



**CHINA LEON INSPECTION HOLDING LIMITED**

**中国力鸿检验控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

*(於開曼群島註冊成立的有限公司)*

Stock Code 股份代號：1586



**2020**

Environmental, Social and  
Governance Report  
環境、社會及管治報告

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## Board Statement

China Leon Inspection Holding Limited (the “Company”) and its subsidiaries (the “Group” or “China Leon” or “we” or “our” or “us”) are pleased to present our Environmental, Social and Governance (“ESG”) Report (the “Report”). Sustainability performance has become increasingly important to our stakeholders who are interested in the sustainable growth of the society as a whole, especially amid the current uncertain environment caused by the COVID-19 pandemic. We strive for business growth and enthusiastically exploring into emerging sectors.

The board of directors (the “Board”) of the Company assumes the overall responsibility for sustainable development and leads the Group to fulfil social responsibility. The Board, with the assistance of the Audit Committee and the ESG working team, reviews the effectiveness of the risk management and internal control system, including the risk management mechanism, policies and procedures, and major control measures implemented covering aspects on finance, operation, compliance as well as sustainable development. The Board reviews progress made against ESG-related goals and targets from time to time, listens to the reports from the ESG working team, inspects the ESG-related issues and identifies the key opportunities, and the relevant impacts bring to the business and the shareholders of the Group.

The Board oversees and manages the Group’s ESG strategies and issues in the following ways:

- Set-up of ESG governance structure: The roles and responsibilities on ESG governance structure are well-defined. A ESG working team is established to act as an effective communication channel between the Board and the subsidiaries and business units of various geographical regions to communicate ESG-related matters.
- Establishment of risk management and internal control system: The risk management and internal control system is established to govern the procedures on managing risk and opportunities (including the ESG-related risks and opportunities) of the Group’s business.
- Communication with stakeholders: A variety of communication channel has been established to ensure effective communication between the Group and the stakeholders. Stakeholders are invited to participate in the materiality assessment process of ESG-related issues through conducting surveys.
- Risk and materiality assessment: The Group has formulated the procedures to identify, evaluate and prioritise the ESG-related issues for materiality assessment. During the process, both external information (such as results of survey from stakeholders, disclosure information of peers and latest industrial practice) and internal information (such as internal assessment made in view of the relevance and impact of issues on the Group’s business) are also taken into consideration.

- Development of ESG-related strategies and action plan: The Board, with the assistance of ESG working team, determines which ESG risks and opportunities are of strategic importance to the Group's business development. ESG-related strategies, targets and action plans are developed accordingly.
- Regular monitoring: Internal mechanism has been created to oversee and monitor the management of ESG-related issues, the effectiveness of ESG-related strategies and action plans, the achievement of ESG-related targets, and the compliance issues. The Board reviews any significant change on identified ESG-related issues and opportunities, and assesses the need to refine and revamp the ESG-related strategies and action plans.

The year of 2021 marks the start of the 14th Five-Year Plan. We will keep abreast of directions of the 14th Five-Year Plan featuring cleanness, low carbon, safety and efficiency, and concentrate on high-quality growth and continuously search for opportunities and formulate plans to promote sustainable energy development. The Group fulfilled its corporate responsibilities on environmental and social sustainability continuously by strictly adhering to the established policies and measures with the aim to reduce emission and waste, and optimise resources efficiency, as well as to create a fair, equal, diversified and inclusive, healthy and safe working environment for our employees, and to maintain the Group's high ethics, quality and competence.

Sustainability development is crucial to the Group. During the reporting period, we established Leon Group's Energy Testing Technology Research Institute for the purpose of reinforcing research on applied science in the field of inspection and testing, raising operational efficiency as well as risk management, continuously analysing market demands and enhancing customer experience. The Institute is focus on the three key research areas in energy inspection and testing, including innovation in service technology, application of information technology and big data as well as related new technologies and materials. The institute also actively explores "carbon neutrality" services in the testing, inspection and certification (TIC) industry, including conducting survey on and compilation of greenhouse gas ("GHG") emissions checklist, performing GHG emissions accounting and verification, carrying out feasibility studies on ways to minimize GHG emissions and Chinese Certified Emissions Reductions (CCER) project development etc. All of the above plays an active role in supporting the development of the existing businesses, facilitating the expansion of new businesses, rendering innovative testing services, training research personnel and carrying out technological exchanges.

The Group is planning to expand its service scope to comprehensively implement the 2+X sustainable growth strategy by fully leveraging its leading advantage in different segments and economies of scale. The number "2" of the 2+X strategy represents the Group's energy and commodities inspection and testing services; while the "X" represents the expected areas and room for future growth of the Group, focusing on renewable energy with long-term sustainable growth potential and other related areas that can promote sustainable energy development and corporate ESG performance.

Subsequent to the reporting period, Lihong Inspection Group Limited, a subsidiary of the Company, entered into the sales and purchase agreements with independent third parties for the acquisition of two companies incorporated in the People's Republic of China (the "PRC"), namely Tianjin Zhiheng Environmental Technology Limited# (天津之恆環境科技有限公司) (the "Target Company I") and Tianjin Huaneng Environmental Monitoring Service Co., Ltd.# (天津華能環境監測服務有限公司) (the "Target Company II"). Target Company 1 is principally engaged in soil contamination investigation technology at the contaminated land, soil contamination risk assessment technology at the contaminated land, and services of soil contamination treatment and remediation technology; consultation on environmental protection technology; technology promotion services; environmental governance; environmental monitoring; environmental protection engineering design and construction; wholesale and retail of chemical products (except dangerous goods and easily manufactured drugs), instrumentation and environmental protection equipment; technology development, consultation and services of environmental protection equipment, while Target Company 2 is principally engaged in environmental protection monitoring; ecological monitoring; environmental assessment services; product characteristics and features inspection services; certification services; technology development, technology transfer, technology consultation, and technical services.

# For identification purpose only.





# 1. About This Report

This Report discloses policies, measures, practical actions and key achievements of the Group in promoting environmentally and socially sustainable development, which covers the aspects of protecting environment, making good use of resources, paying attention to employee health, managing and controlling service quality, actively participating in community projects, and encouraging suppliers working with the Group to implement sustainable development policies. For information regarding corporate governance, details are presented in the Corporate Governance Report of the 2020 Annual Report published on 29 April 2021.

## Reporting Period and Boundary

The reporting period is from 1 January 2020 to 31 December 2020 (“the Reporting Period”). The reporting boundary of this Report covers the principal businesses of the Group, including the provision of testing services, surveying services, and witnessing and ancillary services located in the PRC, Singapore and other overseas countries.

## Reporting Guidelines

This Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) under Appendix 27 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The environmental and social key performance indicators (“KPIs”) are disclosed in this Report pursuant to the Reporting Guidance on Environmental KPIs and Reporting Guidance on Social KPIs of the Stock Exchange, respectively. The Group has considered the applicable reporting principles and the results of materiality assessment to determine the scope of disclosures in this Report. Details of the reporting principles applied, and the materiality assessment are elaborated in the following section “Application of Reporting Principles” and Section 2.3 “Materiality Assessment”, respectively.

## Application of Reporting Principles

The following reporting principles have been applied in the preparation of this Report:

Reporting Principles	Application in the Report
Materiality	Materiality assessment has been conducted to determine and prioritise the material ESG issues. Details of which are further explained under the section 2.3 “Materiality Assessment”.
Quantitative	The Group has mainly used the ESG Reporting Guide, and the relevant guidelines published by the Stock Exchange to measure the quantitative KPIs. All performance indicators are clearly defined and measurable. Detail of calculation methods and reference standards of ESG quantitative data are disclosed in the relevant sections of this Report.
Consistency	Meaningful comparison of ESG information is achieved in the Report as the Group adopts the reporting approach and methodologies consistently over time and the reporting boundary remains unchanged. In the current reporting period, additional KPIs are disclosed to provide stakeholders with a comprehensive and transparent view on the Group’s sustainability development and performance.
Balance	The Report is presented in a fair and impartial manner. Both positive and negative sustainability performances are presented objectively.

## Sources of Information

The information disclosed in this Report is sourced from the official documents, internal data, statistical reports and stakeholder surveys of the Group.

## Access to the Report

This Report is made available online unless specific requests are received for the Report in printed form. You can access the Company’s official website <http://www.leontest.com> or the website of the Stock Exchange <http://www.hkexnews.hk> for an electronic copy. This Report is available in Chinese and English versions. The English version shall prevail in case of any discrepancy between the two versions.

## Feedback

Your opinions on the ESG Report are highly valued. You are most welcomed to provide your views and suggestions via our website: [www.leontest.com](http://www.leontest.com).





## 2. Sustainability Management

### 2.1 Management Structure

The Board assumes full responsibility for the ESG management and reporting. An internal ESG working team is formed to act as an effective communication channel between the Board and the subsidiaries and business units of various geographical regions as set out below:



The Company has established a comprehensive set of ESG-related policies and guidance on the Group's level, including Corporate Social Responsibility Policy, Environmental Protection Policy, Human Rights Policy, Health and Safety Policy, Information Security Policy, Anti-Fraud and Anti-Bribery Policy, and Media, Public Engagement and Donation Policy, which provides frameworks and directions at the Group level on the sustainability-related subjects and issues. Within the established frameworks and under these directions, the Group's subsidiaries and business units may develop further relevant implementation procedures and practices that suit their specific business circumstances.

The ESG Working Team comprises of members across different functional departments including finance department, human resources department and quality assurance department, subsidiaries and business units, which is responsible to assist and advise the Board on development and implementation of the sustainability policies, procedures and practices of the Group, including reviewing the sustainability-related policies and initiatives, assessing sustainability risks and making recommendations to the Board on matters concerning the Group's sustainability development.







## 2.2 Stakeholder Engagement

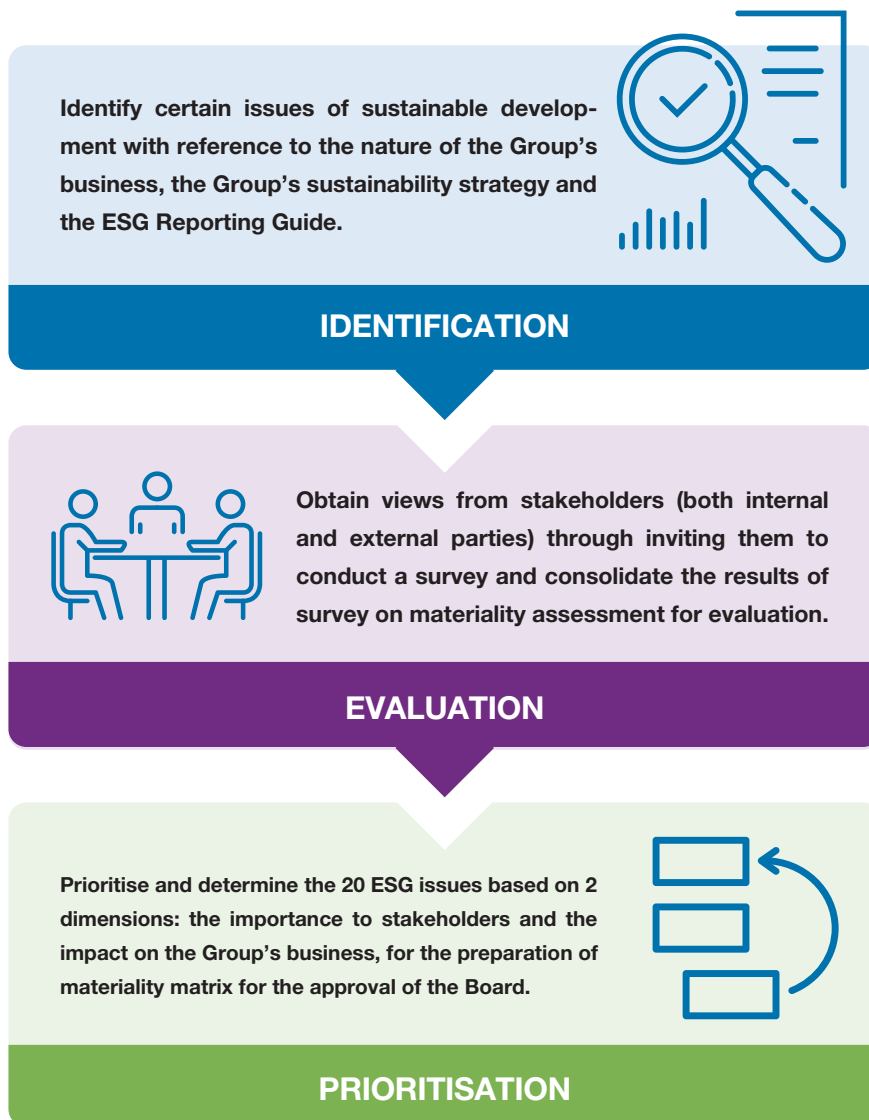
As the Group's business operations and development affect a variety group of stakeholders, the Group strives to make effective communication with stakeholders through certain suitable channels to obtain a better understanding of their concerns and expectations with a view to improving its sustainability policies and strategies.

Stakeholder engagement is part of the key processes of the materiality assessment carried out by the Group. The Group identified the following six groups of major stakeholders by taking into accounts of factors including relevance, impact and reliance:

Major stakeholders	Areas of concern	Communication means
Investors	<ul style="list-style-type: none"> <li>Return on investment</li> <li>Business plans, growth and development</li> <li>Transparency and disclosure of corporate information</li> <li>Sustainability strategies and development</li> </ul>	<ul style="list-style-type: none"> <li>Annual general meetings</li> <li>Interim and annual reports</li> <li>Results announcements</li> <li>Official company website</li> <li>Investor mailbox</li> <li>Corporate communication, including letters/circulars to investors</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Provision of fair and high-quality professional services</li> <li>Information security and customer privacy</li> <li>Reponses to customer feedback</li> </ul>	<ul style="list-style-type: none"> <li>Customer service centre</li> <li>Daily operations, meetings and interactions</li> <li>Site visits</li> <li>Service hotline and email</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Shared growth</li> <li>Fair and transparent procurement process</li> </ul>	<ul style="list-style-type: none"> <li>Supplier assessment and evaluation</li> <li>Daily operations, meetings and interactions</li> <li>Site visits</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Occupational health and work safety</li> <li>Remuneration package and staff welfare</li> <li>Career development</li> <li>Staff morale and cohesion</li> </ul>	<ul style="list-style-type: none"> <li>Performance evaluation</li> <li>Regular trainings</li> <li>Intranet and email</li> <li>Regular meetings</li> </ul>
Public and Media	<ul style="list-style-type: none"> <li>Concern and support for community development</li> <li>Social and environmental protection responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>Corporate news release</li> <li>Response to media enquiries</li> <li>Press conference</li> <li>Interviews</li> <li>Community engagements</li> </ul>
Government bodies	<ul style="list-style-type: none"> <li>Compliance with Listing Rules, and other relevant laws and regulations</li> <li>Corporate governance and risk management</li> <li>Corporate development and economic benefits</li> <li>Sustainability strategies and development</li> </ul>	<ul style="list-style-type: none"> <li>Compliance supervision and reports</li> <li>Onsite inspection</li> <li>Regular reports</li> <li>Written responses to enquiries</li> </ul>

## 2.3 Materiality Assessment

As part of the ESG management and reporting process, the Group carried out three major processes (including the conduct of survey with internal and external stakeholders) for materiality assessment in the reporting period:





During the identification process, the Group firstly identifies certain material issues of sustainable development based on the nature of the Group's business, the Group's sustainability strategy and ESG Reporting Guide (including the requirements of general disclosures and the KPIs specified). The Group summarises the identified material issues on an issue list. The issue list is further updated as a complete issue list after taking the following steps:

- compares the issue list against disclosure information of peers, and considers the latest industrial practice and information;
- internal assessment performed by the ESG working team in view of the relevance and impact of issues on the Group's business operations; and
- considers the latest regional and global information which are highly relevant and significant to the Group's business operation and developments. For example, the top 10 risks by likelihood and top 10 risks by impact in the next 10 years raised by the Global Risks Report 2021 published by the World Economic Forum are considered when compiling the issue list.

The Group communicates continuously with major stakeholders through a variety of channels to understand their concerns and areas of interests. During the evaluation process, the Group invites major stakeholders to conduct a survey by ranking their prioritisation of material issues on the complete issue list. Result of the survey is summarised as a basis on evaluation of the importance of issues to stakeholders.

The Group prepares the materiality matrix by making use of a combination of information obtained through internal assessment and external stakeholders. Twenty ESG issues covering the aspects of environmental protection, employment and labour practices, operating practices and community investment, etc. are categorised as high-materiality issues, medium-materiality issues and low-materiality issues based on the 2 dimensions of importance to stakeholders and the impact on the Group's business.

The result of assessment is summarised as follows:

## Materiality Matrix



### High-materiality issues

- a Compliance with law and regulations
- c Quality control
- g Anti-fraud and anti-corruption
- j Employment rights and relations
- k Customer services and relations
- l Occupational health and safety
- n Qualifications and professional conduct
- s Corporate governance and risk management

### Medium-materiality issues

- b Responsible procurement
- d Technology development and application
- e Customer privacy protection
- f Health and safety of product/service
- h Complaint and response mechanisms
- m Employee training and development
- o Energy consumption efficiency
- p Use of material/resource
- q Environmental awareness of employees
- r Community investment and engagement
- t Climate change

### Low-materiality issues

- i Promotion and label of product and service





Based on the results of the materiality assessment and the level of concern on the above ESG-related issues, the Group has implemented corresponding measures, which are further elaborated in the following sections.

## 3. Carbon Reduction and Energy Saving

### 3.1 Ecological Balance

While focusing on its own low-carbon operation, China Leon is keenly aware that it is necessary to integrate the concept of sustainability into every detail of production operation and continues carrying out green office and extending green footprints and other activities, in order to achieve steady development as well as to reduce emissions. For this purpose, the Group establishes an environment-friendly business model as the development target and takes steps to minimize the environmental impacts from its production and operation activities by improving technologies and processes.

An environmental management system, which has been certified in compliance with the standard required under ISO 14001 Environmental Management System is adopted by the Group. The Group maintains a high standard of environmental protection measures when establishing and running the laboratories to meet the advanced environmental requirements of where it operates. All the necessary environmental monitoring equipment in testing and surveying laboratories in operation have been installed.

#### 3.1.1 Air Emissions and Greenhouse Gas Emissions

Air Emissions of the Group are mainly caused by the use of vehicles, while greenhouse gas emissions are mainly produced by (i) direct emissions from combustion of fuels in mobile source (from the vehicles) under scope 1; (ii) energy indirect emissions from electricity consumed under scope 2; and (iii) other indirect emissions (mainly from business travel) of the Reporting Guidance on Environmental KPIs.

The testing and inspection services we provide to customers mainly include: (1) testing services, (2) surveying services and (3) witnessing and ancillary services. The 2 processes namely sample preparation and laboratory tests are the main source of emissions in the process of testing services. The relevant pollutants are also mainly resulted from testing services. Since they are insignificant as compared with the pollutants of the Group as a whole, the Group considers not to disclose them based on the reporting principle of materiality. We are determined to promote clean operation. In testing services, we capture the air emissions generated from testing services, and discharge them after filtration. Besides, we may occasionally procure new environmental-friendly machinery and equipment, including the sample preparation and testing machinery and equipment, depending on their conditions and technological advancements.

Our vehicles are mainly used for on-site sampling and transporting samples from ports or our customers' premises to our laboratories and other general businesses. We regularly arrange checkups and maintenances by designated staff, and send the vehicles to inspection organizations for monitoring, in order to ensure that vehicles emissions meet the requirements. Moreover, during purchasing vehicles, we take safety and environmental features as important factors into consideration.

During the reporting period, we minimised the frequency of business travel and held meetings through online platform for video and audio conference.

### 3.1.2 Wastes

The hazardous wastes generated from the Group's operation are mainly waste petroleum samples and solvents, acid/base waste, while the non-hazardous wastes are mainly paper wastes.

The Group develops measures of reasonable waste classification and disposal in service processes. According to the Group's Safety Management Procedures, our technicians working at sampling workshops and laboratories are responsible for collecting the hazardous wastes and storing them in categories and in isolated places, and all the hazardous wastes are collected by or delivered to licensed and qualified third-party companies for safe handling to avoid harm to employees and environment. For non-hazardous wastes, we dispose it to the designated waste collection areas for collection by third party companies for recycling.

### 3.1.3 Key Performance Index

a) The Group has certain number of motor vehicles during the Reporting Period, the air pollutant emissions from vehicles are set out below:

KPI			
	2020	Unit	%
Nitrogen Oxides	2,890.25	Kg	91%
Sulphur Oxides	8.36	Kg	1%
Particulate matter	259.73	Kg	8%
<b>Total</b>	<b>3,158.34</b>	<b>Kg</b>	<b>100%</b>





b) The GHG emissions are set out below:

<b>KPI</b>			
	<b>2020</b>	<b>Unit</b>	<b>%</b>
<b>Scope 1</b> Direct emissions	1,478.45	tCO2e	27%
<b>Scope 2</b> Indirect emissions	3,927.32	tCO2e	70%
<b>Scope 3</b> Other indirect emissions	180.79	tCO2e	3%
<b>Total</b>	<b>5,586.56</b>	tCO2e	<b>100%</b>
<b>GHG intensity per million revenue</b>	<b>9.73</b>	tCO2e/ million revenue	

c) Hazardous and non-hazardous wastes are set out below:

<b>KPI</b>		
	<b>2020</b>	<b>Unit</b>
<b>Hazardous wastes</b>		
Total hazardous wastes	5.19	Tonnes
Hazardous wastes intensity per million revenue	0.01	Tonnes/ million revenue
<b>Non-hazardous wastes</b>		
Total non-hazardous wastes	359	Tonnes
Non-hazardous wastes intensity per million revenue	0.63	Tonnes/ million revenue

### 3.1.4 Compliance

The Group strictly complies with all the applicable national and local laws and regulations in relation to the environmental aspect of the Group's business in the places where the Group operates in including the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Environmental Impact Assessment, the Energy Conservation Law of the People's Republic of China, the Atmospheric Pollution Prevention and Control Law of the People's Republic of China, the Cleaner Production Promotion Law of the People's Republic of China, the Singapore's National Environmental Agency's (NEA) Environmental Protection and Management Act that covers laws on Energy Conservation, the Atmospheric Pollution & Prevention, and all other applicable laws and regulations.

During the Reporting Period, the Group was not aware of material non-compliance issues or complaints related to environmental protection.

## 3.2 Make Good Use of Resources

### 3.2.1 Use of resources

China Leon strictly and continuously follows the Group's environmental protection measures to effectively deals with the relationship between business operations and ecological and environmental protection.

Purchased electricity, petrol and diesel and water are the main resources consumed by the Group. For the ways to reduce the use of petrol and diesel, details are stated in section 3.1.1 "Air Emissions and Greenhouse Gas Emissions". We focus on the description of energy and water conservation in this section. Green office policy and water saving policy are in place to promote the environmental awareness of employees. All water consumption of the Group comes from the municipal pipe network and is legally compliant with obtaining water sources. The Group also adopts a variety of water-saving measures in operation as follow:

- Develop water saving plans and disseminate them to the subsidiaries;
- Conduct water saving education, propagate scientific water-saving knowledge and raise water saving consciousness of all staff;
- Put up water conservation slogans at notable places;
- Regularly record and monitor the water usage of each department;
- Regular inspection and maintenance of general equipment and pipelines; and
- Timely repair and replacement of old water equipment and damaged pipelines to avoid water leakage.







To save electricity, the Group encourages employees to apply the following measures:

- Use of environmental-friendly machinery and equipment sourced from green suppliers in operation;
- Focus on resource utilization and process optimization, and application of scientific technology to enhance the efficiency of operation and reduce waste and energy consumption;
- Use of energy-efficient appliances with Grade 1 energy label in office;
- Enhance the management and regular checking and maintenance of the machinery and equipment (especially high power consuming equipment); and
- Repair and replacement of damaged equipment on a timely basis.

### 3.2.2 Key Performance Index

Details of resources consumption during the reporting period are set out below:

KPI		
	2020	Unit
Energy consumption	9,941.87	kWh'000
Water consumption	81,193.62	Cubic metres
Energy consumption intensity per million revenue	<b>17.32</b>	<b>kWh'000/ million revenue</b>
Water consumption intensity per million revenue	<b>141.45</b>	<b>Cubic metres/ million revenue</b>

### 3.3 Caring the Earth

Environmental protection is the responsibility of every staff in the Group. The Group is committed to sustainable development and delivering our premium and quality services in a manner with minimal impact to the environment resulting from our business activities.

As for office management, to ensure that employees are actively involved in environmental protection, the Group has developed the green office policy that covers energy use, waste disposal and recycling, etc.. Furthermore, we have also formulated detailed guideline on operating sustainable offices for the Group's subsidiaries, which provides different suggestions on how to further enhance green office environment. The subsidiaries have also responded positively to the guideline by adopting various measures to enhance the efficiency of energy use, including:

- Put up energy saving slogans at notable places;
- Send and receive messages electrically, so that to improve office efficiency and save paper;
- Install energy-efficient light tubes and use daylighting for offices as far as possible;
- Turn off the lights in office rooms when the users are out of office;
- Switch off lights and electronic appliances before leaving the office;
- Maintain indoor temperature at 26°C;
- Reduce the use of disposable paper cups;
- Use recycled paper for printing non-important documents;
- Place reusable paper in recycling bins by size, and then place the usable side in the same direction for easy access by others;
- Notices and instructions are delivered through email messages instead of paper documents;
- Reduce material and office supplies usage and expenses;
- Wisely arrange business trips and give priority to low-carbon transportation;
- Install fresh air system to purify air and recover indoor temperature and humidity to save heating cost; and





- Promote the installation of video conference system and audio conferencing systems and encourage employees to use such systems to facilitate our operation and management, so as to reduce greenhouse gas emissions from business trips and the related transportation.

### 3.4 Climate change

Global climate change is getting worse and global warming has been a serious problem. Climate change has worsened the frequency, intensity, and impacts of extreme weather events such as floods, heatwaves, droughts, typhoons and storms. The Group, as a responsible enterprise, is committed to implement certain measures to reduce greenhouse gas emissions from business operations. Details of which have been stated in sections 3.2.1 “Use of Resources” and “3.3 Preserve Environment and Natural Resources • Caring the Earth”.

The Group has certain office premise located in regions near the coast and with frequent and heavy rainfalls. To cope with adverse weather conditions, the Group takes precautionary and protective measures including home office arrangement, work schedule rearrangement and redeployment of resources, to ensure the safety of employees, to minimize the impact on business process and to avoid any physical damages to assets of the Group.

We expect there will be an increasing demand on low-carbon product and services in the market following China’s pledge to have CO<sub>2</sub> emissions peak before 2030 and achieve carbon neutrality before 2060 (the 30 60 target). We are committed to address the climate change together with our customers and business partners through the deployment and investment of resources and technology to enhance our capability in the TIC industry for carbon neutral related services.

## 4. Health and Safety

The Group is committed to safeguarding employee rights, respecting employee diversity, and providing a safe and harmonious working environment to each employee. Through the implementation of human resources policies, employee benefits, vocational training and related activities, we hope to boost employees' morale and enhance their sense of belonging.

### 4.1 People-oriented

#### 4.1.1 Equality and Diversity

The Group respects the diversified background of employees and treats employees of different genders, ages, religious beliefs and cultural backgrounds with respect and fairness.

The Group also offers employment opportunities for people with disabilities in all levels of operations. Assistive devices such as accessories or adaptive equipment for computer, optical magnifying device, hearing and assistive devices, Braille products, which cater for the special needs of employees with disabilities at the workplaces are provided as appropriate. Workplace modifications such as installation of properly-fitted handrails, provision of barrier-free passageways, and installation of ramps and elevators are made where necessary.

At the same time, we formulated corresponding employee recruitment management system and personnel management system according to our own circumstances, such as the Recruitment Management System, Employment Manual, etc., to strictly standardize the recruitment and employment procedures.

In the recruitment process, we adhere to the principle of "Open recruitment, fair competition, merit-based employment selection". Through the stringent internal recruitment approval and monitoring procedures to verify the identity and personal information of candidates, the risk of recruiting a minor is eliminated. Employment contracts specifying clearly the job position, job duties, working hours, wages, entitled leaves and benefits and other employment conditions are entered into between the Group and the employees. As a result, interests of employees are protected by the employment contract and forced labor are prohibited.

#### 4.1.2 Salary System

The Group has taken the principle of "distribution according to employees' performance" to establish salary system and pay proper remuneration. The Group focuses on protecting the legitimate rights and interests of the employees. The Group conducts annual performance assessment and evaluation on all employees, and arranges salary adjustments and promotions in accordance with each employee's work ability and performance. For those employees whose performances have been assessed as poor, the Group performs demotion or exchange of positions. If the assessment fails to meet the criteria, the Group would negotiate with the employees to terminate the labor contract and pay compensation according to the applicable law and regulations.





### 4.1.3 Employee Benefits

For employees in formal labor relationships, we provide pension insurance, medical insurance, unemployment insurance, maternity insurance, work injury insurance and housing fund where appropriate. Accommodation, night allowance, annual medical examination, labor insurance and other benefits are provided for employees in certain job positions. We also ensure that the employee's working hours are in line with the requirements of the relevant laws and regulations. Employees can enjoy sick leave, casual leave, marriage leave, funeral leave, work-related injury leave, annual leave and statutory holidays, etc., where appropriate.

During the Reporting Period, we announced the adoption of the share award scheme, the main purpose of which was to further improve the corporate governance structure and long-term incentive mechanism, promote sustainable development for the Company and its members, attract and retain outstanding talents, and fully enhance the motivation, dedication and commitment of the Company's key management and operation teams. Balancing both long-term and short-term benefits and the interests of shareholders, we strive to achieve sustainable growth in order to create long-term values for all stakeholders.

Besides, we have organised various cultural activities and sports competitions to cultivate cultural accomplishment and physical fitness of employees, as well as to enhance employees' communication and cooperation, and team spirit and cohesion, such as the followings:

- Team building activity

A two-day outward bound and team building activity has been carried out in Gubei Water Town, Miyun, Beijing (北京密雲古北水鎮).



- Badminton competition

A badminton competition namely “Leon Cup” (力鴻杯), has been organised by the Group in Tangshan Badminton Court (唐山羽毛球館). Seven teams were formed by the employees from the headquarter and the branches of the Group to compete for the champion of 6 competition events.



Group photo of “Leon Cup”







- Basketball competition

The Group, as a supporting organiser, has invited eight teams (including team of the Group) from different companies to join a basketball competition namely “Coal Cup” (煤質杯).

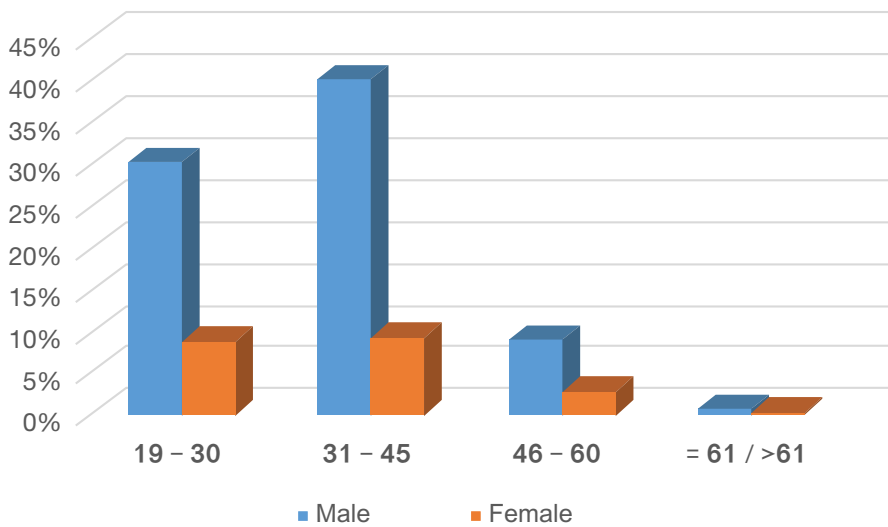


Keen competition of “Coal Cup”

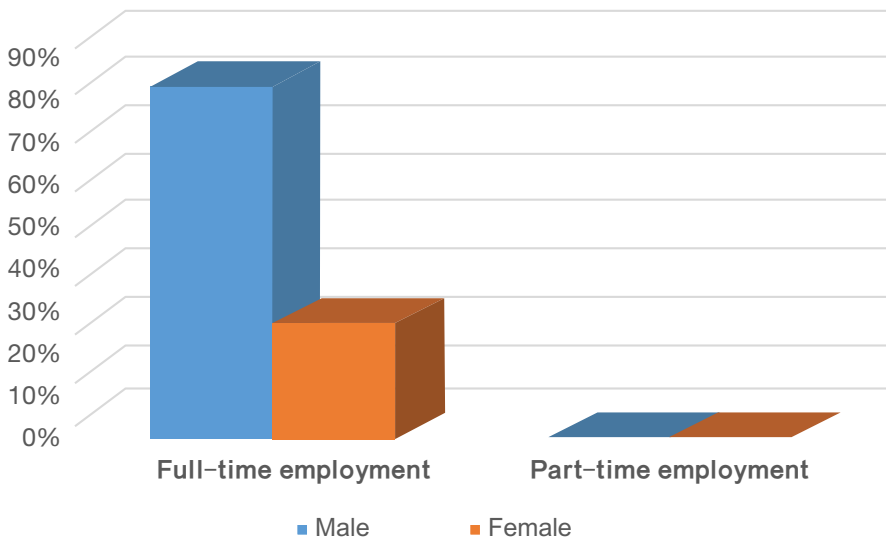
#### 4.1.4 Staff Composition

As at 31 December 2020, the Group had a total of 1,657 staff. The workforce by gender, age group, employment type and geographical region, as well as the employee turnover rate by gender, age group and geographical region were illustrated as follows:

##### a) Employees' Age and Gender Distribution



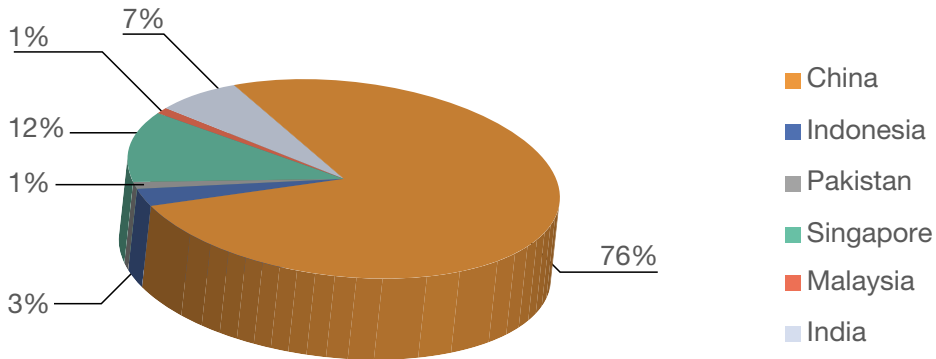
##### b) Employees' Type Distribution



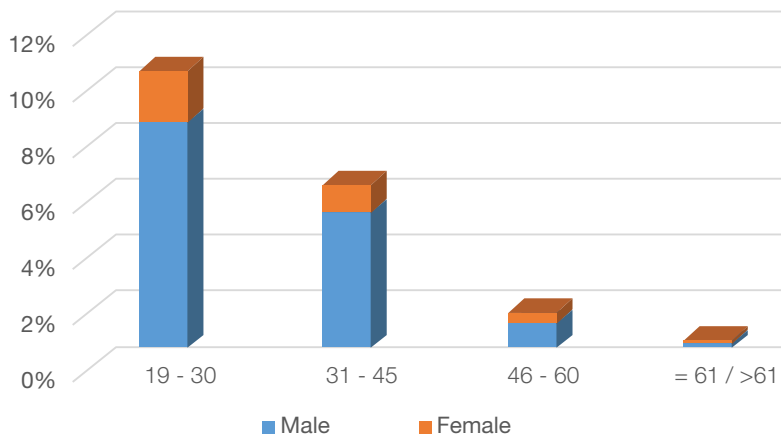




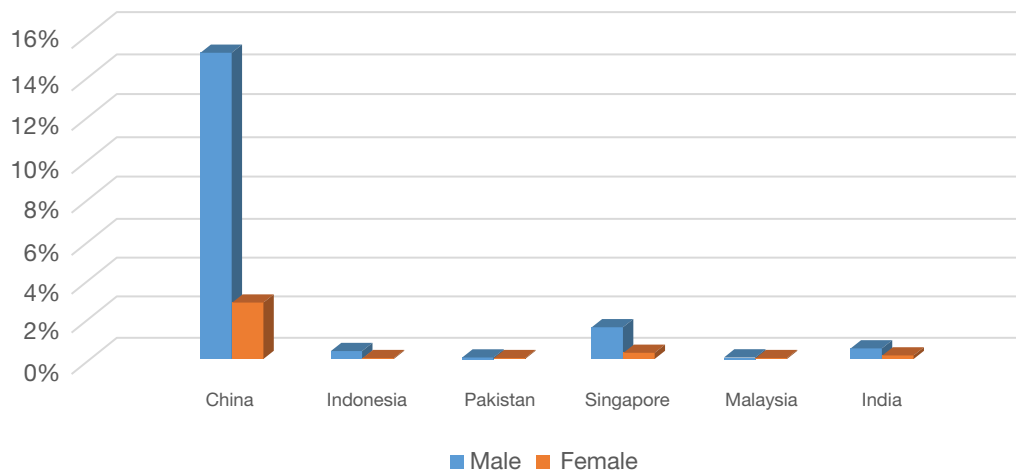
### c) Employees' Geographical Distribution



### d) Employee Turnover Rate by Gender and Age Group



### e) Employee Turnover Rate by Geographical Region



## 4.1.5 Compliance

We abide by all the applicable laws and regulations in relation to employment and labour practices of countries we operate in, including the Labor Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, the Employment Act in Singapore and Central Provident Fund Act in Singapore, Employment Ordinance (Chapter 57 of the Laws of Hong Kong), Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong), Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong), and all other applicable laws and regulations.

During the Reporting Period, we were not aware of material non-compliance issues related to employment and labour practices, including child labour and forced labour.

## 4.2 Safety and Health

### 4.2.1 Work Safety and Health

The Group regards employees as its most valuable asset. Over the years, we have been committed to creating a safe and healthy working environment for our employees and actively promote occupational disease prevention and control. We have obtained the certificate of ISO 45001 Occupational Health and Safety Management System. Through a sound safety training mechanism, we are able to ensure that employees maintain their physical and mental health in every operating position.

We have established a safety and occupational health management system, including the development of standard operating procedures and regular on-site safety inspections to maintain a safe working environment for employees. To ensure employee safety, the Group has set up occupational hazard warning signs in certain areas that may cause serious occupational hazards, to remind workers about the types, consequences and prevention of occupational hazards as well as relevant emergency and rescue measures, etc. To mitigate the health and safety risk during sampling and testing processes, protective equipment would be provided to operating employees, such as helmet, mask, protective suit, glove, etc.

Training programs for laboratory operators mainly covering testing methods, operating procedures, chemical safety protection and rescue knowledge, as well as the specific trainings about the principle, operation and maintenance of the instruments for the employees who need to operate the instruments are developed where appropriate. We also plan emergency drills to enhance employees' safety awareness and increase their ability to handle emergency.





## 4.2.2 Measures against COVID-19

Confronted with the outburst of COVID-19, the Group has established COVID-19 Contingency Plan. Pursuant to the Group's COVID-19 Contingency Plan and in accordance with the local situation of the epidemic and the social distancing and quarantine restrictions imposed in different regions, subsidiaries have established plans, guidance and instructions to govern epidemic prevention and control standards and measures. These measures include:

- Form the local team of epidemic prevention and control, and define the duties and responsibilities of each team member to effectively and timely carried out appropriate measures and actions;
- Employees are required to sign on commitment letter to strictly adhere to the epidemic prevention and control measures under the subsidiary's plan and instructions when they are taking leaves or on business trips. Self-declaration on health and quarantine information and reporting of their whereabouts are compulsory. Before formally resume working in the office premise, COVID-19 PCR Viral Nucleic Acid Test may be required to be conducted and working permits are required to be granted by the respective department head;
- Full disinfection in the office premise is carried out on a regular basis. Record of disinfection is properly maintained;
- Body temperatures checking and use of alcohol-based hand rubs are required by all employees and visitors before entering into office premise. Visitors are required to register before entering into the office premise;
- Work shift and mealtime is arranged for employees; and
- Ensure sufficient provision of materials for epidemic prevention and control (mask, disinfectant, thermometer, etc.).

Employees' health and safety remains our top priority. The Group encourages its employees to receive vaccination according to the local COVID-19 Vaccination Programme and Schemes implemented by the government bodies. Certain measures are in place to offer support and flexibility to the employees to fight the virus:

- Vaccination leave is granted to employees for each vaccination dose received;
- For employees experiencing side effects arising from vaccination, their applications for sick leave would be favourably handled; and
- Employees are entitled to medical support and allowances for any adverse event occurred after immunization.

The Group believes a protective barrier can be built up through mass vaccination. To encourage active participation of employees on receiving vaccination, latest information on vaccination is shared to the employees through internal email and memorandum circulation, and information sharing session. The Group's supportive policies and practices on vaccination are updated from time to time to meet the need of employees under the latest situation of COVID-19. Most importantly, the Group's management takes the lead to get vaccinated and shows to the employees how important is their participations in the matter.

### 4.2.3 Occupational Health and Safety Data

The information of work-related fatalities and work injury of the Group are set out below.

KPI						
	2020		2019		2018	
Health and Safety	Male	Female	Male	Female	Male	Female
Rate of work-related fatalities (%)	0	0	0	0	0	0
Lost days due to work injury (days)	0	0	0	0	0	0

### 4.2.4 Compliance

The Group fully complies with all the applicable laws and regulations with respect to occupational health and safety in the places where the Group operates in including the Work Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Emergency Management Plan for Production Safety Accidents and the Workplace Safety and Health Act in Singapore, Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong), and all other applicable laws and regulations.

During the Reporting Period, we were not aware of material non-compliance issues related to occupational health and safety.





## 4.3 Lifelong Learning

### 4.3.1 Development and training

China Leon, through its experience in cultivating international talents combined with its own corporate development, has established an independent talent cultivation system as well as standard and effective training management policy.

The Group has devised training schedule to provide different types of trainings to employees every year. The categories normally include work management, professional skills, general management, system training and safety training. Through education and training, the Group can enable its employees to enhance their competence, strengthen their technical skills and reinforce the team performance. Moreover, employees can grow with the Group by realizing their own values on the basis of their personal interest and expertise.

The Group adheres to making best use of every employee's talents and giving full play to the professional advantages of professional talents, in order to improve the overall business performance. This further reflects the professionalism of services provided by China Leon.

### 4.3.2 Training Data

During the Reporting Period, the Group provided approximately a total of 8,049 hours of training to its employees. The training topics covered leadership, project management, anti-corruption and conflict of interest, corporate culture, work safety, quality incidents warning, maintenance of laboratory sample making equipment, professional technical ability enhancement on inspection and surveying, laboratory qualification accreditation review standards, financial reporting and compliance updates on local laws and regulations.

The percentage of employees trained and the average training hours completed per employee by gender and employee category are as follows:

By gender	No. of employees trained (employees)	% of employees trained (%)	Training hours (hours)	Average training hours per employee trained (hours/employee)
Male	905	78.4	4,829	5.3
Female	250	21.6	3,220	12.9
	<b>1,155</b>	<b>100</b>	<b>8,049</b>	<b>7.0</b>

By employment category	No. of employees trained (employees)	% of employees trained (%)	Training hours (hours)	Average training hours per employee trained (hours/employee)
Senior management	36	3.1	254	7.1
Middle management	337	29.2	2,348	7.0
Staff level	782	67.7	5,447	7.0
	<b>1,155</b>	<b>100</b>	<b>8,049</b>	<b>7.0</b>





## 5. Accountability and Reliability

China Leon takes sustainable development as premise and create long-term values for shareholders by taking “Advocating integrity and justice, realizing impartiality and justice, achieving quality future” as principles, and practicing corporate social responsibilities as strategic target of the Group.

Based on the principle of integrity and relying on technique and service during the business operation, the Group acts in accordance with the established technology standards and commits to the highest service standards. We require all employees to strictly obey various technical specifications and operation processes in the business activities.

### 5.1 Quality Management

#### 5.1.1 Quality Management System

The Group believes that fair and impartial business principles and industry-leading business capabilities, as well as high standards of service quality are the main elements for maintaining long-term cooperation with customers. We set up a comprehensive quality management system to standardize quality control and operating procedures to strictly control the quality of service. A set of quality manual, program file, management and technology regulations and record forms are formulated to support the quality management system. We have formulated quality supervision activities to ensure the testing and inspection activities performed by each laboratory comply with laws and regulations, as well as the guidelines and rules introduced by accreditation bodies. We also introduced and applied certain procedures with the support and continuous development of information technology to ensure the authenticity and traceability of every step of our testing and inspection process. Details of which are further elaborated in section 5.1.3 “Operational Procedures”.

We set a high standard on the qualification, ethics and integrity, and expertise of our quality professionals. Regular internal training and assessment arranged for our quality professionals.

#### 5.1.2 Quality Accreditation

The quality assurance activities are established and monitored for continued compliance and improvement of operations. Quality management system of the Group is standardized and is implemented across all the operating countries for uniform processes and better results. The Group has obtained numerous quality accreditation internationally, which proves that our professional capability has reached the recognition of the internationally recognized testing and inspection institutions and authoritative standards.

### 5.1.2.1 Quality accreditation for operation and laboratories in the PRC

The PRC operation of the Group has obtained the certificate of ISO 9001 Quality Management System, the “Laboratory Accreditation Certificate” and the “Testing Institute Accreditation Certificate” from the China National Accreditation Service for Conformity Assessment in Mainland China. The Group has been awarded the titles of 「中國認可認證協會單位會員」, “Quality and Credit Enterprise AAA”, “Member of Vice Director of Professional Committee of Coal Industry of China Association for Quality Inspection”, “Contract Honoring and Trustworthy Enterprise”, “Full Member of TIC Council”, 「中國出入境檢驗檢疫協會會員」, which reflects our positive response to stakeholders’ expectations, especially on quality control. During the Reporting Period, the Group has further been awarded the titles of 「中國分析測試協會會員證書」 and 「中國檢驗檢測創新聯合成員證書」.

### 5.1.2.2 Quality accreditation for operation and laboratories in the overseas countries

The overseas subsidiaries of the Group have expanded their operations in the Asian region complying to all regulatory and customer requirements through the robust quality management systems. During the reporting period, the laboratories in Singapore have obtained the ISO 17025 Accreditation for the laboratory and the ISO 17020 Accreditation for cargo investigation in Singapore. Besides, the laboratories in India, Indonesia, Pakistan and Malaysia have been accredited by the respective accreditation bodies and awarded ISO 17025:2017, while the inspection and business operations have obtained ISO 9001:2015 certifications by BSI in India and Malaysia. Furthermore, the Group has been awarded the Grain and Feed Trade Association (GAFTA), Federation of Oils, Seeds & Fats Association (FOSFA) and International Cotton Association (ICA) memberships which are internationally prominent in agriculture industry. The national level memberships of Fertilizer Association of India (FAI), Soybean Processors Association (SOPA), Solvent Extractors association (SEA) have been awarded in India, and membership of Palm Oil Refiners Association of Malaysia (PORAM) has been awarded in Malaysia.







### 5.1.3 Operational Procedures

We have set strict operational procedures and protocols with the support of information technology and technological innovation as follows to ensure professionalism and reduce risks inherent in our service process:

- Video monitoring across the full process of inspection:

Throughout the whole process of inspection, we have provided video monitoring devices such as video monitoring system, body worn camera, and digital video camera, to effectively ensure the authenticity and traceability of inspection and test.

- Informatization management system:

We have developed “Leon LIMS Laboratory Informatization Management System” and “Leon LIMS Test Informatization System”, realizing informatization management across the whole process of quality inspection, covering sampling, sample making, testing, sample transmission information confidentiality, etc., effectively avoiding manual calculation errors, and greatly improving the testing efficiency and quality.

- Quality control center:

A quality control center independent of all laboratories has been established to trace and monitor every step of inspection and testing activities by laboratories of the Group by capturing images of site operation and data information generated during operation through information technology.

- Work standardization:

Based on practices and management experiences accumulated in the years of inspection and testing services, and with reference to national standards, 39 enterprise standards have been formulated to improve the standard operating level of the Group’s inspection and testing business.

- R&D and application of automatic equipment:

The Group together with a professional institute designed and developed “Robot LEON-SIASUN IPS-3600 Automatic Sample Making System”, which can replace manual sample making, reduce the adverse effect of manual operation on work quality, and greatly improve the sample preparation efficiency and intelligence level.

### 5.1.4 Handling of Services Feedback

Customer feedback drives us to improve our quality of services continuously. Apart from establishing a systematic mechanism to handle customer complaints and feedback received through a variety of communication channel including customer service hotline and mailbox, we seek advice from customers proactively through conducting customer satisfaction survey.

### 5.1.4.1 Customer complaints

The Group has established a complaint management mechanism in line with the international/national standards. The mechanism governs the procedures and turnover time to manage and handle customer complaints and feedbacks. Timely response and corrective actions taken demonstrates the Group's commitment to customer satisfaction and quality improvement. The internal quality procedures are prepared impeccably and followed diligently for quality assurance of all the key practices. The corrective actions are monitored and reviewed for prevention of recurring errors and enhancement of quality control.

The Group evaluates the effectiveness of complaints handling on an annual basis in terms of timelines of responses and satisfaction of return visits. The rectification made are also internally re-assessed for the validity of corrective measures. There was no major complaint received during the Reporting Period.



### 5.1.4.2 Customer satisfaction survey

The Group selects and invites certain major customers (e.g. in terms of revenue) and customers raising complaints to conduct a customer satisfaction survey on a yearly basis. Result of survey is compiled as a customer satisfaction analysis report. During the reporting period, 123 customers returned the questionnaire among 126 customers being invited to conduct the survey. Customer satisfaction rate is 98.1%.

### 5.1.5 Intellectual property rights

The Group prohibits the use of false information and misleading instructions in the promotional materials. Information delivered to customers and in promotional materials are strictly reviewed according to internal guidelines. Moreover, we also focus on protecting the privacy of both our customers and our Group, and strictly protecting customers' personal information and data when serving customers. Sufficient information technology related control measures are implemented to prevent unauthorised access and virus attack of the Group's systems.

The Group has obtained patents & trademarks in sampling, inspection & information management practices for certain inventions and utility models, while some of the registrations are under process. The leadership team ensures that the IPR's are registered timely which are cornerstone of a high business value proposition and be in competitive edge. The Group observes the news and latest information on intellectual property rights registered by peers as a safeguard measure against any infringements.





Currently, the Group has been granted 8 national invention patents, with 16 others pending approval; 30 utility patents, with 14 others pending approval; and 43 software copyright licenses.

### 5.1.6 Customer data protection

The privacy and security of customer information is one of our focus. The Group has set up an information security management team to monitor the increasing demand on information security and data protection. Risk assessment on information security is conducted on a yearly basis to identify if sufficient resources are deployed to the information security management system to continuously optimise the data protection against cyberattacks, and if there are any new threats on information security identified which require new measures to tackle with. Budget is prepared for acquisition of new information assets (for both the hardware and software) and training provided to keep employees fully information of the new information security requirements.

To protect customer data from unauthorised use or leakage, the Group has implemented the following measures:

- Application of security devices: Installation and timely update of firewalls and anti-virus software are made to prevent data leakage as a result of hacker attack. All sensitive personal and confidential data of customers are encrypted according to defined procedures.
- Establishment of business continuity and disaster recovery plan: Procedures on handling emergency response plan for certain security incidents (e.g. cyberattack), as well as the roles and responsibilities are well-defined. Besides, regular back-up to a separate and secondary storage device and restoration of data and applications are performed to minimise the effects caused by security incidents.
- Prevention and detection of unauthorised access: Access rights on systems (including the functions of creation, revise, deletion and view) are assigned in accordance with the roles and responsibilities and position of employees. Password parameters are set to prevent unauthorised access. Besides, a regular check on unauthorised access and log-in is conducted by information security management team.
- Training and ethical requirement of employees: Employees are well-trained to strictly adhere to the Group's policy on maintaining high ethics and integrity, and handling customer information in a proper way.

### 5.1.7 Compliance

During the Reporting Period, we strictly abided by all the applicable laws and regulations in relation to health and safety, advertising and privacy matters related to the services provided in the places where the Group operates in such as the Advertising Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Singapore Code of Advertising Practice and the Trademark Act in Singapore, and all other applicable laws and regulations.

## 5.2 Corruption Prevention

### 5.2.1 Integrity and Ethics

The Company believes in the core values of confidentiality, integrity, independence, impartiality and trust and has stringent policies against fraud, bribery, extortion and money laundering. All our employees are trained to manage their behaviours in accordance with the Staff Handbook, while our business partners strictly follow the code of business conduct and ethics agreement to conduct business deals. The top management is committed in avoiding any conflict of interests in the Company activities and protect the integrity. The Group endorses the integrity and ethics, which brings the value proposition in business and helps in building trustful relationship with our customers, business partners and other stakeholders.

### 5.2.2 Whistleblowing

Whistleblowing policy and procedures are established with clear guidance provided on channel of reporting and investigation procedures. Staff are encouraged to raise awareness of identification and report of misconducts and possible improprieties. All whistleblowers are assured of confidential identity and protection. The Group is committed to handle all reported cases seriously by following the relevant procedures with proper records maintained. Feedback on the result and any remedial action is provided to the whistleblower upon completion of investigation.

### 5.2.3 Training in relation to Anti-corruption

Anti-corruption and conflict of interest related trainings of approximately 237 hours were provided to directors and employees by the Group during the reporting period. Adequate training will be provided to both the directors and employees from time to time when necessary.

### 5.2.4 Compliance

The Group strictly abide by all the relevant laws and regulations in relation to bribery, extortion, fraud and money laundering in the places where the Group operates in, including the Criminal Law of the People's Republic of China and the Prevention of Corruption Act in Singapore, Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong), and all other applicable laws and regulations.

During the Reporting Period, the Group had no incidents or concluded legal cases regarding corrupt practices brought against the Group, or its directors and employees.





## 5.3 Supply Chain Management

Performance of suppliers imposes direct impact on the sustainability of the Group's operation. The Group implements the procedures on selection of suppliers strictly to minimize both the environmental and social risks of the Group's supply chain. A systematic supplier management mechanism has been set up to closely monitor the performance of suppliers. As at 31 December 2020, the Group had 2,394 suppliers.

Geographical	No. of suppliers
Mainland China	1,697
Oversea	697
<b>Total</b>	<b>2,394</b>

When choosing a new supplier, we give priority to the suppliers who have passed the relevant quality certifications, have obtained relevant production licenses and are environmentally friendly and socially responsible in order to promote and support environmentally preferable products and services in supply chain. We ensure the procedures on supplier selection are effectively and consistently carried out through independent review and approval processes. Such practices are implemented on all the suppliers as mentioned in the above table during the Reporting Period.

The Group regularly communicates with suppliers on major safety and environmental issues and evaluates the performance of the suppliers on an ongoing basis. The Group further identifies any non-compliance issues or penalties imposed on the suppliers by the Government bodies by making reference to the self-declaration of suppliers and the information disclosed by the government bodies. For any identified cases, the Group should cease cooperation with the suppliers until remedial actions are satisfactorily undertaken. The approved supplier list is strictly reviewed and approved by the Group's management according to the results of evaluation and site visits (if necessary). As a result, the practices are well monitored to implement consistently. Such practices are implemented on all the major suppliers as mentioned in the above table during the Reporting Period.

## 6. Corporate Social Responsibility

With the market's focus on corporate behaviour, the short-sighted behaviour of maximizing financial returns to shareholders is no longer the management goal of business. The Group stays proactive in fulfilling the responsibilities as a corporate citizen of the community.

As a responsible corporation, the Group is committed to extending the efforts from own operation to the wider society. The Group believes that staff members are driving force behind creating core values in the society. The Group will continue to pool the strengths and commit itself in increasing community participation, balance the interests of stakeholders and strive to build a corporate-community relationship that promotes harmony, security and prosperity.

Social care is deep-seated in the Group's corporate culture, employees are encouraged to participate in various charitable events and community service.

### 6.1 Concern about Social Needs

The Group has made sponsorship to three poor families with difficulties in sustaining the daily lives and education of children, including a family which is composed of single father and two children who are currently studying in a high school and a primary school; a family with single mother and a child receiving education in a high school subsequent to the death of a father; and a family with both parents either suffering from physical or mental illness, and with a child studying in a high school.

### 6.2 Management Trainees

In order to better build the talent management platform, diversify talent development channels, precisely and efficiently retain talents, and establish a "pool of talent", we launched the management trainee program since the year of 2019. We recruited 13 current undergraduates and postgraduates from key universities, such as China University of Mining and Technology, to train them as outstanding technical and managerial personnel during the Reporting Period. Among the 13 management trainees recruited in the last reporting period, 6 of them were still retained to take up different positions in our Group.





## 6.3 School-enterprise Cooperation

The Group has carried out in-depth school-enterprise cooperation in student internship, interdisciplinary talent cultivation and research project proposal for enterprise employees through state-level programs. During the reporting period, the Company launched “Education on Improving On-the-job Trainings for Employees from China Leon” (a cooperative project with Yangzhou Polytechnic Institute and Nanjing Tech University), aiming to gradually implement school-enterprise cooperation in education annually, promote the improvement in employees’ academic qualifications, and implement correspondence education projects, targeting to encourage employees to complete their studies through on-the-job correspondence learning. The above measures could effectively improve the business quality of our employees, optimize the level and structure of employees’ academic qualifications, enhance the core competitiveness of the Company, and cultivate a team of high-quality employees that meets the needs of the Company’s strategic development.

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A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	In view of the nature of the Group's business, this KPI is not applicable.	n/a
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B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	In view of the nature of the Group's business, this KPI is not applicable.	n/a
B6.2	Number of products and service related complaints received and how they are dealt with.	5.1.4	32
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B6.4	Description of quality assurance process and recall procedures.	Description of quality assurance process: 5.1.1 to 5.1.3  Recall procedures: In view of the nature of the Group's business, this KPI in relation to recall procedures is not applicable.	30  n/a
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B8.2	Resources contributed (e.g. money or time) to the focus area.	The Group considers not to disclose the information.	n/a





**CHINA LEON INSPECTION HOLDING LIMITED**

**中国力鸿检验控股有限公司**

