and control knowledge, improved their protection capabilities, and allow them to prepare for personal tableware and work route planning;
- Conducted sterilization in the entire factory area, including offices, production workshops, dormitories, canteens, washrooms, etc.;
- Strictly controlled employee access to the offices and production plant area. All employees and visitors must wear masks, measure body temperature, fill in personal health conditions form and sanitize their hands and ensure those personnel access to the offices and production plant area do not have any suspected symptoms of infection;

- Ensured sufficient stock of COVID-19 prevention supplies such as antiseptic alcohol, hand sanitizer, masks, medical gloves, etc.;
- Employees must wear mask at work, be aware of hand hygiene and maintain appropriate social distance;
- Cancelled all gatherings and reduce the time of staying outside during the severe period of epidemic; and
- Implemented staggered mealtime in canteen.

COMPLIANCE

During the reporting period, except for failing to meet the national standards on some of job positions relating to wood dust and noise, the Group did not involve in any other non-compliance incidents relating to employment, health and safety, and labor standards that have significant impact on the Group.

VI. OPERATING PRACTICES

1. SUPPLY CHAIN MANAGEMENT

The Group conveys its concern on environmental issues to its suppliers and business partners, and expects them to implement similar practices. We serve to maintain long-term, stable and strategic cooperative relationships with leading suppliers, and co-develops with them on the basis of equality and win-win situation. To strengthen the supply chain management, we have established policies and procedures in assessment of suppliers, including initial and final selection, and renewal; and set up an “approved vendor list”. Samples are required for purchases from new suppliers and a small quantity is ordered and tried before a normal quantity order is placed. Samples are retained for reference and record. We also conduct regular reviews of approved vendors with long-term cooperation, including product quality, frequency of product returns, vendor cooperation and service attitude, timeliness of delivery, reasonable price, etc. to ensure that vendors continuously provide high-quality products and services. We have stringent procurement and control procedures over procurement contracts processing from preparation, amendment and approval, and execution of the contracts. This is to ensure that suppliers’ and our interests are appropriately protected, and also procurements are executed as scheduled; and to prevent unnecessary disputes or to resolve all disputes timely. To ensure that suppliers are competitive and the goods and services provided to us are with high quality, we have strict requirements for division of labor from contract signing to goods received quality check, inspection and acceptance. We require the suppliers of goods and services to possess recognized qualifications and good internal control system, provide stable quality, on-time delivery, compliance with laws and regulations and have the required professional skills and quality. We have established policies and procedures in supply chain management and provided various reporting channels for employees, suppliers, customers and other business partners to report any violations and suspected abuse of one’s authority for own interest. During the reporting period, the Group did not have significant issues relating to violations in this respect.

2. PRODUCT RESPONSIBILITY

“Treat customers like family” is the Group’s service philosophy. Therefore, the Group has formulated policies and procedures to monitor the product quality and customer service processes, maintain communication with customers, understand and meet the customer needs and expectation, and make continuous improvements. During the reporting period, we obtained the GBT/T19001-2016 idt ISO9001:2015 Certification in Quality Management System and standardized the product quality assurance process.



In order to comply with the “Law of the People’s Republic of China on Product Quality”, we set up Quality Management Division and established guidelines for inspection work in each production process and provide professional training to our quality assurance personnel to inspect and accept raw materials and monitor the production process; so as to ensure that the quality of finished goods and raw materials are up to standard; and the production procedures are properly controlled. If the customers have issues about our products and services; or the deliverables are unable to meet their needs; they can give feedbacks or lodge complaints through various channels like by phone, email, facsimile, interview, etc. via our after-sales service. Our customer service personnel will take appropriate action promptly and assign designated staff to follow up with the customer until the issue is satisfactorily settled.

The Group believes that employees’ quality has a positive impact on product quality, thereby regularly providing training courses relating to product quality such as ISO quality system documents, company’s quality policy and objectives, and low-quality problem management and control methods, etc. so as to ensure that the quality inspectors possess the latest skill and knowledge. The Group hopes that employees can gain satisfaction and achievement at work, seize every opportunity to improve the product quality with the Group together and move towards a higher quality goal.

In order to reduce the impact of counterfeit items on the Group’s products, the Group strictly monitors the sales channels and sets up customer service hotline to promptly collect information on counterfeit products and handle the issue properly. The Group has also affixed QR Code on the outer packaging of products. Customers can perform product authentication using QR Code to prevent counterfeit products from entering the market and defend the rights of the company and consumers.

Confidentiality is one of the Group’s core values. We handle customers’ information diligently and confidentially. For any confidential information obtained through business relationships, all employees are strictly prohibited to disclose any such information to third parties without proper authority unless there is a legal or professional right or duty to do so.

The Group respects intellectual property rights, and employees are not allowed to own or use copyrighted materials without the permission of the copyright owner.

During the reporting period, the Group’s products and services did not involve in any significant issue relating to violations nor did the Group receive any complaints concerning breaches of customer privacy, loss of data and intellectual property rights.

3. ANTI-CORRUPTION

The Group firmly believes fairness, honesty and integrity are the important commercial assets, and has adopted a zero-tolerance approach for all kinds of malpractice. To comply with the “Criminal Law of the People’s Republic of China”, the “Prevention of Bribery Ordinance” enforced by the Hong Kong Independent Commission Against Corruption, and the laws and regulations of other applicable jurisdictions. Therefore, the Group strengthens its internal control system, and established internal policies and procedures to regulate the employees’ conduct and offenders are heavily penalized. We demand all employees to build a habit of strict compliance with policies and procedures, and to prevent all bribes. The employees who violate our Code will be severely penalized or even terminated. We bring discipline monitoring work in the production and business process, ensure that there are channels for reporting directly by phone to Human Resources Department and the Chief Executive Officer for suspected cases of obtaining personal interests in carrying out one’s job duties, bribes, extortion, frauds, money laundering in breach of policies, regulations and laws in strict confidence. We are determinant in combating corruption and contribute to building a clean society. We establish Code of Ethics and Business Conduct (the “Code”) and require our business partners to sign commitment letter to confirm their compliance with the Code, and also demand their employees to observe and follow the requirements and maintain “simple, transparent, clean and fair co-operation” relationship. During the reporting period, the Group or its employees did not involve in any litigation cases of corruptions.

VII. COMMUNITY INVESTMENT



As a good corporate citizen, the Group proactively participates in social welfare and donation activities with the mission of contributing to society. During the severe period of COVID-19 outbreak, we donated more than 600,000 medical gloves and more than 8,000 pieces of protective clothing to Wuhan Central Hospital, totaling approximately RMB1.46 million to provide protection for frontline medical staff and stop the spread of COVID-19 as soon as possible. Besides, we grow a lot of plants and trees in our factory area, go green in the city, and open part of our park to the public.

Ever since our establishment, we are responsible taxpayer and offer job opportunities to local people. We establish retirement plan for staff in different area. We maintained good production operation, actively promoted environmental protection and achieved good development order, and to some certain extent, we have contributed to social stability and building a harmonious community.

VIII. CERTIFICATIONS



During the reporting period, the Group's Wanzhou plant was accredited the following key certifications:

- GB/T24001-2016 idt ISO14001:2015 Certification in Environmental Management System
- GB/T45001-2020 idt ISO45001:2018 Certification in Occupational Health and Safety Management System
- GBT/T19001-2016 idt ISO9001:2015 Certification in Quality Management System

IX. VISION OUTLOOK

As a good corporate citizen, the Group strives to strike a balance between achieving the corporate economic goals and business objectives, and fulfill its social responsibility. We will continue to evaluate our performance in environmental protection, employee care, product and service quality, and community investment and build edge for the sustainable development of the Group.

The Group will endeavor to comply with the stringent laws and regulations of environmental protection, allocate resources and undertake various environmental improvement projects, including improving exhaust air, sewage and waste treatment facilities. We will also put employee satisfaction and production safety as our top priority. We aim at attracting more talents through providing a safe workplace and competitive remuneration scheme. As for product and service quality, the Group will continue to invest resources for further improvement to our products so as to fulfill the environmental standards. At the same time, we committed to fulfilling our social responsibility by actively participating in charitable activities and promoting the community's sustainable development.

The Group hopes to use wood as the essence, technically combine modern manufacturing technology with traditional handcraft technology, culturally combine modern fashion with Chinese traditional cultural technology, and personalize the product's artistic, craftsmanship, ornamental, a combination of collectability and practicality. The Group aspires to become the world's first brand of practical handicrafts with wood as its essence. Going forward, the Group serves to enhance its business performance through implementation of sustainable development strategies and to generate more meaningful long-term value for the enterprise and its stakeholders.



X. ENVIRONMENTAL PERFORMANCE DATA SUMMARY

	Unit	2020	2019
Greenhouse Gas (“GHG”) Emission			
Scope 1¹:			
Total	Tonnes	278.91	331.05
Intensity ³	Tonnes	0.08	0.07
Scope 2²:			
Total	Tonnes	1,369.66	1,733.63
Intensity ³	Tonnes	0.40	0.38
Air Emission			
Nitrogen Oxides	Kilograms	74.45	93.84
Sulfur Oxides	Kilograms	0.17	0.23
Particulate Matters	Kilograms	5.36	6.79
Hazardous Waste			
Solid Waste Generated:			
Total	Kilograms	3,043.20	3,219.15
Intensity ³	Kilograms	0.88	0.71
Non-hazardous Waste			
Solid Waste Generated:			
Total	Kilograms	49,522.00	59,446.00
Intensity ³	Kilograms	14.31	13.15
Sewage Discharged:			
Total	Tonnes	27,557.00	33,517.00
Intensity ³	Tonnes	7.96	7.42
Packaging Materials Used for Finished Goods			
Total	Tonnes	462.30	553.09
Intensity ³	Tonnes	0.13	0.12

X. ENVIRONMENTAL PERFORMANCE DATA SUMMARY



	Unit	2020	2019
Natural Resources Consumption			
Electricity:			
Total	Megawatt hours	1,602.31	1,935.42
Intensity ³	Megawatt hours	0.46	0.43
Gasoline:			
Total	Liters	9,286.66	13,419.33
Intensity ³	Liters	2.68	2.97
Diesel:			
Total	Liters	1,837.00	2,200.00
Intensity ³	Liters	0.53	0.49
Natural Gas:			
Total	Cubic meters	115,431.00	157,776.00
Intensity ³	Cubic meters	33.35	34.91
Water:			
Total	Tonnes	27,568.40	33,531.01
Intensity ³	Tonnes	7.97	7.42
Timber (Raw Material):			
Total	Cubic meters	1,227.79	1,331.06
Intensity ³	Cubic meters	0.35	0.29

Notes :

- ¹ Scope 1 refers to the Group's business direct GHG emission, including combustion of gasoline, diesel, natural gas, and so on.
- ² Scope 2 refers to the Group's business indirect GHG emission, caused by the consumption of purchased electricity.
- ³ The intensity is calculated per each 1,000 production unit.

XI. “ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE” BY HKEX

General Disclosure/ Key Performance Indicators (“KPIs”)	Reporting Guideline	Page
	A. Environmental	
Aspect A1	Emissions	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	6-9
KPI A1.1	The types of emissions and respective emissions data.	8-9, 25
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	10-11, 25
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	9, 25
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	8-9, 25
KPI A1.5	Description of measures to mitigate emissions and results achieved.	7-9
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	8-9
Aspect A2	Use of Resources	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	10-13
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (MWh) and intensity (e.g. per unit of production volume, per facility)	10-11, 26
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	12, 26
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	10-11
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	12
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	25
Aspect A3	The Environment and Natural Resources	
General Disclosure	Policies on minimizing the issuer’s significant impact on the environment and natural resources	14
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	14

XI. “ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE” BY HKEX



General Disclosure	Reporting Guideline	Page
	B. Social¹	
Aspect B1	Employment and Labor Practices	
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.	15-16
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.	17-19
Aspect B3	Development and Training	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	17
Aspect B4	Labor Standards	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	15
Aspect B5	Supply Chain Management	
General Disclosure	Policies on managing environmental and social risks of the supply chain.	20

General Disclosure	Reporting Guideline	Page
	B. Social¹	
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.	20-21
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.	21
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.	22

Note:

¹ Pursuant to Appendix 27 of the "Main Board Listing Rules", the KPIs under Area B "Social" are recommended disclosures only. Therefore, the Group chooses not to disclose those KPIs in this Report.